LGA Corporate Peer Challenge

Ealing Council

13 – 16 May 2025

Feedback report

Contents

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Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577
Chair: Councillor Louise Gittins   **Chief Executive:** Joanna Killian   **President:** Baroness Grey-Thompson

1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending four days at Ealing Council to provide robust, strategic and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that councils are responsible for their own performance, accountable locally not nationally, and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all councils to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive summary

Ealing Council is a well-led council that demonstrates effective and collaborative political and managerial leadership. The leader, appointed in 2021, and chief executive, appointed in 2022, are widely respected. In May 2024, services for children in Ealing were judged as 'good' by Ofsted (previously 'requires improvement'). This is a significant achievement. The Ofsted report shows how "*corporate leaders, including the leader of the council, the chief executive officer and the director of children's services, share a determination to continually improve the quality of service provided to children and their families.*"

The council has achieved much under the current political and managerial leadership

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but acknowledges there is more to be done. A consistent message throughout this report is that the council is moving forward in the right direction with a strong and purposeful vision for change. This is centred on improving outcomes for residents by increasing community connection and growth within each of Ealing's seven towns.

The peer team observed clear evidence of a transformative drive within the council to establish the foundations to achieve this vision. This includes a Strategic Leadership Team (SLT) restructure which was implemented in 2022, initiatives to strengthen assurance, governance and risk (see section 5.3) and adoption of the council plan (2022-2026) which includes nine resident-focussed priorities and three cross-cutting objectives: climate, equalities, and jobs. The peer team noted the robust performance management framework in place which is aligned to the plan.

The peer team were encouraged to see how, over the past two years, the council has sought to refine and champion its vision for change through the formation of the Connected Communities vision. This is to "*massively increase social connection in the borough, giving everyone as much choice and power in their lives as possible - so that people can live happier and healthier lives and get more of what they need from each other.*"

The related work programme includes adopting a design-led transformation model focused on communities, investment in the strategy and change department, strengthened approaches to staff engagement, a new workforce strategy, and the development of new community-focused staff values and behaviours. There are examples of projects which are beginning to change mindsets, services and outcomes (further details in 5.1).

The peer team believe the timing of this CPC aligns with a crucial moment for the council in advancing the vision for change. This could be described as the ending of the discovery phase for the political and officer leadership, and a move into courageous delivery. Connected Communities has the potential to radically transform outcomes for residents across Ealing's seven towns and help the council to maintain financial resilience.

The leadership team should use this opportunity to move forward with confidence

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and purpose in progressing this work further, ensuring expectations, pace, drive, capacity and accountability are clear and widespread. Connected Communities should serve as the central framework for the council's transformation programme.

The council is beginning work to develop the new four-year council plan centred on the vision for Connected Communities. The peer team believe this presents a prime opportunity to more clearly define the associated ambitions, key delivery mechanisms, and the whole-system impact necessary to drive change. This report includes a number of further recommendations to support the council in fully embedding this approach across all operations and with partners to support thriving communities and growth across Ealing's seven towns.

Over the past four years, the council has prioritised financial resilience, avoiding reliance on reserves and rebuilding them through budgeted contributions to reserves and modest underspends - mainly from significant treasury management underspends (more details in section 5.4). While reserves remain low compared to other London boroughs, the position has improved.

The peer team observed that the council demonstrated self-awareness that the conditions which have facilitated these underspends cannot be relied upon in medium-term financial planning. The council has a projected budget gap rising from £14m in 2026/27 to £57.7m by 2028/29. Similar to other councils, the greatest financial pressures stem from the complexity and cost of demand-led social care services. The council is also facing a temporary accommodation crisis which is another key factor. The number of households in temporary accommodation per 1000 households is the fifth highest of all London boroughs.

The peer team were encouraged to see that the council has established transformation and change programme governance to address their financial challenges and to plan for and support financial sustainability. There are two portfolio areas - Medium Term Financial Strategy (MTFS) and Connected Communities. Thematic work areas include workforce, commissioning, estate, digital and demand management (including housing). Expanding on this (and as outlined above), the peer team views the council's urgent need to transform in alignment with its

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Connected Communities vision as both a critical challenge and a significant opportunity. The council's 'burning platform' is the urgency to transform in line with this vision to ensure future financial sustainability.

As previously noted, Ofsted rated children's services as 'good' in the most recent Ofsted inspection (April 2024). In January 2025, the council's adult social care service received their first Care Quality Commission (CQC) assessment and were rated as 'requires improvement' (RI). Continued focus on the quality of practice and sustainability of key demand led services such as children's and adult services must be maintained and amplified through the council's Connected Communities whole system transformation programme. However, it is also important to maintain a creative focus on services like employment, skills and adult learning to achieve Ealing's ambitions to promote growth across each of the borough's seven towns.

Alongside the challenges and pressures posed by rising demand for temporary accommodation (outlined above), the council faces significant challenges in its role as a social landlord managing around 10,500 homes. In early 2022, it self-referred to the Regulator of Social Housing (RoSH) over potential breaches of required safety standards. A Regulatory Notice for non-compliance was issued in May 2022 and remains in place. The latest external audit report highlights a significant weakness relating to progress on the regulator's recommendations.

The peer team observed strong recognition among leaders of the scale and extent of the council's housing challenges and, importantly, the establishment of governance and improvement programmes to address them (see section 5.2). The council must maintain oversight of the immediate actions required, ensuring accountability, governance, prioritisation, and decision-making are sharp and purposeful. The peer team believes this approach will reinforce – rather than conflict with – the vision and ambition for Connected Communities.

As referenced above, the council has worked hard to strengthen the culture of assurance, governance and risk (see section 5.3). Expanding on this positive progress, there are opportunities, through the audit committee, to strengthen the council's line of sight on the performance of its trading companies and key

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partnerships. The council should also review and strengthen the overview and scrutiny function in support of Connected Communities. The peer team also met with some councillors and officers and heard that there is an opportunity to build greater clarity and consistency in relation to briefings and engagement with opposition groups through the development of a protocol.

3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

3.1 Connected Communities vision

The timing of this Corporate Peer Challenge coincides with an important moment for Ealing, which could be described as the ending of the discovery phase of the Connected Communities vision and work programme and a move into courageous delivery. The political and managerial leadership team should take this opportunity to act with confidence and purpose to ensure expectations, pace and drive are clear and widespread

3.2 Transformation

Connected Communities should be *the* framework for the transformation programme of the council. The council's most significant operational and financial challenges must be addressed through the delivery of Connected Communities. This cannot be a 'corporate programme' or an addition to 'the real job' – it is much more fundamental than that.

3.3 Financial Resilience

The council's 'burning platform' is the urgency to transform in line with Connected Communities. It is fundamental and urgent and needs decisive immediate action – as well as longer term plans to maintain financial resilience.

3.4 Accountability

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To deliver on the scale of transformation required, the council should embed a clearer focus on accountability (for Connected Communities). This is important to maximise the impact of the council's collaborative culture and to ensure decisive decisions are taken to achieve clear outcomes.

3.5 Place Strategy

Connected Communities has the potential to radically transform outcomes for the residents of Ealing and the way the council operates. To achieve this potential, it should underpin the story of the place. There is also a need to be very clear on both the what as well as the how and why. This will simplify the message and describe the profound impact it is expected to achieve and can build on the clear articulation of growth in the production of a Place Strategy.

3.6 Organisational Capacity

The scale of ambition needs to be matched with the capacity and focus needed for whole system transformation. It is especially important to move with pace in developing a system-wide digital transformation programme (to build on some positive examples of directorate level testing) and a significant and aligned Organisational Development (OD) programme for Connected Communities.

3.7 Housing

The council recognises the significance of its challenges in housing (in relation to both temporary accommodation and in the delivery of its landlord functions) and have medium to long term plans in place. The council must assure itself of the immediate action needed and that lines of accountability, governance, prioritisation and decision making are sharp and purposeful.

3.8 Demand Management

Continued focus on the quality of practice and sustainability of key demand led services such as children's and adult services must be maintained and amplified through this new whole system transformation. However, it is also important to maintain a creative focus on services like employment, skills and adult learning to

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achieve your ambitions.

3.9 Assurance, governance and risk

The peer team saw evidence, over the past few years, of a strengthened culture of assurance, governance and risk. Building on this positive progress, the council should:

- strengthen the line of sight on the performance of its trading companies and key partnerships. This aligns with the role of the audit committee to review the governance and assurance arrangements for significant partnerships or collaborations.
- review and strengthen the overview and scrutiny function in support of Connected Communities. Overview and scrutiny should play a key role in encouraging the conditions for the success of Connected Communities.
- build clarity and consistency in relation to briefings and engagement with opposition groups. The peer team recommends that a protocol should be developed in support of this.

4. Summary of peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA based on their relevant expertise. The peers were:

- Althea Loderick, Chief Executive of London Borough of Southwark
- Cllr Peter Marland, Leader of Milton Keynes City Council
- Cllr Emily Davey, Portfolio holder for Housing, Royal Borough of Kingston upon Thames
- Becky McIntyre, Director of Resources and Transformation, Calderdale Metropolitan Borough Council

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- Stephen Haynes, Executive Director of Growth and Prosperity, Southampton City Council
- James Winterbottom, Director of Strategy and Innovation, Wigan Council
- Cindy Lowthian, LGA Senior National Adviser and Peer Challenge Manager

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management - Does the council have a grip on its** current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

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In addition to these themes, it was agreed that the peer team would include an additional focus on the council's Connected Communities vision. This is the council's vision for change which is about ways of working (across the council and with communities) to help ensure connected, empowered and economically resilient communities.

It was also agreed that the peer team, within theme two (organisational and place leadership) would include a particular focus on the council's work in relation to socio and economic growth in Ealing's seven towns.

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Ealing Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent four days onsite at Ealing Council during which they:

- Gathered evidence, information, and views from more than 44 meetings, in addition to further research and reading.
- Spoke to more than 115 people including a range of council staff together with members and external stakeholders.

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This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

5. Feedback

5.1 Local priorities and outcomes

The council's position statement, prepared in advance of the peer challenge, demonstrates the borough's vibrant, rich and diverse communities. It highlights the borough's key strategic location near Heathrow Airport, hosting five Elizabeth line tube stops and driving growth to support the HS2 terminus at Old Oak. It shows how significant regeneration initiatives are taking place across its seven towns. The borough has an enviable cultural offer too, being the home of Ealing Film Studios and the largest community theatre in Britain. The statement shows how each of the borough's seven towns face distinct challenges, with considerable disparities in socio-economic outcomes and health inequalities.

Those who met with the peer team have a strong attachment to the borough as a place and are proud of its diversity, being the third most diverse borough in London and eighth most diverse in England and Wales. Over 1,707 languages are spoken and 56.8 per cent of residents identify as ethnically diverse.

The peer team learned that the council plan (2022-2026) was developed in response to this context, drawing on data analysis of Ealing's communities and insights from the borough's annual residents' survey. It sets out three clear cross-cutting objectives: climate, equalities and economic opportunity. Each of these are embedded across nine resident-focused priorities. A tenth priority outlines the council's ambition to be a well-run council.

The council demonstrates a clear and proactive commitment to reducing inequalities. This includes establishing the Citizens Tribunal to hold decision-makers accountable for the outcomes of Ealing's Race Equality Commission undertaken in 2021. The council's economic growth plans emphasise equality of opportunity within each of the borough's seven towns. Examples were also seen across social care and public

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heath including initiatives such as the Living Roots young people's project, Early Help and school inclusion initiatives. The council's new workforce strategy reflects a strong commitment to lead, promote and address equalities, and staff equality networks are already in place.

Connected Communities

The council plan sets out the council's ambition to create a new relationship with residents and businesses based on being open, transparent and inclusive. As highlighted in section two of this report, over the past two years, the council has further refined and championed this ambition through the formation of the Connected Communities vision.

The peer team observed clear evidence of a transformative drive within the council, laying the foundations towards achieving this vision. This includes the restructure of the Strategic Leadership Team in 2022, work to enhance assurance, governance, and risk (see section 5.3), and adoption of the council plan. It also includes the implementation of design-led transformation methodology with a focus on communities, strengthened capacity within the strategy and change department, strengthened approaches to staff engagement, the launch of a new workforce strategy and development of a new set of community driven staff values and behaviours.

The peer team saw evidence that a new Connected Communities mindset is emerging with some promising examples of this in action. These include initiatives such as Let's Go Southall (a community led initiative to promote physical activity and well-being), work of the Ealing Learning Partnership (building connections across schools) and Ealing's community champions (community networks) and many other community focussed initiatives across housing, public health and social care. The peer team were particularly impressed with the work that has taken place to ensure Connected Communities is reflected within the council's key economic growth plans including the new Employment and Skills Strategy and draft new Local Plan.

Peers also saw how work is currently taking place to develop the 'Your Voice, Your Town' (YVYT) model which aims to empower residents to influence decision making.

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However, we did find mixed levels of understanding – particularly amongst some councillors – on next steps. To continue to build stakeholder confidence, it is important that the next steps for YVYT are clearly communicated and consistently understood by all involved.

The council is moving forward in the right direction towards realising the benefits of Connected Communities, but there is an opportunity to go further and deeper. The council's senior political and managerial leadership should act with greater confidence and purpose in moving the organisation into the delivery phase of Connected Communities and in ensuring expectations, pace and drive are clear and widespread.

To achieve this, the peer team recommend that Connected Communities should be established more clearly as the overarching framework for the council's transformation programme. This should help to provide greater coherence across departments, align resources and priorities and support a more joined-up approach to the change required. The council's biggest operational and financial challenges must be addressed through the delivery of Connected Communities. This must not be treated as an additional corporate initiative or a supplementary task to 'the real job' as it represents a fundamental shift in how the council, working with its partners and communities, will operate.

To deliver the scale of transformation required, the peer team recommends that the council embeds a clearer focus on accountability. Clear decisions in relation to cross-cutting and challenging policy areas must be made and owned collectively by SLT. There are opportunities for the council's political and managerial leadership to build greater clarity of understanding – across all levels of the organisation – about roles, responsibilities and the expectations in relation to delivery of Connected Communities. This clarity will be key in driving progress and in supporting decisive decision making to achieve clear outcomes. It will help to harness the positive impact of the council's existing collaborative culture, ensuring that this translates into timely, decisive actions in support of the vision for change.

The council should continue to build consistent and clear messaging on exactly

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‘what’ Connected Communities is, in addition to the ‘why’ and ‘how’. The peer team could see good work has already begun including the ‘Talk to Tony’ staff engagement sessions which have shared projects that exemplify Connected Communities’ behaviours and ways of working. It also includes an event (earlier this year) for frontline staff showcasing a range of ‘exemplar’ connected community projects in action. The peer team saw how new off-line and digital Connected Communities branding has also been developed. The peer team recommends that the council continue this work to clearly define, communicate and embed Connected Communities.

Strategic partners who met with the peer team recognise the opportunity and want to be part of the change. Section 5.2 of this report considers the opportunities to strengthen partnership working around a shared place-based vision for the borough and beyond the council plan. The peer team recommend that Connected Communities should underpin the story of the place. It has the potential to galvanise the Ealing system, with partners working together and with residents to increase connections in support of community driven prevention. The council should strengthen engagement with external partners to communicate, define and develop the Connected Communities approach.

The council is currently in the process of developing a new four-year council plan, with a clear ambition to make it more outcome-focused, ensuring that strategic priorities are aligned with measurable outcomes for residents. The peer team agree that the development of the new corporate plan presents a perfect opportunity to describe the ambition of Connected Communities, its whole system impact and the key delivery mechanisms.

5.1.1 Performance

The peer team were impressed with the council’s strong approach to tracking progress and delivering on the council plan through a robust performance management framework. This framework includes a quarterly report to the strategic leadership team and cabinet. This report brings together key organisational and

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assurance performance information. It also includes published quarterly updates to cabinet including qualitative and quantitative information

As outlined above, the council has started to develop the new council plan for the next four years with an ambition to make this more ‘outcome focussed’. It will be important to review the existing performance management framework to ensure that it is fully aligned with the new plan (once agreed) and ambition to deliver measurable improvements in outcomes for residents and communities.

As outlined in section two of this report, the council’s children’s services were rated as ‘good’ following the Ofsted Inspection in May 2024 which is a significant achievement (previously they were rated as ‘requires improvement’).

Similar to other councils, the council is experiencing rising demand for Special Educational Needs and Disabilities (SEND) support. There has been a growth in the number of Education, Health and Care assessments, plans and annual reviews over the last five years. It is encouraging to note how the council and partners participated in a recent LGA SEND peer challenge (February 2025). The report makes recommendations for the council and key partners in support of ongoing improvement and to build confidence and trust amongst parents and carers.

The Care Quality Commission (CQC) assessed the council’s adult social care services earlier this year, awarding a ‘requires improvement’ (RI) rating. During this peer challenge, the peer team were encouraged by the strong drive and commitment from leaders for ongoing improvement within the service. Again, this is demonstrated by the service’s openness to external challenge and support through the LGA Adult Social Care peer challenge programme.

The council faces considerable challenges in its role as a social landlord. This includes a self-referral to the RoSH over potential safety standard breaches with a Regulatory Notice for non-compliance issued in May 2022 which remains in place. The latest external audit report highlights a significant weakness relating to progress on the regulator’s recommendations.

The peer team observed strong recognition among leaders of the scale and extent of

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the council's housing challenges and, importantly, the establishment of governance and improvement programmes to address them. The council must maintain oversight of the immediate actions required, ensuring accountability, governance, prioritisation, and decision-making are sharp and purposeful.

In addition to these externally reviewed council services, it is positive to note, from LG Inform benchmarking data, how the council performs better than or around the average of other London boroughs across a range of key performance indicators. Notably, the council is particularly proud of its strong comparative performance in relation to the processing of planning applications (majors and minors) where it is consistently amongst the top performers across London councils. Also, for its re-cycling performance – the latest benchmarking information shows Ealing as the second top performing borough in London.

The council performs less favourably to other London boroughs for the time taken to process housing benefit claims/change events, which also received a 'red' RAG rating in the council's own performance report. This is linked to a surge in housing benefit claims related to the rise of households in temporary accommodation and supported exempt accommodation. Mitigations being put in place include stronger inter-service coordination and increased automation in back-office processes.

The borough's rising demand for temporary accommodation is reflected in the latest LG Inform data. This shows Ealing's figures are above the London borough average. This is creating significant financial pressures. As of quarter three (Q3), the number of households in temporary accommodation exceeded the council's own target, driven by rising homelessness and landlords leaving the sector. While figures are now stabilising, they still stand at 2,972 households in temporary accommodation at the end of Q3 (target is 2,750). As referenced in section 5.4, the council is undertaking a range of initiatives to tackle this rising demand including the formation of a new resettlement team and initiatives to bring empty properties back into use. It will be important to maintain a relentless focus on managing this rising demand.

Overall, the council's Q3 performance report shows how over 80 per cent of the council's 'corporate health check' key performance indicators either met their target

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or were within agreed tolerance. Whilst 20 per cent did not meet their target, it is encouraging to note that how the council's performance report highlights the mitigations in place to address these areas.

Encouragingly, peers also noted how over 89 per cent of staff have had their performance appraisal (April 2025). This reinforces the council's commitment to building a positive performance culture across the organisation.

5.2 Organisational and place leadership

As outlined above, Ealing Council is a well-led council that demonstrates effective and collaborative political and managerial leadership. The leader, appointed in 2021, and chief executive, appointed in 2022, are widely respected. The peer team met with staff who reflected positively about working for the council. This was articulated by one staff member as being "*proud of the ambition of the organisation and our focus on communities*."

The council's political and managerial leadership is underpinned by a strong and purposeful vision for change. As outlined in section 5.1, this vision is centred on improving outcomes for residents by increasing community connection and growth within each of Ealing's seven towns.

The council's position statement, prepared ahead of the peer challenge, highlights some of the borough's major infrastructure and regeneration projects. These include the Elizabeth Line (launched in 2022), HS2 at Old Oak Common in Acton and the Old Oak Park Royal Development Corporation (OPDC) (the UK's largest). Although the council is not the planning authority for the OPDC, the peer team learned about the council's strong role as an influencer and facilitator, particularly through its leadership in initiating joint work on an Economic Vision for the area. Other projects include the West Tech Corridor (major hub for life sciences), Southall Green Quarter development, and Friary Park development in Acton. As part of the peer challenge, members of the peer team visited some of these sites and gained insight into the council's pivotal role in collaborating with partners to influence investment and drive delivery.

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The peer team found a strong attachment to Ealing as a place from all those who spoke to them. The recent annual resident survey, conducted in 2024, shows 90 per cent of respondents are satisfied with the borough as a place to live.

Partners view the council positively and value their role as a convenor and connector, enabling cross-sector working to improve outcomes for local people. Partners told peers that there is good engagement from the council in the strategic partnership arena including the local strategic partnership, chaired by the Leader.

The council has adopted a polycentric city approach to guide its economic growth and development agenda. Peers were told that this is about ensuring investment and growth is more equitably distributed across London, harnessing West London's potential as an engine of growth for the city and in mutual support of the centre. The aim is to ensure the distribution of economic activity and resources more evenly across the borough's seven towns.

The peer team found evidence of effective and mature service provision in place in parts of the council that will deliver the polycentric growth objectives. Notably, the recent restructure of the regeneration, economy and skills department - bringing adult learning, business support, employment and regeneration under one single department. Staff told the peer team that this is facilitating and fostering a more integrated and collaborative working environment, with a clear focus on delivering polycentric growth and Connected Communities ambitions. There are clear examples of this in action, including work on the emerging Local Plan (submitted for examination in November 2024) which has a focus on each of the seven towns. Work to deliver Ealing's Jobs and Skills Strategy (2024-2029) is focussed on growth within each of the seven towns.

The peer team saw a clear articulation of key cross-cutting agendas within the seven towns concept and examples of this in practice. These include the Ealing Living Wage campaign and preventative investments, working with adult social care, to deliver employment and skills services targeted at the most vulnerable and disadvantaged residents.

The peer team heard from officers how Connected Communities to date has been an

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internally focussed programme of work focussed on embedding change within the council. As outlined in section 5.2, partners who met with the peer team recognise the opportunity and want to be part of the change. The voluntary and community sector told us that they too, recognise and welcome the council's ambitious Connected Communities change agenda. This was articulated by one voluntary sector representative as "*we are up for the change*" and another who said "*we understand the pressures, work with us".*

The peer team recommends that the council's Connected Communities and seven towns growth ambitions be clearly embedded within the development of a Place Strategy. This should articulate the transformative impact these ambitions aim to achieve across the system. It will build on the strong existing narrative around polycentric growth across Ealing's seven towns.

As outlined in section 5.1, the council recognises the significance of its housing challenges including affordable housing supply, temporary accommodation pressures and regulatory compliance (relating to the council's own stock). The council plan includes a target (over the lifetime of the four-year plan) to deliver over 4,000 affordable homes in the borough, and the latest delivery plan outlines the work taking place, with developers, towards delivery of this target.

In February 2024, the council approved the 'Accommodation Acquisitions Framework'. This created a capital investment envelope of up to £150m, over 2024/2026, to deliver improved outcomes for temporary accommodation. Peers understand this is funded mainly by borrowing and a £7.8m government grant. The 2025/26 council delivery plan shows delivery of nearly 100 new safe places to stay, with ongoing work taking place to build a pipeline of additional units. Peers also heard that, in collaboration with the transformation team, a new operating model is being developed to strengthen prevention, support individuals and families to move-on and reduce overall costs.

This continued focus on the borough's temporary accommodation challenge, including work to address rising costs, is essential. The peer team encourages the council to maintain this commitment while applying rigorous due diligence to manage

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risks. Investing in high-quality provision that supports both those in urgent need whilst also fostering balanced, inclusive communities where everyone can thrive is also important.

As outlined previously, the council must continue to assure itself of the immediate action needed to tackle the housing challenges faced. In doing this, it needs to ensure that the lines of accountability, governance, prioritisation and decision making are sharp and purposeful.

5.3 Governance and culture

The peer team met with officers, councillors and partners who are clearly proud of both the council and the borough. This was articulated by one officer as "*I'm proud of the ambition of the organisation and our focus on communities*'. The political and managerial leadership are building a more open and engaging culture across the council. The latest staff survey shows that staff reflect positively about working for the council.

Officers and councillors described working relationships as positive and respectful. The peer team did hear from some officers and councillors that there are opportunities to build clarity and consistency in relation to briefings and engagement with opposition groups. The peer team recommends that a protocol should be developed in support of this.

As outlined in section 5.1, the council has agreed a set of new community focussed workforce principles and values. The peer team found that these are beginning to create the conditions for the cultural change needed to deliver the Connected Communities vision. The council should continue to work with staff and councillors to go deeper in embedding this vision and ways of working across all the council does. This should also include comprehensive engagement in the development of the new council plan.

The peer team saw evidence, over the past few years, of a strengthened culture of assurance, governance and risk. As outlined in section 5.1.1, this includes the production of comprehensive quarterly performance reports to cabinet members and

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SLT which capture key performance and assurance information. These reports cover council plan performance, budget monitoring, audit and risk, complaints, freedom of information requests, social care/safeguarding key updates, human resources, health and safety (including housing regulatory safety updates), major projects and inspection results. This is in addition to published quarterly performance and finance reports to cabinet.

The council has strengthened the 'golden triangle' in line with the published code of practice for statutory officers. This means the chief executive, section 151 officer and monitoring officer meet regularly and formally every six weeks (as well as meeting informally outside of these meetings). The peer team met with the council's internal audit lead who has welcomed the opportunity to participate in these meetings where relevant. In line with the code of practice guide, the monitoring officer now attends SLT meetings.

The peer team noted how the council's strategic risk register is managed and owned by the Strategic Leadership Team including through quarterly reports. This is underpinned by directorate risk registers and programme/project risk registers. The peer team heard how an additional SLT session was recently held to discuss, challenge and update the current risks. This demonstrates a proactive and transparent approach to risk management and governance, ensuring that the council's senior leadership is actively engaged in identifying and addressing key risks. The peer team positively noted how the SLT had also been engaged in and informed the production of the latest Annual Governance Statement.

The peer team were impressed with the chairs of the council's overview and scrutiny committees who are clearly dedicated to their roles and work well together. Building on this, the peer team recommends that the council should take this opportunity to review and strengthen the overview and scrutiny function in support of Connected Communities. This should also include future training and development opportunities for scrutiny members aligned to this vision. It is the view of the peer team that overview and scrutiny should play a key role in encouraging the conditions for the success of Connected Communities.

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As outlined in section 5.1, the council has self-referred to the RoSH over potential breaches of required safety standards (2022). A Regulatory Notice for non-compliance was issued in May 2022 and remains in place. The latest external audit value for money report highlights a significant weakness relating to progress on the regulator's recommendations. The council must maintain focus on housing improvements to respond to the regulatory notice and external audit 'significant weakness' judgement. The council should also reassure itself that there is the right culture, skills and pace in place to manage improvements to council homes and the Housing Revenue Account.

The peer team noted the audit committee's contribution to strengthening the council's culture of assurance, governance and risk management (referenced above). This includes the confidence the committee has in the lead officers. Peers heard how the committee benefits from two independent members who provide probing and constructive challenge.

Expanding on this, there is a need for the council to build a stronger line of sight on the performance of its trading companies e.g. Broadway Living and other key partnerships. The audit committee needs to ensure that this is reflected within its work programme. This fits with the role of the audit committee to review the governance and assurance arrangements for significant partnerships or collaborations.

As outlined in section 5.1, Connected Communities will involve staff being empowered to work differently, testing new approaches, processes and ways of working to give people more power and choice where possible. The council will need to embed this way of working across all the council does - including within its own governance, risk and decision-making processes. It will be important for these processes to work in support of Connected Communities whilst maintaining a focus on transparency, risk management, accountability and shared learning.

5.4 Financial planning and management

Over the past four years, the council has prioritised financial resilience, avoiding

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reliance on reserves and rebuilding them through budgeted contributions to reserves and modest underspends - mainly from significant treasury management underspends. During this period, the council has not relied on reserves to balance annual budgets. The Chartered Institute of Public Finance and Accounting (CIPFA) resilience index shows that, while reserves remain low compared to other London boroughs, the position has improved. In 2020/21, Ealing ranked 29 out of 32 for having the lowest level of reserves across London boroughs. This compares to 21 out of 32 during 2023/24. The peer team found that there is a clear strategic intent to improve financial resilience as demonstrated by the improvement in this benchmarked position.

Senior leaders who met with the peer team demonstrated a strong understanding and self-awareness that the conditions which have facilitated the underspends (referred to above) cannot be relied upon in medium-term financial planning. The section 151 officer's statement on the adequacy of reserves shows that while the level of reserves is adequate, they remain comparatively higher risk than other London boroughs '*it is essential that the council's spending is contained within budget to avoid unplanned drawing down of reserves".*

The council has a projected budget gap rising from £14m in 2026/27 to £57.7m by 2028/29. The quarter three budget monitoring report for the financial year 2024/25 showed a forecast net overspend of £4.020m. This overspend figure was £22.693m but was partially offset by £18.672m in corporate underspends through the treasury management approach referenced above. As highlighted above, this treasury management approach cannot be relied upon in terms of future financial planning.

The current Medium Term Financial Strategy (MTFS) includes a balanced position for 2025/26 only. The peer team were pleased to note how the section 151 officer, who is widely respected, and her team have a clear focus on developing a more strategic forward looking MTFS.

The council will need to satisfy itself that it is using the P0 budget position as the key reference point for this and to guide future decision-making (the P0 position represents the council's most up-to-date forecast of income and expenditure for the

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year, based on current information). This will support the council in tracking the delivery of planned savings to confirm they are being achieved.

As outlined throughout this report, and similar to other councils, the greatest financial pressures stem from the complexity and cost of demand-led social care services. The council is also facing a temporary accommodation crisis which is another significant pressure. The number of households in temporary accommodation per 1,000 households is the fifth highest of all London boroughs.

As referenced in section 5.2 of this report, the council agreed an envelope of capital funding totalling up to £150m to address these challenges (February 2024). It will be critical for the council to maintain a relentless focus on managing this rising demand for temporary accommodation.

Overall, the peer team found that the significant financial pressures and financial risks faced by Ealing Council are widely understood across SLT and cabinet. The peer team were also encouraged to hear from some front-line councillors who demonstrated an understanding of the key challenges as they had received briefings. The council must continue to develop longer-term financial plans that both SLT and cabinet understand and own. This should include robust plans for both service level and corporate financial sustainability.

Peers were pleased to note that transformation and change programme governance has been established to plan for and support future financial sustainability. This includes the MTFS Portfolio Board with five key thematic areas of focus: workforce, commissioning, estate, digital and demand management (including housing). The council will need to ensure the processes for reporting, reviewing and monitoring financial benefit realisation from these transformation areas are embedded.

Taking this further, as outlined in section 5.1 of this report, the peer team views the council's urgent need to transform in line with its Connected Communities vision as its critical challenge and opportunity. The council's burning platform is the urgency to transform in line with this vision to ensure future financial sustainability. The time to act is now to achieve this vision and maintain financial resilience.

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Section 5.1.1 of this report outlines the current challenges faced by the council in relation to their housing stock and regulatory compliance. These challenges, along with the pressures associated with rising construction costs and delayed schemes have further exacerbated the pressures on the Housing Revenue Account (HRA). Over the past two years the council has relied on HRA reserves to balance the HRA. At quarter three the HRA was forecasting a net overspend of £0.956m and a proposed draw down from reserves (£2.283m) is forecast which was larger than the budgeted amount (£1.327m).

Again, senior leaders are self-aware that the use of reserves is unsustainable and if not addressed, the potential for this threaten future viability of the HRA. The peer team heard how significant work has been undertaken across the council and as a result, the 2025/26 budget has incorporated a contingency budget and a small contribution to reserves. This is forecast to improve over time following net rent increases. The council must continue to maintain strong oversight, grip and sustained attention on managing the HRA.

The council has an ambitious capital programme of £392m for 2025/26 of which £119m relates to the HRA. The council will need to ensure the capital strategy enables the transformation and change required for future financial sustainability both in the General Fund and HRA.

5.5 Capacity for improvement

The peer team found a clear political and managerial commitment to organisational improvement. This is considered in more detail in section 5.1 of this report which shows how organisational changes - implemented over the past few years - have strengthened the council's ability to improve, including the SLT restructure, strengthened governance/assurance approaches, and the prioritisation given to building financial resilience. There are also clear examples of passionate, proud, motivated and engaged staff and those who met with the peer team are open to change and new ways of working.

The prevention agenda is a clear priority for improving services, reducing future

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demand pressures and as the cornerstone of Connected Communities. As outlined throughout this report, the peer team have seen evidence that a new 'Connected Communities' mindset is emerging with many promising examples of this in action.

The peer team heard that, over the past two years, the council have adopted a model of design-led transformation. This is an approach which is focussed on testing new initiatives and for Ealing, it has a strong community focus. Two portfolio programmes have been put in place: the MTFS portfolio and Connected Communities portfolio programme. Priority work areas cover workforce, digital, commissioning, estate and demand management. The peer team were encouraged to see how the portfolios include associated programme governance and SLT sponsors.

It is also positive that the council has worked towards building capacity and resource to implement the transformation programme in a structured way. In addition to the SLT re-structure outlined in section 5.1, this includes investment in the strategy and change department with an almost entirely new policy and service design unit. This unit comprises officers with strategy, design and research skills. Overarching governance includes the 'innovation and design' group comprising of staff focussed on embedding and scaling innovation and design practices across the council.

Informed by the work undertaken to date, a consistent message in this report is that the council's Connected Communities should be the framework for the whole transformation programme of the council, and the council's most significant operational and financial challenges must be addressed through the delivery of Connected Communities. This should not be approached as one of several existing corporate programmes or as an additional layer to routine responsibilities, but as a core strategic priority. The council should direct its available capacity toward maintaining the momentum necessary to deliver change at the required scale and pace.

As referenced above, digital, technology and data has been identified as a key corporate work programme. The peer team picked up frustrations from some staff about current systems, although peers recognise there are positive examples of directorate level testing and innovative initiatives upon which to build upon. The

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council does not currently have a corporate digital strategy. The peer team recommend that the council needs to move forward with increased pace in developing system-wide digital transformation.

As outlined in section 5.1 of this report, the council has developed a new workforce strategy including new staff values and behaviours in support of the council's vision for change. The peer team heard from staff who welcome this. The strategy seeks to harness the talent and skills of Ealing's community and bring these into the council, developing the workforce to work collaboratively with communities. It includes a focus on learning and development through the development of a new Learning Hub.

Building on this, the council will need to develop its organisational development (OD) programme, for both staff and councillors, in alignment with Connected Communities. This requirement for a significant OD programme is a reflection on the transformational and radical nature of the vision for Connected Communities, which is far deeper than a traditional change programme. To achieve the ambition, public services in Ealing and their relationships with the communities of Ealing needs to significantly change. To achieve this will require a fundamentally new approach to recruitment, retention, skills and behaviours, capacity and capability and in what it means to work, manage and lead in Ealing. The peer team believes that Ealing will benefit from including an OD programme for councillors in this system wide approach due to the changing role of local representatives in this exciting future for Ealing.

The peer team were advised that meetings take place between trade union representatives and the council, and that there are opportunities to develop a more structured approach. There is a willingness from trade unions to further develop and build relationships. The council should develop a more structured approach to future briefings and engagement with trade unions.

6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and

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publish an action plan within five months of the time on site. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

In the meantime, Mona Sehgal, Principal Adviser for London, is the main contact between your authority and the Local Government Association. As outlined above, Mona is available to discuss any further support the council requires – mona.sehgal@local.gov.uk.

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