

Embracing Socio-economic Duty to Tackle Inequality

What is the Socio-economic Duty?

Section 1 of the Equality Act 2010 asks public authorities to actively consider the way in which their policies and their most strategic decisions can increase or decrease inequalities through the 'socio-economic duty' (SED). It aims to deliver better outcomes for those who experience socio-economic disadvantage by placing reducing inequality at the heart of decision making.

The duty states that certain public bodies, when making strategic decisions on, for example, priorities or objectives, must consider how their decisions might help to reduce the inequalities associated with socio-economic disadvantage. Such inequalities could include employment, education, health, housing or crime rates. This section of the Equality Act has never been enacted in England, which means it is not a statutory requirement and public authorities are not bound by it.

Why is it important in Liverpool City Region?

Liverpool City Region (LCR) has made progress economically and socially over the last decade yet there remain many challenges to overcome. LCR has some of the poorest health outcomes in the country, high numbers of socially and economically vulnerable people and extensive and persistent inequalities worsened by the COVID-19 pandemic. While the pandemic affected everyone in some way, the burden was not shared equally. The direct health impacts of the disease and the socio-economic effects of measures imposed to control it have been felt most acutely by vulnerable communities and those already facing disadvantage.

Similarly, while many are feeling the effects of the cost of living crisis, the worst affected households are those on low incomes; a greater proportion of their income is spent on essentials including food and energy. **Inequality of outcomes is becoming an increasingly pressing issue.**

The Socio-economic duty is a tool that can be used to help reduce inequality of outcomes. It ensures that organisation's decision-making processes take full account of socio-economic disadvantage and subsequently identify potential ways to reduce it.

Inclusion of the Socio-economic Duty in decision making is particularly important in the context of public sector funding pressures. Councils facing increased costs are trying to find ways to limit the impact on service delivery while plugging funding gaps. The necessary changes to service delivery could have a disproportionate impact on those facing socio-economic disadvantage. Adopting the socio-economic duty ensures that these groups are fully considered and wherever possible impacts are minimised. A public body in Scotland that had adopted Socio-economic duty identified that it had helped them *"to cope with reduced budgets while having the least impact on socio-economically vulnerable groups."*

The journey so far

Scotland and Wales have used their devolved powers to enact the duty and authorities across England are beginning to voluntarily adopt the Socio-economic Duty. Locally Halton Borough Council, Knowsley Council, Liverpool City Council and Liverpool City Region Combined Authority have all adopted the Duty.

Liverpool City Region Combined Authority, the six local authorities within it, Merseyside Fire and Rescue Service, Merseyside Police and Cheshire and Merseyside Health and Care Partnership are working collaboratively to consider how to maximise the positive impacts adoption of the Duty could deliver. This will also consider how adoption of the Duty aligns with other equalities initiatives which are designed to have a positive impact on all protected characteristics and other disadvantaged groups, for example those leaving care.

There are three thematic areas in which organisations can look to operationalise the Socio-economic Duty:

- **As an employer:** Collectively our organisations provide tens of thousands of jobs in the city region. By reviewing our employment and policies, practices and procedures through the lens of socio-economic disadvantage we can continue to ensure that we are in the best position to attract, retain and provide opportunities for our most disadvantaged residents.
As a service providers and commissioners: There are people who engage with our services, or who could benefit from our services who face socio-economic disadvantage. It is important that we continue to consider the potential impacts on these people (positive or negative) as we change existing services or develop new ones. Additionally, our organisations have significant spending power. In operationalising Socio-economic Duty through progressive procurement practices, we can reduce inequality of outcomes.
- **As civic leaders:** Many of the root causes of socio-economic disadvantage are deep-rooted and structural. Solutions to these challenges will require national intervention and large-scale funding. Developing a collective lobbying campaign with partners can help to keep these issues high on the agenda for current and future governments. We can also use our convening powers to support other organisations to take positive steps towards addressing socio-economic disadvantage.

Maximising the potential of the Socio-economic duty

Organisations are at different levels of readiness in adopting and operationalising the Socio-economic Duty. All organisations recognise the importance of the Duty and are committed to taking action to tackle inequality. There is potential for LCR to lead in this area. One of the key barriers to this is resource and capacity, therefore it is critical that we:

- Take learning from other organisations and each other;
- Build on what is already happening – and working;
- Maximise collaboration and sharing of ideas and resource;
- Embed the Duty into existing practice and make use of established groups and forums;
- Be ambitious but realistic and pragmatic in what can be achieved, and when.

What can we learn from others?

There are many examples of innovation and best practice that organisations in Liverpool City Region can learn from and consider if it is something their organisation is able to implement. The case studies below are included to demonstrate the range of different initiatives that seek to reduce socio-economic disadvantage.

Case Study 1 – Learning from lived experience

One public body outlined an innovative consultation method they piloted where it was considered difficult to bring people together in a group setting. People with lived experience of socio-economic disadvantage were matched with decision-makers. Each pairing met around 10 times in an informal and unstructured setting, with the aim of improving decision-makers' knowledge and understanding of the challenges and inequalities faced by those experiencing socio-economic disadvantage, and the impact this had on them. This yielded positive results, changed thinking and informed decision-making over the longer term. It was felt that decision-makers increased their knowledge and understanding of inequalities, and that decisions were now more considered in terms of inequalities of outcome and socio-economic disadvantage as a result.

Case Study 2 – Removing barriers to recruitment

Merseyside Fire and Rescue recognised that the requirement for a driving licence in their application process was having a disproportionate impact on those living in deprived areas given the cost of learning to drive. MFRS removed the requirement for driving licenses from their application process instead requiring applicants to obtain a full driving licence once appointed. The most recent recruitment of Fire Fighters by Merseyside Fire & Rescue Service attracted 195 applicants who did not hold a driving licence. Using national levels of deprivation, 84% of the applicants without a driving licence reside in the 50% most deprived areas of Merseyside. Focusing on the 10% most deprived decile of Merseyside, 48% of total applicants without a driving licence live within these deprived areas.

Case Study 3 – Facilitating workforce progression

The Ministry of Justice had done a lot to reach out to and hire more socio-economically diverse talent, but it realised it had not paid as much attention to those already in the organisation.

Therefore, it developed Catapult, a mentoring scheme exclusive to employees from lower socio-economic backgrounds and the first of its kind in central government. Employees are paired with a senior leader (Grade 7 and above) within their profession or in another profession to be mentored for 6–12 months. It is designed to build confidence, promote job shadowing, develop skills and provide an internal network to inspire and help employees progress within the organisation.

Case Study 4 - Greater Glasgow Sustainable Procurement Strategy

The Greater Glasgow City Region Deal is funded by £1.13bn of investment from the UK Government, the Scottish Government and the eight local authorities in the area. One of the Deal's primary aims is to tackle unemployment and low skills by creating 39,000 new jobs and 15,000 additional training places particularly aimed at "vulnerable" communities and 16-24 year olds.

Taken together the eight partner authorities have an annual procurement budget of over £2bn and the aim of the sustainable procurement strategy was to maximise the impact of this spend, and £1.3bn of City Region Deal money, on the region's most deprived communities. The strategy embraces the "*principles of Community Wealth Building, Fair*

Work First, promotes the living wage, maximises opportunities for social enterprises and support(s) the creation of a resilient skills and training pipeline across education and training providers”.

Every procurement exercise conducted by the partnership aims to promote employment and training for people in the most deprived parts of the region. Additionally, the strategy commits the partners to target community benefits on young people, women with primary care roles, disabled people, ethnic minorities, and people experiencing poverty and deprivation. These are groups who are known to “*disproportionately experience disadvantage and inequality within our region to gain skills, employment and career progression*”. Looking ahead, the partners are aiming to address key issues such as low pay and the gender pay gap by promoting fair employment practices amongst the businesses they support.

Initial Action Plan

As public sector organisations socio-economic disadvantage is considered inherently in decision making processes, but organisations are all at different stages in this journey. Some organisations do this more formally by adopting the Duty, including socio-economic status as a protected characteristic and including it in Equality Impact Assessments. The initial action plan identifies five foundation stages that will support all organisations to adopt and operationalise the Duty. It is intended to support all organisations to get to a similar position. Not all actions will be relevant to all organisations, especially those that are already in place. It is for organisations to determine which of the foundation stages they may need to focus on.

Five foundation stages

Stage	Rationale	Actions
1 – Develop a shared understanding	Conversations with organisations identified that people have different understanding of socio-economic disadvantage and the SED. An opportunity was identified for a common definition and training and development.	<ul style="list-style-type: none"> • Develop a common definition and understanding of socio-economic status and socio-economic disadvantage. • Develop an understanding of how protected characteristics and socio economic status interact and reinforce existing inequalities • Develop a joint training and development offer to support colleagues understanding of socio-economic status and socio-economic disadvantage. • Develop shared guidance documents for all organisations.
2 – Capture evidence and insights	Organisations have highlighted the intention to undertake further engagement in order to develop a deeper understanding of socio-economic disadvantage – particularly engaging with those with lived experience of SED. It was noted that a common, shared data set across all organisations would also be useful.	<ul style="list-style-type: none"> • Bring together evidence, data and research teams across organisations into a working group to compile a common evidence base for measuring and understanding socio-economic disadvantage. • Understand what engagement activity currently takes place with people facing socio-economic disadvantage and identify mechanisms for sharing outputs across organisations. • Put plans in place for further engagement activity with those experiencing socio-economic disadvantage to gain a better understanding of lived experience.
3 – Embed the Duty into corporate planning	Best practice and lessons from elsewhere suggest that organisations should seek to embed socio-economic duty into existing plans and strategies rather than creating new ones.	<ul style="list-style-type: none"> • Include socio-economic status or consideration of socio-economic disadvantage in all Equality Impact Assessments. Each organisation should adopt the approach that works best for them. • Include consideration of socio-economic disadvantage in corporate plans and relevant strategies or policies eg Equality. This will look different for each organisation and will depend on individual priorities.
4 – Set common measures of success	Lessons from Wales and Scotland identified clear success criteria and measures so that the impact of the duty on inequalities of outcomes can be monitored as an important step to ensure success.	<ul style="list-style-type: none"> • Develop common success measures for the LCR building on evidence and data. • Develop a shared means measuring progress in reducing inequalities at a project, locality and regional basis. Organisations to develop individual success measures if required / appropriate. Develop a mechanism to track and report on progress against outcomes.
5 – Share learning and best practice	There is innovative practice happening across all organisations and an opportunity to learn from each other.	<ul style="list-style-type: none"> • Identify an organisation champion who will share learning and best practice within and across organisations. This could be done through an existing forum eg Equality officers

Implementation and next steps

It is intended that the initial action plan is implemented during the next six months. Actions in the plan will be progressed through existing forums including LCR Workforce planning, LCR Organisation Development Network, LCR policy leads, and LCR equality officers.

The ambition is that progress will be reviewed every six months and an action plan for the next stage of work will be developed when appropriate. This phase will look at how organisations can work together to deliver innovative practice to reduce socio-economic disadvantage and realise the ambition for LCR to be a beacon of best practice.