NIWBG Statement on the Autumn Budget

November 2026

On the 28th of October, the Chancellor presented the Autumn Statement, the second of this multi-year budget cycle. There was a lot of talk about 'breathing space' for people struggling with the cost of living and an intent to 'tackle the big challenges' that this government is presented with. Some of the announcements made last week could make a significant difference in the lives of women in Northern Ireland if decisions like removing the Carer's Allowance cliff-edge are taken by Stormont. However, the Chancellor's statement does not go far enough to meet the needs of the most vulnerable in our society, particularly the most vulnerable women. There were also a lot of decisions deferred to the publication of future reports/strategies/documents such as the upcoming Timms Review and decisions around social security, total spend on defense and the Spending Review, and the Fiscal Devolution Roadmap; these are areas that need to be closely watched in the coming months. In this response, we will provide our commentary on these announcements and the gendered impact in Northern Ireland.

Social Security, Parental Leave, and Pensions

The announcement that the carer's allowance cliff-edge will be removed is incredibly positive for women in Northern Ireland, as women are more likely to be 'economically inactive' due to caring responsibilities and on average will perform caring duties 11 years before men. Many carers are forced into financial hardship when providing care, may need to leave work or not take career progression opportunities to provide care. Those just over the cliff-edge will now be able to avail themselves of an albeit small but important payment that recognises unpaid carers' contributions to our economy with this support. It also means that more carers will be able to get pension credits if they are in receipt of carer's allowance, which can reduce the chances of pension poverty later in life. The extension of parental leave to self-employed fathers and partners is also a welcome announcement from the Chancellor, as this can shift the burden of care and equalise it between partners.

While these are positive steps, there were other decisions that could have been taken that would have made a significant difference for those in work or out of work that rely on benefits. The Chancellor noted that the government is waiting for the publication of the Timms Review before taking decisions around social security, and we look forward to the White Paper in 2027. Ahead of its publication, we urge the government to remove the five-week wait for Universal Credit (UC) as 60% of UC claimants in Northern Ireland are women. This policy has shown to be a driver for illegal lending from loan sharks and paramilitaries, but UC does not have to contribute to the cycle of debt. We also urge the government to remove the Benefit Cap and the Bedroom Tax. Although the Northern Ireland Executive mitigates against these measures, if they were removed at a Westminster level then the Executive would be able to use this money to tackle other pressing issues. However, it is essential that they continue the mitigations until this happens as it is a crucial anti-poverty measure.

We understand the government's reasoning for ending the pension triple lock, but we encourage the government to explore other avenues of reform that will ensure those that rely on state pensions, more likely to be women, do not end up worse off. We recommend reforms such as getting rid of the pension tax relief as it benefits higher earners as statistically these are men. We also recommend allowing combined income of over £10,000 to qualify for auto-enrollment as women in Northern Ireland are more likely to work part-time[1], are more likely to be in low-paid work[2], and across the UK women are more likely to work multiple jobs[3]. It is also crucial that, in the absence of funded full-time childcare, all parents taking time out of work to perform childcare receive pension credits. By only giving pension credits to those in receipt of Child Benefit, women in households that do not qualify that are taking time out of work, rejecting career opportunities, and staying in lower-paid work to perform childcare face decreased pensions later in life. This can result in pension poverty if the relationship breaks down, leaving the woman who was not able to claim child benefit due to their partner at risk.

Energy

The announcements around changes to energy costs, such as scrapping the standing charges for gas bills, freezing tariffs on home heating oil, and the household energy

[1] NISRA (2023). *Main statistics for Northern Ireland Statistical Bulletin Labour Market* (https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-ireland-phase-3-statistical-bulletin-labour-market.pdf).
[2] ESRI (2024). *Gender and labour market inclusion on the island of Ireland* (Gender and labour market inclusion on the island of Ireland | ESRI).
[3] UKWBG (2026). *1 in 4 women juggling multiple jobs, finds new analysis* (https://www.wbg.org.uk/article/1-in-4-young-women-juggling-multiple-jobs-finds-new-analysis/).

payment are important and helpful to families that are struggling the most. Research from the Women's Regional Consortium found that 73% of low-income women surveyed struggled most to pay for electricity, 52% said gas and 30% said home heating oil[4], while 60% of women that fed into the *Women and Debt* report said that rising energy costs impacted their debts negatively[5]. The tariff freeze on home heating oil and the recognition of its use in Northern Ireland, particularly in rural areas, was a welcome addition to the Budget document as this difference to Britain's heating consumption has often been ignored/forgotten.

These reliefs could make a tangible difference in the lives of women worst impacted by the rising cost of energy. However, the proposals in the Budget Statement either rely on the Executive to take the decision and allocate the money for these schemes themselves or have yet to figure out how these schemes fit into Northern Ireland's different energy and heating infrastructure. For example, the £100 energy payment will be given to council bands A-D in England, Scotland, and Wales. Northern Ireland does not use this system so the Executive will need to work out how that payment will be delivered in Northern Ireland (*if* they take the decision to roll this out). In the past, the delivery of UK-wide payments by the Executive often led to delayed payments in Northern Ireland due to work needing to be done to tailor the payments to our different energy system/usage. An added barrier to this payment going to the most vulnerable is that, until a budget is agreed, the Executive will not be able to deliver this payment. This will only create further disparity between vulnerable people in Northern Ireland with those in Britain. It is also still unclear how the scrapping of standing charges to gas bills will be rolled out in Northern Ireland due to its different system to Britain. These are considerations that delay the time it takes to deliver these policies, leaving broken promises to those relying on the timely receipt of these payments.

Despite the barriers to realising and implementing these decisions in Northern Ireland, it is important that Westminster and the Executive are conscious of the fact that people are struggling to pay for energy. Unfortunately, this is a problem that is unlikely to improve in the near future. Therefore, it is crucial that these short-term reliefs are coupled with long-term plans like increases to windfall taxes on energy and investment in retrofitting homes to increase energy efficiency.

[4] WRC and UU (2023). *Research Summary: The Impact of the Cost of Living Crisis on Women in Northern Ireland* (https://www.womensregionalconsortiumni.org.uk/wp-content/uploads/2024/03/The-Impact-of-the-Cost-of-Living-Crisis-on-Women-in-NI-In-Brief-1.pdf).
[5] WRC (2022). *Research Summary: Women Living with Debt* (Women-Living-with-Debt-In-Brief.pdf).

Tax

It is positive to see the increase in the bank levy to 4% as the Chancellor rightly stated that they must shoulder some of the burden as opposed to people who are struggling with the cost of living. However, the increase was expected to be higher with some predictions prior to the statement saying the bank levy would be increased to 8%. This kind of increase could have allowed the Chancellor to plan for and invest in more ambitious work at a time when demands on public services are high. Similarly, the increase in machine games duty for higher-risk machines and the carving out of adult gaming centres and vape shops from business rates reliefs is a positive decision, but the Chancellor could have announced a greater increase to machine games duty, as was expected prior to the Budget Statement.

Despite these positive changes, progressive tax reform on wealth was largely missing from the budget. The Chancellor talked about giving more money to HMRC to close tax loopholes but did not outline a clear plan for how this would be tackled. It was disappointing that another Budget announcement has gone by that did not equalise capital gains tax (CGT), which is the tax on profit made from the sale of assets, to income tax. Women's assets in wealth tend to be their house (which is typically shared with a partner) or pension; men's assets in wealth are in their house and pensions but also other areas like stocks, property ownership, and other investments. Therefore, the failure to equalise CGT to income tax contributes to gender inequality as well as wealth inequality within our tax system.

It was also disappointing that the wealth tax proposed by Tax Justice UK - a 2% tax on assets over £10million - has not been adopted by this government. This tax, which would impact 0.04% of the population (roughly 20,000 people) could raise £24 billion. To put that figure into perspective, that could fund all Northern Ireland schools for seven years or the entire health system in Northern Ireland for three years. The failure to implement taxes on wealth also uphold gender disparities within our tax system. On average, women hold about 21% less wealth than men. How wealth is taxed or not taxed therefore has a gendered impact. While people across the UK are having difficulty paying for the essentials, this wealth tax could fund long-term, structural change that is needed to improve public services and support struggling households.

Devolution

Part of the Chancellor's statement revolved around the new Fiscal Devolution Roadmap, which is a significant structural change. However, there is only one mention of the devolved nations in the roadmap published by the government:

> *The government recognises that the changes in this roadmap may have an impact on the funding of the devolved governments. Our approach to fiscal devolution in Scotland, Wales and Northern Ireland is already well established, however, the government will engage with devolved governments on any implications for their budgets in the usual way to ensure they continue to be funded to deliver a comparable policy offer.*

In previous budget announcements and policy decisions taken at Westminster, the devolved nations (particularly Northern Ireland) have been an afterthought. There needs to be a better understanding of how the devolution of business rates and partial income tax in England will impact on the funding settlements for the devolved nations, particularly in Northern Ireland as the majority of revenue raising powers are reserved matters. These considerations should have already been included in the development of this roadmap, but it is crucial that Westminster and the devolved governments begin that work now to ensure that Northern Ireland and the other devolved nations do not lose out because of this plan.

Gender Focus of Statement

In the Budget Statement, there were a number of policy issues mentioned by the Chancellor that particularly impact women - childcare, the gender pay gap, violence against women and girls (VAWG), etc. However, there was little funding attached to signify that these are genuine priorities for the government. Northern Ireland is the only place in the UK without fully funded childcare, the gender pay gap contributes to gender inequalities within the labour market and pensions, and the VAWG epidemic continues as the ending VAWG strategy in Northern Ireland does not receive the investment it needs. Instead of ring-fencing funding for one or more of these issues, £7.5 million has been given for AI and cybersecurity jobs and skills in Belfast. Women make up 25-29% of the tech workforce in Northern Ireland, with only 5-6% of women in senior roles[6]. While there is work to be done to equalise this sector, the £7.5 million will not target the greatest issues facing women in Northern Ireland.

[6] Belfast Chamber. *Sync NI: How Women Embracing Tech Can Help Shape Our Digital Tomorrow* (https://belfastchamber.com/how-women-embracing-tech-can-help-shape-our-digital-tomorrow/).

The Chancellor himself stated that the focus of this government is to give people breathing space and to tackle the big challenges. Therefore, we need to see Westminster and the Northern Ireland Executive act more ambitiously on the big challenges that VAWG, the gender pay gap, and childcare present to our governments if we want a society that is equal, free from fear, and supported to engage in public life.

National Living Wage vs. Real Living Wage

Raising the national minimum and national living wage is welcome, as many working women are in low-paid roles that are often paid the national minimum or national living wage. However, it is well-documented that the national living wage does not provide workers with an income that allows them to meet their basic needs. The increase to the national living wage will be 89p less than the real living wage, which stands at £14.10. We will continue to advocate for the adoption of the real living wage at a national level, as this is key to ensuring that every worker receives a wage that they can live on.

Defense and AI

While the funding announcements to areas like childcare and ending VAWG were small, the Chancellor announced large increases to spend on defence, AI and cybersecurity. These industries have significant gender workforce disparity, which continues a pattern of government investment in male-dominated sectors. This increases the wealth that is retained by those sectors compared to female-dominated sectors that are essential yet under-invested in, such as care.

Looking at defence, it is a reserved matter, meaning that it is the responsibility of the UK Government, not the devolved governments. Because defence is reserved, spend in that area does not factor into the Barnett Consequentials, the formula that determines how much money Northern Ireland receives through the Block Grant. Therefore, the increase to the defence budget does not mean an increase to Northern Ireland's Budget, and impacts on the Executive's capacity to spend on public services. Minister O'Dowd revealed that the Executive would receive £117 million less than previously agreed due to the reprofiling of funds.

The Northern Ireland Budget

As we enter the eighth month of this financial year without a Budget, the situation in Northern Ireland becomes increasingly bleak by the day - most of these announcements will not matter if a budget is not agreed by the end of this financial year. There are a number of issues that have led to the budget crisis - mismanagement of finances on the part of the Executive, historic underfunding by the Treasury. However, the people that are struggling survive, let alone thrive, are the greatest losers in this situation. A budget that is agreed with the funding we have will result in job losses, cuts to essential public services, and underinvestment in key work from the Executive such as the Ending VAWG strategy. The longer the budget discussions are drawn out, we are more likely to be restricted to 95% of the previous year's budget (some of that money was already spent on overspend from last year), public sector pay settlements will remain unmet, and we are quickly approaching a new financial year where there is nothing in place to ensure a level of spend to keep our government running. This is a lose-lose situation for the people of Northern Ireland, and we call on the Executive and Treasury to remind themselves of this fact and keep the people, particularly the most disadvantaged, at the heart of these conversations.

The NIWBG strongly believes that a zero-based budgeting exercise is necessary in preparation for the next financial year. Zero-based budgeting requires departments to start from 'zero' and build their budget from there, whereas incremental budgeting is when decision-makers take the previous budget and make minor adjustments. The NIWBG is not opposed to incremental budgeting, but for incremental budgeting to be successful, the baseline budget must be a success. Previous budgets have left adverse impacts unmitigated, have forced Departments to work with austerity budgets, and have led to overspending where there were no funds to overspend with.

Through our previous responses to annual budgets, we have called for greater scrutiny and analysis of past spend to better anticipate the needs and priorities of the next budget. The application of zero-based budgeting for both Resource DEL (day-to-day spend) and Capital DEL could facilitate this in-depth analysis to ensure that planned spend would not repeat inefficiencies and adverse impacts from previous budgets and build a budget based on short-, medium-, and long-term priorities identified by the PfG, the Department of Finance, and other executive departments.

The Corporate Finance Institute (CFI)[7] notes that the advantages of incremental budgeting are its simplicity, low-cost nature, and consistency. However, the listed disadvantages of incremental budgeting are that it:

1. Promotes unnecessary spending;

[7] CFI (2020). *Incremental Budgeting* (https://corporatefinanceinstitute.com/resources/fpa/incremental-budgeting/).

2. Discourages innovation;
3. Fails to account for changes and external factors; and
4. Lacks an incentive for a comprehensive review.

In times of fiscal difficulty, the disadvantages of incremental budgeting are significantly greater and more damaging than the time and monetary requirements needed to conduct zero-based budgeting.

We want to see ambitious decision-making and a budget that is centred on equality and human rights. Commitments to cross-departmental working, data-informed decision-making, and genuine consultation must lead the development of a new budget as well as the new mandate. It is essential that the budget tackles the gendered issues that were mentioned by the Chancellor but received little funding, such as childcare, the gender pay gap, and VAWG. Many areas that the Executive has tried to address in the past such as economic inactivity and poor health outcomes are symptoms of these systemic problems. The Programme for Government (PfG) priorities need to be at the forefront of the next budget as well, as the PfG should act as a guiding document for the cross-departmental development of the budget. As we are faced with numerous crises internally and externally (cost of living, energy, climate), it is more important than ever that Executive Departments work together to produce a budget that makes a positive difference in our society and holds equality and rights considerations at its heart.

The Northern Ireland Women's Budget Group (NIWBG) is made up of organisations and individuals from the women's sector, trade union movement, academia and wider civil society in Northern Ireland, with the aim of implementing a gender equal economy. The NIWBG works with a range of organisations in Northern Ireland on devolved issues and with sister organisations in Wales, Scotland, England and Ireland on East-West and North-South issues.

Please direct any questions to Alexandra Brennan, Coordinator of the NIWBG, at info@niwbg.org.