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Welsh Government

A More Equal Wales

Preparing for commencement of the Socio-economic Duty

This slide deck provides general information to support awareness raising.

The declaration and intent



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A priority for the Welsh Government is to take action to safeguard equality and human rights, particularly in the context of Brexit.

One piece of this work is through commencing the socio-economic duty – 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.

The legal bits



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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



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So, 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



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Over the next couple of slides, 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.

i) Decisions of a strategic nature



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“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.

ii) To consider:



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“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.

iii) Inequalities of outcome



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“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.

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](#);
- [EHRC’s report Is Wales Fairer?](#)

iv) Socio-economic disadvantage



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“Living in less favourable social and economic circumstances than others in the same society.”

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**.

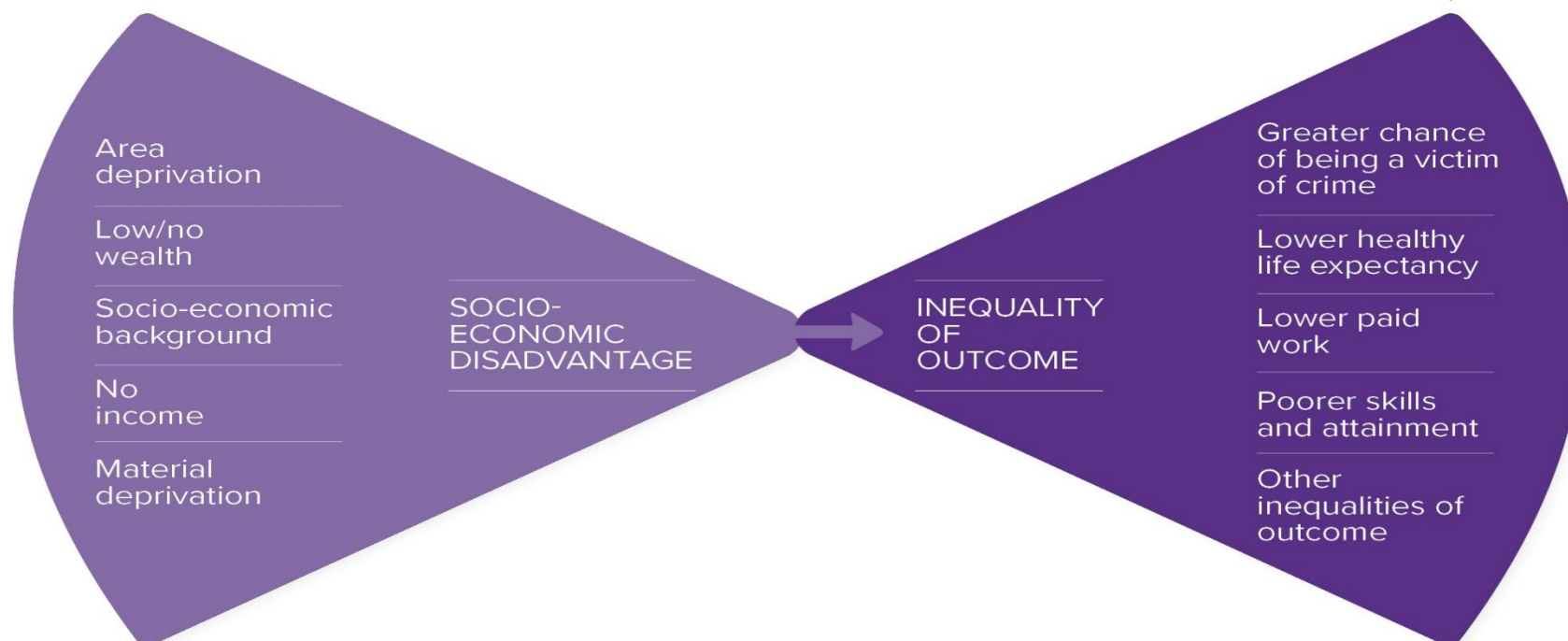
- **Communities of interest** – those who share one or more of the protected characteristics listed in the Equality Act 2010 can be considered communities of interest.
- **Communities of place** refers to people who are linked together because of where they reside, work, visit or otherwise spend a substantial portion of their time.

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



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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



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There are opportunities to consider the Socio-economic Duty through other duties. 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 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.

In summary...



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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, it is recommended that the relevant public bodies follow the steps below:



STEP 1

Identify their strategic decisions and when they are taken.



STEP 2

Identify those involved in the strategic decision-making process.



STEP 3

Ensure that those involved in the strategic decision-making process understand the statutory requirement of the duty, particularly giving due regard and the requirements of their role in relation to this.



STEP 4

Take steps to integrate consideration for inequality of outcome caused by socioeconomic disadvantage into existing processes for understanding and evidencing the likely impact of strategic decisions

For example, impact assessment processes, plans for engagement and processes for developing a business case



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The following slide shows an example of a 5 stage approach that the relevant public bodies can take to meet the duty on a day-to-day basis.

Meeting the duty on a day-to-day basis



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STAGE 1: Planning

Is the decision a strategic decision?



What evidence do you have about socio-economic disadvantage and inequalities of outcome in relation to this decision?

Have you engaged with those effected by the decision?

Have you considered communities and places of interest?



STAGE 2: Evidence

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?



STAGE 4: Strategic decision making

This stage is for decision makers (for example, executives, non-executive directors, board and committee members) to confirm that due regard has been given.

They should be satisfied that the body has understood the evidence and the likely impact, and has 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

Further information



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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