

REPORT TO BUSINESS SERVICES COMMITTEE - 16 NOVEMBER 2017

SCOTTISH GOVERNMENT CONSULTATION ON THE SOCIO-ECONOMIC DUTY ABERDEENSHIRE COUNCIL RESPONSE SEPTEMBER 2017

1. Recommendation

The Committee is recommended to:

1.1 Note the Aberdeenshire Council response on the Scottish Government consultation on the Socio-Economic Duty.

2. Discussion

- 2.1 In the Fairer Scotland Action Plan (2016) the Scottish Government set out its intentions to introduce a socio-economic duty by the end of 2017, in the context of other changes in public service (e.g. the Community Empowerment Act and the Child Poverty Bill).
- 2.2 The socio-economic duty asks particular public authorities to do more to tackle the inequalities of outcome caused by socio-economic disadvantage. In particular, the duty aims to make sure that strategic decisions about the most important issues are carefully thought through so that they are as effective as they can be in tackling socio-economic disadvantage and reducing inequalities of outcome. These strategic decisions would include, for example, an economic development strategy; or an annual budget setting out key investment choices.
- 2.3 The Scottish Government opened a consultation on the duty in July 2017 with responses to be submitted no later than 12 September 2017.
- 2.4 Due to the timeline associated with the consultation, it was not possible to present the Council's response to Business Services Committee prior to submission. In accordance with the Scheme of Governance, the draft response was presented to the Chair and Vice Chair of the Committee for approval prior to submission. The Opposition spokesperson was also invited to comment. Any comments received were incorporated into the submitted response attached as Appendix 1.
- 2.5 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments incorporated.

3 Scheme of Governance

- 3.1 Committee is able to consider and note this item in terms of Section A of the List of Committee Powers in Part 2C of the Scheme of Governance as it

relates to a Council response to an external consultation on a relevant policy matter falling within the delegation of the Committee.

4 Implications and Risk

- 4.1 An equality impact assessment is not required because the report is to inform committee on a consultation response and there will be no differential impact, as a result of the report, on people with protected characteristics. An approach for ensuring compliance with the Socio-Economic Duty, following release of the statutory guidance informed by this consultation, will be incorporated into the council's equality impact assessment process.
- 4.2 There are no direct financial or staffing implications arising from this report.
- 4.3 The following Risks have been identified as relevant to this matter on a Corporate Level:
- Reputation management – this is controlled through general policy & procedures and assured by external scrutiny bodies through the annual shared risk assessment and by Internal Audit; and
 - Changes in government policy, legislation and regulation- this is controlled through general policy & procedures as well as membership of professional bodies at Corporate & Individual level and our participation in CoSLA and SoLACE.

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SocioEconomicDutyFinalReport.doc



From mountain to sea

Scottish Government Consultation on the Socio- Economic Duty Aberdeenshire Council response – 2017

In the Fairer Scotland Action Plan (2016) the Scottish Government set out its intentions to introduce a socio-economic duty by the end of 2017, in the context of other changes in public service (e.g. the Community Empowerment Act, the Child Poverty Bill). The socio-economic duty will place greater responsibility on certain public authorities to tackle inequalities of outcome caused by socio-economic disadvantage, particularly when formulating strategic decisions.

The Scottish Government's consultation on the topic closed on 12 September 2017.

In order to develop this response on behalf of Aberdeenshire Council, Heads of Service were asked to cascade a survey to their staff. Views were received from various teams including Legal & Governance, Commercial & Procurement Services, Housing and Economic Development. The Policy team also had sight of partner organisations' responses, including the Alcohol and Drugs Partnership (ADP), NHS and the Equality and Human Rights Commission (EHRC) which helped inform the document.

1. Do you agree that the definitions of these terms are reasonable and should be included within the Scottish Government's forthcoming guidance on the socioeconomic duty?

Mostly yes, the definitions are appropriate. However, Aberdeenshire Council would suggest a few changes:

- **Due regard** - We recognise and appreciate the aim of providing flexibility to local authorities, but the term "Due regard" is too ambiguous. We would suggest that the concept be the same as that in the Equality Duty (EA 2010 Sct 149), if appropriate, i.e. "a conscious direction of the mind to equality".

It would be useful to indicate which practical processes local authorities can follow to prove they have given “due regard” to this duty (or add a link to more guidance).

We also suggest changing the phrase “desirability of reducing unequal outcomes” to the “viability of reducing” or “opportunities for reducing” unequal outcomes – since no local authority would find this objective “undesirable”.

- **Socio economic disadvantage** – we recommend changing the first sentence slightly to: “...less favourable economic circumstances than *the majority of others in the same society*”. The phrase “...or even individual households” may be unnecessary since positive outcomes should impact primarily on individual households whether looked at geographically or on the basis of circumstances.
- **Inequalities of outcome** – We are pleased to see a good focus on health, life expectancy and educational attainment. An exhaustive list would be helpful in future guidance, describing those interlinked factors that drive inequalities and what needs to be done to mitigate those issues. Examples of drivers could include lack of pension provision, lack of affordable housing (lease or buy), lack of access to affordable public or private transport and lack of household essential items.

2. Do you agree that the socio-economic duty should apply to the Scottish public authorities named here?

Yes.

3. Do you think the duty should apply to any other public authorities, similar to those listed in the Equality Act 2010?

The list is appropriate, but in order to cover more authorities whose work can significantly contribute to reducing inequalities, the legislation could consider ways to include relevant authorities within education, transport and criminal justice if appropriate within the legislative framework.

4. Several steps have been tentatively drafted in order to produce guidance on the legislation, which could be amended based on the consultation responses: Identifying which strategic decisions public authorities take; Identifying inequalities of outcome caused by socio-economic disadvantage; Exercising the duty during decision-making; Monitoring the impact over the longer term.
Do you have any comments on the steps set out above?

Step 1, Identifying which strategic decisions public authorities take – For Aberdeenshire Council, significant strategic decisions already involve an Equalities Impact Assessment and similar evaluations. The guidance would help authorities to think about whether all processes are compliant by suggesting criteria under which “strategic areas for decision-making” might fit.

Step 2, Identifying inequalities of outcome caused by socio-economic disadvantage – The range of data proposed is comprehensive, and matches sources already used by analysts in Aberdeenshire Council. It is helpful that the guidance does not intend to be prescriptive about the sources of data or the set-up of fairness or poverty commissions. Many councils already have different mechanisms for overseeing and supporting work to reduce inequalities, some of which takes place alongside partners, like the Tackling Poverty & Inequalities Group (TP&I) in Aberdeenshire. However, the guidance could include examples of best practice and a brief self-assessment exercise to help authorities decide whether their mechanisms are adequate. We would not advocate involving communities directly in overseeing authorities’ performance on inequalities, since effective oversight requires a knowledge of authorities’ way of working, ongoing initiatives and socio-economic data. While community engagement is an important part of many decision-making processes, we would only suggest involving one or two knowledgeable community representatives in any group, as long as they have the time necessary to have a meaningful, continuous input.

Step 3, Exercising the duty during decision-making – As stated previously, Aberdeenshire Council supports the flexibility provided in terms of reporting on the duty, since separate reporting would be considered more difficult to integrate in the organisation. We welcome the option of adapting existing processes (EIAs) to consider equalities and socio-economic impacts in an integrated format, suggested by the Scottish Government – perhaps under the term of “Combined Impact Assessments”. It would be preferable if the assessments themselves remained broad, in order to allow for strategic thinking that encompasses a wide range of interlinked factors.

Step 4, Monitoring the impact over the longer term – We agree that a separate reporting framework is not desirable.

5. What other actions could public authorities take to demonstrate that they are meeting the duty?

The improvement of outcomes should be the main benchmark for success. Plans like the LOIPs, Locality Plans and others are currently setting out actions and indicators which will be assessed by partners within Community Planning Partnerships (CPPs) to determine whether outcomes are improving at pace.

In addition to keeping records of decision-making and integrating socio-economic considerations to current assessment mechanisms, local authorities could provide evidence of how the duty has been successfully applied if required to do so.

6. Could you offer suggestions as to how public authorities could improve budgetary analysis and reporting so as to take better account of inequalities related to socio-economic disadvantage?

Local authorities will continue to apply impact assessments prior to (and during) the implementation of significant strategic decisions. After the socio-economic duty, they can ensure that these include a socio-economic dimension and present this analysis to the appropriate budgetary committee. Another suggestion would be to compare cases that represent significant budget spends once sufficient time has passed to reveal outcomes, and evaluate their socio-economic impacts in order to identify good practice for future decisions.

7. Can you offer examples of how public authorities and others have made best use of the expertise of people with direct experience of poverty?

In Aberdeenshire, the new LOIPs and Locality Plans have provided a suitable vehicle for analysing inequalities within our local authority area and identifying the places and factors that require our attention. As a result, “Reducing child poverty” and “Improving Aberdeenshire’s relationship with alcohol” have been selected as LOIP priorities by the Aberdeenshire CPP and we have found the three localities of highest deprivation. The action plans are currently being formulated by analysing socio-economic data held by partners, consulting the views of practitioners and specialists, and engaging with communities to understand the problem.

In our area, local Welfare Reform Groups have been set up which show good partnership working and ensure staff reach out to assist those who need support - making staff in all sections throughout the Local Authority aware of where tenants/clients can go for assistance.

Looking at national, collaborative engagement, public bodies have built up collaborative policies, networks and strategies re food and fuel poverty that did not previously exist (e.g. working with food banks by referring clients who may need assistance). Councils have also liaised with the Poverty Alliance regarding the Living Wage and Living Wage accreditation.

8. What kind of guidance and support on meeting the duty would be most useful for public authorities?

Even though the consideration of socio-economic impacts is already integral to local authorities’ decision-making, there is no denying that this new duty will create additional requirements for public authorities. It is important that any guidance is developed in a format that is clear, concise and practical, laying out what is expected (mandatory) and what is suggested, with scope for interpretation (optional). There may be two formats of guidance – a more

detailed one for analysts and a briefer training document for the wider workforce – both available online.

There are already many duties which local authorities must follow (e.g. equalities, health, carbon reduction). It would therefore be helpful for the guidance to clearly suggest efficient and cost-effective ways to adapt existing processes (e.g. Equalities Impact Assessments) in order to comply with “due regard” in a way that the Scottish Government finds satisfactory. The guidance should state whether impact assessments would be expected to contain specific information or meet certain requirements. Explanations should be clear and practical, preferably with a suggested template of sections.

More comprehensive guidance on the scope of “geographic” and “circumstantial” disadvantage would be useful, as well as a few more case studies that examine higher-level decisions.

9. Should public authorities use existing monitoring frameworks to track whether the socio-economic duty is making a difference to outcomes over the long term?

Yes, we consider the use and adaptation of existing equalities and human rights frameworks is adequate.

10. What could public authorities and the Scottish Government do to make sure that the links between the different duties are managed effectively within organisations?

Provide clear guidance (as suggested in previous answers) and substantive support while processes are being incorporated. Rather than explain the links between all the different duties, it would be simpler to state how the socio-economic duty is different from the existing processes.

11. Can you offer examples of good practice in taking an integrated approach to issues such as poverty, equality, and human rights?

Equality Impact Assessments have been incorporated into various processes, including in the formulation of the Aberdeenshire LOIP which deals with reducing inequalities. There have also been attempts locally to produce combined impact assessments for policies, plans and strategies on health inequalities and climate change.

Aberdeenshire also has local welfare reform groups which combine staff from housing teams, Job Centre, Community Learning and Development, Police Scotland and NHS. They meet regularly to share good practise and offer advice on where services/courses are available.

Finally, the Tackling Poverty and Inequalities Group in Aberdeenshire prioritises taking action on employability, financial inclusion, youth unemployment and information and advice services. It includes Aberdeenshire Council, Elected Members, Skills Development Scotland, NHS Grampian, Health and Social Care Partnership, Alcohol and Drugs Partnership, Aberdeenshire Voluntary Action and the Department for Work and Pensions. The group is leading on developing the action plan for the Aberdeenshire LOIP's Child Poverty priority.