



Liverpool
City Council

Fair City Policy Statement

January 2018



Because more equal societies work better for everyone.

The Equality Trust

Businesses cannot succeed in societies that are divided and failing. People want hope and need leaders who demonstrate that there is something to be hopeful for.

Blueprint for Better Business

The health and wellbeing of today's children and those children when they become adults depend on us having the courage and imagination to do things differently, to put sustainability before a narrow focus on economic growth and to bring about a more equal and fair society.

Michael Marmot, BMJ Feb 2010

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1 Foreword

Making this city a fairer place to live is my driving passion. Addressing inequality and doing everything in my power so that people can fulfil their potential in life is why I am in politics.

The scale of the challenge we face is daunting. Liverpool is the fourth most deprived local authority area in the entire country. A third of our children live in poverty and household incomes – even among those in work – lag behind the rest of the country.

We have a legacy of poverty and unemployment to contend with, a combination of the long shadow cast by deindustrialisation in the 1980s and a decade's worth of economic austerity, as our budget from Central Government has been slashed by two-thirds since 2010.

Rather than throw up our hands in despair, I am determined to do something about this state of affairs. To move the agenda forward. My over-riding belief that our city can turn a corner and that our best days lie ahead of us has taken shape in our new Fair City Policy Statement.

Our vision is to create 'a strong city built on fairness.'

We will do that by tackling poverty and addressing its root causes; by supporting those in genuine need; by using the council's own spending and procurement processes to spread opportunity more widely; by championing the real Living Wage and fair employment practices; and by monitoring and measuring the problem to ensure our approach is robust and evidence-based.

Growing the economy and creating new jobs and training opportunities is one of my cornerstone mayoral priorities. But I want that growth to be inclusive. For a rising tide to genuinely raise all boats. To have everyone in our city, in all communities, share in the growing prosperity of our city.

This is why our Fair City Policy Statement is so important and why I am determined it helps us build a fairer, more equal society here in Liverpool.

Joe Anderson, Mayor of Liverpool

2 Introduction

“Fairness is where you are treated properly, equally and when you are given a chance. When you are treated the same as everyone else regardless of who you are and where you are from.”

Developed for the Liverpool Fairness Commission by: Emily Hollinshead, Paris Roberts, Ennis Gerxhalija & Emmanuel Anam, 10 year old pupils from New Park Primary School, Kensington, Liverpool.

The purpose of the Fair City Policy Statement is to:

- highlight the Council’s commitment to making Liverpool a strong city built on fairness;
- initiate a process of continual improvement in processes, performance management and the achievement of Fair City outcomes, and
- ensure that the Council’s decisions and activity consistently considers and progressively implements opportunities to maximise inclusive and sustainable growth, and to make poverty a thing of the past.

Our Vision is to make **Liverpool a strong city built on fairness.**

Figure 1 summarises the Fair City Policy Framework and the impacts we are seeking from a Strong and Fair City.

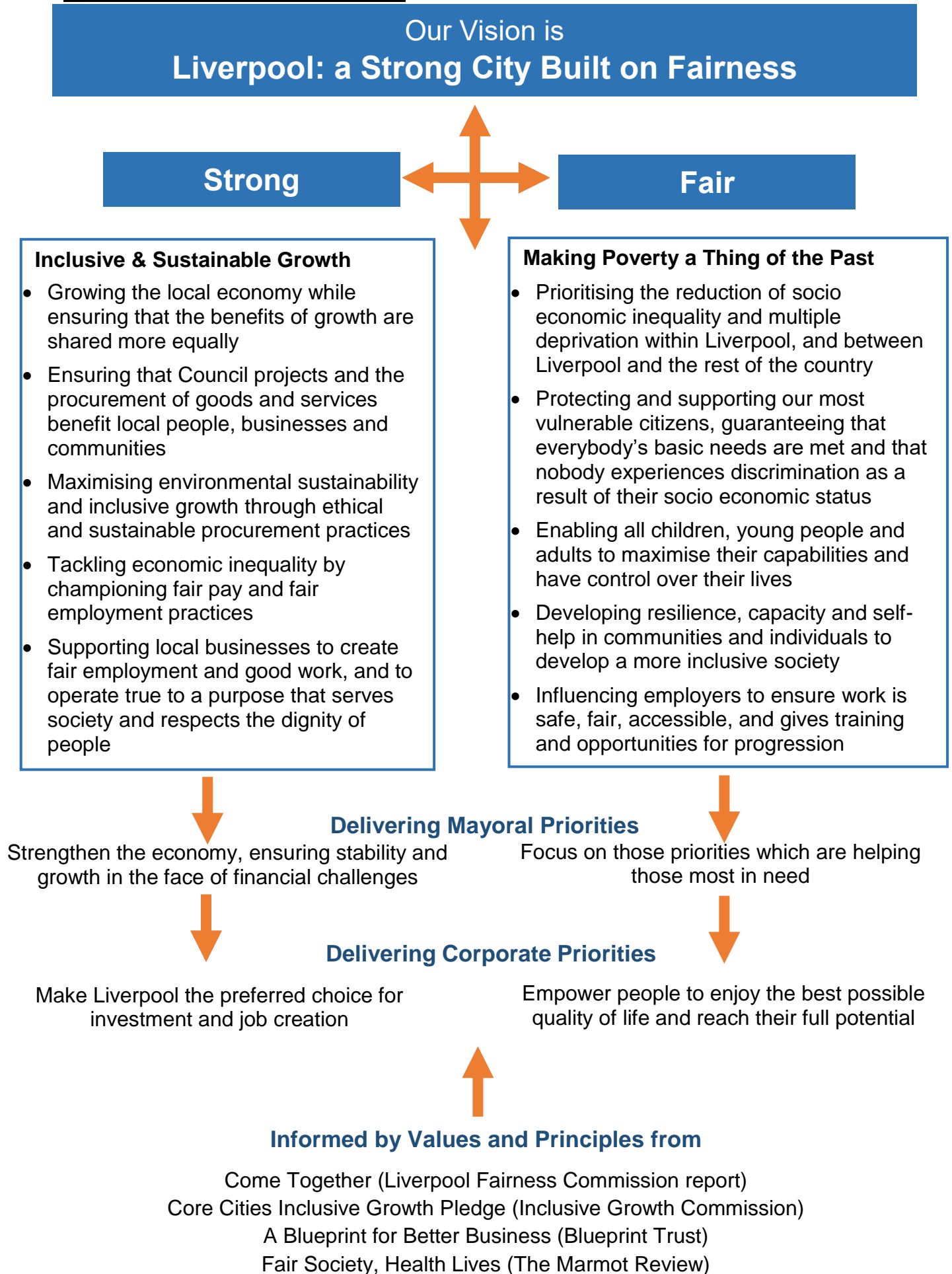
Building a strong and fair Liverpool is core to our shared values as a city of social justice and it is fundamental to our economic strategy for inclusive and sustainable growth. We will use the council’s procurement spend to maximise fair city outcomes and to act as a catalyst to influence employers throughout the city to increase the fair city impact of their own spending and activity.

The Fair City Policy Statement complements the Council’s Procurement Strategy and its Equality & Diversity Statement and Action Plan, which goes beyond the protected characteristics covered by the Equality Act 2010 by retaining the public sector duty to tackle socio economic inequality.

Liverpool City Council will continue to innovate to provide quality services to citizens and pursue inclusive growth, despite facing a 68% cut in our budget by 2020, compared with 2010.

We have made some good progress in achieving Fair City outcomes via individual projects and contracts. We must now ensure that good practice becomes increasingly the norm and systematically ingrained into the way we all think and work across the Council. Externally, we will provide leadership and work with citizens and stakeholders to deliver our vision for a Fair City.

Figure 1: Fair City Policy Framework



3 Context: Why we need a Strong and Fair City

We need a strong and fair city because greater socio economic equality benefits the whole of society and not just those on lower incomes or, as The Equality Trust puts it, “*Because more equal societies work better for everyone*”.

Across the globe, economic inequality and the concentration of wealth has increased to a level not seen since the late 19th Century¹. Oxfam report that the World's eight richest people now have the same wealth as the poorest 50% - that is 3.6 billion people².

The International Monetary Fund (IMF), the OECD and the World Bank have all warned that extreme inequality is not only damaging to society but is also bad for the economy. The IMF³ recently reported that “*rising inequality and slow economic growth in many countries have focused attention on policies to support inclusive growth*”. The report urges western governments to reduce dangerous levels of inequality and stated that “*excessive inequality can erode social cohesion, lead to political polarization, and ultimately lower economic growth*”.

Research⁴ shows that outcomes are significantly worse in more unequal rich countries for each of eleven different health and social problems: physical health, mental health, drug abuse, education, imprisonment, obesity, social mobility, trust and community life, violence, teenage pregnancies, and child well-being.

The UK has a very high level of income inequality compared with other developed countries⁵:

- The poorest fifth of UK society have only 8% of the total income, whereas the top fifth have 40%;
- Income is also spread unequally between the UK's regions and nations.

Wealth in Great Britain is even more unequally divided than income: “*the richest 1,000 people own more wealth than 40% of households, or 10.2 million families. In the last year alone the combined wealth of Britain's 1,000 richest people increased by £82.5 billion to a barely believable £658 billion*”⁶.

In Liverpool, building a strong and fair city is a political priority, it is core to our shared values as a city of social justice, and it is fundamental to our economic strategy for inclusive growth. Income inequality within Liverpool is below the national average and amongst the lowest of all English cities on one of the most commonly used measures (Centre for Cities, *Cities Outlook 2017 - Gini Coefficient*). This particular measure shows

¹ UBS/PWC, 2017. *Billionaire Insights 2017*.

² Oxfam, January 2017. *An Economy for the 99%*.

³ IMF, October 2017. *IMF Fiscal Monitor: Tackling Inequality, October 2017*

⁴ Pickett & Wilson, 2009. *The Spirit Level: Why Equality is Better for Everyone*.

⁵ The Equality Trust. <https://www.equalitytrust.org.uk/scale-economic-inequality-uk>

⁶ The Equality Trust, 2017. *Wealth Tracker 2017*.

that the wealthier, mostly southern, English cities tend to have higher levels of income inequality than the less wealthy cities.

Yet socio economic inequality is undoubtedly the single biggest challenge facing Liverpool: the sheer scale of multiple deprivation and poverty in Liverpool is amongst the highest in the UK; income and economic prosperity is relatively low in Liverpool compared with national averages, and within Liverpool there are vast differences in the levels of multiple deprivation between the city's wards and neighbourhoods (ONS, 2015. *The Index of Multiple Deprivation 2015*).

The impact of all of this is that there is a 13 year gap in life expectancy between Liverpool's most and least deprived wards. Michael Marmot is correct to say that inequality is "killing on a grand scale".

- **Liverpool is the 4th most deprived local authority area in England: 45% of neighbourhoods are amongst the 10% most deprived nationally, and 8.7% of neighbourhoods are among the most deprived 1%.** The highest levels of deprivation are concentrated in the inner core around the city centre and across North Liverpool (ONS, *Index of Multiple Deprivation 2015*).
- **30,230 Liverpool children "living in poverty" in 2014** – that is one in three or 32.1% of the city's dependent children. The Institute for Fiscal Studies recently warned that child poverty is set to increase nationally to record levels by 2021, with the largest rises occurring in the most deprived communities. The IFS forecast suggests that the absolute child poverty rate in Liverpool could climb above 40% by 2021 (IFS, *R136*).
- **Liverpool households face a £292 million annual financial loss from the cumulative impacts of welfare reforms by 2021 – the resultant reduction in consumer spending is estimated to equate to 2,044 job losses in Liverpool** (Beatty & Fothergill, 2016. *The uneven impact of welfare reform*).
- **55,000 Liverpool households have lost income due to welfare reforms** – one in four of all households, with the long term sick and disabled, children and women disproportionately hit. (Liverpool City Council, 2017. *Welfare Reform Cumulative Impact Analysis 2016. Interim Report*).
- **Household income in Liverpool is only 78% of the UK average.** The Gross Disposable Household Income per head of Liverpool residents in 2015 was £14,833, which is £4,273 lower than the UK average of £19,106 (ONS, GDHI. 2017).
- **Approximately, 51,000 employees in Liverpool (23.4%) earned below the real Living Wage (£8.25 per hour) in 2016.** There is a significant gender difference, with Female employees (27.2%) more likely than Males (18.8%) to earn below the real Living Wage and Part Time employees (49.3%) are much more likely to earn below the Living Wage than Full Time employees (14.3%) (ONS, *ASHE - User Query, Nov 2016*).

4 Fair City Policy Statement

Our Vision is *Liverpool: a Strong City Built on Fairness*

The Fair City Policy Framework is summarised at Figure 1 and the Table below outlines the range of impacts that we are seeking to achieve through Fair City interventions.

<p>A Strong City through Inclusive & Sustainable Growth</p> <ul style="list-style-type: none"> • Growing the local economy while ensuring that the benefits of growth are shared more equally • Ensuring that Council projects and the procurement of goods and services benefit local people, businesses and communities • Maximising environmental sustainability and inclusive growth through ethical and sustainable procurement practices • Tackling economic inequality by championing fair pay and fair employment practices • Supporting local businesses to create fair employment and good work, and to operate true to a purpose that serves society and respects the dignity of people
<p>A Fair City through Making Poverty a Thing of the Past</p> <ul style="list-style-type: none"> • Prioritising the reduction of socio economic inequality and multiple deprivation within Liverpool, and between Liverpool and the rest of the country • Protecting and supporting our most vulnerable citizens, guaranteeing that everybody's basic needs are met and that nobody experiences discrimination as a result of their socio economic status • Enabling all children, young people and adults to maximise their capabilities and have control over their lives • Developing resilience, capacity and self-help in communities and individuals to develop a more inclusive society • Influencing employers to ensure work is safe, fair, accessible, and gives training and opportunities for progression

It should be recognised that achieving these outcomes will be a journey of continual and incremental improvement. There are a range of financial, legal, and practical project delivery level considerations that may legitimately restrict our ability to maximise outcomes in every instance. There are no quick fixes to many of the complex challenges we are addressing but progress will be made through being innovative, systematic, collaborative, ambitious, and focussed upon improving outcomes.

Aims and Actions

We will pursue our vision through the following five aims and associated actions:

1. Tackling poverty, and protecting and supporting vulnerable citizens

Liverpool City Council will work with communities and partners to mitigate the impacts of poverty and Government Welfare Reforms upon our most needy and vulnerable citizens and we will continue to prioritise resources to:

- 1.1 Ensure that the basic needs and human rights of all citizens are met. The Mayoral Action Group on Fairness and Tackling Poverty has identified a list of basic needs which includes: food, fuel, clothing, a safe and secure home, income maximisation, budgeting support, access to affordable finance, digital access, and access to justice. This list provides the minimum level of support that all households should be entitled to.

2. Maximising the Fair City impact of our spending and activity

Liverpool City Council will achieve Fair City outcomes including inclusive growth and social value through its own spending and through influencing that of partners.

We will maximise the Fair City impacts by:

- 2.1 Ensuring that the consideration of Fair City outcomes is embedded within project development and the Council's procurement decision making processes and that opportunities to deliver Fair City outcomes are increasingly maximised;
- 2.2 Making it the responsibility of all stakeholders and contract managers to ensure that fair city outcomes are consistently considered, monitored, reported and achieved wherever possible. LCC Commercial Procurement Unit will provide guidance and will also support the development of an annual outcomes report;
- 2.3 Recognising our responsibility to support the Modern Slavery Act 2015 and to ensure slavery and human trafficking is absent from our supply chains and to ensure that our strategic partners, suppliers, contractors and service areas take adequate measures to prevent slavery within their business delivery models;
- 2.4 Introducing a new requirement to report Fair City outcomes for all projects and programmes through robust contract management processes and also within the Council's new Performance Framework;
- 2.5 Developing a culture of continuous learning, critical challenge and collaborative problem solving to enhance the achievement of Fair City outcomes across all Council projects and activity;

- 2.6 Establishing a task and finish group to identify best practice within procured projects and to review and critically examine the achievement of fair city outcomes within the City Council's largest contracts and projects;
- 2.7 Working collaboratively across the public sector in Liverpool to share good practice and achieve fair city outcomes, and
- 2.8 Establishing the Fair City Forum with Blueprint for Better Business. The Forum brings together Liverpool's public, private, voluntary, community, faith and not for profit sectors to develop a place based approach to Purpose Driven Business, whereby the city's employers see themselves as part of the solution to delivering inclusive and sustainable growth.

3. Championing the real Living Wage and fair employment practices

The "real Living Wage" (RLW) is independently calculated by the Living Wage Foundation and unlike the government's "national living wage", it is based on what people need to meet the cost of living. There are over 3,500 accredited Living Wage employers including 1/3 of the FTSE 100 and big household names including IKEA, Unilever, ITV as well as Everton and Liverpool FC. The TUC estimates that one in ten workers are now in "precarious work" in the gig economy and subject to numerous unfair employment practices, including zero hours contracts. Liverpool City Council will:

- 3.1 Continue to ensure that all directly employed Council staff on the council payroll (including staff from wholly owned Council businesses that use the City Council payroll) are consistently paid the "real" Living Wage, which will be implemented each November as the new rate is announced by the Foundation;
- 3.2 Work towards achieving Living Wage Foundation accreditation as a Living Wage employer;
- 3.3 Review the pay and conditions of indirectly employed staff and develop an action plan to review, monitor and work towards achieving the payment of the real Living Wage wherever practically possible;
- 3.4 Encourage all suppliers and contractors to pay the real Living Wage and to use fair employment practices, and
- 3.5 Promote the payment of the real Living Wage and fair employment practices across all of the city's employers via the Fair City Forum.

4. Delivering support at the right time to minimise the need for crisis intervention

Liverpool City Council will:

- 4.1 Continue to invest in prevention and early intervention;

- 4.2 Deliver service innovation and improvements through public service reforms including place based commissioning and better system wide integration of inter-agency services, and
- 4.3 Support people to be as independent as possible by moving from a paternalistic to a partnership model of personalised service provision.

5. Influencing and informing policy and decision making through the provision of robust evidence

Liverpool City Council was the first local authority to undertake an interim cumulative impact assessment of welfare reforms, we will:

- 5.1 Work across the City Council and with stakeholders to produce a final version of the welfare reform impact report and to understand the service level implications which will inform recommendations for future action and allocation of resources, and
- 5.2 Work through networks and other channels to ensure that local intelligence informs and influences public debate and national government policy and decision making.

Values and Principles

1. **Liverpool City Council will work to the principles set out in The Liverpool Fairness Commission Charter:⁷**

- A City that respects and cherishes all its citizens and people, and where no-one experiences discrimination as a result of their ethnicity, gender, age, sexual orientation, belief or disability.
- A City that directs its resources to overcome and minimise inequality and disadvantage.
- A City where every person is valued and every voice is heard.
- A City where no child grows up in poverty.
- A City in which every young person receives the best education and training they need to gain worthwhile and fulfilling employment.
- A City that provides the best opportunity to work for everyone.
- A City where pay differentials and rewards are proportionate and reasonable to reflect work and responsibility and where everyone can receive a real Living Wage.
- A city where everyone has access to safe, decent and affordable housing.
- A City where every citizen will enjoy good health and life expectancy at least on a par with anywhere else in the UK.
- A City where people care for each other and their neighbourhood.
- A City where no one fears growing old because of lack of care or insufficient income.
- A city with a clean, green safe and healthy environment for all those who live and work here.
- A City that will be an energetic advocate for fairness, will use its economic and moral influence to promote fairness and respect for human rights.

⁷ *Come Together: The Report of the Liverpool Fairness Commission*, May 2012.

2. Liverpool City Council endorses the following Inclusive Growth Pledge, which was agreed by Core Cities UK's cabinet of ten Mayors/leaders.⁸

The pledge is based upon the final report of the RSA Inclusive Growth Commission⁹.

A FAIR ECONOMY, FAIR SOCIETY: THE CITIES PLEDGE

Living standards across our cities have been too low for too many for too long. Large numbers of people feel left behind, unable to find work, and when they do, to make ends meet.

That's bad for people, bad for cities and bad for the economy. It leaves people frustrated and can create tension in our communities because they feel let down.

People are often left struggling to find work that pays, juggling several jobs and childcare, unable to find housing they can afford to rent or buy.

Under-investment in a fragmented education, careers and skills system has failed to provide people with the skills they need to get better jobs, and failed to provide businesses with the skilled labour force they need to do well.

Meanwhile, our nation's productivity continues to flat-line at a critical moment for the economy.

The RSA's Inclusive Growth Commission sets out the nature and scale of the problem, and the gap in living standards - the 'inclusivity gap' - which costs our economy £192bn every year.

But as the final report from the RSA points out, it doesn't have to be this way. There are a number of simple, common-sense steps that we can take right now to make sure economic growth benefits many more people.

If we are to drive up productivity, reduce dependency on some public services like health and welfare, then we need a new way of going about growth.

The Prime Minister has an ambition for a 'Shared Society'. We believe the only way to create this is from the bottom up, giving cities the tools they need. Not just more money, but the ability to join up services at the local level, give people the skills they need, build more affordable housing and support business to create more jobs with better pay and contracts.

⁸ <https://www.corecities.com/publications/core-cities-key-cities-and-london-councils-welcome-inclusive-growth-report>

⁹ <https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/inclusive-growth-commission>

Government needs to act and we will work with them, but we will also act now, in the interests of our places and all their people.

Cities wants to educate and engage our communities to help create a fair economy for a fairer society. We want to help people take easy actions with big impacts for themselves, their families and their communities.

Our City pledges to:

- Improve training, help people into work and get the skills they need for better jobs.
- Support and encourage business to create more jobs with better pay and contracts.
- Build more housing that people can afford, to rent and to buy.
- Make sure the way we buy goods and services helps local people wherever possible.
- Help to reform public services, putting more into prevention so we can spend less on crisis.

3. Liverpool City Council will embark on a journey to become a purpose driven business.

We will engage with the following five principles¹⁰ of a purpose driven business and encourage stakeholders across the city to do likewise via the Fair City Forum. As an organisation and as individuals we will commit to becoming:

A purpose driven organisation which delivers long-term sustainable performance

- Operates true to a purpose that serves society, respects the dignity of people and so generates a fair return for responsible investors
- Enables and welcomes public scrutiny of the alignment between stated purpose and actual performance

Honest and fair with customers and suppliers

- Seeks to build lasting relationships with customers and suppliers
- Deals honestly with customers, providing good and safe products and services
- Treats suppliers fairly, pays promptly what it owes and expects its suppliers to do the same
- Openly shares its knowledge to enable customers and suppliers to make better informed choices

A good citizen

- Considers each person affected by its decisions as if he or she were a member of each decision-maker's own community
- Seeks and provides access to opportunities for under-represented groups
- Makes a full and fair contribution to society by structuring its business and operations to pay promptly all taxes that are properly due

A responsible and responsive employer

- Treats everyone with dignity and provides fair pay for all
- Enables and welcomes constructive dialogue about its behaviour in keeping true to its purpose
- Fosters innovation, leadership and personal accountability
- Protects and nurtures all who work for it to ensure people also learn, contribute and thrive

A guardian for future generations

- Honours its duty to protect the natural world and conserve finite resources
- Contributes knowledge and experience to promote better regulation for the benefit of society, as a whole rather than protecting self interest
- Invests in developing skills, knowledge and understanding in wider society to encourage informed citizenship

¹⁰ The principles have been adapted from the national charity, *A blueprint for better business* <http://www.blueprintforbusiness.org/>

Responsibility for this Policy

The elected Mayor and Cabinet are ultimately accountable for setting policy and ensuring its implementation and progress.

The strategic leads for progressing the Fair City Policy are the Assistant Mayor of Liverpool & Mayoral Lead for Fairness & Tackling Poverty, and the Director of Finance and Resources.

Scrutiny of the policy and its implementation will be provided via the City Council's Audit and Governance Select Committee. The policy and its progress will also be reported to the Liverpool Health and Wellbeing Board and the City wide Strategy Group for Fairness and Tackling Poverty.

All Council Members and staff have an important role to play in championing the Fair City Policy and progressing the achievement of Fair City outcomes. In particular, there is an onus upon all staff involved in developing projects or procurement exercises to consider how to maximise Fair City outcomes.

The Council encourages all those who provide services on its behalf, including organisations which are funded by the Council through grants and contracts, to ensure that their service provision and employment practices are consistent with this policy.

