**ANNEX – CASE STUDIES OF THE SOCIO-ECONOMIC DUTY IN OPERATION**

The case studies below give a range of scenarios where considering a decision from a socio-economic disadvantage perspective could influence the shape of the decision. Often it isn’t what is done, but how it is done that will make the difference.

**CASE STUDY 1 – DEVELOPMENT OF AN URBAN HOUSING PLAN**

**Before the Socio-Economic Duty.** A local authority is putting together a new business plan for low-cost housing to inform the next review of their local development plan. There are two potential sites but the business plan expresses a preference for the new housing to be sited in the far east end of the council area. This is a greenfield site where it is easy and relatively cheap to lay the new utility pipes and to build houses with gardens which people have said they wanted. This is great on the one hand because there’s a real shortage of houses that most people could afford in the area and it represents good value because the cost per home is lower than building in other areas. But on the other hand, there are very few bus services. So many people, especially those on low pay, could find it hard to get to work. And the plans haven’t included the services people really need – there’s no plan to build shops or a health centre, for instance. The plan says that buses and local services would need to be thought about, but there’s no information about how these new services would be put in place.

**After the Socio-Economic Duty.** As the business plan is clearly an important decision, the authority has to think carefully about how the new housing will reduce inequalities of outcomes, because the new duty is in place.

This version of the business plan says that the new housing is being considered for the far east end of the council area because of the ease and cost of development and because they can build houses rather than flats. But if this area is the preferred option, new bus services will have to be set up to help local people, especially those on low pay, get to work. And shops and a health centre would be needed too, along with other basic services. This version of the business plan includes much more information about how these new services will be set up and how much they will cost.

But the plan also sets out another idea – to build a different type of flatted low-cost housing in an empty site nearer to the centre of the council area. This type of development costs more per home, because there are old pipes to dig up and contaminated land to treat. But it would make it easier for people living in the new housing to get to work and to use the local services that are already there. Some money would still need to be spent on upgrading local services and a play area for children but the cost is lower than providing new services.

The local authority knows it doesn’t have all the answers. So it decides to test these ideas with local people, including people with direct experience of poverty. People say that they prefer the idea to build in the centre of the council area, particularly to make it easy to get a job or to change jobs. The local authority now balances all this information to make the best judgement and publishes a short report explaining its final decision.

**CASE STUDY 2 – A SIGNIFICANT INVESTMENT DECISION WITHIN AN ECONOMIC DEVELOPMENT STRATEGY**

A private research company has contacted a local council about developing a new Scottish research headquarters on a site on the outskirts of small rural town. The town has high levels of poverty and few job opportunities for less skilled workers. The council is keen for the area to welcome any type of investment and economic development.

**Before the socio-economic duty**

The council considers the proposal and notes that the research headquarters will bring 45 new jobs to the area. Most of the jobs will be high quality, secure with good career progression. The building will be newly built to high sustainability criteria with their London headquarters overseeing the building. New jobs will be made for skilled researchers but also for less skilled workers such as security, lab technicians, administration, cleaning and servicing of the building. The skilled jobs will be recruited internationally. The other jobs will be filled on contract from their London headquarters through recruitment agencies in the nearest city, 30 miles away. On balance the Council are very keen to signal that they welcome new investment and encourage the location of the research headquarters.

**After the socio-economic duty**

The council assesses the proposal to see if it either reduces or further increases inequality of outcome due to socio-economic disadvantage. They note that the research jobs are good quality but that they are unlikely to be filled in the local area. Furthermore, the jobs that are lower-skilled may be more suitable for people who experience socio-economic disadvantage but they are not going to be recruited locally. Moreover, the building itself will be undertaken by a company that has no current apprentices and a poor record of providing career progression to its employees.

The council is still keen to encourage the location of the research headquarters but enters into negotiation with the company to try to mitigate some of the identified negative impacts. They include local people in some of the meetings to help them encourage the company to think about recruiting some of their semi-skilled jobs locally. The company is reluctant because of the skilled nature of the work but a local college agrees to help and offers a day release training opportunity for administration and lab technician posts. As a result, the company agrees to develop a graduate development programme and a modern apprenticeship programme enabling it to build its support workforce over time whilst continuing to recruit its key researcher posts internationally. The company was unwilling to change their building contracts but did agree that future maintenance programmes would be tendered amongst smaller, more local trades. The council felt that these changes had fulfilled their duty. They wrote this up, published it on their website and welcomed the new investment.

**CASE STUDY 3 – REPROVISIONING A MENTAL HEALTH HOSPITAL.**

In City X, the mental health facilities have developed on an ad hoc basis over many years with consultation happening in various buildings throughout the city. Many of the buildings are not suitable for modern approaches to mental health; there is a lack of key digital infrastructure and a lack of communication across the different offices. In response, the health board has proposed a major, multi-year investment to locate all mental health services together in purpose-built accommodation on a site that it owns.

**Before the socio-economic duty**

The health board thinks carefully about the type of accommodation required and how to make it suitable for the range of treatments and accommodation combinations needed by the medical staff. It also spends time considering how to make sure that the new facilities meet the needs of a variety of patients, including friendly, clear signage for children; wheelchair accessibility and facilities; appropriate signage for sensory impairments; suitable car parking and public transport options.

**After the socio-economic duty**

The health board also takes time to think about the inequalities caused by socio-economic disadvantage. There is reasonable evidence that people in poverty or living in deprived neighbourhoods have a higher risk of addiction and mental illness and it’s also known that many patients struggle financially and socially. The new site is very well serviced by public transport so the Health Board doesn’t think there are any problems there, but wonders whether it would be sensible to include a small office which could be offered for free to a local third sector organisation to provide a full benefit-check for patients. By reducing financial stress, this might help mental health outcomes.

The health board employs a wide range of staff and has already committed to paying the living wage. But consultation with staff has suggested that the new site might increase transport costs for employees, which could be particularly problematic for those who are disadvantaged. The Board decides to negotiate with a local bus company to give their workers a 10% discount on travel-cards for the first 18 months after the move. It also commits to examining the data held on workers’ shifts to check that employees are being offered enough work to suit their individual requirements and reduce in-work poverty and, as a result, decides to roll-out career progression discussions.

Finally, the board decides to run a road-show in local secondary schools in deprived areas to encourage pupils, especially boys, to think about a future career in mental health nursing or related occupations.

The socio-economic duty has not changed the initial decision but it has identified a few areas where the health board could tweak its approach to further demonstrate its commitment to tackling inequality in outcomes.