



SCRUTINY REVIEW PANEL 3 – 2019/2020
LOCAL EFFECTS OF NATIONAL ISSUES

FINAL REPORT

20 February 2020

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CHAIR'S OVERVIEW



***Councillor Paul Driscoll
(Panel Chair)***

The Panel selected four themes to review: financial pressures upon the Council, Universal Credit (UC), Homes (Fitness for Human Habitation) Act 2018 and the proposed Environment Bill. The Panel met before Covid-19 lockdown came into effect and consequently the Panel's report does not reflect issues associated with the pandemic.

The first three themes were reflective, reviewing the Council's response to changes in funding, benefits and housing. The fourth theme, the Environment Bill, was forward looking with the intention to consider how the Council will respond to proposed legislation. Due to the calling of a General Election for December 2019 the Environment Bill fell and was reinstated too late in the 2020 legislative programme to be considered within the 2019/20 civic year.

The challenges faced by local government due to diminishing government funding are well known. The financial pressures from increasing and, often underfunded, additional responsibilities/cost shunts and levy charges receive little coverage but still represent a significant burden. We heard from London Councils, which placed Ealing within the context of other boroughs and also highlighted the challenges due to the borough's aging population. The Panel reviewed the Council's response to alleviate financial pressures through new ways of working, restructuring and the channels used to communicate with residents.

The DWP informed the Panel of the steps that have been taken to improve the assessment and payments of UC. The Panel received reports highlighting that the late payment of benefits was a significant driver for increased Foodbank usage and increasing rent arrears in both the public and private rented sectors. While there have been improvements with more UC recipients receiving support in a more timely manner work still needs to be done in this area. UC has placed increasing pressure upon the voluntary sector for both advice and practical support. There is a clear need for much more information to be provided by the DWP so that the Council can plan and deliver services to support residents in this changing landscape.

The Homes (Fitness for Human Habitation) Act 2018 provided both private and social housing tenants with the right to minimum housing standards. The Panel heard that the scope of these changes was not as wide ranging as had been hoped. Ealing Advisory Service outlined the experience of their service users and the need to ensure tenants were aware of the provisions in the Act. The Council has a role to serve remedial action notices when necessary, promote good practice in the private rented sector to letting agents and landlords and to increase awareness amongst tenants.

I would like to thank the external participants from London Councils, Ealing Advice Centre, Ealing Foodbank and the Department of Work and Pensions who informed the Panel's work and gave their time generously to attend meetings and host visits. The Council's officers from Finance, Local Welfare Assistance, Housing and Regeneration informed the Panel with comprehensive background data, context and their experiences. My thanks also go to officers from Democratic Services who arranged sites visits, liaised with internal and external contributors and very ably supported the work of the Panel.

Paul Driscoll
May 2020

1.0 **INTRODUCTION**

1.1 The main **purpose** of Scrutiny Review Panel 3 – 2019/2020: Local Effects of National Issues was to review the local effects of national issues in the borough.

1.2 The work of the Panel would assist the Council in meeting the commitments of the Community Strategy and Corporate Plan including its three priorities for the borough – genuinely affordable housing, opportunities and living incomes, and a healthy and great place for all.

1.3 The membership of the Panel was agreed at the Council meeting held on 7 May 2019.

1.4 The **scope** of the Scrutiny Panel, which was drawn up by Councillors at the Annual Scrutiny Conference on 9 May 2019, was to consider the local impact of the following key national issues:

- **Financial Pressures Upon the Council** – including strategic cost shunts/underfunded burdens, supply/demand pressures and actions, outcomes-based budgeting, budgeting choices, impact of Brexit and the devolution of business rates.
- **Universal Credit** – the changes, e.g. Council Tax scheme, implementation, update on the present position, casework, roles of the various agencies and community groups, benchmarking with others and what other boroughs are doing well that we could emulate.
- **The Homes (Fitness for Human Habitation) Act 2018:** – the changes, affordability, the Council's preparedness, inspections, intervention, best practice examples elsewhere and how these could be replicated locally.
- **The Environment (Principles and Governance) Bill 2018** – the proposals for local government, potential implications, contributing to the Government's consultation, carbon reduction changes, environmental protests in London, etc.
Regrettably, the Panel was unable to review this element of the brief during its term as there was insufficient progress in the Bill. Therefore, it was deferred for consideration in due course by the Overview and Scrutiny Committee or another relevant Scrutiny Review Panel.

1.5 The key **expected outcomes** of the review were:

- to ensure that despite the financial and other constraints the Council's services and processes were robust in delivering the challenges arising from the borough's population growth and the consequent increase in demand for public services that this drove in a sustainable way.
- to make recommendations for sufficient funding from the Government's Spending Review for the local authority, greater financial self-sufficiency to enable decisions about the local communities and driving growth in the borough.

1.6 The Panel sought the views of the major stakeholders in their review.

2.0 **METHODOLOGY**

General

- 2.1 The Panel received reports and presentations from internal services, external agencies and expert witnesses at their meetings. There were five scheduled meetings in the year but the last meeting had to be cancelled as the Panel was unable to consider *The Environment (Principles and Governance) Bill 2018* because there had been no meaningful progress at this stage. The four meetings were held in the Ealing Town Hall complex. The Panel also conducted several site visits.

Co-option

- 2.2 The Panel decided against co-opting any additional representatives as it would have been difficult to have a balanced representation from the numerous establishments falling within this remit.

Site Visits

- 2.3 Panel Members undertook the following site visits in the borough:
- Ealing Foodbank
 - Ealing Advice Service
 - Ealing Jobcentre Plus

Publicity

- 2.4 The Panel's work was publicised in the Council's *Around Ealing* free magazine which is delivered to all households in the borough, website and by direct emails.



The first Panel meeting

3.0 **DETAILED CONSIDERATIONS**

Background

- 3.1 At its first meeting, the Panel received an overview of the financial pressures facing the Council from Ross Brown (Chief Finance Officer) and a supplementary presentation from Paul Honeyben (Strategic Lead: Finance and Improvement, London Councils). At the two subsequent meetings, the Panel undertook detailed reviews of the Impact of Universal Credit and The Homes (Fitness for Human Habitation) Act 2018. The respective service officers, external partners and experts were invited to these meetings.

FINANCIAL PRESSURES FACING EALING COUNCIL

Financial Context

- 3.2 The Chief Finance Officer explained that the Council's revenue budgets were separated into three main blocks:
- General Fund
 - Schools budget funded through a Dedicated Schools Grant
 - Housing Revenue Account



Ross Brown (Chief Finance Officer) addressing the Panel

- 3.3 A large proportion of the Council's activities were funded from the General Fund (GF) which had a net budget of £247.708m in 2019/2020. However, the Council's gross expenditure was more than £1 billion including schools and the Housing Revenue Account (HRA).

Savings and budget reductions^{1 2}

- 3.4 Ealing had experienced significant, long-term and sustained cuts in funding as the Revenue Support Grant (latterly transferred into funding being provided through the retention of Business Rates) and other key

¹ Budget Strategy Report 2019/2020 – Cabinet February 12 2019

² MTF5 – 2019/2020 – 2022/2023 (February 2019)

funding streams such as Dedicated Schools Grant (DSG), Public Health Grant and New Homes Bonus (NHB) received from central government which continued to reduce year-on-year.

- 3.5 Tables 1 and 2 below summarise the reduction in Ealing’s core funding since 2010/2011 and the change in Ealing’s Settlement Funding Allocation (baseline funding) 2018/2019 to 2019/2020.

	Change %	Change £M
Ealing	-64.3%	-143.7
London Boroughs	-62.5%	
England (total)	-63.3%	

Table 1

	2018/2019 Adjusted Final	2019/2020 Settlement
	£M	£M
Retained Business Rates	100.336	93.036
Funding Reduction		(7.300)
Percentage Reduction		-7.28%

Table 2

- 3.6 This had resulted in Ealing facing a budget challenge for 2020/2021 and future years covering 2021/2022–2022/2023 of over £41m needed to be found through savings or new income streams to allow for a balanced budget to be set. The profile and level of savings made since 2011 are set out in Table 3 below:

Budget Totals	2019/2020 £M	2020/2021 (Forecast) £M	2021/2022 (Forecast) £M	2022/2023 (Forecast) £M
Total Funding	(247.708)	(241.495)	(242.885)	(244.289)
Net Budget Requirement	247.708	260.770	273.956	285.546
Transfer to/from Reserves	0.000	0.000	0.000	0.000
Net Budget Requirement after Reserves	247.708	260.770	273.956	285.546
Forecasted Budget Gap	0.000	19.275	31.071	41.257
Forecasted Budget Gap (incremental)	0.000	19.275	10.186	11.796

Table 3

Summary of Cost Shunts/Underfunded Burdens impacting Ealing's budget³

- 3.7 The reduction in the funding set out above was only part of a multifaceted challenge faced by Ealing and most other local authorities. In addition to funding cuts, Ealing, in common with other councils, had seen the imposition of numerous cost shunts/unfunded burdens as central government had shifted responsibility for services without the necessary budgets to deliver them.
- 3.8 Some key examples include⁴:
- Council Tax Benefit transformed into Council Tax Support (CTS) with a 10% cut in funding in 2013/2014 and then shortly afterwards the dedicated CTS funding was subsumed into the main grant to the Council. In Ealing, this amounted to a funding reduction of £2.455m in the first year⁴.
 - Responsibility for public health transferring to local government in 2013/2014 with a 5% cut in funding, with a further transfer of services in 2015. In monetary terms for Ealing, this meant a £2.86m budget reduction since 2013.
 - Local welfare provision funding transferred from the Department of Work and Pensions (DWP) to councils in April 2013 with a corresponding funding reduction of 25% across London. Councils received transitional funding for two years to support the setting up of local schemes. Ealing's allocation was c£2m which lasted until 2016. Additional growth of £0.380m was given to fund this going forward and service mitigations including providing money and budgeting support, use of foodbank vouchers, helping residents to maximise benefits and signposting people to debt support agencies were put in place to control demand.
 - Underfunding of homelessness and temporary accommodation. An unaffordable housing market and increasing market rents had increased the demand for housing with many families and individuals becoming homeless. The increase in housing demand was not matched by funding needed to support the requirements. Whilst the Government had provided additional funding in the form of Flexible Homelessness Support Grant, initially for two years (Ealing has received just under £16m) the Council lost out on further administration funding that was included within the Housing Benefit calculation.
 - The Homelessness Reduction Act 2017 placed additional responsibilities upon councils, with an estimated cost of £80m and funding of £14m across London. The Council now spent in excess of £30m on temporary accommodation each year. Whilst most of this expenditure could be recovered through the housing benefit subsidy

³ London Councils' report: London's Local Services: Investing in the Future (November 2018)

⁴ Revised Council Tax Support scheme for 2019/2020 – December 11 2018

system, the general fund had to shoulder an increasing share of the overall cost, principally because subsidy rates had remained static since 2011 despite rising unit prices.

- Supporting No Recourse to Public Funds responsibilities throughout the Children’s Act was an estimated £50m cost across London councils. Since 2013, it was estimated that Ealing had spent c£2.15m in fulfilling this duty.
- Costs of supporting unaccompanied asylum children were underfunded. There was a recent grant announcement of c£40,000 per child for this only from 2019/2020 onwards and still left a forecasted budget deficit. The Home Office funded the 0-16 years age group at £114 per day per child. Older children received lower funding. Post-18 young adults were still supported but the government funding was reduced to £200 per week which was expected to cover travel, subsistence and accommodation. There was currently a budget deficit of £0.191m. The number of children supported was also increasing as the number at 31 March 2019 was 55. In 2011/2012, there were 20.
- Additional costs from the introduction of National Living Wage and National Insurance Contribution respectively added costs of £170m and £50m-£100m across London. Additional pay increases for Ealing (inclusive of inflation) in 2019/2020 were estimated to be approximately £2.4m.
- Deprivation of Liberty Safeguards was an additional £10m burden across London councils. At the end of 2018/2019, a provision of £60,000 was set aside in Ealing to fund estimated legal exposure.
- The Care Act 2014 placed additional responsibilities and the associated costs on councils.
- Prior to December 2012, before the Legal Aid, Sentencing and Punishment of Offenders Act 2012 was enacted, the full cost of Young Offender Institutes (YOI) and two thirds of the cost of Secure Children’s Homes (SCH) and Secure Training Centres (STC) were met by the Youth Justice Board (YJB).

Since December 2012, local authorities have had to pay the full cost of STC and SCH. The YOI/LAC grant was determined after extensive consultation between the Ministry of Justice, Youth Justice Board and Local Authorities which was reviewed annually.

Ealing received a grant allocation in 2013/2014 of £257,906 that was reduced in 2019/2020 to £155,767. All unfunded costs must be met from the Council’s Children and Families budget. The unfunded costs for 2018/2019 were c.£500,000⁵. This cost was very volatile and

⁵Corporate Parent, 27 June 2019, agenda item 16, Report on Looked After Children and Youth Offending

difficult to predict/budget. The total cost since 2013/2014 was £1.94m and the grant received £1.1m, giving an unfunded pressure of £0.8m.

Key drivers of current and potential budget pressures

3.9 The way in which Ealing spent its General Fund net revenue budget provided a good insight into the areas that consumed the largest proportion of resources and contained a high degree of risk from a demand or inflationary perspective.

Departments	Budget 2019/2020
	£M
Schools	1.533
Children's and Families	49.619
<i>Children's and Schools (subtotal)</i>	<i>51.152</i>
Adults	89.888
Public Health	(0.000)
<i>Adults & Public Health (sub-total)</i>	<i>89.888</i>
Place	11.974
Chief Executive	34.434
Housing Benefit Subsidy	5.862
Net Cost of Services (NCS) Sub-total	193.310
Corporate Items	54.398
Total General Fund	247.708

Table 4

3.10 A significant proportion of the Council's budget as shown in Table 4 above was spent in the areas of social care across Adults and Children's services. The demographic and demand-led pressures in Children and Adults were material challenges for Children's and Adults' budgets and both experienced great pressure due to the demand led nature of these services. One of the main risks to these budgets related to demographic change, broadly along the following lines:

- **Adults** – Residents were living longer and many had increasingly complex care needs. Although the Council had good monitoring and forecasting tools, it remained extremely difficult to forecast both numbers and need, resulting in a risk that current forecasts could be understated, that may give rise to budget pressures. For example, in Adults Social Services alone, the Council continued to spend over £0.227m per day (equivalent to £7.037m per month) providing care for eligible residents. The Council's final allocation of improved Better Care Funding from the Government for 2019/2020 was £12.307m, including £1.418m as announced in the 2018 Autumn budget.
- **Children's** – There were ongoing pressures for expensive care placements due to the increased complexities of children in care. For example, there was a current placement for a 14-year-old child who had complex needs but did not meet the threshold for continuing care and had no mental health diagnosis whose placement was costing just under £10,000 per week. Another adolescent was placed that month

– a 14-year-old child whose placement was c£0.250m per year. There also remained pressures in respect of SEN transport relating to the increased Education, Health and Care Plan (EHCP) outcomes that resulted in more children requiring support. The increase in SEN plans has an impact on the provision of travel assistance. SEN transport costs were not charged to DSG but to the General Fund. SEN plans were charged to the High Needs Block of DSG. The number of transport-assisted children had risen from 630 in 2015 to 730 in 2018 (16% increase). The average costs per child had risen in the same period from £8,140 to £8,990 (10%). There was a reported overspend in 2018/2019 of £110,000 but the underlying pressure in 2019/2020 was between £1.6 and £2m.

- The Council currently supported 350 children with disabilities, at a cost of £5.5m (with the top three, having life limiting conditions, costing £0.5m each). The budget deficit in this area was forecast at c£2.5m.
- EHCP plans had increased from 1,637 in 2015 to 2,276 in 2018 (+40%). By 2020, the number was expected to be 2,795 and increase to 2,957 by 2022. The projected overspend in the High Needs DSG would fall on the General Fund. This was predicted to be up to £5m in 2019/2020.

3.11 Other service specific pressures that were highly likely to impact on the budget included:

- **Homelessness** – There was a risk that levels of homelessness would increase in the borough with the subsequent requirement for the council to support individuals in temporary accommodation. With the current Housing Benefit regime still being calculated using the 2011 base position, when the market had seen a considerable increase in rent, the Council lost out by having to subsidise rents that were not covered by the housing benefit subsidy. In 2018/2019, this amounted to £6.1m.
- **Income** – levels of Council income were impacted by individuals' responses to the economic climate, as people may cut back on areas of discretionary spending. This could impact on levels of planning, property and car park income. In addition, leisure services income could also reduce.
- **Schools Expansion** – pressures caused by steeply increasing pupil numbers in the secondary sector. DSG growth fund was used for this but it was likely to be fully spent that year and there may be a pressure here as yet unidentified which would be contained within DSG.
- **School Deficits** – pressures caused by schools who were required to move to Academy status and the resultant financial liability upon transfer being the responsibility of the Council. Ealing schools that become academies may leave a substantial financial liability if they were in deficit. Deficits must be funded by the General Fund. Conversely, schools leaving with surpluses could take the surplus to

the academy. In 2018/2019, two schools became academies which resulted in a cost of £2.6m to the General Fund.

3.12 Other non-service specific pressures that were likely to have an impact on the budget included:

- Delivery of agreed savings – the budget for 2019/2020 and over the medium term required the Council to deliver on all the proposed savings.
- Inflation differing from assumptions – In December 2017, a 2% pay increase was agreed for 2018/2019 and 2019/2020. For 2019/2020, this was estimated to be c£2.4m leaving a small central pot to allocate for any price inflation.
- Pay inflation and associated on-costs – resulting in additional pressures on budgets.
- Contract risks e.g. contractor viability, non-delivery.
- Levies paid to external bodies - payments outside the Council's control that needed to be met from its budget requirement. Table 5 below illustrates the changes in levies since 2010/2011. In 2011/2012, the Council's specific grant received for concessionary fares ended as this was transferred into each local authority's formula grant allocation. The 2010/2011 budget has been adjusted by £1.1m additional basic amount grant received by Ealing in 2011/2012 so not to overstate the overall budget change between 2010 and 2019. In 2011/2012, the budget was reduced as the London Pensions Fund Authority (LPFA) decided not to pursue a charge to London boroughs for the deficit on the pensioner sub-fund. The effect of the estimated charge in 2010/2011 of £0.584m had been removed from the table. The net impact of this was to reduce the core LPFA levy by 8.2%.

Approved Budget	Use	2010/2011 £000	2019/2020 £000	% Change
Concessionary Fares	Contributes towards Freedom passes for older and disabled Londoners	11,840	15,506	30.96
West London Waste Authority	Contributes towards waste disposal costs	9,827	12,683	29.06
Environment Agency	Contributes towards flood prevention schemes	233	265	13.73
London Pensions Fund Authority	Contributes towards funding the deficit on the LPFA Pension Fund arising from the liabilities in respect of former GLC, ILEA and London Residual Body employees	447	428	-4.25
Lee Valley Regional Park Authority	Supports the maintenance and development of Lee Valley Park	357	299	-16.25
Coroners Service	Contributes towards the funding of the Coroners	258	441	70.93

Approved Budget	Use	2010/2011 £000	2019/2020 £000	% Change
	service, leading investigations into deaths, where necessary			
Total		22,962	29,622	29.00

Table 5

- Pension Fund – employer contributions into the pension fund could fluctuate depending on the net liability of the fund and an agreed deficit repayment plan.
- Business Rates Revaluation – the latest business rates revaluation came into effect in April 2017. Whilst Council premises were impacted by the rises in business rates in the borough, with a 12.5% rise in rateable values on average, there also remained a risk of an overall reduction in the Council's income from business rates due to the volatility of appeals. Following the revaluation, the Business Rates payable by the Ealing properties increased from £2.37m to £4.05m, although this increase was likely to be reduced following appeals settlement.
- Overall Business Rates income was falling – from the introduction of the 2017 list, the Council had lost £9.32m in rateable value (RV). This was partly due to appeals against RV by affected businesses, with £3.51m of RV removed since the commencement of the list. There had also been a large volume in the change of use from commercial to domestic. The number of rateable properties had increased by 600 in that time which reflected the valuation of smaller individual business units and the splits of many larger buildings into self-contained units.

Date	Rateable Value	Number of Hereditaments
1/4/2017	£396,756,897	10,179
1/7/2019	£387,440,197	10,779

Table 6

- Legal Challenge over backdated pay relating to sleep-ins for social care residential settings.
- Fair Funding Review and Business Rates Retention – central government was fundamentally reviewing funding baselines and allocation formulae for all local authorities for implementation in April 2020. This meant there was significant uncertainty regarding Ealing's funding baselines for future years.

Actions taken to alleviate pressures

- 3.13 There were predominantly two approaches that could be taken to alleviate the financial pressures experienced resulting from the above factors. The first was funding derived and the second putting measures in place to influence and control the demand arising.

3.14 The Council had continued to deliver its wide-ranging programme of continuous improvement and efficiency to ensure services were cost effective and fit for purpose and operated as 'one Council'. A structured review of management posts was conducted to promote a 'one Council' approach, standardised spans of control where appropriate and deliver savings including rationalisation of the number of directorates from five to three. The Council also reviewed its approach to cross cutting support services, consolidating services like business support and performance and intelligence to ensure the organisation received the support it needed and to deliver financial savings. The Council continued to identify service level opportunities for efficiency. In total, it delivered savings of around £5.1m via the continuous improvement and efficiency programme during 2018-2019.

Contract savings

3.15 Following ongoing engagement through Modern Council Board and consultation across the Council, a new Commercial Hub was launched in November 2018 to replace the old Procurement team, providing greater commercial support across the Council. The new team, financed through the existing budget with no increase in funds, provided support across the whole commercial cycle of commissioning, procurement and contract management.

3.16 The business case for it, approved by the Modern Council Board, was based upon prudent level savings of £1.2m being generated by service areas across the Council with the new Hub's support in 2019/2020. However, that figure had far exceeded for 2019/2020 due to the success of several projects. FE1s were produced which targeted contract-based savings and efficiencies. These were as follows:

Directorate	Savings Target (Prudent) [MTFS]	Savings Target (MLO)	Savings Target (Stretch)
All	£250,000	£350,000	£450,000
Children's & Adults	£1,128,427	£1,649,144	£2,093,861
Corporate Resources	£274,293	£374,990	£475,688
Environment & Customer Services	£1,204,629	£1,242,093	£1,279,557
Housing & Regeneration	£233,180	£340,628	£448,077
Housing & Regeneration and Corporate Resources	£900,000	£1,100,000	£1,300,000
Housing & Regeneration, Children's & Adults and Corporate Resources	£4,310	£6,465	£8,620
Grand Total	£3,994,838	£5,063,321	£6,055,804

Table 7

3.17 The total of all contract-related savings for 2019/2020 was £3,994,838.

3.18 The approach to supporting the contract savings outlined in these FE1s looked, wherever possible, to generate efficiencies through more commercial, outcome-based commissioning and negotiations/contract reviews which drove better value from suppliers through a rate reduction but had no material impact on the specification of what had been contracted. However, it was acknowledged that this would only deliver a certain level of savings and with a greater level required, activity on certain contracts would also have to include the re-alignment of specifications to the new available budget amounts.

3.19 An analysis of potential savings had been based upon the forward plan of procurements for the next 24 months, contract specific budgets information, third party spend analysis and the current contracts register. The analysis had considered the sort of market each contract was within and the level of savings a more commercial approach could deliver. The target savings levels were:

- Challenging (0.5%-1.0%) – Adult and Children’s Social Care
- Standard (1.00%-2.00%) – Legal, Training, Agency, Facilities Management
- Economical (3.00%-5.00%) – Fleet, Equipment, Professional Services

3.20 For 2020/2021, savings proposals were being developed by service areas with the support of the Commercial Hub. The work on these proposals started in June 2019 and was reviewed by the Joint Contracts Board that met monthly.

3.21 Funding derived measures could also include options such as:

- **Council Tax Increases** – The Council Tax base directly correlated to the amount of Council Tax charge that would be raised each year. There had been a steady increase in the tax base over recent years which was partly due to the number of new residential developments, both new builds and splits in larger residences into smaller individual homes. The Council had also focused on ensuring any discounts or exemptions were correctly applied.

CTB1 Date	Number of Properties	Council Tax Base <i>(net of benefits and discounts, exemptions etc.)</i>
01-Oct-12	129,530	123,899
01-Oct-13	130,649	104,643
01-Oct-14	131,765	109,454
01-Oct-15	132,685	111,885
01-Oct-16	133,318	113,717
01-Oct-17	134,918	115,468
01-Oct-18	136,321	116,826

Table 8

- **Social Care Precept and Council Tax increase** – in 2019/2020, £4.8m was expected to be raised through the precept and increased council tax level.
- **Fees and charges** – a review had been undertaken of all fees and charges and a range of increases were recommended in response to cost inflation pressures on the underlying service delivery budgets and to ensure that charges were set to recover costs (unless set by statute or subsidised).
- **Maximising external funding** – this was predominantly from Central Government to support specific service pressures such as Adult Social

Care funding. For example, Ealing received £1.418m funding for winter pressures demand in 2018/2019.

- 3.22 Measures put in place to influence and control demand included:
- Early intervention models such as Brighter Futures, which had significant success in maintaining stable numbers of Looked After Children (LAC). In 2011, there were 410 LAC and by 2018/2019 this had reduced to 354. The target for 2021/2022 was 314.
 - Strength based programmes such as Better Lives that had helped to stem the increase in care packages. The Council was currently forecasting to spend £84.6m towards all placement costs for adult social care against an outturn of £86.06m. The Council also introduced a new charging policy in 2019/2020 which looked to charge for additional administration support services and disregard benefits as part of the assessment, which would look to increase client contribution to the Council.
 - More proactive intervention to assist vulnerable clients who could be evicted from private tenancies to prevent them presenting as homeless, such as negotiating a one-off payment to offset some of the difference between the tenant's rent and the average market rent.
 - Reduction in waiting list and reduced bed and breakfast costs by increasing appropriate housing supply. The Council was using its unused development land to provide additional housing units in the form of modular homes, which would enable homeless families to move out of bed and breakfast to better accommodation that was more cost effective for the Council.
 - Support for clients to move from temporary accommodation into more permanent residences. The Council had a large housing development programme and was planning to deliver 2,500 Genuine Affordable Homes over the next four years. This would provide much needed Housing stock to reduce homelessness and the reliance on private sector housing.

Business Rates and Council Tax¹

- 3.23 The Business Rates Retention scheme was implemented from April 2013. Under the scheme, up to 31 March 2018, Ealing retained 30% of business rates income with the remainder paid to the Greater London Authority (GLA) and Central Government. Most Business Rates exemptions and reliefs were prescribed under legislation to what could be awarded. There had been some schemes where local discretion had been allowed. This included the Local Discretionary Rate Relief Scheme which was approved by Cabinet in 2017 and 2018. Funding for this came from Central Government and Ealing's scheme aimed to provide support to those businesses most affected by large increases in bills following the 2017 revaluation.
- 3.24 On 16 January 2018, Cabinet approved recommendations to proceed with the implementation of the London Business Rates Pilot Pool in

2018/2019 and on 11 December 2018 Cabinet approved recommendations to continue participation in the Pilot Pool for 2019/2020 (noting that Central Government – Ministry of Housing, Communities and Local Government (MHCLG) was expected to change the terms of the pilot scheme to be on a 75% retention basis and without a “no detriment” clause as opposed to the existing 100% pilot scheme for 2018/2019). This was confirmed in the Local Government Finance Settlement in December 2018 and all London authorities had since collectively confirmed their agreement to continue the Pilot Pool.

- 3.25 The key principles underpinning the Pool were:
- The Pool would not bind boroughs or the Mayor indefinitely – the founding agreement included notice provisions for authorities to withdraw provided notice was given by 31 August each year. Were the Pool to continue, unanimous agreement would be required to reconfirm a Pool from 2020/2021 onwards (the expected year in which funding baselines would be updated as a result of the Fair Funding Review).
 - No authority could be worse off as a result of participating – where authorities anticipated a decline in business rates, the first call on any additional resources generated by the Pool would be used to ensure each borough and the GLA received at least the same amount as it would have without entering the Pool. This would include the equivalent of a safety net payment were it eligible for one individually under the current 67% system. Where authorities expected to grow, they would continue to retain at least as much of that income as they would under the current system, plus a potential share of the aggregate benefits of pooling assuming the Pool grew. Where the Pool overall had less income than would have been available collectively under the 67% system, the funding provided by the Government as part of the ‘no detriment’ guarantee would be used to ensure that no individual authority was worse off than it would have been otherwise.
 - All members would receive some share of any net benefits arising from the Pool – recognising that growing London’s economy was a collective endeavour in which all boroughs made some contribution to the success of the whole, all members of the Pool would receive at least some financial benefit were the Pool to generate additional resources.
 - The aspiration would be to continue it in future years through and beyond the expected roll out of 100% retention across England in 2020/2021 or 2021/2022. Full nationwide implementation of 100% retention would, however, require primary legislation.
- 3.26 The changes to the pilot scheme to move to 75% retention (from 100% retention) did not fundamentally change the Pool’s key principles. The key implications overall use:

- London authorities would retain 75% of their non-domestic rating income as defined by the MHCLG, with the remaining 25% being paid to MHCLG. The aggregate tariff paid to the government and individual authorities' baselines (set by the inclusion of top up and tariffs within the Pool) had been adjusted to reflect the change. RSG continued to not be paid to participating authorities.
 - The no detriment clause removal meant that government would not intervene if a fall in business rates in 2019/2020 meant that London, as a whole, would be worse off as a result of participating in the Pilot Pool. This was not anticipated to be an issue due to the continuing forecast for collected rates across London to remain above the funding baseline.
- 3.27 The additional revenue through the London pool was £2.6m for 2018/2019.
- 3.28 At the end of each financial year the Council continued to be required to report the actual business rates collected via the NNDR3 form. This was subject to audit and any variations shared between the MHCLG, GLA, Ealing and the London Business Rates Pilot Pool based on the relevant proportionate shares for the financial year.
- 3.29 Each year, local authorities also continued to be required to provide details of expected business rates income for the following year via the NNDR1 form, which was a government return. The calculation for 2019/2020 had been made and was signed off under delegated authority in January 2019 by the Executive Director of Corporate Resources.
- 3.30 At the time, Ealing had not received an official estimate of its Business Rates income for 2019/2020 from the London Pilot Pool. However, based on scenario modelling made available to Pool members the estimated Business Rates Income for 2019/2020, including Section 31 grants, top up funding and distributions of prior year surpluses was £104.679m.
- 3.31 Enabling a more agile organisation through the budget process²**
The proposals to deliver a balanced budget had been driven through the Council's Future Ealing programme. This was principally a programme of service outcome reviews, developed in partnership with an external delivery partner, to identify options both to deliver priority outcomes in new ways and savings to present to Cabinet as part of the 2019/2020 budget process.
- 3.32 By using these outcomes as the framework for the budget process, the Council aimed to prioritise and focus delivery, improve community outcomes and inform the difficult budget choices that it would face.
- 3.33 The Future Ealing Outcomes were:
- A growing economy created jobs and opportunities for Ealing residents to reduce poverty and increase incomes.
 - Children and young people fulfilled their potential.
 - Children and young people grew up safe from harm.

- Residents were physically and mentally healthy, active and independent.
- Ealing had an increasing supply of quality and affordable housing.
- Crime was down and Ealing residents felt safe.
- The borough had the smallest environmental footprint possible.
- Ealing was a clean borough and a high-quality place where people want to live.
- Ealing was a strong community that promoted diversity with inequality and discrimination reduced.

3.34 These outcomes had been consolidated into several bundles to form the budget proposals which were:

- All Age Disability
- Housing and Homelessness
- Independent and Healthy
- Safe and Achieving Young People
- Skills and Employment
- Neighbourhoods

3.35 As part of the budget process, service outcome reviews had made significant contribution to addressing the medium-term financial strategy (MTFS) challenge and the benefits arising from them would cover the entire MTFS period. There had also been changes to staffing including:

- Changes in the top management structure and the deletion of the positions of the Executive Directors of Environment & Customer Services and Corporate Resources and the creation of the Executive Director of Place position to meet current and future organisational requirements.
- Insourcing of ICT from SERCO and Libraries increased (not decreased) number of staff in the organisation but changed the model from an “outsourced” to an “insourced” model.

Communication with Residents

3.36 Between June and October 2018, the Council ran a series of public engagement activities around its transformation programme that was badged as ‘Talk Future Ealing’. An online engagement room was launched with information about the Council’s priorities, Future Ealing goals and financial challenges.

3.37 The Talk Future Ealing roadshows which were staffed by Councillors and officers communicated the Council’s new priorities, Future Ealing outcomes and financial challenges to local people. These also suggested ways that residents could get more involved in their local area and adopt behaviours that would help to make the borough better as well as save the Council money.

3.38 Residents were invited to come along to discuss their ideas with Council officers. There was an electronic feedback kiosk on site that visitors

were encouraged to use to record their views via a quick survey. The roadshows were held at:

- Hanwell Carnival
- Greenford Carnival
- Acton Carnival
- Ealing Jazz Festival
- London Mela

3.39 A roadshow was also set up in Perceval House to ensure staff was aware of messages being given to residents. Residents were asked the following questions, with response rates also shown:

1. Do you agree that Ealing Council should focus on the following priorities?
Good, genuinely affordable homes: 82% agreed, 11% neither agreed nor disagreed, 7% disagreed.
2. Do you agree that Ealing Council should focus on the following priorities?
Opportunities and living incomes: 83% agreed, 11% neither agreed nor disagreed. 6% disagreed.
3. Do you agree that Ealing Council should focus on the following priorities?
A healthy and great place to live: 87% agreed, 6% neither agreed nor disagreed. 7% disagreed.
4. How well do you understand the financial challenges that Ealing Council faces?
52% understand, 28% didn't know, 20% didn't respond.
5. How willing would you be to give your time to do something good to make Ealing a better place?
62% would be willing, 27% don't know, 12% wouldn't. Respondents were also asked what they would be willing to do to help.

3.40 Messages from the roadshow were also communicated through the Council's social media channels and Ward Councillors engaged residents in discussions about priorities and financial challenges through Ward Forum meetings.

Around Ealing

3.41 A three-page spread was published in the June 2018 edition with information about Future Ealing outcomes and promoting the Talk Future Ealing campaign.

3.42 A single page story, publicising Talk Future Ealing roadshow visits to Ward Forums, was published in the October 2018 edition.

3.43 Both articles were published online on the Ealing News Extra website.

Next steps and other options considered

3.44 The Council's communications approach aimed to ensure that residents understood the service offer, the context for decisions and the opportunities to engage. Financial context was a key part of this,

although as the Council's Peer Reviews in 2016 and 2017 noted, it was important to provide a balanced message to residents which the organisation strived to do. Messages about the Council's financial challenge were built into appropriate Council communications on an ongoing basis. A mix of communication tools and channels was used to disseminate information from print to online. One of the key themes discussed with residents during the Council's Talk Future Ealing public engagement activity that took place in summer/autumn 2018 was the scale of cuts to Council budgets and the impact that this would have on Council services.

- 3.45 The 2018 resident survey results showed that Ealing was matching other councils in how informed residents felt about the Council overall. Using feedback from this survey, the Council would consider if there were any communications opportunities in seeking to strengthen residents' understanding of the Council's financial challenge and what it meant for them. In consultation with the Finance and Communications' Portfolio Holders, consideration would be given to how to make communications about the Council's financial position more accessible and test the approach via resident focus groups.
- 3.46 The Council had considered the use of online budget simulator tools – which had been used by several authorities. On balance, the Council has decided against the use of this approach. Whilst engaging there was some concern that these did not effectively enable residents to grapple with the choices. For example, the experience in many areas had shown that residents had often prioritised deeper reductions in areas where the Council has less ability to make service reductions – notably social care. Therefore, the Council's strategy to date had prioritised overall awareness and to engage residents via consultation on more detailed, and arguably meaningful choices e.g. the recent consultation on community managed libraries. This would be reviewed regularly.

Brexit Implications⁶ ⁷for the budget

- 3.47 Whilst the financial impact of Brexit was not yet fully known, impacts driven through supply chain could have an impact on Council finances i.e. price increases, impact on operational delivery of capital schemes and providers delivering services on the council's behalf. On 29 January 2019, the government announced £56.5m of funding would be provided to help councils carry out their preparations for exit from the European Union and undertake appropriate contingency planning. Ealing's share was £0.220m over two years.
- 3.48 The Government decided to intensify preparations from mid December 2018 for a no deal Brexit amid uncertainty over the fate of the Prime Minister's proposed European Union exit deal. Preparations had been further accelerated following the [heavy rejection of the current proposed deal](#), by MPs on 15 January 2019.

⁶Brexit Preparedness - SLT report dated April 24th 2019

⁷ Preparations for Exiting the European Union – Cabinet report March 19th 2019

Budget for No Deal Brexit

- 3.49 The following financial arrangements had been implemented by Government:
- The [Cabinet has agreed to set aside £2bn](#) in case the UK leaves without any deal.
 - The Ministry of Housing, Communities and Local Government received £35m.
 - The Government has published 77 technical papers on how to prepare if there was no deal.
 - Letters were sent to 140,000 businesses/firms updating them on what they should do.
 - Updated Revenue & Customs information packs were sent to firms on possible changes at the border.
 - Consumers advice published in areas ranging from booking flights to using credit cards.
- 3.50 The Bank of England has said that in the event of a disorderly Brexit, GDP could fall by 8% in 2019 against its current forecast, unemployment could rise to 7.5%, house prices fall by 30% and commercial property prices collapse by 48%. Interest rates could reach 4%. This could lead several detrimental impacts on areas including:
- Financial sector
 - Imports and export businesses
 - Tourism
 - Haulage sector
 - Businesses leaving the UK
 - Workforce issues due to EU nationals leaving the UK
 - Public services dealing with an influx of UK nationals
- 3.51 In a report, published in April 2019, the Housing, Communities and Local Government Committee made five recommendations⁸ in terms of Local Government post Brexit including:
- The Government must urgently advance its plans for the establishment of the UK Shared Prosperity Fund and publish the promised consultation on its design and administration within two weeks from 12 April. Funding levels for the new Fund, to be announced at the time of the Autumn 2019 Spending Review, must match or exceed the equivalent levels of European Union funding which was currently provided to local government.
 - Government should consider the effect of the loss of European Investment Bank loans at the regional and local level and consult local representatives in ongoing discussions to determine how infrastructure projects may be appropriately funded in future, providing clarity on such arrangements as soon as possible.

⁸ HC 493 Brexit and local government Thirteenth Report of Session 2017–19

- The Government should urgently make clear its plans for the further devolution of powers to local authorities post-Brexit and publish its proposed new Devolution Framework within one month of the UK's withdrawal from the EU.
- The Government must make clear its plans for the role of local government in the creation of post-Brexit domestic policy
- The Government must consult with local authorities as it transfers legislation from the EU back to the UK.

Key Issues

The Panel:

- noted two challenging angles to the Council's financial situation – the effect of cost-cutting measures that had been implemented and the uncertainty over the UK's imminent withdrawal from the European Union (Brexit). Therefore, it was deemed difficult to project the financial strategy with certainty in the medium term e.g. how business rates would be impacted.
- heard that the Chief Finance Officer echoed the concerns over Brexit. However, it was envisaged that once that phase had passed it would make planning easier. The Council had developed detailed models on various scenarios on demand pressures. It was prudent to take a medium-term approach until there was clarity over the macro-economic indicators in the country. That would also translate into how funding for local authorities was actualised from central Government.
- expressed concern about “demand management”, particularly for children with special education needs (SEN) as it was expected that more children with SEN would have to be budgeted for in the future.
- Asked what would happen when the SEN children reached adulthood? It was advised that the Council's obligations to SEN children extended into adulthood and that funding shares would be between the local authority and central Government.
- Queried about Ealing's obligations to the Lee Valley Regional Park Authority (LVRPA) and expressed concern that only five people from the borough visited the park in the previous year. It was advised that the LVRPA was a statutory body and the park was established by an Act of Parliament. It was in part funded by a levy (not a precept) on Council tax bills in Essex, Greater London boroughs and Hertfordshire. However, it was expected that Ealing's share of the funding to the park would decline over the years.
- Questioned whether Ealing had learned lessons from local authorities that had financial difficulties and how it could avoid falling into a similar situation. There was clearly a need for central Government to provide more funding for certain activities so how did Ealing collaborate with other local authorities in London?

It was advised that Ealing had a multifaceted approach and reviewed the financial position regularly, at the Strategic Leadership Team (SLT) monthly meetings. The Council had also considered practices at local authorities that had had financial difficulties to prevent similar occurrences in Ealing. Furthermore, Ealing was a member of several local government lobbies e.g. London Councils, Society of London Treasurers and Chief Executives' Group which advanced the position of local authorities.

- Queried what the amount for Brexit preparedness from central Government for Brexit preparedness would be spent on.
It was advised that Ealing would receive £220,000 over two years which would be used on resilience to manage the different scenarios that may arise from Brexit. All councils had been allocated this to help with preparing for Brexit. Ealing Council had not yet committed resources, beyond a modest investment of under £1,000 in equipment to provide the assisted digital service. However, the following framework and approach was proposed to ensure that the Council was able to maximise the use of this resource: tap into additional funds where available (for example, the Food Standards Agency); record activity to support one-off/new burdens bids to Government; and prioritise the use of the allocated funds for activity, once channels had been exhausted.
- Expressed concern that the amount allocated for Brexit preparedness was small for such a significant national issue.
- Heard that a “No Deal Brexit” continued to pose significant risk to services at Ealing and a Brexit specific risk register was being developed to mitigate potential risks.
- asked about the impact on Council Tax and Ealing’s revenue as a result of a “large turnover in accommodation”. The trend appeared that young residents who paid Council Tax were moving out to places where they could afford to rent or purchase their own property, leaving elderly residents who paid less in Council Tax.
It was advised that the change in demographics had had an impact on the Council’s finances, including Council Tax. Moreover, other areas were also affected, such as social and health care if new residents required them.
- Expressed that residents often approached Councillors for assistance with issues concerning the Council. Some constituents had significant apprehension and anxiety around the affordability of suitable accommodation, including the associated costs with right to buy schemes.

PRESENTATION FROM LONDON COUNCILS

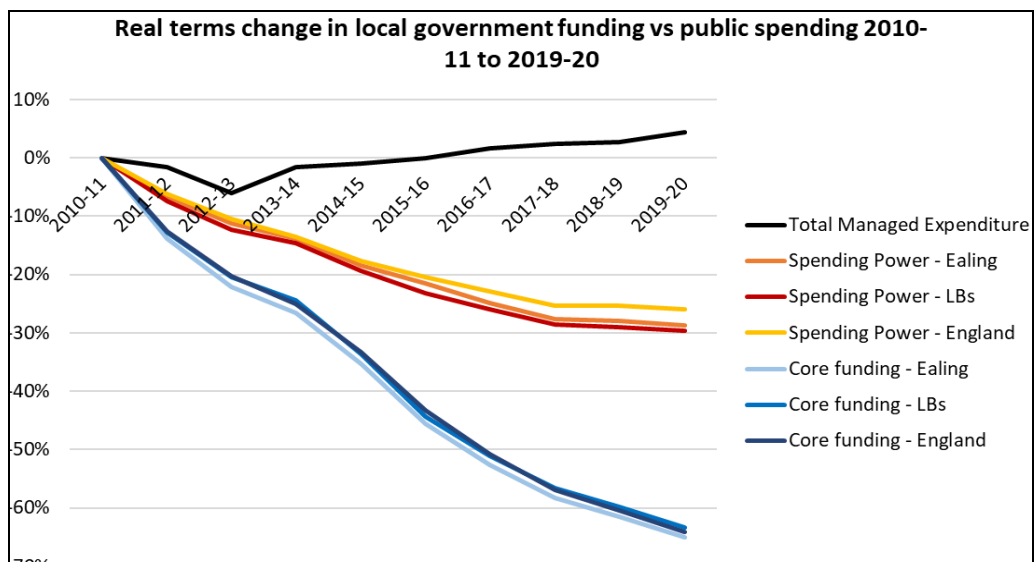
3.52 The Panel also received a presentation from Paul Honeyben (Strategic Lead: Finance and Improvement, London Councils) on the financial pressures upon local government, particularly London boroughs, which highlighted Ealing’s position in comparison. Some of the information provided is illustrated in the charts below.



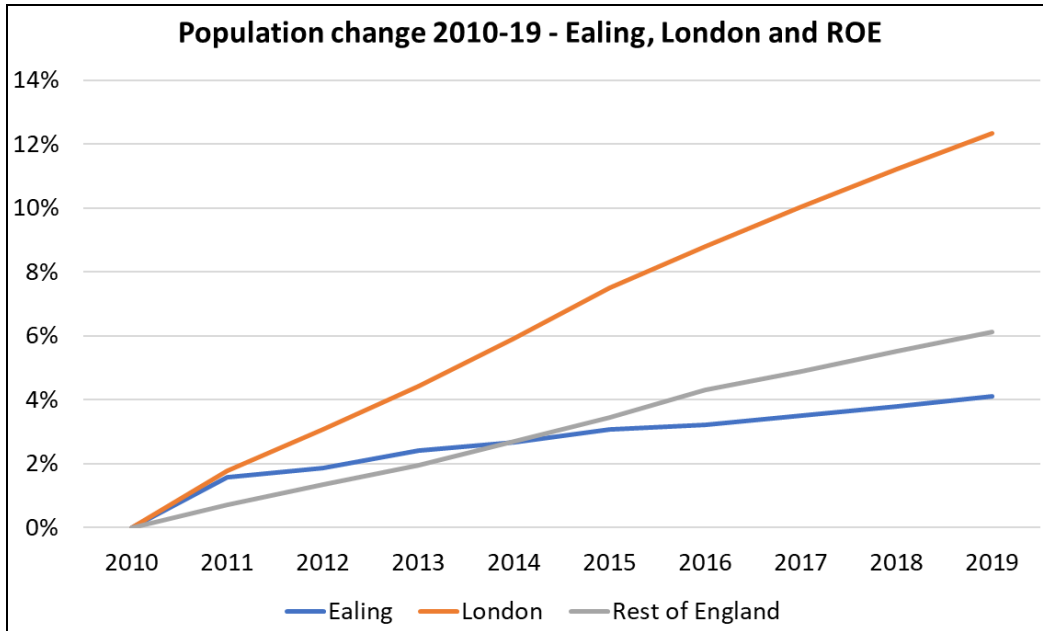
Paul Honeyben (Strategic Lead: Finance and Improvement, London Councils) presenting to the Panel

3.53 Paul Honeyben explained that:

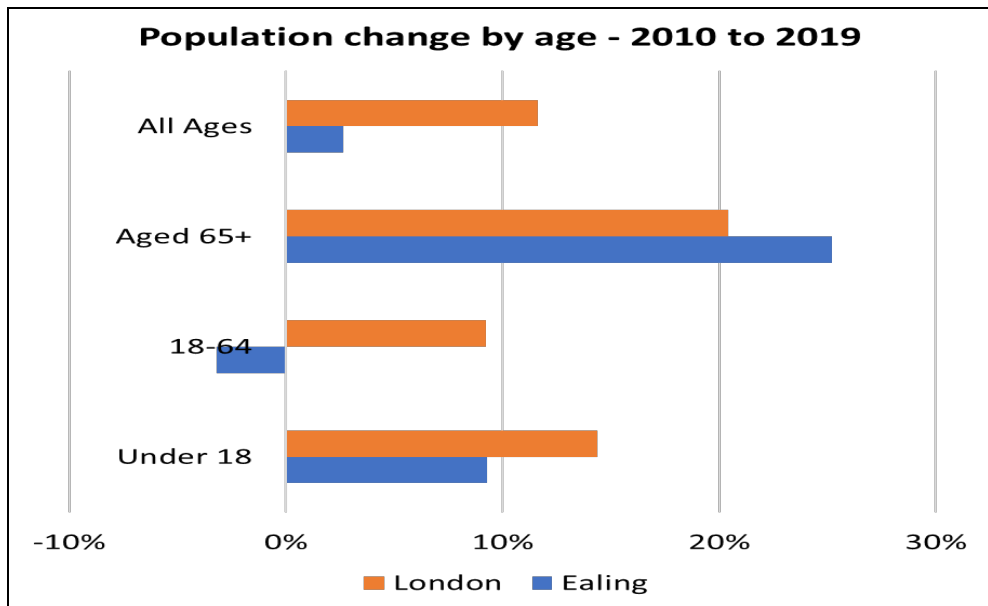
- The decade of austerity (2010–2020) had resulted in real change in local government funding against public spending. Overall, resources had declined by about 30% while total spending had increased. Ealing’s forecast budget gap was £41 million by 2022/2023.

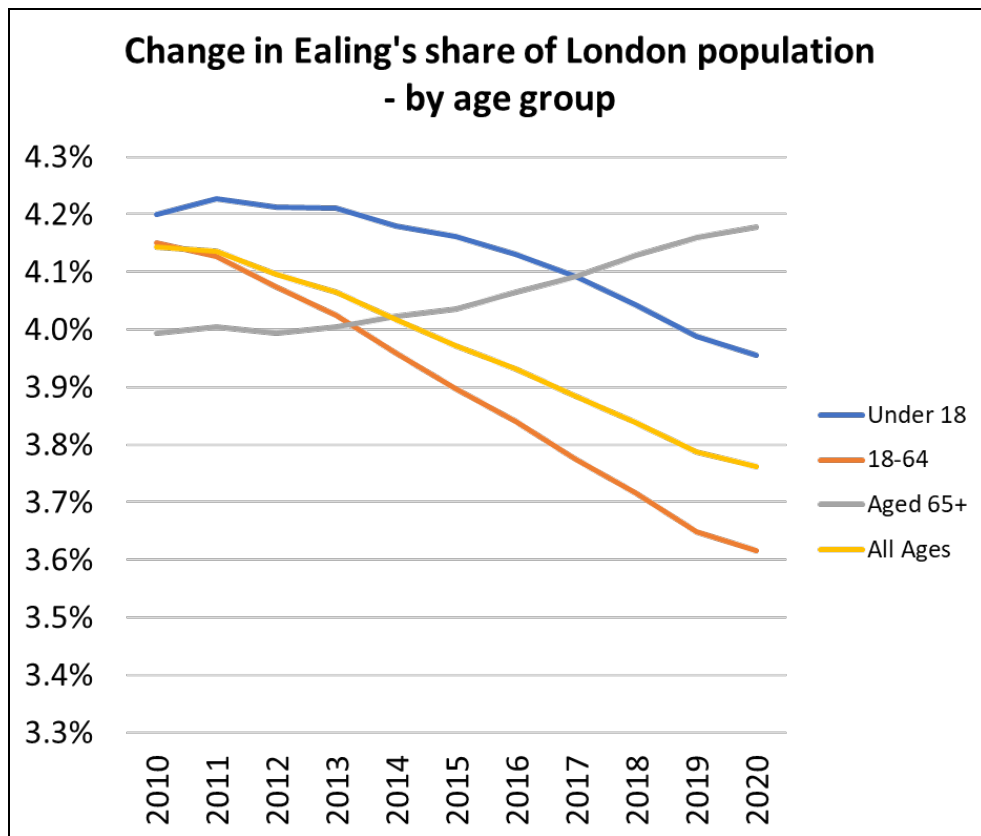


- Disproportionate population growth had driven increases in demand across London but was less so in Ealing.

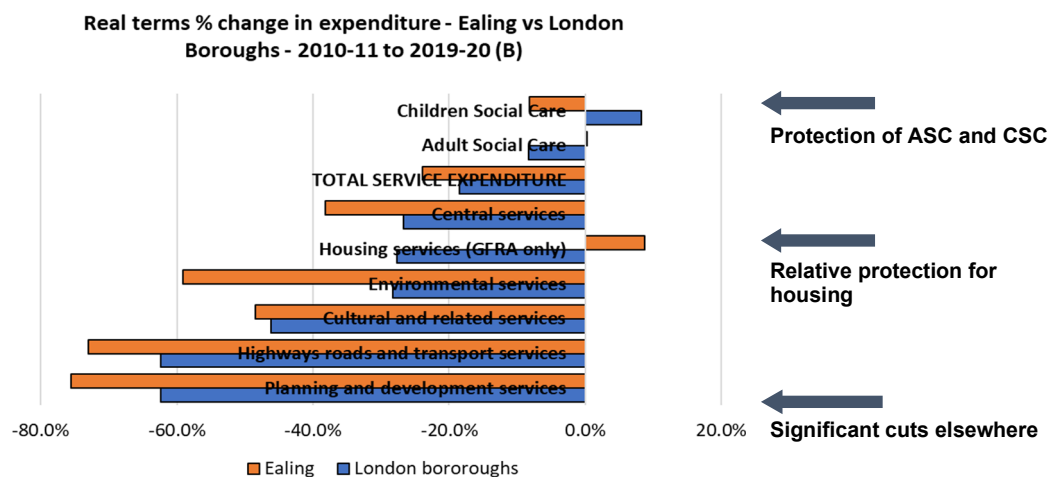


- Demographic changes, specifically an aging population, had put pressures on Adult Social Care, with the £400 million in grants from central Government remaining unconfirmed. Ealing’s share was £15 million.



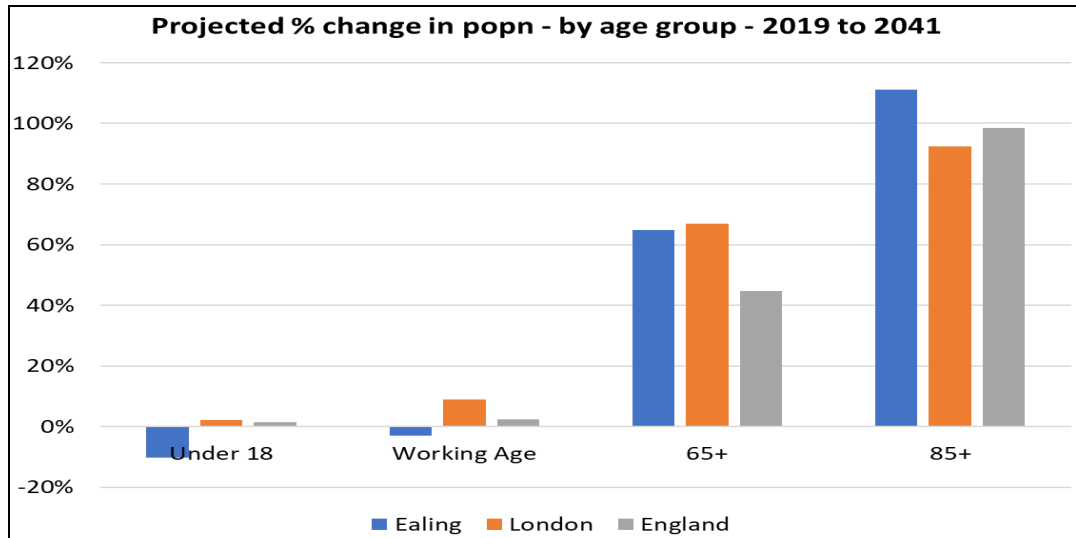


- Other central Government cost shunts and unfunded/underfunded burdens had added around £1 billion of financial pressure across London boroughs.



- In the long term, an aging population would be one of Ealing's biggest challenges. A long-term sustainable funding solution for adult social care was required.

Longer term – Aging population will be one of Ealing’s biggest challenges




Size of the Task Ahead	
£1.5bn	→ More savings needed over next 3 years
\$400m	→ Savings needed this year
c.30%	→ Planned reduction in reserves over 4 years
	£41m – Ealing’s forecast Budget Gap by 2022-2023
1/3	→ Of planned savings to come from Adult Social Care and Children Social Care
400,000	→ More Londoners by 2025

London Councils’ Top Priorities for the Spending Review
Adult Social Care – £400m of grant funding remains unconfirmed (£15m Ealing) and long-term sustainable funding solution is needed.
Children’s Social Care – £200m+ overspend in 2017-2018 and growing (£4.6m Ealing)
High Needs – 60,000 CYP on EHC Plans in 2019 (2,500 Ealing) = £100m+ deficit (£5m Ealing) in 2019-2020
Homelessness – London has 68% (Ealing 3%) of all Households in Temporary Accommodation = £170m+ annual shortfall
UASC – £32m funding gap (£17m of which for Care Leavers) (Ealing £0.7m)
No Recourse to Public Funds – £54m spent per annum with no funding from government (Ealing £2m)

No certainty over more than half of funding beyond this year

- Only any real certainty over Council Tax (even then the principles were unknown)
- Distribution of a further £3.3bn unknown
- No certainty at all over the continuation of £830m

	2019-20	Notes	Certainty
Main CT	3,255.4	CT will continue, but no certainty over cap	
ASC Precept	219.2	No certainty over any new ASCP, but likely existing ASCP base remains	
Public Health Grant	631.0	All dependent on outcome of Fair Funding Review	
Baseline Funding	2,175.5		
RSG	538.0		
HB subsidies	86.4	Likely to continue - but no certainty over levels	
New Homes Bonus	148.1	SR19 decision - but if ended, historic payments may continue and taper off	
Business rates growth	253.9	Depends on whether BR baselines are reset	
Improved BCF	299.1	All SR19 decisions - no certainty at all	
ASC Winter pressures	37.2		
Social Care Support Grant	63.5		
Flexible homelessness support grant	28.3		
TOTAL	7,735.5		

Key Issues

The Panel:

- queried whether Conservative and Liberal Democrat-run Councils were part of the London Councils' group.
It was advised that Conservative and Liberal Democrat-run Councils were also members of London Councils.
- asked whether economies of scale would be attained if libraries in neighbouring boroughs were merged.
It was advised that shared services were still being experimented to determine if economies of scale could be achieved using that model.
- expressed concern about the delays in the updating of the Fair Funding Review and sought clarification on the implementation in the light of a possible general election and the uncertainties of Brexit.
Heard that the Fair Funding Review was the central Government funding model for local authorities based on an assessment of its relative needs and resources. It was introduced over 10 years ago and was the overarching methodology that determined how much funding every authority would receive each year. The methodology was very complex. It involved 15 relative need formulae and several tailored distributions for services previously supported by specific grants. The formulae involved over 120 indicators of "need", reflecting factors previously identified as driving the costs of service delivery. However, it was widely agreed across the sector that the formulae were overly complex, lacked transparency and were now outdated. It had not been updated since funding baselines were set at the start of the 50% business rates retention scheme in 2013/2014. Nonetheless, it was anticipated that the Fair Funding Review would soon be updated. The new needs formulae and funding baselines could be in place by the start of the new 75% business rates retention scheme, from April 2020.
- questioned whether there was consensus between County Councils and Borough Councils on funding for various sectors.
Heard that it was challenging to achieve consensus between County Councils and Borough Councils as the former were homogeneous so tended to be more united than the latter.
- expressed concern that working-age people were moving out of the borough due to the high cost of living and accommodation, leaving mainly older residents.

It was advised that two key factors that attracted younger residents to an area were jobs and houses. However, due to improved transport links to the capital people could opt to leave London boroughs and commute to work.

- hypothesised a fiscal model as a “new vision for local government funding in the UK”. This propounded the devolution of taxes where a portion of Sales Tax/VAT generated in a borough would be retained by the local authority. It would augment Council Tax but was imperative that local authorities worked with the Mayor of London on this matter. It was advised that the London Finance Commission 2017 showed that London was heavily reliant on financial transfers from central Government compared to other international comparator cities. Therefore, it was recommended that London local authorities should have access to a greater range of taxes. This would include control over the full suite of property taxes as well as Business Rates, Council Tax and Stamp Duty. In addition, a proportion of national taxes such as income tax and VAT would be retained locally. However, control over tax rates, allowances and thresholds would remain with the Treasury. A share of the yield would support devolved service responsibilities and infrastructure investment. That would entail granting permissive powers to raise alternative taxes and levies such as Apprenticeship Levy; Air Passenger Duty; and explore a tourism levy, health-related levies and a community levy. In that way local authorities in London would raise and spend taxes and be accountable for the decisions they made. Thus, they would design better taxes and provide better services.
- cautioned about a “demographic time-bomb” arising from Brexit as the departure of European Union nationals would reduce the workforce in certain key sectors.
It was advised that forecasts by various independent professional organisations showed that the impact of Brexit on various sectors would probably be known a couple of years after the UK exited the bloc.

DEMONSTRATION: SIMULATOR IN THE DIGITAL MARKETPLACE

3.54 The Chair (Cllr Paul Driscoll) proposed the Simulator to engage people in complex decisions concerning the Council, particularly in making difficult trade-offs. He explained that a Simulator was a deliberate tool which enabled citizens to be meaningfully involved in complex decision making on varied subjects such as transport, policing and corporate budgets. It provided useful, structured responses for organisations as users were informed through the process of participation.

3.55 For example, the Simulator had been used by Liverpool City Council to provide residents with an opportunity to comment on the budget for deliberative prioritisation. That was in view of the central Government only allowing councils to increase council tax above a certain threshold, unless the majority of residents voted for a higher amount in a referendum. The residents of Liverpool were asked to state if they would be in favour of an additional council tax rise of 6% (totalling 10% overall) if it were ringfenced for adults and children’s services.

- 3.56 The Panel was provided the following links to Simulator exercises that some organisations had conducted with their residents:
- [Liverpool City Council](#) – Budget model
 - [Police Service of Northern Ireland](#) – Points model
 - [Arlen Hill, USA](#) – Tax model
- 3.57 The Chair hypothesised various financial models for Ealing using a Simulator. The perceived benefits of using a Simulator were to:
- have constructive conversations with citizens – Ealing Council needed to talk with citizens about policy challenges and the tool would make that easier;
 - generate ideas which were valuable and actionable – residents could suggest ideas and comments leading to discussions that refined and rated ideas, with the most popular prioritised;
 - be an easy and rewarding experience for residents to use, as well as provide an intuitive and engaging process to contribute insightful ideas for the borough; and
 - be a simple-to-administer administrative dashboard, considering participant management and moderation, as well as customisable demographics.
- 3.58 The Chair acknowledged that there were other engagement tools available on the market.

Key Issues

The Panel:

- expressed concern that the Simulator would be perceived by residents as having “a vote” on the budget. However, if their sentiments were not adopted, residents would consider it a “public relations stunt”. If the purpose of the Simulator were to communicate the complexities of making budgetary decisions and not changing the budget then it was imperative to make that clear.
- recognised that it was a good idea but could lead to false expectations among respondents. Whilst it was legitimate to engage with residents, it would be unhelpful if such an exercise ended up as a mere computer game.
- felt that it could work better if there were a choice between various items. However, when other sectors such as children and adult social care were ring-fenced, it could prove difficult to vary the budget.
- surmised that the Simulator would get residents to appreciate the significance of financial statistics and figures involved in running the Council.

- envisaged that the Simulator would enable better communication between the local authority and residents. However, other methods could also be proposed.

No.	Recommendation
R1	Ealing Council should consider using a range of metrics and case studies that can clearly and succinctly communicate to residents the financial challenges faced by it. For example, the following have been useful to communicate the pressures upon the Council: daily spends in adult social care and children's services.
R2	Ealing Council should continue to promote the European Union registration scheme directly to staff and recruitment agencies/ staff suppliers with particular focus on key areas such as Adult Social Care and Street Services.
R3	Ealing Council should promote greater awareness amongst residents of its statutory responsibilities, new responsibilities and cost shunts from central government and changing financial position using methods that can engage residents.
R4	Ealing Council should promote awareness of the changes in government funding methodology and the impact upon the Council.
R5	Ealing Council should use careful risk analysis to investigate the options for income generation to develop an income stream that is independent of central government.
R6	Ealing Council should continue to promote the work that has been undertaken through the Brighter Futures, Better Lives and Future Ealing programmes to demonstrate how the Council had adapted to meet financial and service challenges.
R7	Ealing Council should explore the option of using an online budget simulator as an education/communication tool to demonstrate the financial challenges that continue to be faced by the Council.

IMPACT OF UNIVERSAL CREDIT

- 3.59 On reviewing the impact of universal credit at its second meeting, the Panel received presentations from Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager, Ealing Council), Marj Shanahan (Customer Services Operational Manager, Department for Work and Pensions), Naz Aziz (Partnership Manager, Department for Work and Pensions), Janet Fletcher (Manager, Ealing Foodbank) and Matthew Coulam (Service Development Manager, Ealing Advice Service).
- 3.60 As part of this review, Cllr Paul Driscoll (Chair) and Cllr Anthony Young also visited the Ealing Foodbank, Ealing Advice Service and Ealing Jobcentre Plus on 25 September 2019.



The second Panel meeting

Overview of Universal Credit

- 3.61 On providing an overview of universal credit, Marj Shanahan (Customer Services Operational Manager, Department for Work and Pensions) and Naz Aziz (partnership Manager, Department for Work and Pensions) explained that the roll out of Universal Credit (UC) had started in April 2013 as part of the Government's wider Welfare Reform Programme. It represented a major change to the current benefit system in terms of benefit administration, the support that it offers and the work-related expectations that were being placed on claimants as a condition of receiving it.
- 3.62 In January 2019, Amber Rudd (Secretary of State for Work and Pensions) stated that UC was based on three fundamental principles:
- **First:** work – those who can, should; and those who cannot should be protected from poverty

- **Second:** work should always pay
- **Third:** the system should be fair. Fair for taxpayers who pay for it and fair to those who receive it, and fair to future generations – who do not deserve to become trapped in it.



Marj Shanahan (Customer Services Operational Manager, Department for Work and Pensions) presenting to the Panel

- 3.63 Universal Credit had replaced the following six benefits into one single payment:
- Income-based Jobseeker’s Allowance
 - Income-based Employment and Support Allowance
 - Income Support
 - Working Tax Credit
 - Child Tax Credit
 - Housing Benefit
- 3.64 Universal Credit could only be claimed by working age claimants and those who lived in temporary or supported accommodation could only receive living costs through UC. They had to continue to claim help with paying rent from the Council under the current housing benefit rules.
- 3.65 Since 16 January 2019, claimants getting Severe Disability Premium (SDP) as part of their current benefit were no longer able to claim Universal Credit but required to continue claiming legacy benefits. This was because SDP was not available under UC and those who were entitled to it were losing between £120-£405 per month. Those who had already transferred would be paid compensation and ongoing additional payment on top of their UC.

- 3.66 UC claimants were paid monthly directly into their bank accounts and payments included their housing costs (previously paid by local authorities as housing benefit). The claimants had to go through a one-month assessment period and got their first payment seven days later.



Naz Aziz ((partnership Manager, Department for Work and Pensions) presenting to the Panel

- 3.67 This meant that new UC claimants did not receive their first payment until at least 35 days following the date of their claim. The waiting period had proven to cause hardship for many claimants who were left with no other income during that period. The Department for Work and Pensions (DWP) had addressed this issue by introducing 'advance payments' which could be paid prior to the first payment of UC. The advance payment was ultimately an interest free loan which the claimant had to repay from their ongoing UC over a maximum of 12-month period.
- 3.68 If a claimant had difficulty managing their money monthly, they were able to use alternative payment arrangements which included having their housing costs paid directly to their landlord; receiving more frequent payments or payments being split and paid into two bank accounts rather than one. These alternative payment arrangements were subject to periodic review to ensure 'best approach' for a claimant.
- 3.69 Working with their Jobcentre coach, claimants agreed a 'claimant commitment' which set out what they had agreed to do to prepare for work, look for work or increase their earnings if they were already in employment. The claimant commitment was reviewed regularly. Those with health conditions or disabilities limiting their capacity to work were asked to do work search and work preparation activities that were reasonable for their condition and situation. In cases where a claimant

failed to adhere to their 'claimant commitment' a sanction was applied and UC payments were reduced or stopped altogether.

Universal Credit Roll Out Timetable

- 3.70 The DWP had not been successful in keeping to the original timetable for UC roll out, under which the implementation of the new benefit was due to be completed by 2017. UC was introduced in April 2013 in four postcodes in the North West and further postcode areas were added between April 2013-July 2013. Only people who lived in the relevant postcodes and met strict conditions were able to claim.
- 3.71 From 16 June 2014, new rules called 'gateway conditions' were introduced. These rules set out whether or not a person living in a designated live service postcode area was able to make a claim for UC. If the person met the gateway conditions and lived in a postcode that was accepting UC claims, then they were able to submit a claim.



Cllr Paul Driscoll (Chair) and Cllr Anthony Young speaking to the staff at Ealing Jobcentre Plus

- 3.72 When UC began in April 2013, it used IT assets developed by private contract suppliers. These areas were known as live service areas.
- 3.73 Alongside the live service areas, the DWP built their own digital service system which started in a small number of areas in November 2014. The DWP introduced further digital test areas from November 2014-April 2016.
- 3.74 The digital service changed its name to 'full service' and from May 2016 the DWP started rolling out the full service to existing live service areas in

Great Britain. Claimants already claiming UC in the live service areas were subsequently transferred to the full service.

- 3.75 Universal Credit was available to claimants who needed to make a new claim for benefits, those who have not claimed before or claimants in receipt of legacy benefits who needed to make a new claim due to a change in their circumstances – this was called a natural migration.
- 3.76 Universal Credit 'live service' in Ealing was rolled out on 13 July 2015 to single claimants only and full digital service was introduced for other households with a maximum of two children from 28 March 2018. From 1 February 2019, UC was further expanded and made available to families with more than two children. However, the amount of UC was limited to two children if a third or subsequent child was born on or after 6 April 2017 (with some exceptions, for example multiple births).
- 3.77 Now that UC full service was available across the UK, DWP was preparing to migrate onto UC the existing benefit cases. Current plans were to pilot a 'managed migration' process which would involve inviting existing claimants to make a claim for UC between July 2019-July 2020. Up to 10,000 existing claimants would move to UC during that pilot period.
- 3.78 From November 2020, it was expected that more people would be moved across to UC through the managed migration process until completion, presently expected by December 2023.

Universal Credit Roll Out – Ealing Approach and Cost of Delivery

- 3.79 Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager, Ealing Council) explained that the UC roll out meant that a number of Council services had to consider its impact and review the way they delivered their services where necessary. The biggest impact was anticipated in the Customer Services area, in particular Housing Benefit, Local Welfare Assistance, Front Line and in the Housing Department.
- 3.80 Housing Benefits had appointed a temporary Project Manager for a period of 15 months at the total cost of £61,000 to ensure that the Benefits Service reviewed its processes and procedures in line with Universal Credit and was able to deal with the UC cases. The Benefits Service also worked with other departments to ensure that they were aware of UC and its impact and, where necessary, mitigation was put in place. A large number of staff had to be trained and IT systems reviewed in readiness for the roll out.
- 3.81 The Project Manager also ensured that there was ongoing communication between the local Jobcentres and Council Services as well as any potential issues which had been identified in earlier stages of UC implementation by other boroughs were addressed ahead of the Ealing roll out.

3.82 It was also essential to engage with the local voluntary sector, social and private landlords to provide knowledge and expertise. They were alerted to potential issues such as possible increase in rent arrears for the landlords and a spike in the number of residents approaching voluntary sector organisations for advice and support.



Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager, Ealing Council) addressing the Panel

3.83 The existing digital support provided by Customer Services and budgeting support provided by Local Welfare Assistance (LWA) were also reviewed to ensure adequate capacity in anticipation of increased demand.

3.84 The DWP provided additional funding to the Housing Benefit department towards the cost of the implementation of UC. However, other elements of the administration grant were reduced so the amount received for 2018/2019 was reduced by £155,000.

	2017/2018 £	2018/2019 £	2019/2020 £
Housing Benefit Admin Grant	1,886,549	1,722,825	1,610,216
Housing Benefit Admin Grant – Universal Credit Element	89,295	98,325	107,875
Total Housing Benefit Admin Grant	1,975,844	1,821,150	1,718,091
Reduction in Grant	-	154,694	103,059

3.85 Although the UC element of the DWP admin grant had been increasing slightly, the DWP had been reducing the overall admin grant year on year. The net amount of the admin grant was reduced by 8% for

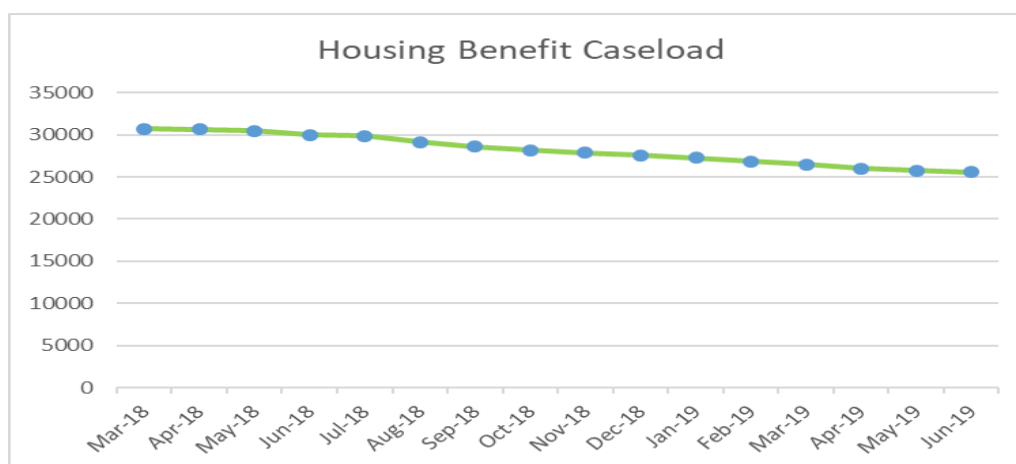
2018/2019 and by 6% for 2019/2020. Further reductions at similar levels were expected in future years.

Current Universal Credit Statistics for Ealing

- 3.86 According to DWP statistics, there were 10,999 households in receipt of UC in the borough by the end of May 2019. The DWP did not share local data with the Council so it was difficult to establish how many households received their housing costs through Universal Credit and the type of accommodation they lived in. National data indicated that by the end of May 2019 there were 1,818,565 UC claimants – 38% received no housing costs, 33% were social housing tenants and 28% were in private accommodation.
- 3.87 In terms of family type, 55% were single, 30% were lone parents, 11% were couples with children and 4% were couples without children. It was deemed reasonable to assume that the makeup of Ealing recipients was similar and in line with the national statistics.
- 3.88 The number of claimants on UC claiming Council Tax Support from the Council was 3,502 at the end of July 2019. This indicated that 68% of UC recipients in Ealing did not have Council Tax liability and possibly similar percentage did not have a rental liability.
- 3.89 There were 458 tenants in Temporary Accommodation who received Universal Credit towards their living costs and housing benefit towards their rental liability.
- 3.90 86 UC claimants had received discretionary housing payments so far this year to help them with a shortfall in rent or to pay towards their rent deposit.

Impact of Universal Credit on Administration of Housing Benefit, Council Tax Support, Discretionary Housing Payments and Local Welfare Assistance

- 3.91 Since the introduction of UC full service on 28 March 2018, the housing benefit caseload had been reducing at an average rate of 328 cases (1%) per month. The caseload had reduced from 30,733 in March 2018 to 25,570 in June 2019. This represented a 17% decrease over a 15-month period.



- 3.92 If this trend continued then the housing benefit caseload would reduce by a further 2,600 cases by the end of the financial year bringing the caseload down to 22,970.
- 3.93 The role of the Benefit Service was to end the housing benefit claim once a DWP notification was received that the claimant had claimed Universal Credit. The Benefits Service also actioned any outstanding overpayments of housing benefit which had not been repaid in full and were being recovered at the time of the claim moving onto UC.
- 3.94 Temporary accommodation and supported accommodation cases were updated if there were any changes to UC entitlement of the claimants. Any new claims were identified and paid Council Tax Support (CTS) to maximise take up. This required extra resource.
- 3.95 Any outstanding overpayment of housing benefit was then transferred onto DWP to continue with recovery via the Payment Deduction Programme. However, as DWP may already be recovering other debts and UC advanced payments from a claimant's entitlement, the outstanding housing benefit debt was not always being recovered.
- 3.96 This made the recovery of these overpayments problematic for the Council as the Council's rate of recovery of housing benefit debt was around 30-40%, when the debt was passed onto DWP's Payment Deduction Programme, the recovery rate reduced to around 3-4%.
- 3.97 This posed a risk to the recovery of outstanding housing benefit overpayments as the Council would essentially lose the ability to recover once housing benefit claims had migrated onto Universal Credit.
- 3.98 The value of overpayments which were currently being recovered via deductions from ongoing housing benefit payment was in excess of £16m.
- 3.99 Current DWP timetable envisaged the managed migration of all existing cases eligible for UC to be completed by December 2023. This meant that the Council would be left with much smaller housing benefit caseload of around 10,000, mainly for pensioners, temporary and supported accommodation. The service would also continue to be responsible for the administration of Council Tax Support for around 22,000 households.
- 3.100 The timetable for the full implementation of Universal Credit including managed migration had been revised by DWP on numerous occasions and it was very likely that the deadline of December 2023 would change following the managed migration pilot. The uncertainty around timescales and ongoing changes to UC legislation itself including eligibility criteria created volatile environment for service delivery, planning and added to difficulty with staff retention and recruitment.
- 3.101 The way the UC was administered by the DWP had resulted in an increase of work for the Benefits Service, especially around CTS cases.

UC entitlement was reviewed monthly and the reassessment triggered a notification to the Council which had to be processed.

- 3.102 The DWP had put processes in place necessitating completion of their forms in a particular format. These forms could not be automated and required additional resources to complete the process which increased the length of time it took to process cases.
- 3.103 Universal Credit was administered monthly and nearly every reassessment triggered a new notification of changes of circumstances which was sent to the Council. The service currently dealt with 5,000 new claims for CTS and around 50,000 CTS changes. It was estimated that the Universal Credit would increase the number of changes by at least 20,000 per year.
- 3.104 Although the Benefits Service automated some assessments, the automation of the UC notifications was proving to be problematic as there was no consistency in the data received from the DWP and data held by Council IT systems. Therefore, the work required manual processing.
- 3.105 This creates additional pressure for the service with workload going up and administration grants reducing. The MHCLG provided the Benefits Service with an administration grant for the purposes of processing CTS claims. The grant had been reducing slightly year on year and the increase in workload due to Universal Credit had not been taken into account.
- 3.106 There were currently no indications that the way the CTS grant was calculated would change. It was possible that, with a roll out of retention of non-domestic rates, the CTS grant would be withdrawn altogether and the Councils would be expected to fund the administration themselves.
- 3.107 The levels of grant from the MHCLG had also been reducing but at a lesser pace than the DWP grants. In 2018/2019, the reduction was around 5% and 4.5% for the current financial year.

	2017/2018 £	2018/2019 £	2019/2020 £
Council Tax Support Administration Grant	464,795	442,119	422,313
Reduction		22,676	19,806

- 3.108 Universal Credit cases also had a significant impact on the performance of the Service. The UC assessment took up to 35 days or in some cases longer. The current average time to assess a new CTS claim was 42 days with the internal target being 28 days.
- 3.109 The administration of discretionary housing payments (DHP) and LWA has also been impacted by UC in terms of the length of time it took to make a decision on the claim and affected the type of assistance UC claimants could receive.

3.110 There had not been a significant increase in the number of applications for local welfare assistance payments as these had remained static for the last 3-4 years.

	2016/2017	2017/2018	2018/2019	2019/2020 (up to August 2019)
Local Welfare Assistance Number of Applications Received	2,691	2,817	2,691	996
Local Welfare Assistance Number of Successful Applications	1,154	1,099	903	324

3.111 It was too early to say whether the implementation of UC had increased demand for DHP. There was currently no separate monitoring or reporting on Universal Credit only cases which had been included in the overall statistics for all discretionary housing payments.

3.112 The current DHP spend was £891,000 (43% of this year's DWP allocation of £2,053,000). The changes to benefits introduced under the welfare report, such as benefit cap, LHA restrictions and social sector size criteria were the main reasons for which DHP was paid and accounted for 56% of the DHP spending. This was similar to the DHP expenditure in previous years.

3.113 44% of the current spend was also awarded to claimants for non-welfare reform reasons. These were mainly short-term awards to support people on low income and experiencing financial hardship. Some of the awards also supported claimants with rent deposits and rent in advance payments if they wished to move to a more sustainable accommodation.

3.114 The following tables breakdown the amount of DHP spent towards individual welfare reforms and the number of claimants claiming for a particular reason.

Welfare Reform Reason	Amount £	%
Benefit Cap	349,937	39
LHA Restriction	73,199	8
Non-welfare Reform	393,800	44
Social sector size criteria	52,930	6
Two reforms	20,926	2
Grand Total	890,792	100

Welfare Reform Reason	Number of Awards	%
Benefit cap	271	39
LHA restriction	51	7
Non-welfare reform	293	42
Social sector size criteria	65	9
Two reforms	16	2
Grand Total	696	100

- 3.115 When considering DHP applications, the payment could not be paid until confirmation was received from DWP that the applicant was eligible for housing costs under UC. The 35 plus days' period before the UC decision was made created delays in processing DHP applications by the Council. This impacted on the claimants' ability to secure their new tenancies where the claimant requested a DHP payment towards their rent deposit and rent in advance. Many landlords were reluctant to await such long periods and in some cases claimants lost their chance for a new tenancy.
- 3.116 The DHP applications from UC claimants also tended to be more complex and time consuming. The DWP provided direct access to their IT systems so Benefit Officers could confirm entitlement to any DWP benefit when processing claims. The information available on UC, however, was limited therefore further information had to be requested from the claimant.
- 3.117 This created additional levels of administration and increased the time it took to make a decision on the claims. In most DHP cases, the decision could only be made after the DWP confirmed entitlement to housing costs which increased the risk of the customer losing their tenancy and becoming homeless.
- 3.118 The Local Welfare Assistance team had recorded an increasing number of UC claimants who applied for crisis payments to help them with food and living expenses. The reasons for applications were mainly due to the 35-day wait before the payment of UC was made.
- 3.119 Some applications for LWA are made because a UC claimant had sanctions or deductions taken off their benefit, which could be as high as 40% of their standard allowance (money paid towards living expenses), leaving the claimant unable to pay for food, utilities and other essentials.

Changes to Council Tax Support scheme to mitigate impact of Universal Credit

- 3.120 The Benefits Service currently assessed Housing Benefit (HB) and CTS simultaneously which provided significant efficiencies. The move from HB to Universal Credit meant that the dual processing of HB with CTS was being lost and the Benefits Service would have to deal with increased numbers of CTS only claims. This meant increased costs of administration in real terms and it was estimated that the cost of CTS administration would increase by around £450,000 over the next two financial years if the scheme was not reviewed.
- 3.121 With the roll out of UC and reducing grants, many councils were looking at simplifying their CTS schemes. As CTS was considered a discount and not a benefit, and a number of councils had already introduced banded schemes (Sutton, Bexley, Barnet with many more councils working on similar, banded approach for 2020/2021). There were also a number of other councils nationally which already operated the income

banded schemes. The neighbouring boroughs of Brent, Hillingdon and Harrow would be implementing income banded schemes from April 2020.

- 3.122 To mitigate the impact of UC, the service was proposing to implement a new Council Tax Discount (CTD) scheme in place of the current CTS scheme. Implementation of income banded scheme presented an opportunity to simplify the rules for claiming CTS resulting in improved take up of the support and overall customer experience. It would also allow the Service to reduce the burden of administration and an increase in related costs, reducing the number of reassessments and less verification requirements.
- 3.123 The Current CTS scheme was means tested and calculated in a similar way to the national Council Tax Benefit which had ended in March 2013. The calculation included an intricate set of rules and a formula. The formula used 'personal allowances, premiums and disregards' above which 20% of income was taken off towards weekly council tax and for every £1 above these allowances the CTS was adjusted by £0.20.
- 3.124 The calculation was complex and residents did not usually know whether they would be entitled to any support unless advised by professionals, i.e. Council staff, DWP, or specialist advisory service. This prevented take-up and created dependency on the Council front line services.
- 3.125 On the other hand, the income banded scheme was simple and transparent as it only took into account a resident's income, placing them in a relevant income band and awarding them a percentage of their council tax liability if they qualified. The award would only be adjusted if the change in income put the claim in a different income band thus doing away with adjusting the awards with every smallest change in circumstances.
- 3.126 A scheme with simple rules was easier to promote and encourage better take up enabling residents to determine whether their income qualified them for support without input from third parties.
- 3.127 Transparent rules also helped individuals with budgeting and decision making as residents would be able to see how a change in their income; i.e. due to increase or reduction in hours or changing jobs, would change their entitlement to the support. In return, better take up of CTD would help with reduction of poverty in the borough and help reduce Council Tax arrears for some.
- 3.128 It would also make residents more independent and less reliant on Council staff and advisory services in matters of Council Tax Support/Discount.
- 3.129 There was emerging evidence nationally that the take up of CTS amongst UC claimants was lower than amongst those who were in receipt of legacy benefits. This was because those claiming UC also had to make a separate claim for CTS to the Council and were not always advised of this option at the point of making the UC claim.

- 3.130 Simplification of the rules would also reduce residents' requirements for notifying the Council of changes to circumstances and providing supporting evidence. They would only be required to notify the Benefits Service if the income change placed them into a different income band.
- 3.131 This would reduce customer contact and enquiries regarding the awards and Council Tax bills overall. It would also help prevent overpayments of CTS which often led to Council Tax arrears and residents getting into debt.

Overview of the proposed income banded scheme

- 3.132 The Council was proposing to implement an income banded scheme to address the issue of increasing costs of the administration due to the implementation of UC and reducing DWP grants. Income banded scheme simplified the assessment process leading to reduced number of reassessments, less customer contact and fewer changes to Council Tax bills and instalments. The CTS expenditure would remain unchanged and continue to support those on the lowest incomes.
- 3.133 The proposed scheme would only take into account the claimant's 'true income' such as earnings and disregard all the means tested benefits, some of which were presently taken into account when calculating entitlement.
- 3.134 The benefits disregarded from the proposed scheme would be:
- 'passport' benefits – Income Support, Jobseekers Allowance income based, Employment Support income based
 - Contributory Jobseekers Allowance and Employment Support allowance
 - Child tax credit
 - Working tax credit
 - Universal Credit
 - Child benefit
- 3.135 Those who were not in work or self-employment and received 'passport benefits' would automatically be placed in the lowest band and be entitled to maximum CTS. This would also apply to UC cases without earnings.
- 3.136 Disregards of child benefit, child tax credit and working tax credit would take the 'means test' out of the local CTD scheme but ensure that any changes in a customer's household composition and/or earnings were still reflected within the customer's overall income. It no longer needed to be reported for the purposes of calculating CTD.
- 3.137 The only income taken into account for the purposes of the calculation was earnings, self-employed income, rental income and other non-related to means tests.
- 3.138 All disability benefits would continue to be disregarded:
- all disability living allowance

- all personal independence payment
- carers' allowance

3.139 Other simplifications of the rules included:

- reduction in number of earnings disregards from 4 to 1
- reduction in number of non-dependent deductions from 6 to 2: one for working and one for non-working non-dependants
- introduction of minimum award of £2 per week to reduce the number of recipients with low awards whose claims still needed to be maintained by the Council

Main features of the proposed scheme

COUNCIL TAX DISCOUNT				
Support paid as a percentage of Council Tax liability depending on household income				
Income Disregarded:	Income taken into account:	Non-dependant deductions	Earning disregards:	Minimum entitlement to CTS:
<ul style="list-style-type: none"> - All disability benefits: DLA, PIP, Carers Allowance, - All income related to means testing: CHB, CTC, WTC, IS, JSA (IB), ESA (IR), UC - Customers entitled to passported benefits (IS, JSA, ESA, UC and not working) placed in the lowest bands 	Earnings, self-employed income, private pensions, rental income (<i>all income as calculated by DWP for the purpose of UC where applicable</i>)	Reduction in number of deductions from 6 different amounts to only two which will allow to reduce verification of non-dependant income. * £6.50pw – for non-working * £18pw – for working	One universal earning disregard of £30pw, not applicable to single claimants	Where the claimant is entitled to less than £2 per week of CTS, this will not be paid to reduce the administration costs.

Income bands and maximum awards

3.140 Under the current scheme some recipients were treated as 'vulnerable or household vulnerable' and entitled to a maximum of 100% of their Council Tax liability. The non-vulnerable groups received up to 75% of their Council Tax liability.

3.141 The proposal merged two 'vulnerable' groups into one 'protected' group which would still be entitled to a maximum of 100% of their liability. There were no changes to the ones that the current scheme protected. The following groups would continue to be protected under the proposed scheme:

- lone parents with children under 5 years of age
- those in receipt of a disability benefit, Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, Attendance Allowance or Disability Living Allowance
- those in receipt of UC which included one of the following elements: limited capability for work, limited capability for work related activity, disabled child or carer
- care leavers under the age of 25 years
- those in receipt of an Armed Forces Independence Payment
- carers in receipt of Carer's Allowance or have an underlying entitlement to it

- 3.142 As we retained two groups, protected and non-protected, there would be two different levels of income bands applicable. Income taken into account would be net of tax, national insurance, 50% of pension. Also, £30 earnings disregard would apply. The cut off point for non-protected groups would be an income of £240 per week, and £20 higher for the protected groups. The proposed income bands were as follows:

ALL PROTECTED GROUPS		ALL NON-PROTECTED GROUPS	
Income (£)	Council Tax (%)	Income (£)	Council Tax (%)
0.00-119.99	100	0.00-119.99	75
120.00-139.99	75	120.00-139.99	60
140.00-159.99	60	140.00-159.99	50
160.00-179.99	50	160.00-179.99	40
180.00-199.99	40	180.00-199.99	30
200.00-219.99	30	200.00-219.99	20
220.00-239.99	20	220.00-239.99	10
240.00-259.99	10	240.00	0
260.00	0		

- 3.143 The claimants would be awarded a percentage of their liability depending on the income band they fell into and whether they were in a protected or non-protected group.
- 3.144 Claimants who were in employment and received UC would have their UC disregarded and only their earnings and other income taken into account as calculated by DWP.
- 3.145 It was estimated that 6,786 current claimants of CTS would see no change to their entitlement when transitioning onto the new scheme. 5,055 would receive more discount and 2,029 current claimants would have their entitlement reduced.
- 3.146 In recognition that some customers would receive less discount under the new scheme in comparison to their CTS entitlement on 31 March 2020 under the current scheme, transitional capping would be introduced from 1 April 2020.
- 3.147 The capping would ensure that at the point of transfer to the new scheme no customer would gain or lose more than £2 per week (unless their entitlement was less than £2 per week in which case they would receive no discount).
- 3.148 The capping would continue to apply to customers until they had a change in their circumstances that required a reassessment of their entitlement which resulted in a different level of discount.
- 3.149 The Council's public consultation on the new CTD scheme would run from 16 September-27 October 2019 and the decision whether to adopt

the proposed scheme would be made by the Full Council in February 2020. If ratified, the scheme would be effective from 1 April 2020.

Impact of Universal Credit on council and temporary accommodation tenants and Council Tax collection

3.150 As a result of increased number of council tenants claiming UC the overall rent arrears for tenants claiming UC had also increased. There are currently 1,030 tenants in receipt of Universal Credit and the total rent arrears for these tenants amounted to £638,000. Average rent arrears per UC claimant equated to £620.

3.151 The table below shows how rent arrears had been increasing in line with increasing numbers of tenants claiming UC.

Month	Number of tenants on Universal Credit	Amount of Arrears £
September 2016	8	1,780
December 2016	6	3,196
April 2017	0	3,196
June 2017	9	6,879
September 2017	7	7,342
December 2017	34	13,497
March 2018	94	34,915
June 2018	216	148,006
October 2018	403	286,988
December 2018	503	364,648
January 2019	679	686,780
February 2019	730	742,146
March 2019	780	422,584
April 2019	885	475,820
May 2019	934	514,988
June 2019	978	579,582
July 2019	1030	638,262
Total Arrears @ 1 July 2019	1030	638,262

3.152 As the number of tenants in receipt of UC were increasing, there was a growing number of those in need of further in-depth support.

3.153 There had also been an increase in the number of council tenants experiencing financial hardship resulting in more requests for assistance with claims for DHP, food banks and local welfare assistance payments.

3.154 More vulnerable tenants also required assistance with applying for Universal Credit online.

3.155 More tenants required additional support with benefit checks and income maximisation, making enquiries with DWP regarding their applications and payments of UC.

- 3.156 To help cope with demand, the Housing Department employed two additional Financial Inclusion Advisors who were based at the housing hubs across the borough.
- 3.157 The Financial Inclusion Advisors would focus on support for Council tenants in debt management, negotiation with creditors like energy and water companies as well as arrangements for rent payments and Council Tax debt.
- 3.158 Current statistics showed that collection rates for Council Tax were slightly lower amongst the UC claimants in comparison with the overall collection rate for all CTS recipients. In July 2019, the collection rate for all working age CTS recipients was 35.9% and for UC claimants only 31%.
- 3.159 The Housing Demand service was experiencing more difficulties with acquiring Private Rented Sector (PRS) accommodation as private landlords were confused about UC and often did not understand it.
- 3.160 Where landlords understood how UC operated, they did not want to take clients in receipt of UC as they were used to the direct housing benefit payments that had been offered under the Council's Direct Lets scheme. This meant acquiring direct let PRS accommodation where the Council could cease its housing duty had become more difficult.
- 3.161 Due to the introduction of UC, landlords wanted guaranteed rental schemes such as the PSL leasing arrangements as the financial risk for non-payment of rent by the resident sat with the Council and not the landlord. This increased the risk for the Council and made it harder to discharge housing duties, which was a key deliverable in the current Housing and Homelessness Outcome Review to move households out of temporary accommodation and reduce overall costs.

Impact of Universal Credit on Local Voluntary Sector

Local Foodbanks

- 3.162 Janet Fletcher (Manager, Ealing Foodbank) explained that the Ealing Foodbank had around 280 volunteers and operated seven client centres in six different venues. Each venue was open for three hours per week, 52 weeks of the year. In a previous year, one of the centres had opened on Christmas Day.
- 3.163 The premises were donated by local churches although the Foodbank paid rent on their office and warehouse space in a church hall in Hanwell.
- 3.164 Between April 2018-March 2019, Ealing foodbanks gave away 99.2 tonnes of food and served 11,546 people – an average of 8.6kg of food per person.
- 3.165 Tesco had calculated that an 'average' kilogram of food costed £1.75.
- 3.166 $8.6\text{kg} \times £1.75 = £15.05$ per person, so a family of four would receive around £60 worth of food and other items.



Janet Fletcher (Manager, Ealing Foodbank) addressing the Panel

- 3.167 The Foodbank gave out sufficient food for three meals for three days and clients could return no more frequently than once per seven-day period as foodbanks could not be the only provider of individual's food needs. The use of a foodbank was not designed to be long-term.
- 3.168 Clients could attend any of the centres, on referral, for as long as they were in crisis. The Foodbank monitored the use of vouchers use and would follow up with the referral agency if there was cause for concern such as multiple agency referral, apparent dependency or any abuse of the system.
- 3.169 Nearly all the food received was donated but last year the Foodbank spent over £15,000 to top-up stock when there were shortages in particular items. The Foodbank send out their monthly shopping lists to over 650 people and had permanent collection baskets in store at Tesco Hoover and Ealing Broadway, Waitrose West Ealing, Sainsbury West Ealing and Asda Park Royal. These were collected weekly by volunteer drivers.
- 3.170 Food donations were just keeping up with demand but the increase in numbers needing support during the longer school holidays created stress on the donations and in August 2019 many items were extremely low or out of stock.
- 3.171 The Foodbank also worked with Help through Crisis – Big Lottery funded consortium of agencies, which allowed presence of professional support at each of the centres giving further advice and ongoing support to clients

in the form of help with form filling, making claims, getting help with grant applications, etc.

3.172 The use of foodbanks was increasing in the borough and was generally associated with low income and changes in benefits. Benefit changes such as the introduction of a benefit cap, social sector size criteria, LHA capping and general freeze to benefits, and recently UC had all contributed to an increase in the use of foodbanks. The Trussell Trust had suggested that the use of foodbanks had increased by 30% in the six months after UC roll out in the area compared with 12% in non-UC areas.

3.173 The Ealing Foodbank had provided some statistics which showed an increase in the use since 2018. There had been a 64% increase in the use of foodbanks in the borough in the first quarter of 2019 in comparison to the same period in 2018. The biggest increases had been recorded in the Greenford, Southall and Northolt areas.

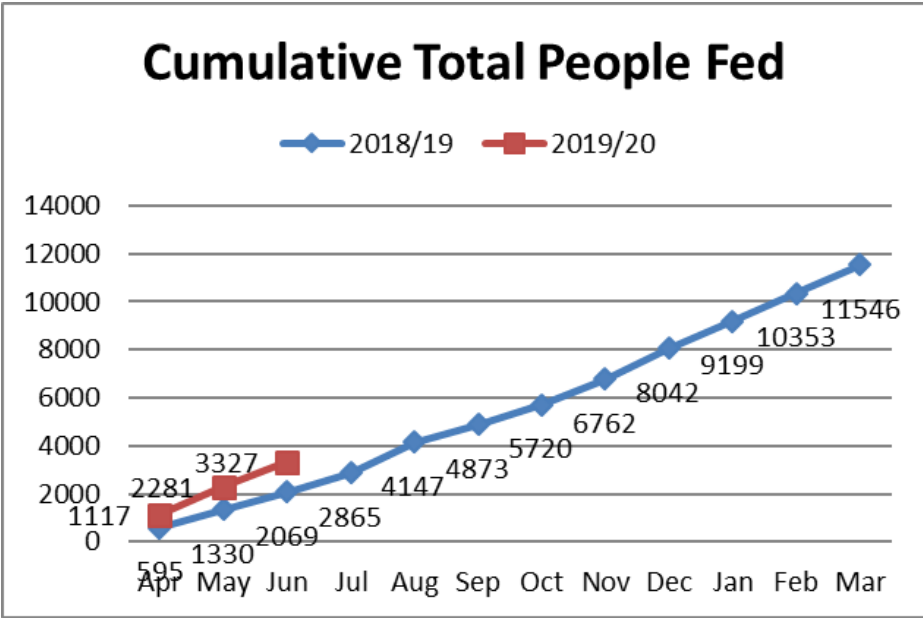
3.174 The table below shows the number of foodbank clients broken down by area:

Client Centre	April-June 2018	April-June 2019	% change
Acton	485	724	+49
Ealing Green	n/a	142	-
Greenford	522	876	+68
Hanwell	343	508	+48
Northolt	193	296	+53
Southall	521	841	+61
Others	5	0	-
Total	2,069	3,387	+64

3.175 The top five causes of food poverty in Ealing as recorded by the local foodbank were:

April-June 2018	Total Fed	April-June 2019	Total Fed
Low income	489	Low income	1,188
No recourse to public funds	452	Benefit delays	626
Benefit delays	398	No recourse to public funds	527
Benefit changes	205	Benefit changes	321
Debt	127	Children holiday meals	213
Total of top five	1,491	Total of top five	2,875
	<i>Represents 72% of 2,069</i>		<i>Represents 85% of 3,387</i>

3.176 The total number of people fed by the foodbanks in 2018/2019 were 11,546. In the first quarter of 2019, the number of people supported by the foodbank was 6,725.



Cllr Paul Driscoll (Chair) and Cllr Anthony Young during the site visit to Ealing Foodbank





Ealing Advice Service Consortium

- 3.177 Matthew Coulam (Service Development Manager, Ealing Advice Service) explained that the data for Quarter 1 of the new Ealing Advice Service (EAS) consortium showed that 8% of all the welfare benefit enquiries received were related to UC. This had doubled since the previous year when EAS saw 4% of all enquiries relating to UC in Quarter 4 of the previous financial year.



Matthew Coulam (Service Development Manager, Ealing Advice Service) addressing the Panel

- 3.178 The increase in enquiries was partially due to the roll out of UC but also due to additional working age clients without disabilities or health conditions who were accessing the new Ealing Advice Service which came live in April 2019. The service was now available to all and no longer

solely for vulnerable adults who tended to be eligible for disability benefits instead.

3.179 EAS had been referring new UC applicants to the Citizens Advice services that were based at the Jobcentres as they were funded by the DWP specifically to deliver 'Universal Credit Support'. However, EAS still found themselves dealing with cases before and after the initial claim for UC had been made.

3.180 EAS expected a sudden increase in UC enquiries when it was first rolled out in the borough but this has not happened. However, EAS believes that some of the enquiries went to the smaller Southall based advice services (GOSAD in particular) which seemed to be taking on many of the local cases and had relayed to EAS that they were struggling with the demand.

3.181 Despite the relatively low number of UC inquiries, the cases seen by EAS tended to be complex – clients who had been turned down due to failing the habitual residency test; clients who have applied for UC while mandatory reconsideration of Employment Support Allowance decisions were being processed; and clients who had encountered issues covering their rent when they switched to UC from other benefits and HB stopped resulting in arrears and eviction proceedings.

3.182 Many clients also required assistance from EAS with Capability for Work questionnaires required for Universal Credit when a claimant had limited capability to work which could take up to 1-2 hours to complete.



Cllr Paul Driscoll (Chair) and Cllr Anthony Young during the site visit to Ealing Advice Service

Supporting Residents on Universal Credit

- 3.183 Local Authorities were initially tasked by the DWP to provide support for vulnerable UC claimants in the form of personal budgeting support and digital support. Ealing linked the budgeting support with the Local Welfare Assistance (LWA) team which allowed the Council to streamline support for those who found it difficult to budget and may have been at the point of crisis or at risk of eviction.
- 3.184 Such arrangements allowed the LWA team to provide budgeting support and, at the same appointment, identify those who were in need of a crisis payment or discretionary housing payment. This approach enabled early identification of potential rent arrears cases building up due to residents mismanaging their money and provided an opportunity for the Council to intervene early. It would prevent evictions of residents into temporary accommodation in the long term.
- 3.185 The residents who appeared to be in need of support with budgeting were identified by the Jobcentre staff and referred to the LWA team for intervention. In 2018/2019, the LWA team received around 400 referrals for personal budgeting support.
- 3.186 Digital support was also provided at the Council's Customer Contact Centre to those who struggled with their digital skills. The support included help with making a Universal Credit claim and managing an online UC account.
- 3.187 The DWP used to provide a small amount of funding to Local Authorities for this work which was dependent on expected volumes of UC claimants requiring support. In October 2018, the DWP announced changes to the Universal Support so that local authorities would no longer be expected to provide this and the funding would cease from April 2019.
- 3.188 The DWP stated that the level of support provided via local councils was not consistent as some councils provided comprehensive support whilst others provided none.
- 3.189 The DWP now assigned the Citizens Advice Bureau who had been commissioned to support UC nationally. The support provided by the CAB varied greatly from that of the Council. It was limited to online support and help with the management of online claims.
- 3.190 As Ealing did not have a CAB, the CAB officers are based within the local jobcentres some days of the week.
- 3.191 Ealing Council continued to provide Universal Credit claimants and the support provided was at the level available to non-UC claimants.
- 3.192 There was no longer a specific Council provision to support UC claimants unless they were accessing Council services and received support as part of that service.

- 3.193 As part of the ongoing digital support, all residents were able to access free internet for up to two hours. This would help those who needed to make a claim for any benefits but did not have access to internet.
- 3.194 If a claim were received for an LWA payment or a DHP from a UC claimant then they were provided with money and budgeting support. Where appropriate, they would also be referred to a work club or for other employment support.
- 3.195 A Skills Escalator supported Ealing residents in receipt of UC to access advice and guidance services to help them understand what options were available in improving their earning potential. The project also had the ability to offer financial support with study and associated costs to enable residents to access and enrol on training that would help them progress in their chosen career path.
- 3.196 Residents claiming UC would be able to gain additional support through the Council's new job brokerage service. The employment and skills team were working on understanding employer needs and skill gaps to generate job opportunities as well as boost employment in the area. The main objective of the new job brokerage service was to manage relationships with local employers to secure vacancies and apprenticeships for UC claimants and economically inactive residents.
- 3.197 The service would offer a range of vacancies, facilitate basic skills and employability training that UC claimants could access which would lead local claimants into employment. Claimants would also receive one-to-one support and intensive support (if required) through partner agencies who offered specialist employment support.
- 3.198 UC claimants in Ealing could also access the EAS consortium which was an independent service commissioned by the Council to provide free advice and assistance in social welfare law across a range of areas including welfare benefits, landlord and tenant, homelessness, debt, employment, consumer, family and immigration.

Main Implications

- 3.199 The Social Security Administration Act 1992 ("the SSAA") required local housing authorities to administer a housing benefit scheme under Section 123 of the Social Security Contributions and Benefits Act 1992.
- 3.200 Section 140A of the SSAA requires the Secretary of State to pay a subsidy to each authority administering housing benefit.
- 3.201 As more council tenants migrated onto Universal Credit, there was a risk of rent arrears increasing on their accounts and the Council having difficulty in collecting the rent. This could lead to increased bad debt.
- 3.202 Long waiting periods before the first payment of UC was made would increase demand for local welfare assistance payments.

- 3.203 Direct payments of UC to claimants including the housing element would increase the number of claimants who experienced difficulty paying the rent in full, particularly those who had other deductions from their UC payments. This would increase the number of applications for discretionary housing payments to help with rent arrears.
- 3.204 There was emerging evidence that UC claimants had higher rent arrears than those on legacy benefits so were at a higher risk of becoming homeless. This would result in increasing demand for homelessness services and the cost of homeless prevention.
- 3.205 A continually changing timetable for the completion of the Universal Credit implementation and amendments to UC regulations created a volatile environment for the Benefits Service and made it difficult to plan for the long term and staff retention more challenging.

Key Issues

The Panel:

- noted that during the site visit to Birmingham with the previous year's Housing and Planning Scrutiny Review Panel, the council welfare support had been helpful and the Universal Credit scheme had been working efficiently.
- acknowledged that rents were much cheaper in the north of England. However, with regards to housing for vulnerable clients the housing benefit scheme had been worse in London.
- queried who should be contacted for the housing queries in the DWP. The DWP officers advised that some local authority officers were based in the job centres and able to resolve housing issues or any other concerns.
- asked whether there was a difference between the Ealing and Acton Job Centres.
It was advised that both were the same.
- questioned the spike in foodbanks in Southall.
The Foodbank Manager advised that the Trussell Trust model was that a client might have three vouchers in six months. However, the Foodbank allowed partners to refer for as long as a person required provided the client was engaging with an organisation that offered advice or support. Anyone just asking for a voucher but not attending meetings or working on their problem would not be given the vouchers. The decision to move to this system of referral was not linked to Universal Credit.

The DWP was the busiest referrer and had a much better working relationship with the Foodbank than had previously been the case. The DWP had been asking more questions of claimants before issuing referral letters and had taken on board some of their requests for details.

- highlighted that there were several boroughs where the Jobcentres had local authority officers in-house and whether the Housing Service had any additional resources.
- observed that the DWP and the Citizens Advice Bureau (CAB) had a one-year national contract and queried how that worked. The DWP officers explained that the CAB had a presence in the Jobcentre three days a week. However, there was no consistency support in the boroughs. The support lacked coherence with CAB providing advice on initial applications at the Jobcentres and EAS provided follow up support when issues arose after an initial claim.
- queried the zero-hour contracts under Universal Credit. It was advised by DWP that real earning would be assessed each month.
- noted that Universal Credit was digital, online and people could use the telephone but expressed concern about the support required for individuals who did not speak or understand English. It was advised by DWP that translation services were available to support such individuals.
- enquired what 'passport' benefit meant. The Council Officer advised that it meant that people who were currently on a benefit were transferred 'passported' to other benefits.
- asked about the level of poverty in Ealing compared to other boroughs. The Foodbank Manager advised that the data was not known but Ealing had been the second busiest foodbank in London.
- queried who could refer individuals to the Foodbank. It was advised that professionals e.g. schools, MPs, GPs, etc. could do so but not all tended to make such referrals. Councillors could also make referrals.
- observed that Ealing did not have a CAB. It was advised that the DWP had decided that from April 2019 the support provided by Councils to Universal Credit claimants would be replaced by support provided by CAB. Ealing did not have a CAB office and this was flagged prior to April 2019 to the DWP Partnership Manager and London Councils. It was advised by the Council Officer that lack of a CAB in Ealing had been raised on a number of occasions with the DWP Partnership Manager prior to April 2019 when new arrangements for support were implemented and these were further escalated, however the DWP decision remained unchanged.
- learnt that Hillingdon have placed Housing Officers co-located in Jobcentres to provide Universal Credit claimants with housing advice and early intervention on homelessness prevention.
- questioned whether there were any minimum standards on housing and who monitored them.

It was advised by the Council Officer that the benefit being paid to the customer should be withheld if the housing standards were unsuitable. There were alternative arrangements available to pay directly to the landlord. Regulatory Services could enforce the necessary repairs to the property.

- expressed concern that some landlords were reluctant to rent to Universal Credit claimants due to rent arrears or late payment of rent.
- enquired whether the Child Tax Credit e.g. constantly getting overpayments would be simplified with Universal Credit
It was advised by the DWP that Child Tax Credit was being looked at by HM Revenue and Customs.
- noted the positives of the Universal Credit but wanted to know more about the negatives of the scheme.
It was advised by the DWP officers that the negatives had not been measured. However, the DWP had acknowledged that backdating of payments had been a challenge as they did not have historical context to compare the data. The claimant could apply to get a Universal Credit payment to cover up to one month before the start of the claim which was called 'backdating'. However, a good reason would be required for not claiming earlier e.g. evidence of an illness, disability, problems with the online claims system, not being told that a previous benefit would stop, or changes in a joint claim/relationship status.

This had caused some issues for claimants who had delays of over a month in claiming Universal Credit as they had been confused or misinformed about what they should do. For example, if a client had mistakenly been under the impression they should be claiming Housing Benefit then there could be a 6-week wait from the date of their initial claim before they were informed by the Council that they should actually be claiming Universal Credit to cover their rent due to their circumstances. This then meant that, even with one-month backdating, there was a gap in rent payments by the time they claimed Universal Credit.

- observed that the DWP website was not very user-friendly.
It was advised that the EAS and DWP website needed reviewing.
- referred to National Audit Office (NAO) report, wherein it was mentioned that 38% of claimants were able to verify their identity online and 80% were paid on time.
It was advised by the DWP officers that the on-time payments were 85%.
- expressed concern that 15% of claimants were not paid on time which was a significant number. The NAO report mentioned the cost per claimants falling from £699 to £173 and the number of claimants per work coach rising from 154 to 919.
- queried whether Council Tax Support was discretionary.

It was advised that this was the case.

- queried the difficulty in getting data from the DWP concerning the profile of Universal Credit claimants
 It was advised by the Council Officer that the decrease in housing benefit claimants was likely to be due to transfers to Universal Credit. There had been a fall in the number of claims for Council Tax Support. People were entitled to Council Tax Support but did not claim as they were unaware of it. The DWP did not record specific information regarding details of the breakdown of the local profile of claimants. This information would help with planning Council services and interventions. The DWP Officers advised that the DWP processing centre might have information but a detail local profile e.g. post code, borough, etc. of Universal Credit claimants was not known by the Ealing Jobcentre.
- questioned what contingencies were in place in respect of poverty premium as there were no bank accounts and access to libraries.
 It was advised that the DWP had been supporting customers in opening a basic bank account.
- asked how the Disability Children Allowance was addressed.
 The DWP officers advised that this was in addition to the Universal Credit.
- questioned the timelines of the medical assessments and appeals.
 The DWP officers advised that they were unsure of the timelines as a contractor undertook the assessments.

The EAS officer expressed concern that they had seen the use of copy and pasted comments from other people's assessments.

- felt that the discussion had raised a number of issues that the Council could consider further. The role of the Council being more proactive with Housing and Council Tax Support advice for Universal Credit claimants was highlighted. The specific nature of advice provision in Ealing where there was no local CAB and that EAS was the local provider for advice created a disconnect between different advice sources for initial claims and ongoing claims. The extension of Universal Credit to a wider range of claimant groups and all new claimants with increasingly demanding workloads for DWP officers and diminishing funding per claimant would also place additional challenges upon the DWP. The increasing challenges that DWP encountered could impact the demand for the Foodbank and other support services.

No.	Recommendation
R8	Ealing Council should monitor the impact of the new Council Tax Reduction scheme and the use of income banding by using data available from the Council and from local advice centres. In addition, case studies, particularly vulnerable groups, to illustrate the impact of CTR scheme and contacting and dealing with the Council.
R9	Ealing Council should engage in collective lobbying with other

No.	Recommendation
	authorities that do not have a local Citizens Advice Bureau service to press the Department for Work and Pensions to have a contract with local advice services to ensure a seamless initial pre-application and post application advice service is provided for the Universal Credit claimants.
R10	Ealing Council should work with other local authorities and local authority associations to lobby the Department for Work and Pensions for improved Universal Credit data to enable better monitoring of the roll out of Universal Credit and the impact upon local services.
R11	As recommended by the Department for Work and Pensions, Ealing Council should consider piloting a dedicated Housing Officer based at the Ealing Jobcentre Plus to improve homelessness prevention work, the take-up/continuity of the Council Tax Reduction claims and the management of housing costs/use of Managed Payment to Landlord.
R12	Ealing Council should respond to a request raised by Ealing Advice Centre to consider piloting dedicated telephone lines for selected advice agencies to contact key services: Housing Benefits/Council Tax Reduction/Council Tax Scheme, Tenancy Management, Council Tax, Housing Service/Locata. If the pilot is successful the use of dedicated telephone lines for advice agencies should be extended.

THE HOMES (FITNESS FOR HUMAN HABITATION) ACT 2018

- 3.206 At its third meeting, the Panel received a presentation from Mark Wiltshire (Director, Safer Communities and Housing) on the implications of The Homes (Fitness for Human Habitation) Act 2018 for the Council. The Panel also received a presentation from Matthew Coulam (Service Development Manager, Ealing Advice Service) about the impact of the Act on their service provision in the borough.



The third Panel meeting

- 3.207 The Panel heard that the new law amended the Landlord and Tenant Act 1985 and inserted new provisions so that any tenancy agreement (with a few exceptions such as shared ownership) that began after 20 March 2019, implicitly contained a covenant that the dwelling must be fit for human habitation at the start of the tenancy, and that it shall remain fit for human habitation during the lifetime of the tenancy.

Legal Implications

- 3.208 The Act was a new legal requirement upon all landlords, which the Council would have due regard to when planning and delivering services. The right for tenants to take action in the courts was in addition to the pre-existing right to take court action for a landlord's failure to keep in repair. Consequently, there was potential for an increased volume of claims by Council tenants occupying Council stock and temporary accommodation provided under homelessness duties.

Effect of the Act

- 3.209 The primary effect of the Act was that it amended Sections 8 and 10 of the Landlord and Tenant Act 1985 and inserted new Sections 9A, 9B and 9C so that any tenancy agreement (with a few exceptions such as for

shared ownership) beginning after the 20 March 2019, implicitly contained a covenant that the dwelling must be fit for human habitation at the commencement of the tenancy, and that it shall remain fit for human habitation during the lifetime of the tenancy.



Mark Wiltshire (Director Safer Communities and Housing) addressing the Panel

3.210 The Act did not apply retrospectively, except for existing periodic tenancies which would have to comply by 20 March 2020.

Fit for Habitation

3.211 In the event of dispute this would be a determination by the civil court, having regard to the framework set out in Section 10 of the Landlord and Tenant Act 1985. These were whether:

- The building had been neglected and was in a bad condition
- The building was unstable
- There was a serious problem with damp
- It had an unsafe layout
- There was not enough natural light
- There was not enough ventilation
- There was a problem with the supply of hot and cold water
- There were problems with the drainage or the lavatories
- It was difficult to prepare and cook food or wash up
- Or, any of the 29 hazards set out in the Housing Health and Safety (England) Regulations 2005

The Consequences of Non-compliance

- 3.212 Where a landlord failed to do so, the tenant had the right to take action in the courts for a breach of contract on the grounds that the property was unfit for human habitation. The remedies available to the tenant were an order by the court requiring the landlord to take action to reduce or remove the hazard, and/or damages to compensate them for having to live in a property which was not fit for human habitation.
- 3.213 If the tenant sought redress through the courts, this did not stop the local authority from using its enforcement powers to tackle poor or illegal practices by landlords and letting agents, including when landlords did not carry out necessary works that have been brought to their attention.
- 3.214 The Council would continue to apply its enforcement policy and take action as necessary and proportionate to the risk presented. This was consistent with the category of hazard identified by the Housing Health and Safety Rating System assessment. The Council, in these circumstances, kept residents informed of progress and would (under the normal disclosure arrangements) provide information to support tenants as necessary. However, the Council was not a civil litigant and would provide information from records but not compile court reports to directly support a claim.
- 3.215 There was close liaison between the Council's property regulation and housing demand teams. Information was shared to ensure that residents received a connected service. This extended from direct support and signposting to services when immediate enforcement action was taken (e.g. prohibition notices were issued) and to prevent illegal eviction where less formal action had been initiated.

Exceptions to the Requirement

- 3.216 The landlord would not be required to remedy unfitness when:
- The problem was caused by tenant behaviour. Tenants were required to use a rented property in a tenant-like manner with reasonable steps taken not to damage the property, the fixtures or fittings. Landlords could be reassured that they would not be held responsible when the property was or fixtures were treated inappropriately by tenants. However, landlords were responsible for the fixtures, fittings and appliances in the property being safe and working properly. For example, extraction systems working properly and windows that were able to be opened.
 - The problem was caused by events like fires, storms and floods which were completely beyond the landlord's control.
 - The problem was caused by the tenant's own possessions.
 - The landlord had not been able to gain consent (e.g. planning permission, permission from freeholders, etc.). There must be reasonable effort demonstrated to gain such consent.
 - The tenant was not an individual (e.g. local authorities, national parks, housing associates, etc.).
- 3.217 The Act did not cover people who had 'licenses to occupy' instead of tenancy agreements. This may include lodgers (people who lived with

their landlord) and some people who lived in multi-occupied or temporary accommodation types (e.g. hostels, hotels, bed and breakfast, etc.).

Relationship with Other Legislation and Powers

- 3.218 The Act sat alongside current local authority duties and powers to inspect and take action where there were poor conditions in the private rented sector.
- 3.219 There was no statutory duty for the Council to become involved in challenges under the Act, although this may be requested, using the duties placed upon the Council under the Housing Act 2004. Consequently, tenants who were motivated to seek redress from their landlord were likely to make requests of the Council – and guidance on such steps were being given by advice and support services.
- 3.220 Whilst a civil remedy, this shifted the ‘balance’ of responsibility to a landlord to ensure a home met and maintained a fitness standard. Under existing statutory frameworks, a landlord was only required to comply with a license condition (where such a license existed), or when a local authority had issued a formal notice (e.g. improvement notice). Penalties were only engaged once the condition or notice had not been complied with.
- 3.221 Whilst the Council’s selective and additional licensing schemes extended significant protection to tenants by setting a clear standard, which helped to raise the standard across the sector, these were limited in their geographical reach. These additional standards would not place any undue burden on a good landlord but would expose less compliant landlords to increased risk of civil litigation.
- 3.222 A landlord would also find it more difficult to seek possession of a home where an action was being taken under the provision. This would be a relevant consideration for the Council when looking to protect people from illegal eviction and when seeking to prevent homelessness.
- 3.223 Where the property regulation team had served a remedial action notice, or an improvement notice a tenant, a landlord was normally unable to issue a Section 21 notice of eviction for a period of six months. Such a tool protected a tenant from a revenge eviction where they had raised issues with their landlord.
- 3.224 The full implications of these changes would not be known for some time, as case law and understanding would develop over time – and most tenancies would not fall into scope until 2020. The government had actively promoted the responsibilities to landlords and agents through the relevant trade bodies. However, the information was less well known to tenants, although tenant support agencies (e.g. Crisis, Shelter, Citizens Advice Bureau, etc.) all had relevant information and guidance available for tenants.
- 3.225 The Council would undertake a promotion activity early in 2020 to promote the extension of the scheme to the wider group of tenancies and

the major roll out of the Act.

- 3.226 However, it was reasonable to anticipate that there would be cost implications and reputational damage for the Council as a landlord or as a commissioner of private rented properties where the standards were not met. It was, therefore, important that the Council sustained its property compliance and audit function ensuring both effective management and appropriate repair of homes.
- 3.227 Demand would inevitably increase from tenants seeking opinion and formal records of inspections from the Council to support their claims. This would become increasingly relevant when contextually claims were likely to be slow in the County Court. There was already evidence of “no win no fee” style advocacy emerging in this sector which would likely make referrals to local authorities to try and collect independent opinion on a landlord’s property.

Working with Landlords

- 3.228 The Council already supported the London landlord accreditation scheme and a number of responsible landlords were affiliated to the relevant trade associations (e.g. National Landlords Forum). They had already received information and advice on the standard and guidance on their responsibilities.

EALING ADVICE SERVICE

- 3.229 On presenting the perspective of Ealing Advice Service on the Act, Matthew Coulam (Service Development Manager), explained that the changes in regulations were not as radical as had first been expected. The Ealing Advice Service ran an ‘Accommodate Me’ service which provided advice to tenants living in rented accommodation.



Matthew Coulam (Service Development Manager) addressing the Panel

- 3.230 The Mayor of London had been involved in a campaign promoting “What makes something fit for habitation” and had secured private law firms to provide advice to landlords and letting agents in complying with the Act.
- 3.231 The project provided a breakdown on the types of accommodation that inquirers lived in. These were:
- Council accommodation – 12%
 - Housing Association – 12%
 - Private sector rentals – 26%
 - Temporary accommodation (hostels, bed and breakfast, etc.) – 14%
 - The remaining inquirers were either staying with family, owner occupiers, of no fixed abode or 'other'.
- 3.232 Disrepair and maintenance issues made up 5% of inquiries. The majority of inquiries related to the Locata/social housing register (31%), imminent homelessness e.g. eviction, possession orders, serious rent arrears (26%) with the remaining advice areas covering overcrowding, inappropriate accommodation, mortgage inquiries, shared ownership inquiries and 'other' non-urgent cases.
- 3.233 A noticeable increase had not occurred in the number of disrepair inquiries since the Act was introduced. Nevertheless, information about the Act would be provided by the Ealing Advice Service to those who made enquiries.
- 3.234 He also provided feedback received from two housing advice caseworkers who worked on the project. One adviser had stated that although there did not appear to be any inquiries directly relating to any changes to the Act, they felt it would be useful for residents to know about their rights and responsibilities as defined in the Act. The second adviser felt that the Council was not prepared for the introduction of the Act and had experienced cases where the Council had not followed up on deadlines or chased actions that had been ignored by the landlord.
- 3.235 Ealing Advice Service housing advisors supported disrepair inquiries with telephone calls, letters, making complaints and resolving issues relating to evictions, including cases of possible retaliatory eviction. Referrals elsewhere were sometimes necessary when a client required representation in court. This could be arranged through Ealing Law Centre, or a private solicitor to secure legal aid if eligible.

Key Issues

On questioning, the Panel heard that:

- the Act would not have a significant impact from the present as Ealing Council had a good residents complaints system in place. The service standards were clearly laid out and the Council was in a solid position. The Council was also a responsible landlord.
- to meet the rising demand for housing within the borough, private landlords were sought to house those on the Council's waiting list. Private landlords could secure accreditation with the London Landlord

Accreditation Scheme once they had completed the landlord training course.

- that poor housing had a detrimental effect on health and education attainment.
- the majority of enquiries received by the Council about housing were about damp and upon investigation these enquiries were often surface damp rather than structural damp. Surface damp (condensation) could be resolved by turning the radiators on and opening windows. This simple solution often did not make sense to residents who had contacted the Council about damp problems, especially in a household under financial pressure. The Council always investigated complaints about damp in properties to confirm the source of the damp.
- the service had not made additional provision in the budget for the Act.
- recruiting Environmental Health officers was a challenge.
- there would be promotional information in the Council's Around Ealing magazine next year to raise awareness.
- the Ealing Advice Service advisers did not have the same powers as lawyers but highlighted the following actions to help improve service standards for the residents in the borough:
 - the promotion of the new Homes (Fitness for Habitation) Act needed to be coupled with effective funding for advice on the issues.

The risk that residents were signposted to services which did not have funding to assist effectively in these issues was great. While Shelter had some excellent online resources and telephone advice – tenants, especially vulnerable tenants, needed effective legal representation to pursue their legal remedies.
 - The Council's Housing Options Service should continue to improve their links with Regulatory Services to ensure effective joined up working.

The EAS experience had disclosed that most clients who approached them about disrepair issues wanted to move to alternative private rented accommodation but are stuck. The landlords of bad quality accommodation would go through the eviction process and the clients were unable to find deposits to leave the accommodation themselves. Putting further resources into the Regulatory Services to help residents to enforce their rights under the Homes Act may assist this and help save in the Housing Options unit.
 - Issues raised by the Council tenants under the Homes (Fitness for Habitation) Act 2018 should be considered in the Council's Allocation Scheme once the scheme was reviewed.

EAS had seen Council tenants whose condensation damp issues due to overcrowding had not been taken into account when consideration of their circumstances has been put before the Social Welfare Panel. As this could now be potentially a situation where a Council property was not fit for habitation, needed to be reflected in the allocations scheme.

- the Council's booklet which outlined the responsibilities of the tenants and landlords was readily available as well as simple and clear to follow.
- the Council had licensed more properties than most London boroughs. The licensing conditions made the responsibilities explicit and had changed the way the landlords engaged.
- the civil penalty notice and licensing had changed the outlook for landlords.
- not all landlords were bad and there were incentive schemes for landlords.
- eviction of tenants was up to the courts.
- the Council had a duty to house a tenant if they were statutory homeless.
- the Council was preparing to launch a digital platform that would provide landlords with handy tips on making small repairs to their properties and the maintenance.
- the Council already had a direct telephone line for emergency accommodation. However, the Councillors felt that it was also important to consider having a direct line for tenant issues.

No.	Recommendation
R13	Ealing Council should continue to promote awareness, recognition and value of the London Landlord Accreditation scheme and other trade associations to estate agents, landlords and tenants.
R14	The Panel agreed with Ealing Law Centre's recommendation that Ealing Council should promote housing standards to tenants and the options available to address disrepair.
R15	Ealing Council should ensure that the promotion of The Homes (Fitness for Habitation) Act needed to be coupled with effective funding for advice on the related issues.
R16	Ealing Council should consider encouraging the use of Managed Payment to Landlord for Universal Credit housing costs for Council tenants to help reduce possibility of rent arrears.

FUTURE MONITORING

- 3.236 The Panel suggests that an appropriate Scrutiny Panel should undertake the monitoring of the implementation of the recommendations and further ongoing monitoring.

No.	Recommendation
R17	The Overview and Scrutiny Committee should undertake the ongoing monitoring of the accepted recommendations.



The fourth Panel meeting

4.0 **KEY LEARNING POINTS**

4.1 Some of the key learning points for the Panel were:

- Recognising the numerous and diverse organisations that operated across the borough in different ways in managing the impact of national issues.
- Engaging with the community – seeking the views of the local people through publicity, site visits and their attendance at Panel meetings were a very valuable source of gathering information directly from the key stakeholders.
- Benchmarking exercises provided important comparisons.
- Site visits made a significant difference to the information obtained.
- Established good contacts with some external agencies e.g. groups, providers, etc.
- The difficulty in engaging some external agencies and areas of the community.
- The inevitability of identifying problems in the current provision and making suggestions for improvements.
- Through the meetings, raised the profile of the local effects of national issues affecting the borough and promoted discussion between organisations.
- The review had produced ideas for future development.
- An important element in the success of initiatives was the promotion and communication of activities, opportunities and new initiatives to the widest audience using relevant communication channels.



Cllr Paul Driscoll (Chair) and Cllr Gary Busuttill (Vice Chair) at the last meeting

5.0 **MEMBERSHIP AND ATTENDANCE**

5.1 The table below shows the membership and attendance of Panel Members.

Membership and Attendance at Panel Meetings

Name	Total Possible	Actual Attendance	Apologies Received
<u>Members</u>			
Cllr Paul Driscoll (Chair)	4	4	-
Cllr Gary Busuttil (Vice Chair)	4	2	2
Cllr Shahbaz Ahmed	4	3	1
Cllr Jaskiran Chohan	4	2	2
Cllr Tejinder Dhani	4	3	1
Cllr Dee Martin	4	4	-
Cllr Karam Mohan	4	3	1
Cllr Chris Summers	4	4	-
Cllr Anthony Young	4	3	1
<u>Substitutes and Other Councillors</u>			
<u>Meeting 1:</u>			
- Cllr Miriam Rice substituted for Cllr Jaskiran Chohan			
- Cllr Steve Donnelly substituted for Cllr Tejinder Dhani			
- Cllr Deirdre Costigan substituted for Cllr Karam Mohan			
<u>Meeting 2:</u>			
- Cllr Joy Morrissey substituted for Cllr Anthony Young			
<u>Meeting 3:</u>			
- Cllr Jon Ball substituted for Cllr Gary Busuttil (Vice Chair)			
<u>Meeting 4:</u>			
-			
<u>External Witnesses</u>			
- Mr Paul Honeyben (Strategic Lead: Finance and Improvement, London Councils)			
- Ms Marj Shanahan (Customer Services Operational Manager, Department for Work and Pensions)			
- Ms Naz Aziz (Partnership Manager, Department for Work and Pensions)			
- Ms Janet Fletcher (Manager, Ealing Foodbank)			
- Mr Matthew Coulam (Service Development Manager, Ealing Advice Service)			
<u>Service Officers</u>			
- Mr Ross Brown (Chief Finance Officer)			
- Ms Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager)			
- Mr Mark Wiltshire (Director, Safer Communities and Housing)			

Site Visits

5.2 In addition to the four formal meetings, the Panel members undertook supplementary site visits as follows:

Site	Attendees
<p>1. <i>Ealing Foodbank</i> St Mellitus Hall 1 Church Road Hanwell London W7 3BB</p> <p>Wednesday 25 September 2019 10:45-11:30</p>	<ul style="list-style-type: none">- Cllr Paul Driscoll (Chair)- Cllr Anthony Young
<p>2. <i>Ealing Advice Service</i> Age UK Ealing 135 Uxbridge Road West Ealing London W13 9AU</p> <p>Wednesday 25 September 2019 12:00-13:00</p>	<ul style="list-style-type: none">- Cllr Paul Driscoll (Chair)- Cllr Anthony Young
<p>3. <i>Ealing Jobcentre Plus</i> 86-92 Uxbridge Road West Ealing London W13 8RA</p> <p>Wednesday 25 September 2019 13:30-14:30</p>	<ul style="list-style-type: none">- Cllr Paul Driscoll (Chair)- Cllr Anthony Young

6.0 BACKGROUND INFORMATION

6.1 Useful Papers

Ealing Council's Constitution, available at http://www.ealing.gov.uk/info/200892/decision_making/597/council_constitution.

Scrutiny Review Panel 3 – 2019/2020: Local Effects of National Issues – Terms of Reference, Work Programme, Agendas, Minutes and Reports available at https://ealing.cmis.uk.com/ealing/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/319/Default.aspx.

Overview and Scrutiny Committee – Agenda, Minutes and Reports available at http://ealing.cmis.uk.com/ealing/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/34/Default.aspx.

Current Ealing Council agendas and reports are available at <http://ealing.cmis.uk.com/ealing/Committees.aspx>.

London Councils – London's Local Services: Investing in the Future (November 2018).

Budget Strategy Report 2019/2020 – Cabinet, 12 February 2019.

Medium Term Financial Strategy – 2019/2020–2022/2023 (February 2019).

London Councils' report: London's Local Services: Investing in the Future (November 2018).

Revised Council Tax Support Scheme for 2019/2020 – December 11 2018.

Corporate Parent, 27 June 2019, agenda item 16, Report on Looked After Children and Youth Offending.

Brexit Preparedness – Senior Leadership Team report dated 24 April 2019.

Preparations for Exiting the European Union – Cabinet report 19 March 2019.

HC 493 Brexit and local government Thirteenth Report of Session 2017–2019.

Rolling Out Universal Credit – National Audit Office, 15 June 2018.

Universal Credit: What needs to change to reduce child poverty and make it fit for families? – Child Poverty Action Group, June 2019.

State of the PRS (Q1 2019), A survey of private landlords and the impact of welfare reforms – Residential Landlords Association, July 2019.

The Homes (Fitness for Human Habitation) Act 2018.

Regulating the Private Rented Sector in Ealing – Report to Scrutiny Review Panel 1 – 2018/2019: Housing and Planning on 12 September 2018.

The report covers *the Council's private property licensing schemes implemented in January 2017 and details the work undertaken by the Property Regulation and Enforcement Teams to ensure that Ealing has a much-needed supply of private rented property which is safe, in good condition and does not negatively impact on the wider community.*

The Environment (Principles and Governance) Bill 2018.

6.2 Useful Websites

1. Ealing Council – www.ealing.gov.uk
2. Centre for Public Scrutiny – www.cfps.org.uk
3. Government Services and Information – www.gov.uk
4. London Councils – www.londoncouncils.gov.uk/
5. Ealing Advice Service – <http://ealingadvice.org/>
6. Ealing Foodbank – <https://ealing.foodbank.org.uk/>
7. Ealing Jobcentre Plus –
<https://www.jobcentreplusoffices.com/london/ealing-jobcentre-plus/>
8. [Simulator on the Digital Marketplace](#)
 - [Liverpool City Council](#) – Budget model
 - [Police Service of Northern Ireland](#) – Points model
 - [Arlen Hill, USA](#) – Tax model

6.3 Further Information

For further information about Scrutiny Review Panel 3 – 2019/2020: Local Effects of National Issues please contact:

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Scrutiny Review Officer
Ealing Council
Tel: 020-8825 7120
Email: bainsh@ealing.gov.uk

7.0 RECOMMENDATIONS

Rec No.	Recommendation
<i>Financial Pressures Facing Ealing Council</i>	
R1	Ealing Council should consider using a range of metrics and case studies that can clearly and succinctly communicate to residents the financial challenges faced by it. For example, the following have been useful to communicate the pressures upon the Council: daily spends in adult social care and children's services.
R2	Ealing Council should continue to promote the European Union registration scheme directly to staff and recruitment agencies/ staff suppliers with particular focus on key areas such as Adult Social Care and Street Services.
R3	Ealing Council should promote greater awareness amongst residents of its statutory responsibilities, new responsibilities and cost shunts from central government and changing financial position using methods that can engage residents.
R4	Ealing Council should promote awareness of the changes in government funding methodology and the impact upon the Council.
R5	Ealing Council should use careful risk analysis to investigate the options for income generation to develop an income stream that is independent of central government.
R6	Ealing Council should continue to promote the work that has been undertaken through the Brighter Futures, Better Lives and Future Ealing programmes to demonstrate how the Council had adapted to meet financial and service challenges.
R7	Ealing Council should explore the option of using an online budget simulator as an education/communication tool to demonstrate the financial challenges that continue to be faced by the Council.
<i>Impact of Universal Credit</i>	
R8	Ealing Council should monitor the impact of the new Council Tax Reduction scheme and the use of income banding by using data available from the Council and from local advice centres. In addition, case studies, particularly vulnerable groups, to illustrate the impact of CTR scheme and contacting and dealing with the Council.
R9	Ealing Council should engage in collective lobbying with other authorities that do not have a local Citizens Advice Bureau service to press the Department for Work and Pensions to have a contract with local advice services to ensure a seamless initial pre-application and post application advice service is provided for the Universal Credit claimants.
R10	Ealing Council should work with other local authorities and local authority associations to lobby the Department for Work and Pensions for improved Universal Credit data to enable better monitoring of the roll out of Universal Credit and the impact upon local services.
R11	As recommended by the Department for Work and Pensions, Ealing Council should consider piloting a dedicated Housing Officer based at the Ealing Jobcentre Plus to improve homelessness prevention work, the take-up/continuity of the Council Tax Reduction claims and the management of housing costs/use of Managed Payment to Landlord.

Rec No.	Recommendation
R12	Ealing Council should respond to a request raised by Ealing Advice Centre to consider piloting dedicated telephone lines for selected advice agencies to contact key services: Housing Benefits/Council Tax Reduction/Council Tax Scheme, Tenancy Management, Council Tax, Housing Service/Locata. If the pilot is successful the use of dedicated telephone lines for advice agencies should be extended.
<i>The Homes (Fitness for Human Habitation) Act 2018</i>	
R13	Ealing Council should continue to promote awareness, recognition and value of the London Landlord Accreditation scheme and other trade associations to estate agents, landlords and tenants.
R14	The Panel agreed with Ealing Law Centre's recommendation that Ealing Council should promote housing standards to tenants and the options available to address disrepair.
R15	Ealing Council should ensure that the promotion of The Homes (Fitness for Habitation) Act needed to be coupled with effective funding for advice on the related issues.
R16	Ealing Council should consider encouraging the use of Managed Payment to Landlord for Universal Credit housing costs for Council tenants to help reduce possibility of rent arrears.
<i>Future Monitoring</i>	
R17	The Overview and Scrutiny Committee should undertake the ongoing monitoring of the accepted recommendations.

8.0 RECOMMENDATIONS WITH OFFICER COMMENTS

Rec No.	Recommendation	Service Officer Comments (Including Any Resource and Legal Implications)	Recommended Cabinet Response (Accept/Reject)
<i>Financial Pressures Facing Ealing Council</i>			
R1	Ealing Council should consider using a range of metrics and case studies that can clearly and succinctly communicate to residents the financial challenges faced by it. For example, the following have been useful to communicate the pressures upon the Council: daily spends in adult social care and children's services.	<u>Ross Brown (Chief Finance Officer)</u> Finance can develop a suite of indicators based on budget pressures, particularly in income driven or demand led services.	Accept
R2	Ealing Council should continue to promote the European Union registration scheme directly to staff and recruitment agencies/ staff suppliers with particular focus on key areas such as Adult Social Care and Street Services.	<u>Liz Chiles (Director of Human Resources and Organisational Development) and Kevin O'Leary (Managing Director, Greener Ealing Limited)</u> Yes – Greener Ealing Limited and its Agency provider will support the European Registration scheme.	Accept
R3	Ealing Council should promote greater awareness amongst residents of its statutory responsibilities, new responsibilities and cost shunts from central government and changing financial position using methods that can engage residents.	<u>Ross Brown (Chief Finance Officer)</u> Finance is currently leading a review of Duties & Powers across the Council which will shape greater awareness of statutory responsibilities. Finance will work with Strategy & Engagement to develop an appropriate communication plan.	Accept
R4	Ealing Council should promote awareness of the changes in government funding methodology and the impact upon the Council.	<u>Ross Brown (Chief Finance Officer)</u> This will be incorporated into comms piece described in R3.	Accept
R5	Ealing Council should use careful risk analysis to investigate the options for income generation to develop an income stream that is independent of central government.	<u>Ross Brown (Chief Finance Officer)</u> The Council should not borrow money to fund commercial investment and is not currently in a financial position to fund such initiatives within existing resources. Existing independent income sources such as fees and charges are regularly reviewed during budget setting. The Council will	Reject

Rec No.	Recommendation	Service Officer Comments (Including Any Resource and Legal Implications)	Recommended Cabinet Response (Accept/Reject)
		also continue to lobby Central Government to keep more receipts in areas such as NNDR.	
R6	Ealing Council should continue to promote the work that has been undertaken through the Brighter Futures, Better Lives and Future Ealing programmes to demonstrate how the Council had adapted to meet financial and service challenges.	<u>Ross Brown (Chief Finance Officer) and Kieran Read (Director of Strategy and Engagement)</u> Agreed, this will be incorporated into comms piece described in R3.	Accept
R7	Ealing Council should explore the option of using an online budget simulator as an education/communication tool to demonstrate the financial challenges that continue to be faced by the Council.	<u>Ross Brown (Chief Finance Officer)</u> This will incur additional costs of c£5K to purchase licence and would also require significant officer capacity to develop base model to make meaningful to Ealing context. There is a high probability that few people will use it and C19 restrictions will limit the type of physical engagement we would usually run in parallel to promote. Feedback from other Councils that have used a similar approach in more normal times have struggled to achieve significant engagement. The Council will look to use virtual engagement sessions as an alternative.	Reject
Impact of Universal Credit			
R8	Ealing Council should monitor the impact of the new Council Tax Reduction scheme and the use of income banding by using data available from the Council and from local advice centres. In addition, case studies, particularly vulnerable groups, to illustrate the impact of CTR scheme and contacting and dealing with the Council.	<u>Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager)</u> A review of the current Council Tax Reduction scheme will be carried out in April/May 2021, after the scheme has been in place for a full financial year. The Council will contact local advice centres for additional data that can be used for the review.	Accept
R9	Ealing Council should engage in collective lobbying with other authorities that do not have a local Citizens Advice Bureau service to press the Department for Work and Pensions to have a contract with local advice services to	<u>Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager)</u> Although Ealing does not have a local Citizens Advice office, Ealing residents are able to access	Accept

Rec No.	Recommendation	Service Officer Comments (Including Any Resource and Legal Implications)	Recommended Cabinet Response (Accept/Reject)
	ensure a seamless initial pre-application and post application advice service is provided for the Universal Credit claimants.	CAB online and via telephone. The local jobcentres have also ensured that representatives of the CAB office are present and available at the jobcentres.	
R10	Ealing Council should work with other local authorities and local authority associations to lobby the Department for Work and Pensions for improved Universal Credit data to enable better monitoring of the roll out of Universal Credit and the impact upon local services.	<p><u>Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager)</u> The council works with London Councils who continue to work with the DWP and lobby on various issues arising around Universal Credit and Housing Benefits.</p>	Accept
R11	As recommended by the Department for Work and Pensions, Ealing Council should consider piloting a dedicated Housing Officer based at the Ealing Jobcentre Plus to improve homelessness prevention work, the take-up/continuity of the Council Tax Reduction claims and the management of housing costs/use of Managed Payment to Landlord.	<p><u>Lynne Duvall (Head of Housing – Prevention)</u> We would only deal with the homelessness prevention aspects of this work. Our staff work generically and are fully utilised dealing with homelessness approaches which are likely to increase significantly over the coming months. We would not be able to spare an existing resource for this. Maybe JCP should consider placing a resource with us.</p> <p><u>Jess Murray (Head of Safer Communities and Residents Services)</u> We have tenancy management provision via our respective hubs, a tenant will have clear information on how to access housing/tenancy and rents support should they be a Council tenant.</p> <p><u>Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager)</u> In regard to take up of the council tax reduction scheme, improvements in processes have been made on the DWP and Council side. The Council</p>	Accept

Rec No.	Recommendation	Service Officer Comments (Including Any Resource and Legal Implications)	Recommended Cabinet Response (Accept/Reject)
		now receives an electronic notification from DWP when a UC claimant also requires CTR. The notification is treated as a new claim and processed accordingly.	
R12	Ealing Council should respond to a request raised by Ealing Advice Centre to consider piloting dedicated telephone lines for selected advice agencies to contact key services: Housing Benefits/Council Tax Reduction/Council Tax Scheme, Tenancy Management, Council Tax, Housing Service/Locata. If the pilot is successful the use of dedicated telephone lines for advice agencies should be extended.	<u>Joanna Pavlides (Local Welfare Assistance and Benefits Support Manager)</u> The number of enquiries received from Ealing Advice Centre is currently relatively low and it may not be cost effective to set up a dedicated line for advice agencies. Furthermore, advice agencies have contact details of individual managers and can raise any urgent enquiries through them directly to ensure case resolution.	Reject
<i>The Homes (Fitness for Human Habitation) Act 2018</i>			
R13	Ealing Council should continue to promote awareness, recognition and value of the London Landlord Accreditation scheme and other trade associations to estate agents, landlords and tenants.	<u>Allison Forde (Head of Property Regulation, Planning Enforcement and Environment)</u> Agree.	Accept
R14	The Panel agreed with Ealing Law Centre's recommendation that Ealing Council should promote housing standards to tenants and the options available to address disrepair.	<u>Allison Forde (Head of Property Regulation, Planning Enforcement and Environment)</u> Agree.	Accept
R15	Ealing Council should ensure that the promotion of The Homes (Fitness for Habitation) Act needed to be coupled with effective funding for advice on the related issues.	<u>Allison Forde (Head of Property Regulation, Planning Enforcement and Environment)</u> Agree.	Accept
R16	Ealing Council should consider encouraging the use of Managed Payment to Landlord for Universal Credit housing costs for Council tenants to help reduce possibility of rent arrears.	<u>Ross Brown (Chief Finance Officer)/Mark Wiltshire (Director of Community Development)</u> Where clients contact the Local Welfare Assistance team because they're struggling with money and budgeting and/or in rent arrears, it is already recommended to tenants that they go down this	Accept

Rec No.	Recommendation	Service Officer Comments (Including Any Resource and Legal Implications)	Recommended Cabinet Response (Accept/Reject)
		<p>route to help protect their tenancy.</p> <p>Housing teams can also apply for Managed Payments in circumstances where tenants are defaulting or at risk of defaulting on their rent payments. DWP guidance is that each case should be considered on an individual basis and does not allow for an automatic right of application unless eligibility criteria met.</p>	
Future Monitoring			
R17	The Overview and Scrutiny Committee should undertake the ongoing monitoring of the accepted recommendations.	<p><u>Sam Bailey (Head of Democratic Services)</u> The Overview and Scrutiny Committee normally reviews the progress on, a six-monthly basis, all Panel recommendations that have been accepted by the Cabinet/Other Bodies.</p>	Accept