

CABINET

Date of Meeting	Tuesday, 16 th March 2021
Report Subject	Commencement of the Socio-economic Duty
Cabinet Member	Cabinet Member for Corporate Management and Assets
Report Author	Chief Executive
Type of Report	Operational

EXECUTIVE SUMMARY

The Socio-economic Duty in Wales will come into force on 31 March 2021. The duty places a legal responsibility on listed public bodies, when taking strategic decisions, to have due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. The final list of relevant public bodies will be published in the Regulations and statutory guidance.

The purpose of this report is to advise Cabinet of the action being taken to prepare for the new duty, which will be a key mechanism for supporting the most vulnerable in our society.

RECOMMENDATIONS

1	To note the requirements of the Socio-economic Duty.
2	To be assured of our preparedness in meeting the new duty.
3	To agree that this report is shared with all scrutiny committees to ensure they are familiar with the requirements of the legislation.

REPORT DETAILS

1.00	EXPLAINING THE SOCIO-ECONOMIC DUTY
1.01	<p>Sections 1-3 of the Equality Act 2010, the Socio-economic Duty, requires relevant public bodies, when taking strategic decisions, to have due regard to the need to reduce inequalities of outcome that result from socio-economic disadvantage.</p> <p>This section of the Act was not enacted when the Equality Act came into force in 2012, and has lay dormant on the statute books. Welsh Ministers intend to use their powers to commence the Socio-economic Duty on 31 March 2021.</p>
1.02	<p>The Socio-economic Duty intends to ensure that those taking strategic decisions:</p> <ul style="list-style-type: none"> • take account of evidence and potential impact on people who experience socio-economic disadvantage. • 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 decision makers operate.
1.03	<p>Welsh Government (WG) has advised that “the duty is a key mechanism in supporting the most vulnerable in our society and something which will be extremely important in our continued response to Covid-19”.</p>
1.04	<p>WG has published non- statutory guidance, “A More Equal Wales, Preparing for the Socio-economic Duty” and a fact sheet to support organisations who are expected to be required to meet the duty. The final list of relevant public bodes will be published in the Regulations and statutory guidance.</p>
1.05	<p>Key terms explained in the guidance include:</p> <ul style="list-style-type: none"> • Due regard - will require the named authorities to consider the issues and to give weight to such considerations proportionate to their relevance. • Inequalities of outcome – any measurable difference in outcome between those who experience socio- economic disadvantage and the rest of the population, such as, lower healthy life expectation, lower paid work, poorer skills and attainment. • Reporting - there will be no statutory reporting but organisations should be able to demonstrate how they have discharged their statutory duty and have a clear audit trail of evidence. An individual or group who feel that their interests are adversely affected by a decision or feel that an organisation is not complying with the duty may bring a judicial review claim against that organisation.

	<ul style="list-style-type: none"> • Strategic decisions - Strategic decisions are defined as “those decisions which affect how the organisation fulfils its statutory purpose over a significant period of time”. These do not include routine, day to day decisions.
1.06	<p>Some examples of strategic decisions include:</p> <ul style="list-style-type: none"> • Medium to long term plans; • Setting objectives; • Changes to and developing public services; • Strategic financial planning; • Major procurement and commissioning decisions.
1.07	<p>WG has set out four steps within the guidance to support organisations to prepare to meet the duty:</p> <ul style="list-style-type: none"> • Step 1 - identifying strategic decisions • Step 2 - identifying those involved with strategic decisions. • Step 3 - ensure that those involved with strategic decision making process understand the requirements of the duty. <p>Step 4 - integrate consideration of inequality of outcome caused by socio-economic decisions within existing processes to understand and start evidencing.</p>
1.08	<p>We are already undertaking a number of these steps:</p> <ul style="list-style-type: none"> • Strategic decisions are identified in committee reports; • Integrated Impact Assessments (IIA) include potential impacts on poverty and these are included within committee reports for decision makers to consider; • Impacts on the well-being goals, including the goal “An Equal Wales”, and the future ways of working are also reported within committee reports; • The social value aspect of procurement and commissioning; and • Poverty is included as a priority within the draft 2021 Council Plan.
1.09	<p>The new duty provides an opportunity to review and update what we do, including IIAs, procurement and committee report guidance for report authors. This will ensure that we can evidence we are meeting the new duty and are considering how our decisions might help reduce the inequalities associated with socio-economic disadvantage. We are updating our IIA tool to ensure the new duty is fully considered and are amending the commissioning form to ensure commissioning officers complete relevant impact assessments before procuring new services.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue/Capital: there are no implications for the approved revenue and capital budgets for either the current financial year or for future financial years.</p> <p>Human Resources: there are no implications for additional capacity or for any change to current workforce structures or roles.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT																						
3.01	<p>An Integrated Impact Assessment is not required as this report provides an overview of legislation requirements. Strategic reports to formal committees, from 31 March 2021, will require evidence of demonstrating due regard to the Socio-economic Duty.</p> <p>Ways of Working (Sustainable Development) Principles Impact</p> <table border="1"> <tr> <td>Long-term</td> <td>No change.</td> </tr> <tr> <td>Prevention</td> <td>Positive. The new duty aims to ensure that potential impacts on socio-economic disadvantage are considered</td> </tr> <tr> <td>Integration</td> <td>Positive. The new duty aims to build on existing legislation, such as the Public Sector Equality Duty and the Well-being of Future Generations Act.</td> </tr> <tr> <td>Collaboration</td> <td>No change</td> </tr> <tr> <td>Involvement</td> <td>Positive. Demonstrating due regard to socio-economic disadvantage requires public bodies to listen to the voices of people and communities who experience socio-economic disadvantage.</td> </tr> </table> <p>Well-being Goals Impact</p> <table border="1"> <tr> <td>Prosperous Wales</td> <td>Positive. The purpose of the new duty is to reduce inequalities of outcome caused by socio-economic disadvantage.</td> </tr> <tr> <td>Resilient Wales</td> <td>No change</td> </tr> <tr> <td>Healthier Wales</td> <td>Positive. The purpose of the new duty is to reduce inequalities of outcome caused by socio-economic disadvantage, including health inequalities.</td> </tr> <tr> <td>More equal Wales</td> <td>Positive. The purpose of the new duty is to reduce inequalities of outcome caused by socio-economic disadvantage.</td> </tr> <tr> <td>Cohesive Wales</td> <td>No change</td> </tr> <tr> <td>Vibrant Wales</td> <td>No change</td> </tr> </table>	Long-term	No change.	Prevention	Positive. The new duty aims to ensure that potential impacts on socio-economic disadvantage are considered	Integration	Positive. The new duty aims to build on existing legislation, such as the Public Sector Equality Duty and the Well-being of Future Generations Act.	Collaboration	No change	Involvement	Positive. Demonstrating due regard to socio-economic disadvantage requires public bodies to listen to the voices of people and communities who experience socio-economic disadvantage.	Prosperous Wales	Positive. The purpose of the new duty is to reduce inequalities of outcome caused by socio-economic disadvantage.	Resilient Wales	No change	Healthier Wales	Positive. The purpose of the new duty is to reduce inequalities of outcome caused by socio-economic disadvantage, including health inequalities.	More equal Wales	Positive. The purpose of the new duty is to reduce inequalities of outcome caused by socio-economic disadvantage.	Cohesive Wales	No change	Vibrant Wales	No change
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	Globally responsible Wales	No change
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	No consultation required as this reports on a new duty.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>A More Equal Wales: Preparing for the commencement of the Socio-economic Duty. Non- statutory Guidance .</p> <p>Commencing the Socio-economic Duty Fact Sheet</p>

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Fiona Mocko, Strategic Policy Advisor Telephone: 01352 702122 E-mail: fiona.mocko@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Integrated Impact Assessments: An Integrated Impact Assessment (IIA) is a way to look at how a proposal could affect communities and if different groups within the community will be affected differently. It takes into consideration impacts on the environment, equality (people with protected characteristics), health, poverty and Welsh language.</p> <p>Socio-economic disadvantage: Living in less favourable social and economic circumstances than others in the same society. This includes both communities of interest and communities of place. Communities of interest includes people with protected characteristics as defined by the Equality Act 2010 and groups of people who share an experience, for example, people who are homeless. Communities of place include people who are linked together because of where they reside or work.</p>