

# Preparing for commencement of the Socio-economic Duty

We wish to share with you today general information from Welsh Government to raise awareness of the Socio-economic Duty, contributing to a more equal Wales.

# The declaration and intent

The commencing of the socio-economic duty is a commitment from the First Minister's election manifesto.

The duty will be a key mechanism in planning Wales's recovery from the impact of Covid- 19, making sure that we support the most vulnerable people in our communities and Build Back Better.

# Legal Information

- Section 45 of the [Wales Act 2017](#) devolves the power to Welsh Ministers to commence the socio-economic duty to the Welsh Government. This involves enacting Part 1, Section 1 of the [Equality Act 2010](#) – the socio-economic duty.
- The Equality Act 2010 is a UK piece of legislation and Welsh Ministers do not have the power to change this.
- The duty will apply to eligible public bodies, who are deemed to have satisfied the ‘test’ under section 2(6) of the Equality Act 2010, it will come into force on the 31st March 2021.

# The requirement on public bodies

What does the socio-economic duty require public bodies to do?

It requires **specified** public bodies, when making **strategic decisions** such as ‘deciding priorities and setting objectives’, **to consider** how their decisions might help to reduce the **inequalities** associated with **socio-economic disadvantage**.

# Defining the key terms

We will consider what each of the following key terms mean when implementing the duty.

Decisions of a strategic nature;

To consider;

Inequalities of outcome;

Socio-economic disadvantage.

# Decisions of a strategic nature

*“In general, strategic decisions will be those which effect how the relevant public body fulfils its intended statutory purpose (its functions in regards to the set of powers and duties that it uses to perform its remit) over a significant period of time and will not include routine ‘day to day’ decisions.”*

For some public bodies, such decisions may only be taken annually, in other cases, they will come up more often.

The duty will apply to both new **strategic decisions** and when reviewing previous strategic decisions.

# To consider

*“Giving weight to a particular issue in proportion to its relevance.”*

Due regard is an established legal concept in equalities law. The concept of due regard should be well understood by public bodies in relation to the public sector equality duty. It means giving weight to a particular issue in proportion to its relevance. We would expect the same principles to apply to this duty.

Existing practice for demonstrating consideration should be used. This might include impact assessment processes, systems for engagement and community involvement and use of local evidence and data.

# Inequalities of outcome

- *“Inequality of outcome relates to any measurable differences in outcome between those who have experienced socio-economic disadvantage and the rest of the population.”*
- Relevant public bodies will be in a position to influence specific socio-economic inequalities – they should understand where they can have the greatest positive impact.



# Inequalities of outcome / ....

There are a range of ways in which relevant public bodies can build this awareness as they will already have access to a wide range of relevant quantitative data and other evidence including: (not an exhaustive list):

The Welsh Government's Future Trends report;

The Welsh Government's Well-being of Wales report;

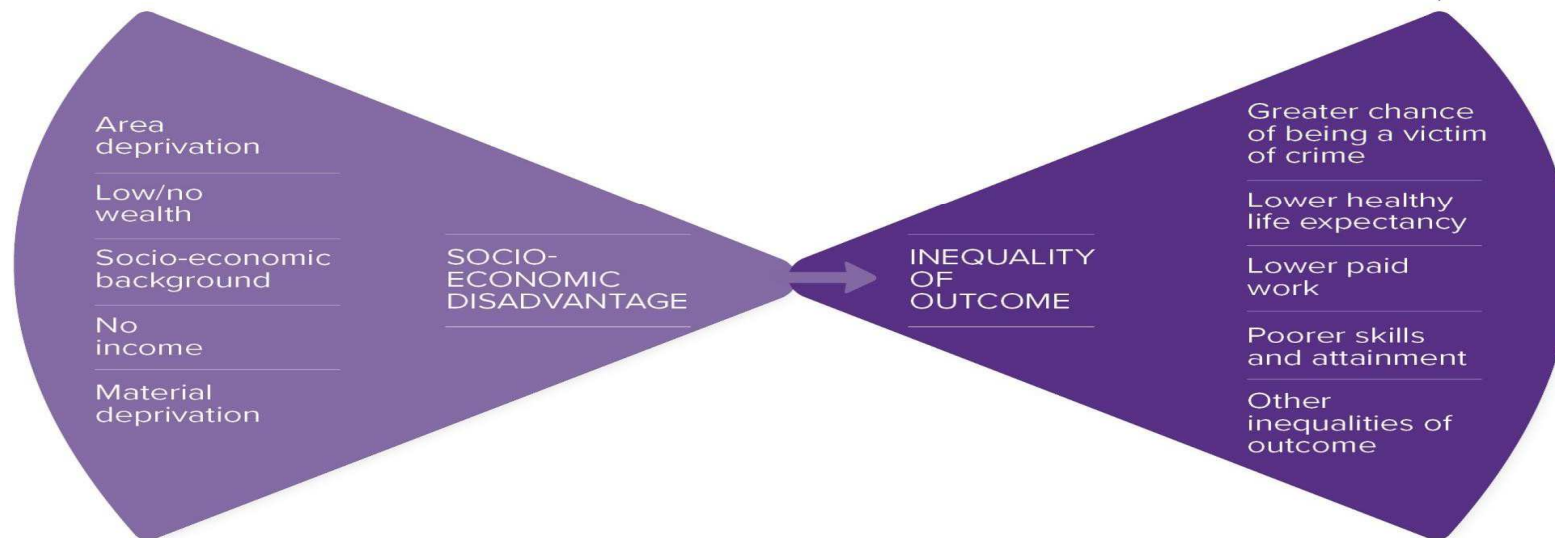
The Equality and Human Rights Commission (EHRC)'s report, 'Is Wales Fairer?'

# Socio-economic disadvantage

- *“Living in less favourable social and economic circumstances than others in the same society.”*
- **Communities of place** refers to people who are linked together because of where they reside, work, visit or otherwise spend a substantial portion of their time.
- **Communities of interest** – those who share one or more of the protected characteristics listed in the Equality Act 2010 can be considered communities of interest.
- **Socio-economic disadvantage** can be disproportionate in both **communities of interest and communities of place**, leading to further inequality of outcome, which can be further exasperated when considering **intersectionality**.

# Examples of the inequalities of outcomes arising from socio-economic disadvantage

Relevant public bodies need to consider how their strategic decisions can improve inequality of outcome for people who suffer socio-economic disadvantage.



# Working in a holistic way

There are opportunities to consider the Socio-economic Duty through other duties and through our Council functions. For example:

## Public Sector Equality Duty

- Setting strategic objectives that relate to protected characteristics and poverty.
- Including socio-economic status as part of an Equality Impact Assessment.
- Consulting with people living in poverty as part of engagement under the Public Sector Equality Duty (PSED).
- Data collection identifies what groups of people are most likely to be living in poverty.

## Well-being of Future Generations (Wales) Act

- Application of the 5 ways of working.
- Setting objectives that contribute to A More Equal Wales.

# Working in a holistic way...

## Council Functions

- Strategic Planning (E-learning on Equalities, Well-being Impact Assessment, Equality content on web page)
- Finance & Assets (Asset Management Strategy & County Landlord Statements, SIG Business Case)
- Communications & Engagement
- Internal Audit
- Procurement
- Democratic Services (Committee Reports, Member training)
- Planning Policy
- HR

# In summary.....

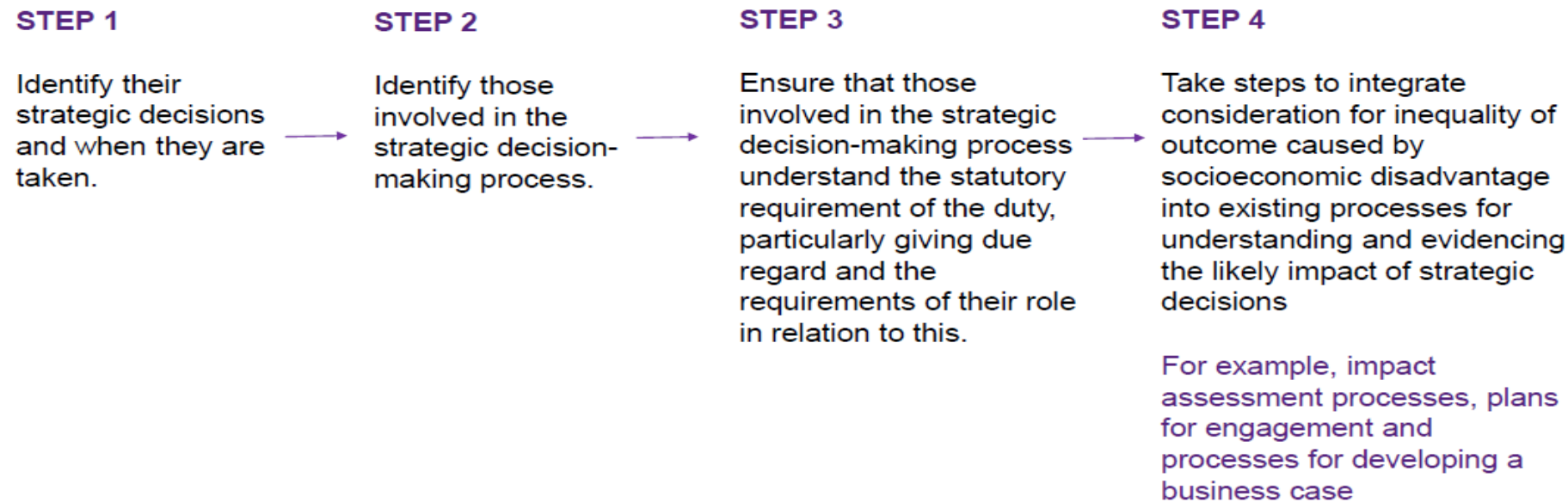
The overall aim of the duty is to deliver better outcomes for those who experience socio-economic disadvantage.

The Socio-economic Duty will support this through ensuring that those taking strategic decisions:

- Take account of evidence and potential impact through consultation and engagement.
- Understand the views and needs of those impacted by the decision, particularly those who suffer socio-economic disadvantage.
- Welcome challenge and scrutiny.
- Drive a change in the way that decisions are made and the way that decision makers operate.

# Preparing to meet the Duty

In preparing for the duty is it recommended that the relevant public bodies follow the four steps below:



# Meeting the duty on a day to day basis

An example of a 5 stage approach that Denbighshire County Council can take to meet the duty on a day- to-day basis.

## Stage 1 (Planning)

- Is the decision a strategic decision?

## Stage 2 (Evidence)

- What evidence do we have about socio-economic disadvantage and inequalities of outcome in relation to this decision?
- Have we engaged with those effected by the decision?
- Have we considered communities and places of interest?



# Meeting the duty on a day to day basis / ...

## Stage 3 (Assessment and Improvement)

- What are the main impacts of the proposal?
- How can the proposal be improved so it reduces inequalities of outcome as a result of socio- economic disadvantage?
- Have we considered communities and places of interest?

## Stage 4 (Strategic decision making)

- This stage is for decision makers (for example, Cabinet, Senior Leadership Team, Members, board executives and committee members) to confirm that due regard has been given.

# Meeting the duty on a day to day basis / ...

## Stage 4 /...

- They must be satisfied that we have understood the evidence and the likely impact, and have considered whether the policy can be changed to reduce inequality of outcome as a result of socioeconomic disadvantage.

## Stage 5

- This stage is how the process of evidencing and recording how 'due regard' has been given. At this stage changes to the decision should be made and recorded.

# What is in place for Denbighshire County Council?

## Integration of the duty into our existing processes through the following:

- Taking an integrated approach to impact assessment.
- Taking a broader approach to engagement and involvement to include socio-economic disadvantage.
- Developing scrutiny frameworks to include inspection of impact with respect to inequality of outcome that results from socio-economic disadvantage / poverty.
- Taking an integrated approach to planning and reporting.
- Developing Integrated performance measures (use of EHRC for a performance framework).
- Considering prevention of inequalities of outcome caused by socio-economic disadvantage through application of the Well-being of Future Generations Act's five ways of working (also covered in our WIA).

# Socio-economic duty and Denbighshire County Council

## Procuring a Service

As the Council is subject to the duty, the duty remains with us. Therefore, the requirement to meet the duty does not pass to a third party through procurement, commissioning or outsourcing.

## Working in Partnerships

When the Council works in partnership with bodies not covered by the duty, the duty only applies to us. For example, local well-being plans are developed and owned by a range of partners, however those public bodies subject to the duty should ensure that they are discharging their duty offering consideration on how the elements of the plan they have responsibility for will reduce inequalities of outcome caused by socioeconomic disadvantage.

All public bodies in Wales are encouraged to support the spirit of the duty.

# Socio-economic duty and Denbighshire County Council /..

## Will the duty apply to our schools?

The duty will not apply to schools. School Governing Bodies are created by section 19 of the Education Act 2002 and are statutory corporations. They therefore have a distinct legal identity from Local Authorities.

# Failure to comply with the Duty?

Although there is no reporting requirement associated with the Duty, it is for us to evidence how we are meeting the statutory requirement. It is recommended that there should be evidence of a clear audit trail for all decisions made under the 2010 Act, using existing processes, such as our Wellbeing Impact Assessment and scrutiny processes and our systems for engagement.

Once the duty is commenced, if we fail to perform the Duty, an individual or group whose interests are adversely affected by that decision, may be able to bring a judicial review claim against the authority. The Equality and Human Rights Commission (EHRC) may support an individual or group with regard to any such challenge, or take such a challenge itself.

# Further Information on the Duty

In order to support relevant public bodies prepare for the duty, guidance has been co-produced between Welsh Government, relevant public body representatives, and other key stakeholders including EHRC and the Future Generations Office. Communication should be directed to: [SocioeconomicDuty@gov.wales](mailto:SocioeconomicDuty@gov.wales)

Link to Welsh Government page on Duty:

[Welsh Government Socio-economic Duty \(https://gov.wales/more-equal-wales-socio-economic-duty\)](https://gov.wales/more-equal-wales-socio-economic-duty)

<https://www.denbighshire.gov.uk/en/your-council/access-to-information/equality-diversity-and-human-rights.aspx>

# Training on the Socio-economic Duty within the Council

Dates are as follows to offer training and / or briefings:

<del>February 1</del>	Cabinet
<del>February 4</del>	Senior Leadership Team
February 18	Members
March 11	Scrutiny Chairs and Vice Chairs Group
March 17	Corporate Governance and Audit Committee
March 18 / 22	Personnel Sessions



# Well-being Impact Assessment

Well-being Impact Assessment website now asks us to consider the likely impact our proposals will have on the socio-economic well-being of communities, including those with protected characteristics, as well as the impact our proposals will have on climate change and nature's decline. We need to ask ourselves:

## SOCIO-ECONOMIC WELL BEING OF COMMUNITIES

Will our proposals do anything to reduce socio-economic disadvantage and prevent widening inequality?

What are the voices of people and communities telling us?

Have we engaged with those affected by the proposal (including those with protected characteristics, and those experiencing socio-economic disadvantage)?

What evidence do we have to support your proposal?

What steps are in place to fill in the gaps?

## CLIMATE CHANGE AND NATURES RECOVERY

- Has tackling climate change and promoting nature recovery been considered as part of proposal?
- Does the proposal have a negative, neutral or positive impact in preventing the problem of climate change and nature's decline?
- Has all areas of carbon emissions been considered including supply chain as well opportunities for carbon absorption and biodiversity improvement?
- What evidence do we have to support your proposal? What steps are in place to fill in the gaps?

# Well-being Impact Assessment continued...

If I'm undertaking an impact assessment, I should:

## SOCIO-ECONOMIC WELL BEING OF COMMUNITIES

Take steps to design out negative consequences that could cause or exacerbate socio-economic disadvantage and widening inequality.

Avoid optimism bias and ensure our conclusions are supported by evidence, including the voices of people affected by the proposal.

## CLIMATE CHANGE AND NATURES RECOVERY

- Take steps to design out negative consequences that could cause or exacerbate the emission of carbon (energy, fuel, waste, purchasing, behaviour), the reduction of carbon absorption (green space, trees) and the decline of biodiversity (extent, quality and connectivity of habitats).
- Take steps to design in positive consequences for the above.
- Avoid optimism bias and ensure our conclusions are supported by evidence, including the voices of people affected by the proposal.

# Well-being Impact Assessment continued...

## I'm a Cabinet Member/Lead Officer, I should:

- Ensure that I take ownership for impact assessments for which I am responsible.
- Challenge Officers to provide evidence or take steps to fill in knowledge gaps.
- Avoid and challenge optimism bias.

## I'm a Scrutiny Member, I should:

- Challenge the conclusions of impact assessments and ask Officers whether the conclusions of their impact assessments were accurate (or are likely to be accurate).

[Well-being Impact Assessment Frequently Asked Questions are available on Linc.](#) There is a set of FAQs for Officers and another set for Members.

# Support within Denbighshire County Council

## SOCIO- ECONOMIC DUTY

Strategic Planning Team,  
Business Improvement and Modernisation:  
[strategicplanningteam@denbighshire.gov.uk](mailto:strategicplanningteam@denbighshire.gov.uk)

## CLIMATE AND ECOLOGICAL CHANGE

Climate Change Programme,  
Business Improvement and Modernisation:  
[climatechange@denbighshire.gov.uk](mailto:climatechange@denbighshire.gov.uk)

Thank you for your time today.