

SCRUTINY REVIEW PANEL 1 – INEQUALITIES

MINUTES

Wednesday 29th June 2016

PRESENT: Councillors: Ciaran McCartan (Chair), Jon Ball, Theresa Byrne, *Joanna Camadoo* (Substitute for Tejinder Dhami), Paul Conlan, Fabio Conti (Vice-Chair), Swarn Kang, Dee Martin, Mohinder Midha, Karam Mohan and Ian Proud.

Other Members Present:

Cllr Peter Mason - Portfolio Holder for Prosperity, Skills, Employment and Transformation

Ealing Officers Present:

Ryan Ashlee - Research and Performance Officer
Jarvis Garrett - Head of Improvement and Efficiency
Joanna Pavlides - Local Welfare Assistance and Benefits Support Manager
Anna-Marie Rattray - Scrutiny Review Officer
Lee Teasdale - Democratic Services Officer

External Attendees:

Hannah Aldridge - Head of Analysis, New Policy Institute
Mubin Huq - Director of Policy & Grants, Trust for London
Michael Ibiayo - Customer Services Operations Manager, Ealing Job Centre Plus

1. Apologies for Absence
(Agenda Item 1)

Councillor Tejinder Dhami was substituted at the meeting by Councillor Joanna Camadoo.

Apologies for absence were received from Councillor David Rodgers.

2. Declarations of Interest
(Agenda Item 2)

There were none.

3. Matters to be Considered in Private
(Agenda Item 3)

There were none.

4. Panel Terms of Reference and Work Programme 2016-2017
(Agenda Item 4)

The Chair asked that Members approve the proposed scope of the Panel and agree that there would be no requirement for co-option onto the Panel.

The proposed work programme was also considered by the Panel.

Resolved: That

- (i) the Panel's Terms of Reference be agreed;
- (ii) there be no co-opted members appointed to the Panel; and
- (iii) the 2016/2017 Work Programme be agreed.

5. London Poverty Profile 2015
(Agenda Item 5)

The Chair invited Hannah Aldridge, the Head of Analysis for the New Policy Institute and Mubin Huq, the Director of Policy and Grants at the Trust for London to address the Panel on the findings of the recent report 'London Poverty Profile 2015'.

A presentation was given to the Panel highlighting current poverty trends in Ealing and across London as a whole. Key points raised included the following:

- It was advised that the number of people in poverty in London was rising, but as the total population of the city was rising at a broadly similar rate, overall poverty levels remained at 27%.
- Major changes had taken place in the demographics affected by poverty, the largest groups now considered to be in poverty were working families who rented properties in Outer London. Due to these changing demographics, poverty now needed to be thought about "in a different way".
- Larger rises in poverty had been predicted than had actually taken place in recent years. Due to the level of employment rising at a higher rate than expected, the effects had not been as severe as feared, though it was noted that much of the employment was in lower paid and part-time work.
- Ealing reflected these trends, with areas of working family poverty being found most commonly at the outer edges of the borough. An area of concern in Ealing at the present time was the level of unemployment in relation to other Outer West London boroughs. The level of unemployment stood at 6.2% in 2014/2015, which was notably higher than neighbouring boroughs such as Brent (5.3%) and Hounslow (4.8%).
- Whilst housing benefit claims for private and social rent for out of work families had both fallen over the 2010-2015 period, in the same period, the claims for working families had risen significantly. 'Private rent – working family' claims rose from 4,800 households in 2010 to 8,400 households in 2015.
- Other concerns for Ealing included rises in homelessness acceptances and temporary accommodation being faster than the London average, and the borough having the highest landlord possession order rate in Outer West London.
- Some positive statistics for the borough were also highlighted. Education attainment in the borough was strong, with a high proportion of 19 year olds

gaining a level 3 qualification. Health indicators were also above average, with disability rates, life expectancy and childhood obesity scoring well.

Panel Members were advised that the London Poverty Profile 2015 formed a 100 page report and was available directly from the New Policy Institute.

The Chair thanked the attendees for their presentation and invited Panel Members to comment and ask questions.

Councillor Conti asked for clarity on what defined an 'economically inactive' person as separate from one who was 'unemployed'. It was advised that to be defined as 'unemployed' a person needed to be actively seeking work at the present time.

Councillor Midha asked if there was anything specific to Ealing which could help to explain why its unemployment rate was currently higher than that of its neighbours.

It was stated that there was no clear-cut explanation behind the slower recovery seen in Ealing. A factor was considered to be that the large scale employment opportunities seen in some areas of London had not been seen to the same extent in Ealing at present.

Councillor Mohan asked if minimal levels of income increases in recent years had been a significant factor. It was agreed that this had played a part, wages had been increasing recently, but levels of disposable income had not, due in part to rising rent costs.

Councillor Mohan also queried how homelessness was defined within the report. It was clarified that within the scope of the report, homelessness did not refer to 'rough sleepers' but rather people who had applied to the Council for emergency housing. These were largely families with children.

The Chair asked for further information on the types of emergency housing people were being moved into. It was stated that there was an increasing reliance on private landlords, whereas in the past there had been considerably more social landlord engagement. Ealing had done relatively well at keeping people housed within the borough itself.

Councillor Byrne asked if there was a reason for the high level of repossessions in Ealing. One reason was attributed to Ealing being slightly further out of centre than many other boroughs, which meant that there were a larger percentage of lower income households. Ealing also had the lowest stock of social housing available in the outer west boroughs, which was considered to be a contributing factor.

Councillor Martin asked if there were projections available which could elucidate what the poverty picture would look like in the next five to ten years. It was advised that whilst the New Policy Institute did not make such projections, the Institute for Fiscal Studies would have projections available. It was stated though that the most significant pressure points would continue to be seen in the private rental sector.

The Chair asked whether it was expected that London would remain the most 'unequal' city in the country. It was stated that London was the most unequal city in the country by a large distance, and this was not expected to change.

The Chair asked if there were any 'best practice' examples of councils taking proactive approaches to combating poverty. It was advised that work had been taking place in Newham to ensure a good mix of housing across the borough and avoid any ghettoising into 'rich areas' and 'poor areas'.

Councillor Ball asked about what else Councillors could do to help in Ealing. It was advised that through planning policy, there should be efforts to avoid marginalising social housing at the outer fringes of the borough. Work should also take place on examining the types of employment available within the borough. It was envisaged that Councils could lead by example by making reductions in upper management pay and ensuring that the living wage was paid to all staff. The London Fairness Commission report was recommended to Panel Members.

The Chair thanked the attendees for their contribution to the meeting and drew the item to a close.

Resolved: That the findings of the London Poverty Profile, particularly Ealing's profile in comparison to the London average, be noted.

6. **Income Inequalities in Ealing** (Agenda Item 6)

The Chair invited Ryan Ashlee, Research and Performance Officer, and Jarvis Garrett, Head of Improvement and Efficiency, to make a presentation to the Panel which highlighted the income and earnings of Ealing households and residents, including differences in earnings for men and women.

The presentation would also focus on trends in earnings over time, and make comparisons with other areas of London and the national picture. Finally, income deprivation within the borough would be considered, including that which affected children as well as older people.

The following points were highlighted in the data research:

- The UK median household income in 2015 was £26,581, in London this median raised to £31,239. The Ealing specific median was £30,919, which ranked 17th of the city's 33 authorities. Within the borough itself, there was a significant disparity in the averages, with residents in the Southfield Ward earning an average £43,969, whilst residents of Southall Broadway averaged just £23,096.
- Median pay for full time employees had risen 19% in Ealing between 2002 and 2015, this compared to a 29% rise in London as a whole, and 35% nationwide.
- Year-on-year changes in weekly pay had seen steady growth until a peak in 2008, with declines seen since the financial crisis of that year. The rate of wage growth had picked up marginally since then; however the impact of the financial crisis appeared to have hit Ealing particularly hard, where growth was still slow and unsteady, having been negative in both 2012 and 2015.

- It was noted that whilst the overall gross weekly pay had fallen in Ealing in 2015, the median weekly pay for the lowest 10% of earners in the borough had risen. This reflected the fact that the gap between the lowest 10% of earners and the Ealing average had been closing in recent years.
- There remained a clear gender gap in median weekly pay within the borough. However, the gap had been at its highest in 2008, and had been gradually closing ever since.
- In regards to income deprivation; Ealing was the 28th most deprived borough in terms of the scale of income deprivation compared to 23rd in 2010. Northolt West End was the most deprived ward in terms of rank of income deprivation.
- In regards to the distribution of income deprivation in the borough; the ward with the widest range of incomes was Cleveland, whilst the ward with the least variance in income was Southall Green.

The Chair thanked the Officers for the presentation and invited Panel Members to comment and ask questions.

Councillor Conti queried why Ealing appeared to be less resilient than some other areas following the financial crisis of 2008? It was advised that there was no clear answer for this, but a caveat was highlighted that the figures represented a relatively small area compared to the 'smoothing' evident in the overall London picture. Smaller population analyses were always more susceptible to 'volatile' changes.

Councillor Byrne asked if any further information could be provided on the gradual closing of the gender pay gap. It was felt that the figures did not fully reflect what had happened; before the financial crisis, men's pay had inflated significantly, and in turn fell heavily after the crash, so whilst women's pay had risen at a slow rate, it had still made some gains.

Councillor Kang asked why the deprived wards in the west of the borough appeared to be making no advances. It was advised that whilst there was no overriding answer to this, the generally cheaper property on offer in the outer west of the borough left it as one of the few areas still affordable for those in lower pay brackets. It was hoped that some of the large scale developments coming to the west of the borough may help to alleviate some of the deprivation issues.

The Chair then invited Councillor Peter Mason; the Cabinet Portfolio Holder for Prosperity, Skills, Employment and Transformation; to address the Panel with his thoughts on the information provided.

Councillor Mason stated that there needed to be a broad conversation within the Council on the issues highlighted, and that the data provided to the Panel, plus the work programme to be undertaken by the Panel would be helpful in taking the conversation forward. Recent years had seen a growing understanding of the wider determinants which contributed towards inequalities. The three major challenges at the present time were seen as:

- Unemployment
- The hollowing of the labour market

- Skills

Various pieces of work were already underway, with the devolution of the health programme being a priority. It was also considered that the forthcoming opening of Crossrail would help in creating the right business environment for higher pay.

The Chair asked that the Portfolio Holder come back to the Panel with more information on the work he would be undertaking in collaboration with the West London Alliance.

The Chair thanked the attendees for their contribution to the meeting and drew the item to a close.

Resolved: That

- (i) the report on income inequalities in the borough be noted; and
- (ii) the Portfolio Holder for Prosperity, Skills, Employment and Transformation be asked to feed back to the Panel on the work he would be undertaking with the West London Alliance.

7. Impact of Welfare Reform – June 2016 Update (Agenda Item 7)

The Chair invited Joanna Pavlides, Local Welfare Assistance and Benefits Support Manager and Michael Ibiayo, the Customer Services Operations Manager for Ealing Job Centre Plus to make a presentation to the Panel on the impacts of forthcoming welfare reforms.

The following key points were raised:

- The new caps were detailed. The caps in London were higher than the national caps and would be £296.35 per week for single people without children and £442.31 for single parents and couples with or without children.
- The highest number of households who would be potentially capped were currently accommodated within the private housing sector (61%)
- Over 50% of those affected would lose up to £50 per week. 336 households would lose between £50 and £100, and a further 374 households would lose over £100 per week. The average weekly loss would be £71.
- Prioritisation of support would be given those who stood to lose most, concentration would initially be on cases in which over £100 per week would be lost.
- Various projects were in place to support those whose payments were to be capped. These included Financial Confidence Workshops, employment support being provided via work clubs, co-located job centre plus staff providing one-to-one support and frequent liaisons taking place with Housing Associations and the Housing Department.

- Starting in 2016, Local Housing Allowance rates would be frozen for four years. An analysis of the affordability on 3 bedroom properties for those on Local Housing Allowance had been undertaken which showed that by 2020 less than 5% of such properties in Ealing would be considered affordable.
- From April 2017, Child Tax Credit and Universal Credit assessments for children would be limited to two children and there would be no increase in benefits for subsequent children. This cap would not affect those who already had more than two children at present.
- From April 2017, entitlement to housing benefit would be removed for most childless 18-21 year olds who were out of work. This would only apply to new claims. Certain categories of young people would be exempt, such as vulnerable young people.
- From 2017-2018, social tenants with household incomes above £40k (£30k outside London) would be required to pay market or near market rent. This was likely to affect around 10% of social tenants. The Panel were advised that any income from this would be a gain directly to the treasury and not the Council.

The Chair thanked the Officers for the presentation and invited Panel Members to comment and ask questions.

The Chair opened the questions by asking for further detail on the work being undertaken to ensure that those affected were fully briefed on the changes that would be taking place.

It was advised that a lot of work had taken place to educate people on the changes and make sure that they were armed with the necessary knowledge to plan accordingly. Those affected were also being shown that they would be better off in work, and workshops took place to address barriers people may have that stop them easily accessing the job market. Engagement was taking place but it was often difficult to get people to come to workshops and job clubs.

The Chair asked about the kind of communications being used to disseminate the knowledge, was social media being taken advantage of? It was advised that 'Around Ealing' magazine was being used to inform residents; it was felt that social media platforms such as the Council Twitter and Facebook accounts were not appropriate sources as the numbers affected were relatively small in terms of the borough as a whole and would benefit much more from a clear, targeted approach.

Councillor Conti asked if the work clubs had been a success, as attendance figures appeared to be quite low. It was stated that the results had been positive overall, there were not many 'regular' attendees but rather it was found that many people just attended a few sessions as best suited them. It was reminded that work clubs were not mandatory, so whilst participation was encouraged, nobody could be 'forced' to go.

The Chair then invited Michael Ibiayo to briefly update the Panel on work undertaken by Job Centre Plus. It was advised that lessons had been learnt and implemented following the enactment of the previous benefit cap. The Job Centre was being pro-

active in engaging with those most affected and local employers were frequently engaged with to identify suitable vacancies.

Difficulties in outlying areas of the borough such as Northolt had been identified and a multi-agency-hub was going to be in place from September to help in identifying current issues specific to Northolt. Upskilling coaches were also working with people leaving care settings and entering mainstream support.

Councillor Conlan asked if voluntary organisations, such as foodbanks, could help to spread the message about the forthcoming benefit changes. It was confirmed that work did take place with local foodbanks. The Chair stated that this could also be raised when Members made a scheduled visit to a Southall Foodbank as part of the Panel on 14th July 2016.

Councillor Byrne asked if statistics on Job Centre Plus sanction rates could be provided to the Panel. Mr Ibiayo said he would look into the availability of these, and whether it was allowable to share them with the Panel.

Councillor Ball asked how many benefits claimants would not be affected by the welfare reforms. It was advised that whilst 1,500 families would be affected, 32,000 families currently received some form of benefit. 1/3 of these were pensioners, with the other 2/3 being of working age. 41% of the total were in employment, and those with disabilities, and carers, were not affected by the changes.

Councillor Conlan queried how many residents received discretionary housing payments (DHPs) in relation to those who applied for it. It was advised that around 60% of applications were approved. The monthly spend was closely monitored and there was often an underspend on monies set aside for DHPs.

The Chair then thanked all in attendance for their contributions, and drew the item and the meeting to a close.

Resolved: That

- (i) the updated information provided on the impact of welfare reforms be received; and
- (ii) Job Centre Plus representatives be asked to look into the feasibility of providing sanction rate statistics to the Panel

8. Date of Next Meeting
(Agenda Item 8)

It was noted that the next meeting of the Panel would take place on Thursday 8 September 2016.

Councillor Ciaran McCartan, Chair.

The meeting ended at 9.20pm.