Deepening the Opportunity Mission



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Contents

Executive summary	4
Background	6
The philosophy of opportunity	8
Why action on inequality is needed to unlock progress on opportunity	10
Outcomes and policies needed to make progress on inequality	14
How to work across government to reduce inequalities	17
1: An explicit focus on reducing inequalities	18
2: Strong political leadership and investment	19
3: A Secretary of State focussed on fairness, equality and opportunity	20
4: Effective accountability and delivery mechanisms	21
5: Stronger institutional support	22
6: An Equality Delivery Unit at the centre of Government to drive progress	23
7: An evidence-based approach to prioritisation and 'What Works'	24
8: Open and collaborative working	25
9: Strengthening legislative levers	26
Conclusion	27

About this report

This report aims to demonstrate **why** the new Labour government needs to tackle inequality before it can make real progress on the opportunity mission, **what** kinds of policy goals might be useful in orientating government policy towards tackling inequality as a result, and **how** to work across government to make progress on tackling inequalities as part of a wider shift to mission-driven government and working practices.

The online version of this report is at https://fairnessfoundation.com/deepening-opportunity.

About the authors

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About the Fairness Foundation

The Fairness Foundation works to change the debate around fairness in order to build a fairer Britain. We are a registered charity (1044174). Our vision is a Britain where everyone has the 'fair necessities' (fair essentials, fair opportunities, fair rewards, fair exchange and fair treatment). We lack a shared vision of a good society, but we believe that we can build a consensus around the need to reduce all forms of inequality substantially, because today's unequal society is inherently unfair. We work to achieve this consensus by making three linked arguments to politicians and other decision-makers and influencers:

- Building and popularising a vision for a fairer Britain that can attract broad support (the *moral* case)
- Demonstrating that the public are more concerned about inequality and supportive of action by government to tackle it, and less divided in their views, than we think that they are (the *political* case)
- Showing that tackling inequality must be a national priority, by promoting evidence of the various ways in which different forms of inequality not only reinforce each other, but also undermine sustainable economic growth, social cohesion, democracy and action on net zero (the *policy* case)

Breaking down barriers to opportunity is one of the new Labour government's five missions. And Labour understands that this requires action outside as well as inside the classroom. Their general election manifesto points out that "greater opportunity requires greater security", while the <u>original opportunity mission document</u> argues that "housing and job insecurity are barriers for too many people from disadvantaged backgrounds". The battle against the <u>five giants</u> has not been won; squalor and want, in particular, have made a comeback in recent decades.

There's plenty of evidence to back up the assertion that poverty and inequality are barriers to opportunity to such an extent that no government could ever succeed in giving everyone equal opportunities without substantially reducing both. This report lays out some of the latest research on this topic. More recently still, the Joseph Rowntree Foundation has published a <u>report</u> showing that on average, primary school staff estimate that 48% of their pupils have experienced hardship at some point since the start of the school year. That's a shocking statistic. Children can't learn if they don't have enough food, sleep, secure and decent housing, or physical and mental health.

And the philosophical arguments are equally persuasive. John Rawls proposed the fair equality of opportunity principle: that everyone should have a truly equal chance to succeed in life, regardless of their class, race or sex. This goes well beyond overcoming discrimination, requiring much more radical action than many assume. We have attempted in a previous report to <u>summarise</u> the difference between what we call 'deep opportunity' and 'shallow opportunity', but in this report that job is taken on by an expert in the field, Martin O'Neill, Professor of Political Philosophy at the University of York.

The inescapable conclusion of both the empirical and the normative literature is that inequality is unfair, for two reasons: because a lot of it is caused by circumstances outside people's control (i.e. unequal opportunities), and because unequal outcomes in one generation preclude equal opportunities in the next. Some fascinating new research from the London School of Economics suggests that in the UK, 30% of income inequality is "unfair' because it is directly linked to inherited characteristics that, by definition, are outside people's control (race, sex, place of birth, family background etc); the report notes that this figure is probably an underestimate. The report also provides new evidence of the existence of the 'Great Gatsby curve', which shows that income inequality is correlated with inequality of opportunity, proving that you cannot level up opportunities without first making significant progress on levelling up outcomes.

Inequality of various forms - wealth, income, sex, race, region, disability and so on – is not only unfair; it is also actively harmful, for all of us. By hindering opportunity, it wastes talent, reduces productivity and incentivises rent seeking over productive enterprise, and as a result it is a barrier to economic growth. Research into 'inequality as cholesterol' finds empirical data to show that inequality caused by factors outside people's control is bad for economic growth. And inequality's throttling of opportunity has another, perhaps even more serious impact: it weakens the bonds that hold us together as a society, and undermines people's trust and participation in the democratic process. Inequality is a barrier to all of five of Labour's missions, as we showed in our recent report The Canaries, and as we will argue in our forthcoming Wealth Gap Risk *Register.* Tackling income poverty alone will not be enough to achieve the opportunity mission and its stablemates; we also need to look at excessive wealth.

The public agrees. <u>85%</u> of Britons are concerned about inequality, and <u>83%</u> agree with the need to reduce inequality to support fairer opportunities, while <u>75%</u> are concerned that very wealthy people have too much influence on the political system, and <u>69%</u> are concerned about current levels of wealth inequality in the UK. While Labour understands that action to break down the barriers to opportunity must take place outside the school gates as well as within them, there is a risk that the non-education parts of the opportunity mission will be deprioritised now that they are in government, because they are difficult and because they span the remits of multiple government departments and Ministerial portfolios.

And this risk is blinking red on the dashboard – high-likelihood, and high-impact. Missions are long-term projects; fair enough. But if the Labour government is not able to noticeably improve people's life chances and living standards by 2029, there is a real risk that far-right parties will capitalise on this failure and achieve a result in that year's general election that has to date been dismissed as impossible. As Robert Shrimsley argued in the Financial Times in June: "A Starmer government may be British politics' last chance to halt the populist radical right. A flatlining economy and stagnant real wages have left many voters angry — unsure that traditional politics can bring the better life they demand. Mainstream parties cannot afford to keep failing them."

If we've established that inequality is a barrier to opportunity, is inherently unfair, is unpopular with the public, and is undermining our economy, our society and our democracy, what can we do about it?

Labour set out its <u>first steps for change</u> in May including recruiting 6,500 new teachers. Now it needs to work out its next steps. And it needs to set out some detailed targets against which it can measure progress on its missions. For the opportunity mission, these need to include targets for a range of 'complex outcomes' that span the different barriers to opportunity, covering social security, education, work, housing and health at a minimum.

This report suggests some indicators to measure these 'complex outcomes', without recommending specific targets for each. It also outlines the sorts of policies that will be needed to make meaningful progress on those outcomes, by driving change through a combination of investment, regulation, incentives and taxation. Some of these policies are relatively straightforward, such as tackling insecure work, but some are more ambitious, such as introducing a citizens' inheritance.

There is no way to break down barriers to opportunity without making the necessary investments in our social and physical infrastructure to reduce inequality and poverty, and this will require new sources of revenue. The inescapable conclusion is that substantial changes are needed to how we tax wealth in this country.

However, this report does not set out to generate a detailed list of policy suggestions, or to argue for specific policies over others. Nor does it seek to explain how to bring those policies about, in terms of the politics or the detailed policy milestones.

Instead, its main contribution, beyond arguing how and why tackling inequality is necessary for achieving the opportunity mission, is to set out some of the ways in which the machinery of government could be reformed to enable progress on these cross-cutting inequality targets, building on recent work on the 'how' of making mission-driven government effective, so that government departments have the ability and the incentives to work together towards these shared goals.

We outline nine recommendations for working across government to reduce inequalities:

- 1. An explicit focus on reducing inequalities
- 2. Strong political leadership and investment
- 3. A Secretary of State focussed on fairness, equality and opportunity
- 4. Effective accountability and delivery mechanisms
- 5. Stronger institutional support
- 6. An Equality Delivery Unit at the centre of Government to drive progress
- 7. An evidence-based approach to prioritisation and 'What Works'
- 8. Open and collaborative working
- 9. Strengthening legislative levers

The Labour Party has pledged to set up a "mission-driven" government, and there has been much discussion recently about what this might look like in practice and how to make it work (from <u>Nesta</u>, the <u>Institute for Government</u> and the <u>Future Governance Forum</u>, among others). The Institute for Government have also made recommendations for <u>reforming the centre</u> <u>of government</u> to deliver more effectively on policy priorities.

One of Labour's five missions is the <u>opportunity</u> <u>mission</u>, which aims to "break down barriers to opportunity". It focuses on education and skills, but notes that "dedicated professionals across our education system go above and beyond every day to deliver for our children, but the barriers that too many children face – from the lack of a secure home, to not having books to read or pens to draw with – are not theirs to fix." It talks about "spreading opportunity beyond education", arguing that "housing and job insecurity are barriers for too many people from disadvantaged backgrounds. Labour will turn this tide, delivering the opportunities everyone deserves".

Labour's general election manifesto

acknowledges that "greater opportunity requires greater security", and talks of tackling poverty and inequality through promoting good work, reviewing social security, reducing child poverty, and improving housing security and standards by reforming regulation of the private rented sector.

It's clear, then, that Labour understands that breaking down barriers to opportunity, even within a narrow focus on education and skills opportunities, requires action outside the school gates as well as within them – and that the success of action inside the school gates depends on the impact of action outside them.

But there's a risk that, as the Labour Party moves on from campaigning mode and starts to implement this mission, the messy reality of governing means that the difficult crossgovernment and cross-sectoral work that is needed to tackle these broader barriers to opportunity falls by the wayside, with limited political bandwidth and economic resources focused on the 'easier' policy levers that can be pulled within a single government department.

There's also a risk that the deep underlying causes of the barriers to opportunities people experience across all areas of life - such as civic and political participation, health and wellbeing and access to justice - are left untouched, and that as a result, progress on dismantling them and making sustainable progress towards a fairer society overall is limited.

This applies just as much to the barriers to the narrower opportunities laid out in the opportunity mission as to this broader set of opportunities.

We argued in <u>Deep Opportunity</u> that we need to tackle three such structural issues in particular: wealth inequality, our unfair tax system and aspects of our democracy.

Failure to engage with these issues will make it very hard to make progress on issues such as poverty, poor housing and insecure work that undermine people's life chances across a whole range of areas, including by holding back the educational prospects of disadvantaged children.

Coming back to the opportunity mission specifically, we believe that inequalities of all forms present a fundamental barrier to the achievement of the opportunity mission.

We can't give everyone a fair opportunity in terms of education, skills and work without substantially reducing inequalities in terms of people's wealth, income and health, as well as linked inequalities based on people's race, sex, class and disability, and of course regional inequalities.

Now that it is in power, Labour needs to think about how action on inequalities (of all forms) is needed in order to make progress on the opportunity mission by the end of its first term – and how best to measurably reduce inequalities in the face of fiscal and political headwinds and the broader challenges of delivering on crossgovernment policy areas.

It is crucial that discernible progress is made within the first term of a Labour government, notwithstanding that missions are multi-term projects, in order to persuade the electorate in 2029 that a corner has been turned. More immediately, a clear signpost would provide hope of tangible change.

The opportunity mission will require action from all sections of society, not just from government. But this is an area of policy where government must do a large proportion of the work, as well as showing vision and leadership, 'crowding in' investment and convening contributions from other sectors. There are few shortcuts here.

Martin O'Neill, Professor of Political Philosophy, University of York

Equality of opportunity is an important and popular political idea, but it is often misused and misunderstood. While equal opportunity can seem straightforward or uncontroversial, it has extraordinarily radical potential.

At a quick glance, the idea seems undemanding, but when interrogated with seriousness and thoroughness, a commitment to equality of opportunity reveals itself as requiring a striking transformation of our economic and social institutions.

This line of argument, which flows through this report, was first developed by John Rawls, the most important liberal political philosopher of the past century.



In *A Theory of Justice*, Rawls distinguishes between two notions of equal opportunity, which can be seen as roughly equivalent to the distinction between 'shallow opportunity' and 'deep opportunity' that has been central to the work of the Fairness Foundation.

The first of these he labels as "careers open to talents": the idea that there should be no formal barriers that prevent individual citizens (whatever their race, sex, sexual orientation, or social background) from coming to occupy any particular job or other role within the economy.

Rawls contrasts this narrower and more formal idea with a broader and more substantive

alternative: what he calls "fair equality of opportunity". According to this more expansive notion of equal opportunity, the central idea is not just that everyone should have an abstract chance of attaining valuable positions within society, but that everyone should have the same real chances of success "regardless of their initial place in the social system", such that life chances ought not to depend at all on facts about race, sex, sexual orientation, or class background.

As Rawls puts it, according to this stronger idea of fair equality of opportunity, "in all sectors of society there should be roughly equal prospects of culture and achievement for everyone similarly motivated and endowed".

Rawls realises that this is an ideal that may be impossible to achieve completely, but his argument is that justice demands that societies take stringent and comprehensive steps towards approaching this goal as much as is practically feasible. In Rawls's view, once we begin to entertain the importance of even a shallower conception of equal opportunity, we will be led inexorably towards acceptance of this more ambitious and demanding version of the idea.

Think of this in terms of how we might justify our social, economic and political institutions to one another: none of us would be able to justify to our any of our fellow citizens that they should not have a full chance to realise the potential of their talents and abilities, just because of their racial background, or sex, or because their parents weren't from a privileged background, or didn't attend university.

Rawls believed that a distribution of different jobs and roles within our social system can only be justifiable to everyone when everyone has an equal opportunity to develop their own talents and abilities; and in turn this depends that social outcomes should not depend on race, sex, social class, or other contingent features of our individual backgrounds.

'Shallow' approaches to equal opportunity fail to meet this standard of mutual justification, and so

as soon as we start to take equal opportunity seriously, we are led towards this more radical and demanding idea.

This deeper conception of 'fair equality of opportunity' has a range of radical implications. Although many of Rawls's readers have focussed on his more famous 'difference principle' (according to which socioeconomic inequalities are justifiable only when they are maximally to the advantage of the least well-off), there is a case to be made that it is Rawls's prior commitment to his equal opportunity principle that actually carries more far-reaching implications within his view of justice. This is especially the case when we bear in mind that Rawls holds that his difference principle applies only after the principle of fair equality of opportunity has already been satisfied.

One could summarise Rawls's approach to equal opportunity in this way: that as soon as we take the idea of fair opportunities seriously, there really cannot be any quick answers or halfmeasures. Political and intellectual consistency instead demand that we see that a seriousminded approach to equal opportunity is pushing us towards endorsing a set of policies that does as much as possible to uncouple people's life chances from the social contingencies of their backgrounds. We can see this report as a practical and fine-grained exploration of what this project of taking equal opportunity seriously would actually look like in contemporary Britain.

A consistent commitment to equal opportunity has broad policy implications, extending beyond education and taxation (important though they are) to encompass health, housing, employment, and social security. Old-fashioned debates around the purported distinction between 'equality of opportunity' and 'equality of outcome' generally miss the mark, as high levels of material inequality in terms of socioeconomic outcomes are both the consequence and the cause of inequalities of opportunity.

While Rawls appreciated the implications of a commitment to equal opportunity across a whole range of policy areas, in his own writing he emphasised two areas: education and taxation. It

is worth here taking seriously the central implications that Rawls himself saw as flowing from fair equality of opportunity, as they are clearly relevant to our own contemporary political debates.

On education, Rawls's view was not only that any education system that widened existing social inequalities was unjust, but that a just society should be one where the school system is "designed to even out class barriers". In other words, in Rawls's view, the education system should seek not just to avoid widening existing equalities, but to reduce them. The implications of this idea would seem to be that a society that takes equal opportunity seriously should significantly increase the funding of education in more deprived areas. Looking beyond the education system, it could not be clearer that, where there are policies that deepen class barriers for children even before they reach school age, such as the two-child limit on benefits that affects 1.5 million of the most disadvantaged children in the UK, an honest commitment to equal opportunity would demand policy changes that make sure that children's life chances are not unjustly stunted even before they start school.

On taxation, Rawls's views are perhaps surprising, but can best be understood in terms of his commitment to fair equality of opportunity. He believed that there is little rationale for society taxing income from labour at all, and that the tax system should instead be structurally reconfigured towards taxation of high levels of wealth and inheritance, alongside taxes on consumption. Rawls argued that "excessive accumulations of property and wealth" make the achievement of equal opportunity impossible, and that the tax system should be reorganised to address the background distributions of riches that make fair life chances impossible, so that less would be needed in terms of taxing the income that citizens earn through the deployment of their talents and abilities in making valuable social contributions through work. It is worth considering what a transformed system of taxation in the UK that took Rawls's thinking to heart would look like.

Why action on inequality is needed to unlock progress on opportunity

A society of *shallow opportunity* provides a decent level of education for all and ensures that no one has to overcome overt discrimination or bias, but does not tackle underlying systemic barriers to maximising their potential, such as growing up in poverty, in poor housing or in poor health.

A society of *deep opportunity* provides a decent level of education for all and ensures that no one has to overcome overt discrimination or bias, but also ensures that no one faces underlying systemic barriers to maximising their potential, as everyone has access to the '*fair necessities*'. Unequal outcomes in one generation lead to unequal opportunities in the next, because people's advantage or disadvantage are inevitably passed onto their children.

It is not possible for the education system to come anywhere near to compensating for this.

As a result, economic inequality inevitably leads to educational inequality, and would do so even if the education system was perfect. So inequality holds back opportunity.

Consider some obvious barriers that prevent children from disadvantaged backgrounds from performing as well as their peers at school, in further/higher education or in the job market (click on each image for detailed information):

22% of people in the UK (14.9 million people) live in poverty 15% of occupied homes (3.7 million homes) do not meet basic standards of comfort, repair, facilities and safety The richest 10% in the UK enjoy an average of 18.5 more years of healthy life than the poorest 10%

Social Metrics Commission, 2023

English Housing Survey, 2023

Office for National Statistics, 2020

According to the <u>latest figures</u>, 4.3 million children are growing up in poverty in the UK, equal to nine children in an average classroom of 30, and seven out of 10 children in poverty have at least one parent in paid work.

A literature review of <u>key drivers of the</u> <u>disadvantage gap</u> published by the Education Policy Institute in 2018 sets out some of the various ways in which deprivation (defined in terms of income poverty, but also a lack of social and cultural capital and control over decisions) degrades cognitive development and performance:

- Deprived mothers are more likely to be stressed and to smoke during pregnancy and less likely to breastfeed, with negative consequences for the baby's development
- Deprived families are less able to afford nutritious food to support healthy brain

development, and **toys and books** to provide cognitive stimulation

- Deprived families are more likely to live in poor quality or overcrowded housing that affects children's health
- Deprived families are less likely to have access to computers or internet at home to promote learning, and are less able to provide a rich home learning environment (reading, games, visits etc) and external growth opportunities (music, sport, private tuition etc)
- Deprived children are more likely to **go to school hungry**

- Deprived children are more likely to experience stress, conflict or even abuse, affecting their mental health and development
- Deprived children are more likely to grow up in **deprived communities** with low social capital and fewer positive role models
- Deprived children are less likely to have access to high quality **early years** education
- Deprived children are less likely to start school in good enough physical and mental health to learn well
- Deprived children are more likely to have to move schools regularly due to evictions or other family issues

- Deprived children are more likely to feel alienated, be treated badly at school and have low self-esteem
- Deprived children are more likely to experience **lower quality teaching** and to be excluded from school
- Deprived children are more likely to be placed into **lower streams** and to have a narrower curriculum
- Deprived children are likely to have **fewer opportunitie**s for out-of-classroom education, careers advice and work experience

So it is no surprise that in Britain today, educational outcomes and career opportunities are severely unequal (click on each image for detailed information):

Disadvantaged children are 18.8 months behind their peers by the time they take their GCSEs 29% of disadvantaged pupils go to university, compared to 49% of nondisadvantaged pupils 22% of disadvantaged graduates become top quintile earners, compared to 46% of privately educated graduates

Sutton Trust / Institute for Fiscal Studies, 2021

Education Policy Institute, 2023

Department for Education, 2023

Of course education and skills are vital, but we also need to look at the social determinants of education - the barriers that hold some children back from achieving their best in the classroom, even with the best possible educational support, such as poverty, poor housing and poor health.

These barriers in turn have deeper structural causes, such as inadequate social security, a dysfunctional labour market and housing system, crumbling public services and unequal access to justice.

Each of these intersects with inequalities of class, race, sex, region, disability and so on, exacerbated (but not entirely caused) by prejudice and discrimination; for example, poor mental health is over three times more common among disabled people than among nondisabled people, and relative poverty rates are more than twice the overall rate among Pakistani adults (see the <u>Equality and Human Rights</u> <u>Commission website</u> for more examples).

None of these social determinants can be fixed without addressing those underlying structural causes. And we cannot address those structural causes without tackling the underlying inequalities.

The philosopher John Rawls set out the principle of 'fair equality of opportunity' – that everyone should have a truly equal chance to succeed in life, regardless of their class, race or sex, as opposed to having a theoretical chance to do so by virtue of not being discriminated against. All forms of inequality prevent some people from accessing opportunities to maximise their talent and contribute to our society and economy.

In part, this is an agenda about tackling poverty – and in particular, reducing the number of

children in poverty and the number of families in deep and/or persistent poverty.

But it must also be about tackling inequality (in all forms, since different forms of inequality interact with and exacerbate each other; for example, the <u>Runnymede Trust found</u> that the average Black African or Bangladeshi household has £30,000 in wealth, while the average White household has £282,000, driven in large part by inequalities in property wealth; meanwhile, the <u>Women's Budget Group reported</u> that men have on average £92,762 more in total wealth than women, a gap of 35%).

Why is tackling inequality, and not just poverty, essential for realising fair opportunities for all?

- Inequality is itself a cause of poverty. Economic inequality increases the share of national income going to the richest in society, at the expense of others. It also increases house prices, undermines public services, reduces people's educational and occupational choices, and acts as a barrier to political reforms that would reduce levels of poverty, not least by corroding the ties of common citizenship between the rich and powerful and those in poverty. International data shows a strong positive correlation between levels of wealth inequality and levels of poverty.
- Inequality disincentivises hard work.
 Wealth gaps are so large that earning a high income is no longer enough to overcome them. Inheriting wealth is much more important than earning a decent salary, which makes people feel they are no longer playing by the same rules. It makes luck more important than merit, reducing the extent to which individual talent and effort influences people's life chances and outcomes. The wealthy can 'hoard' economic opportunities by blocking more capable people from accessing prestigious courses or careers.
- Inequality is self-sustaining because it reduces social mobility. Wealth allows people to invest in costly education, training and other opportunities. Those with less wealth are less able to access these activities and therefore struggle to improve their

skillsets, lagging behind individuals with higher levels of wealth. Children from poorer backgrounds face significant barriers to educational and economic advancement compared to their wealthier peers, reducing social mobility and perpetuating the cycle of poverty, as evidenced by the 'Great Gatsby Curve'. Even small differences in household wealth can lead to sizeable and long-lasting gaps in human capital and income. Social mobility can never be a 'cure' for wealth inequality.

Inequality doesn't just hold back progress on equalising opportunities for individuals. Various forms of inequality also hold Britain back from achieving many of its policy priorities, from economic growth to improving health outcomes and achieving its net zero target, as well as undermining social cohesion and democracy. Here are some examples of the ways in which different forms of inequality undermine key policy priorities:

- Wealth inequality slows growth by <u>shifting</u> economic activity from productive enterprise towards rent-seeking activities, undermines society by <u>making it more difficult to get</u> <u>ahead through hard work</u>, and damages democracy by <u>reducing people's trust and</u> <u>engagement in the political process</u>, as the wealthy are often seen to be influencing political decisions in their own interests and playing by a different set of rules.
- Income inequality slows growth by <u>constraining skills development</u>, undermines society by <u>reducing social mobility</u>, and damages democracy by <u>undermining social</u> <u>cohesion</u> and a sense of shared values or purpose.
- **Regional inequality** slows growth by <u>creating</u> <u>places that suffer from vicious cycles of low</u> <u>levels of physical, intangible, human,</u> <u>financial, social and institutional capital</u>, as well as undermining a range of health and other social outcomes and damaging trust in democracy.
- Gender inequality slows growth by <u>creating</u> <u>barriers to paid work for women that cost the</u> <u>UK £89bn per year</u>.

- Racial inequality slows growth by creating an <u>ethnic employment gap that reduces tax</u> <u>contributions and increases benefits</u> <u>payments</u>, and damages democracy and society by <u>breeding distrust in public</u> <u>institutions</u>.
- Disability inequality slows growth because lower employment rates among disabled people <u>reduce economic output and</u> <u>productivity, reduce tax revenues and</u> <u>increase benefit payments</u>.

In the autumn we will publish a *Wealth Gap Risk Register*, looking at the current and potential future impacts of wealth inequality on our economy, society and democracy and how to mitigate them.

<u>Attitudinal research</u> shows that people are concerned about economic and regional inequalities, but many people are also increasingly worried about inequalities of class, disability and ethnicity, to the point where these have reached level pegging with regional inequalities (despite the recent focus on the latter via the levelling up agenda).

Other inequalities - of health, education, political influence, and status and respect - are also becoming more salient. <u>85% of the British public</u> are concerned about inequality, and even those who are less worried about inequality in principle are <u>concerned about its practical consequences</u>: constraining productivity and economic growth, threatening social cohesion and democracy, and undermining a rapid transition to net zero.

However, <u>increasing levels of concern about</u> <u>inequality and unfairness</u> among the British public are not being reflected in mainstream political debate and policymaking. Politicians of all parties need to treat inequality – and wealth inequality in particular – as a first-order concern.

There is a strong moral case for doing so – because high levels of inequality are intrinsically unfair. And there is an overwhelming political case for doing so – because the vast majority of Britons are concerned about inequalities and want a fairer society.

But there is also a pressing policy case for action. As the evidence assembled above makes clear, inequality, left unchecked, is an insurmountable barrier to progress on the opportunity mission. It will also undermine progress on Labour's other missions – growth, health, crime and net zero.

With the <u>Institute for Fiscal Studies predicting</u> that wealth inequality will only increase in the coming years as people's incomes and living standards depend more and more on how much wealth (if any) they inherit, this is a problem that the next government must tackle from day one.

The rest of this report suggests some key policy goals to aim for, and then sets out the changes needed in government to achieve them.

Outcomes and policies needed to make progress on inequality

At the moment, the detailed goals that sit underneath high-level 'mission'-style outcomes in the 2023 mission documents do not adequately address the need to tackle inequalities – and neither do the manifesto commitments. Labour's <u>opportunity mission document</u> includes targets such as 'boosting child development with half a million more children hitting the early learning goals by 2030' or 'ensuring that 80% of young people are qualified to Level 3 (A-Level equivalent) by 2035'. Meanwhile, the <u>manifesto</u> talks about recruiting 6,500 new teachers and opening 3,000 additional nurseries. These imply a focus on improving outcomes among the most disadvantaged, and therefore reducing inequality, but these targets cannot be met without addressing underlying inequalities.

We think that there is a need to identify a small number of <u>complex outcomes</u> for the opportunity mission. Complex outcomes are defined by James Plunkett at Nesta as "intermediate outcomes that are vital to the success of a mission and that are sufficiently complex that they can't be achieved with siloed working, and that also require us to learn by doing". Identifying complex outcomes that are explicitly focused on inequality would align incentives behind tackling inequality as a key success factor for the mission overall, and it would ensure that the outcomes incentivised or required effective working across government departments and sectors.

We have already argued in <u>Deep Opportunity</u> that we cannot break down barriers to opportunity through action in the education sector alone; we must also tackle structural barriers such as poverty and poor housing, and to do this we must tackle the underlying inequalities – especially of wealth. Achieving a superficial level of 'equality of opportunity' (for example, by increasing social mobility, i.e. reducing intergenerational income persistence) will not be enough on its own, and will be impossible to achieve without reducing inequality of outcomes.

A government that recognises the need to tackle inequality to break down barriers to opportunity would want to identify a set of complex outcomes as key metrics. Here are some examples of the sorts of indicators related to complex outcomes that could be included as 'sub-indicators' for the opportunity mission (many drawn from the <u>50 national wellbeing indicators</u> published by the Welsh Government in 2022):

Area	Examples of indicators related to complex outcomes		
Social	Percentage of adults and children living in households in material deprivation		
security	Percentage of adults and children living in households in relative income poverty		
	Percentage of adults and children living below the minimum income standard		
Education	School readiness gap between those eligible and not eligible for free school meals		
	GCSE attainment gap between those eligible and not eligible for free school meals		
	Graduate attainment gap between those eligible and not eligible for free school meals		
Work	Hourly pay gaps for gender, disability and ethnicity		
	Gini coefficient (standard inequality measure) of household income inequality		
	Percentage of people earning below the Real Living Wage		

Area	Examples of indicators related to complex outcomes		
Housing	Percentage of homes that are <u>classified as non-decent</u>		
	Percentage of households spending more than 30% of their income on housing costs		
	Percentage of people who are homeless		
Health	Percentage of live single births with a birth weight of under 2,500g		
	Healthy life expectancy gap at birth between the least and most deprived		
	Mean mental wellbeing gap between the least and most deprived		

These indicators would need to take into account the extent to which inequalities have been reduced between different groups, such as across ethnic groups and between disabled and non-disabled people, as well as measuring headline progress on reducing overall levels of inequality or disadvantage.

We believe that an overarching objective for the opportunity mission should be to achieve wealth equity: the state in which all households, regardless of demographic identity, have the opportunity to accumulate enough wealth to ensure short-term stability and long-term economic mobility, and to enjoy a decent standard of living.

The policies needed to make meaningful progress on those outcomes would drive change through a combination of investment, regulation, incentives and taxation. These are policies that, as Will Hutton has argued in <u>This Time No Mistakes</u>, fuse the traditions of ethical socialism and progressive liberalism, building on the post-war achievements of the NHS and the welfare state but also on policies enacted by more recent governments, such as Sure Start and the National Minimum Wage:

Area	Examples of potential policies	In Labour manifesto?
Social security	Scrapping the two-child limit and the benefit cap	No
	Introducing an 'essentials guarantee'	No
	Introducing a citizens' inheritance	No
	Introducing a universal savings account	No
Education	Investing more in early years education and care	In part
	Rebalancing funding towards schools in deprived areas	No
	Investing more in student maintenance grants	No
Work	Improving pay ratio reporting transparency	No
	Legislating for worker representation on company boards	No
	Enabling trade union workplace access and recognition	In part

Area	Examples of potential policies	In Labour manifesto?
Housing	Building more social housing	In part
	Making private renting affordable	In part
	Raising the standard of rented homes	In part
	Improving and enforcing housing rights	In part
Taxation	Equalising capital gains tax rates with rates on income	No
	Adding national insurance to investment income	No
	Closing inheritance tax loopholes	In part
_	Ending tax reliefs that benefit multinationals	In part

This report does not set out to generate a detailed list of policy suggestions, or to argue for specific policies over others. Nor does it seek to explain how to bring those policies about, in terms of the politics or the detailed policy milestones.

Instead, it aims to set out some of the ways in which the machinery of government could be reformed to enable progress on these cross-cutting inequality targets, building on recent work on the 'how' of making mission-driven government effective, so that government departments have the ability and the incentives to work together towards these shared goals. It focuses on reforming (and, where appropriate, building) institutions as a key stepping stone on our journey towards building a fairer and more prosperous Britain in which the barriers to opportunity are no longer with us. Labour's five missions set out the big, long-term, strategic priority areas where they will focus action to deliver improvements in government. And they have also set out six "first steps for change" towards achieving those priorities.

This focus on delivering specific outcomes through incremental initiatives to achieve measurable changes is welcome. But unless those outcomes and changes are delivered for everyone everywhere in Britain, and include measures to reduce existing inequalities, they risk entrenching and even exacerbating disadvantage.

While the framing of some of Labour's missions acknowledges regional differences and the impact of the cost of living crisis, current commitments do not adequately recognise the long-standing disparities experienced by some groups, or the need to reduce these – both by targeted initiatives to reduce inequalities and through a broader approach to tackling the social determinants of those inequalities that lead to some groups being more likely to experience deprivation generation after generation, and always being left behind.

The opportunity mission does explicitly recognise the impact of poverty and geography on educational attainment. But it does not acknowledge the persistently low levels of early years development for Gypsy, Roma and Irish Traveller children, the increasing gap in GCSE attainment between Black Caribbean and White British children, nor the under-performance of boys compared to girls from early years right through to higher education. Proposals for upskilling, apprenticeships and training to increase opportunities in higher paid jobs do not mention the disproportionate numbers of ethnic minority and younger workers in insecure work, nor the persistent employment and pay gaps and disproportionate likelihood of being in low-paid occupations experienced by disabled people, certain ethnic minorities and women.

These structural inequalities require focussed attention through a whole-system approach if they are to be dismantled for current and future generations.

So how can this risk be addressed in practical terms? We've identified nine steps that the new Labour Government can take to create the conditions for reducing inequalities and delivering its missions for everyone:

- 1. An explicit focus on reducing inequalities
- 2. Strong political leadership and investment
- 3. A Secretary of State focussed on fairness, equality and opportunity
- 4. Effective accountability and delivery mechanisms
- 5. Stronger institutional support
- 6. An Equality Delivery Unit at the centre of Government to drive progress
- 7. An evidence-based approach to prioritisation and 'What Works'
- 8. Open and collaborative working
- 9. Strengthening legislative levers

1: An explicit focus on reducing inequalities

First, the ambition to deliver the missions for everyone and reduce inequality needs to be embedded as part and parcel of the missiondriven approach. Whether this is expressed as an overarching 'uber-mission', or as a principle governing what and how Labour's existing five missions will be delivered (or ideally both), it needs explicit articulation if it is to drive change effectively.

An ambition for a society in which everyone has a decent standard of living and fair opportunities, regardless of who they are, their background or where they live, could secure wide public support in a context where the unequal impacts of the covid pandemic and the cost-of-living crisis have broad salience, and could galvanise action beyond state actors.

In <u>Mission Critical</u>, the Future Governance Forum emphasises the need for governments to orchestrate, mobilise and inspire actors across all sectors of the economy and society to achieve ambitious and complex outcomes.

Success in delivering against the missions needs to be judged not only on whether headline targets have been achieved, but whether they have been achieved equally for all groups and whether they are reducing existing disparities in opportunity and outcome.

The ambition for fairness, equality and opportunity for all must guide how a Labour mission-driven government will operate, and must be visible in the outcomes it is seeking to achieve and how progress towards them will be measured. For example, Labour's "first step" towards delivering against the opportunity mission is to "recruit 6,500 new teachers in key subjects" by "targeting recruitment towards shortage subjects and schools which find it hardest to recruit and retain staff".

But, unless this teacher recruitment drive also seeks to improve routes into teaching for underrepresented groups, bring in the skills needed to support improved attainment for underperforming pupils and target new teachers at areas of deprivation and/or low performance, this could amount to a missed opportunity to reduce inequalities.

What will be needed is a clearly defined set of equality outcomes to be delivered through the five missions.

These need to be specific in terms of what the Government is seeking to achieve – for example, "The percentage of Black Caribbean children leaving school with at least [a set of defined achievements] will increase to [x%] by [date]".

<u>The Radical How</u> uses the example of Universal Credit to emphasise the importance of defining a clear outcome to be achieved, rather than prescribing a specific policy or intervention – this approach gives clear accountability for delivering the desired results but gives space for the team accountable for delivery to innovate, test different approaches and learn what is effective in different contexts.

Adopting a 'theory of change' methodology to designing, evaluating and iterating delivery plans for equality outcomes would help to ensure that the focus on the ultimate goal is maintained. And numerical targets must be carefully designed to avoid creating perverse incentives in the system.

2: Strong political leadership and investment

The ambition to achieve a fairer and more equal society requires strong political leadership from the top – from the Prime Minister in terms of its political priority, but importantly also from the Chancellor of the Exchequer in terms of recognising the long-term economic, social and political benefits of investing in reducing inequalities.

Money drives the operation of government - if the resources needed aren't allocated, work to deliver equality outcomes will be deprioritised.

This requires explicit articulation of the "business case" for achieving defined equality outcomes, and a recognition of the relationship between the investment needed, the outcome and the range of benefits that will accrue from that investment.

Anneliese Dodds MP <u>recently set out a compelling</u> <u>case for investing in equality to deliver economic</u> <u>growth</u>, and <u>Mission Critical</u> set out how pursuing social goals through missions can drive economic growth by creating new market opportunities and innovation and by addressing the constraints on economic activity caused by inequality.

This approach will need to be reflected in HM Treasury spending decisions. If the Prime Minister makes reducing inequalities a governmental priority and this is backed by allocation of the resources to deliver, the system should respond, and change can happen.

While Theresa May's promised focus on tackling "burning injustices" during her premiership did not deliver what she hoped, it did result in the establishment of a well-resourced <u>Race Disparity</u> <u>Unit</u> at the centre of government, an increased focus on race equality across departments, and a legacy of vastly improved and more transparent <u>data on the extent and nature of race inequality in</u> <u>Britain</u>.

There is an opportunity for the new Labour Government to build on this legacy and follow it through with targeted cross-government action to reduce the inequalities that have been exposed.

3: A Secretary of State focussed on fairness, equality and opportunity

Before its election victory, Labour said that, in Government, it would make the Secretary of State for Women and Equalities a dedicated role, not an add-on to another departmental portfolio – an important commitment if sufficient attention and priority is to be given to driving action across Government to reducing inequalities.

Having a dedicated Secretary of State would provide an opportunity to bring together all aspects of the equality agenda within a single portfolio – such as elements of age, disability, race and religion or belief equality that have long been dispersed across different departments.

Labour has also committed to implementing the <u>Socio-economic Duty</u> in England, to tackling the impact of poverty and geography on opportunity, and to developing a strategy to reduce child poverty. And there is a pressing need to reassert the importance of human rights as a framework for improving people's life chances through highquality and appropriate public services, rather than as legalistic set of obstacles to navigate.

Given the complex relationships between protected characteristics, socio-economic inequality and regional inequality, effective action to reduce inequalities requires all these policy challenges to be considered and addressed in the round within a single ministerial portfolio.

It is therefore disappointing to see that, rather than creating this vital new role at the centre of Government, the Women and Equalities brief has been added to the Education Secretary's role, supported part-time by a Minister of State shared with the Foreign, Commonwealth and Development Office.

A Secretary of State responsible for all aspects of fairness, equality and opportunity – including civil, political and socio-economic rights, social mobility and, potentially, geographical inequality – would have offered the opportunity to reframe perceptions of equality and human rights as values that underpin a fairer society in which people are able participate on an equal footing and reach their potential.

And bringing the agenda together in this way would have enabled the relationships between different forms of inequality to be betterunderstood and more effectively tackled, and a consistent and coherent approach to prioritisation and balancing competing rights to be taken. It can only be hoped that the decision not to take this important step will be reconsidered in short order.

It is also of vital importance that the Secretary of State is located alongside their team of civil servants, in order to address the practical difficulties that have arisen from responsibility for policy direction and resources sitting in different departments. However, a further relocation of the Equality Hub from Cabinet Office to the Department for Education to achieve this would be a disruptive and backward step.

4: Effective accountability and delivery mechanisms

Strong political commitment and leadership are vital to driving cross-government action on breaking down barriers to opportunity, but they alone will not be enough - they must be supported by an effective accountability and delivery framework. The ambition to deliver the missions for everyone must be translated into a set of clear and measurable priority equality improvements against which progress will be measured, and the expectation to collaborate and work across departmental and policy boundaries to achieve these equality improvements needs to be baked into the roles of all Government ministers through their mandate letters from the Prime Minister. This mechanism would drive genuine collective action and accountability for example, by ensuring the Work and Pensions Secretary shares responsibility for delivering fairer health outcomes, or the Health Secretary for fairer education outcomes. This model would build on the last Labour Government's system of public service agreement targets, setting set outcomes which require departments to work together to achieve them, and holding partner departments responsible for tackling targets on topics outside their immediate control. It would require departments to collaborate proactively, with Cabinet Office providing oversight, leadership, support and advice across government.

These equality improvements should be driven forward within a comprehensive cross-Government, cross-missions equality strategy, shaped and steered by a Secretary of State for Women and Equalities, collectively owned by the whole of Government, but with Ministers and Permanent Secretaries accountable for delivering their departmental equality commitments, which must be reflected in departmental business plans. Departments leading on key equality deliverables could have junior Ministers leading on specific equality responsibilities. This accountability model would have the benefits of ensuring a single Secretary of State has sight of the whole system for achieving progress on equality, while ensuring those who are best placed to develop and deliver the right

interventions have clear ownership of their contributions to the bigger, shared picture.

Alongside the idea of 'mission boards', which should each include a Minister responsible for Women and Equalities as a member, a high-level Cabinet sub-committee overseeing the equality strategy could be an important additional mechanism for ensuring that different initiatives across Government are aligned towards common horizontal objectives, and for taking decisions where choices need to be made. This approach worked well under the last Labour administration to take policy decisions on measures in the Equality Act 2010 that impacted in different ways on different departmental concerns. Crossdepartmental inter-ministerial and official-level working groups can also play a crucial role in driving and tracking progress against crosscutting commitments. During the passage and implementation of the Marriage (Same Sex Couples) Act 2013, regular meetings of officials from a range of departments working together to resolve issues around registration processes, pensions, overseas and armed forces marriages, sex and relationships education and the implications for existing legislation were vital to successful policy delivery.

There is also a need for robust external and parliamentary scrutiny to hold the Government to account for delivering against its commitments. The publication of regular reports on progress towards delivery of initiatives and the achievement of equality outcomes would provide transparency, enabling the public and civil society to see where achievements have been made and to exert pressure where more effort is needed. Given the cross-government nature of the action needed to tackle inequalities, implementation of the Women and Equalities Committee's recommendation that it become a cross-cutting parliamentary committee, able "to examine cross-government policy on panequalities issues, and socio-economic inequality, geographic disparities and social mobility" would be a welcome step.

5: Stronger institutional support

A further important accountability and delivery mechanism is the existence of strong, independent and effective institutions acting as watchdogs to hold the Government to account, and providing expertise and guidance to shape the development and delivery of policy – in Government and beyond.

The Equality and Human Rights Commission (EHRC) and the Social Mobility Commission (SMC) were each established as Arm's Length Bodies to perform aspects of this role, although in different ways and with different statuses and powers. Both have been the subject of criticism from time to time for being insufficiently independent of Government, insufficiently effective and insufficiently resourced. Recent reports by the <u>Constitution Unit</u> and the <u>Institute for Government</u> have made recommendations for strengthening the independence and effectiveness of state institutions, including by clarifying their roles, increasing their accountability to Parliament and depoliticising appointments made to them.

These recommendations are highly relevant to both the EHRC and the SMC; the Government should take this opportunity to consider how they can be taken forward to ensure that we have effective institutions in place to support delivery of, and provide accountability for, its equality agenda.

6: An Equality Delivery Unit at the centre of Government to drive progress

The bringing together of the Equality Hub – comprised of the Government Equalities Office, the Race Disparity Unit, the Disability Unit and the Social Mobility Commission – in Cabinet Office was a welcome move which brought to an end the previously nomadic and dispersed nature of the civil service teams leading on equality.

Cabinet Office is the right location for teams driving cross-government agendas – the Prime Minister's Delivery Unit and the Social Exclusion Unit, both established under the Blair Government, were units of the Cabinet Office often cited as being successful in delivering across government.

But the remit and reach of the current Equality Hub needs to be expanded – both by encompassing the strongly-related policy agendas that we have argued above should be brought within the portfolio of a Secretary of State for Women and Equalities, and by giving it a much clearer cross-government role as the engine-room at the centre of Government that drives and supports efforts across Whitehall to reduce inequalities.

The Equality Hub should be transformed into an Equality Delivery Unit, responsible for:

- The legal framework protecting equality and human rights
- The cross-government approach to fairness, equality and opportunity, including advising Ministers on the Government's equality priorities and strategy and supporting the relevant Cabinet Committee

- Driving and supporting cross-government delivery of equality commitments, including by convening any inter-ministerial and official-level working groups needed to coordinate and align delivery and by providing expert advice, tools and guidance on how to deliver equality improvements
- Developing and delivering specific interventions to tackle inequalities, such as new requirements on pay transparency or new legislative or policy levers
- Ensuring a robust and comprehensive equality data landscape, building on the <u>Ethnicity Facts and Figures</u> approach to create an Equality Data Hub covering all forms of inequality, to drive evidence-based approaches across the public sector and form the basis of regular transparency reports to strengthen public accountability
- Providing a framework for, and guiding and supporting, government engagement with civil society and other stakeholders and the public, to ensure that the Government's approach to equality is rooted in the practical barriers and challenges that people in Britain face, and informed by the expertise of people who experience inequality

Creating a properly resourced, strong and effective Equality Delivery Unit will require some investment to bring in and develop the necessary skills and capacity for it to perform this broader role, although there may be efficiency savings from bringing aspects of the equality agenda together in one place. But this will be essential if the Government is to be equipped to deliver the missions for everyone.

7: An evidence-based approach to prioritisation and 'What Works'

Alongside improving the evidence base on inequalities, a vital role of the Equality Delivery Unit will be to use that evidence to improve understanding of the relationships between different forms and drivers of inequality, such as race, sex, class and income, in order to inform the development of targeted approaches to tackle the most pressing, harmful and persistent inequalities that threaten the Government's ability to deliver the missions for everyone.

These priority inequalities should form the core of the Government's equality strategy and delivery plan.

The Equality Delivery Unit must also develop and disseminate expertise on what interventions are effective in tackling inequalities, so that action across Government is based on the best evidence of what will have impact. There is existing evidence from the <u>What Works Network</u> which could be drawn upon to start developing this knowledge base, but much more to be done.

The Policy Institute's report <u>What Works and</u> <u>equality?</u> proposed establishing a cross-cutting programme or initiative to filling this gap. A sensible starting point would be for the Equality Delivery Unit, perhaps in partnership with the EHRC, to commission a synthesis report drawing on existing evidence from the What Works Network and other sources, such as existing local government anti-poverty and equality strategies and commissions, to begin to build a repository of effective interventions to guide Government action.

But to build further expertise on 'What Works' to reduce inequality, it should actively promote, support and adopt 'test and learn' approaches focussed on delivering equality outcomes.

In <u>The Radical How</u>, Nesta describes how this can result in more effective and efficient delivery of change than traditional programmes, by being set up to secure rapid feedback that tests assumptions before initiatives are set in stone.

In the context of the complexity of interrelated inequalities, approaches that are agile and responsive to emerging evidence are vital.

8: Open and collaborative working

Lessons from previous cross-government units that are generally regarded as having been effective emphasise the importance of having truly multi-disciplinary teams driving delivery across departments to achieve complex outcomes.

<u>The Radical How</u> also highlights the need for a permanent multidisciplinary team of policy and operations experts working alongside service designers, technologists, analysts, product managers, delivery managers, user researchers, content designers, and others - all working together with a focus on testing and learning.

This model should guide the shape and working methods of the Equality Delivery Unit – it must be open to bringing in experts in data analysis, from local government and other parts of the public sector, and from civil society – both to inform policy development and to drive effective delivery.

Institutions such as the EHRC and the SMC could also do more to encourage a more outwardfacing Government approach to policy development and delivery, by providing a mechanism for convening and amplifying the views and perspectives of civil society and the communities affected by Government action to inform strategies and plans to reduce inequalities.

More broadly, tackling inequalities is an area where a more open, collaborative and deliberative approach to policymaking through citizens' assemblies or other methods could pay dividends, as it requires balancing competing rights and interests and can be seen as giving preferential treatment to certain groups if not properly explained or understood.

The experience in Ireland of using this approach to inform reform on an issue as controversial as <u>abortion</u> demonstrates how engaging members of the public in the complexities, nuances and balances that must be struck can not only help find ways through difficult policy choices but can also ensure they receive broad public support.

Digital developments offer potential new opportunities for engaging citizens in developing solutions to seemingly intractable inequality issues, but must be used with care if they are not to exclude those experiencing the greatest disadvantage - this can be avoided by involving experts by experience.

9: Strengthening legislative levers

Delivery of complex equality outcomes through a whole-of-government approach will not be straightforward. However, there are existing legislative levers, and potential new ones, that can help.

<u>The Public Sector Equality Duty</u> (PSED) already provides a mechanism for driving action to tackle inequalities. The vision for the Duty was to harness the power of the public sector to address long-standing and persistent disadvantage and drive progress towards a more equal society in which everyone can participate and fulfil their potential.

However, this vision has not yet been realised. There is an opportunity to transform the Duty into an effective lever for driving delivery of the Government's equality priorities through new specific duties in secondary legislation:

- A duty on Ministers to set evidence-based strategic equality priorities for their departments and their sectors, drawing from the Government's equality strategy and relevant authoritative evidence sources
- Duties on **public bodies** to:
 - Set their own evidence-based equality objectives reflecting relevant ministerial priorities or explain why they are not appropriate in local circumstances
 - Publish and consult on evidencebased Equality Impact Assessments in defined circumstances (such as when proposing legislation or a major new public policy)
 - Use positive action and public procurement to achieve their equality objectives, or explain why this is inappropriate
 - Publish action plans, and measure and publish their progress and impact delivered against their equality objectives

• A duty on **regulators and inspectorates** to inspect public bodies in their sector for progress against their equality objectives and publish information on this

In addition, Labour has committed to fully implement the <u>Socio-economic Duty</u>, which would require departments and other public bodies with strategic functions to consider the need to reduce the inequalities resulting from socio-economic disadvantage.

If supported by statutory guidance which focusses public bodies' action on delivering Government strategic equality priorities, and a rigorous approach to evaluating impact, this could be a powerful additional driver of progress.

Lessons can also be learned from the <u>Well-being</u> of <u>Future Generations (Wales) Act</u>, which sets requirements on Welsh public bodies to carry out sustainable development and take action towards specified national well-being goals.

A <u>Private Members' Bill to create similar duties</u> <u>across the UK</u> has not progressed but should perhaps be considered, although caution should be exercised in layering different duties pulling in slightly different directions on hard-pressed public bodies; what is needed is a comprehensive approach that aligns efforts towards national equality priorities. Breaking down barriers to opportunity will require the new Labour government to set out some bold next steps on tackling inequality, not just on curbing poverty.

Without action to reduce inequalities in all forms, progress will be superficial at best. Inequality of outcome, beyond a certain level, is THE key barrier to opportunity. We can debate exactly where the threshold is, but few would disagree that today's Britain is a society that has comfortably exceeded it.

Indeed, high levels of inequality are insurmountable barriers to achieving all of Labour's missions, not just the opportunity mission.

Letting them grow unchecked will undermine progress across all of Labour's priority areas, including the growth mission, and will risk a loss of social cohesion and a further corrosion of faith in democracy that could conceivably usher the far right into power in 2029. Tackling inequality must by necessity involve investing in public services. This will require new forms of revenue, such as additional and/or reformed taxes on wealth.

But in the short term, there are several opportunities to reform the machinery of government to enable progress on cross-cutting inequality targets, building on recent work on the 'how' of making mission-driven government effective, so that government departments have the ability and the incentives to work together towards these shared goals.

This report lays these out in detail, suggesting a set of immediate priorities for the first 100 days of the new Labour government alongside a more ambitious programme for the first year or two.

Missions are long-term projects, but the work must start now so that demonstrable progress can be achieved by the end of this parliament.



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