

SWBG Briefing

Scottish Government Priorities: Investing in Scotland's Public Services

Thursday 13th June 2024

About us

The Scottish Women's Budget Group (SWBG) is an independent analysis and campaign group that aims to promote gender analysis in public policy and public finance decisions through budgetary processes. SWBG brings together a wide range of women from across Scotland who have an interest in women's equality and want to achieve better gender equality in our society. We have focused on encouraging active gender analysis in the Scottish Budget process since 2000.

Introduction

In his address to the Scottish Parliament on 22nd May 2024, the First Minister outlined his four priorities for his Government:

- Eradicating Child Poverty.
- Growing Scotland's Economy.
- Tackling the Climate Emergency.
- Improving Scotland's Public Services.

In order to achieve these, the SWBG would contend that it is essential to understand how Gender Inequality impacts on each of these priority areas, ensuring that policy interventions are designed to address and eradicate gender inequality.

What is the relationship between investing in public services and intersectional gender equality?

Austerity policies, the Covid pandemic and the cost-of-living crisis have eroded the resilience of Scotland's public services. This has implications for gender inequality because women are more likely to work in public services, rely on public services, and become the providers of last resort when public services are withdrawn with implications for gender equality¹.

¹ The Gendered Impact Of The Cost-of-Living Crisis on Public Services – Women's Budget Group (wbg.org.uk)

According to Scottish Government figures, in 2023, over 60% of people in employment in the public sector in Scotland were female, compared to 44% in the private sector². In Local Authorities, female workers make up over 40% of the workforce, with this figure being over 70% in some councils such as Clackmannanshire. Pay policy in Scotland has meant that many public sector workers receive higher wages than in the rest of the UK. The Scottish Government commitment to the payment of the real living wage as part of their fair work commitment have helped those employed in the public sector, particularly those on lower incomes. However, there is still an issue with real term falls in pay since 2010 as a result of austerity and most recently high levels of inflation, which according to the ONS has resulted in food prices rising 30% between October 2021 and October 2023.³ In our recent survey 71% of women employed in the public sector told us they felt worse off than they did a year ago.

Due to their primary role as caregivers and because of persistent intersectional gender inequality, women rely more on public services such as early learning and childcare, adult social care, public transport, or VAWG services. Budget cuts to any of these services disproportionately impact on women. Our Childcare Survey 2023 showed that women are more likely to make changes to their paid employment to manage childcare compared to their partners: 44% of women told us that their partners did not have to make any changes to their work arrangements to manage childcare, while only 10% of women said they didn't need to change their working arrangements. Similarly, only 9% of respondents said their partners had to reduce working hours to manage childcare, in comparison to 33% of survey respondents who made this change.

Research by the Urban Big Data Centre with North Lanarkshire revealed that austerity cuts to environmental services were felt most by women living in the most deprived neighborhoods. Due to a decrease in provision, women ended up filling the gap by making most street cleansing requests, instead of the council scheduling routinely services as had previously been the case⁴. This contributed to women's invisible 'third shift'.

Debating investment in public services implies recognising the role of taxation in supporting this investment, and the gendered dimensions of this. At a UK level, Women's Groups (including SWBG) have warned that adherence to self-imposed fiscal rules and decisions to prioritise tax cuts over public sector investment risk putting 'gender equality into reverse' due to the disproportionate impact that cuts to public spending, needed to balance any reductions in tax,

² Public sector: economic overview - gov.scot (www.gov.scot)

³ Office for National Statistics (2023) 'Cost of living insights: Food'. Cost of living insights - Office for National Statistics (ons.gov.uk)

⁴ UBDC News

have on women.⁵ According to the OBR, the impact of the Chancellor's decisions in the Autumn to prioritise tax cuts at the expense of further investment in public services along with inflation has meant that departmental spending is facing a £19bn real term loss by 2027-28.⁶

The current public spending plans outlined at a UK level for both revenue and investment are unsustainable, with 3 councils in England having already issued bankruptcy notices and another 9 requesting further financial support.

In Scotland, the Scottish Government's decision to freeze Council Tax this year as a cost-of-living measure has to be seen against a backdrop of already stretched public services. The decisions being taken to manage real terms reductions in budgets and increasing demand will have a disproportionate impact on women particularly when these increase the requirements for unpaid care, such as:

- North and South Lanarkshire Councils decision to make changes to school transport provision;
- Aberdeenshire Councils decision to remove school crossing guards;
- Glasgow Health and Social Care Partnerships decision to prioritise the provision of support to those assessed as having critical or substantial needs only.

What did women tell us about Scotland's Public Services in our latest Women's Survey?

"My local library was closed I loved my husband pushing me there in my wheelchair another free reason for going over my door cut away and a great resource for our community. I am registered blind and they had the large print books. My world is getting smaller"

Investing in our public services was crucial for the majority of respondents to our 2024 Women's Survey, showing the extent to which women regard public services as a second safety net after the social security system.

When we asked about whether they have noticed any reductions in local service provision, 81% of women responded yes, while only 7% stated that they haven't seen any reduction in local public services. The areas where respondents noticed most savings being made were road maintenance (77%), street maintenance (62%), waste management (58%), leisure facilities (48%) and cultural services (46%). Women told us that changes to the provision of public services impacted on them:

⁵ <https://www.theguardian.com/society/2024/feb/29/cuts-to-public-services-in-england-will-reverse-gender-equality-unions-warn>

⁶ <https://www.civilserviceworld.com/professions/article/obr-autumn-statement-measures-will-cause-19bn-fall-in-public-spending-power#:~:text=Speaking%20in%20a%20press%20briefing,eroded%20by%20around%20%C2%A319bn>

- 39% told us that this has affected their health and wellbeing,
- 21% reported that it has affected their finances
- 10% said it has impacted on their children’s health and wellbeing.

More generally, 89% of women responded that they were worried about the quality and sustainability of public services in Scotland.

Our work with women also shows that they understand the link between taxation and the delivery of public services.

‘Increased council tax, but to be honest I don't mind this as much because I know the council is in deficit and I would not like services to be stretched further. My child has not had timely support from health or education and we have also had to fund private therapy. Perhaps with support from the council/health board when it was most required we would not have had to make changes to our employment.’⁷ Respondent to FWGG Survey 2023

What do we want to see?

1. Use of intersectional gender budgeting analysis

Budget decisions need to support the policy aspirations at all levels of government ensuring how we raise money and how we spend money link to policy outcomes. There needs to be a clear assessment of how budget allocations support public services, and how the delivery of Scotland’s public services impacts on achieving the Government’s priorities.

While the Scottish Government publish the Equality and Fairer Scotland Budget Statement along with the Scottish Budget, there is a need for greater clarity on the way equality evidence has been used to drive policy and budgetary decisions and the expected impact on inequality and poverty. This assessment is essential in the current financial climate to understand the true impact of decisions when funding is kept static in some areas while increasing or reducing in others. Understanding how decisions in one budget area can impact on other areas is needed if we are to make the best use of limited resources.

2. Investing in prevention and the care economy.

Scotland’s social care sector is in a critical state and needs urgent investment: services are understaffed (Scottish Social Services Council, 2022) with recruitment and staff retention difficult at current pay levels; (Fair Work Convention, 2019) people are unable to receive the care

⁷ <https://www.swbg.org.uk/content/publications/SWBG-FWGG-Briefing-final.pdf>

packages they need; and wider unmet needs are likely to be extensive, resulting in additional caring pressures being pushed towards unpaid carers and the NHS.

Prioritizing investment in care and ensuring investment in the public sector addresses the structural issues related to paid and unpaid care are key from a gender equality perspective. The Scottish Government's own figures suggest unpaid care is currently saving £13.1 billion per year⁸, while the economic and health situation of unpaid carers (the majority of which are women) is overlooked and unrewarded.

Investing in social care is also a key requirement if the Scottish Government are to grow the Scottish Economy. Our recent modelling showed that investing in social care will generate about 43,000 new jobs created by the increase in care workers. In addition, 8,000 jobs would be generated through indirect jobs in industries supplying the care sector, as well as over 24,000 jobs through induced employment due to newly employed workers spending in the Scottish economy.⁹

Through public sector investment there is a need to ensure that the principles of the Christie Commission are embedded. In doing this it is essential that the system is designed in a way that encourages further integration including of budgets so that when investment by one sector leads to a saving in another, this is seen as a benefit to individuals, communities and the public sector as a whole.

3. Investing in services that are resilient and sustainable: the role of tax.

Taxation can play an important role in tackling inequalities. Regressive taxes place greater pressure on those on lower incomes. According to data from the Office of National Statistics, households in the bottom quintile pay 4.6% of their income on Council Tax, whereas those in the top quintile pay just 1.4% of their income on this tax.¹⁰ If we are to achieve greater (gender) equality outcomes, we should see stronger commitments to reform Council Tax into a progressive form of local taxation instead of freezing Council Tax rates.

Taxation is also a key tool at the Scottish Government's disposal to generate part of the investment required to increase the resilience and sustainability of Scotland's public services. Fair tax reform must thus be at the core of the First Minister's policy programme.

⁸ Introduction - National carers strategy - gov.scot (www.gov.scot)

⁹ <https://www.swbg.org.uk/content/publications/Towards-a-transformative-universal-adult-social-care-support-service-for-Scotland.pdf>

¹⁰ Office for National Statistics (2020) 'Taxes as a percentage of gross income, disposable income and expenditure for all individuals by quintile groups Scotland 2018-2019'. Last accessed: 18/10/2023 Taxes as a percentage of gross income, disposable income and expenditure for all individuals by quintile groups, Scotland: 2018 to 2019 - Office for National Statistics (ons.gov.uk)

The Scottish Government have taken some small steps in this area through the Scottish income tax system, but further reform is needed to finance public investment and reduce poverty, supporting a more prosperous economy for all. This reform must put gender equality at its heart, addressing the imbalance within our current system head on, by, for example, exploring the introduction of wealth taxes within the current devolved setting and/or by addressing local taxation.