

To: Cabinet
Date: 13 March 2024
Report of: Head of Corporate Strategy
Title of Report: Voluntary Adoption of the Socio-Economic Duty

Summary and recommendations	
Purpose of report:	To propose the Council's voluntary adoption of the socio-economic duty set out under the Equalities Act 2010, but not applied in England, with implementation in a way that minimises legal and resourcing impacts
Key decision:	Yes
Cabinet Member:	Councillor Susan Brown, Leader of the Council and Cabinet Member for Inclusive Economy and Partnerships
Corporate Priority:	All council priorities
Policy Framework:	Corporate Strategy 2020-24

Recommendation: That Cabinet resolves to:
1. Voluntarily adopt the Socio-Economic Duty (SED), involving the development of a holistic approach, as part of the Council's policy making and decision-making processes. The SED considers and seeks to address the inequalities of outcome that stem from socio-economic disadvantage.

Appendices	
Appendix 1	Horizon Scanning and Insight
Appendix 2	Risk Assessment
Appendix 3	Equalities Impact Assessment

Introduction and background

1. The Equality Act 2010 provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. Among the many statutory obligations introduced in the legislation, Government created the socio-economic duty which requires public bodies to adopt transparent and effective measures to address the inequalities that result from differences in occupation, education, place of residence or social class. While framing the SED in legislation, to date the UK Government

has chosen not to bring this element into force in England, though the devolved governments in Scotland and Wales have done so. A number of local authorities in England have also chosen to voluntarily adopt and implement Section 1 – the Socio-Economic Duty (SED).

2. Section 1 of the Equality Act 2010 introduces a SED on public bodies that requires them: “when making decisions of a strategic nature about how to exercise its functions” to “have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage”.
3. Section 1 asks public bodies to consider how their decisions and policies could increase or decrease inequality that results from socio-economic disadvantage. It seeks to ensure that public bodies adopt transparent and effective measures to address these inequalities.
4. While officers recommend the Council adopts voluntarily the SED following development of a detailed implementation plan, a relatively light touch implementation approach is proposed, which can be delivered within existing budget and resources.
5. In [October 2022](#) the Council resolved to request that the Head of Corporate Strategy submit a report to the Cabinet with options to:
 - a. Implement the socio-economic duty (SED) within all Council policies over the next eighteen months; and
 - b. Encourage partnership institutions, including Oxford University, to adopt the SED.

Process and approach

6. In reaching the point at which the recommendation to adopt the SED could be given, Council officers have considered a number of questions, challenges and risks. Three areas in particular have been looked at in some detail:
 - a. Financial and operational impacts associated with implementation across Council policymaking and decision making.
 - b. Use of appropriate data to inform any SED-based decisions.
 - c. If decisions are made without properly taking the relevant socio-economic factors into account, the decisions are at risk of challenge.
7. Work has been undertaken to address each query. This has involved both an internal assessment of how socio-economic factors are already used in the Council’s policy-making, and an extensive external horizon scanning exercise that looked at how SED has been implemented in other English and Scottish local authorities.
8. Internally, officers identified a number of initiatives, programmes and action plans that may already be delivering a commitment towards SED. These include:
 - [Leisure concessionary offers](#)
 - [Free Swimming sessions](#)
 - Some of the aims set out in the Council’s [Thriving Communities Strategy](#)
 - The work of our Homelessness Prevention and Benefits teams

- The Council's work with the Oxford Inclusive Economy Partnership (OIEP) including its participation in the OIEP [Oxford Inclusive Economy Charter](#).
- 9. Discussions were held with officers at a number of other English local authorities that have voluntarily adopted the SED to understand how they had implemented this into their policy-making process and their approach to managing the risks of legal challenge. These include Hackney Council, Harborough District Council, Salford Council, Oldham Council and the Bee Network (Transport for Greater Manchester).
- 10. Officers also met with colleagues from Edinburgh City Council since the SED has adopted under Scottish law.
- 11. While legal officers sought copies of or insights from any legal opinions provided to other councils, no detailed information on legal implications considered elsewhere was forthcoming.
- 12. However, the feedback from those councils that did respond more generally was:
 - a. None had experienced legal challenges.
 - b. Some had taken a relatively low-key or non-formal approach to SED adoption.
 - c. Most utilised existing EqIA processes together with clearly defined datasets as tools to implement the SED.
- 13. Having assessed the SED implementation approaches across several other local authorities, including in Scotland where it has statutory weight and in England where it is only voluntary, it is believed a relatively light touch approach can be taken, requiring minimal additional resource.
- 14. This is because the Council's strategic approach to policy already has significant regard to promoting inclusion and tackling economic inequalities; and because the Equalities Impact Assessment (EqIA) process already in place for policy making provides an appropriate mechanism for SED implementation.
- 15. Voluntary adoption of the SED should both improve the consistency of existing approaches where consideration is already given to socio-economic factors, and it will also help ensure the Council approach is fully aligned to delivery against the OIEP charter. The Council and its wholly owned companies ODS Ltd and OCH Ltd, each have a pledge as part of the OIEP Charter. The Scrutiny Committee receives an annual report with a measure of organisational levels of inclusivity overall.
- 16. Further work will need to be done to confirm the appropriate data measures used to assess socio-economic need and associated policy impacts. Data sets used elsewhere include Multiple Indices of Deprivation at an area level and benefits entitlement at an individual level.
- 17. An enhanced EqIA will need to be designed together with associated guidance, and training will need to be provided for officers and members in the application of the new approach.
- 18. Therefore, full implementation of the SED would need to follow within the 2024/25 Council year.

Financial implications

19. If the Council chooses to voluntarily adopt SED, all strands within any operational implementation will need to align with the Council's Medium Term Financial Plan utilising existing resources and capacity.
20. Some individual implementation actions could be subject to successful budget bids or necessitate securing additional funding.

Legal issues

21. There is the potential risk of judicial review if the Council is not taking all relevant factors into account nor making "reasonable" decisions. It is possible that decisions can be challenged if it can be argued/demonstrated that they have not been properly made. This risk arises if decisions are taken by the Council without properly taking into account all relevant socio-economic factors. Decision-makers must have the expertise and data to make an informed decision.
22. Adding in a requirement to take socio-economic factors into account each time a decision is made increases the burden on the decision-maker and it will be necessary to ensure that the necessary expertise and an appropriate level of resource is available to allow this to happen in every case. There is a risk that it could become a tick box exercise unless services have the necessary expertise and information to take all relevant factors into account when decisions are being made.
23. It will be meaningless unless there is a robust mechanism in place for making sure that all decisions are made in the context of the relevant socio-economic factors. If sufficient resources are not available to achieve this, decisions of the Council will be at risk of challenge since they will not have been made by demonstrably and properly taking into account all relevant factors.
24. Officer and member training will need to be provided to ensure the required knowledge and capability across the organisation to implement fully and ensure SED considerations are properly taken into account.

Level of Risk

25. A Risk Register is given as Appendix 2.

Equalities impact

26. An Equalities Impact Assessment is given as Appendix 3.

Carbon and Environmental Considerations

27. The Council's Corporate Strategy 2020 to 2024 includes five strategic aims, one of which is to pursue a zero carbon Oxford. The aim relating to Zero Carbon Oxford is to ensure that climate change goals prioritise cutting carbon emissions from the Council's buildings and that traffic pollution is reduced by providing more electric vehicle infrastructure and greater opportunities for active travel.
28. As a result, carbon and other environmental considerations are already taken into account as part of the policymaking and decision-making process. However, if the SED is adopted this will require that socio-economic factors and the potential need for mitigation are also taken into account. For example, the higher upfront cost of electric vehicles relative to petrol and diesel vehicles, would need to be considered alongside the pollution and carbon impacts they prevent.

Conclusion

29. If the Council chooses to voluntarily adopt the SED a:
- Detailed implementation and action plan would need to be developed.
 - Thorough review and consultation will be required **prior to** changing any existing provisions that will have an impact of socio-economic status. These changes may be related to leisure concessions, Council Tax reduction scheme, grant funding, to name a few. The burden of duty will be higher if these changes will impact other protected characteristics.
30. Given these considerations, and after weighing the existing efforts undertaken by the Council, it appears feasible for the Council to voluntarily adopt the socio-economic duty, despite the potential added risks related to legal implications and resource constraints. The proposed next step requiring the development of a detailed implementation plan involving an expanded EqIA and training programme should confirm how a light touch approach that minimises additional resource can be achieved.

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Background Papers: None

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