

Executive

16 January 2018: 9.30 am

London Councils offices are wheelchair accessible

Location: Room 5

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*** Declarations of Interests**

If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest* relating to any business that is or will be considered at the meeting you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public. It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

*as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

**Minutes of the Meeting of the Executive
Tuesday 14 November 2017 9:30 am**

Cllr Claire Kober OBE was in the chair

Present

Member	Position
Cllr Claire Kober OBE	Chair
Cllr Peter John OBE	Deputy chair
Cllr Teresa O'Neill OBE	Vice chair
Ms Catherine McGuinness	Vice chair
Cllr Ruth Dombey OBE	Vice chair
Mayor Sir Steve Bullock	
Cllr Ray Puddifoot MBE	
Cllr Lib Peck	
Cllr Julian Bell	
Cllr Kevin Davis	

London Councils officers and Sir Rodney Brooke CBE DL were in attendance.

1. Apologies for absence and announcement of deputies

Apologies were received from Cllr Darren Rodwell.

2. Declaration of interest

Ms Catherine McGuinness declared a non-pecuniary interest in the budget items 6 - 9 as the Chair of the City of London's Policy and Resources Committee in relation to contracts with the City of London held by London Councils.

Apart from that no interests were declared

3. Minutes of the Executive Meeting held on 12 September 2017

The minutes of the Executive meeting held on 12 September 2017 were agreed.

4. Independent Panel on the Remuneration of Councillors

The Chair welcomed Sir Rodney Brooke CBE DL, chair of the Independent Panel on the Remuneration of Councillors to the meeting and asked him and the Chief Executive to introduce the report.

The Chief Executive:

- Legislation required a local authority to have regard to the report of an independent panel when deciding its remuneration scheme for members.
- London boroughs can have regard to a single report applied collectively and the Independent Panel on the Remuneration of Councillors, chaired by Sir Rodney Brooke, had produced such a report at four-yearly intervals in 2006, 2010 and 2014
- In July London Councils agreed to reconvene the panel, comprising Sir Rodney Brooke CBE DL, Mr Steve Bundred and Ms Anne Watts CBE

Sir Rodney Brooke CBE DL

- This was the latest of the panel's four-yearly reviews
- On the Borough Scheme, boroughs were consulted and their comments taken into account by the panel
- The panel was recommending the same overall level of remuneration as last time
- The recommendations on basic allowance had been largely adopted but there were discrepancies in the convergence of special responsibility allowances
- The panel's research suggested an increased workload for councilors due to:
 - Digital media both making them more accessible to constituents and creating an expectation around speed of response
 - Greater involvement in new bodies – sub-regional groups, partnerships etc
- Use of an MP's salary as a benchmark for the remuneration of a council leader remained
- MP's salaries had been increased considerably since the panel's last review, while a council leader's had gone up only in line with the officers' pay award, which was significantly less

- In a different financial climate the panel would have liked to have recommended an increase for a council leader comparable to that brought forward by IPSA for MPs but this had to remain an aspiration for this or another panel to pick up in the future
- In some cases borough schemes depart from the relativities recommended by the panel and it was happy to insert a sentence into its report to reflect this, viz:

Councils can organise their functioning in very different ways and we recognise that flexibility in applying the scheme is necessary.

- On the London Councils Scheme it was generally considered fit-for-purpose and had been left largely unchanged.

The Chair thanked the panel members: Sir Rodney Brooke CBE DL, Mr Steve Bundred and Ms Anne Watts CBE and asked members of the Executive for comments.

Cllr Ray Puddifoot MBE commented that the inability of the panel to recommend a greater increase, that would have been justified by legitimate comparability with an MP's salary, was indicative of the situation local government found itself in.

Cllr Teresa O'Neill OBE referred to the recommendation in the report that asked whether the reports should be submitted to Leaders' Committee in December and proposed that it should.

The Executive agreed:

- That the reports should be submitted to Leaders' Committee on 5 December 2017
- Sir Rodney Brooke CBE DL should be invited to attend Leaders' Committee on 5 December to introduce the reports.

5. London Business Rates Pilot Pool

The Chair introduced the item saying:

- That she had met the Chancellor of the Exchequer in the previous week and he remained supportive of the proposal for a 100% business rate retention pool pilot in London
- The next step was for the government to prepare a designation order establishing the pool. However, if any authority were then to decide to opt out within the following 28 days, by mid-January, the pool would not proceed.

She invited the Interim Director: Finance, Performance & Procurement to add anything else he considered necessary and he reported that a proposed Memorandum of Understanding (MoU) had been drafted and was being discussed with civil servants. Legal advice on the decisions councils needed to make was being sent out.

In response to a question from Cllr O'Neill about whether council meetings would be needed he replied that that depended on a council's own scheme of delegation and decision-making processes.

Ms Catherine McGuinness pointed out that the City had an issue with the incentive for growth element and she needed to seek further approval from members.

In response to a question from Cllr Julian Bell about the strategic investment pot, officers confirmed that Government would like this to be higher but there was a recognition that the arrangement reached would sustain for 2018/19.

6. Devolution and Public Service Reform

The Chair also introduced this report saying that it was a general update and the MoU was due to be signed off on Thursday 16 November. Jules Pipe, Deputy Mayor for Planning, Regeneration and Skills at the GLA would attend Leaders' Committee in December to discuss skills devolution and the Draft London Plan.

The Executive agreed to note the report.

7. Audited Accounts 2016/17

The Director of Corporate Resources introduced the report saying it represented the final piece of the jigsaw for 2016/17 and compared the results to the pre-audited position reported to the Executive at their meeting held on 20 June 2017.

Cllr Ray Puddifoot MBE commended the report saying that the narrative that accompanied the accounts showed the breadth of activity that London Councils was responsible for.

The Executive agreed formally to adopt each of the three statutory accounts attached as appendices to the report.

8. Month 6 Revenue Forecast 2017/18

The Director of Corporate Resources also introduced this report saying it highlighted the projected outturn position for the current year, based on existing transactions, together with known future developments and a forecast underspend of £2.302 million was projected for 2017/18, across the three funding streams.

The Executive agreed to note the overall forecast surplus as at 30 September 2017 (Month 6) of £2.302 million and noted the position on reserves as detailed in the report.

9. Proposed Revenue Budget and Borough Subscriptions and Charges 2018/19

This was the third and last report introduced by the Director of Corporate Resources:

- The report proposed the level of borough subscriptions and charges to be levied in 2018/19, which would be submitted to the Leaders' Committee meeting on 5th December for final consideration and approval
- Inflation would now make a material difference to London Councils' budget particularly in the areas of pay and the contracts held with the City. In the past, such pressures may have required a corresponding increase in subscriptions but

next year, it was proposed that this be managed without calling on boroughs for an increase

- After taking into account the budget proposals outlined in the report and the recommended use of reserves of £2.296 million, the level of uncommitted reserves reduced to £5.854 million which was considered a healthy position
- The proposals being submitted to Leaders' Committee in December involved:
 - Containing all budgetary pressures in 2018/19, including the rent review at Southwark Street, the officer pay award, GDPR preparatory work and other contract and general running cost increases, from within the 2017/18 approved budgetary resources, which would allow the three core subscriptions to remain at the current year's level
 - A £1 million reduction in the borough contribution towards the S.48 ESF programme as the three-year borough funding commitment expired at the end of 2017/18. However, as the programme had slipped by roughly 16 months, accumulated funds held in Grants Committee reserves would be applied to fund the programme, along with ESF grant, up until the current stated project end-date of March 2019 and
 - The continuation of the Challenge Implementation Fund of £525,000, funded from any underspent funds carried forward from the current year, replenished by uncommitted joint committee reserves.

The Executive agreed to recommend that Leaders' Committee approve at their meeting on 5th December 2017 the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2018/19, no change on the charge of £161,958 for 2017/18
- The proposed Joint Committee subscription for the MOPAC and the LFEPA of £15,410 for 2018/19, no change on the charge of £15,410 for 2017/18
- An overall level of expenditure of £8.668 million for the Grants Scheme in 2018/19 (inclusive of £2 million gross ESF programme), the same level as for 2017/18 and

- That taking into account the application of £1 million ESF grant and £1 million from earmarked Grants Committee reserves, net borough contributions for 2018/19 should be £6.668 million, compared to £7.668 million for 2017/18.

The Executive also agreed to recommend that the Leaders' Committee endorse the following subscription and charges for 2018/19 for TEC, which would be considered by the TEC Executive Sub-Committee on 16th November, before being presented to the main meeting of TEC on 7th December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500)
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – no charge)
- The net Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182)
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which was fully covered by estimated PCN income (2017/18 – no charge)
- The Parking Enforcement Service Charge of £0.4226 per PCN, which would be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN)
- The Parking and Traffic Appeals Charge of £30.63 per appeal or £27.02 per appeal where electronic evidence was provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD)
- Congestion Charging Appeals – to be recovered on a full cost recovery basis, as for 2017/18, under the new contract arrangement with the GLA
- The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31)
- The TRACE (Fax) Charge of £7.70 per transaction (2017/18 - £7.48) and

- The PEC Charge of £0.175 per transaction (2017/18 - £0.17

On the basis of the above proposed level of subscriptions and charges, the Executive agreed to recommend to the Leaders' Committee:

- The provisional consolidated revenue expenditure budget for 2018/19 for London Councils of £386.609 million
- The provisional consolidated revenue income budget for 2018/19 for London Councils of £384.313 million
- Within the total income requirement, the use of London Council reserves of £2.296 million in 2018/19

The Executive also agreed to recommend that the Leaders' Committee note:

- The position in respect of forecast uncommitted London Council reserves as at 31 March 2018
- The positive statement on the adequacy of the residual London Councils reserves issued by the Director of Corporate Resources

Cllr Puddifoot proposed, and the Executive agreed, to thank the Director of Corporate Resource for his work on the budget and that balances have been properly managed.

AOB

The Chair reminded the Executive of:

- The breakfast meeting with the Minister for London, Greg Hands MP on the following Friday and
- The London Councils Summit on the following Saturday.

The meeting ended at 10:00am.

London Councils' Executive

Equalities Impact Research

Item no: 4

Report by: Doug Flight **Job title:** Head of Strategic Policy
Date: 16 January 2018
Contact Officer: Doug Flight
Telephone: 020 7934 9805 **Email:** Doug.flight@londoncouncils.gov.uk

Summary: This report introduces an equalities research report which was commissioned from the Learning and Work Institute in 2017. The research reviewed the local equalities implications of recent and emerging changes in relation to housing, employment and skills, and social security policy.

The work is designed to inform London Councils business planning process for 2018/19 onwards.

The work has been overseen by the Equalities Lead Member, Cllr Sarah Hayward, who has been invited to attend the meeting and introduce the report.

Recommendations: The Executive is asked to:

1. Consider and comment on the issues highlighted in the equalities research report
2. Agree to draw on the evidence base which has been collected through the research in developing the London Councils Business Plan and Equality Objectives for 2018/19 onwards.
3. Consider including the following within the 2018/19 business plan:

Promoting the local authority role in providing joined-up support in relation to poverty, in-work poverty, homelessness prevention and welfare (including access to Universal Credit).

Equalities Impact Research

1. London Councils current programme of policy work is designed to take account of equality considerations, in accordance with our legal duties under the Equality Act 2010. To help provide a stronger evidence base for London Councils' future policy work around the Equalities agenda, research was commissioned from the Learning and Work Institute in 2017.
2. The research reviewed the local equalities implications of recent and emerging changes in relation to housing, employment and skills, and social security policy. The draft report, which is attached as Appendix A, was delivered at the end of December 2017.
3. It is envisaged that the research will be used to help inform London Councils business planning process for 2018/19 onwards, including the identification of equality objectives, as required by the Public Sector Equality Duty.

Background

4. Following consultation with the Chair of London Councils and the Equalities Portfolio Holder in summer 2017, a framework was developed for the work, with a focus on policy areas where London Councils currently has a high impact and avoiding a narrow emphasis on any single protected characteristic.
5. In accordance with this framework, London Councils commissioned a project which focused on the cross-cutting and cumulative equalities impacts in the following policy areas:
 - Employment, skills and apprenticeships
 - Welfare reform
 - Housing and homelessness
6. The project began with a scoping stage, which was designed to identify more sharply defined areas of focus within the above themes. This stage involved:
 - A trawl of evidence and interviews with stakeholders.
 - Consideration of the relevance to London.
 - An assessment of how effectively the issues can be explored within the confines of the methodology and timescale proposed for phase two.

7. After consultation with the Equalities Lead Member, the areas of focus for the second stage of work were agreed as:
- **In-work poverty**
 - **Impact of Universal Credit**
 - **Right to rent based discrimination**
8. The second phase of the work included a series of focus groups designed to collect first-hand experience of the issues. This was followed by a series of workshops and follow-up interviews designed to identify potential options for addressing the issues identified earlier.
9. The strand which covered In-work poverty included a focus group conducted with Londoners in low income and insecure work. The follow on workshop was designed to help understand the drivers of in-work poverty and its consequences, and how these consequences may manifest in a London context. The Workshop went on to explore potential solutions to help lift households out of in-work poverty, considering the growth of insecure work, the reduced availability of training and courses (with a focus on ESOL), upward pressure on the cost of living and welfare reforms .
10. The Universal Credit strand included a focus group with claimants in London who have experienced difficulties in claiming the benefit. The subsequent workshop was designed to provide a deeper understanding of the issues claimants in the London face as a result of the introduction of UC. The workshop went on to explore potential solutions and support mechanisms, mindful of the recent changes announced by the Government.
11. The Right to Rent strand required a different approach. The contractors initially sought to arrange focus groups with landlords to explore the precise effects on their behaviour as a result of the right to rent policy. This did not prove possible and this strand concluded with a series of follow up interviews.

Impact Assessment

12. The draft research report was delivered by the Learning and Work Institute at the end of December 2017 and is attached as Appendix A.

13. In relation to **In Work Poverty**, the report offers a range of potential policy solutions:

- There are potential opportunities to share and promote good practice to improve in-work progression. This could include learning from in-work progression pilots such as Skills Escalator, Timewise Foundation, and Ambition London.
- Local authorities may wish to consider using their mainstream services to help tackle poverty, including acting as exemplary employers.
- A number of potential influencing opportunities were identified: This could include arguing for flexibility at work, including job share and remote work, greater need for quality part-time and flexible working, especially for parents, those aged 50 and over and disabled people. In addition:
- Other broad areas identified by the researchers include:
 - Increasing access to publicly funded affordable childcare
 - Increasing access to low cost/affordable housing – local authorities should build public sector housing with low cost rent, the construction of such programmes could be associated with local employment and training opportunities.
 - Increasing access to free in-work training and upskilling opportunities/’lifelong learning’ (especially to meet language, literacy and digital needs that the low paid cohort often have)/vocational training, and ensure that this provision is flexible enough to meet varied personal circumstances – given their care responsibilities/wider responsibilities - of the in-work cohort

14. In relation to **Universal Credit**, the report offers a range of potential policy solutions (beyond any structural changes to UC):

- London Councils and individual authorities may wish to play a role in promoting and developing a new Universal Support offer, with a central role for local authorities:
 - Improved data sharing at individual and aggregate.

- Local working to co-ordinate engagement and widen routes to support.
- Co-ordinating and targeting support across services,
- Aligning health support alongside welfare support.
- There are potential opportunities to promote a better understanding of customer needs. An initial step might be advocating for greater transparency from DWP.
- Local authorities may wish to consider prioritising the delivery of practical solutions to local residents. This could include using existing relationships with residents to more clearly communicate the requirements of applying for UC e.g. providing information sessions through existing customer touch points.
- Local authorities may also wish to consider promoting access to Council Tax Support for UC claimants.

Conclusion

14. The Executive is asked to consider and comment on the issues highlighted in the research.

The sections on In-Work Poverty and Universal Credit offer a number of policy and influencing ideas that could be taken forward by London Councils through the business planning process for 2018/19 onwards. Members may wish to include specific lines within the plan to encompass influencing and policy work in relation to:

- Promoting the local authority role in providing joined-up support in relation to poverty, in-work poverty, homelessness prevention and welfare (including access to Universal Credit).

15. The Executive is asked to:

1. Consider and comment on the issues highlighted in the equalities research report
2. Agree to draw on the evidence base which has been collected through the research in developing the London Councils Business Plan and Equality Objectives for 2018/19 onwards.
3. Consider including the following within the 2018/19 business plan:

Promoting the local authority role in providing joined-up support in relation to poverty, in-work poverty, homelessness prevention and welfare (including access to Universal Credit).

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

The research is designed to build an evidence base which could act as a platform for the development of London Councils Equality Objectives as part of the overall business planning process for 2018/19 onwards.

Attachments

Appendix A: Equalities Impact Research - Report (Learning and Work Institute, December 2017)

Equalities Impact Research: Final report

Ash Patel
Hazel Klenk
Shomsia Ali
Gill Leng
Lovedeep Vaid

Learning and Work Institute

Patron: HRH The Princess Royal | Chief Executive: Stephen Evans
A company limited by guarantee, registered in England and Wales
Registration No. 2603322 Registered Charity No. 1002775
Registered office: 21 De Montfort Street, Leicester, LE1 7GE



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1. Introduction

The Learning and Work Institute (L&W), were commissioned by London Councils to review the local equalities implications of social policy reforms or emerging socio-economic phenomena and how these affected London's population. The review looked across the broad housing, employment and skills, and social security policy areas to identify key groups more acutely affected by government led reforms or social issues. Where possible, the review assesses the intersectionality in both the feminist tradition (considering the overlap of dimensions of oppression)¹, as well as the intersectionality of social policy issues.

This report assesses and presents fresh evidence on the local impacts of reform on households, individuals, communities and services across London, and how those affected are responding to reforms. It draws on an extensive review of published evidence, as well as primary research with stakeholders, frontline service providers, and (importantly) Londoners affected by these issues.

The last decade has seen a ground swell of policy reform. Indeed, since 2010, the Coalition and Conservative Governments have embarked on a far-reaching programme of changes to the United Kingdom's, housing, employment and skills and welfare system. These represent the most fundamental changes to the system in a generation, intended both to improve and reduce dependency on social security and to contribute to the Government's deficit reduction strategy.

This project is intended to provide a foundation for prioritising areas of government policy which have equalities and diversity implications and which could be influenced by local government and their partners.

Specifically, the research would provide:

1. A 'rapid review' of evidence to provide a broad context to equalities issues related to housing, employment and skills, taking a cross-cutting approach to these policy areas and considering their cumulative impact on the equality of Londoners.
2. Prioritise key policy areas for more detailed investigation through a 'deep dive' into the evidence base, primary research, and consultation.
3. An assessment of equalities implications for Londoners and recommendations as to how London Councils can work with partners at a local, regional and national level to affect positive change for Londoners.

¹ Crenshaw, KW (1989) Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics. The University of Chicago Legal Forum, 139-167.

Methodology

The research was delivered over three phases. The first phase provided an initial scoping stage and trawl through existing evidence. It specifically involved:

- i. Conducting scoping interviews with key stakeholders, and housing, employment and skills and welfare policy leads. In total five scoping interviews were conducted; interviews were conducted using a topic guide which provided a loose structure to frame the discussion. They were supplemented with discussions and meetings with key stakeholders, including the London Equalities Network.
- ii. Conducting, in parallel, an extensive review of published evidence—comprising a review of around 120 published sources from academics, independent researchers, local government and other public bodies. Publications that were directly relevant to this phase of the research were reviewed in detailed with key details added to an evidence matrix (see Annex A). Around 70 publications were fully reviewed as part of this stage.
- iii. Both a summary of the evidence reviewed and a paper proposing areas that could be explored further in the second phase of the research were presented to London Councils. The paper recommended six issues that warranted more detailed investigation based on the research conducted at this stage. From these, London Councils and L&W agreed to progress three in the second phase of the research. Through this process, the following areas were explored in greater depth:
 1. Right to Rent related discrimination
 2. In-work poverty
 3. The six-week wait for initial Universal Credit (UC) payments

The second phase of the research, explored the three ‘focus’ areas in more detail, going further in the existing research and through primary research. The options paper, describing the areas of focus and rationale for their selection can be found in Annex B. This phase of the research included:

- An online call for evidence for the key areas identified in phase one. The call was disseminated through L&W’s partners networks and Equalities toolkit website² as well as through the London Voluntary Service Council network. Unfortunately, the response to the open call was very low.
- Both topic and population based focus groups were conducted. In total three focus groups were carried out. Two population based focus groups were carried out - one focussed on in-work poverty with residents in Beckenham and the other on UC payments with residents from Southwark. A topic based focus group was also held with frontline service representatives in Southwark.
- Policy solutions workshops focusing on in-work poverty and the delay in UC payments were held and involved key London based stakeholders and

² <https://www.equalitiestoolkit.com/>

representatives. These workshops were held towards the end of the project and drew on learning from all previous research elements with activities designed to develop practicable local solutions to mitigate some of the impacts.

- It was intended that focus groups with landlords and a solutions workshop around Right to Rent based discrimination would also be helpful. However, due to low levels of interest, these focus groups did not take place (further discussion about this can be found below, in the 'Right to Rent' section)

The third and final phase of the research involved synthesising findings across both strands.

Report Structure

Given the nature of this project, this report is structured around three discrete chapters, which each focus on the 'phase 2' areas of focus. The chapters each follow a similar format, with a presentation of the broad policy context, followed by a review of literature and evidence focussing on the specific topic and presentation of findings. Chapters 2 (in-work poverty) and 3 (UC processing) go on to present policy solutions identified and agreed through stakeholder workshops.

The final chapter draws together findings and implications indicating where they potentially dovetail. It also provides a summary on the intersectionality of disadvantage in this regard.

The evidence matrix and phase 2 option paper are presented in Annexes A and B, respectively.

2. Employment, skills and apprenticeships

This chapter focusses on employment skills and apprenticeships; it provides an overview of the literature reviewed during phase 1 of this research and then goes on to provide a more detailed exploration of Londoners' experience of in-work poverty and low paid employment. The recovery from the economic downturn has in part been led by a strong employment rate. However, at the same time a prolonged period of wage stagnation, restructuring of the labour market with a growth in flexible, insecure work, and high cost of living have squeezed household budgets.

Broader employment, skills and apprenticeships context

England has one of the most centralised employment and skills systems in the developed world – with central government and its agencies directly responsible for employment and skills policy, design, funding and oversight. Local areas have little ability to influence priorities, funding and delivery, with services having different objectives, accountabilities and ways of working; and often operating to different boundaries and timescales, causing fragmentation in the system.

While successive national Governments have sought to reform both the employment and skills systems over the last two decades they have continued to face significant strains in addressing economic and social challenges, and have failed to make a decisive impact on improving outcomes for people or places. Consequently, it is estimated that nine million people lack literacy and numeracy skills, 5.5 million people want jobs or more hours, and one in 10 of those in work will be in insecure employment. On current trends, by 2024 there will be more than four million too few high skilled people to meet demand for high skilled jobs; and more than six million too many low skilled.

The Government's Industrial Strategy³, Green Paper on work, health and disability⁴ and Post-16 Skills Plan⁵, as well as the Mayor of London's draft skills and adult education strategy⁶, set out a range of new economic and social challenges which the systems need to urgently address. On employment, this includes a need to improve outcomes for those furthest from work, reduce long term and youth unemployment, tackle the gap in employment outcomes for disabled people, and to address significant differences in opportunity between areas.

On skills, challenges include:

- large numbers of adults with poor basic skills and capabilities;

³ HM Government (2017) Building our Industrial Strategy. Department for Business, Energy & Industrial Strategy: London

⁴ Department for Work and Pensions, Department of Health (2016) Improving Lives: Work, Health and Disability Green Paper. The Stationery Office: London

⁵ Department for Business, Innovation & Skills and Department for Education (2016) Post-16 skills plan and independent report on technical education. The Stationery Office: London

⁶ Mayor of London (2017) Skills for Londoners: A draft skills and adult education strategy for London. Greater London Authority.

- shortages of higher-skilled technical and vocational workers;
- geographical differences contributing to lower growth,
- poor productivity and low pay in many areas;
- an assumption that Brexit will result in less access to EU migration - affecting both the supply of workers and demand for skills and the extent to which automation and technology will change the world of work and the jobs that we do.

Meeting these challenges will require the employment and skills systems to be well co-ordinated, high performing, responsive to the needs of employers and local areas, and focused on growth and productivity with an ability to anticipate and respond to change quickly. In some ways, Brexit acts as a catalyst encouraging certain sectors and employers to consider and develop their skills requirements.

With regards to employment, England has recovered strongly from the global downturn, with the employment rate now higher and unemployment lower than before the recession began. However, beneath this headline success story there are significant challenges. First, a large proportion of the unemployed do not claim unemployment benefits. Secondly, certain groups face significant penalties in the jobs market. Figure 1 below sets out the 'gap' between the national employment rate and the employment rates of key groups.

While gaps have narrowed slowly for some groups, for others they remain stubbornly wide – most notably for disabled people, ethnic minorities and the lowest qualified.

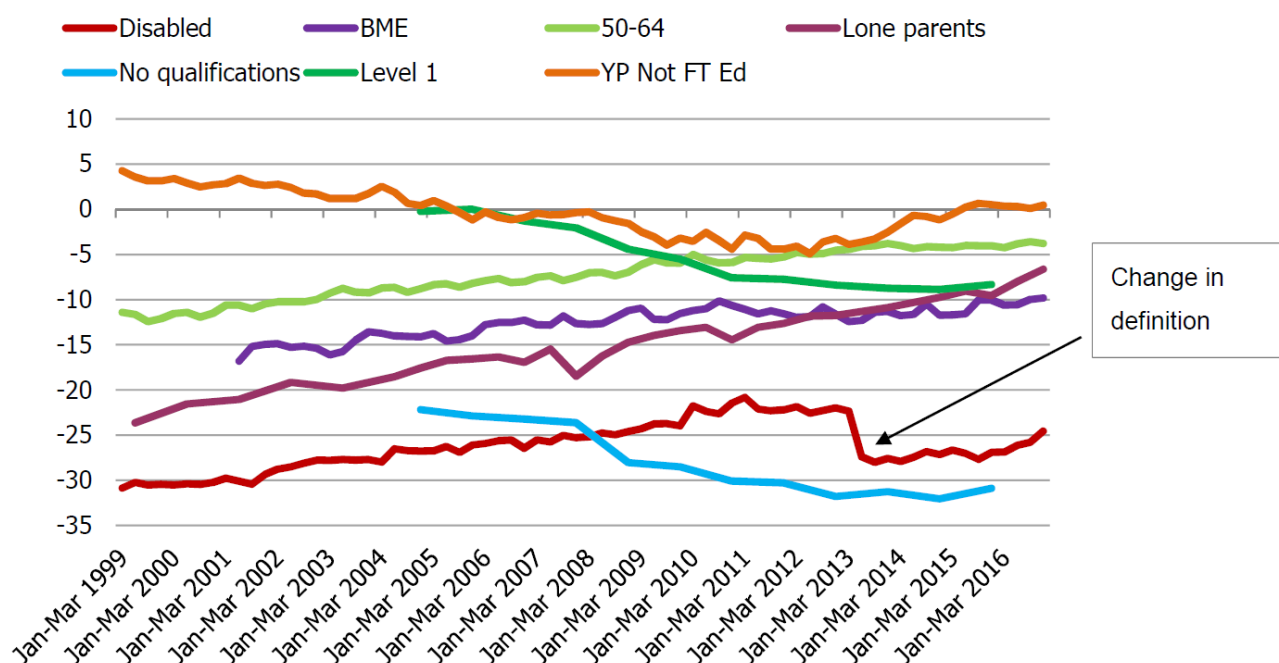
Third, while employment overall has recovered we have seen an acceleration in the growth of low pay and insecure employment. Recent analysis has shown that the incidence of insecure employment has risen by 25 per cent since 2011, and that one in 10 workers are now in insecure work⁷. Research by the Resolution Foundation has found that around one in five workers are low paid.⁸

These trends in employment, combined with rising costs of living and cuts in financial support for low income working households, has also manifested itself in significant growth in working poverty – with now more than half of all non-pensioners that are poor living in working households, for the first time since comparable records began.

Figure 1 Employment rate 'gaps' for disadvantaged groups (2016)

⁷ Bivand P, Melville D (2017) What is driving insecure work? A sector perspective – A report to the Trades Union Congress, Learning and Work Institute, London

⁸ D'Arcy C (2017) Low Pay Britain 2017, Resolution Foundation: London



Source: Annual Population Survey and L&W analysis⁹

With regards to workforce and adult skills, significant challenges remain at all levels. On basic skills, nine million people lack basic skills like literacy or numeracy while 13.5 million people lack basic digital skills. This lack of skills locks people out of the chance to work and to build a career, with those qualified below Level 2 (equivalent to five good GCSEs or equivalent) nearly three times more likely to be out of work than those qualified at Level 4 or above (degree level).

On intermediate skills, and specifically apprenticeships, there are significant inequalities in access with young people who are eligible for free school meals half as likely as those not receiving free meals to start a Level 3 apprenticeship in some parts of the country¹⁰; Black and Minority Ethnic (BAME) applicants are half as likely to be successful in applications as their white peers; and women over-represented in low-paying sectors and underrepresented in Science, Technology, English and Maths (STEM).¹¹

With specific relevance to London, our own research has also shown that when compared to people from BAME communities, white apprenticeship applicants were twice as likely to succeed in their application than BAME applicants.¹² Sector and geography play an important role with BAME applicants being more likely to apply to

⁹ Local Government Association and Learning and Work Institute (2017) Work Local: Our vision for an integrated and devolved employment and skills service, LGA: London

¹⁰ Social Mobility Commission (2016) State of the Nation 2016: Social Mobility in Great Britain, Stationery Office: London

¹¹ See Aldridge F (2017) Hitting the target, missing the point, FE Week 4 December

¹² Research conducted for Department for Education and is currently unpublished

sectors with high competition, and to live in areas (such as London) with relatively low apprenticeship vacancies.

Evidence on in-work poverty

Recent analysis suggests that over 2 million people, or 27% of Londoners are experiencing living in poverty after taking housing costs into account. Significantly, the majority of them (58%) live in a working family¹³ which means more people in work are experiencing poverty than those who are out of work, reflecting a nationwide trend that has been gaining strength since 2011/12.¹⁴

There are several factors identified in the literature which appear to be driving the risk of in-work poverty. Analysis shows that despite increasing opportunities for in-

"You're damned if you do and damned if you don't. As a parent in London because of the cost of living, if you want to live life rather than just survive life, I think you've got to at least be earning £30,000, just to be ... able to do the thing you should at least expect to be able to do in work; pay your bills, get your shopping...get yourself through a month, and be able to put enough aside for a rainy day" **Deborah, Apprentice**

work progression being a key objective of welfare reform, these policies (namely reduction in Local Housing Allowance, the benefit cap, and the bedroom tax¹⁵) are exacerbating the issue of in-work poverty.¹⁶ Further, traditional social and economic policy leavers that suppressed rising poverty previously, such as rising employment, state support for low-income families no longer appear to apply.¹⁷

Understanding poverty in London

Poverty can be defined in a number of ways. Table 1 shows weekly household income thresholds determining whether a household falls into poverty. These rates vary by household type and marker for poverty used. The conventional indicator of poverty is the UK Poverty line; a relative measure demarking the point at which incomes fall below 60 percent of the median household income for the UK. Alternative measures include looking at Minimum Income Standards (MIS) or the number of people earning below the national living wage (not contained within the table). The table also provides the income threshold for *destitution* which is the point at which income is so low, households cannot afford basic food, shelter, heat or other essential items.

¹³ Tinson, A, Ayrton, A, Barker, K, Barry Born, T and Long, O (2017) London's Poverty Profile. Trust for London, New Policy Institute.

¹⁴ McBride, J, Smith, A and Mbala, M (2017) 'You end up with nothing'; The experience of being a statistic of 'in-work poverty' in the UK Work, Employment and Society

¹⁵ Tinson, A, Ayrton, A, Barker, K, Barry Born, T and Long, O (2017) London's Poverty Profile. Trust for London, New Policy Institute.

¹⁶ Policy in Practice (2017) The cumulative impact of welfare reform: An national picture. London: LGA

¹⁷ Joseph Rowntree Foundation (2017) UK Poverty 2017, JRF: London

Table 1 Poverty level thresholds (weekly income)

	Before housing costs (BHC)			After housing costs (AHC)			Destitution
	UK poverty line	MIS Inner London	MIS Outer London	UK poverty line	MIS Inner London	MIS Outer London	UK
Single, working-age	£193	£432	£384	£144	£203	£216	£70
Couple, working-age	£288	£652	£593	£248	£351	£379	£100
Single, pensioner	£193	£318	£297	£144	£196	£175	
Couple, pensioner	£288	£437	£391	£248	£299	£253	
Lone parent, one child (aged one)	£251	£400	£411	£193	£263	£274	£90
Couple with two children (aged three and seven)	£403	£607	£627	£347	£456	£476	£140

Selecting the correct measure of poverty is effectively a subjective process. While the poverty line remains the most prevalent measure, there is a growing call for it to reflect the point at which a person's or household's resources are "well below their minimum needs, including the need to take part in society".¹⁸ Using the MIS as the threshold below which households become vulnerable to poverty would raise the proportionate income threshold from 60 percent, to 74 percent for single working age households, 76 percent for couple with 2 children and 83 percent for lone parents with 1 child.¹⁹ As a consequence, using the MIS approach will expose a greater share of households and individuals to poverty.

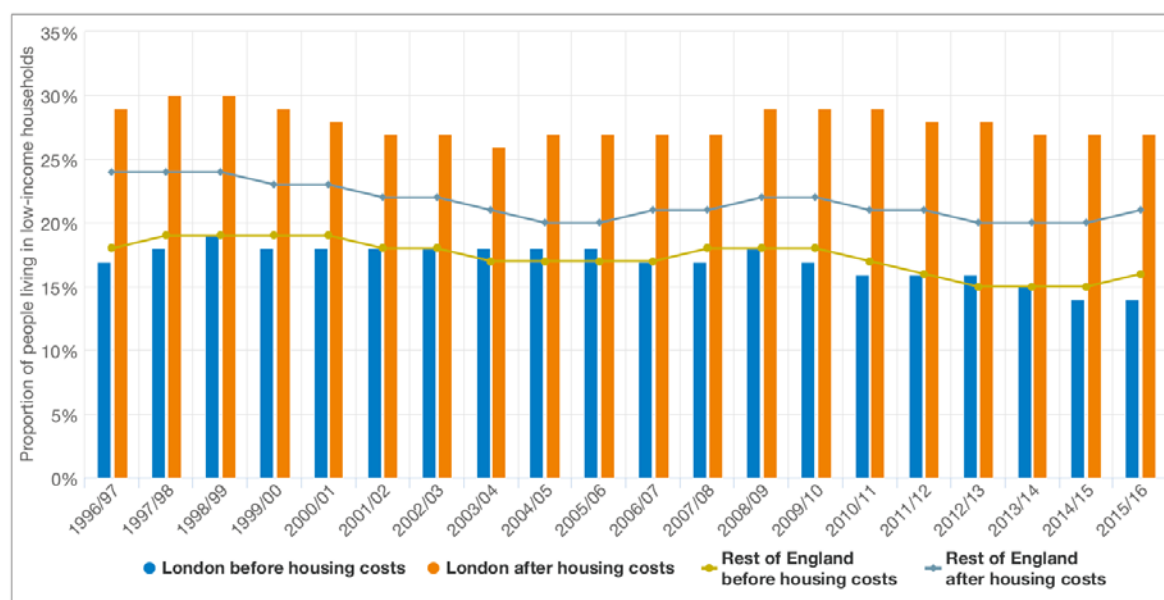
With regards to the current levels of low income households, figure 2 shows that while poverty appeared to be falling within London from 17 percent in 2006/07 to 13 percent in 2015/16 before housing costs are accounted for, there has been no change in the rate over the same period once housing costs are introduced - estimated at 27 percent of the London population over the period. This is equivalent to around 2.3 million people living in the capital. When compared to the rest of England, the implications of housing costs on Londoners becomes clear. While trends in low income housing within and outside of London broadly track each other when housing costs are not accounted for, their introduction raises the proportion of

¹⁸ Joseph Rowntree Foundation (2017) UK Poverty 2017, JRF: London, p7.

¹⁹ Padley M, Hearsh D (2017) A minimum income standard for the UK in 2017, JRF: London.

low income households in London noticeably higher than the rest of the England (respectively 27 percent compared to 21 percent).

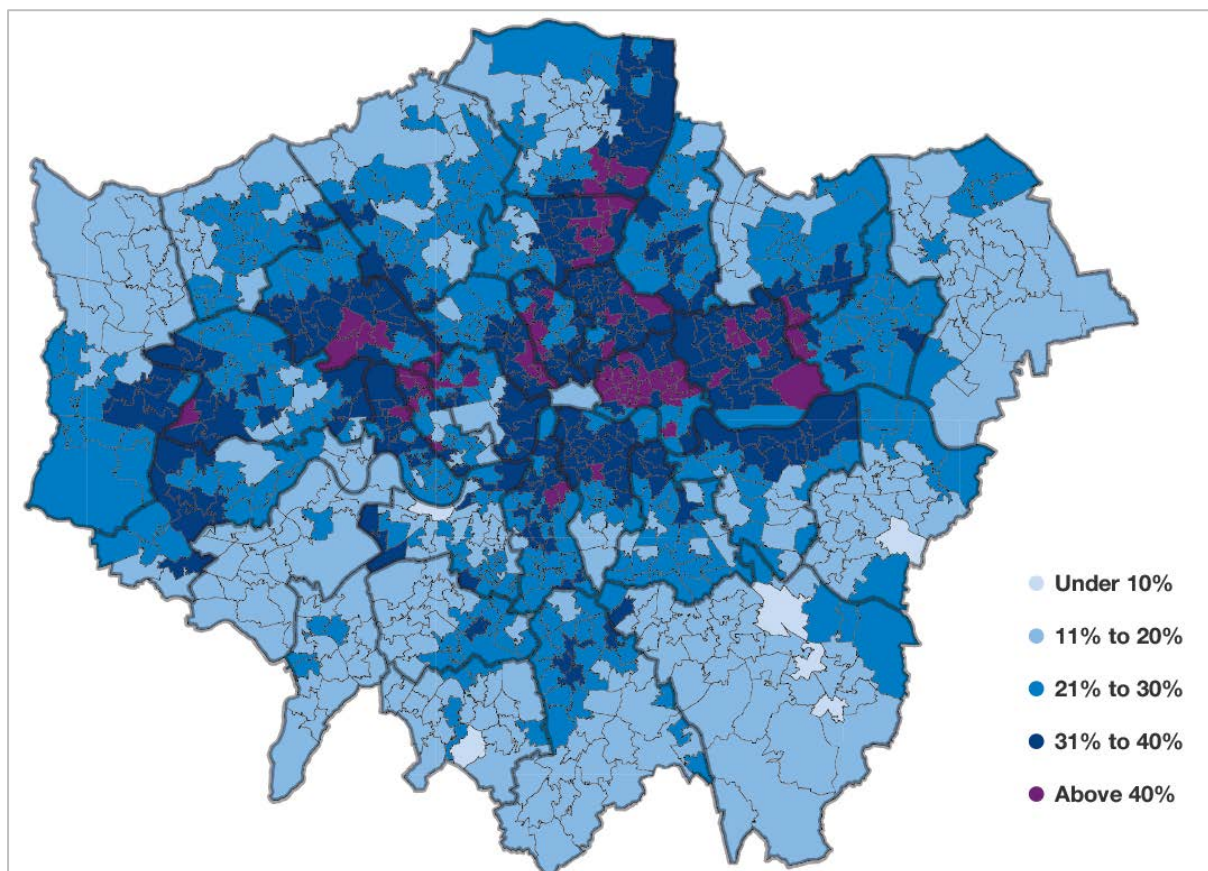
Figure 2 Poverty over time



Source: London Poverty Profile, using DWP Households Below Average Income data

Further, as well as observable differences between London and other parts of the UK, variation at sub regional levels exist. Indeed, poverty operates at a very local level. Figure 3 show the distribution of low income households across London. The proportion of people in poverty in London is generally highest in Inner East London, as well as parts of Outer North London, tracing the outline of the Lee Valley.

Figure 3 Poverty rate across London

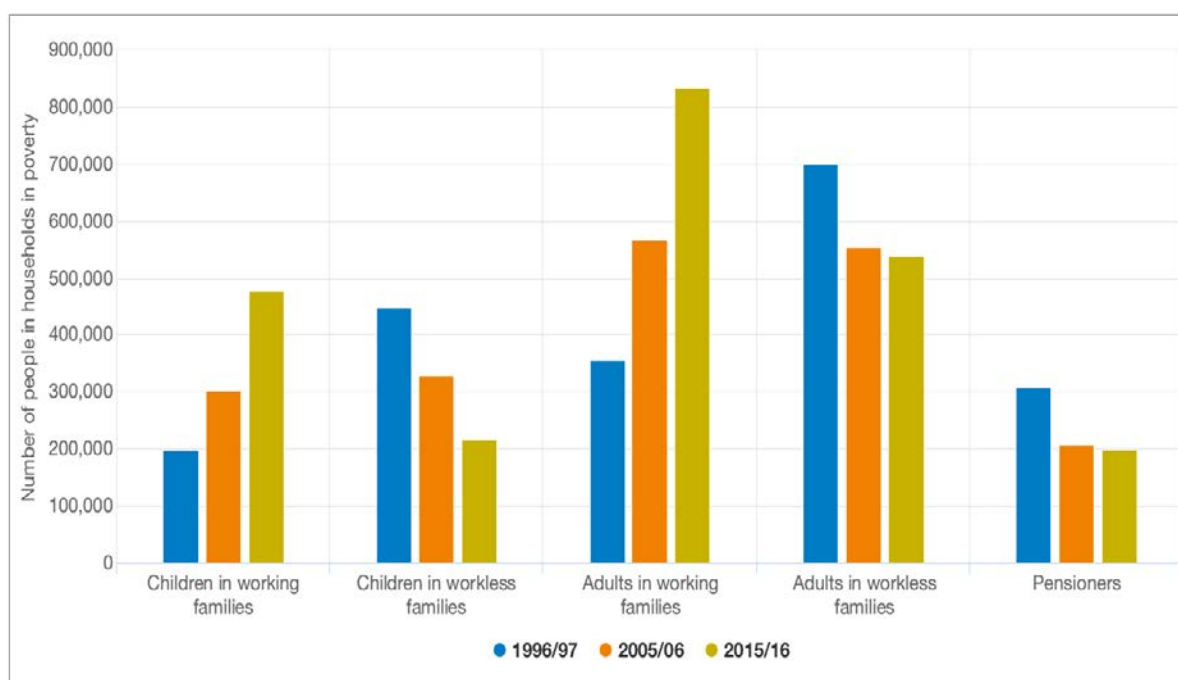


Source: London Poverty Profile, based on small area model-based households in poverty estimates for England and Wales, ONS. The data is for 2013.

Poverty and working households

Irrespective of the headline rate of low income household, significant changes have occurred *within* this group. Specifically, while the number of Londoners (both children and adults) living in workless households in poverty has fallen over the last two decades, the number of people in working families in poverty has risen dramatically. Compared with a decade earlier, there are 270,000 more adults in working families in poverty, and 180,000 more children in working families in poverty.

Figure 2 Work and poverty



Source: London Poverty Profile. Households Below Average Income dataset, Department for Work and Pensions. The data uses three year averages to the year shown.

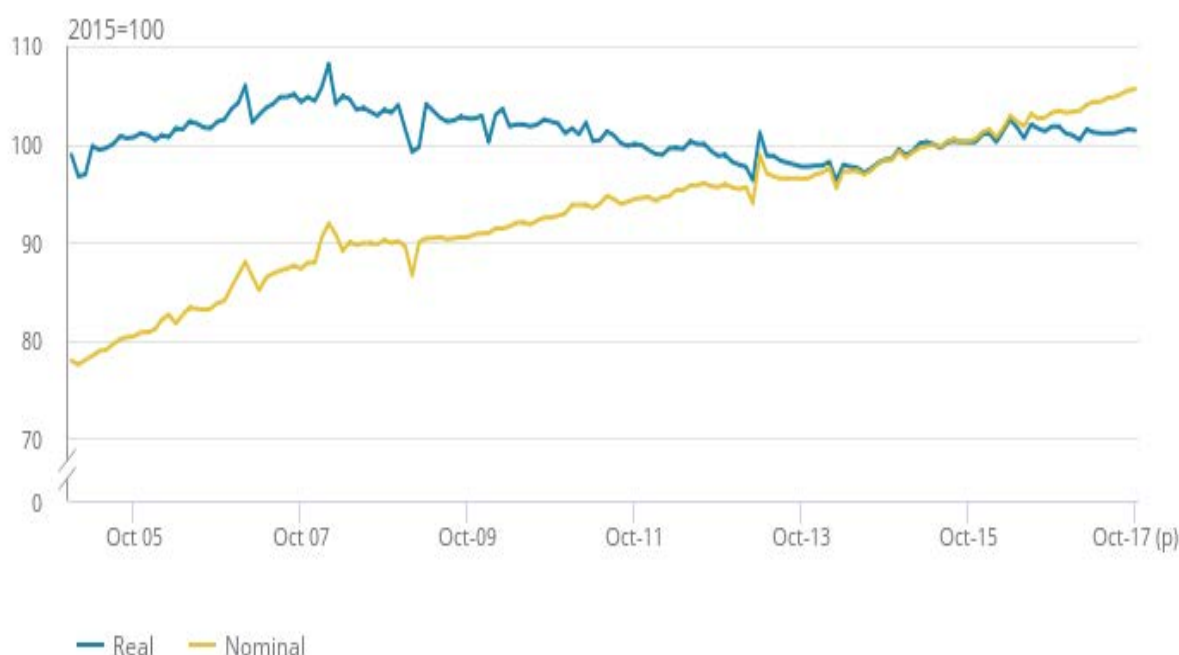
However, this does not necessarily mean that ‘work does not pay’; when looked at probabilistically, those in working families are less likely to be in poverty: 18 percent of adults and 30 percent of children in working families are in poverty, compared with 55 percent of adults and 70 percent of children in workless families.²⁰

It does, however, expose the proportion of jobs that are low paid. The recently published Taylor review, shows that more than a quarter of jobs earn less than 75 percent of the median hourly wage.²¹ Further, can be seen by figure 3, while wages have nominally increased over the last decade, they have remained flat in real terms - when measured against their peak, real term earnings a 3.4 percent lower.

²⁰ Tinson, A, Ayrton C, Burke K, Berry-Born T, Long O (2017) London’s Poverty Profile, Trust for London: London

²¹ Taylor M, March G, Nicol D, Broadbent P (2017) Good work. The Taylor review of modern working practices, BEIS: London. Using analysis carried out by BEIS of the Labour Force Survey micro data

Figure 3 Average weekly earnings (total pay; Great Britain): Real and nominal, whole economy, seasonally adjusted



Source: Office for National Statistics, Monthly Wages and Salaries Survey

This trend is not distributed equally across the UK population, with younger people (aged under 39) earning 10 percent below their peak, and (crucially) Londoners earning 11 percent lower than peak earnings.²² Men were also identified as experiencing larger squeezes on their income compared to women, though this needs to be contextualised as women had disproportionately benefitted from the National Living Wage during the period, explaining their relatively strong performance.²³

At the same time Londoners have seen notable rises in housing costs, particularly within the private rented sector (see figure 4), and more recent years have seen a return of inflation²⁴ squeezing household incomes further. Combined, this is likely to entrench the experience of in-work poverty for the next few years.

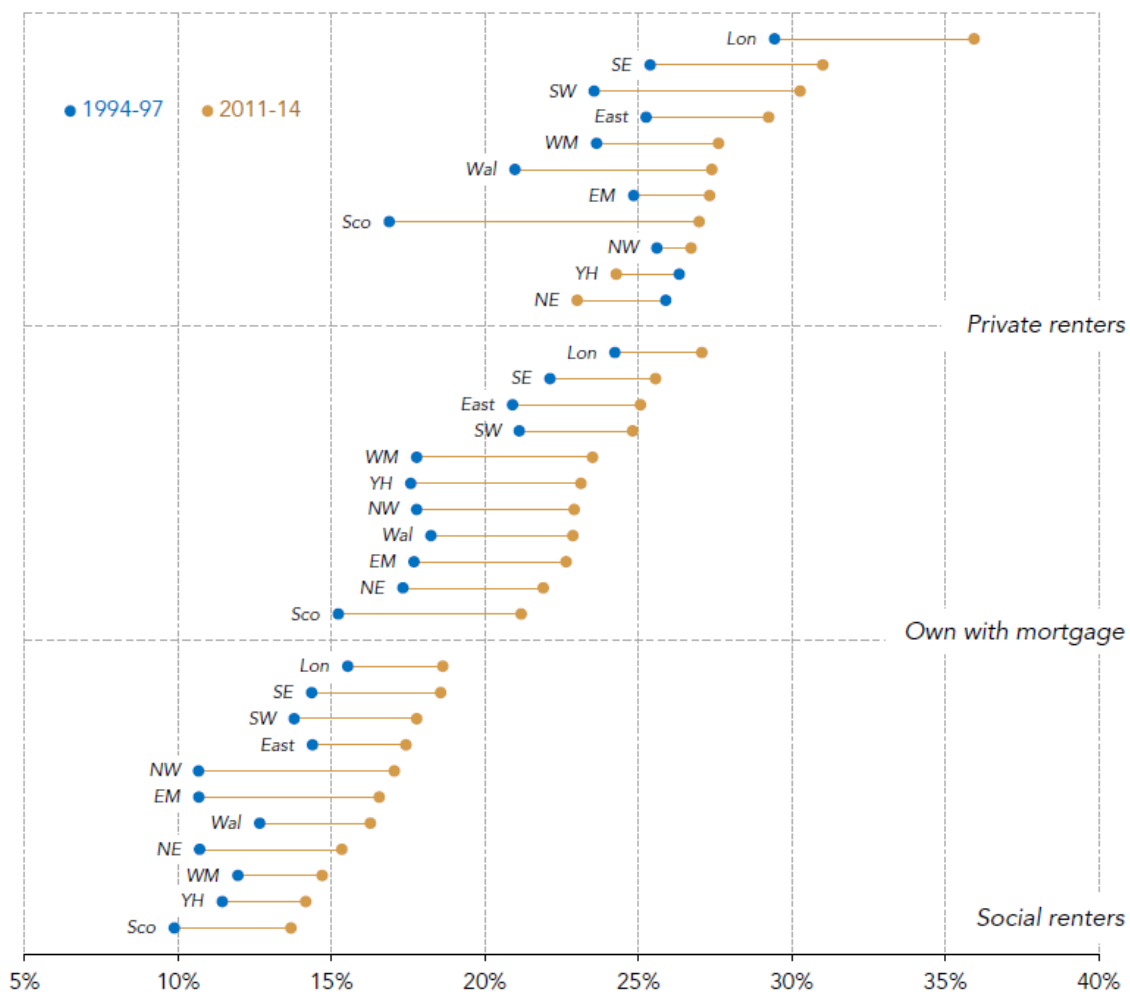
"Each day is a challenge...you have to take one day at a time" – Aniya, employed (maternity leave)

²² Resolution Foundation (2017) The RF earnings outlook – Quarterly Briefing Q1 2017, Resolution Foundation: London

²³ Ibid

²⁴ <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l55o/mm23>

Figure 4 Housing cost to net household income ratio (three year averages)

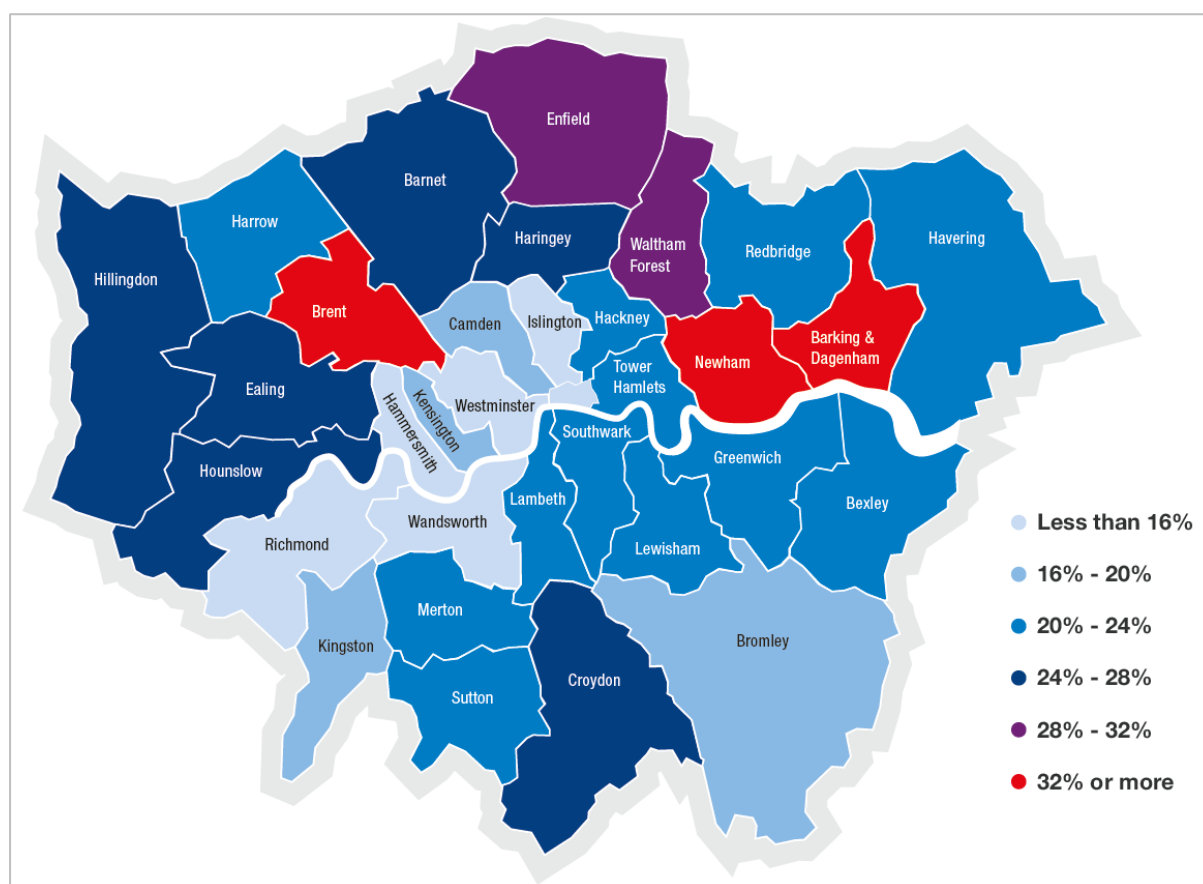


Source: DWP, Family Resources Survey; and Resolution Foundation 'nowcasting'²⁵

Further, the distribution of low paid jobs by households is not evenly distributed across London. The overall proportion of jobs held by people living in London in 2015–16 that were low paid was 22 percent; 20 percent in Inner London and 23 percent in Outer London. Newham, Brent and Dagenham had the highest proportion of residents who were low paid, accounting for around a third of all residents. In contrast, Richmond had the lowest proportion of low-paid residents at 12 percent.

²⁵ Clarke S, Corlett A, Judge L (2016) The housing headwind, Resolution Foundation: London

Figure 5 Low pay by residence



Source: London Poverty Profile. Annual Survey of Hours and Earnings, ONS. The data is an average for 2015 and 2016.

Poverty and insecure work

In parallel with the increase of in-work poverty, there has also been an increase in insecure work. The number of insecure workers has risen from 2.4 million in 2011 to 3.1 million in 2016, equivalent to one in ten of everyone employed.²⁶

As well as adding to the instability of employment, several recent studies have shown that those working in

insecure jobs are also likely to experience a 'precarious pay penalty'.²⁷ For example,

"Zero hours contracts. They don't work. They mess your benefits right up – if you've got work one and not the next, they'll have it back" – Ffion, unemployed

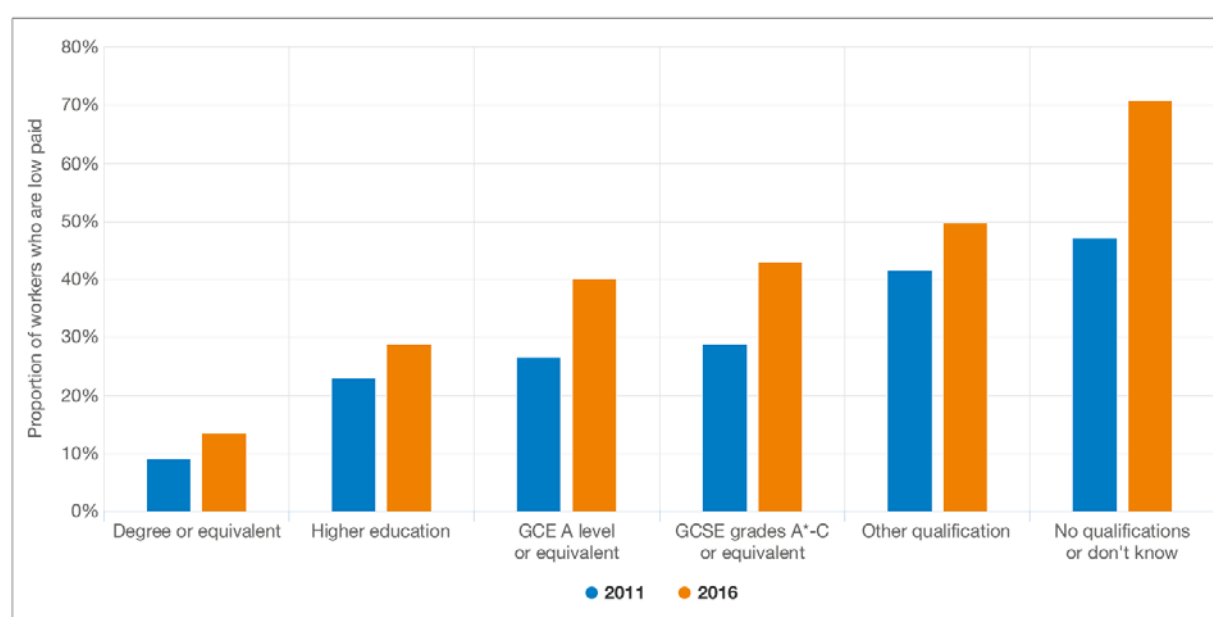
²⁶ Insecure work is defined here to include all forms of non-permanent employment with the exception of fixed-term contracts, people on zero-hour contracts including where these are permanent contracts, and self-employed people in occupations where there is a high risk of being low-paid. Estimates for non-permanent employment and zero hour contracts are sourced from 2016 Q2 ONS data; self employed and at risk of low pay are based on estimates provided by Broughton N, Richards B (2016) Tough gig: Low paid self-employment in London and the UK, Social Market Foundation: London.

analysis by the Resolution Foundation found a 7 percent reduction in pay (equivalent to 93p an hour) directly associated with zero hours contract work.; they estimate for a typical zero-hour contract worker, working 21 hours a week, this amounts to £1,000 a year. However, their analysis found the pay penalty becomes is greater still in lower-paying roles, with the lowest 20 per cent of earners experiencing a zero hours contract pay penalty of at least 10 percent. Other forms of non-traditional employment also carry a pay penalty when workers doing such work are compared to others with similar characteristics doing similar jobs, including temporary work (6 percent) and permanent agency work (2 per cent).²⁸

Characteristics of those likely to experience in-work poverty

Unsurprisingly, the experience of in-work poverty was not evenly distributed across the population of London. Many Londoners are caught in a low-paid, low skills trap; they may have worked for their current employer for a long time and therefore may not have up-to-date CVs or job application skills, they may also have limited digital skills and outdated/less relevant training and qualifications, or they may lack the necessary basic literacy and numeracy skills to progress in work.

Figure 6 Low pay by qualification (London only)



Source: London Poverty Profile. Labour Force Survey, ONS. The data is a four-quarter average of each year shown

²⁷ Resolution Foundation (2016) Zero-hours contract workers face a 'precarious pay penalty' of £1,000 a year, Press Release 30 December: <http://www.resolutionfoundation.org/media/press-releases/zero-hours-contract-workers-face-a-precarious-pay-penalty-of-1000-a-year/>

²⁸ See also Trade Union Congress (2016) Living on the Edge: The rise of job insecurity in modern Britain, TUC: London and Bivand P, Melville D (2017) What is driving insecure work? A sector perspective – A report to the Trades Union Congress, Learning and Work Institute, London

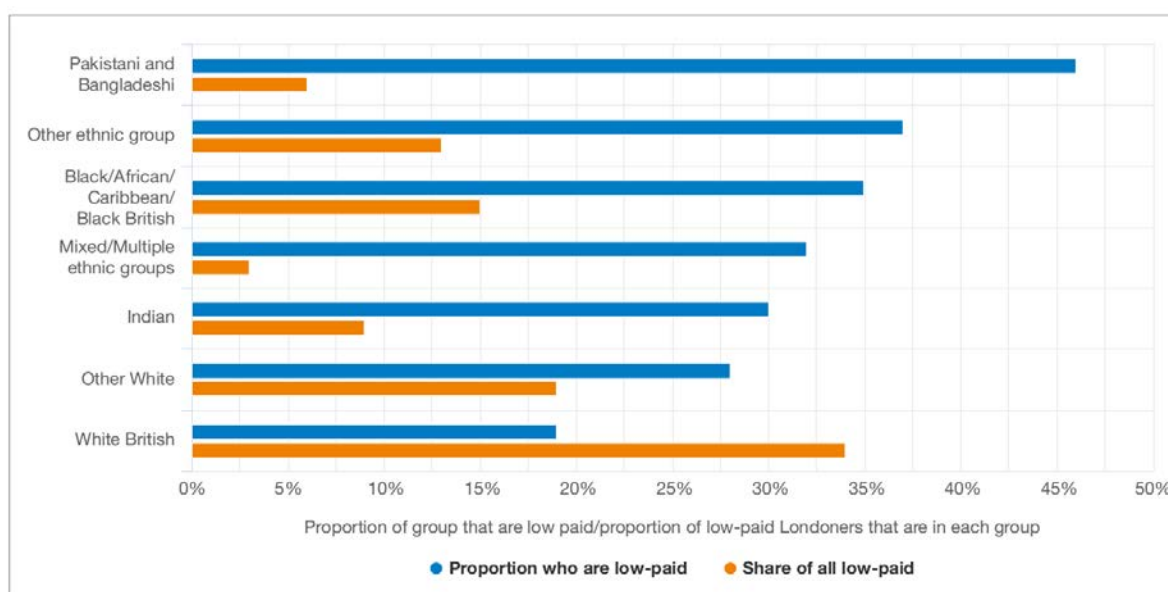
Education: There was a strong correlation between the highest qualification held and their vulnerability to low paid work, though across all groups there were marked increases in being in low paid work across all groups (see figure 6).

Ethnicity: With regards to ethnicity, BAME workers are over a third more likely than white workers to be in temporary or zero-hours work with 1 in 13 BAME employees is in an insecure job, compared to 1 in 20 white employees. Black workers in particular face insecurity at work, and are more than twice as likely as white workers to be in temporary and zero-hours work.²⁹

When looking more generally at low paid employment, 46 percent of Bangladeshi and Pakistani employees were likely to be in such work, is more than double the rate for White British employees at 19 percent. However, as a share of all low paid employees, Bangladeshi and Pakistani employees only accounted for 6 percent, largely reflecting the size of this community in London.

The research which intersects ethnicity with age and with gender considers the barriers these groups face entering the labour market rather than progressing within it. For example, an evaluation of the Moving on Up initiative highlights the fact that young black men, who comprise a significant proportion of London's population, continue to experience lower employment rates than their white British counterparts.³⁰

Figure 7 Low pay and black and minority ethnic groups



Source: London Poverty Profile. Labour Force Survey, ONS. The data is an average of three October to December quarters from 2014 to 2016

²⁹ Ibid.

³⁰ The Social Innovation Partnership (2017). Moving on Up, Evaluation Report: An evaluation of the Moving on Up initiative (2017). The Social Innovation Partnership.

Immigrant communities: Given the relatively high number of immigrant communities in London, it is likely that literacy and language skills are key barriers for in-work progression and therefore those with these needs may be more likely to experience in-work poverty. An in-work progression pilot in Hounslow and Harrow found that ESOL courses were taken up by the largest number of clients overall reflecting the large migrant population in the two boroughs which echoes wider evidence from ESOL providers across London that demand outstrips supply.³¹ Additionally, evidence shows that low-paid workers have been most adversely impacted by the changes to the funding of ESOL provision as they are no longer eligible for subsidised provision but are often unable to cover course fees due to earning a low income. This draws a connection between low-paid workers having less access to training provision or educational opportunities, which has implications for reasons behind why those with ESOL needs are staying in low paid, low skilled jobs.³²

Women: Gender also appears to be an important factor when considering insecure and low paid work. Research by the TUC has shown that while the same number of men and women (1.6m) are in insecure jobs, employed women are proportionately more likely to be in insecure work, with almost 11 per cent of women in insecure employment compared to just over 9 per cent of men. Importantly, the TUC assess that most of the increase in insecure work since 2011 has come from women, accounting for 58 percent of the increase in insecure jobs.³³ This finding is compounded when intersected with age; as workers age the gender pay gap increases and more women occupy low paid positions.³⁴

Research also shows that women from ethnic minority groups, in particular Bangladeshi, Pakistani and Arab women face disadvantage in the labour market compared to men and women of other ethnicities.³⁵

Mothers and lone parents: More generally, a number of factors make it harder for mothers to work or act as barriers to in-work progression or higher earnings; these include the high cost and relative inflexibility of childcare in London, poorly paid part-time work, male spouses working long hours.³⁶ Lone parents are

"I haven't got a property, I've got nothing to show for all my years' of working. Don't

³¹ Golech J, Murphy H, Stevens C, Renacchia J, Ray K and Vaid L (2017) Evaluation of the Skills Escalator Pilot. Learning and Work Institute: Leicester

³² NIACE (2012). The Impact of changes to the funding of ESOL. NIACE.

³³ Trade Union Congress (2016) Living on the Edge: The rise of job insecurity in modern Britain, TUC: London

³⁴ Clarke A, Hamilton C, Jones M, and Muir K, (2017). Poverty, evictions and forced moves. Joseph Rowntree Foundation

³⁵ Catney G. and Sabater A. (2015). Ethnic Minority Disadvantage in the Labour Market: Participation, Skills and Geographical Inequalities. Joseph Rowntree Foundation

³⁶ Bell K (2013) Childcare and maternal employment in London: what can local authorities do? CPAG: London.

18 percent short of the cost needed to raise a child, when working full time on the 'national living wage', and 14 percent short when working full time for the median wage. This compares to 13 percent for couple households where both are working at the national living wage³⁷. Considering that lone mothers account for 92 percent of lone parents, the experience of the poverty experienced by working lone parent families is a deeply gendered issue³⁸. Research recommends allowing second earners to keep more income before withdrawing means-tested benefits; expanding publicly funded affordable childcare; and more generous family leave, including longer paternity leave.³⁹

Disabled people: Disabled employees are significantly more likely to be in low paid jobs, when compared to non-disabled people; respectively 37% of disabled employees and 27% of non-disabled employee were in such work.⁴⁰ This disadvantage in the labour market persisted even after disaggregating those with and without 'A' level equivalent qualifications.⁴¹

Despite the clear disadvantage faced by disabled people within the labour market, and their overrepresentation within low paid employment, it has been suggested that people with disability need to earn at least £10.63 per hour to meet their minimum income standards.⁴²

Young people: Local Authorities (LAs) have been subject to substantial cuts and their direct control of young people's services (Careers Information Advice and Guidance) has become extremely limited.⁴³ For many young people early in their careers, entry into low paid, low quality work is the only option available exposing them to much greater risk of being in insecure employment. Figure 8 shows that London employees aged 16 to 24 are much more likely to be in insecure employment at 22 percent compared to other age groups, though broadly similar to the rest of England.

Figure 8 Insecure employment by age

³⁷ Hirsch D (2017) The Cost of Child in 2017, CPAG: London

³⁸ Hall S.M, McIntosh K, Neitzert E, Pottinger L, Sandhu K, Stephenson M.A, Reed H, and Taylor L, (2017). Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK. Women's Budget Group and Runnymede Trust with RECLAIM and Coventry Women's voices

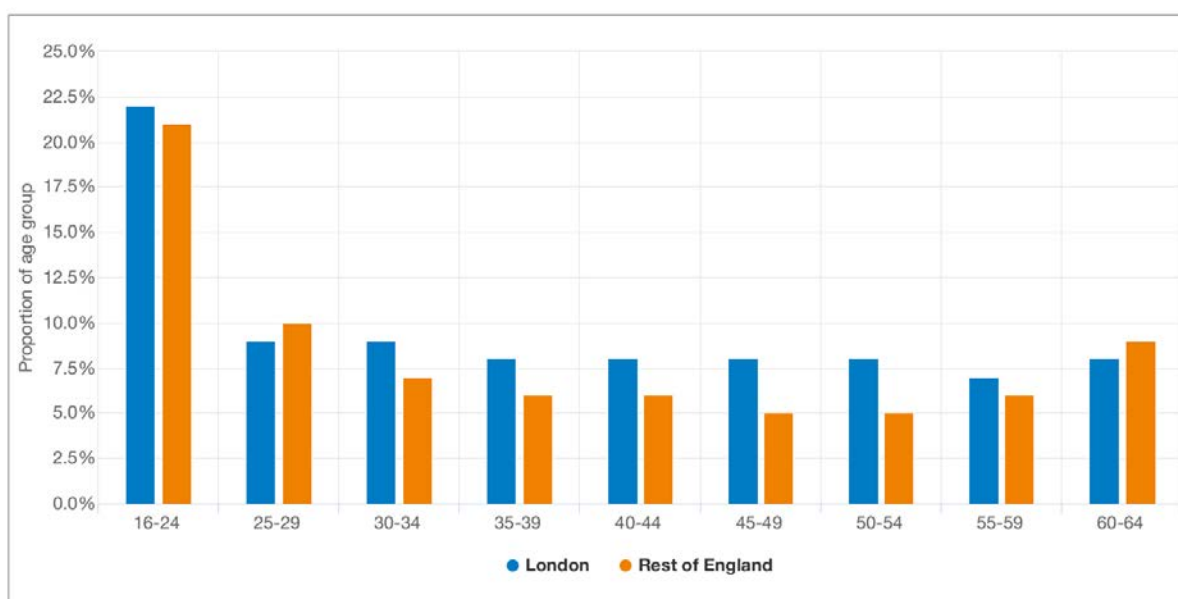
³⁹ Lawton K, Thompson S (2013) Tackling in-work poverty by supporting dual earning families, JRF: London

⁴⁰ Labour Force Survey, ONS. The data is an eight-quarter average for 2015 and 2016.

⁴¹ While 25 percent of disabled people with A levels were likely to be in low paid work, only 20 percent of non-disabled people were; this gap grows among those with lower than A level qualifications; respectively 61 percent compared to 48 percent.

⁴² Stewart E, Bivand (2016) How Flexible Hiring Could Improve Business Performance and Living Standards, JRF: London

⁴³ Melville, D, Colechin, J, Hoya Quecedo, C and Bennett, L (2015) Get young people working - the youth offer. CESI: London



Source: London Poverty Profile. Labour Force Survey, ONS. The data is an average of three October to December quarters from 2014 to 2016.

Recommendations to mitigate in-work poverty

The focus of the majority of existing interventions (until very recently) has been to support vulnerable groups into employment rather than support those who are already in work. This has meant, nationally and in London, a clear support gap for low-income working individuals⁴⁴. By extension, much of the existing research focusses on inequalities in labour market participation (i.e. who is securing work) rather than inequalities within labour market activity (i.e. who has access to progression opportunities in work). Given the distribution of the experience of low-income across households (i.e. overrepresentation of BAME, low-parent, households with disabled members, etc), initiatives seeking to alleviate exposure to in-work poverty will by consequence also reduce disadvantage experienced by disproportionately overrepresented groups.

Addressing in-work poverty not only increases personal and household income, thereby reducing poverty, but also has the potential to deliver significant economic gains to government as public expenditure on welfare spending and tax credits is reduced. Indirect savings are also accrued in other public service areas such

"When I work, it gives me confidence and respect, you know, that's what it's all about - getting out and meeting people...It's getting out there...when I do the cleaning job, it's all neat and tidy, I feel pride...I'm happy. Money doesn't make me happy, it's like I put something back into the community" – Mario, employed part time

⁴⁴ Colechin, J, Murphy, H, Stevens, C, Pennacchia, J, Ray, K and Vaid, L Evaluation of Skills Escalator Pilot

as healthcare, crime and social services⁴⁵.

Further, recent analysis by L&W has suggested a correlation between rising insecure work, and falling productivity; while the analysis is preliminary and the phenomena requires further dedicated research, the authors note:

“We cannot say from this correlation analysis whether lower productivity causes higher levels of insecure employment or vice versa, or whether ... there is any causal relationship between the two variables, as correlation does not necessarily imply causation. The result, however, is interesting suggesting that there could be some negative causal relationship between increasing insecure employment and declining productivity but establishing such a relationship exists would require further research.”

The London Councils can provide support to address in-work poverty in a number of ways. This can involve:

- i. encouraging their member London boroughs to adopt a number of favourable policy positions (whilst recognising that local authorities are local democratically-led organisations and therefore policy adoptions will be subject to political discussion and scrutiny)
- ii. working as the representative body of the London boroughs to lend their weight to influencing activities
- iii. Support boroughs by helping to broker additional provision where locally available support may be limited. For example, work with national organisations such as the Money Advice Service, the Pensions Advisory Service, or National Careers Service to develop a London focussed provision. Alternatively, work with pan-London organisations and networks such as the London Advice Service Alliance, to develop more effective cross boundary access to provision if services within the boundaries of a borough are overcapacity.

More specifically, there are a number of clear and concrete ways in which London Councils can provide support to address the issue of in-work poverty. These include:

Support local authorities to strengthen internal structure as a business

London Councils can encourage local authorities to assess and review how the local authority, as an organisation, business and employer, operates to ensure that their policies support decent employment for their resident. This may include:

- Reviewing Planning policies and strategies: Notwithstanding the need to build more affordable homes, local authorities have a role to play in ensuring Planning policies and strategies protect land designated as employment land

⁴⁵ Bivand P, Simmonds D. The Benefits of Tackling Worklessness and Low Pay. JRF

and supporting businesses to be considerate businesses providing decent employment.

- Supporting local authorities to adopt a leadership role on addressing in-work poverty: This may involve local authorities looking internally within their organisational structure, to strengthen the role of their economic development teams, providing strategic local leadership on skills, employment and enterprise, particularly working with local employers and businesses.
- Review the role of their adult learning services, particularly given the strong links between low skills/qualification levels and low value/paid employment, to ensure curriculum is led by local and wider London labour markets needs and projected needs so that residents have the skills to secure and progress in work.

Be exemplary employers – lead by example

Local authorities are significant employers. Along with the NHS, local authorities are often the biggest employers in their borough. As employers, local authorities need to lead by example as good employers. This could include:

- Promote and adopt flexibility at work, at all job levels as appropriate.
- Explore how the apprenticeships levy can be used to upskill and train those in lower scale roles to promote in-work progression, wage progression and the benefits of life-long learning.
- Local Authorities should lead by example on flexible apprenticeships.

As a significantly large employers and a levy paying employers, London local authorities can lead the way on this, ensuring that their employment practices encourage flexibility and supports the training and progression of its employees.

This report recognises that London Councils is a representative body, working on behalf of all local authorities across London. It recognises that London Councils represents the collective voice of all its members, regardless of party political leadership. London Councils' role is to represent rather than lead or form the views of its member boroughs. Notwithstanding this, the London Council can play an important role in shaping borough policies by sharing best practice and providing an evidence base to support the adoption of policies which may be politically sensitive.

This is particularly applicable to the issue of supporting local authorities to become London Living Wage (LLW) employers themselves as well as ensuring this in their supply chain. It is acknowledged that there are sizable challenges in adopting the LLW, for example the impact of this on the cost of providing social care to vulnerable residents. However, evidence shows that receiving a living wage is one of the most effective tool for addressing in-work poverty of Londoners. The more local authorities who become a LLW employer, the more Londoners are likely to not be trapped in low-paid jobs.

Lobby for effective change

There are a number of policy changes London Councils can support and lobby for to address some of the causes of in-work poverty. Some of this lobbying activity will involve lobbying central government departments, others will involve working with their own members (akin to the issue around LLW above) and other activities will include raising the profile of certain policy changes. This includes a general lobby for flexibility at work, including job share and remote work, greater need for quality part-time and flexible working, especially for parents, those aged 50 and over and disabled people. In addition:

- Lobby for flexible, part-time and higher-level apprenticeships (central government).
- Lobby for higher paid (current minimum wage is £3.50 an hour), good quality apprenticeships (central government and business communities).
- Advocate for a LLW increase from the beginning of the financial year 2018/19 (business communities and support more local authorities to adopt this).
- Support a London rate for the National Minimum Wage (working with the London Mayor).
- Support a campaign to remove 21-24 age group restrictions to National Living Wage (working with the London Mayor).
- Support boroughs to advocate for lifting the public sector pay cap to ensure households with public sector workers are insulated against experiencing in-work poverty as a result of inflation outpacing wage growth (considering the number of individuals employed by local government).

Share and promote good practice to improve in-work progression

Learning from in-work progression pilots such as Skills Escalator, Step Up (not yet published), Timewise Foundation, and Ambition London funded by JP Morgan, reveals the challenges of supporting those in low paid work to progress as well as what works best. Based on these recommendations, best practice to support in-work progression for low paid workers includes:

- One-to-one adviser led support that is flexible – given that many in-work clients are time poor – and tailored to individual needs.
 - Ensuring that wider support services are understood, engaged and tailored to the needs of low paid workers, and ensuring that this support is joined-up (learn from Lambeth Working - a
-
- "I worked out the [with] the grants and loan combined for a year, you would still have to pay full rent for the year, full council tax – you won't get help elsewhere ... you've got to pay for your childcare, you've got to pay for your books, your laptop...for the first six months of your studying, you've got to live on six months of nothing ... there's no help for families that do want to go on and study and better themselves" – Aniya, employed (maternity leave)*
-

- good practice example of joined-up support to meet multiple needs).
- Support offer should recognise nuances of support wanted by different cohorts. This could be enabled by place-based projects, a ‘no wrong doors approach’, and tailored support.

Local authorities, given their access to residents, have a key role to play in signposting individuals to relevant support and services, and promoting available opportunities. This is particularly important in terms of promoting access to careers advice and skills provision, given the strong links between poor skills/qualification level and low-value/low paid employment.

Encourage responsible employers

Research shows that employer buy-in is key; encouraging adoption of Living wage, improved affordable childcare, providing flexible employment options and promoting progression in work through encouraging employers to train and invest in skills⁴⁶. Existing examples are: GLA procurement code, procurement strategies of Scottish and Welsh Government, and strategies being developed by devolved local authorities, the Mayor’s Good Work Standard.

- Fund pay rises that are equal to inflation rates.
- Local authorities should prioritise direct employment and in-sourcing, as well as control pay and terms and conditions.
- Promote LLW to local businesses, for example, through business rate discounts, as Brent Council did.
- Ensure employers have a comprehensive understanding of the effects of zero-hour contracts as these contracts not only introduce insecurity and instability to workers’ incomes, but they also affect claimants’ benefit entitlement the following month, making it difficult for these individuals to budget.
- Acknowledging that being an ‘anti-poverty’ employer has cost implications which is unattractive to employers, consideration should be given to creating a campaigning vehicle to enable aspirant employers to form a ‘coalition of the willing’ in order to promote the case for ‘Good Jobs’ in the broadest sense.⁴⁷

However, influencing local employers is likely to be more effective if boroughs themselves are seen to be providing good jobs. This has been recognised by Camden Council, who in trying to fulfil their role as an agent of civil activism, have chosen to role model good behaviours – in the Council’s own words “it is important

⁴⁶ Bivand P, Simmonds D (2014) The Benefits of Tackling Worklessness and Low Pay, JRF: London

⁴⁷ See Philpott J (2014) Rewarding Work for Low Paid Workers, JRF: London

that the Council doesn't ask others to do anything it is not prepared to do itself"⁴⁸. London Councils may want to support other boroughs wishing to emulate this model.

Other recommendations

- Increase access to publicly funded affordable childcare
- Increase access to low cost/affordable housing – local authorities should build public sector housing with low cost rent; the construction of such programmes could be associated with local employment and training opportunities.
- Increase access to free in-work training and upskilling opportunities/'lifelong learning' (especially to meet language, literacy and digital needs that the low paid cohort often have)/vocational training, and ensure that this provision is flexible enough to meet varied personal circumstances – given their care responsibilities/wider responsibilities - of the in-work cohort

⁴⁸ Camden Council (2017) Camden Commission Report 2017. Camden Council.

3. Welfare reform

This chapter explores the broad changes to welfare benefits that are likely to adversely effect London's households. It first presents a broad overview of the evidence around welfare reform, and then focusses on the implementation and consequences of Universal credit (UC), with a specific focus on process and wait for the initial payment. It comes at a critical time as UC proceeds to go live across the country, and off the back of recent reforms announced as part of the 2017 Autumn Budget.

Broad welfare reform context

Since 2010, the successive Coalition and Conservative Governments have embarked on a far-reaching programme of changes to the welfare system. These represent the most fundamental changes to the system in a generation.⁴⁹ Reforms were rationalised on the basis that, *"The welfare bill is too high, and the welfare system traps too many people in benefit dependency."*⁵⁰ That Budget set out three key objectives for reform, to:

- Make welfare "more affordable and fair to the taxpayers who pay for it";
- Continue "to support the most vulnerable"; and
- "Reward work and back aspiration" – through welfare, tax and wage reforms.

Underlying the reforms is the assumption that those affected will be able to mitigate the adverse consequences by increasing their income through work, and/ or by reducing their outgoings, through housing choices. For those less able to respond, the system will continue to provide a safety net.⁵¹

Analysis by Policy in Practice⁵², shows that even allowing for mitigation introduced by the Government (changes in personal taxes and introduction of the National Living Wage), the cumulative impacts of welfare changes will see the incomes of 7 million low-income households lower by an average £31 per week by 2020 in cash terms. However, the impacts increase significantly when inflation is accounted for, leaving households a further £33 per week worse off on average between 2017 and 2020 alone.

⁴⁹ Wilson T, Foster S (2017) The local impacts of welfare reform A review of the impacts of welfare changes on people, communities and services, LGA: London. This study also details the specific changes to the benefits system introduced since 2010.

⁵⁰ Conservatives.com. (2015). The Conservative Party Manifesto 2015. [online] Available at: <https://www.conservatives.com/Manifesto> [Accessed 10 May 2015].

⁵¹ Wilson T, Foster S (2017) The local impacts of welfare reform A review of the impacts of welfare changes on people, communities and services, LGA: London

⁵² Policy in Practice (2017) The cumulative impacts of welfare reform – A national picture, LGA: London

The impacts of welfare reform have varied between areas.⁵³ While all areas have seen significant impacts as a consequence of reform, those in the northern of the country have been particularly adversely affected. In addition, three types of area have been hardest hit:

1. Older industrial areas particularly in the North East and North West, Birmingham and the Black Country;
2. Less prosperous seaside towns – for example Blackpool, Torbay, and Great Yarmouth and;
3. (Of particular relevance) Inner London boroughs – where rents are exceptionally high, localised areas of very high worklessness and large numbers of low income households.

The number of Local Housing Allowance claimants out of work has fallen across London and by more than 40% in Inner London. Workless households appear to be being priced out of private housing in large parts of London, with research also suggesting that landlords are increasingly reluctant to rent to Housing Benefit claimants, particularly in London⁵⁴. In money terms, London households in receipt of benefits are also hit relatively hard. It is estimated the loss per working age adult is £50 a year above the GB average. This is primarily attributable to Housing Benefit reforms affecting tenants in the private rented sector, plus the household benefit cap, which have a sizable impact in London⁵⁵.

Community networks have played an important role in supporting those affected by reforms. However, there is evidence that reforms have negatively impacted on some individuals' abilities to access those networks,⁵⁶ and in particular disabled people and those living in more geographically isolated areas.⁵⁷ More recent research has

⁵³ See Wilson T, Morgan G, Rahman A, Vaid, L (2013) The local impacts of welfare reform: An assessment of cumulative impacts and mitigations. CESI: London; Beatty C, Fothergill S (2013) Hitting the poorest places hardest: The local and regional impact of welfare reform, Centre for Regional Economic and Social Research Sheffield Hallam University Report: Sheffield; Beatty C, Fothergill S (2016) The uneven impact of welfare reform: The financial losses to places and people. Centre for Regional Economic and Social Research Sheffield Hallam University Report: Sheffield

⁵⁴ Wilson T, and Foster S, (2017). The local impacts of welfare reform: A review of the impacts of welfare changes on people, communities and services. London: LGA

⁵⁵ Beatty C, and Fothergill S. (2013). Hitting the poorest places hardest: The local and regional impact of welfare reform. Centre for Regional Economic and Social Research and Sheffield Hallam University

⁵⁶ Moffatt, S., Lawson, S., Patterson, R., Holding, E., Dennison, A., Sowden, S., and Brown, J. (2015) A qualitative study of the impact of the UK 'bedroom tax'. Journal of Public Health, 37(2), 1–9; Real Life Reform (2015). Report 6: March 2015. Northern Housing Consortium Report.

⁵⁷ CRPD Committee (2016) Inquiry concerning the United Kingdom of Great Britain and Northern Ireland carried out by the Committee under Article 6 of the Optional Protocol to the Convention, CRPD: Geneva; Inclusion London (2016) One year on: Evaluating the impact of the closure of the Independent Living Fund. Inclusion London: London

also found evidence of some increased segregation and stigmatisation within cities.⁵⁸

Impacts on households and individuals

Certain groups are disproportionately affected by welfare reforms – in particular disabled people and those with health conditions⁵⁹, and households with dependent children, particularly lone parents and those with large families⁶⁰; and many disadvantaged young people.⁶¹ Unfortunately, detailed sub-group analysis is limited making assessment of intersectionality difficult. One study, focussed on BAME women suggests that gender inequalities intersect with and compound racial inequalities making this group particularly disadvantaged due to tax and benefit reforms since 2010. Black and Asian lone mothers respectively stand to lose £4000 and £4200 per annum by 2020, equivalent to more than 15 percent on their net income.⁶²

Reforms are being felt in a number of ways. There is extensive evidence of households ‘going without’⁶³ – cutting back on essentials including food, heating and clothing – as well as cutting back on what might be considered non-essentials like socialising, leisure and family activities. A few studies find growing arrears – often in rents, water and other utilities. This further undermines households’ abilities to deal with emergencies.

These cutbacks appear to be leading to negative impacts on wellbeing, causing stress and anxiety and in some cases contributing to or exacerbating ill health (and in particular mental health).⁶⁴

Among family and communities, welfare reforms have put increased strain on relationships. Parents have often tried to shield children from negative impacts, but this can further increase the pressure on parents and some research nonetheless

⁵⁸ Winter, L.A., Burman, E., Hanley, T., Kalambouka, A., and McCoy, L. (2016). Education, Welfare Reform and Psychological Well-being: A Critical Psychology Perspective. *British Journal of Educational Studies*, 64(4), 467-483. Note: this was a Manchester based study.

⁵⁹ Recent studies include EHRC (2017). *Being disabled in Britain: A journey less equal*. EHRC: London; Liverpool City Council (2017). *Welfare Reform Cumulative Impact Analysis 2016*. Liverpool City Council: Liverpool; Kennedy, S., Murphy, C., and Wilson, W. (2016). *Welfare reform and disabled people*. House of Commons Briefing Paper 7571.

⁶⁰ See for example Lane P (2014) *The impacts of welfare reform on residents in Tower Hamlets*. Tower Hamlets Council: London; Power A, Provan B, Herden E, Serle N (2014) *The impact of welfare reform on social landlords and tenants*. Joseph Rowntree Foundation: London

⁶¹ For example, homeless young people looking for shared accommodation: Fitzpatrick S, Pawson H, Bramley G, Wilcox S, Watts B (2017) *The homelessness monitor: England 2017*, Crisis: London; and, young lesbian, gay, bisexual, and transgender looking for accommodation Mitchell M, Beninger K, Rahim N, Arthur S (2013) *Implications of austerity for LGBT people and service*. UNISON: London.

⁶² Hall SM, McIntosh K, Neitzert E, Pottinger L, Sidhu K, Stephenson MA, Reed H, Taylor, L (2017) *Intersecting inequalities. The impact of austerity on black and minority ethnic women in the UK*: Women’s Budget Group

⁶³ See for example Davies M, Wilson T (2014) *The impacts of welfare reform in Oxford*, CESI: London

⁶⁴ For an overview, see Stuckler D, Reeves A, Loopstra R, Karanikolos M, McKee M (2017) *Austerity and health: the impact in the UK and Europe* 27(1) *European Journal of Public Health*, 18–21

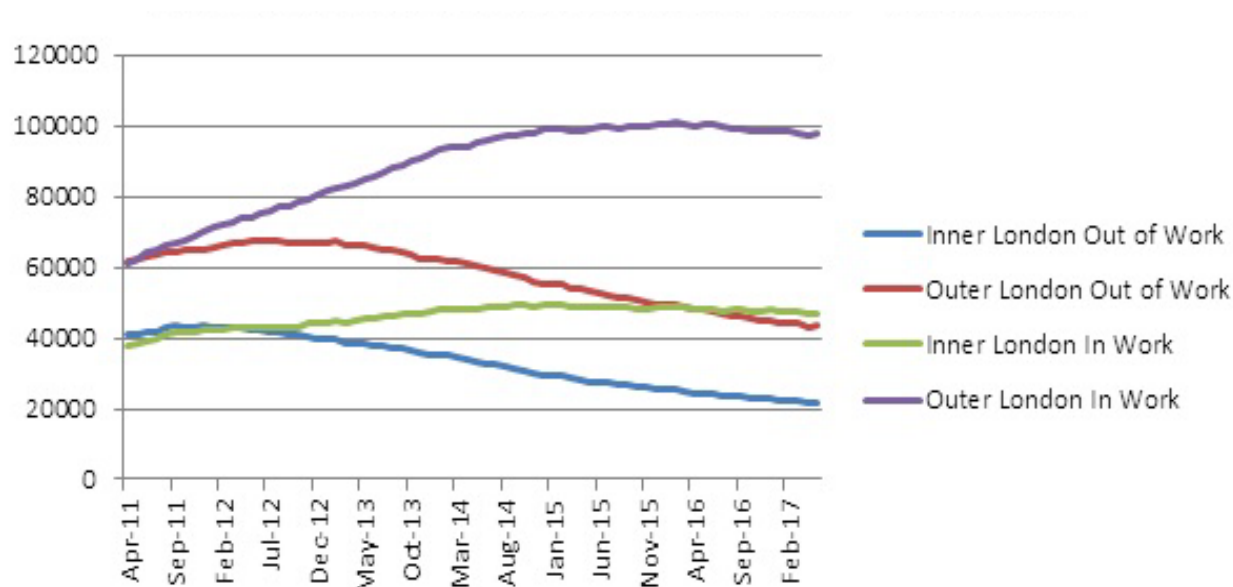
finds increased stress and anxiety among children – particularly relating to housing.⁶⁵

Finally, there is evidence that homelessness acceptances have increased in recent years because of welfare reform.⁶⁶

Households and individual response to reforms

The evidence on both housing and employment is mixed. On housing, reforms appear to have led to only modest changes in housing choices over most of the last seven years.⁶⁷ However, there is some evidence of changes in more recent years suggesting a movement from Inner to Outer London, with double the rate of increase in Housing Benefit claimants in the suburbs compared to the rest of the country.⁶⁸ At the same time, as can be seen from figure 9, growth in the Housing Benefits claimants within inner London has been markedly lower.

Figure 9 London LHA Claimants April 2011 – May 2017



Source: London Council (2017)

On employment, welfare reforms appear overall to have led to small positive impacts. The benefit cap has led to those affected being more likely to move into work – with around one in five finding work, rising to 30 per cent of those with the

⁶⁵ See for example Colechin J, Griffiths J, Wilson T (2015) The impacts of welfare reform on residents in Brighton and Hove, CESI: London; Moffatt S, Lawson S, Patterson R, Holding E, Dennison A, Sowden S, Brown J (2015) A qualitative study of the impact of the UK 'bedroom tax' 37(2) Journal of Public Health, 1–9

⁶⁶ House of Commons (2016) Homelessness. House of Commons Communities and Local Government Committee Third Report of Session 2016–17; National Audit Office (2017) Homelessness, NAO: London. For more detail, see the following chapter of housing policy.

⁶⁷ Department for Work and Pensions (2014) The benefit cap: a review of the first year, DWP: London

⁶⁸ Wilson T, Foster S (2017) The local impacts of welfare reform A review of the impacts of welfare changes on people, communities and services, LGA: London

largest losses. The additional impacts on employment (over and above what would have happened without reform) are estimated to be around 5 percentage points – equivalent to 2,500 more people in work after the first year.⁶⁹

Local area and community responses to reforms

Councils have taken a range of measures to respond to reforms – including targeted information campaigns; direct financial assistance (usually via Discretionary Housing Payments); one-to-one support and signposting to/ joint working with other partners.

Many councils have created cross-organisational partnerships to co-ordinate responses and join up provision, including with Jobcentre Plus and on some occasions with health and other services.⁷⁰ Delivery of support has included innovative new approaches of one-to-one support, particularly for those with the largest losses or needing the most housing (and to a lesser extent employment) support.⁷¹ However there are significant challenges in this – in particular due to budget reductions and increasing pressure on services.

Social landlords have also increased the range of advice and support offered to residents, in particular so as to reduce the risks of rental arrears.⁷² However landlords also increasingly need to take enforcement action against residents, and potentially change their allocations and lettings policies so as to reduce the risk of future residents running up debt.

A range of other organisations and provision have also been affected by, and responded to, reforms – including schools⁷³, health services, advice services and the wider voluntary sector.⁷⁴ Again funding reductions and increased demand have increased the pressure on these services.

Evidence on in the initial payment for Universal Credit

There are three main objectives of UC:

- simplification of the benefit system,
- making work pay, and
- tackling poverty and worklessness.

⁶⁹ Department for Work and Pensions (2014) The benefit cap: a review of the first year, DWP: London

⁷⁰ Bell K, Treloar P (2012) Between a rock and a hard place: the early impacts of welfare reform on London. CPAG: London;

⁷¹ Clarke A, Williams P (2014) Supporting households affected by the Benefit Cap: Impact on Local Authorities, local services and social landlords, DWP: London

⁷² See for example, Williams P, Clarke A, Whitehead C (2013) Intended and Unintended Consequences? A Case Study Survey of Housing Associations and Welfare Reforms, Cambridge Centre for Housing and Planning Research: Cambridge

⁷³ For example, acting as an outreach location for welfare advice geared towards parents, Lane, P. (2014). The impacts of welfare reform on residents in Tower Hamlets. Centre for Economic and Social Inclusion Report for Tower Hamlets Council.

⁷⁴ For an overview see Wilson T, Foster S (2017) The local impacts of welfare reform A review of the impacts of welfare changes on people, communities and services, LGA: London

It is a single benefit replacing six existing means-tested benefits and tax credits. When fully rolled out, planned for early 2022 it will affect around 8 million households across the UK.⁷⁵ The most recent data on UC rollout within London shows that around 85 thousand households are in receipt of the benefit, with a continued upward trend.⁷⁶ Early analysis along with evidence gathered during initial stakeholder interviews, suggest that while in principle, the objective of UC is a good idea, in practice there are a number of challenges which exist to realising these

objectives and the implications for those affected are worrying.⁷⁷

"The month arrears is based on a white collar worker who may generally be paid monthly, but that's not usually in arrears – it's two weeks behind ... this theory it's based on an average person is a nonsense that is being dispelled as manual workers still tend to get paid fortnightly or weekly" **Community Based Employment Support Adviser**

Primary research conducted as part of this study and evidence from CAB⁷⁸ revealed multiple issues namely with administration and implementation. This report centres on the 6-week payment policy, as well as the considerably longer wait many are experiencing subject to administrative errors, and the implications it has for

claimants.

Focus groups conducted as part of this study also demonstrated that other issues, not necessarily directly related to the process, compounded the effect of the policy. These included:

- **Difficulty budgeting** with some UC claimants finding it difficult plan for the transitional period, particularly those in debt, or with fluctuating incomes.
- **Opening a suitable bank account** to receive UC payments. Some are finding it difficult to open an account that can be used to receive the monthly payment, leading to delays in receiving their benefits. This can be particularly challenging for non-UK born claimants
- **Deductions from UC** for benefit overpayments, advances and other debts such as rent arrears. UC claimants are experiencing financial difficulties due to the amount which can be deducted (considerably higher than under legacy benefits)

⁷⁵ Millar J, Bennett F (2017) Universal Credit: Assumptions, Contradictions and Virtual Reality Social Policy and Society

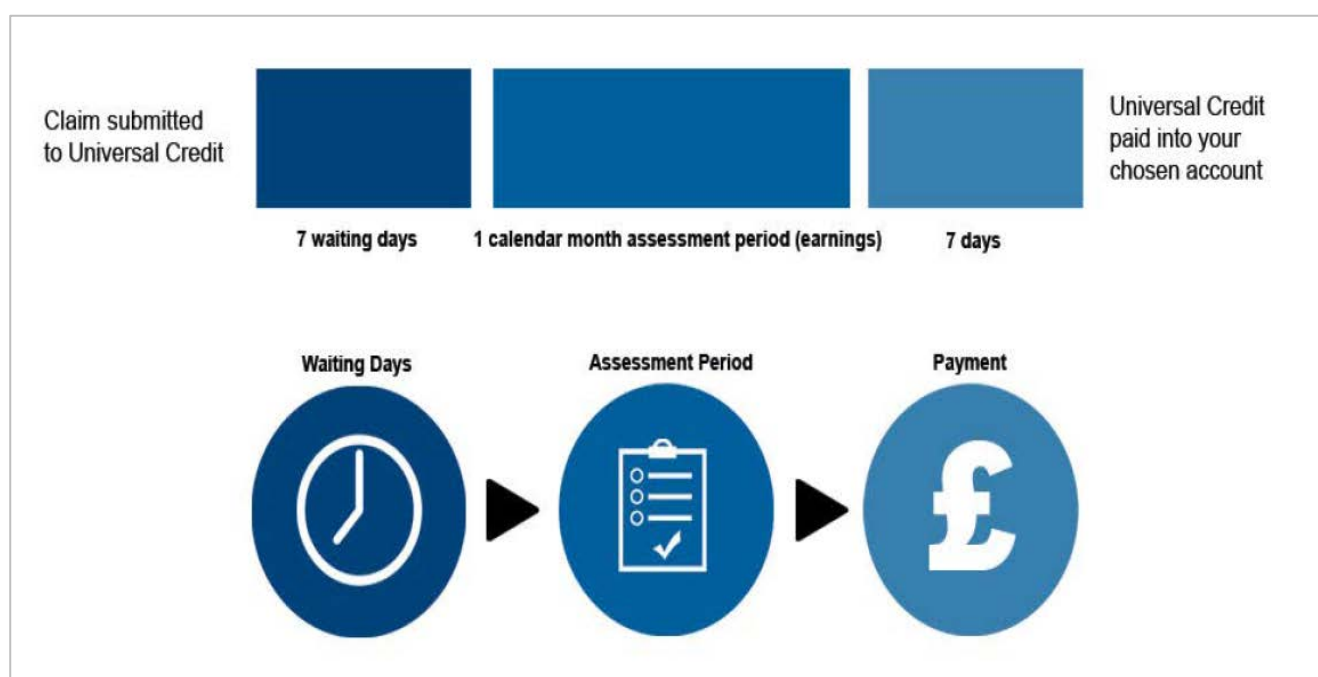
⁷⁶ Households on Universal Credit Dashboard: <https://uchdash.herokuapp.com/index.html>

⁷⁷ Judge L (2013) Will Universal Credit Work, CPAG: London

⁷⁸ Drake C (2017) Universal Credit and Debt: Evidence from Citizens Advice about how Universal Credit affects personal debt problems. London: Citizens Advice

While the recently announced Autumn budget proposes a reduction in this process to five weeks, the delay in the initial payment is a core design feature of the benefit. Figure 9 illustrates the process for claiming UC; as noted the recent budget announcement removes the 7 ‘waiting days’ period from February 2018, effectively reducing the time between submitting the application and receiving the first payments to 5 weeks.

Figure 10 Universal Credit Application process



Source: House of Commons Work and Pensions Committee⁷⁹

In reviewing the UC application process, in response to a growing concern about the hardship the process was creating, the House of Commons Work and Pensions Committee concluded:

“The baked-in six week wait for the first payment in Universal Credit is a major obstacle to the success of the policy. In areas where the full service has rolled out, evidence compellingly links it to an increase in acute financial difficulty. Most low income families simply do not have the savings to see them through such an extended period ... Universal Credit seeks to mirror the world of work, but no one in work waits six weeks for a monthly paycheque.”⁸⁰

The policy assumes that claimants will have sufficient funds from their previous income instalment to tide them over until the initial payment arrives. Many, however, do not;

“Four weeks is the tipping point for me. Six weeks is when you’re at the very edge. 12 weeks is when you’re in the red.”

⁷⁹ House of Commons Work and Pensions Committee (2017) Universal Credit: The six week wait – First report of session 2017-19. House of Commons: London

⁸⁰ Ibid, pg 8.

over 26 percent of all working-age adults have no savings,⁸¹ and around 42 percent of adult Londoners have less than £100 in savings.⁸² Not only does this result in some people not coping financially during this period, but also thwarts its policy aim as it leaves people unable to search for work.⁸³

While the reduction from six weeks to five is welcome, given the financial circumstances of many low and middle-income households described above, the prospect of waiting five weeks to receive any social security remains incredibly daunting.

For many, due to administrative errors, the wait for the initial payment is considerably longer, with claimants waiting up to 12 weeks for their first payment which further

"I had to wait 8 weeks. For someone who has never been in arrears with their rent, all of a sudden, I got this big debt saying 'Oh I'm in arrears for £600 or something quid'"
UC claimant

exacerbates debt issues and puts claimants in a precarious financial situation.⁸⁴ Indeed, DWP's own analysis shows that just under a quarter of new claimants do not receive their full payment within the time frame, and that 15 percent receive no

payments in 6 weeks.⁸⁵ Though there could be several reasons for the delay, much of it is likely to be related to the verification process.

Application process

CAB research shows that delays are being caused by administrative errors coupled with claimant errors at the application stage, and claimants experiencing issues managing online claims.⁸⁶ Elaborating on the claimant errors, focus groups highlighted that the application process itself a highly complicated process that is not user orientated. UC recipients reported having to complete applications under compressed time scales that often felt arbitrary, with little guidance as to what information they may be required to have. Further, the questions contained within the form itself were in some instances imprecise, as one adviser explained:

⁸¹ Money Advice Service (2016) Closing the gap, MAS: London, and

⁸² Based on analysis conducted by Money Advice Service and CACI Webb A (2016) Millions at risk with savings of £100 or less, <https://www.moneyadviceservice.org.uk/blog/millions-at-risk-with-savings-of-100-or-less>

⁸³ House of Commons Work and Pensions Committee (2017) Universal Credit: the six week wait – First report of session 2017-19. House of Common: London

⁸⁴ Citizens Advice - We need to fix Universal Credit:

https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Universal%20Credit%20recommendations_DIGITAL.pdf

⁸⁵ DWP (2017) Universal Credit Statistical Ad Hoc: Payment Timeliness, DWP: London: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648800/universal-credit-payment-timeliness-statistical-ad-hoc.pdf

⁸⁶ Drake C (2017) Universal Credit and Debt: Evidence from Citizens Advice about how Universal Credit affects personal debt problems. London: Citizens Advice

“The form asks ‘how much rent do you pay?’ That’s not the correct answer, because the rent you pay might include water rates, heating, bit and pieces. But unless you know exactly what they want – and it doesn’t tell you on the form – you’re not going to get that right”

Similarly, a UC claimant explained that an inconsistency arose between the rent figure provided by the landlord and himself. Responding to the question on the form, the claimant put the rent he paid for the month of March; his landlord had subsequently provided a rent figure for the following month which included a slight rise. Ultimately, the application process was not frustrated as the claimant agreed to change the figure under duress of being told the alternative would be to restart the process from the beginning.

Focus groups also explored who would likely struggle with the application process. As would be expected, people with little or no digital capability, people with learning difficulties and disabilities, those with literacy issues and those with an ESOL need were all identified. Emphasising the lack of user orientated thinking when developing the application process and forms to complete, figure 11 shows a picture of the UC50 form to be self-completed by claimants asking whether they do not understand English – it should be noted that this question is asked several pages into the form.

Figure 11 Photograph of the UC50 09/17 form asking about understanding of English

A photograph of a 'Face-to-face assessment' form, titled 'continued'. The form asks: 'If you do not understand English or Welsh, or cannot talk easily in these languages, do you need an interpreter?'. Below this, it states: 'You can bring your own interpreter to the assessment, but they must be over 16.' There is a checkbox labeled 'No' and a checkbox labeled 'Yes'. To the right of the 'Yes' checkbox is the question 'What language do you want to use?' followed by a blank text box. At the bottom, there is a checkbox and the text 'Tick this box if you will bring your own interpreter.' and 'Would you like your talent'.

Universal Credit Advance payments

Advance payments of UC are intended to mitigate financial crises during the 6-week wait.⁸⁷ Currently, around 44 percent of all new claims draw on either a new claim or change of circumstance advance.⁸⁸ Research shows that claimants borrow from

⁸⁷ DWP (2017) Universal Credit advances: <https://www.gov.uk/guidance/universal-credit-advances>

⁸⁸ DWP (2017) Universal Credit Statistical Ad Hoc: Payment Advances. DWP: London: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648831/universal-credit-payment-advances-statistical-ad-hoc.pdf

In my experience that 6 weeks is the shortest it's taken. I've had, like, 1 person who received their payment. A lot of them have gone 2, 3, months waiting for a payment" Legal Adviser

friends and family, and use a food bank more readily than using a UC advance payment to cope financially during the 6-week wait.⁸⁹ There are several factors underpinning this, including; claimants being uninformed or unaware about the payments, the loan not being sufficient to cover costs for the 6-week period, and claimants being wary of taking out a loan that will then be repayable monthly from their UC entitlement.⁹⁰

To address these challenges, the Autumn Budget announced that the period during which the advance will be recovered will be extended from six to twelve months thus reducing the monthly repayment amount and claimants will now be able to receive an advance equivalent to their first full monthly payment within five days of applying. The changes to advances are scheduled to take effect from January 2018.

However, while this may encourage some to take-up then advancement offer, the Department may find again, that take-up remains relatively modest, as the policy shift fails to recognise that many low incomes are in fact debt adverse, often prefer to 'do without' than draw on credit.⁹¹ Focus groups also confirmed this, though cautioned that claimants would often borrow money from friends and family, which could in turn damage relationships and existing social networks if delays in the initial payment were delayed.

Impact on claimants

These issues have resulted in claimants experiencing exacerbated financial insecurity, squeezed incomes and commonly being unable to cover costs during the delay.⁹² Compared to those on

"This is the first benefit for me that has been such a disadvantage to vulnerable people. And we're not talking about vulnerable like the severely ill, we're talking vulnerable as just on that cusp of being in poverty and this will just tip them over"
Mental health Welfare Adviser

legacy benefits, UC claimants are more likely to have debt problems, more likely to be struggling to deal with debt, and more likely to experience issues with priority debts.⁹³ As noted previously, research shows that UC claimants experiencing debt issues

⁸⁹ Smith Institute (2017) Safe as houses: the impact of universal credit on tenants and their rent payment behaviour in the London boroughs of Southwark and Croydon, and Peabody, Smith Institute: London; Drake C (2017) Universal Credit and Debt: Evidence from Citizens Advice about how Universal Credit affects personal debt problems, Citizens Advice: London

⁹⁰ House of Commons Work and Pensions Committee (2017) Universal Credit: the six week wait – First report of session 2017-19. House of Common: London

⁹¹ Smith Institute (2017) Safe as houses: the impact of universal credit on tenants and their rent payment behaviour in the London boroughs of Southwark and Croydon, and Peabody, Smith Institute: London; Anderson W, White V, Finney A (2010) 'You just have to get by' Coping with low incomes and cold homes, Centre for Sustainable Energy: Bristol.

⁹² House of Commons Work and Pensions Committee (2017) Universal Credit: the six week wait – First report of session 2017-19. House of Common: London

⁹³ Drake C (2017) Universal Credit and Debt: Evidence from Citizens Advice about how Universal Credit affects personal debt problems. London: Citizens Advice

commonly cope by going without gas or electricity, borrow money from friends or family, and use food banks.⁹⁴ Inevitably, health and wellbeing consequences will follow.

A Study by the Smith Institute⁹⁵ profiling the level of rent arrears (as a proxy for overall indebtedness) found that in the period leading up to, and in the period following the first payment of Housing Benefit and UC, arrears were larger for those on UC than Housing Benefit at the first week of payment (the peak of rent arrears); that those on UC were more likely to underpay by more, and that driving down rent arrears occurred over a longer period of time (see figure 9).

As a consequence, local authorities are likely to amass greater levels of rent arrears, and the associated costs that might entail, including County Court action and eviction procedures. The analysis conducted by the Smith Institute suggested that this could in part be smoothed by the use of Alternative Payment Arrangements (a discretionary offer to maintain direct payment to the landlord).

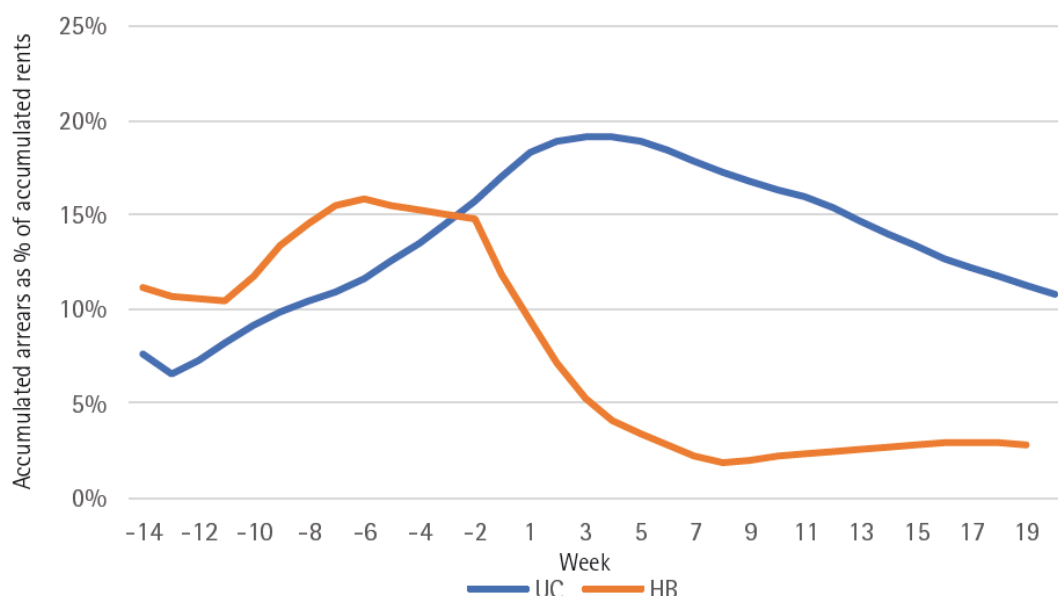
"Stock up on as much tinned food in advance. Prepare for a very frugal period; cut back on your social life totally. You need to scale back on any sort of plans – apologise to people; they're not going to get birthday presents, they're not going to get Christmas presents – this year you're going to get cards. it's like going to prison – people don't know what freedom is until you lose it. Universal credit, for me, felt as if it was a sanction in its own right" UC applicant (first payment pending)

Further, the Autumn Budget announced that claimants in receipt of Housing Benefit at the time they make a claim for UC will continue to receive Housing Benefit for a further two weeks, reducing the level of arrears accrued during the occurring in a tenancy. This will apply to people who submit a new claim for UC from April 2018.

⁹⁴ Anderson W, White V, Finney A (2010) 'You just have to get by' Coping with low incomes and cold homes, Centre for Sustainable Energy: Bristol; Drake C (2017) Universal Credit and Debt: Evidence from Citizens Advice about how Universal Credit affects personal debt problems. London: Citizens Advice

⁹⁵ Smith Institute (2017) Safe as houses: the impact of universal credit on tenants and their rent payment behaviour in the London boroughs of Southwark and Croydon, and Peabody, Smith Institute: London

Figure 11 Accumulated rent arrears as a proportion of accumulated rent owed each week before and after Housing Benefit and Universal Credit claim



Source: Smith Institute⁹⁶

Who will be most adversely affected

Research shows that welfare reform will hit certain vulnerable groups hardest. Of these groups, lone parents are under considerable financial strain, and delays in

It's ridiculous for lone parents with children to go through this, especially if they've got arrears ... if they've already got housing arrears, they would already have a payment plan in place. And if that payment plan is in place and they can't make the payments, it will trigger County Court action. When they receive their income, what's going to be the main income? It's going to be their child tax credit, plus their child benefit, and they're going to be forced to use that to either pay the arrears or buy food" Community based support

payments for any of the reasons discussed above can easily tip them into financial crisis. New entitlement conditionality of UC, meaning that single parents with children aged 3 and 4 now must comply with the full job searching requirements that were previously only applicable to parents with school aged children, and the UC work allowance for single parents being halved, adds to the pressure. To ensure that UC helps these families to cope, Gingerbread⁹⁷ recommends reversing cuts to the UC work allowance, especially for

⁹⁶ Smith Institute (2017) Safe as houses: the impact of universal credit on tenants and their rent payment behaviour in the London boroughs of Southwark and Croydon, and Peabody, Smith Institute: London

⁹⁷ Rabindrakumar, S (2017) Paying the Price: Still 'just about managing'? Gingerbread: London

single parent households, reducing the 6-week waiting period of the initial UC payment, and assessing the quality of Jobcentre provision to ensure that lone parents' needs are met. Similar observations have been made by Women's Budget group which showed that households with children will be disproportionately affected than those without; and of these, single parent families with a BAME matriarch will among the most adversely affected⁹⁸.

According to initial stakeholder interviews, it was suggested that other vulnerable groups include immigrant communities with ESOL needs, those with mental health conditions, and those with language and literacy needs. These groups are not necessarily in contact with local authorities and/or lack knowledge on the role of different services and provision available to them which means that the impact on these people is not easily captured.

"It's interesting because with Universal Credit, I think, when you say specific groups, even young males on their own I find, when they're not getting any money, they're less likely to ask for help, and so then they go on going down, spiralling down and that's when they end up on the mental health spectrum. So I think with Universal Credit, what's so unique about it, is that it touches every single group in a very specific way" Legal Adviser

Recommendations to mitigate against Universal Credit delay

UC was intended to simplify the benefits system, while at the same time tackle poverty and worklessness. Few would argue against these aspirations, but the scale and ambition of the UC programme has created a highly rigid, and somewhat complex procedure, underpinned by an equally rigid and structured delivery system - as Tony Wilson (2017)⁹⁹ notes, the 'best' argument that stops changing the overall mechanism to allow weekly, fortnightly or monthly payments "is that the computer would say no – it's been built for monthly payment and it's too difficult to change."

Nevertheless, a prominent demand voiced across a number of commentators including many of the stakeholders who participated in this research, is to allow a 2-week payment process for those who need it with no payback policy.¹⁰⁰ Consistently, one group was repeatedly identified in the literature and through discussions – single parent families, and specifically those with a mother as the head of the household¹⁰¹.

⁹⁸ Hall SM, McIntosh K, Neitzert E, Pottinger L, Sidhu K, Stephenson MA, Reed H, Taylor, L (2017) Intersecting inequalities. The impact of austerity on black and minority ethnic women in the UK: Women's Budget Group
<https://www.runnymedetrust.org/uploads/WBG%20pre%20budget%20press%20release%20nov%2017%2015%2011.pdf>

⁹⁹ Wilson T (2017) Universal Credit – why we need to stop, now:

<http://www.learningandwork.org.uk/2017/10/02/universal-credit-why-we-need-to-stop-now/>

¹⁰⁰ Ibid, see also Drake C (2017) Universal Credit and Debt: Evidence from Citizens Advice about how Universal Credit affects personal debt problems. London: Citizens Advice

¹⁰¹ See Rabindrakumar, S (2017) Paying the Price: Still 'just about managing'? Gingerbread: London. This sentiment was also echoed through focus groups and the workshop.

However, it would be expected that other groups will be identified after further consideration.

There is also a broader call for stopping the further roll out of UC to provide some much needed space to breath, including from some Conservative MPs¹⁰². However, despite the all but symbolic Labour defeat of the government in October 2017, there has been no official change in the government's position. In the extreme, it has been suggested that a pause in the roll out on UC should be coupled by a 'stock take' of the benefit to assess it against its original intention, and to 'fix' the system to reduce unnecessary hardship.

Outside of the structural changes to the UC, more specific ways in which local boroughs and the London Councils can mitigate the consequences of UC were identified. These include:

A new Universal Support offer

Build on and reimage the Universal Support provision offered to those transitioning on to UC to ensure it is appealing and addresses people's needs. Local Authorities should have a central role in this, including developing an appealing offer that goes beyond digital and financial capability. Building on points raised in Learning and Work Institute's recent report for the Local Government Association, the new offer should consider:

- Improved data sharing at individual and aggregate level to plan and respond to needs and map reform impacts. This is increasingly problematic under UC, and will become more so as the General Data Protection Regulation (GDPR) comes into effect in May 2018. Local and national government and other partners need to work together urgently to agree what data can be shared.
- Working with local partners to co-ordinate engagement and widen routes in (including through social landlords, the voluntary and community sector, faith groups and health and care services); underpinned by common assessment, triage and referral processes that can assess needs across a range of domains – building on key learning from the 'no wrong front door' service model employed by some children and family services.¹⁰³
- Co-ordinating and targeting support across services, in particular by looking to use and influence local commissioning and reviewing the decision to bring Troubled Families within DWP.

¹⁰² Hope C (2017) Tory rebellion throws Universal Credit reforms into chaos, The Telegraph (online edition), 28 September: <http://www.telegraph.co.uk/news/2017/09/28/universal-credit-roll-out-may-paused-head-rebellion-tory-mps/>

¹⁰³ Lushey C, Hyde-Dryden G, Holmes L, Blackmore J (2017) Evaluation of the No Wrong Door Innovation Programme, Department for Education: London

- Testing and delivering more integrated caseworker-led models – with a focus on income / financial stability, employment and housing support.
- Encouraging local areas and Jobcentre Plus to set up ‘employment action teams’, resourced through re-purposed Troubled Families support; Flexible Support Fund; or local European Social Fund.
- Working with Health and Wellbeing Boards and Clinical Commissioning Groups to identify opportunities to align health support alongside welfare support.

London Councils may facilitate this by providing a platform for boroughs to share best practice in providing Universal Support, drawing together and synthesising customer insights from across the boroughs to develop a more nuanced and comprehensive understanding of core service needs of Londoners moving on to Universal Credit.

Further, building on a recommendation suggested for tackling in-work poverty (above) London Councils can also play a key role in advocating for and brokering additional provision as part of the Universal Support offer. Given the correlation between the UC application process and financial difficulty, and mental health, obvious organisations may include the Money Advice Service, Mind, Trussell Trust and National Debtline.

Understand customer needs

There is currently a lack of clear, consistent and accessible data available to Local Authorities and local London stakeholders, that helps to understand the groups that are most disadvantaged through UC. To develop effective interventions and identify how and why groups are disadvantaged through the process, it is crucial empirical research and analysis can be regularly and flexibly conducted. Local Authorities both individually and collectively through London Councils should:

- Advocate for greater transparency from DWP about needs of their local residence and UC application performance including metadata on UC online, broken down by protected and other key characteristics (care leavers, ex-offenders, etc).
- Develop a minimum service requirement to ensure data sharing between DWP and London boroughs becomes mainstreamed into routine practice.
- Develop a consistent and co-ordinated campaign of Freedom of Information requests, to build a longitudinal timeseries of DWP data related to the roll out of UC.

Deliver practical solutions to local residents

Local Authorities should consider whether and how they can help streamline the process of applying for UC. This may require working more closely with Jobcentre Plus, and housing associations/landlords to share and internally verify key information. Other aspects include:

- Using the Boroughs' presence and existing relationship with residents to more clearly communicate the requirements of applying for UC e.g. providing information sessions through existing customer touch points.
- Reviewing their role in the verification process, including whether they can verify identification if more convenient or accessible to residents.
- Providing resources to ensure things are in place to successfully apply for UC including playing a role in helping to set up bank accounts on the behalf of residents, or have mobile phone access during the application process.
- UC claimants may not be fully informed about Council Tax Support locally available to them and therefore unable to benefit from it. London boroughs should review processes to ensure where eligible for such support, it is being offered, understood and taken up to reduce any unnecessary hardship.

4. Housing and homelessness

This chapter explores the evidence on housing policy and issues within London. After presenting a brief overview of the evidence reviewed during phase 1 of the research, it moves onto focussing on the Government's Right to Rent Policy. It was intended to explore whether landlords are effectively incentivised by the Government's Right to Rent policy (designed to create a hostile environment for undocumented immigrants) to employ discriminatory practices. In turn, this is likely to increase barriers experienced by BAME Londoners to the rental market. Given the demographic profile of London as well as its active private rented market, the effects of right to rent evidence are likely to be acutely felt by BAME groups. More recently, uncertainty around Brexit may have amplified barriers for EU nationals.

Broader housing context

The UK's housing crisis – in simple terms, a significant mismatch between the demand for and supply of homes – is at its most evident in London, where the 'perfect storm' of spiralling housing costs, capped benefits and a reducing supply of genuinely affordable homes to rent is leaving low income households (many working) with extreme choices about where and how they live their lives, with associated impacts on their capacity to work and study, their health and wellbeing, their support networks, and their communities.

These choices include (though are not limited to) ¹⁰⁴:

- i. living in sub-standard accommodation (around 19 percent of homes fall below the 'decent homes standard': there are health and economic implications for households, for example there can be high costs associated with heating homes that are not energy efficient);
- ii. living with other households as a means to afford a home instead of forming their own (as of 2016 there were an estimated 720,000 concealed family units in London, up from 380,000 in 1996); and,
- iii. moving to another London borough e.g. outer London, or out of London altogether.

An increasing number of households are simply unable to meet their needs, including working households: at the end of March 2017 there were 54,280 households in temporary accommodation, having sought assistance with their homelessness. Homelessness in London has been rising since 2010¹⁰⁵. Recent estimates suggest that 70 percent of households in temporary accommodation are

¹⁰⁴ Greater London Authority (2017) Housing in London 2017: the evidence base for the Mayor's Housing Strategy. GLA: London

¹⁰⁵ DCLG Live Homelessness Tables: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>.

placed there by London boroughs.¹⁰⁶ Lone parent families and families in employment accounted for largest groups housed in temporary accommodation (respectively accounting for, 49 percent and 45 percent of housed families). Showing a clear interaction between welfare reform and homelessness, households in this type of unstable accommodation are three times more likely to have been hit by the benefit cap, seeing their Housing Benefit entitlement fall and incurring additional costs to local authorities.¹⁰⁷ The Homelessness Reduction Act 2017, due for implementation in 2018, is not expected to reduce homelessness in London, where there simply isn't sufficient housing. Meeting these needs is costly for London's borough councils, who are increasingly beholden to the supply of expensive temporary accommodation from the private sector. Money spent on a crisis response means less to spend elsewhere on London's populations.

The need for crisis support is, unfortunately, increasing. Across England, the number of rough sleepers has increased to more than 4,000 in 2016, from fewer than 1,800 in 2010.

The demographics of the homeless population in London is different compared with the rest of the country and therefore London based data cannot be assumed as representative of deeply excluded populations elsewhere in the UK. People who become single homeless in London have been found to be significantly older than other regions. Homeless Link reported that almost 60 percent of single homeless people being over 40 years old.¹⁰⁸ Homeless people in London are also far more likely to be non-white and non-UK national.

London accounts for over one fifth of people sleeping rough, with Westminster LA consistently reporting the highest numbers. Particular subgroups of concern include Central and Eastern European migrants, former and current asylum seekers and illegal immigrants, which accounted for 20 percent, 9 percent and 12 percent of Multiple Exclusion Homelessness service users in Westminster respectively.¹⁰⁹ The numbers of people from Central and Eastern Europe sleeping rough increased 77 percent from 2011/12 to 2014/15 compared with a 28 percent increase among UK nationals during the same time period.¹¹⁰ Individuals who are sleeping rough are not represented in accommodation project data. Homeless Link's (2016) annual review of accommodation projects reported that less than 0.5 percent of service users were irregular or undocumented migrants, or people with no recourse to public funds

¹⁰⁶ Department for Communities and Local Government (2017) Homelessness. National Audit Office

¹⁰⁷ Policy in Practice, (2017). Low income Londoners and welfare reform: A data-led investigation into the causes and consequences of poverty. London: Trust for London.

¹⁰⁸ Homeless Link (2016) Support for single homeless people in England Annual Review 2016.

¹⁰⁹ Fitzpatrick S, Johnson S, White M (2011) Multiple Exclusion Homelessness in the UK Key Patterns and Intersections Social Policy & Society, 10(4) 501-512

¹¹⁰ Homeless Link (2016) Support for single homeless people in England Annual Review 2016.

which reflects the commissioning of such services to work with those eligible to claim Housing Benefit.

The recent [Fixing our broken housing market](#) White Paper outlined proposals to increase the supply of housing, primarily through changes to the planning system. Whilst welcomed by London councils, this was with the caveat that there simply is not enough land to meet the housing needs of the London population necessitating a discussion about meeting needs outside the capital and/or relaxing green belt development restrictions.¹¹¹

The White Paper also notably failed to describe other aspects of the ‘broken housing market’: the quality and suitability of existing homes in the private sector (there is no investment proposed to tackle this and there is insufficient capacity and powers in local councils to take enforcement action), and security of tenure in the private rented sector. On the latter point, proposals will only be relevant to new homes in this sector, yet loss of an assured shorthold tenancy is the main cause of homelessness in London and one in three private renters have lived in their home for less than a year. Frequent moves are known to have an impact on a household’s health and wellbeing, particularly children and young people, whose behaviour and educational attainment can be affected, and on community stability.¹¹²

Critically, the Housing White Paper and subsequent Conservative manifesto commitments in the run up to the election do not address the unmet need for genuinely affordable homes to rent – social rent. Indeed, policies and proposals remain in place that are expected to further deplete this tenure, whether this be through right-to-buy and the sale of higher value council homes, or through the choices social landlords are increasingly making about who can afford to live in their homes, which they may choose to re-let at up to 80 percent of market rent (an ‘affordable rent’). Whilst the Mayor has introduced plans and programmes intended to address this issue, for example the introduction of the London Living Rent, these are will be insufficient to meet demand.

Finally, the recent Grenfell Tower tragedy has exposed another pressing policy issue for local authorities, central government and housing sector stakeholders. Response and outcry to the tragedy is currently clouding the existing evidence about the state of social housing (and also private rented accommodation for low-income households), however, in the coming months there will be a pressing need for research into the quality of housing stock, and the relationship between tenants, social landlords, and local authorities. A call from within public health has become

¹¹¹ See for example, London First (2015). The Green Belt: A Place for Londoners? London First: London; Stringer B, Lloyd T, Jefferys P (2016) When brownfield isn’t enough: strategic options for London’s growth. Shelter: London

¹¹² See for example, Morris, T, Manley D, Northstone K, Sable CE (2017) How do moving and other major life events impact mental health? A longitudinal analysis of UK children 46 Health and Place, 257 - 266

vocal in understanding the “*causes of the cause*”¹¹³ with commentators calling for a wide ranging assessment of the social determinants of public health:

“The burnt out skeleton of the tower now stands as a symbol of growing inequality and injustice in the UK, casting a shadow over government policies towards the quality and availability of social housing...Poverty, coupled with a lack of political willpower, has put innocent lives at risk, and further cuts to public spending place society's most vulnerable individuals, including 300 000 people with disabilities, in danger of future disasters. A critical assessment of the health and safety of vulnerable populations in UK cities is well overdue.”¹¹⁴

Evidence on Right to Rent based discrimination

The Right to Rent scheme was introduced as part of the Immigration Act 2014, and required landlords or their nominated agents of privately rented accommodation to conduct checks on all new tenants to establish if they have a legal right to be in the UK. The scheme applies to all new tenancies starting on or after 1 December 2014. Prospective tenants can provide landlords with a number of documents to demonstrate either a permanent or time-limited right to rent. The landlord retains a copy of this documentation, which provides a statutory excuse, appropriate to the tenant's leave to remain at that time, against a civil penalty for renting to an illegal migrant. The scheme is based on landlords being able to undertake most of the checks themselves, as is the case with the checks employers carry out on new employees.

Although the Home Office evaluation¹¹⁵ of the Right to Rent pilot in the West Midlands does not contain enough data to make any definitive findings, it did anecdotally indicate potential signs of discrimination against vulnerable groups. Given that London's housing market is under much greater pressure than that of the pilot sites with landlords having a choice of tenants, there is potentially a higher risk that migrants and others who are unable to prove their eligibility will be discriminated against. This risk becomes higher still when considering the population profile of London, which is resident to 36.8 per cent of all the foreign-born population living in the UK.¹¹⁶

Research into the continued impact of welfare reforms also predicts a looming crisis within the private rented sector, as the share of private renters within the overall national housing benefit caseload is set to increase further in the future. Due to the shortage of new affordable social houses, growing numbers of low-income families are being pushed towards the more expensive private-rented sector putting it under

¹¹³ Sim F, Mackie P (2017) *Inferno – The causes of the causes* 150 Public Health, A1-2

¹¹⁴ Ahmed F, Ahmed N, Heitmueller A, Gray, M Atun R (2017) Smart Cities: health and safety for all 2(9) The Lancet Public Health, e298

¹¹⁵ Brickell C, Bucke T, Burchell J, Davidson W, Kennedy E, Linley R, Zurawan A (2015). Evaluation of the right to rent scheme. Home Office.

¹¹⁶ Rienzo C, Vargus-Silva C (2017). *Migrants in the UK: An overview*. Migration Observatory: Oxford

strain and pushing landlords to act in discriminatory ways. Mystery shopping undertaken as part of the Home Office led research found that, compared to prospective White British house seekers, BAME groups were more likely to be asked for references, the length of time they had lived in the local area, and be informed about rental and additional fees.

However, while the mystery shopping exercise suggested that there were a small number of instances of potentially discriminatory behavior or attitudes, there was no evidence of a difference in final outcome. Further, it is not possible to attribute this discrimination to the Right to Rent policy – such discrimination may simply reflect latent prejudice held by landlords in the private rented sector.

Like the findings with tenants, other qualitative research showed that respondents had not been aware, first hand, of discrimination linked to the scheme, but did raise concerns that it could be a potential unintended consequence.

An external assessment of the evaluation¹¹⁷ carried out by Joint Council for the Welfare of Immigrants of the pilot scheme found the current safeguards against discrimination of tenants, including BAME tenants was insufficient. It concluded that landlords are prepared to discriminate against those with complicated immigration status and those who cannot provide documentation immediately, that many landlords have found the checks and the 'Code of Practice on Avoiding Discrimination' and the 'Code of Practice for Landlords' confusing and have therefore implemented them incorrectly, and that the policy has not and will not achieve its stated aim to deter irregular migration or prevent irregular migrants from settling in the UK.

This research is supported by survey research carried out by the Residential Landlords Association¹¹⁸, which indicates that the Right to Rent policy may reduce the likelihood of landlords renting to individuals who have nothing short of a British passport; the survey of landlords conducted as part of this study, suggested that 42 percent of landlords were 'less likely' to rent to someone without a passport because of the Right to Rent scheme.¹¹⁹

Recommendations

As with the in-work poverty and UC process strands of this research, the review of literature was meant to be supplemented by additional primary research and stakeholder workshop.

Unlike the other strands of the research, which focussed on engaging London residents and frontline services who had experienced adverse effects flowing from

¹¹⁷ Grant S, Peel C (2015). No passport equals no home: an independent evaluation. JCWI: London

¹¹⁸ Simcock T (2017) State intervention into renting: Making sense of the impact of policy changes. Residential Landlords Association: Manchester

¹¹⁹ It should be noted that the precise question that was put to landlords was: "Are you now less likely to consider letting to any of the following groups as a result of the 'right to rent' scheme?" which may influence the response to the question

these phenomena, the research team attempted to engage landlords in this phase of the research. However, despite repeated attempts and exploration of several alternative recruitment avenues, the research team failed to engage landlords, and subsequently no landlord based focus groups were conducted.

Despite this, methodologically, gearing primary research activities towards landlords as opposed to affected Londoners or frontline advisers and support service is appropriate for several reasons for this:

1. The nature of Right to Rent based discrimination meant that identifying individuals affected by the policy to recruit into a focus group would be impractical within the time frame.
2. Identifying individuals who had been unlawfully discriminated against because of the Right to Rent policy would prove highly challenging. Indeed, whether or not individuals themselves were able to recognise they were being unlawfully discriminated against within London's highly active private rental market is in itself unlikely unless such discrimination was overt and specific.
3. Discussions with London based frontline housing advice providers and local authority housing support teams suggested they had no experience of supporting London residents overcome unlawful discrimination they may have experienced. Their lack of experience in providing this type of support would mean their engagement in a focus group or stakeholder workshop would provide little 'real world' insight.

Discussions with London borough housing teams and advice sector representatives suggested that adverse effects of the Right to Rent policy, were obscured to the point of negligibility by more substantive drivers of housing disadvantage related to the availability of affordable housing, the quality of housing, and debt (specifically rent arrears) due to welfare reform. Indeed, London Councils have echoed concerns about inadequacy of current and projected housing supply within their response to the Fixing Our Broken Housing Market White Paper¹²⁰. The response highlights that the proposals "do not go far enough in giving local planning authorities more control over development in their areas and will not achieve the Government's aim of increasing the supply of housing and accelerating development." Though recognising that London boroughs have an important part to play in enabling development, the proposals should do more to compel developers and house builders to build out permissions.

In order to meet the housing needs of particular, often vulnerable, groups, London Councils have stated that responsibility for this should not only fall on local planning teams, but should also involve a range of other services. Acknowledging the benefits

¹²⁰ London Councils (2017 Unpublished) Housing White Paper: Fixing Our Broken Housing Market.

of devolving responsibility for local policy setting, London Councils have called for cross-departmental involvement to be explicitly reflected in national policy:

“The housing and adult social care departments of local authorities have expertise and data on the specific housing needs of vulnerable groups and the supply of supported housing in local authority areas. It should be made clear in national policy that data needs to be shared between departments for these policies to be effective. Policies should also be evidence based and tailored to meet local needs rather than a requirement for generic policies for prescribed groups.”

When these discussions are viewed alongside the limited and qualified existing evidence base, there is a clear evidence gap that warrants more specific and intensive research. Quantifying the size of the issue and identifying affected Londoners will be a significant challenge – while frontline services reported this form of unlawful discrimination as not being a pressing issue for them, this does not necessarily mean that it is not experienced by Londoners. Indeed, it may reflect an unmet need of the community, many of whom may fail to recognise that they are being unlawfully discriminated against, or if they do fail to recognise their recourse to response.¹²¹

In the first instance, it is recommended that research directly with London landlords is conducted. This would be the most efficient way to explore the veracity of Right to Rent based unlawful discrimination. Despite the difficulties encountered in engaging landlords in this and other research¹²², the alternative would be to identify individuals who have experienced unlawful discrimination, which would be methodologically far more difficult.

¹²¹ See Pleasence, P, Balmer N, Reimers S (2011) What Really Drives Advice Seeking Behaviour? Looking Beyond the Subject of Legal Disputes 1(6) Oñati Socio-Legal Series: <http://opo.iisj.net/index.php/osls/article/viewFile/56/227>

¹²² For example, the RLA survey referred to above, appears to have achieved less than a 5 percent response rate (see Simcock T (2017) State intervention into renting: Making sense of the impact of policy changes. Residential Landlords Association: Manchester).

Intersectionality and interaction

This review has clearly demonstrated certain population groups feature commonly across all of the broad social policy areas considered. People with disabilities, single parent households, and London's migrant community featured regularly across this report. There was a clear overlap between groups experiencing issues related to in-work poverty and to the UC application process; they could broadly be characterised as living in low income households. Further, low income and benefits receipt are likely to conflate with having challenges accessing good quality housing.

Intersectionality

While some existing literature captures intersectional evidence on various protected characteristics, such as age and ethnicity which shows that BAME youth are disproportionately adversely affected in the labour market compared with their White counterparts, and gender and ethnicity which shows the same trend for women compared to their male counterparts, the majority of research conducted to date tends to view inequality through a lens of 'single' disadvantage as opposed to viewing the complex or multiple disadvantage the most vulnerable often experience. Where research and analysis does effectively explore intersectionality of inequality in detail, it often sets out to specifically explore this as a focus of the study; for example, work carried out by Sarah-Marie Hall *et al*¹²³ which explored the impact of austerity on BAME women. Such research relies on accessing data of sufficient scale to be able to identify a disproportionate trend with statistical confidence – achieving this level of confidence can be challenging when considering that groups experiencing intersecting inequality usually account for a small proportion of the overall population.

An alternative approach to understanding how personal characteristics and circumstances intersect to disadvantage individuals is to do so qualitatively to gain insight into the 'lived experience' of multiple disadvantage. While this approach is more manageable by removing the need for scale, it does not so freely allow comparison with other population groups in order to understand the magnitude of the disadvantage experienced, which reduces its utility as a tool for equalities impact assessment. However, such an approach would be fitting in the tradition of research into intersectionality, and would provide a deep insight of how personal characteristics manifest into disadvantage.

Overall, this presents limitations for this report which seeks to provide an intersectional analysis of who in London is experiencing disadvantage across a range of social welfare issues. Despite highlighting examples of how intersectionality can work to adversely affect vulnerable groups, much of this has relied on isolating

¹²³ Hall S.M, McIntosh K, Neitzert E, Pottinger L, Sandhu K, Stephenson M.A, Reed H, and Taylor L, (2017). *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK*. Women's Budget Group and Runnymede Trust with RECLAIM and Coventry Women's voices

individual studies as there are an insufficient number of studies to provide a detailed understanding of the interaction between different forms of social disadvantage.

Part of this is shaped by the form of this study, which, in phase 2 explored issues thematically, as opposed characteristically on specific population experience. This reflects the nature of the research reviewed, which often provided relatively standardised analysis by the broad socio-demographics defined as ‘protected characteristics’; consideration of intersectionality of characteristics was carried on an ad-hoc basis. For the purposes of equalities impact assessment, this level of analysis was appropriate to discharge public bodies statutory duty to have ‘due regard’ to equalities and diversity¹²⁴ and continues to be used to demonstrate compliance with the public service equality duty. More recently, there have been calls to get a better understanding of intersectionality and the experience of multiple disadvantage going beyond the protected characteristics¹²⁵.

Interaction

As noted, some population groups appeared across the three policy areas as being disproportionately affected, suggesting an interaction between issues and possibly the experience of concomitant problems touching on the experience of low paid work, having difficulties accessing benefits, and facing housing issues (e.g. rent arrears and eviction).

As a consequence of the existing evidence base being largely structured around focussing on a single policy issue, it is difficult to fully understand how employment and skills, welfare reform and housing policy interact, particularly within a London context. Hence, while it is possible to say single BAME mothers are significantly disadvantaged by welfare reforms and UC, relevant findings related to this group are not available when considering in-work poverty. Likewise, while young males were also singled out by focus group participants as being vulnerable to adverse consequences of the delay in UC payments; this was not reflected elsewhere. These examples demonstrate the limitations of looking at intersectionality on a thematic basis as the consequences of experiencing ostensibly the same issue may have very different consequences¹²⁶.

The examples do, however, also demonstrate the nuance of understanding intersectionality where two very different groups experience the same process but respond and are impacted in vastly different ways. Attempting to quantify or assess the relative disadvantage in this would not be appropriate and such issues may be better explored on a ‘group-by-group’ basis. Looking at specific groups individually is

¹²⁴ The statutory duty to conduct equalities impact assessments for policy decisions was removed by the Equalities Act 2010

¹²⁵ See for example Fisher, G (2015) The Complexity of Severe and Multiple Disadvantage. Lankelly Chase

¹²⁶ The focus group elaborated that single BAME mothers often ‘went without’ and that their children did not enjoy the opportunities that many of their peers had; in contrast young males were identified as being especially vulnerable to mental health issues as a consequence.

likely to provide a much deeper understanding of their specific needs which in turn could lead to the development of more effective policy interventions.

Recommendations

It is telling that across all of the studies reviewed, only one specifically focussed on intersectionality¹²⁷. There is evidently a pressing need for more research in this vein – primarily framed around the population concerned to understand their experiences within a social context. Given the absence of any coordinated research activity, London Councils may want to consider how to develop a London specific understanding of intersectional and multiple disadvantage with an equalities and diversity context.

In the first instance, there should be a request to increase the prominence and range of data related to intersectional inequality presented as part of London's Poverty Profile, developed by Trust for London emulating elements of JRF's Monitoring Poverty and Social Exclusion report series¹²⁸.

Using its position to advise its members, London Councils could also look to support individual boroughs to conduct discrete pieces of relatively small-scale research with targeted local populations. Coordinating this research activity could ensure that insight from diverse range of populations groups is obtained from across London, while at the same time keeping the burden placed on any one council to a minimum. Viewed collectively, this could provide a powerful resource to understand the different needs of London's numerous communities and groups that could benefit all London boroughs.

By way of example, such a resource could be especially useful when developing the Universal Support offer (in line with the recommendation noted previously with regards to in-work poverty and UC transition). It would allow boroughs to more accurately identify all the 'core' elements of support, as well as supplementary support that may be required by different people.

Realistically, many boroughs will not have the capacity to build intersectional inequality into their usual equalities impact assessments, nor are they likely to look beyond the immediate policy of concern to fully understand how it may interact within the prevailing policy context to exacerbate disproportionate disadvantage. This leaves an important knowledge gap which London Councils may be able to at least in part, address.

¹²⁷ Hall SM, McIntosh K, Neitzert E, Pottinger L, Sidhu K, Stephenson MA, Reed H, Taylor, L (2017) *Intersecting inequalities. The impact of austerity on black and minority ethnic women in the UK*: Women's Budget Group

¹²⁸ For the most recent report in the series see Tinson A, Ayrton C, Barker K, Barry Born T, Aldridge H, Kenway P (2016) *Monitoring poverty and social exclusion 2016*. JRF

Annex A: Phase 1 selected papers

London Councils (Unpublished). Apprenticeship Levy Borough Survey Responses, London Councils

Beatty C, Fothergill S (2013). Hitting the poorest places hardest: The local and regional impact of welfare reform. Centre for Regional Economic and Social Research and Sheffield Hallam University. Available at: https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/hitting-poorest-places-hardest_0.pdf

Bivand P (2015 - Unpublished). Low Pay and Progression in Greater Manchester. Learning and Work Institute

Bivand P, Simmonds D (2014). The Benefits of Tackling Worklessness and Low Pay. Joseph Rowntree Foundation.

Brickell C, Bucke T, Burchell J, Davidson W, Kennedy E, Linley R, Zurawan A (2015). Evaluation of the right to rent scheme. Home Office. London. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/468934/horr83.pdf

Catney G, and Sabater A (2015). Ethnic Minority Disadvantage in the Labour Market: Participation, Skills and Geographical Inequalities. Joseph Rowntree Foundation.

Centre for Economic and Social Inclusion (2015). Get young people working - the youth offer. City Bridge Trust. Available at: <https://1vfva1igmeah9lhs11aj1e1d-wpengine.netdna-ssl.com/wp-content/uploads/2016/06/YouthOfferFinalEvaluationReport.pdf>

Centre for Economics and Business Research (2015). London housing – a crisis for businesses too: A report for Fifty Thousand Homes. Fifty Thousand Homes. Available at: <http://www.londonfirst.co.uk/wp-content/uploads/2016/04/CEBR-report-Londons-housing-crisis.pdf>

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Annex B: Phase 2 Options

London Councils Equalities Research: Phase 2 options

This paper presents the options to carry forward into Phase 2 of the London Council's Equalities Research, suggested and agreed by the Learning & Work Institute (L&W), and the London Councils' Equalities Research Steering group. The recommended areas of focus were identified through:

1. The trawl of evidence and interviews with stakeholders
2. Consideration of the relevance to London (through the input of the Steering Group)
3. An assessment of how effectively the issues can be explored within the confines of the methodology and timescale proposed for phase 2.

The table below presents each area of focus, the methods (providing more detail around the focus groups L&W intend to conduct), and the anticipated aims and intended outcomes of the policy workshops, which are to be conducted towards the end of the project (mid-late November)

Areas of focus	Methods	Workshop aims and outcomes
In-work poverty: has intersectionality with skills, welfare reform, housing and employment. A growing concern for the UK given the scale of the problem, but starker in London due to the cost of living.	<p>Focus group to be conducted with Londoners currently trapped in low income and insecure work, to explore their experience of in-work poverty, what they expect will happen if things continue as they are, and what they think would help them bridge any challenges they are experiencing in the short and medium term.</p> <p>A second focus group with community organisations, employers, Housing Officers and welfare rights advisers will explore how they are responding to the challenge, service implications (or for employers' resource and productivity implications).</p>	<p>What: Understand the drivers of in-work poverty and its consequences, and how these consequences may manifest in a London context.</p> <p>How: What solutions are there to help lift households out of in-work poverty, considering the growth of insecure work, the reduced availability of training and courses (with a focus on ESOL), upward pressure on the cost of living and, welfare reforms (e.g. Tax Credits, and the benefit cap)</p>
Right to rent based discrimination: building on evidence that landlords are effectively incentivised by	Subject to viability, we will convene focus groups with landlords (and associated representative	What: Data from the evidence trawl, and focus groups will provide an understanding of

<p>this policy to employ discriminatory practices, increasing barriers experienced by BAME Londoners to the rental market. Given the demographic profile of London as well as its active private rented market, the effects of right to rent evidence are likely to be acutely felt by BAME groups. More recently, uncertainty around Brexit may have amplified barriers for EU nationals.</p>	<p>bodies) to explore the precise effects on their behaviour as a result of the right to rent policy, to understand how they implement the policy in practice, and the risks that the policy exposes them to.</p>	<p>landlords' decision making and its consequence for BAME populations.</p> <p>How: What areas of landlord decision making are open to influence, to reduce adverse E&D impacts of the policy? How can the risks landlords are exposed to be mitigated at the same time? What additional activity needs to occur by others/elsewhere to reduce adverse effects on London's BAME population?</p>
<p>Universal Credit (UC) process, which seeks to deliver an initial payment to new claimants in 6 weeks is itself creating financial hardship. For many the wait is considerably longer and subject to administrative error. This in turn leads to increased pressure on local services and crisis support, and has had significant consequences on claimants (e.g. rent arrears and priority debt, going without, destitution). Cost of living within London is likely to make this an acute issue for Londoners. As the pace of UC full service rolls out further, the scale of adverse consequences due to procedural weaknesses will increase.</p> <p>To be decided: This phase can be looked at across the claimant population, or</p>	<p>Focus group with claimants in London Full / Live Service areas who have experienced difficulties in claiming UC. The scope of these focus groups will be confirmed once a decision on the range of claimants to engage has been agreed.</p> <p>A further focus group with front line services (such as CAB and Law Centres, health/wellbeing services, foodbanks, community services and housing associations). The focus group will explore the full range of the consequences claimants are experiencing, the scale of the issue, and the operating pressures of the organisations (critically, are they able to meet the demand from claimants).</p>	<p>What: Provide a deep understanding of the issues claimants face as a result of the introduction of UC, specific to London, and the pressure this is causing elsewhere.</p> <p>How: Develop solutions based around the following themes:</p> <ul style="list-style-type: none"> > Bridging support – what can be done in the short term to minimise adverse consequences of UC roll out > Operational recommendations – how can the existing process be supported to minimise risk to claimants > Policy and campaigning – is there a common policy position that stakeholders (inc. London borough) can take.

focussed in on specific populations. The Steering Group suggested Asylum Seeker and Refugees would be one such group, due to inconsistency between the 'move on' period to claim benefits, and the UC process.		
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Other options were presented to the steering group, but were excluded for the following reasons:

1. **Apprenticeships:** exploring why BAME populations do not access apprenticeships; clustering of BAME and women towards entry level apprenticeships and evidence they are less likely to progress. *Excluded due to the level of research activity currently occurring (inc. by L&W)*
2. **Making the gig economy work for Londoners:** how can people be insulated from job insecurity, income volatility, and employer exploitation. *Excluded as legislative solution being explored following the publication of the Taylor review. Is also likely to be covered as part of in-work poverty.*
3. **Homelessness (specifically rough sleepers):** worrying rise in visible rough sleepers, with correlation drawn to welfare reforms; Government's approach described as too light touch, and not strategic. *Excluded: Homelessness Act 2017 may provide a legislative solution, also no clear E&D angle.*

Devolution of the London Criminal Justice Service

Introduction

1. The overarching Memorandum of Understanding (MoU) on further devolution to London, which was agreed between Government, the Mayor and London Councils in March 2017, included a commitment to agreeing a specific Criminal Justice MoU. The intention of the Criminal Justice devolution MoU is to:-
 - Develop a shared view of the benefits and better outcomes in London that could be delivered by the devolution of criminal justice services; and
 - Identify the criminal justice services that can best be delivered locally to complement, enhance and support national reform programmes, in line with national frameworks and standards.
2. An update on progress was provided to Leaders' Committee in October 2017 and there have been regular updates to the London Crime Reduction Board (LCRB). The LCRB is chaired by the Mayor of London and includes three Leaders who are nominated by Leaders' Committee (Cllr Kober, Chair; Cllr Peck, Executive Member for Crime and Public Protection; and Cllr Cornelius, Conservative Group Lead Member for Crime and Public Protection).
3. In October 2017, Leaders' Committee delegated authority to the three London Councils Member-level representatives on the LCRB to consider and approve the final MoU once completed. The current ambition is for the working text to be agreed with officials by the end of January 2018.
4. The December 2017 LCRB meeting confirmed the broad framework which underpins the draft MoU. The overarching objectives are to initiate changes to policy, commissioning and oversight that mean London is more empowered to:
 - reduce the current levels of offending and reoffending,
 - reduce victimisation and repeat victimisation, and provide a better service to victims.
5. The priority areas for inclusion within the MoU have been agreed as:
 - Youth Justice
 - Female offending
 - Adult offender management
 - Electronic Monitoring

- Victims and Witnesses
- London Community Rehabilitation Contract

Criminal Justice Devolution

6. The MoU is designed to set out a programme for national, regional and local government to work together to improve services and create better outcomes for London. It is hoped that the MoU will be seen as the start of longer term collaboration, and a gateway to possible further devolution to improve services for Londoners.
7. The outcomes expected from the MoU, which align with the Mayor's Police and Crime Plan, include:-
 - Reduction in First Time Entrants and reoffending amongst young offenders, especially in more vulnerable cohorts;
 - Reduction in adult persistent offending and reoffending (male and female);
 - Improved compliance and supervision of offenders on licence or subject to community sentences;
 - Improved service for London's victims and witnesses throughout their journey through the criminal justice system and a reduction in repeat victimisation.
8. It is hoped that these outcomes will be achieved by identifying areas and testing where devolution could support this aim. Areas identified during discussions with the MoJ and MOPAC include:
 - MoJ, MOPAC and London Councils making a commitment to drive improvements *'to the (community led) youth offending response across London. Increasingly working across boundaries, whilst strengthening the foundation of local delivery through Youth Offending Teams. To include working between YJB [Youth Justice Board], MOPAC and London Boroughs in relation to:*
 - *Redesigning non-custodial youth justice funding arrangements.*
 - *To better align investment and to ensure it is targeted on where the need is greatest;*
 - *Trial devolution of funding, through a sub-regional pilot.'*
 - Reviewing the use of custody for under 18s in London and develop recommendations for more effective custodial solutions.
 - Explore opportunities to co-commission a Secure School for young offenders in London, subject to a suitable location being identified.

- Increased influence over the management of the London Community Rehabilitation Company (CRC), which should improve working links with London boroughs and help improve local performance – there is some potential for agreeing a bespoke London model as part of the next round contract commissioning for 2022 onwards.
- Testing more commissioning of adult offender support services in London, on behalf of and as agreed with the National Probation Service.
- Securing a new women's centre in North East London and committing to work together to develop more suitable supported accommodation for female offenders in London.
- Developing more effective alternatives to custody for London's female offenders.
- Developing a London electronic monitoring strategy to make its use more effective in the capital.
- Exploring the opportunity for devolution of victim and witness support services in courts to provide a more consistent offer to all victims and witnesses of crime in London.

9. The MoU has the potential to deliver a range of benefits to boroughs in their wider work to reduce crime and improve public safety. These include:-

- Increased accountability in relation to the management of the London community rehabilitation contracts will provide a foundation to improve working links with local authorities and help improve local performance – to help tackle concerns raised by boroughs regarding the effectiveness of partnership working with the London CRC.
- Potential to support improvements to the youth offending response across London, with scope for improved working across boundaries, whilst allowing investments to be used more effectively to support an integrated local response.

Potential opportunities include:-

- Seeking increased investment in areas where youth offending levels are highest by simplifying and better aligning commissioning and the distribution of funding – ensuring London is in a stronger position to safeguard current levels and ultimately drive up investment.
- Collaboration between groupings of boroughs to provide more consistent custody, resettlement and support services to young offenders across London and avoid duplication of services.

- An increased focus on the critical transition from the youth justice service to the adult system.
- These opportunities, combined with local Youth Offending Teams' expertise and ability to integrate with other local interventions and services, should reduce youth reoffending across local communities.
- Diverting appropriate female offenders away from the formal criminal justice process and into specialist support services has the potential to reduce reoffending and improve rehabilitation in a way that benefits local communities.
- A more joined-up, integrated, London-focussed approach to the support for victims and witnesses in London could help reduce the number of court cases that fail due to victims and witnesses declining to cooperate with authorities or withdrawing, which is a frequent problem within London.
- More effective use of electronic monitoring across London should result in better compliance with community sentences to reduce reoffending.

Areas for Consideration

10. At the December 2017 LCRB meeting, Cllr Peck argued that the proposals for youth justice reform and associated funding realignment merited a wider conversation with Leaders before the MoU was finalised. The potential outcomes relating to youth justice reform are of particular importance for London local authorities, given boroughs' front line role in the provision of youth offending services.
11. Cllr Peck requested a more detailed paper setting out what the youth justice reform proposition might entail in practice. A paper prepared by officers is attached as Appendix A.
12. The paper illustrates how the proposed commitment to collectively driving improvements to the (community led) youth offending response across London might operate in practice:
 - Analysing allocation against need for non-custodial youth justice funding arrangements
 - Exploring options for better aligning investment with need and identifying where regional partnerships can better support delivery
 - Trialling devolution, through a sub-regional pilot

13. The paper goes on to illustrate how groupings of boroughs could be invited to take part in a sub-regional pilot to test the benefits of cross-borough working and to demonstrate the economies of scale needed for specialist interventions. A working group of Boroughs, MOPAC and YJB would oversee the process and seek to identify resources that could be pooled for better impact.

14. The paper sets out a phased approach to the pilot, as follows:

- Agree Pilot Area – It is envisaged that a working group of boroughs, London Councils, MOPAC and YJB would agree areas for sub-regional co-commissioned services and seek to identify resources that could be pooled for better impact.
- Test Co-commissioning Opportunities – Whilst these areas would need to be agreed with the boroughs involved, initial discussions suggest that local areas might benefit most from co-commissioning in the following areas:
 - Sexual Offending
 - Appropriate Adults services.
 - BAME overrepresentation –
- Understand and Analysing Funding – MOPAC, YJB and London boroughs would work together to better understand how all funding streams are currently used.
- Working with London boroughs and wider partners to explore how a different approach may be able to better delivery specific areas of work. This could potentially encompass new approaches to: Prevention, developing alternatives to custody and resettlement following a custodial sentence

15. The proposed work between YJB, MOPAC and London Boroughs to *‘redesign youth justice funding arrangements..... to better align investment and to ensure it is targeted on where the need is greatest’* could provide a platform for a fairer distribution of YJB funding in the future, recognising that patterns of demand have changed over time. However, it also raises the prospect of turbulence in the current levels of funding. Reassurance might be offered to boroughs if it was made clear that any changes to funding would not be considered or implemented until the pilot had been evaluated.

16. The proposals for governance of a devolved settlement are relatively undeveloped and rely principally on oversight from the LCRB. If it was judged that significant devolution of powers or funding was likely to take place, London boroughs would want firmer

assurances about their involvement and representation in the governance arrangements.

Conclusion

17. Officials are working towards producing a final draft MoU by the end of January, to be considered for sign-off in early February 2018. The sign-off process will require a commitment from all involved (MOPAC, MoJ, London Councils) to move forward with the MoU.
18. London government – the Mayor and the boroughs – has continued to engage in devolution negotiations with the MoJ with the aim of securing further progress towards a more devolved criminal justice service in London. The three London Councils Member-level representatives on the LCRB will have oversight as the final draft MoU nears completion, and a further update report will be submitted to Leaders' Committee on 7 February 2018.
19. London local government will also want to be prepared for further tangible opportunities to unlock devolution of powers or funding that could emerge as a result of the commitments to collaborate and work in partnership which is central to the MoU.
20. The discussion under this agenda item will provide Executive with the opportunity to:
 - Consider and comment on the progress of London government's work towards a more devolved criminal justice service for London; and
 - Provide guidance on shaping the closing stages of negotiations with Government and the Mayor's Office for Policing and Crime.

Background Papers

Appendix A: How the proposed commitment to collectively driving improvements to the (community led) youth offending response across London might operate in practice:

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this paper.

However, core elements of the propositions are targeted at improving outcomes for groups of people with protected characteristics, notably improving employment outcomes for disabled people.

Appendix A: How the proposed commitment to collectively driving improvements to the (community led) youth offending response across London might operate in practice:

Date: 18 December 2017

Introduction

- 1.1 The March budget statement included a commitment for a Memorandum of Understanding (MoU) between MoJ and London, including a joint commitment to work towards the devolution of some elements of the criminal justice system.
- 1.2 Youth offending is one of these priority elements for London. The pattern of funding for London's borough based Youth Offending Services is complex and fragmented¹. The level of resources available have reduced whilst the need and demand for youth offending services is increasing. It is arguably timely to explore innovative solutions, including collaborative working across borough boundaries.²

Background

- 2.1 Youth Offending Teams were introduced in 2000 as a result of the Crime and Disorder Act 1998. Youth offending services have significantly reduced the use of custody for young people in the past two decades; however they are likely to face further challenges over the next two decades.
- 2.2 Youth Offending Teams in London have faced significant resource pressures, with the YJB grant funding to London having been reduced by 31% since 2012. Furthermore, Local Authority core funding to YOTs is under increasing pressure.
- 2.3 The funding for YOTs comes from multiple sources (local, regional and national) each with their own reporting mechanisms. Overall the main funding source in London is the YJB grant (at £11.4m). This funding is allocated according to a historic formula based on population, deprivation and geographical size. There is arguably no longer a clear relationship to the needs of young offenders, volume of offenders or reducing reoffending outcomes. As a result, some London YOTs with the greatest need and demand such as Croydon are under resourced.
- 2.4 Despite the successes of London's youth offending teams in recent years, they are facing both entrenched and newly emerging challenges:
 - London's youth reoffending rate is stubbornly above that of England & Wales (47.4% compared to 41.8%).
 - The reoffending rate for those leaving custody is significantly higher than the overall youth reoffending rate (69.6% compared to 47.4%).

¹ Youth Offending Services are funded by three main partners – YJB (through the youth justice grant), Local Authorities and MOPAC (through the LCPF direct funding, specific programmes and MPS resources). However, other sources of funding include health, London CRC and NPS.

² Richmond and Kingston Local Authorities jointly commission a Youth Offending Service that operates across the two boroughs.

- Despite previous successes in reducing numbers First Time Entrants (FTEs) reductions have stagnated in London over the last 4 years.
 - The proportion of BAME FTEs has increased whilst the proportion of white young people has decreased - in 2006 BAME offenders made up 31% of FTE compared to 40% in 2016. This disproportionality increases as young people progress through the system.
 - The types of offences young people are entering the criminal justice system for has also changed - In 2016/17, 21% of all juvenile FTE were for possession of weapons – this compares to just 7% in 2006/07.
- 2.5 And against this back drop of complex needs and reducing investment, demand in the system has also increased with the vast majority of young offenders are now managed in London's communities by YOTs - just over 6000 compared to 251 currently in custody.

Driving Improvements to youth justice services in London

- 3.1 MOPAC, MoJ and London Councils are giving consideration to agreeing a number of commitments to collectively drive improvements to the (community led) youth offending response across London. It is currently envisaged that this would encompass:
- Analysing allocation against need for non-custodial youth justice funding arrangements
 - Exploring options for better aligning investment with need and identifying where regional partnerships can better support delivery
 - Trialling devolution, through a sub-regional pilot
- 3.2 A degree of sub-regional working could benefit local areas by delivering efficiencies and economies of scale needed for specialist interventions where boroughs don't have the resources or number of offenders to effectively commission.
- 3.3 It is proposed that the new approaches detailed above be tested through a measured and phased approach to enable the impact of changes to be fully evaluated and understood. As a first step it is proposed that a grouping of boroughs be invited to take part in the following Sub Regional Pilot.

Sub-regional Pilot - Phased Approach

Agree Pilot Area - A working group of Boroughs, London Councils, MOPAC and YJB to develop a sub-regional pilot³ and seek to identify resources that could be pooled for better impact.

- 1. Testing Co-commissioning Opportunities** - Working with the boroughs we would agree areas for sub-regional co-commissioned services. Whilst these areas would need to be agreed with the boroughs involved, initial discussions suggest that local areas might benefit most from co-commissioning in the following areas:

³ An appropriate scale for a pilot might be of the order between a quarter and two thirds of London (8 and 11)

- Sexual Offending Services – These offenders cause high harm to our communities and require specialist intentions but the numbers of offenders are low by borough making it difficult to commission the right provision locally. A sub-regional sexual offending service would provide economies of scale but more importantly ensures offenders access appropriate services, reduces reoffending and the high risk of harm to future victims.
- Appropriate Adults services – Each borough YOT has a legal duty to provide appropriate adults for young people in their geographical area. But quality of service varies. A sub-regional appropriate adult service would improve provision (where needed), provide a standard service and provide efficiency savings by commission one service instead of multiple services.
- BAME overrepresentation - BAME young people are over represented in London's youth justice system, particularly those sentenced to custody. Yet there are few targeted interventions for these young people. A sub-regional resettlement service with specialist support for BAME offenders could address this gap.

2. Understanding and Analysing Funding – MOPAC, YJB, and London boroughs would work together to better understand how all funding streams are currently used. By analysing and testing the potential impact of pooling investment, and allocating and targeting funding differently we would hope to understand the potential change across London and better plan for future devolution to London. The devolution of elements of the funding in the pilot area (from the YJB to London) is being discussed with the MoJ for potential inclusion within the MoU, alongside appropriate governance arrangements (under the umbrella of the LCRB, which would include the Mayor, MOPAC and strong borough representation).

We would also work with MoJ to understand if there are any other pots of funding that are centrally distributed that can be allocated (ie matched funding for currently funded European Social Fund programmes and any possible DfE or DWP funding)

3. Exploring structural / policy areas to support more effective delivery –Working with London boroughs and wider partners to look at how a different approach may be able to better delivery specific areas of work. As with co-commissioning this approach would be agreed in partnership, however, areas we think could be structured differently to better support this are:

- Prevention
- Sentencing – developing alternatives to custody and improving engagement with judiciary.
- Placements to prison
- Resettlement following a custodial sentence

MOPAC propose that this work stream be overseen by the Safer Children and Young People Board with a sub-group of the board set up to drive delivery. These governance mechanisms would report to DMG and LCRB as this structure and membership is already invested in this area of work.

London Crime Prevention Fund (LCPF) Co-Commissioning Fund , which brings together London partners to co-design, co-commission and co-deliver services, has demonstrated the interest for co-commissioning across London boroughs and more collaboratively with the VCS. The application process for the first tranche of funding has been a driver to initiate different and more collaborative responses to ingrained problems. This new approach to commissioning in London is still in the early stage, and there is plenty of opportunity to continue to refine and improve, but has also proved helpful to highlight particular challenges within certain policy areas.

A high number of the expressions of interest submitted to tranche 1 of the co-commissioning fund were for youth offending services, which demonstrated the demand and need, but unfortunately did not score highly against the criteria and only one passed through to Expression of Interest round. The LCPF working group will be running a review on why is the case and to identify learning to inform future proposals (and to inform this proposal) but there are clearly structural challenges, which makes collaboration both between boroughs and with VCS difficult in this area. With funding tighter than ever and demand no longer declining and starting to go up, more cross borough collaboration and integrated investment is essential.

Executive

Devolution and Public Service Reform Item No 6

Report by: Doug Flight **Job title:** Head of Strategic Policy

Date: 16 January 2018

Contact Officer: Doug Flight

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Summary:

This paper reports on London government's work on devolution and public service reform – including updates regarding the progress against the Memorandum of Understanding with Government on further devolution to London, particularly in relation to:

- Further Business Rates retention
- Adult Education Budget and wider skills devolution
- The London Work and Health Programme
- Industrial Strategy
- Health devolution
- Housing

Recommendation: Members of the Executive are asked to:

- Consider and comment on the progress of London government's work on devolution and reform.
 - Provide guidance on shaping the next stage of London's negotiations with Government.
-

Devolution and Public Service Reform

Introduction

1. London Borough Leaders have driven a programme of work in pursuit of devolution and reform of public services in London, working closely in partnership with the Mayor of London and the GLA. This led to a programme of joint action that being taken forward following the Mayor's Devolution Summit in July 2016, followed by an agreement between Government, the Mayor of London and London Councils of a Memorandum of Understanding (MoU) for further devolution to London, announced as part of the Spring Budget in March 2017.
2. The MoU provides a platform for work by the Government, the GLA and London Councils to bring forward devolution of additional powers, freedoms and flexibilities for London government. The key themes for further devolution to London agreed in the MoU include the development and funding of infrastructure through a Development Rights Auction Model, a commitment to explore business rates retention, investment to tackle urban traffic congestion, and commitments to further health, housing, criminal justice, skills and employment devolution. The Chair of London Councils and the Mayor have been meeting with Ministers on this agenda throughout the devolution process.
3. Leaders' Committee, Congress of Leaders and Congress Executive have received regular reports regarding devolution and public service reform during the past year. The Congress of the Mayor of London and Leaders last met on 10 October 2017 to note progress towards the London devolution agreement with Government and to consider the opportunity for London to pilot full business rates devolution from April 2018.
4. This paper provides an update on London government's continuing negotiations with Government in relation to the MoU and wider devolution issues, in particular the following areas:-
 - Further Business Rates retention
 - Adult Education Budget and progress towards wider skills devolution
 - London Work and Health Programme
 - Industrial Strategy
 - Health devolution
 - Housing

Business Rates

5. At Congress of Leaders in October 2017, Leaders and the Mayor agreed to support in principle an application to Government for a London-wide business rates pool for 2018/19 that would pilot elements of a 100% retention scheme. It was also agreed that, in the event that the pilot pool continues, it should not last for more than two years (i.e. beyond 2019/20) without a positive recommitment by all participating authorities.
6. As reported to Leaders' Committee in December 2017, the Autumn Budget formally confirmed that the London pilot of 100% business rates retention in 2018-19 had been agreed. The terms of the 100% pilot were agreed via a MoU signed by the Chair of London Councils, the Mayor, the Secretary of State for Communities and Local Government and the Minister for London. Importantly, this contained an agreement to allocate around 50% of any net financial benefit that the pool may generate to invest in strategic projects. This includes a commitment by the Mayor of London to spend the GLA's share on strategic projects, as well as 15% of the total to be decided jointly by the Mayor and borough Leaders.
7. In December 2017, a pooling agreement between the GLA, City of London and 32 London boroughs was circulated to all participating authorities. This agreement establishes the principles of operation of the pool, including:-
 - Rationale of the pool;
 - Duration and terms of dissolution;
 - Role of the City of London Corporation (as the lead authority);
 - Distribution of any financial benefits;
 - Principles around strategic investment; and
 - The governance mechanism for ongoing decisions regarding the pooled Strategic Investment Pot.
8. At the time of writing, all participating authorities are taking the pooling proposals through their local decision-making processes, in order to achieve full agreement for the pool to be confirmed in the final Local Government Finance Settlement in February 2018 and to go live on 1 April 2018. A verbal update on progress towards agreeing the final proposal will be provided at the meeting.

Skills Devolution

9. London government is continuing to make the case for further skills devolution, based on the need for the national system to be more responsive to employer demand and to provide inclusive opportunities for all learners and businesses in London. The process of leaving the EU will provide a series of challenges and opportunities that means London needs a more agile and responsive skills system more urgently than ever.
10. The Adult Education Budget (AEB), estimated to be worth around £400m per annum in London, will be devolved to the Mayor by 2019/20, subject to a series of subsequently issued readiness conditions. Progress towards concluding a devolution deal between Government and the Mayor has been slow due to Government changes and the general election in summer 2017. The Mayor and Chair of London Councils met with the Secretary of State for Education during autumn 2017 and pressed her to inject pace and resources into the AEB devolution process.
11. Devolution of the AEB from 2019/20 will involve the transfer of a number of statutory functions and powers from the Secretary of State to the Mayor. In June 2017, the Congress Executive agreed the principle of joint governance over a devolved skills system between the Mayor and the boroughs. Last month, Leaders' Committee agreed the pan-London governance arrangements for the AEB. The Mayor will establish the Adult Education Programme Board (AEPB) to provide recommendations and advice regarding annual AEB funding requirements and priorities, commissioning strategy, funding and allocations modelling, and performance and risk.
12. The AEPB will comprise the following members, appointed by the Mayor:-
 - Deputy Mayor for Planning, Regeneration & Skills (Chair);
 - Five London Councils nominees: Executive Member for Business, Skills and Brexit (Deputy Co-Chair) and the chair of each sub-regional Skills and Employment Board;
 - Skills for Londoners Taskforce member (Deputy Co-Chair);
 - LEAP business member;
 - Provider representative.
13. The Government will need to undertake a formal consultation with boroughs and the GLA regarding the transfer of powers to the Mayor. This is expected to take place during February and March 2018.

14. Last month, Leaders received a presentation from the Deputy Mayor for Planning, Regeneration and Skills regarding the Mayor's draft Skills Strategy: 'A City for all Londoners'. London Councils and Sub-Regional Partnerships are currently working with the GLA to ensure that local and sub-regional priorities are included in the final Strategy, which is due to be published in May 2018. London Councils' response to the draft Strategy consultation highlighted the importance of this, as well as the need to include short- and long-term action plans that should highlight which actions are best undertaken at a pan-London, sub-regional or local level.
15. Priorities for action in the final Skills Strategy should also include improving the careers offer, funding higher level skills provision, effectively supporting Londoners with ESOL and/or Special Educational Needs and Disabilities (SEND) needs and reforming the apprenticeship levy. London Councils urged the Mayor to consider working with London's largest employing sectors to understand how they might be impacted by Brexit and/or automation and disruptive technologies, in addition to sectors with the highest growth potential.

Work and Health Programme

16. The devolved Work and Health Programme (WHP) will provide employment support for Jobseekers Allowance (JSA) or Employment and Support Allowance (ESA) claimants with long term health conditions and disabilities, as well as JSA claimants who have been unemployed for two years or more. London's sub-regions will receive devolved funding from the DWP worth up to £70m over five years. This is being match-funded by an additional £65m from the European Social Fund, to support London's 50-55,000 long term unemployed, people with disabilities and health conditions to seek employment.
17. The procurement of the Programme is currently on track, with each sub-regional programme to have started by 1 March 2018. The West London Alliance (WLA) WHP will start on 26 February 2018, whilst the South London Partnership (SLP), Local London (LL) and Central London Forward (CLF) WHPs will start on 1 March 2018.
18. The four Sub-Regional Partnerships announced successful providers in December 2017. These are:-
- SLP: Reed in Partnership
 - LL: Maximus
 - WLA: The Shaw Trust
 - CLF: Ingeus

19. London Councils, sub-regions and Jobcentre Plus/DWP are also developing a joint approach to generating sufficient and suitable referrals to the WHP.

Industrial Strategy

20. London Councils and the GLA both responded to the Government's Industrial Strategy Green Paper, shortly before the General Election was announced. Both responses made the case for further and wider devolution and a place-based strategy that would benefit both the Capital and the UK as a whole.

21. The Government published its Industrial Strategy White Paper on 27 November 2017. The Strategy promotes a framework for industrial strategy across all sectors, and acknowledges a set of four Grand Challenges for the UK that must be addressed:

1. Put the UK at the forefront of the artificial intelligence and data revolution
2. Maximise the advantages for UK industry from the global shift to clean growth
3. Become a world leader in shaping the future of mobility
4. Harness the power of innovation to help meet the needs of an ageing population.

22. The Strategy sets out a five foundations of productivity to address these challenges, based around Ideas, People, Infrastructure, Business Environment, and Places. Devolution and Growth deals as well as streamlined decentralised governance are referenced as methods to drive productivity across the UK. The Strategy's recognition that the UK is one of the most centralised countries in the world suggests that devolution should be a primary mechanism for delivering components of the strategy in cities like London.

23. There will be further opportunities for London Councils and the sub-regions to work in partnership with the Mayor in response to the Strategy. In addition, the Mayor's Economic Development Strategy and wider revamped London Plan provide opportunities to make the case for inclusive growth in the capital as well as securing the powers and responsibilities that London boroughs will need to achieve increased productivity.

Health Devolution

24. Members will be aware that London Partners (including London Councils, GLA, NHS England, Public Health England and the London office of Clinical Commissioning Groups) agreed a health and care devolution MoU with Government that will facilitate

the next steps of the health collaboration agreement made in December 2015. The MoU is an enabling document allowing local areas to opt-in to detailed devolution proposals that build on learning from the London pilots on integration, prevention and reinvestment of capital estate receipts.

25. The signing of the MoU reaffirms a shared commitment to accelerate improvement to the health and care of all Londoners through the devolution or delegation of powers and granting of new freedoms to London. It opens up new opportunities for London, at the local, multi-borough and regional level, to better shape provision to local needs and reform the way London health and local government operates so that residents have the best chance to live longer, healthier lives.
26. The new powers and freedoms that have been gained through devolution provide a platform for accelerating the development of borough-led integration models in order to improve the health and care system locally. London boroughs with the Mayor and health partners will collectively need to account for how effectively these new powers are used. The MoU is linked to London's wider health and social care transformation aspirations, such as improved effectiveness of partnership working between health services and local government as well as deeper integration of health and care systems.

Housing

27. The context for exploring further opportunities for housing devolution is framed by the DCLG consultation on the assessment of local housing published in September 2017. As anticipated, this radically increased the housing need figure for London from 20-25,000 to 72,000 homes per annum. London Councils submitted a detailed response to the consultation, which highlighted concerns regarding the way that the assessment of need has been calculated and how this has resulted in large scale increases in the targets set, as well as concerns about the centralisation of policy for housing delivery.
28. Further powers to support land assembly in London are required, as will greater flexibility in the use of local authority funds, in order for London to increase its housing delivery within the expected timelines. The Mayor's draft London Plan, published on 29 November 2017, reduces the number of homes to be built each year compared with the DCLG's assessment of housing need. The London Plan targets 65,000 new homes per annum, with 10 boroughs experiencing an increase in the expected number of new

homes per annum compared to the Government's assessment, whilst 22 see a reduction based on the Plan's local assessment of housing need in London.

29. A number of housing measures were featured in the Autumn Budget. The Housing Revenue Account cap will be lifted for some councils in areas of high demand, however this won't happen until 2019/20. It is as yet unclear what conditions will be applied to bids. Not all councils will benefit as they will have to bid to increase borrowing from a £1bn fund to be allocated across England. Details of the areas in high demand are yet to be confirmed but London partners are continuing to make the case to Government regarding London's exceptional need to increase capacity and delivery.
30. Local authorities will also be able to increase the Empty Homes Premium from 50% to 100% in order to improve their ability to reduce numbers of empty homes. However, it remains to be seen whether or not this will be strong enough deterrent for the small number of home owners who are keeping their properties empty.
31. The ability to generate land value capture on major infrastructure projects in London and the provision of improved transport links will be critical to increasing housing supply. The Government needs to clarify its investment in projects such as Crossrail 2 and the Bakerloo Line Extension in order for boroughs to deliver increased levels of housing. Even given these changes, it will take time to ramp up delivery to the types of level currently expected from the Mayor of London and DCLG under their proposals.

Conclusion

32. Following the Autumn Budget 2017, London government has continued to make progress in securing devolution and will continue to engage in negotiations with the aim of securing further progress in the areas highlighted in the MoU. London local government will also want to be prepared for new opportunities to secure devolution that may emerge in the period ahead, for example in relation to increasing housing supply or through the Industrial Strategy and the Mayor's draft Economic Development Strategy and the London Plan. This will require an agile approach at borough, sub-regional and pan-London levels. The Chair of London Councils will continue to meet with the Mayor and Ministers on this agenda where possible throughout the devolution process.
33. The discussion under this agenda item will provide Executive with the opportunity to:

- Consider and comment on the progress made to date on in advancing London Government's joint work on devolution and public reform.
- Provide guidance on shaping the next stage of London's negotiations with Government.

Background Papers

Leaders' Committee, 5 December 2017:

[Item 4 – Draft London Skills Strategy and AEB Governance](#)

[Item 7 – Local Government Finance Update](#)

[Item 8 – Health and Social Care Devolution](#)

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this paper.

However, core elements of the propositions are targeted at improving outcomes for groups of people with protected characteristics, notably improving employment outcomes for disabled people.

Executive

Provisional Local Government Finance Settlement 2018-19 Item 7

Report by: Paul Honeyben **Job title:** Strategic Lead: Finance, Performance & Procurement
Date: 16 January 2018
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Summary On 19 December 2017 the Secretary of State for Communities & Local Government set out the provisional Local Government Finance Settlement for 2018-19 in an oral statement to Parliament.

This year's settlement is the third of the current four year Spending Review period (2016-17 to 2019-20). For those authorities that have accepted the Government's four year offer, the provisional settlement confirms Revenue Support Grant allocations for the next two years 2018-19 and 2019-20.

This report outlines the main headlines from the provisional settlement for London local government, including changes to the council tax referendum threshold and the business rates retention scheme.

Recommendations The Executive is asked to note and comment on the contents of the report.

Provisional Local Government Finance Settlement 2018-19

Introduction

1. The provisional 2018-19 Local Government Finance Settlement was announced on 19 December 2017 by Sajid Javid, the Secretary of State for Communities and Local Government. This year's settlement is the third of the current four year Spending Review period (2016-17 to 2019-20). It set out Revenue Support Grant (RSG) allocations and Core Spending Power (CSP) figures for 2018-19 and confirmed provisional allocations for local authorities that accepted the Government's four year funding "offer" for 2019-20.
2. The consultation on the provisional settlement closes on 16 January. As the consultation will need to have been considered and cleared prior to the meeting of the Executive Committee, it will be cleared through urgency. The response will be circulated to the Executive in advance of the meeting.
3. This report outlines the key points from the settlement impacting on London local government.

Summary of key points for London local government

4. Final figures for 2018-19 will not be confirmed until the final settlement in early February, however, the key headlines for London local government from the provisional settlement are summarised below.
 - The Council Tax referendum threshold will increase from 2% to 3% in both 2018-19 and 2019-20.
 - SFA for England will fall by 5.4% in 2018-19 (5.8% for London Boroughs).
 - Eleven new 100% business rates retention pilots have been confirmed for 2018-19, (including the London pilot pool) in addition to the 5 existing pilots continuing – with a commitment to further pilots in 2019-20.
 - Plans to move to 75% business rates retention in 2020-21 across local government were announced.
 - A further consultation has been published on the Fair Funding Review (deadline 12 March), and government confirmed its intention to implement new funding baselines in 2020-21.
 - Previously planned changes to the New Homes Bonus (NHB) methodology, consulted on in September, will not go ahead.
 - The Government will consult in the spring on "fair and affordable options" for authorities expecting negative RSG in 2019-20.

- An additional £15 million has been allocated to Rural Services Delivery Grant (£65 million nationally) in 2018-19.
- £19 million was announced for Unaccompanied Asylum Seeking Children (although allocations have not been published at the time of writing).
- Public Health Grant allocations were published on 21 December. London boroughs will receive £648 million in 2018-19 (20% of the national total: the same share as in 2017-18).

Overall Funding Allocations

Core Spending Power

5. The Government has changed the definition of CSP in 2018-19, removing the Adult Social Care support grant (which was for 2017-18 only), and including additional funding to compensate local authorities for the change in indexation of the business rates multiplier from RPI to CPI inflation. CSP therefore comprises of:
 - Settlement Funding Assessment
 - Estimated Council Tax
 - Improved Better Care Fund
 - New Homes Bonus
 - Rural Services Delivery Grant
 - Compensation for under-indexing the business rates multiplier.
6. Table 1 below shows the breakdown of CSP by funding element. At the England level, between 2016-17 and 2019-20, there will be a cumulative increase of £1.9 billion (4.3% in cash terms) from £43.7 billion to £45.6 billion. The equivalent figures for London boroughs are an increase of £186 million 2.8% from £6.7 billion to £6.8 billion (see Table 2). Annex A provides a borough by borough breakdown.
7. However, as CSP includes a number of assumptions, this is unlikely to be an accurate reflection of the actual resources available to local authorities. In particular, it assumes:
 - all authorities that are eligible raise the social care precept to its maximum in 2018-19 and 2019-20 - in reality this will be down to local discretion;
 - all authorities increase overall council tax by the maximum amount of 2.99% in 2018-19 and 2019-20 - again this will be down to local discretion;
 - the tax base increases at the same average rate for each authority as between 2013-14 and 2017-18 - this may not be the case for all areas;

- NHB allocations are based on the share of NHB to date – again, this depends on the rate of home building and may go down; and
- SFA does not reflect what councils actually retain in business rates - only what the Government's assessment of their "target" retained rates is – again for boroughs collecting less than their target level (such as those that require "safety net" payments), the retained rates plus RSG will be lower than their assessed level of SFA.

Table 1 – Detailed breakdown of Core Spending Power – England 2016-17 to 2019-20 (£bn)

	Final	Final	Provisional		Annual change	Cumulative change
	2016-17	2017-18	2018-19	2019-20	2017-18 to 2018-19	2016-17 to 2019-20
Council Tax	23.25	24.67	26.60	28.05	7.8%	20.6%
SFA	18.60	16.63	15.57	14.40	-6.4%	-22.6%
Compensation for under-indexing the business rates multiplier	0.17	0.15	0.25	0.38	66.7%	127.9%
Improved Better Care Fund		1.12	1.50	1.84	34.4%	
New Homes Bonus	1.49	1.29	0.95	0.90	-26.8%	-39.4%
Rural Services Delivery Grant	0.08	0.07	0.07	0.07	0.0%	-19.8%
Transition Grant	0.15	0.15				
The 2017-18 Adult Social Care Support Grant		0.24				
Core Spending Power	43.73	44.27	44.93	45.62	1.5%	4.3%

Note 1: SFA figures in CSP do not reflect the BRR pilots

Note 2: NHB figures for 2016-17 and 2017-18 include returned funding

Table 2 – Core Spending Power - 2016-17 to 2019-20 (£m)

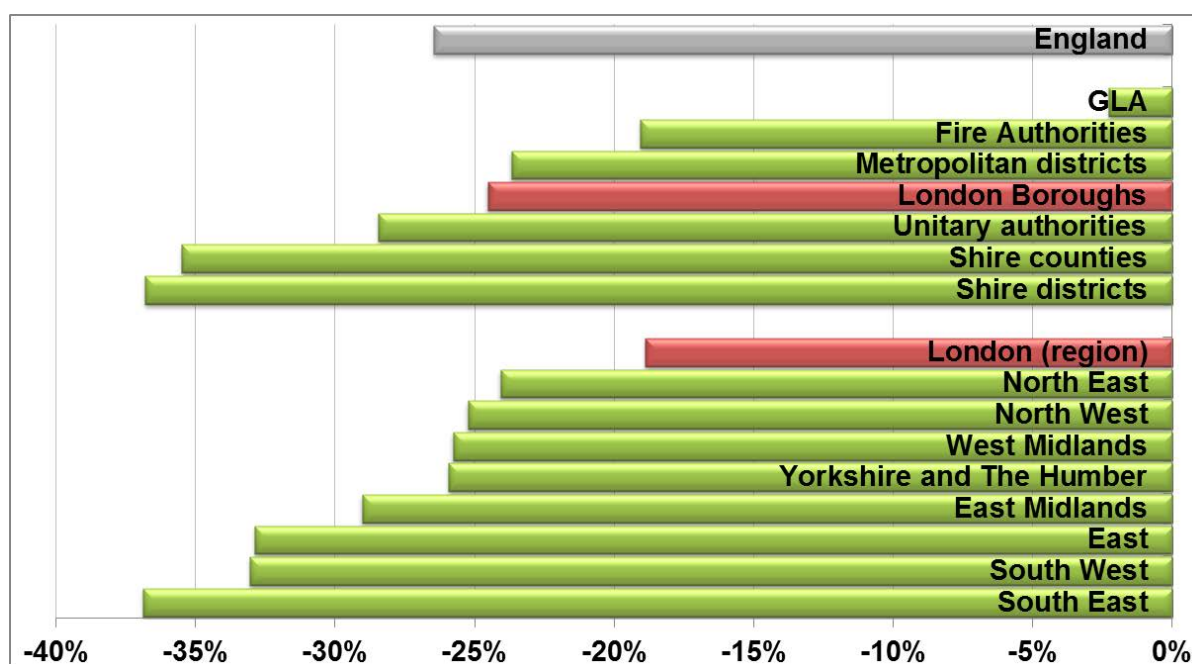
	Final	Final	Provisional		Annual change	Cumulative change
	2016-17	2017-18	2018-19	2019-20	2017-18 to 2018-19	2016-17 to 2019-20
England (CSP)	43.73	44.27	44.93	45.62	1.5%	4.3%
London Boroughs (CSP)	6.65	6.68	6.75	6.84	1.0%	2.8%

Settlement Funding Assessment

- The Government has confirmed total "core funding" to local government - Settlement Funding Assessment (SFA) - will be £16.9 billion in 2018-19. This comprises £1.4 billion of Revenue Support Grant (RSG) and £15.6 billion of Baseline Funding (i.e. what the government expects local authorities to retain in business rates income).
- At a national level, SFA will reduce from £17.9 billion in 2017-18 to £16.9 billion in 2018-19 (5.4%). For London boroughs, SFA will reduce by £177.1 million or 5.8% (from £3.1 billion to £2.9 billion) in 2018-19. Annex B provides a borough by borough breakdown.

10. Chart 2 shows that, over the cumulative four year period, London boroughs will receive the second lowest percentage cut of all authority types (25% in real terms) - only metropolitan districts will receive a lower cut (24%). Shire districts will see the largest real terms percentage cuts to SFA (37%). However, this follows a period in which London boroughs received larger percentage cuts than other areas between 2010-11 and 2015-16. As the GLA's funding reduction is only 2%, London as a region sees the lowest reduction in SFA over the four year period (19%).

Chart 2 – Real terms change in SFA (%) 2016-17 to 2019-20 by region & authority type



11. The cumulative like-for-like reduction to core funding over the decade to 2020 (used in London Councils' lobbying) is still scheduled to be 63.0% in real terms for London boroughs – broadly in line with the 63.7% average for England overall.

Council Tax Referendum Principles

12. The most notable announcement in the settlement is the increase in the council tax referendum threshold from 2% to 3% in both 2018-19 and 2019-20. The reason given by government was "in recognition of higher than expected inflation and the pressures on services such as social care and policing". London Councils estimates that an additional 1% increase would, if adopted by all London boroughs, raise approximately £32 million in 2018-19 and £35 million in 2019-20. This is in the context £1.6 billion of savings required to be made by the end of the decade.

13. It was also confirmed that shire district councils will be allowed increases of less than 3%, or up to and including £5, whichever is higher in 2018-19 and 2019-20, and that police precepts (including the GLA charge for the Metropolitan Police) will be allowed increases of up to £12 in 2018-19 and 2019-20. This represents a potential increase of c.5% for the GLA's police precept.
14. The flexibility to raise the Social Care Precept (SCP) up to a maximum of 6% over the three years to 2019-20, announced in last year's settlement, will continue as planned.

Business Rates Retention from 2020-21

15. The Government confirmed its intention to implement a system of 75% business rates retention across local government in 2020-21: lower than the 100% it had previously aimed for prior to the general election. It confirmed that this would include rolling in RSG, Rural Services Delivery Grant, GLA Transport Grant and Public Health Grant, and did not refer to any transfer of new responsibilities.
16. London Councils has long called for not only 100% retention for the sector but, full control over the setting and proceeds of business rates within the capital. In this context, and that of the recommendations of the London Finance Commission, 75% retention doesn't go far enough, and will create less of an incentive for authorities to grow their economies over the medium term.

100% Business Rates Retention Pilots in 2018-19

17. In addition to the 5 existing 100% retention pilots continuing in 2018-19, the Government confirmed 11 new pilots for 2018-19 - including the London pilot pool (item 4 on the agenda includes an update on the London 100% pilot pool). All pilots will trial the principles of 100% retention and will see RSG (and Rural Services Delivery Grant in two tier areas) "swapped" for higher retained business rates. Outside of London, the other new pilot areas are: Berkshire; Derbyshire; Devon; Gloucestershire; Kent & Medway; Leeds; Lincolnshire; Solent; Suffolk; and Surrey. These will be confirmed in the final settlement.
18. The settlement consultation also commits the Government to continue to pilot future reform of the system in 2019-20, with "further details to be provided in 2018". It therefore stopped short of confirming the extension of the newly announced pilots for that year, and has not confirmed

what will happen in areas already piloting 100% retention from 2020-21 when 75% retention will apply to the sector overall.

Specific grants

19. The distribution of a number of grants has been published alongside the settlement. Within core spending power these include:

- New Homes Bonus
- Improved Better Care Fund
- Compensation for under-indexing the business rates multiplier
- Rural Services Delivery Grant (not applicable to London).

New Homes Bonus

20. Last year the Government confirmed NHB payments to councils would be reduced from six years to five years in 2017/18, and that it would introduce a 0.4% baseline so that local authorities will need to achieve tax base growth of greater than 0.4% before they receive any NHB funding. The Government has decided not to make any additional change to the baseline below which the Bonus will not be paid, and it will remain at 0.4% for the 2018-19 allocations. It has retained the option of making adjustments to the baseline in future years.

21. In September, the Government consulted on withholding part of the Bonus from authorities not planning effectively for new homes, but has decided not to implement any further reforms for 2018-19.

22. London's share of the national total has stayed broadly the same at 21%, receiving £200 million of the £946 million national total. Overall NHB funding has fallen by £280.7 million (22.9%) as a result of the reforms announced last year. London boroughs' allocations have fallen by £60.3 million (23.1%).

Improved Better Care Fund

23. There is no change to the illustrative figures set following the March Budget announcement of further funding for iBCF. In 2018-19, the Government is providing £1.5 billion, rising to £1.8 billion in 2019-20 across England. London boroughs will receive £244 million in 2018-19 and £299 million in 2019-20. As confirmed in the allocation methodology last year, the allocation methodology takes into account the ability to raise SCP and therefore benefits those councils with lower capacity to raise council tax.

Compensation for under-indexing the business rates multiplier

24. At Autumn Budget 2017, the Government announced plans to bring forward the move from RPI to CPI indexation of the business rates multiplier. This change will now take effect from 2018-19 instead of 2020-21. The provisional settlement confirmed £250 million will be made available in 2018-19 via a section 31 grant paid to local authorities in compensation for lost income from this and previous caps in 2014-15 and 2015-16, of which £44.3 million will be paid to London boroughs, rising to £375.5 million in 2019/20 nationally (£66.5 million in London).

Other grants outside the settlement

25. Outside of the settlement, allocations of a number of other grants have been published including¹:

- Public Health Grant
- Lead Local Flood Authorities funding
- Flexible Homelessness Support Grant
- Homelessness Reduction Act new burdens funding.

26. The relative distribution of the Public Health Grant has not changed but all allocations will be reduced by 2.6% in 2018-19 and again in 2019-20. London boroughs will receive £648 million in 2018-19 and £631 million in 2019-20 (a fall of £67 million over the Spending Review period).

27. London Boroughs will receive £0.8 million in Lead Local Flood Authority Grant for 2018-19 (from the national total of £4.1 million), £115.8 million in Flexible Homelessness Support Grant in 2018-19 (61% of the national total of £191.3 million), and £30.2 million of Homelessness Reduction Act new burdens funding over the three years to 2019-20 (41% of the national total of £72.7 million).

28. The Secretary of State also announced £19 million of funding for unaccompanied Asylum Seeking Children, the allocations for which are expected to be published by DCLG in January.

Fair Funding Review

¹ More details available here: <https://www.gov.uk/government/collections/funding-allocations-to-local-authorities-paid-outside-of-the-local-government-finance-settlement-2018-to-2019>

29. The Government also published, alongside the provisional settlement, a consultation on the Fair Funding Review, and confirmed its intention to implement the new funding baselines the Review will establish, at the same time as the new 75% retention system in 2020-21.

30. London Councils will respond to the consultation by the 12 March deadline making the case for a fair funding distribution that adequately reflects the characteristics of London population and the drivers of cost in the capital. In broad terms, this is likely to focus on the fact that London's population will grow at twice the rate of the rest of the country over the next 20 years, that London has higher levels of relative deprivation than other areas, and it costs more to deliver local services in the capital.

Recommendations

31. The Executive is asked note and comment on the contents of the report.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendix A – provisional Core Spending Power by London Borough - 2016-17 to 2019-20 (£m)

	Final		Provisional		Annual change (2017-18 to 2018-19)	Cumulative change (2016-17 to 2019-20)
	2016-17	2017-18	2018-19	2019-20		
Barking & Dagenham	145.6	148.2	150.3	153.1	1.5%	5.1%
Barnet	256.9	258.7	263.4	268.0	1.8%	4.3%
Bexley	155.2	156.9	159.2	162.0	1.5%	4.4%
Brent	247.6	252.5	257.5	265.5	2.0%	7.2%
Bromley	202.2	204.0	204.7	207.9	0.4%	2.8%
Camden	244.5	244.0	244.9	244.5	0.4%	0.0%
City of London	33.6	32.0	31.3	30.8	-2.2%	-8.4%
Croydon	271.4	273.7	278.7	283.3	1.8%	4.4%
Ealing	245.7	243.6	246.3	249.5	1.1%	1.5%
Enfield	228.4	229.6	232.3	234.4	1.2%	2.6%
Greenwich	219.9	226.6	230.0	233.2	1.5%	6.1%
Hackney	258.4	257.6	253.4	256.4	-1.6%	-0.8%
Hammersmith & Fulham	157.9	157.2	158.2	161.0	0.7%	2.0%
Haringey	221.2	222.2	224.3	227.0	0.9%	2.6%
Harrow	170.0	172.4	176.2	178.8	2.2%	5.2%
Havering	169.7	172.5	174.0	177.7	0.8%	4.7%
Hillingdon	189.6	185.2	186.6	191.4	0.7%	1.0%
Hounslow	171.6	172.6	176.5	180.8	2.3%	5.4%
Islington	224.4	224.9	222.8	224.6	-0.9%	0.1%
Kensington & Chelsea	158.4	156.3	157.9	158.7	1.1%	0.2%
Kingston upon Thames	123.4	123.6	124.0	124.6	0.4%	0.9%
Lambeth	286.1	286.8	290.4	292.8	1.3%	2.4%
Lewisham	244.5	249.4	250.2	252.9	0.3%	3.4%
Merton	140.2	139.7	140.5	141.7	0.6%	1.1%
Newham	253.2	252.0	254.8	255.2	1.1%	0.8%
Redbridge	182.1	185.3	188.7	191.2	1.9%	5.0%
Richmond upon Thames	153.5	152.2	153.5	153.1	0.9%	-0.2%
Southwark	282.5	284.9	288.2	291.9	1.2%	3.3%
Sutton	149.4	148.4	150.5	152.8	1.4%	2.3%
Tower Hamlets	278.0	279.6	282.0	285.5	0.9%	2.7%
Waltham Forest	201.9	204.7	208.4	212.0	1.8%	5.0%
Wandsworth	179.5	184.0	186.3	189.4	1.2%	5.5%
Westminster	204.2	203.3	203.8	204.7	0.3%	0.2%
London Boroughs	6,650.4	6,684.4	6,750.3	6,836.0	1.0%	2.8%
England	43,729.3	44,271.3	44,934.4	45,622.8	1.5%	4.3%

Appendix B – provisional Settlement Funding Assessment by London Borough - 2016-17 to 2019-20 (£m)

	Final		Provisional		Annual change (2017-18 to 2018-19)	Cumulative change (2016-17 to 2019-20)
	2016-17	2017-18	2018-19	2019-20		
Barking & Dagenham	89.5	82.6	78.8	74.5	-4.7%	-16.8%
Barnet	90.6	78.3	71.4	63.9	-8.8%	-29.4%
Bexley	55.5	48.0	43.8	39.3	-8.7%	-29.2%
Brent	136.8	125.2	118.7	111.3	-5.2%	-18.6%
Bromley	56.5	46.8	41.4	35.6	-11.6%	-37.1%
Camden	138.5	126.6	119.9	112.3	-5.3%	-19.0%
City of London	25.9	24.4	23.6	22.6	-3.4%	-12.8%
Croydon	114.6	101.7	94.5	86.7	-7.1%	-24.3%
Ealing	118.9	107.0	100.3	93.0	-6.2%	-21.8%
Enfield	114.4	103.3	97.1	90.2	-6.0%	-21.2%
Greenwich	129.5	119.4	113.7	107.2	-4.8%	-17.2%
Hackney	170.8	158.6	151.8	144.0	-4.3%	-15.7%
Hammersmith & Fulham	95.1	87.3	82.9	78.0	-5.0%	-18.0%
Haringey	126.0	115.2	109.1	102.3	-5.3%	-18.9%
Harrow	58.2	50.1	45.5	40.6	-9.1%	-30.3%
Havering	52.5	44.6	40.1	35.4	-10.0%	-32.7%
Hillingdon	72.6	63.6	58.5	53.1	-8.0%	-26.9%
Hounslow	76.2	67.8	63.1	58.0	-6.9%	-23.9%
Islington	130.9	120.4	114.6	107.9	-4.9%	-17.6%
Kensington & Chelsea	79.8	71.6	67.0	61.8	-6.4%	-22.6%
Kingston upon Thames	32.2	26.1	22.8	19.2	-12.9%	-40.3%
Lambeth	171.4	157.7	150.0	141.4	-4.9%	-17.5%
Lewisham	146.7	135.0	128.5	121.1	-4.9%	-17.4%
Merton	55.5	48.5	44.7	40.4	-8.0%	-27.1%
Newham	172.7	160.5	153.6	145.8	-4.3%	-15.6%
Redbridge	82.0	73.1	68.2	62.8	-6.8%	-23.4%
Richmond upon Thames	33.0	24.5	21.7	14.7	-11.5%	-55.4%
Southwark	179.5	166.0	158.4	149.8	-4.6%	-16.6%
Sutton	58.1	50.8	46.8	42.4	-8.0%	-27.0%
Tower Hamlets	170.7	158.1	151.1	142.9	-4.4%	-16.3%
Waltham Forest	108.7	99.0	93.5	87.5	-5.5%	-19.5%
Wandsworth	114.6	106.0	101.3	95.7	-4.5%	-16.4%
Westminster	140.6	130.6	125.0	118.5	-4.2%	-15.7%
London Boroughs	3,398.5	3,078.3	2,901.2	2,699.7	-5.8%	-20.6%
England	18,601.5	17,905.0	16,937.6	14,397.9	-5.4%	-22.6%

Executive

General Data Protection Regulation (GDPR) Update

Item 8

Report by: Frank Smith **Job Title:** Corporate Governance Manager

Date: 16 January 2018

Contact Officer: Frank Smith

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Summary: This report:

- Informs Executive about London Councils preparations for the introduction of the General Data Protection Regulation in May 2018 and other related legislation.

Recommendation: Members of the Executive are asked to:

- Note the report and the work being done in preparation for the General Data Protection Regulation (GDPR) and regarding the Data Protection Bill.
-

General Data Protection Regulation (GDPR) Update

1. Background

1.1 London Councils is currently in preparation for the General Data Protection Regulation (GDPR) effective from 25th May 2018. The main changes introduced by GDPR will be:

- *An increase in the scope of companies covered by Data Protection*
- *Higher penalties for serious data infringements*
- *Increased clarity regarding consent for companies to hold personal data*
- *A requirement for written contracts between controllers and processors of data*
- *A mandatory duty to declare breaches*
- *The appointment of a specific Data Protection Officer (DPO) role*
- *Increased rights around data access and 'the right to be forgotten'*

1.2 In addition a Data Protection Bill was introduced into Parliament on 13 September 2017 and is currently at Report stage in the House of Lords. The London Fire and Emergency Planning Authority provided a helpful explanation of the function of the legislation which is copied below;

The GDPR leaves plenty of gaps for member states to fill in. For example, it is up to member states to stipulate the grounds on which 'special category' personal data (formerly known as 'sensitive personal data' in UK law) can be processed. Exemptions from some individual rights and obligations (such as the right to make a subject access request, the right to be forgotten and to have personal data rectified) are also matters for member states. That is one of the main functions of the Bill: it fills in the gaps in the GDPR.

Another of the Bill's functions is to extend the GDPR into areas of data processing where it would not otherwise reach. For example, the GDPR does not apply to law enforcement or intelligence services activity, but the Government has voluntarily imposed a GDPR-like regime in those areas.

A third function of the Bill is to attempt to make UK data protection law Brexit-proof. Once the UK leaves the EU, the GDPR will no longer be directly applicable in this country. Crucially, however, a post-Brexit UK will need to have in place a data protection regime

that mirrors the GDPR; otherwise, the transferring of personal data between the UK and the EU will be extremely problematic. The Bill therefore strives to make UK data protection law stand on its own two feet while tracking the GDPR.

However, the Bill does not simply transpose the body of the GDPR into UK law. The Bill is not a copy-and-paste of the GDPR. Instead, it constantly cross-refers to the GDPR, meaning that one has to read both the Bill and the GDPR side by side. Neither document alone gives the complete picture of data protection in the UK.

2. Progress to Date regarding GDPR

- 2.1 To some extent preparation for GDPR fits in with the existing programme of Information Governance work. The main elements of the programme – the creation of asset registers, risk registers and retention schemes for the various data elements in London Councils - are also core parts of the GDPR preparation plan.
- 2.2 However an internal team has been established from the Corporate Management Board (CMB) appointed Corporate Governance Group to oversee the preparation plan leading up to May 2018 and beyond (available as a background document to this report), and to sign off work as it is completed. The Senior Information Risk Owner (SIRO) remains the Director of Corporate Resources.
- 2.3 The main steer of the work is managed via London Councils Corporate Governance team, but a network of Information Asset Officers (IAOs) has been established to devolve ownership of the compilation of asset registers, to whom Corporate Governance provides support and advice.
- 2.4 For the next 6 months, the work will focus more heavily on personal data held by teams to ensure we meet GDPR requirements by 25th May 2018. General guidance about information governance, particularly the management of confidential data, will still be provided to all teams.
- 2.5 Work is also underway to review the contracts register with a view to review existing third party contracts which involve large amounts of personal data. The London Councils procurement toolkit is also being reviewed to ensure that future contracts build in GDPR requirements including breach reporting.

2.6 Key deliveries to date in terms of preparation have included:

- A revised Information Security policy
- Establishment of IAOs for all key areas
- Development of asset registers for key services

2.7 CMB have also recently reviewed the requirements for Data Protection Impact Assessments (or Privacy Impact Assessments) required for assessing processing requirements and mechanisms in relation to both new and existing work areas. To manage these requirements they have agreed that such assessments will be carried out for new projects and programmes and also where changes occur to existing programmes which involve personal data.

3. Training and Learning

3.1 Regular training of staff is a key component of good information governance. We have introduced an on line modular training tool, Bob's Business, for all staff, rolling out one short course every month from July 2017 to maintain awareness of information security issues.

3.2 Emily Salinger, Corporate Governance Manager, successfully completed a 'GDPR Practitioner' course with Act Now training in June/July 2017.

3.3 London Councils is a member of a number of cross London networking groups and is actively involved in the sharing of good practice with Local Authority partners.

4. Data Protection Bill

4.1 London Councils have been monitoring the Data Protection Bill in the hope that it would have provisions that enable us to process sensitive personal data for our services without needing to ask for consent (which has a high threshold under GDPR and would have been difficult and costly to implement). Although the legislation included provision for processing data relating to 'social protection', it was not clear that it would apply to non-statutory services like Taxicard.

- 4.2 A team at London Councils secured, via the Policy and Public Affairs office and a Peer (Lord Tope) a tabled amendment to the Bill during its Committee Stage which would have alleviated concerns. Following a short debate on the issue, namely on Taxicard, the government requested the amendment be withdrawn so they could continue working on the issue. The amendment was withdrawn but the response to our concerns was positive. Lord Tope has asked that he be kept updated and is keen to return to the issue if no resolution is found.
- 4.3 We are also considering a proposal for approaching the Information Commissioners Office (ICO) regarding the Taxicard consent issue so they can consider situations like ours within their guidance.

Background Papers

GDPR Project Preparation Plan

Financial implications for London Councils

There may be financial implications arising from the GDPR preparation, both in identifying issues and resolving them, however it is not possible to quantify these costs at the moment.

Legal implications for London Councils

London Councils is required to adhere to the provisions of relevant information management and data protection legislation. It is likely that the improvement programme and GDPR preparation will require further legal advice, particularly on some of London Councils contracts and as a result of the commitment to seek legal advice on data sharing agreements.

Equalities implications for London Councils

None.