

The case for adopting the socio-economic duty and proposed next steps
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Metro Mayor, Leaders and Mayor

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Background

Socio-economic disadvantage impacts all aspects of life, including health, life expectancy and educational attainment in Great Britain. The ‘socio-economic duty’ (SED), Part 1 of the Equality Act (2010), aimed to deliver better outcomes for those who experience this disadvantage. 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 inequalities in employment, education, health, housing or crime rates. Although this section of the Act was passed with the rest of the Equality Act in 2010, it has never been enforced, even though it represents a real opportunity for tackling inequality.

The SED came into force in Scotland as the ‘Fairer Scotland Duty’ (FSD) in April 2018 and in Wales on 31 March 2021. The UK Government has no plans to introduce the SED in England, although several English local authorities (such as Newcastle City Council and the North of Tyne Combined Authority and most recently Cambridgeshire & Peterborough Combined Authority) have adopted the duty voluntarily.

The socio-economic duty requires public bodies to adopt transparent and effective measures to address the inequalities that result from differences in occupation, education and place of residence. Crucially, the socio-economic duty helps public bodies to recognise the link between different forms of poverty and the integrated approach needed to tackle them.

The duty provides another mechanism to support the most vulnerable in our society and which will be extremely important when we recover from the current cost of living crisis. In Scotland, the duty’s visible effect so far has been the integration of socio-economic issues into such as area deprivation, fuel poverty, pay ratios, precarious housing and community empowerment into public planning and decision-making.

We know the extent of wealth and income inequality is of widespread concern across the Merseyside region. Since the Grenfell Tower disaster in June 2017 and, more

recently, the cost-of-living crisis there has been increased focus on tackling disadvantage caused by socio-economic inequality, whether by reducing poverty or promoting inclusive growth. Therefore, the socio-economic duty becomes even more necessary.

Furthermore timely [new research](#) from Greater Manchester Poverty Action highlights the adoption of the SED/working in spirit of the SED in LAs across England. The development highlights the following:

- One in seven councils have voluntarily adopted the socio-economic duty.
- A large number of councils are 'acting in the spirit of the duty', with over half considering socio-economic status in equality impact assessments and in strategic decision making and policy development.
- Both Labour and Conservative controlled councils have adopted the duty.
- The percentage of local authorities who have adopted the socio-economic duty varies greatly across England. The regions with the highest proportion of local authorities adopting the duty are London, the North East and the North West.
- Local authorities with high levels of child poverty are more likely to have voluntarily adopted the duty.

Also, the UN Committee on Economic and Social and Cultural Rights and, according to the Equalities Trust, 82 MPs all support the enactment of the socio-economic duty. By working together and adopting the duty we can make a real difference.

The purpose of this paper is as follows:

- To set out the case for the voluntary adoption of the 'socio-economic duty' (SED) across the Liverpool City Region by the Combined Authority, the six local authorities and partner agencies including Merseyside Fire & Rescue Service (MFRS) to work together to embed SED, measure the impact and share and celebrate good practice.
- Work together to agree a common definition of how to define socio-economic disadvantage, inequalities of outcome, strategic decision making and the crucial role of applying due regard.
- Provide a further focus and opportunity to do things differently and to put tackling inequality genuinely at the heart of key decision-making across the region.

- In partnership, to influence SED integration across all functions of the combined authority, including transport, environment, investment and business growth, housing and homelessness, employment and skills, culture, fairness and inclusion.
- Through cooperation, influence the Population Health Board of the Cheshire and Merseyside Health and Care Partnership (HCP) and use the SED to support the work in reducing health inequalities in the region through action on the social determinants of health.
- Finally, to work together to build a movement and demonstrate civic leadership and the benefits of using our role as 'anchor institutions' to support both employment and service delivery matters through the adoption and implementation of the SED.

Discussions

Initial discussions between Chief Fire Officer Phil Garrigan (MFRS) and Chief Executive Officer Katherine Fairclough, Liverpool City Region (LCR) led to further discussions with policy leads and equality officers in the region's six local authorities and CA, leading to a positive discussion at the LCR Chief Executives Group and the Chief Fire Officer of the potential to move towards adoption of the SED in the Liverpool City Region.

Merseyside Fire & Rescue Service (MFRS) has also been in discussions with the Equality and Human Rights Commission (EHRC) and specifically their work on inequality and investment to gain an insight into the experience of Scotland and Wales and their attempts to apply the SED.

Why is socio-economic disadvantage important to the Liverpool City Region and partners?

- Deprivation scores across all the LCR local authorities are significantly higher than the England national average and linked to protected characteristics and wider causes of vulnerability (See Appendix 1).
- The data associated with fatalities in accidental dwelling fires between 2006/07 and 2020/21 provides compelling evidence that in general and as deprivation increases, the number of fire deaths is gradually increasing across Merseyside.
- There has been significant economic and social improvement over the past 15 years across the region, yet 330,000 people in the region are income deprived and more than one in four children live in poverty.

- Education and skills are vital for people to make the most of economic opportunities, but children from low-income backgrounds achieve worse results at every stage of their education compared to those from better off homes. This deprives the region and employers of talent. It also reduces people's earning potential, reduces the tax take and increases the risk that poverty will be passed from one generation to the next.
- From an employer perspective, some staff may be likely to suffer disproportionately from the impact of in-work poverty and the national cost of living crisis.
- Effective action on health inequalities and inequalities in the social determinants also requires a strong link to quality employment and concerted action between the NHS, local authorities, businesses, public services, the voluntary sector, the faith (VCF) sector and communities. The adoption of the duty could provide a springboard for the work of the Population Health Board of the Cheshire and Merseyside Health and Care Partnership (HCP).

Where are we now in relation to addressing socio-economic factors?

The six local authorities, CA and Merseyside Fire & Rescue Service are at varying stages of addressing aspects of the duty. Appendix 2 highlights how authorities have developed several methods to address socio-economic factors. Organisations are undertaking a range of activities designed to tackle socio-economic disadvantage and thus acting in the spirit of the duty. While the organisations are positive about the duty, the findings suggest that there are opportunities for collaboration to ensure effective implementation.

How can we work together as a region to amplify the regional work on socio-economic disadvantage through adoption of the socio-economic duty?

- Strengthen and magnify the collaborative work in the Liverpool City Region, an example of which has been the former Child Poverty and Life Chances Commission and its successor, and wider work on building a fair and inclusive city region such as the LCR Fair Employment Charter, which the former commission championed
- Continue to maximise the potential as anchor institutions, in the context of Community Wealth Building, which are the biggest local spenders and employers. How we

procure goods and services and their approach to employment practice can be shaped to support local economic vitality.

- Continue to integrate the [Public Services \(Social Value\) Act](#) to consider social value that promotes the inclusion of social value in all activities. The Combined Authority has adopted a Social Value Framework and is in the process of recruiting to a Social Value Lead role, which can help support other partners as they embed social value.
- Consider investing and adopting the Social Mobility Commission maturity framework assessment (see Appendix 4) & four questions (see appendix 5). As a group, agree individually to adopt the employers focused Social Mobility Commission recommended [maturity assessment framework](#) that comprises of 12 key questions focusing on data, communications, talent, pay and collaboration that allows organisation to gain a baseline on where they are in respect of social mobility and the next steps they can take for a detailed overview (See Appendix 4). In addition to help benchmarking across the region as employers, agree to work together to agree a set of questions based on the [four questions](#) recommended by the social mobility commission that employers could ask staff and applicants for employment to help ascertain their social economic background. These are largely based on parental occupation at age 14, type of school attended, free school meals eligibility and, for graduate hires, parental university attendance (See Appendix 5)
- Tackle and put in place support mechanisms to address in-work poverty. We know that our workforce, like other UK households, are facing an enormous cost of living challenge this year. Inflation rates are at a [thirty-year high](#), while soaring energy, food, housing and transport costs impact us all - individuals and business alike. But those on the lowest incomes will be hit the hardest. According to the Joseph Rowntree Foundation, the crisis is set to '[devastate the budgets of families on the lowest incomes](#)': low income households will spend around 18% of their income (after housing costs) on energy bills after April – compared to 6% for middle income households.
- Set an example and work with partners to tackle low pay and in-work poverty and increase the use of the living wage across the region.

- Work with partners to improve employment rates, number of people recruited from our most deprived areas, quality of employment, and tackle insecure employment on a postcode basis.

Case Study 1: Community engagement

Merseyside Fire & Rescue Service's 'Safe and Well Checks' includes fuel poverty referrals. In addition, focus on areas of disadvantage and existing work on prevention and protection and in particular housing inequalities. Furthermore, address child poverty and educational attainment through the Prince's Trust.

Case Study 2: Recruitment

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.

- Work together and focus on how a duty on socio-economic disadvantage can help work on all aspects of life, including health, life expectancy and educational attainment.
- By adopting a duty, reaffirm how employment is linked to the fundamental causes of health inequality and the unequal distribution of income, wealth and power. Increasing the quality and quantity of work can help reduce health inequalities.
- The latest data shows the Liverpool City Region has higher levels of economic inactivity than nationally (23% vs 21% in England overall), and much of this is driven by a high proportion of residents with long-term health problems. Indeed, almost a third of economic inactivity in LCR is because of long-term sickness (31%), the fifth highest proportion of any LEP area.
- Influencing public health (Appendix C) gives an overview of the latest data on multiple health related indicators, comparing LCR and the England average. Across most, LCR performs worse than nationally.
- Finally, by embracing socio-economic disadvantage the duty will allow organisations to take an increasingly intersectional approach. Deprivation interacts with equality protected characteristics, and certain communities and geographies may also experience worse outcomes than in other areas. The intersectionality between

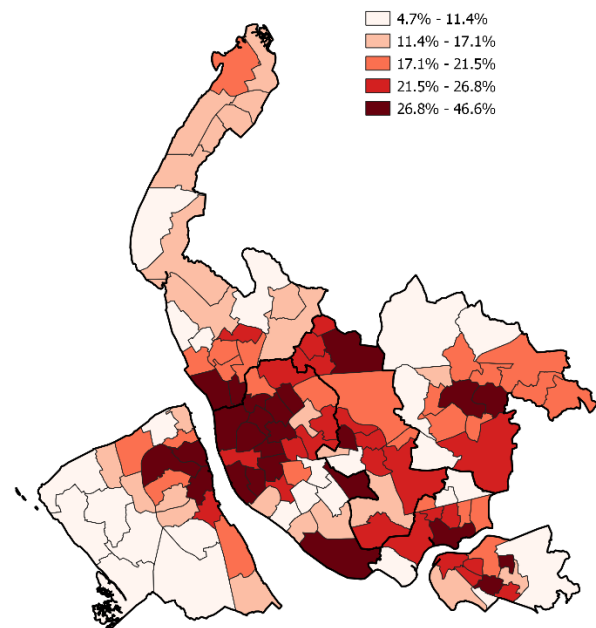
deprivation and other characteristics can be thought of as a web, where different areas connect, compounding and exacerbating each other.

Recommendations

That the Metro Mayor, Leaders and Mayor discuss and approve the contents and direction that are set out in this paper and, in particular:

1. Endorse the 'in principle' adoption of the socio-economic duty (SED) and request the LCR Chief Executives Group, following consultation with their respective leaders/mayors, to work together and in collaboration with MFRS and the Chief Fire Officer and other relevant partners, to explore arrangements to operationalise and co-ordinate adoption of the socio-economic duty, working in the first instance through the LCR Local Government Equality Officers Group, with regular progress reports submitted to meetings of the Metro Mayor, Leaders and Mayor.
2. Work closely with the Equality Human Rights Commission (EHRC) using their insights and expertise.
3. Continue to advance and encourage employers across the region to sign and implement the Fair Employment Charter developed by the Liverpool City Region.
4. For Chief Executives to be asked to explore the feasibility of adopting the social mobility maturity assessment within their organisations and/or explore other approaches that could be utilised.
5. Explore how to influence the Population Health Board of the Cheshire and Merseyside Health and Care Partnership (HCP) and use the SED to support the work in reducing health inequalities in the region through action on the social determinants of health;

Appendix 1



Proportion of Children (Aged Under 16) in Relative Low Income Households by Ward, 2019/20, before housing costs.

The most recent data for 2020/21 shows the overall rate for LCR as 19.3% compared to a UK figure of 15.1%

Source: DWP Children in low income families: local area statistics 2019/20 and 2020/21

Appendix 2

Authority	Policy Statement	Data collection	Action planning
Halton	Yes - Corporate Plan, Equality Strategy + EIA template	Considered within EIA process + Cust Int Unit ward profiles	Considered within EIA process
Knowsley	EIA template. In equality and diversity policy statement	Within EIA template	Only if something comes from EIA
Liverpool	EIA template. In equality and diversity policy statement	Within EIA template	No data yet available
St Helens	No	Undertaken a baseline of various socio-economic factors as part of our ongoing Inclusive Growth Strategy commission but not the specific data recommended by SMC	Not yet - data in Inclusive Growth Strategy sets baseline
Sefton	EIA template. In equality and diversity policy statement	Data is collected by our Business Intelligence team	Data is published by Business Intelligence team as part of ward profiles etc and made available to projects on request
Wirral	Supported by Wirral Plan and Community Wealth Building strategy, together with Customer Experience Strategy in development and review of equality objectives	Considered within EIA process	Considered within EIA process
Merseyside Fire & Rescue Service	EiA Template, ED&I Action Plan and Integrated Risk Management Plan (IRMP)	Data is collected routinely across the various functions of the organisation in terms of work focusing on prevention, protection and response and recognised as part of the EIA process	Influence work managing risk, delivering services, assessing vulnerability, and committing resources
LCRCA	Equality Strategy commits to considering Socio-Economic Background alongside 9 protected characteristics	We have agreed to adopt the Social Mobility Commission recommended 4 questions chiefly based on parental	In the first instance LCRCA data collected in 22/23 will be benchmarked against Social Mobility

		background at age 14	Commission national data. In addition to recruitment and workforce data this approach will be rolled out for wider monitoring of residents as customers/service users etc.
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Appendix 3

Indicator	LCR	England	LCR Rating
Under 75 mortality from all causes (per 100k residents)	435.0	336.5	Worse than national average
Under 75 mortality from preventable causes (per 100k resident)	195.2	104.5	Worse than national average
% of physically active adults	63.2%	65.9%	Worse than national average
% of adults classed as overweight or obese	66.1%	62.8%	Worse than national average
Smoking prevalence in adults (aged 15+)	17.5%	15.9%	Worse than national average
Hospital admissions for alcohol related conditions (per 100k residents)	597	456	Worse than national average
Infant mortality rate (per 1,000 live births)	4.2	3.9	Similar to national average
% of Year 6 pupils classed as overweight or obese	39.3%	35.2%	Worse than national average
Prevalence of long-term mental health problems (aged 16+)	13.0%	9.9%	Worse than national average

Appendix 4

The Social Mobility Maturity Assessment

12 Questions

The Social Mobility Commission Maturity Assessment Framework

To assess how well your organisation is doing on social mobility, we need to ask you a few questions about your organisation (or the business unit you are most familiar with)

Question 1

Does your organisation **collect data** about the socio-economic background of its employees? Please choose an option based on the statement that best describes your organisation.

Question 2

Does your organisation **analyse data** it collects about the socio-economic background of its employees? Please choose an option based on the statement that best describes your organisation.

Question 3

How **prominent** is socio-economic diversity and inclusion in your workplace? Please choose an option based on the statement that best describes your organisation.

Question 4

How does your organisation **communicate** regarding socio-economic diversity and inclusion in the workplace? Please choose an option based on the statement that best describes your organisation.

Question 5

How does your organisation **engage with prospective applicants**? Please choose an option based on the statement that best describes your organisation.

Question 6

How does your organisation **create opportunities for prospective applicants**? Please choose an option based on the statement that best describes your organisation.

Question 7

How does your organisation **attract talent**? Please choose an option based on the statement that best describes your organisation.

Question 8

Where does your organisation create and offer jobs? Please choose an option based on the statement that best describes your organisation.

Question 9

How is **training and progression** offered in your organisation? Please choose an option based on the statement that best describes your organisation.

Question 10

How are **pay and promotion opportunities** offered in your organisation? Please choose an option based on the statement that best describes your organisation.

Question 11

How **transparent** is your organisation? Please choose an option based on the statement that best describes your organisation

Question 12

Does your organisation **collaborate and advocate** in support of socio-economic diversity and inclusion? Please choose an option based on the statement that best describes your organisation.

Appendix 5

The Social Mobility

4 Questions to identify & measure Social Mobility background (SEB) in the workplace

Background Information

According to the Social Mobility Commission (a non-departmental public body) measuring the socio-economic background of employees and potential recruits is the critical first step to improving social mobility, in support of the SED. It helps to identify what needs to be done in order to improve the socio-economic diversity and inclusion of an organisation.

The Social Mobility Commission has consulted with dozens of academic experts, think tanks, charities and employers to determine the most important information to collect. They have concluded that asking the workforce, apprentices and applicants just three key questions will provide a firm basis on which to develop an informed strategy for improving social mobility, with a fourth optional question for graduate hires.

Questions:

Question 1: Parental occupation (key question)	Should be reported as three groups (professional, intermediate, or lower-socioeconomic/working class background). Best measure for SEB.
Question 2: Type of school attended	This measure shows extreme economic and cultural advantage.
Question 3: Free school meal eligibility	Applies only to staff who went to school post-1980. This is a measure of extreme economic disadvantage.
Question 4: Parental university attendance (<i>optional for graduate hires</i>)	Optional for organisations with a graduate scheme to ask its graduate hires. Not a measure of SEB; gives an understanding of the experience and needs of graduate hires.

Question 1: What was the occupation of your main household earner when you were aged about 14?

- Modern professional & traditional professional occupations such as: teacher, nurse, physiotherapist, social worker, musician, police officer (sergeant or above), software designer, accountant, solicitor, medical practitioner, scientist, civil / mechanical engineer. [code=professional background]

- Senior, middle or junior managers or administrators such as: finance manager, chief executive, large business owner, office manager, retail manager, bank manager, restaurant manager, warehouse manager. [code=professional background]
- Clerical and intermediate occupations such as: secretary, personal assistant, call centre agent, clerical worker, nursery nurse. [code=intermediate background]
- Technical and craft occupations such as: motor mechanic, plumber, printer, electrician, gardener, train driver. [code=lower socio-economic background]
- Routine, semi-routine manual and service occupations such as: postal worker, machine operative, security guard, caretaker, farm worker, catering assistant, sales assistant, HGV driver, cleaner, porter, packer, labourer, waiter/waitress, bar staff. [code=lower socioeconomic background]
- Long-term unemployed (claimed Jobseeker's Allowance or earlier unemployment benefit for more than a year) [code=lower socio-economic background]
- Small business owners who employed less than 25 people such as: corner shop owners, small plumbing companies, retail shop owner, single restaurant or cafe owner, taxi owner, garage owner [code=intermediate]
- Other such as: retired, this question does not apply to me, I don't know [code=exclude]
- I prefer not to say [code=exclude]

Question 2: Which type of school did you attend for the most time between the ages of 11 and 16?

- A state-run or state-funded school
- Independent or fee-paying school
- Independent or fee-paying school, where I received a means tested bursary covering 90% or more of the total cost of attending throughout my time there
- Attended school outside the UK
- I don't know
- I prefer not to say

Question 3: If you finished school after 1980, were you eligible for free school meals at any point during your school years?

- Yes
- No
- Not applicable (finished school before 1980 or went to school overseas)
- I don't know
- I prefer not to say

Question 4 (optional for graduate hires): Did either of your parents attend university and gain a degree (e.g. BA/BSc or equivalent) by the time you were 18?

- No, neither of my parents attended university
- Yes, one or both of my parents attended university
- Do not know / not sure
- I prefer not to say