

COMMUNITY ASSETS FIRST

THE IMPLICATIONS OF THE
SUSTAINABLE LIVELIHOODS APPROACH
FOR THE COALITION AGENDA



REPORT

Church Action on Poverty, IPPR North, Oxfam, Urban Forum

October 2011

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Church Action
on Poverty



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ABOUT IPPR NORTH

IPPR North is IPPR's dedicated thinktank for the North of England. With bases in Newcastle and Manchester, IPPR North's research, together with our stimulating and varied events programme, seeks to produce innovative policy ideas for fair, democratic and sustainable communities across the North of England.

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IPPR North
3rd Floor, 20 Collingwood Street
Newcastle Upon Tyne NE1 1JF
T: +44 (0)191 233 9050
E: north@ippr.org
www.ippr.org/north
Registered charity no. 800065

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ABOUT CHURCH ACTION ON POVERTY

Church Action on Poverty is a national educational, campaigning and advocacy charity founded in 1982 as an ecumenical response to poverty in Britain. In recent years we have been seeking to develop innovative long-term approaches to tackling poverty, by involving people with direct firsthand experience of poverty and faith communities within policy making and wider public debates about poverty, inequality and related issues, including community empowerment, welfare reform and debt and financial exclusion.

ABOUT OXFAM

Oxfam has been working to end poverty in the UK since 1996. Today, together with our partners, we're making sure people have enough to live on, and we're changing the lives of men, women and children across the UK. We develop projects with people in poverty to enable them to improve their lives and have a say in the decisions that affect them; we raise public awareness of poverty to create the pressure that is necessary for change; and we lobby government for policies that will tackle the root causes of poverty.

ABOUT URBAN FORUM

Urban Forum is a national charity and a membership organisation that supports communities to have a greater say over decisions that affect them. We work with our members to influence government policy and by supporting them to influence decision-making locally. By gathering evidence and feedback from our members we act as a bridge between policy-makers and community groups operating at on the ground.

IDEAS to
CHANGE LIVES

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FOREWORD

GAVIN POOLE, EXECUTIVE DIRECTOR,
CENTRE FOR SOCIAL JUSTICE

This report introduces a new way of looking at things – the Sustainable Livelihoods Approach (SLA) – and uses it to bring together perspectives on a range of issues around poverty in the UK. These perspectives are based upon and draw from discussions held during a seminar in March 2011. I was delighted to chair this seminar, because I believe that SLA offers a different model by which to analyse poverty.

SLA develops the view that people living in poverty are rational agents with assets to draw upon. As a result, the question about poverty moves from ‘what do people in poverty lack?’ to something more akin to ‘what is preventing people from using what they have to get ahead?’ The difference can be significant. So, for example, when the Centre for Social Justice looked at the benefits system from the perspective of how it frames choices for people in poverty, we developed Dynamic Benefits, which offers the notion that benefit claimants make decisions that are rational given the context in which they live.¹ This has informed the current government’s proposals for the universal credit, which are analysed in this report from the SLA perspective, as are housing, financial inclusion, and community and society.

A key aspect of SLA is the recognition that people’s livelihoods are affected by decisions made within structures across the full spectrum, from the individual, household and community levels up to local, national and even international policy levels. I therefore hope that this report contributes to the policy debate on the issues it addresses, and encourages new ways of thinking about poverty more broadly. There are also recommendations throughout the report that could usefully spur a range of individuals and organisations, at all levels, into action.

¹ See <http://www.centreforsocialjustice.org.uk/default.asp?pageRef=382>.

EXECUTIVE SUMMARY

The Sustainable Livelihoods Approach

The Sustainable Livelihoods Approach (SLA) is an analytical model that seeks to build on the existing assets and strategies that people living in poverty use to support themselves, and then to identify what needs to change in order for their livelihoods to become more secure and sustainable.

Since 2005, Oxfam and Church Action on Poverty (CAP) have been working with local partners to pilot the approach with people living in different low-income communities across the UK. Based on this experience, we believe that using SLA can bring a new perspective on poverty, explaining how people assess the risks they face, and the (often-limited) opportunities that may be available to them.

SLA takes as its starting point not deprivation but assets: the strengths and capabilities of people living in poverty, and the strategies they use, through drawing on these different assets, to 'get by'. This approach has huge value in relation to public policymaking, and this report explores four policy areas where the authors believe there is the greatest scope for its use.

Welfare reform, jobs and economic development

There are three key problems with the benefits system that SLA can help policymakers to understand and ultimately overcome:

- Benefits are set at a level which is wholly inadequate, meaning claimants of both in- and out-of-work benefits are likely to have difficulty in maintaining sustainable livelihoods.
- The current system does not support people effectively during the transition between unemployment and work, as it forces them to make a trade-off between employment and financial security.
- The benefits system takes a narrow, financially-centred view of people's lives, and fails to take adequate account of the interaction between financial and non-financial assets within people's wider livelihood strategies.

The most exciting aspect of this government's welfare reform programme is its recognition of the importance not only of making work pay, but also of maintaining financial security throughout the transition(s) from out-of-work benefits into work.

SLA can deepen our understanding of these issues in several different ways:

- A livelihoods analysis at the household level documents how the benefits system interacts with the lives of people living in poverty; it can explain the decisions that people make as they seek to make the best use of the assets and opportunities that are available to them.
- It reveals the interactions between financial and non-financial assets and the vulnerabilities in people's livelihood strategies. This can help to explain why people living on a low income may be reluctant to take risks: when faced with a trade-off between insecurity and modest increases in income, many will opt for the security of a consistent albeit lower income.
- Understanding how households operate internally gives access to a richer analysis of the likely (and, later, the actual) impacts of welfare reform on individuals than one focused simply on the household level.
- Looking at the wider social and economic setting, SLA can help policymakers to consider how that context relates to both people's lives and to the benefits system.

Initiatives to strengthen the livelihood strategies that people employ must start by identifying what contextual factors are most significant in any particular situation. This might be a lack of local jobs, or inadequate transport links to areas of greater opportunity, or low levels of personal or social assets within households or communities.

Recommendation 1: Welfare reform policy analysis and monitoring project

We propose to develop a project using SLA to monitor the impact of the proposed changes in welfare provision on poverty in the UK over time.

Recommendation 2: Beyond welfare reform

We propose to implement a pilot, with Jobcentre Plus or a work programme contractor, to deliver back-to-work support framed using SLA.

Homes and neighbourhoods

SLA demonstrates that the home (a physical asset) is the lynchpin of the many assets which make up a sustainable livelihood. Without a decent home, there is no proper foundation from which many other assets can be built. From a policy perspective, early intervention strategies, health and wellbeing agendas and many other attempts to improve life chances will not be as effective in the absence of that critical asset: a decent home in a decent neighbourhood.

And yet there are a variety of policy measures which look very likely to undermine this crucial part of any livelihood strategy:

- The significant and increasing shortage of affordable housing – the shortfall is estimated to be as many as 750,000 homes by 2025
- The introduction of tenure limits, a housing benefit cap, and changes to rents and charging mechanisms in social housing, which will reduce the security of physical assets
- The introduction of measures to increase ‘social mobility’ by enacting a right-to-move and ‘home-swapping’ schemes, which risk underestimating and damaging the wider locational assets that are closely related to having a decent home.

Participants in our seminar felt that attitudes towards social housing lay at the root of the housing problem, and to this end suggested two practical actions.

Recommendation 3: Understanding housing assets

We propose that further analysis should be undertaken to understand perceptions of different forms of housing and the sense in which they might be deemed ‘physical assets’, and their function and impact on wider livelihood strategies.

Recommendation 4: Meeting housing demand – lessons from overseas

We propose to research model housing schemes in other countries that have been developed to increase the supply of affordable housing, to consider their suitability in a UK context.

Financial inclusion

Most financial inclusion strategies currently seek to tackle financial exclusion without dealing with other forms of exclusion or disadvantage. However, it has been demonstrated that these non-financial factors have a significant impact on individuals' abilities to achieve greater inclusion and build their financial assets.

This is particularly true in relation to the 'poverty premium' – the higher prices that the poorest families often pay for basic necessities like gas, electricity and banking. Projects in Goldthorpe, South Yorkshire, and Stockton-on-Tees have pointed to a number of lessons concerning SLA and financial inclusion, including:

- High-cost credit, including doorstep lending and rent-to-own agreements for basic household items, was common among low-income households, as there was little or no access to affordable credit.
- A key step towards increasing financial inclusion for households was more effective use of their own assets and more confident engagement with financial services, not least in taking action against companies and agencies that profit through poverty.

The case studies in Goldthorpe and Stockton demonstrate that the SLA is a powerful tool for really understanding why people on low incomes make particular financial decisions, as well as for empowering them to take greater control over their own finances. A key problem in the task of connecting SLA with current public policy on financial inclusion was perceived to be the policy vacuum within the Coalition government in this area.

Another significant finding from the two projects was the idea that a relatively modest injection of capital funding is able to unlock significant financial and non-financial assets held within communities themselves (as was the case with the Growth Fund), as a means of promoting greater financial inclusion.

Recommendation 5: Community Capital Challenge Fund

We propose to explore ways to develop a 'community capital challenge fund' to pilot a range of approaches that would seek to use a modest injection of capital funding to unlock local financial and social assets.

Recommendation 6: Increasing access to mainstream financial services

We propose to test out a range of approaches to tackling the poverty premium by making mainstream financial services more accessible to people on low incomes.

Community and society

Both the government's 'Big Society' and SLA say that individuals and communities have assets – in the form of knowledge, skill, networks – that need to be recognised and better utilised. Both say that our ability to draw on assets is shaped by our context. And both are based on a belief that the starting point for sustainability and resilience is community organisation, as people come together collectively to address shared problems.

However, notions that Britain is somehow 'broken' or that a 'big state' is at the root of the problem do contradict an SLA analysis by problematising poverty rather than building on the strengths and resources held by poor communities, and by failing to see that the state (in the form of public assets) can be an important part of a household's livelihood strategy.

There is also a danger that current government policy is overly reliant on notions of social action and social assets at a time when financial, physical and place-based assets are being withdrawn through increasing unemployment and radical public sector retrenchment.

Lastly, SLA places significant emphasis on the ability of communities to hold government to account. While this is a key dimension of the government's drive for greater localism, there is significant concern that, with the intended proliferation of service providers, services will become fragmented and it will become increasingly difficult for the public to hold service providers to account.

Experience of SLA projects shows us that, rather than being passive recipients of public services, people treat public services and welfare as only some among their various assets, which they combine and use to survive and progress. This asset-based approach also puts forward a more positive conception of public services as part of a 'collective survival structure', a system that we as a society collectively build around us to ensure that our needs are met.

Recommendation 7: Using SLA to inform co-commissioning of local services

We propose to identify a small number of case studies in which communities and public agencies are working together in the commissioning and provision of a local service, using SLA to assess both the service demand and also the wider value of a co-commissioning approach.

1. INTRODUCTION

ED COX, DIRECTOR, IPPR NORTH

Since 2005, Oxfam and Church Action on Poverty (CAP) have been working with local partners in places such as Barnsley, Thornaby and East London to pilot the use of the Sustainable Livelihoods Approach (SLA) and assess whether it offers any new insights into anti-poverty work in the UK.

In late-2010, Oxfam, CAP, IPPR North, and Urban Forum came together to investigate the SLA approach and what it offers to the Coalition government's emerging programme. To galvanise thinking, a seminar was held in March 2011 to learn from SLA work undertaken in the UK in recent years and to explore its implications for key areas of Coalition government policy development and implementation.

This report brings together ideas and discussions from the seminar and sets out some recommendations for further policy development, learning from the SLA.

SLA is described in more detail in Chapter 2. While it was developed by international organisations working with people living in poverty in the global south, it has been shown to illuminate new perspectives on poverty in the UK, not least in recognising that poverty is not simply a lack of financial resources but that it intersects with a number of other dimensions in the life of an individual or a community. SLA is rooted in an understanding of the assets and strategies used by people living in poverty to reduce their vulnerability to external shocks and to improve their ability to build and maintain a dignified and secure livelihood.

SLA sits alongside other 'asset approaches', which have an increasingly high profile in the UK. Asset approaches to health and wellbeing, for example, are now being promoted by the National Institute for Clinical Excellence and other health partners (Foot 2010). Asset-based community development (ABCD), for one, has a growing following in the UK – it confronts a needs- or deficit-based approach to community work with an alternative 'glass-half-full' methodology.²

SLA – and other asset-based approaches – has profound implications for policymaking. Experience of research conducted using SLA suggests that it is a worthwhile approach for policymakers and service providers, allowing research to engage more directly with people who experience poverty on a systematic and regular basis and so ensuring that policy is sensitive to the survival choices people often have to make.

Focusing on the assets and capabilities possessed by people living in poverty, and including both financial and non-financial assets, SLA invites policymakers to treat individuals in poverty as rational agents, making decisions and pursuing strategies that make sense in the context of their own lives.

SLA has particular implications for current policymaking on poverty and social mobility. Going beyond a narrow, financially-based, deficit model of poverty has the potential to add a richness to policy analysis that could help to tackle the seemingly intractable problems of intergenerational and recurrent poverty.

For example, as part of its strategy to tackle child poverty and increase social mobility, the government has been keen to explore new ways of measuring poverty to complement the existing relative income measures. SLA can help here, by providing a framework for measuring both financial and non-financial assets within households – this would merit further exploration by the newly created Social Mobility and Child Poverty Commission.

2 See, for example, IdeA (<http://www.idea.gov.uk/idk/aio/16705366>) and the Carnegie Foundation (http://fieryspirits.com/group/assetsinquiry?xg_source=activity)

SLA can offer insights into the potential advantages and disadvantages of encouraging work through a universal credit that takes account of people's need for both financial incentives and financial security as they move into work. And SLA also addresses some of the concepts behind the government's notions of the Big Society, and where and when people are willing and able to 'do things for themselves'.

In this report, we consider how SLA can be used to add value in four specific areas of policy under close focus today:

- welfare reform, jobs and economic development
- homes and neighbourhoods
- financial inclusion
- community and society.

Each chapter varies in style and content, reflecting the fact that chapters have been written by different authors and organisations. Some chapters are based upon long-standing work carried out using SLA and reflect some carefully constructed thinking that has developed over time. Other chapters are more straightforward descriptions of the ideas discussed at the SLA seminar, and some initial reflections of the author on new areas yet to be fully explored.

Each chapter highlights one or two recommendations for further action. In most cases, these recommendations are intended to be facilitative and to encourage a wide range of groups to take action. The recommendations are there to be adapted and shaped to different spheres and contexts, both national and local – Oxfam, Church Action on Poverty and IPPR North would be delighted to hear from potential partners, including in national and local government, who would be keen to collaborate to bring each recommendation to reality.

Finally, this report is intended as a discussion document. It is written to contribute to public debate and to invite feedback on the policy issues it raises. It does not necessarily constitute a final position on any given topic, or reflect the policy positions of Oxfam, Church Action on Poverty, IPPR or Urban Forum. The views and recommendations expressed are those of the authors alone.

2. THE SUSTAINABLE LIVELIHOODS APPROACH

LUCY BRILL AND MOUSSA HADDAD, OXFAM

Using an asset-based livelihoods analysis has enabled us to uncover the reality of life for people experiencing poverty, the strategies they used to get by on a daily basis, and the opportunities they had to move towards a more sustainable future.

Orr et al 2006

SLA is an analytical model that seeks to build on the existing strategies that people living in poverty use to support themselves, and then to identify what needs to change for their livelihoods to become more secure and sustainable. SLA was developed by international organisations working with people living in poverty in the global south, and is based on the following definition:

‘A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and manage to enhance its capabilities and assets both now and in the future, while not undermining the natural resource base’.

Chambers and Conway 1991

Since 2005, Oxfam and CAP have been working with local partners to pilot the approach with people living in different low-income communities across the UK. Based on this experience, we believe that using SLA can bring a new perspective on poverty, explaining how people assess the risks they face and the (often limited) opportunities that may be available to them. This brings a greater understanding of the choices people make, as well as the vulnerabilities that can undermine their attempts to improve their situation.

It also reminds us that poverty is not simply about a lack of financial resources, but also impacts on, and intersects with, many other dimensions of the life of an individual or a community. Anti-poverty strategies are more likely to be effective if they too can be founded on a broad-based understanding of the reality of people’s lives.

This perspective contrasts with the prevalent view of poverty, particularly in economically developed countries, which sees people in poverty as a uniform group of passive and vulnerable people ‘in need’. By this view, the starting point is to identify what people lack (such as work, money or skills) so that the external ‘expert’ can propose suitable solutions to the problems. Focusing upon a lack of assets reinforces negative stereotypes about people in poverty; it can mean that people’s strengths and potential are ignored or that inaccurate assumptions are made about the way people actually live.

Moreover, these narratives often fail to recognise the importance of non-financial assets, particularly in low-income communities where people have had to develop alternative ways to survive, to compensate for a lack of money. Policies and programmes based on such assumptions can be ineffective or even counterproductive, both for the people they are trying to help and for wider society.

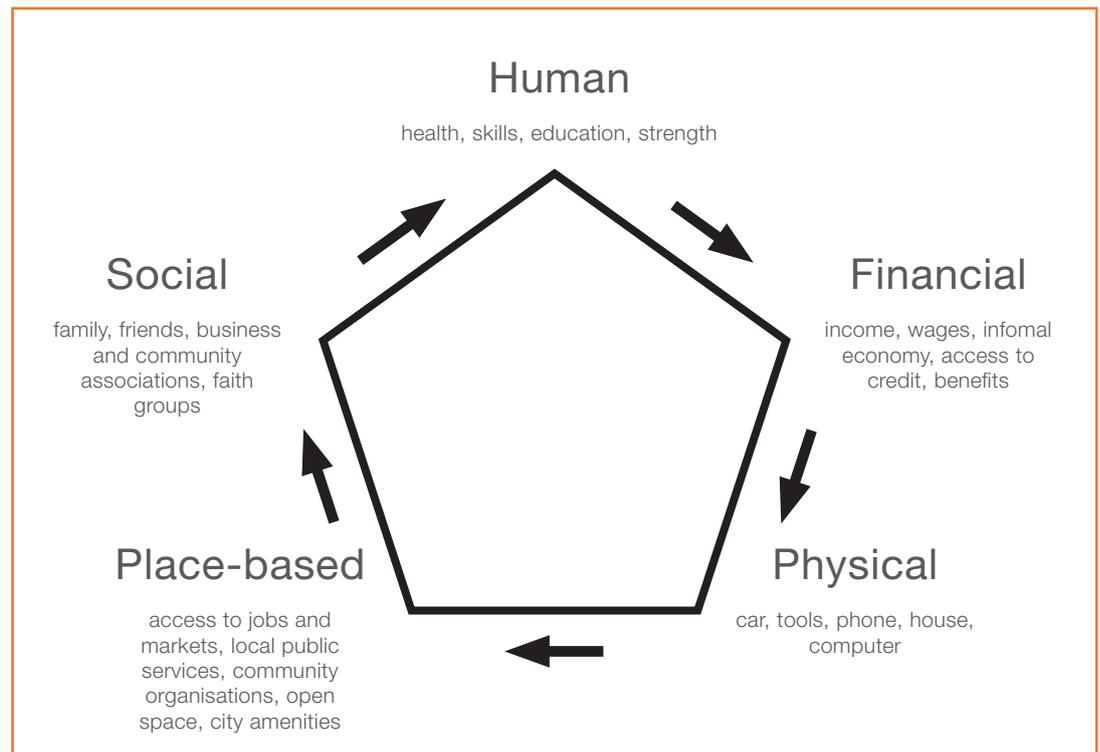
In contrast, SLA takes as its starting point not deprivation but assets: the strengths and capabilities of people living in poverty and the strategies they use, through drawing on these different assets, to ‘get by’. The initial objective of such projects is to document the day-to-day experiences of people living on a low income and to build up a picture of the challenges and opportunities that they encounter and the decisions and actions that they take.

The underlying assumption is that people experiencing poverty are in fact active agents who assess risk carefully and make rational decisions and choices about their lives, in light of the external and internal constraints they face. They make these choices in the context of social and economic change, and the vulnerability of their livelihoods to external shocks is a vital and often underappreciated aspect of their decision-making processes. Connections are then drawn between detailed household level information and the wider context, and that information is used to plan and prioritise possible measures to bring about positive change in people's lives.

Assets

SLA divides people's assets into five categories:

Figure 1
The SLA asset pentangle



Source: Adapted from DFID sustainable livelihood guidance notes. <http://www.enonline.net/pool/files/ife/section2.pdf>

Human assets: the individual skills, knowledge, good health, confidence and strength that enable people to pursue different livelihood strategies and achieve their livelihood objectives.

Social assets (or social capital): the social resources which people can draw on, including informal support networks (families, friends and neighbours) as well as local community or faith groups.

Physical assets: including both basic infrastructure (such as decent housing, affordable energy and communication links) and the tools and equipment needed for a particular trade.

Financial assets: including earned income, pensions, savings, credit facilities, state (welfare) benefits and child maintenance.

Place-based assets:³ the resources that people can draw on because of where they live, including local public services (such as libraries and GP surgeries) and environmental assets (parks, allotments, energy generation), as well as access to local employment opportunities.

A key principle of SLA is to recognise that these assets are interlinked and need to be considered together, in order to understand an individual's livelihood strategy, his or her vulnerabilities, and potential opportunities. The following case study provides a good example of this.⁴

Case study: 'Fiona'

Fiona had a good job when she met her partner (strong financial assets). Their relationship developed and, five years later, she had a baby. Unfortunately, she developed severe post-natal depression and so took sick leave (reduced human assets). Her partner started drinking heavily and became abusive towards her. Eventually, she left him (reduced social assets). Initially, he paid maintenance but he then left work and stopped paying, and as a result Fiona and the baby lost their home (reduced financial and physical assets). At first, they stayed with relatives (social assets), until Fiona was re-housed by the council (place-based assets) and she claimed benefits (financial assets). Now she keeps her depression under control by volunteering (social and human assets) and is looking for work – but she doesn't want to rush into a low-paid job, which she feels may make her mental health worse.

If it is carried out with care and sensitivity, the process of documenting household assets can also provide information about which household members have access to and control over these different assets. 'This can yield valuable information about intra-household dynamics and the allocation of roles and responsibilities, which may help to explain, for example, why women are more likely to live in poverty than men.'⁵ In addition, if information is collated about composition or ethnicity across a number of households, it may then be possible to identify differences between different types of household, thus helping to explain particular patterns of inequality.

The livelihoods ladder

Assessing the levels of the various assets available to a person enables us to explain both the degree of choice that they have to determine their own livelihood strategies, and their ability to protect themselves from shocks.

Households may find themselves anywhere on the spectrum from no choice (survival) to a limited range of choices (coping), through to households with more choice (adapting), and finally those with a full range of choice (accumulating). In our project work in Thornaby, we used the idea of the 'livelihoods ladder' as a way to understand these transitions: as a

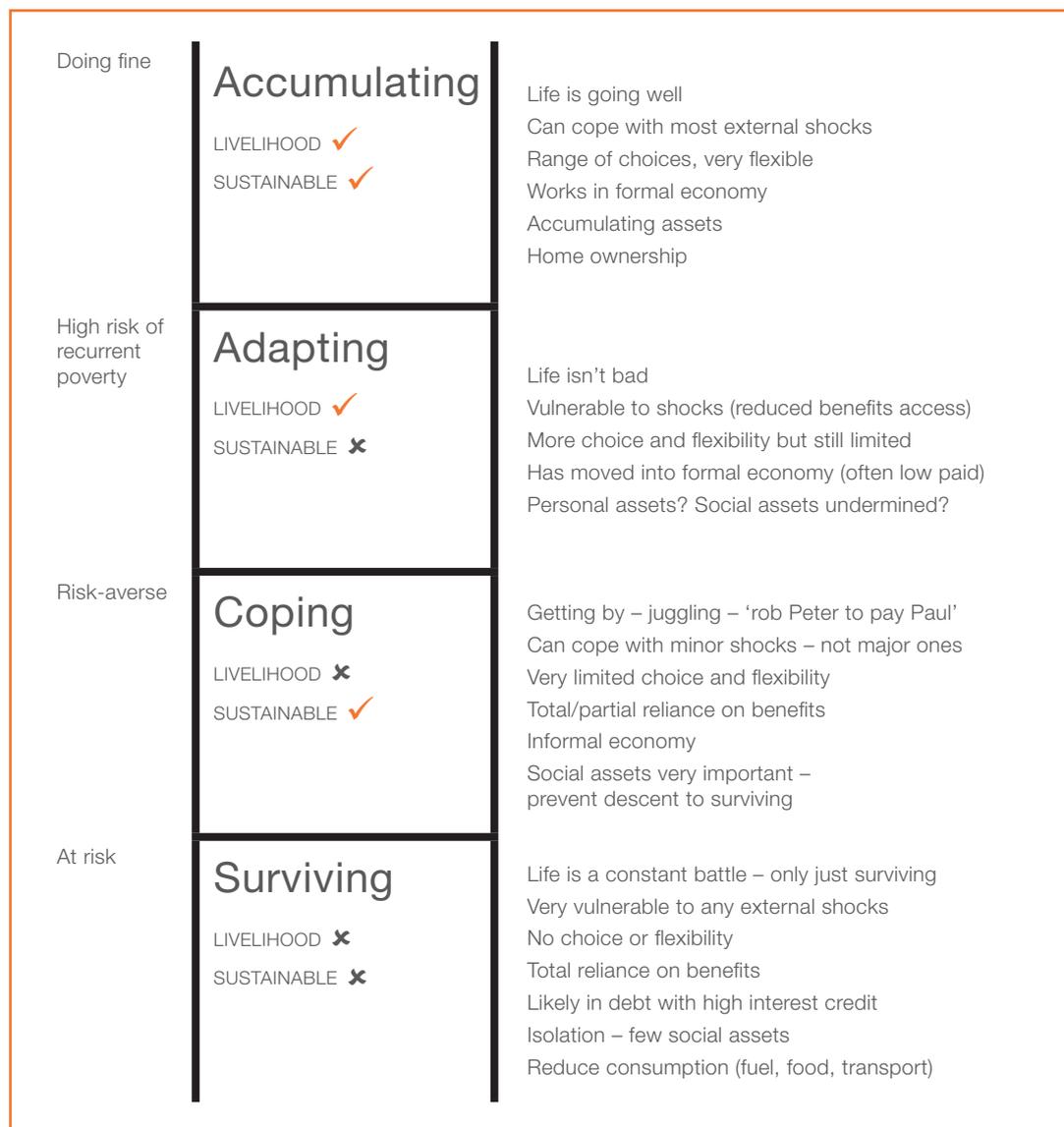
3 SLA was developed for use with rural communities in the global south. In the original model, 'natural assets' were used instead of place-based assets, since many poor people in developing countries rely on natural resources such as soil, weather, livestock and crops to produce food and to gain an income. This is less relevant in urban contexts in the UK, so in most of our pilots we replaced natural assets with place-based assets, although it is important to note that this includes environmental assets, in recognition not only of the health and recreational benefits of access to green space, but also potential income-generation possibilities (such as farming, food production and leisure activities), particularly in rural areas.

4 Adapted from Orr et al 2006: 34

5 For example, more than one-fifth of women (22%) have a persistent low income, compared to 14% of men. See <http://www.fawcettsociety.org.uk/index.asp?PageID=22>

person builds their asset-base, they move up the ladder; if, subsequently, they lose assets (for whatever reason) they risk falling back down the ladder.

Figure 2
The livelihoods ladder



Source: Adapted from Orr et al 2006

A key insight is that the transition from ‘coping’ to ‘adapting’ involves taking risks and increasing vulnerability to shocks, because financial assets are gained from work, but social assets may be undermined. If the new strategy does not work out well, or if it is exposed to an unexpected shock, it may prove unsustainable, and the resulting drain on assets may pull the person right back down to the ‘surviving’ level.

Mapping the external context

In parallel with the household level research, SLA investigates how external processes and organisations impact upon assets and livelihood strategies within the neighbourhood or community. This involves mapping out the key policies, institutions and practices

that could affect people's livelihoods, as well as gathering information about the current distribution of resources and patterns of inequality, in order to identify the opportunities and barriers that emerge from these interactions.

Examples of policies that are relevant in a livelihoods analysis would include those impacting on financial assets, such as minimum wage and benefit rates, and on economic development, regeneration initiatives, and the decisions of corporations either to invest in an area or to close a large factory or branch. Equally important are policies and services which impact on social or other assets, for example, provision of youth services or libraries. In Thornaby, libraries were the most valued public asset, along with Sure Start children's centres. They provide a safe, warm and unthreatening place to go at no cost, but equally they allow for access to the wider community through local newspapers, computers, a range of information and, for very isolated people, some basic human contact.

Prevailing social, cultural and religious practices within a community can also have a major impact on livelihoods, influencing, for example, who has primary responsibility for childcare and other domestic responsibilities within the household, and who has control over particular assets, such as the car. Both these factors can then restrict the ability of particular household members to seek paid work outside the home.

Vulnerabilities and shocks

SLA also involves exploring the risks and vulnerabilities that may weaken specific asset levels and undermine a particular livelihood strategy. These vulnerabilities include long-term trends, such as the economic decline in a particular industry or geographical area, and also social changes, such as the prevalence of lone parent households or the ageing population. It is also important to consider the consequences of shocks, which can range from major changes in people's lives (death, ill health, relationship formation or breakdown) to much smaller events which may still be very significant, particularly for those who do not have strong financial assets that they can draw on in order to cope.

A person in well-paid employment can easily pay for emergency childcare to help them through a family crisis, but for someone in a minimum wage job, this will be much harder – and, as a result, they may be forced to leave their job in order to cope.

For a family living on a low income, a broken washing machine can easily undermine their financial security, since they may be forced to turn to a doorstep lender, whereas if they were better off they could replace it from their savings.

SLA in the UK

Oxfam and CAP have now completed six projects using SLA with several different communities, including both neighbourhood communities and communities of interest.

Table 1
SLA projects,
2005–present

Date and partners	SLA project	Policy issues
2006–10 CAP in Thornaby and Stockton (initially funded by Oxfam)	Three successive rounds of interviews with 20–30 households in different neighbourhoods	Mental health and isolation, debt and predatory lenders, poor quality Job Centre services, importance of libraries
2007–09 National Farmers' Network (funded by Oxfam)	Interviews with 16 hill farming families	Access to business advice and support services, negative effects of increasing regulation of agriculture
2005–06 Splott Credit Union and Riverside Community Organisation (funded by Oxfam)	Interviews with 46 families in Cardiff, half from a predominantly white community and half from ethnic minority communities	Link between poverty, debt and mental health issues; increasing flexibility of benefits system
2007–08, 2010 ATD Fourth World (funded by Oxfam)	Initial participatory research using peer researchers with 31 individuals in London, then indepth study with seven people from two extended families	Importance of key local services – GPs, libraries; potential of SLA as an assessment tool for practitioners
2009–present Oxfam Cymru	Oxfam Cymru provides ongoing support to eight sustainable livelihoods projects with community-based partners in Wales	Identifying barriers to employment, support needs of economically inactive, reduced employment opportunities, rising living costs and static incomes, problems with the quality and consistency of service delivery
2010 Oxfam, with staff seconded from Bradford Resource Centre	Interviews with 39 people from four neighbourhoods, to document impact of 2008 recession on Bradford	Low levels of benefits, negative effects of chronic health problems and trauma, antisocial behaviour
2010 Church Action on Poverty and South Yorkshire Credit Union	Interviews with 17 households, focusing on the poverty premium	Financial inclusion, debt advice and access to affordable credit
2010–present Oxfam Scotland, academics, policymakers	Using SLA and public participation to devise a 'Humankind index' that measures what makes a good life	Consultation currently in process, goal is to enable more informed policymaking that goes beyond economic growth

Oxfam and CAP are taking forward the experience and lessons learned from our SLA pilots in a number of ways. We are promoting SLA at a grassroots level and, to that end, have developed a handbook for community development workers and local activists, introducing the approach and providing practical exercises (CAP/Oxfam 2009). We have trained a number of practitioners and provide ongoing support and funding for a number of smaller organisations which are using the approach in their local areas.

Local partners in each of our pilot areas have sought ways to respond to the findings from their livelihoods project. They have also reported (Perry 2010) outcomes at various levels, from changes in individuals (increased confidence, finding work) and households (relationship breakdown and reformation), to work with local service providers to inform their delivery using a livelihoods approach (for example, the National Farmers' Network has proposed that SLA could be used to improve enterprise development and support services for hill farmers) and local campaigning work (for example, against predatory lenders in Thornaby).

SLA and policy

Our experiences of conducting research using SLA suggests that it would be worthwhile for policymakers and service providers to use the livelihoods approach to engage more directly with people experiencing poverty on a systematic and regular basis, ensuring that policy is sensitive to the survival choices people often have to make. SLA encourages policymakers to treat individuals in poverty as rational agents who make decisions and pursue strategies that make sense in the context of their own lives.

This approach also speaks to the drive towards localism. Research done using SLA identifies the most appropriate level at which policy changes should be made, and it can help governments to understand how best to devolve power when it is appropriate to do so.

Using SLA allows policymaking to be rooted in an understanding of existing assets and strategies, with the aim of creating a context in which people are left less vulnerable to external shocks and better able to build and maintain a dignified and secure livelihood. The approach has widespread relevance to current debates about how to make anti-poverty and neighbourhood and economic regeneration policies more holistic, participatory and people-centred. The SLA research indicates that assets are inter-related: an impact on one asset can lead to knock-on effects on others. For example, taking on reciprocal childcare for friends can have a positive effect on an individual's social assets but at the same time damage financial assets, because they no longer have time to engage in full-time work. These points support the need for policy to consider livelihoods as a whole, rather than pursuing particular policy areas in isolation.

SLA clearly has implications for current policy – considering the institutional and structural contexts in which livelihoods are constructed is intrinsic to the approach. Going beyond a narrow, financially-based deficit model of poverty has the potential to add a richness to policy analysis which can help to tackle the seemingly intractable problems of intergenerational and recurrent poverty. Focusing on the assets and capabilities possessed by people living in poverty, and building on the positive strategies that they already use to get by and to try and get ahead, the government can encourage an attitudinal shift towards poverty in the UK.

In particular, government policy would benefit from a better understanding of the centrality of vulnerability in the livelihoods of people living in poverty. The security and predictability of benefits contrasted with the insecurity and uncertainty of work is something that the government is seeking to address through its welfare reforms. But it could go further to consider how it might support people in times of external shock – such as ill health, a sudden and unexpected financial shock such as a broken boiler, or job loss – to ensure that a shock does not become a crisis that impacts in the long-term on a person's

livelihood.⁶ This could be through improving crisis interventions such as the Social Fund, but it could also be through building security into public services through universality, building on the model of the NHS. Universal childcare, for example, might provide a platform of security on which greater financial assets could be built. Understanding how vulnerability to shocks can be tackled at a policy level, and how livelihoods can be made more resilient and ultimately more sustainable, is something which the government could gain from wider use of SLA across all areas of policy.

In the following chapters, we develop the SLA perspective on four topical areas of public policy in particular.

6 Some of these issues are explored in a recent IPPR proposal for National Salary Insurance – see <http://www.ippr.org/publications/55/7775/national-salary-insurance-reforming-the-welfare-state-to-provide-real-protection>.

3. WELFARE REFORM, JOBS AND ECONOMIC DEVELOPMENT

LUCY BRILL AND MOUSSA HADDAD, OXFAM

Structural barriers prevent millions of people in the UK from being fully economically independent. For them, the benefits system is a crucial aspect of their income – whether in work, out of work, or moving between the two – but also a defining feature of the landscape in which their lives are framed. SLA can help to explain the importance of the benefits system in the lives of many people living in poverty and show how it can be reformed in ways that contribute to both the building and the resilience of their livelihoods.

The benefits system

Briefly, there are three key problems with the benefits system that SLA can help policymakers to understand and, ultimately, overcome.

First, benefits are set at a level which is wholly inadequate, meaning claimants of both in- and out-of-work benefits are likely to live in poverty. This problem has gotten worse over the past 30 years, with benefits falling further and further behind average incomes – so that Jobseeker's Allowance is now 10 per cent of average earnings, compared with 20 per cent in 1980 – and is particularly acute as a result of the food and fuel price crises of 2008 and 2011, which hit the poor hardest (and weren't fully accounted for in average inflation figures).

Second, although the income provided by out-of-work benefits is low, it is also relatively secure. So, when the employment available to most people on benefits is characterised by vulnerability and unpredictability, that security can become a trap. The current system fails to support people effectively as they make the transition between unemployment and work, and between different types of work, in an increasingly dynamic labour market. Too often, it forces people to make a trade-off between employment and security.

Finally, the benefits system takes a narrow, financially-centred view of people's lives. Yet the factors keeping people in poverty, the form that poverty takes and, crucially, the assets people can or do possess which might help them to escape from poverty, all incorporate aspects that range far beyond the financial. These include caring responsibilities, access to services such as healthcare or transport, and the social networks upon which people rely.

SLA can help us to understand these issues in several different ways:

- a livelihoods analysis at the household level can teach us how the benefits system interacts with the lives of people living in poverty
- understanding how households operate internally gives access to a richer analysis of the likely (and, later, the actual) impacts of welfare reform on individuals than one based on the household level alone
- looking at the wider social and economic setting, the SLA can help policymakers to consider how that context relates to both people's lives and to the benefits system.

SLA would combine these elements to ensure that welfare reform is informed both by people's lives and motivations, and by the context in which they live. Crucially, by looking beyond the financial elements of people's lives, the approach allows policymakers to understand how these factors may contribute to recurrent poverty. For example, a person may take a job that makes sense for them financially, but if it damages the social networks that they rely upon to fulfil their caring responsibilities, the job might become unsustainable.

'I got a job just for six weeks at Christmas, a shop job, [it] gave me a taste of being out of the house again, a bit better off ... It came to a finish because it was just for Christmas, just temporary shop work

– suddenly I’m back down again and they’ve overpaid me the tax credits so they’re taking money back, so I’m actually worse off than I was before I started the job ... it’s like a vicious circle.

‘[One job interview] was two bus rides from where I live, and it cost me £7-something to go ... but if it’s under the 16 hours it’s not worth your while taking the job because even with the subsidy of the tax credit or whatever it’s not enough to get [working tax credits].’

Tanya, Thornaby

The Coalition government’s welfare reform programme

SLA is uniquely well-placed to help analyse and understand this current government’s welfare reform agenda. It can help us to identify both the positive proposals that need to be strengthened or better resourced to ensure their effectiveness, and the counterproductive developments that should be rejected.

SLA can help us to do all of this in a way that works with the grain of people’s livelihoods and that considers aspects beyond the household level – both below that level, in the sense of intra-household dynamics and how the impact of characteristics such as gender might be accounted for in the benefits system, and above that level, by taking into account issues such as local and national economic development.

The most positive aspect of the government’s welfare reform programme is its recognition of the importance not only of making work pay but also of ensuring ongoing security of income during the transition from out-of-work benefits into work. The introduction of a consistent ‘taper rate’ of withdrawal across all benefits as people enter work or increase their earnings is a welcome simplification and one which will mean, for most groups, that financial gains from work are both clear and predictable. Of equal importance is the merger of in- and out-of-work benefits, which will end the need to ‘sign on’ and ‘sign off’ benefits when moving between unemployment and low-paying work, helping to reduce in-work insecurity and vulnerability.

This will also have the effect of making it financially viable for people to take on only a few hours of work a week, or a few weeks’ work, if this is what is available or appropriate. Such ‘micro’ or short-term jobs can enable people to regain the skills and confidence they need to apply for a better job or to establish themselves as self-employed. SLA research has taught us that the absence of this option is currently a barrier to people improving their livelihoods; equally, analysis using SLA will allow the government to assess how well its reforms meet that goal, and to adjust the system accordingly.

Although these reforms will help to reduce the vulnerability of people at times of transition, SLA also highlights the ways in which even a comparatively small external shock can derail a constructive livelihood strategy. To address this, the government needs to find ways to ensure that the benefits system really does protect people from shocks that can so easily lead to a crisis. Such shocks could be related to moving into or out of work – but equally they could relate to events outside the scope of the universal credit, such as an expensive broken boiler or cooker. An SLA analysis could usefully inform the proposed reform of the Social Fund, by highlighting the importance of flexible crisis support, in order not only to provide people living on low incomes with access to affordable credit to cope with domestic crises but also to ensure that such events do not undermine their attempts to build more sustainable livelihoods.

In the government's proposals, the approaches taken to addressing gender in welfare reform, and to how non-financial aspects of livelihoods are understood, could both be improved using an SLA analysis. SLA enables us to make a gendered assessment of the assets and vulnerabilities within a particular household. Tracing the differences between, for example, the access of men and women to key physical or financial assets, or their caring responsibilities, can help to explain not only their differing livelihood strategies but also their vulnerability to poverty. Because they have lacked this gendered analysis, the government's welfare reform proposals risk disadvantaging women in a number of key areas.

We know from intra-household analysis that financial assets are often not shared evenly between all household members.⁷ Under the present system, payment of different benefits to the different members of a couple helps to reduce this problem. The government's proposals to consolidate the current diverse range of benefits into a single universal credit paid to one member of a couple, which research shows will most often be the man, is likely to reduce the access to income of many women. Proposals to switch to a single monthly payment will also have substantial impacts upon existing budgeting strategies in households, particularly affecting women. The government has yet to demonstrate that it has plans in place to deal with this. Similarly, the decision to focus improved work incentives on 'first earners' in households ignores the fact that this will reinforce women's economic dependence. This is particularly the case when combined with cuts to financial support for childcare, which will impact heavily on women, as they are most likely to be the main carer in a couple, with their employment more likely to be contingent on childcare.

A second major area in which there is room for improvement through use of an SLA analysis is the inadequate provision in the government's welfare reforms for the non-financial aspects of livelihoods. That being said, the government does have in place a vehicle through which the non-financial barriers on the route to work can be addressed. In its work programme, which sets out to provide the support that long-term claimants need to return to work, the government uses the language of personalization: enacted comprehensively, personalisation would imply taking a holistic account of a person's livelihood, which would chime with an SLA perspective. The way that the work programme is structured could be valuably and comprehensively analysed through an SLA lens, and would crucially involve the citizen in decision-making.

However, the work programme is compromised by having an entirely outcome-focused approach, in which the only outcome assigned any value is employment. In reality, at any particular point in time employment may not represent the most desirable or rational livelihood strategy for an individual. If, for example, someone has a long-standing health problem, then therapeutic activities which fall short of employment may be more appropriate, and ultimately more sustainable, than being rushed into a stressful job that risks undermining their recovery.

Even within narrow employment-based parameters, however, the government's policies to encourage individuals on benefits to take on formal work would benefit from using SLA to understand the holistic picture of a claimant's life. This would reveal the hidden skills and unacknowledged connections that enable a person to cope with life on a low income, as well as highlighting potential vulnerabilities, where asset levels are low and could potentially undermine any strategy for change. In part, SLA is relevant here because the government's strategies to boost employment face little prospect of success if they

⁷ See, for example, the evidence cited in Veitch 2010 and Warburton Brown 2011.

do not take account of the broader aspects of people's lives. But it is also because even short-term successes may in fact place individuals in unsustainable circumstances that could unravel at the first crisis. This, in turn, would lead to people ceasing work and falling further back into poverty, because adding employment to their 'survival strategy' has reduced the resilience of their livelihood.

For example, a transition into a better-paid but stressful job could undermine the steady progress made by someone with a history of psychiatric breakdown, if their health problems were to recur and they were to be re-admitted to hospital. Retraining for an alternative career better suited to the individual's capabilities might mean that, in the short-term, they are out of work for longer but that they are able to maintain their recovery in the long term and thus secure a more sustainable livelihood.

Furthermore, the choice to focus much of the cuts in public expenditure on the benefits system threatens to undermine the constructive elements of the proposals and ultimately the overall success of the welfare reform process. For example, the decision to introduce a 'taper' rate of withdrawal of 65 per cent rather than 55 per cent was driven by financial considerations. Yet this will substantially reduce incentives to work, particularly once costs of childcare, commuting transport and other costs associated with work, national insurance and income tax have been factored in. For many, this will make the difference between work being financially viable or not, and the consequences of this decision in terms of employment remain to be seen.

Fundamentally, the decision to cut benefits heavily is symptomatic of a belief that they are negative and wasteful, rather than seeing their potential as an investment in the livelihood-building of people living in poverty.

Finally, another aspect of the government's proposed remedy – an increasingly punitive system of 'conditionality' to push people into work – misdiagnoses the nature of structural barriers to employment faced by people living in poverty. A holistic understanding of people's livelihoods can help to unpick and ultimately overcome these barriers. The government apparently recognises this in its humanising (albeit under-resourced) approach to financial incentives and security – yet, in ignoring it in order to introduce conditionality, risks doing harm to poor and vulnerable people and undermining their basic human right to social protection.

Jobs and economic development

The process of welfare reform is the government's answer to the 'supply side' of the jobs and economic development equation, designed to improve the financial willingness and ability of people to enter employment (through universal credit) and to tackle their skills- and health-related and other barriers to work (through the work programme). As outlined above, SLA can better inform these reforms, and could be used to analyse and monitor their effectiveness as they are implemented.

Important as it is to get the supply side of the labour market in order, the demand side is vital too: without the creation of jobs unemployment will remain high and, indeed, increase as public sector redundancies take place. SLA can also help us to predict the consequences of increasing the conditionality of benefits, particularly in situations where there are very few vacancies. This is likely to impact on other assets, including human (increasing stress, decreasing confidence) and social (reduced capacity for volunteering and community involvement), and when coupled with a very real risk of destitution for

those who do not comply, or whose genuine attempts are unsuccessful, could lead to a serious deterioration in asset levels within our most vulnerable communities.

Initiatives to strengthen the livelihood strategies that people employ must start by identifying those contextual factors which are most significant in any given situation. SLA provides a mechanism for doing this, as it can help to separate out the particular barriers to livelihood-building in particular areas. This might be a simple lack of local jobs, but it could also include inadequate transport links to areas of greater opportunity, or a lack of accessible training or childcare provision.

SLA could help us find new, more inclusive ways to rebuild local economies, starting from the existing strategies that local people are already using. For example, from our existing SLA pilots we know that in some communities the high unemployment rate reflects the fact that there is very little formal economic activity taking place locally. In such communities, the opportunity to do informal work not only provides individuals with an accessible short-term livelihood strategy but can also serve an important role within the community, enabling people to access goods and services that would otherwise be unavailable to them. Examples include services, such as child-minding, hairdressing and car maintenance, and informal retailing, through market stalls or online, as well as informal manufacturing and production work, although the latter is more likely to be connected by subcontracting links to the formal economy (for example, by migrant workers picking crops or homeworkers packing cards).

Currently, much of this activity is hidden, since the inflexibility of the benefits system means that claimants are reluctant to declare small amounts of work, for fear it may take the authorities many weeks to restore their benefits in the event the work does not continue. Aspects of the government's welfare reform proposals are intended to make it easier for those on benefits doing small amounts of informal work to regularise their situation. If this was coupled with accessible advice services to ease them through the regulation and bureaucracy that can deter people from declaring self-employed work, most of the poorest informal workers would effectively be decriminalised.

The CREATE Consortium's proposed community allowance would provide a further stimulus for local economies, as this would enable local services to employ people to be paid for carrying out work on behalf of the community – at the moment, much of this work is contracted out to external organisations.⁸ All these measures would increase the financial resources available within low-income neighbourhoods, putting more money in local people's pockets, which in turn would stimulate local economic activity further.

What kind of economic development does SLA point towards?

Oxfam's analysis of the Scottish economy calls for a new model of economic development that moves away from 'consumption-led growth', with its attendant status anxiety, fostering debts and insecurities, towards an alternative model that recognises the importance of sustainable development and of building healthy and vibrant communities, alongside pro-poor economic development (Trebeck 2011). Recent work on resilience by the Centre for Local Economic Strategies unpacks in more detail how we might go about implementing such change at the local level (McInroy and Longlands 2011). Their report reminds us of the contribution of the public and social economies, alongside the private sector, in creating and sustaining healthy local economies, and their resilience model complements SLA very well, highlighting factors such as efficient transport systems or the

⁸ See <http://www.communityallowance.org/>

availability of skilled labour that are vitally important precursors to a healthy and inclusive local economy.

Proposals for future work

Discussions at our policy seminar resulted in two tangible proposals on how to take SLA work forward in response to government welfare reform, one to focus on structures and the universal credit and the other to focus on delivery of support through the work programme.

While there was recognition that the Welfare Reform Bill contained some positive aspects, participants felt that the understanding of poverty solely in terms of financial assets (or lack thereof) will undermine the effectiveness of these reforms, as they will simply perpetuate 'more of the same': some structures have changed but the underlying logic remains the same. There was also general consensus that any analysis of the impediments to building sustainable livelihoods needed to consider not only the Welfare Reform Bill but also a number of Coalition government policies, including economic development, healthcare and skills policies.

Recommendation 1: Welfare reform policy analysis and monitoring project

We propose to develop a project using the SLA to monitor the impact of the proposed changes in welfare provision on poverty in the UK. This would involve longitudinal studies with people in poverty in different parts of the country, tracking how their situation changes as the reforms are introduced. The existing SLA studies could be used as a baseline, to provide evidence of the pre-reform experiences of people in poverty in the UK.

Recommendation 2: Beyond welfare reform

We propose to implement a pilot, with Jobcentre Plus or a work programme contractor, to deliver back-to-work support framed using the SLA. The SLA provides a holistic view of people's livelihoods, and using it to analyse the assets people have and how these could support them into employment would enable claimant agreements and action plans to be drawn up in a way that is likely to lead to more sustainable employment, by factoring in the full scope of people's existing livelihoods and strategies.

Due to the increasing levels of conditionality built into the work programme, as well as the need to respect sensitivity and confidentiality, it would be difficult for a claimant to talk openly about the realities of their life. It may, therefore, be most appropriate to deliver such a pilot in partnership with a community-based organisation, keeping the SLA analysis separate from the regime for imposing conditions and sanctions on jobseekers.

4. HOMES AND NEIGHBOURHOODS

JENNI VIITANEN, IPPR NORTH

The roof over your head is perhaps one of the most basic building-blocks for any notion of a sustainable livelihood. Housing is perhaps one of the most fundamental assets, sitting at the heart of the Sustainable Livelihoods Approach: it is the core physical asset without which many other assets such as financial or social assets can become less significant. Homelessness is one of the most critical indicators of poverty in the UK, and a person's housing situation can be a key factor in their ability to cope with stresses and shocks or to manage and enhance their capability to maintain a secure livelihood.

Bricks and mortar are just one dimension of what it means to have a home. A person's sense of place and neighbourhood also represent vital assets in overcoming vulnerability and enhancing opportunity. SLA reveals that good neighbours are the source of a wealth of social capital, meaning that where one lives, and for how long, is crucial. The neighbourhood is also very often the place where an individual or household receives vital public services, including schools, GP surgeries, street-cleaning and community safety.

In sum, the home environment and the neighbourhood bring together and connect a range of assets from different domains. However, physical and place-based assets can be highly uneven in their distribution and quality from neighbourhood to neighbourhood. In research carried out by IPPR North in 2010, it was revealed that the neighbourhood was one of the most important factors in enabling an individual to connect to employment opportunities. It wasn't simply the physical asset of a decent home that mattered, but much more the nature and composition of the wider neighbourhood (IPPR North et al 2010).

Over the past decade, 'area-based' policies designed to ensure people are not disadvantaged by the place in which they live have been superseded by a narrower focus on 'worklessness' combined with a drive to improve the coordination of local service provision. Although it explicitly rejects any notion that government should attempt to rebalance geographical inequality as running 'against the grain of the market', the Coalition government is, in relation to local services, making vigorous efforts to place service provision in the hands of communities themselves, with 'place-based budgeting' and 'community budgets' as a means of joining up local provision.

Successive governments have recognised the importance of social housing and wider housing policy. However, while the physical condition of many socially rented homes has improved through the Decent Homes programme, waiting lists have soared and many estates are blighted with social problems and poorly understood or underdeveloped place-based assets. The present government has signalled that one of its primary goals in relation to housing is to enhance social mobility: by this approach, a socially rented home is seen increasingly as a transient place, and home ownership or the private rented sector seen as more desirable. However, the socially rented home offers security for many people whose lives would otherwise be characterised by uncertainty and vulnerability. Alongside proposals to incentivise the building of new affordable housing, the government is also proposing a 'right to move' scheme that would allow social housing tenants to 'move' their place-based social housing asset almost anywhere in the country. Yet, alongside this, the government plans to time-limit entitlement to social housing for those who enter employment.

The impact of social housing reforms on the security of physical assets

SLA has helped to show that the home (a physical asset) is the lynchpin of many other assets which make up a sustainable livelihood. Without a decent home, there is no proper foundation from which other assets can be built. From a policy perspective, early

intervention strategies and other attempts to improve life chances in deprived areas will not be as effective without the critical asset of a decent home in a decent neighbourhood.

Perhaps one of the biggest problems in this regard is the substantial housing shortage that currently exists and is set to grow in coming years. Recent research by IPPR predicts that overall housing demand will outstrip supply by nearly 750,000 properties by 2025 and that some 200,000 homes would need to be built each year in order to cater for the growing number of households in England (Schmuecker 2011). In terms of social housing, it is likely that by 2025 an additional half a million households will need a socially rented home due to affordability constraints. This scenario, together with the impending welfare reforms described above, and changes to social housing policy, will mean that the home – particularly socially rented but also privately owned – will be a significantly less secure asset in the future. This could have significant effects on people's livelihood strategies.

There are a number of changes to social housing policy which would appear to undermine the security of the home as a physical asset. The decision to introduce a housing benefit cap, as well as the rule to charge 80 per cent of market rents in social housing, is likely to mean that many people on low pay will be forced to move to make ends meet. Not only is this likely to damage the security of physical assets, involuntary relocation is likely to create a disconnect with other social and place-based assets. Physical dislocation, perhaps for the purposes of employment or as a result of change in housing eligibility criteria, can have significant negative impacts on wider assets, which can result in overall damage to an individual's livelihood. An SLA approach can help to determine the extent of this problem for any given household or neighbourhood.

At a deeper level, our seminar participants felt that part of the problem has been that social renting as a choice or as a desirable housing option has been devalued over recent decades. There is a popular myth that people are 'given homes' that they don't 'deserve', by comparison with the hard-working population, who have converted a financial asset into a physical one. This common view misunderstands the value and purpose of a socially rented home, which are fundamentally different from those of a privately owned home, which sees a house as a financial as well as a physical asset: as something to be owned and traded as well as sheltered in.

However, successive governments have adopted policies to increase home ownership: in its response to Kate Barker's review of housing supply in 2005, the Labour government raised its target to 75 per cent of households in the UK. This is substantially higher than in most European countries and such policy goals can ultimately undermine the value and reputation of social renting. Furthermore, people on low incomes aspiring to home ownership can often end up in a vulnerable position when the unmanageable cost of servicing a mortgage results in the loss of the key asset, the family home.

SLA analysis encourages a rethinking of the home as not only a physical asset but as a private and public good that underpins a sustainable livelihood strategy and connects different asset domains. The debate about social housing requires rebalancing and reassessment of the values and ethos of socially rented homes. In the private sector, SLA can help policymakers as well as homeowners, tenants and landlords to see the linkages between bricks and mortar, investment strategy and wider social structures and returns.

Homes and wider place-based assets

Over the past decade, it would appear that there has been a shift in policy thinking around what promotes personal wellbeing: the previous Labour government and the current Coalition government appear to have made the assumption that work is a critical asset, over and above a family home. SLA, by contrast, recognises both work and a home as being vitally important, interdependent assets that enable a household to make progress up the livelihood ladder (see Chapter 2).

Some communities, particularly in the north of England, face the problem of a mismatch between the availability of homes and jobs. There are communities where there are plenty of physical assets in the form of homes but limited prospects for employment. In some cases, regeneration activity has improved the housing stock, for example, or grants have been made to stimulate the local economy – but the economic prospects still remain bleak for some of these communities. Structural changes to the economy and decisions made by previous governments have fundamentally changed the industrial bases of employment and so the fortunes of some peripheral areas are difficult to turn around.

In addition to a range of economic development measures, the government is seeking to address this challenge by introducing more flexibility into tenancies. The so-called “Freedom Pass” or the National Affordable Home Swap Scheme aims to allow existing social tenants to buy or swap homes with other tenants anywhere in the country, and thereby to advance ‘social mobility’ in this sector. More flexibility – and ultimately insecurity – can help to incentivise those individuals to relocate who are able to take up employment elsewhere and who have strong livelihood strategies in place to manage changing circumstances.

However, there are two considerable problems with such an approach. First, it harbours potential for a downward spiral in some estates by introducing an exacerbated ‘sorting effect’ within the social rented sector, as well as the wider housing market, which would add to the feeling of being ‘trapped’ or ‘isolated’ in neighbourhoods suffering from a stigma or ‘bad reputation’, which would in turn undermine place-based assets in that location (Dean and Hastings 2000). Second, without the wider view which an SLA analysis could offer, such policies may fail to recognise the complexity of livelihoods and so oversimplify the benefits that might be perceived in moving to a new area – or underestimate the loss of locational and social assets that might have been built up around a previous home. As mentioned above, the housing benefit cap and insecure tenancies could damage the connection between health and wellbeing, the physical living environment and social relations, which are often place-based. As a consequence, less-secure tenancies may also affect people’s feelings of pride in and will to manage their homes, neighbourhoods and other material or immaterial assets rooted in that place.

While in theory the home swap scheme aims to allow a household to ‘trade up’ their physical assets, it is likely to founder unless it can weigh up the wider coping and adapting strategies and the rational approaches to livelihoods that households adopt. Furthermore, where it is implemented, it is likely to result in further social stratification and the ‘sorting effect’ that housing markets have in creating ‘low-income neighbourhoods’, thereby reducing the locational assets for people left behind.

Proposals for future work

Recommendation 3: Understanding housing assets

We propose that further analysis should be undertaken to understand perceptions of different forms of housing and the sense in which they might be deemed 'physical assets'. This work should have a particular focus on the value of social housing as well as the inter-relationships between housing and place-based and social assets, and it should give special consideration to the impact of current policies as they are implemented in the months and years ahead.

Recommendation 4: Meeting housing demand – lessons from overseas

We propose that models of schemes developed in Europe and further afield to increase the supply of affordable housing are assessed using SLA to gauge their suitability in a UK context.

5. FINANCIAL INCLUSION

NIALL COOPER, CHURCH ACTION ON POVERTY

The previous government committed substantial resources to tackling financial exclusion, with the aim of increasing access to financial advice, basic banking services and affordable credit. It is unclear whether financial inclusion will be accorded the same priority under the Coalition government, and significant problems of financial exclusion remain.

One key dimension of financial exclusion is the 'poverty premium'. This refers to the higher prices that the poorest families often pay for basic necessities like gas, electricity and banking. The poverty premium was originally estimated by Save the Children to amount to around £1,000 a year (Save the Children 2007). An update to this work estimates that the annual figure can be in the region of £1,280 a year for a typical low-income family, representing an increase at a rate well above inflation (Save the Children 2010). Although it is impossible to predict accurately how many families are incurring a poverty premium, the key statistics on poverty presented indicate that the numbers of those potentially at risk number millions, include working as well as non-working families, and are increasing.

Most financial inclusion strategies currently seek to tackle financial exclusion without dealing with other forms of exclusion or disadvantage. However, it has been demonstrated that these non-financial factors have a significant impact on individuals' ability to achieve greater inclusion and build their financial assets (Perry 2010). SLA offers the potential to better understand the interaction between financial and non-financial assets, and to design more effective financial inclusion strategies which both support individuals' own livelihood strategies and tackle wider institutional barriers (including the poverty premium). It does not deny the key role of income and finance in building a livelihood, but it adds essential non-financial considerations to an understanding of why financial security can be threatened.

Case study: Paying over the odds?⁹

Families with children in Goldthorpe, South Yorkshire, were invited by a team of volunteer researchers from CAP to share their experiences of life on a low income. This small qualitative project used SLA to:

- Explore the impact of the 'poverty premium': What do families end up paying more for? How much extra does it cost them? How does that affect their livelihood?
- Understand the interaction between financial exclusion, income and expenditure: Why do families end up paying more than they need to?
- Make recommendations: How might it be avoided?

Listening to participants' own experiences and views, there are three main areas for change:

1. Targeted action to tackle the impact of low incomes: improving access to low-cost borrowing; encouraging, enabling and supporting people into work that pays enough; and maximising the effectiveness of benefits.
2. Working with families to improve their resilience: through affordable insurance; through financial support services, and enhancing financial capability.
3. Protecting the most vulnerable: encouraging responsible lending, and ensuring low-income customers get the best possible deal on gas and electricity by improving access to social tariffs and avoiding disproportionate penalties.

9 Perry 2010

Key points from the research:

The 'poverty premium' is a fact of life for most people on low incomes. Nearly everyone we spoke to through the South Yorkshire Credit Union was paying more than they might need to through:

- high-cost credit – using doorstep loans or rent-to-own agreements to pay for basic household items, cookers, fridge freezers or washing machines
- prepayment meters/cards for gas and electricity and/or mobile phones
- not being able to afford home contents insurance.

In most cases, families felt that the more expensive options were the only option because they were not able to save to pay for items in cash, could not get access to affordable credit, or were not able or willing to pay by direct debit.

Living on a low income makes careful financial management a necessity but this was often not enough. Families were able to provide very detailed descriptions of their weekly income and expenditure, often indicating very careful money management. All said, there were regularly times when they were not able to make ends meet, and an unexpected large bill, owing for example to an appliance breakdown, would be a significant problem for them. Many also struggled with the legacy of previous debts, often incurred when they were very young.

Avoiding paying extra was possible for some families some of the time, but not for all families all of the time. Many families had developed strategies to avoid paying more than they had to, often by going without or borrowing from family. Having regular income from work and/or a bank account sometimes allowed families to protect themselves from the poverty premium, but not always or completely. All strategies were vulnerable: illness or financial difficulties in the extended family, loss of work and problems with benefit payments were all likely to leave families at risk of incurring expensive debts.

Case study: Thrive financial inclusion project¹⁰

Thrive, a local CAP partner in Stockton-on-Tees, set about showing that poverty is about more than simply money – it's about a lot of other factors too: good health, access to services, a decent living environment, and good social networks and support mechanisms. Thrive has succeeded in this and achieved what it set out to do: to have people living with poverty and disadvantage moving towards financial inclusion by mobilising their own financial and non-financial assets more effectively and engaging more confidently with financial services.

With funding from Friends Provident Foundation and EAGA Charitable Trust, the Thrive community inclusion project successfully engaged 50 hard-to-reach households. To do this, it recruited and trained 15 local people as volunteers – some of whom had experienced financial exclusion firsthand – to mentor individual householders and help them to access a range of support agencies (EAGA 2010).

10 EAGA 2010

By taking people as the starting point and looking at their strengths rather than their needs, mentors began to highlight the ‘gaps’ between a household’s situation and the services available at different levels.

This project has been able to demonstrate that inclusion is improved by local people creating change, and that tangible change can be achieved in a short space of time, by bringing people together to share experiences, develop communities of trust and learning, and take action against companies and agencies that profit through poverty. In total, 31 per cent of the 50 households involved recorded a positive change. Interventions included setting up a group to bring women together to develop positive social links; highlighting appropriate services; and supporting actions in the community, for example, against predatory lending practices, which often affect very vulnerable people.

Through the assessments, it became clear that for many people there was a feeling of shame or embarrassment at being in debt or unable to cope with financial problems. Isolation brought with it feelings of worthlessness and helplessness.

Many householders saw the sense of ownership – of being in control of one’s finances and able to navigate one’s own way around financial obstacles – that they gained as a very positive step. Householders who were referred to the Citizens Advice Bureau (CAB) for debt counselling reported that they felt ‘reassured’ after receiving advice and Thrive’s intervention.

‘Elaine’

Elaine’s wellbeing was severely affected by a number of subprime loans which were causing her to worry – she says: ‘I was waiting for the bailiff’. Due to Thrive’s ongoing mentor support and a referral to CAB for debt counselling, Elaine now has her financial situation under control. Of her referral to CAB, she said: ‘[It was] enjoyable – it brought hope. I feel much, much better ... I feel stupid that I put it off for so long. Thrive is a good initiative – there is nothing like it.’

‘Jane’

Emerging from the SLA household assessments was a worrying pattern of predatory lending by one particular hire-purchase company, Buy As You View (BAYV), which was becoming a problem for many households in Stockton. ‘Jane’ is paying BAYV about £70 every eight weeks. There’s a fault with the television, but that would cost £60 to fix. By the BAYV scheme, watching the television costs £1 for every three hours’ viewing, and she sometimes has to ask the neighbours if she can borrow a pound. She says she likes the convenience of BAYV though she knows it’s ‘extortionate’.

In response, Thrive established a task group to challenge the current lending practices. The group includes long-term customers of hire-purchase companies who have paid out thousands of pounds in interest over and above purchase price.

The group met to prepare and meet with private companies and the media to challenge the status quo. They explained their experiences and the financial impact it had had on their households. The action led to a cross-sector, media initiative that highlighted extortionate lending practices aimed at economically excluded people.

Seminar discussion

Both case studies demonstrate that SLA is a powerful tool for really understanding why people on low incomes make particular financial decisions (such as choosing to manage their finances in cash rather than via a bank account, or why so many people continue to borrow from high-cost doorstep lenders), as well as for empowering them to take greater control over their own finances.

As a result of an injection of capital from the government's Growth Fund, South Yorkshire Credit Union (the local partner in the Goldthorpe poverty premium research) was particularly successful in extending their services to families which otherwise would have been financially excluded. This had enabled the credit union to offer 'instant' loans which, combined with their local knowledge and credibility (or social capital), had been highly effective at targeting new customers who would conventionally have been considered 'high risk'. As a result of the capital injection, the credit union was sufficiently financially robust to continue serving this group, albeit at a lower level, now that the Growth Fund itself has ended.

Seminar participants believed that a policy vacuum within the Coalition government was a key barrier to connecting SLA with public policy on financial inclusion. It was felt that there was potentially a strong case to be made that the poverty premium was a significant drain on public finances: one participant referred to a local project in the North East which had calculated that a small community of just a few streets was 'losing' up to £800,000 each year in interest payments to doorstep lenders. Scaled up, the aggregate 'cost' to the Exchequer in terms of 'lost' benefit payments could be several million pounds. However, participants also questioned whether the evidence base concerning the poverty premium was sufficiently robust to support such a calculation.

One consistent message from all the livelihoods research projects to date has been the extent to which people on low incomes with few financial assets are extremely vulnerable to external shocks. The proposed localisation of the Social Fund¹¹ may provide the potential for a more personalised approach to providing grants, loans or other assistance in kind. However, policymakers at both local and national level need to have a clear understanding of the importance of existing cash loans in enabling people to cope with immediate shocks to their livelihoods (such as the breakdown of a major appliance) and not unduly restrict access to grants or crisis loans.

On the positive side, seminar participants recognised that there was still considerable opportunity to transfer learning from international development to the task of tackling financial exclusion within the UK. This could include not only SLA itself but also international learning on how to build stronger, more robust credit unions and other micro-credit initiatives.

Crucial in all these approaches is the idea that a relative modest injection of capital funding is able to unlock significant financial and non-financial assets within communities themselves (as was the case with the Growth Fund), as a means of promoting greater financial inclusion.

¹¹ See <http://www.dwp.gov.uk/docs/social-fund-localisation-wr2011-ia.pdf>

Proposals for future work

Recommendation 5: Community Capital Challenge Fund

We propose to explore ways to develop a 'community capital challenge fund' to pilot a range of approaches that would seek to use a modest injection of capital funding to unlock local financial and social assets. The challenge fund could potentially include both a revenue element, to enable local groups to research and develop new ideas, and a capital element, to fund selected creative or innovative approaches to tackling financial exclusion.

Recommendation 6: Increasing access to mainstream financial services

We propose to test a range of approaches to tackling the poverty premium by making mainstream financial services more accessible to people on low incomes. The project, to be delivered in partnership with South Yorkshire Credit Union and Cooperative Financial Services, will draw on the 'Paying over the odds' research (Perry 2010), in seeking to 'bend' the design or marketing of existing financial services to fit with people's existing livelihoods strategies.

6. COMMUNITY AND SOCIETY

RACHEL NEWTON, URBAN FORUM

A new understanding of community and society permeates and underpins policy across government: in health, education, local government, economic policy, and political and public service reform. Encapsulated in the term ‘Big Society’, the fundamental goal of this new understanding is to enable communities to be self-reliant, made up of socially active citizens, with a stronger civil society playing a central part in their lives.

Notions of the Big Society and SLA would appear to find common ground in their understanding that individuals and communities have assets – in the form of knowledge, skills, networks – that could be recognised and better utilised. Both hold that our ability to draw on assets is shaped by our context, and both are based on a belief that the starting point for sustainability and resilience is self-organisation – as individuals, and in coming together collectively to address shared problems.

It is useful therefore to consider what SLA can tell us about community and society: about the issues facing deprived communities, the question of what sort of society we want to build, and how government policies and programmes should be shaped and implemented as a result.

The Big Society – more than just a programme?

The Big Society is a government programme encompassing a long list of initiatives – community organisers, the Big Society bank, vanguard communities, and many more. And there are a number of concrete proposals contained in the current Localism Bill, giving community groups the right to take over services, purchase land or property in the community, contribute to local planning policy, and access data.¹²

But the government claims Big Society is far more than a programme or set of proposals. It is also shorthand for a vision of a new society, with a new way of organising communities, meeting needs and distributing resources.

From this perspective, government sees the relationship between citizen and state as transformed, with citizens meeting more of their own needs, requiring less from the state. In this version of society, the government sees the public sector being much smaller than it is now, doing less of some things and ceasing to do other things altogether. Civil society (charities, voluntary action) and business move in to fill the gaps left behind; the public services that remain are almost completely contracted out. This vision sees ‘giving’ as a social norm, whether by donating time, giving money or sharing expertise; this includes modern-day philanthropy, with wealthy benefactors providing necessities, just as wealthy individuals and corporations in the Victorian era provided housing, schools, and welfare for the poor, and sponsored arts and culture. Information about how public money is spent and decisions made by government is made public immediately and as a matter of course. Neighbourhood groups have a strong voice in what gets built in their area, and citizens have more opportunities to directly have a say in decision-making through consultation and referenda.

We may not all approve of every aspect of this vision. Nevertheless, the debate that has been raised by the Big Society narrative provides us with a valuable opportunity to address concerns about our modern society – it throws many ideas up in the air, and invites us to revisit our first principles. And it makes us consider the role of the state in

12 See briefings on all these initiatives at <http://www.urbanforum.org.uk/>.

relation to citizens, society and the market: what sorts of things do we want to mandate the state to do on our behalf, and what things do we not?

Mending ‘broken Britain’

While the Big Society ‘brand’ may have provoked a mixed response within the general public, it does tap into a broadly held set of concerns about British society. In an Ipsos MORI poll of September 2008, most people polled agreed that Britain was ‘broken’.¹³ There is a general sense across the political spectrum that ours is a more fractured, atomised society than before, at least over the past century, that we have lost a collective identity and with it a collective responsibility for our communities, and that this is a problem.

In order to determine what needs to be done, we need to think about what has led us to this point. The government highlights the role of the public sector as a driver, but there have been other major changes in the last 20–30 years which are likely to have been contributing factors. During this time, how we live and work has been transformed. We move jobs, homes and neighbourhoods far more frequently. We live further away from where we work. We are unlikely to be working in large workplaces, and even less likely to be working with our neighbours. The work we do has changed as the economic focus has shifted from manufacturing and industry to finance and services. All of these changes have affected the society we live in. All the SLA projects demonstrate the impact that macro-level changes in employment, economy and housing have on communities – these in turn have impacted on the assets that we have to draw on within communities as households and individuals.

The characterisation of public services as disempowering strikes a chord with many. From the 1980s onwards, we have seen the growth of ‘managerialism’ as public services have been broken up, with each resulting bit driven by separate targets set by commissioners and government. There has been a growing sense that public services are unaccountable, remote from communities and unable to deal with realities that are more complex and messy than our current model of service delivery allows for.

Making the most of our assets

Both SLA and government’s notion of the Big Society emphasise the importance of the assets that individuals and communities have access to. The success of such concepts relies on the utilisation and building-up of social capital to enable communities to be more self-reliant.

Using an SLA frame of reference, the government’s goal could be described as being to ‘rebalance’ the assets in our lives, by rebuilding social or individual human assets so that reliance on public assets is reduced. However, many families and communities face the risk that rising unemployment together with a reduction in welfare and public services will result in all the assets they have to rely on being diminished. So the rebalancing of assets therefore needs to be considered in the round. As voluntary and community sector programmes, and localism, public sector and economic reforms are implemented, it is important that consideration is given to the impact of these policies on all the social, individual, physical and financial assets that communities have to draw on.

Building up the assets available to households is particularly important in relation to those communities which are currently the most disadvantaged. There is a concern that in an

13 Ipsos MORI Political Monitor poll, September 2008. <http://www.mori-eire.com/researchpublications/researcharchive/poll.aspx?oltemId=2269>

environment where more services are to be driven by social action, deprived communities and socially excluded groups will be disproportionately less active and successful: they have fewer financial and practical resources to draw on, lower levels of social capital and civic engagement, and less of the technical and professional skills required for some of the work that the government envisages, such as neighbourhood plans and free schools. It is not hopeless: we know from experience that deprived communities and socially excluded groups can take self-organised social action to meet their own needs.¹⁴ Evidence from these examples, however, consistently shows that targeted resources are needed to provide support, infrastructure and opportunities to meet with peers, and to develop skills and expertise.

For the Big Society programme to be effective in poor communities, government policy at all levels needs to address the main barriers keeping individuals from engaging in community activity. It is well established that the two main barriers are work and childcare commitments. However, evidence suggests that housing could also be critical, as a lack of affordable housing causes people to commute further or to move away from friends and family, and civic participation is lowest among those who rent privately (Reynolds 2005). So while mobility to move (that is, to get work) is obviously important socially and economically, public policies that enable people to put down roots and identify with the community they live in could help to support the development of the social capital that social action depends upon.

Empowerment

A key tenet of the government's Big Society concept is that dependency on the welfare state is a cause of 'broken Britain', creating an unequal relationship between citizen and state, with communities weakened as they come to rely too heavily on public services. So, in perhaps the most significant systemic change presented by their communities agenda, it proposes a shift of resources away from the public sphere.

But is their characterisation of the relationship between citizen and public services one the majority of us agree with? Is it accurate? After all, the same 'problems' in terms of the way in which society has developed appear to be just as great in countries such as the United States, which has a far weaker tradition of major public works and has never had a universal welfare system.

Work with communities using SLA suggests a different way of looking at the state: rather than being passive recipients of public services, people use public services and welfare as one group of assets that they can draw upon and combine in myriad ways, along with social and human assets for example, to survive and progress. This asset-based approach presents a more positive conception of public services as part of a collective survival structure, a system that we as a society collectively build around us to ensure that our needs are met.

Many would agree that, sometimes, the way public services are delivered can be disempowering and lack accountability to those who use and pay for them. The failure of services to join up or work flexibly means a worse service for users and inefficiencies which cost us all. Many would argue that we need to bring local services closer to communities and ensure they are better able to meet local needs intelligently, by giving users more power to shape these services.

¹⁴ Based on experiences including SLA projects, the New Deal for Communities programme, tenant management organisations, community finance initiatives (such as credit unions), and the work of the Asset Transfer Unit.

The government's vision as it stands suggests that we can achieve this by opening up public services more fully to the market to determine what services are provided and by whom. Already, this process has resulted in national contracts for probation and welfare-to-work being awarded to major international outsourcing companies. But this move towards increased outsourcing to big corporations risks undermining the goal of a more empowered society and compounding the very problems that it was meant to fix. If we are serious about community empowerment, we need to develop a more localist approach to economic development and service delivery.

Accountability

Government policies over the past year have directed public bodies to publish far more information than they have done on decision-making, what our money is spent on, how our communities are functioning, and how services perform. The proposed new 'right to data' not only requires public bodies to publish data sets,¹⁵ but there is also considerable work underway in and out of government on how to translate this data into meaningful information that people want.

For those involved in SLA projects, and anyone interested in empowering communities, this presents real opportunities for citizens to hold public bodies to account. It doesn't just provide market competitors with intelligence to develop services and products: it also provides evidence for communities to argue for changes in the policies and practices that affect them.

Changes proposed to public service delivery presents new challenges in terms of accountability. If the direction of public service reform is away from prescription from the centre and towards 'light-touch' performance monitoring and increased self-regulation, then how providers behave, how local authorities oversee service provision, and how the public engages with providers are all important if services are to be more rather than less accountable to the public. And, as service users, where is our power in the relationship with providers?

SLA supports individuals to identify issues that impact on their lives, and in some cases to identify where they have these issues in common with others, and to come together with other people to take action. Neither the market, nor communities on their own can act as the guardians of place, balance public interest with commercial interest, plan for future need, or champion the rights of minorities. Where community pressure and local authority governance meets is critical – community members who are legitimately taking providers to task should be supported by their elected representatives. Local authorities, released from the responsibility of managing contractors, need to work out new ways, with fewer resources, to decide strategy, set priorities, and scrutinise and challenge public service providers, for and with communities.

Proposals for future work

Recommendation 7: Using SLA to inform co-commissioning of local services

We propose to identify a small number of case studies where communities and public agencies are working together in the commissioning and provision of a local service using SLA to assess both the service demand and also the wider value of a co-commissioning approach.

15 HM Government 2010: 21

7. CONCLUSIONS AND RECOMMENDATIONS

This discussion document brings together some of the key messages emerging from experiments using SLA in the UK, which were discussed and debated in a lively policy seminar.

Whether in relation to welfare reform, housing, financial inclusion or communities policy, the message emerging from the discussion has been clear: policymakers take note – SLA has much fresh analysis to offer.

The chapters in this report reflect the different stages that SLA has reached. While analysis of welfare provision and the benefits regime is well developed from an SLA perspective, the significance of housing policies and community programmes is much less well understood. This represents an important opportunity for policymakers and SLA practitioners.

In order to take thinking forward, each chapter identifies one or two recommendations for future work. Each recommendation has been drafted as a statement of purpose: while in most cases they do not specify exactly who will answer their call to action, their purpose is to garner support and encourage collaboration.

1: Welfare reform policy analysis and monitoring project

We propose to develop a project using the SLA to monitor the impact of the proposed changes in welfare provision on poverty in the UK. This would involve longitudinal studies with people in poverty in different parts of the country, tracking how their situation changes as the reforms are introduced. The existing SLA studies could be used as a baseline, to provide evidence of the pre-reform experiences of people in poverty in the UK.

2: Beyond welfare reform

We propose to implement a pilot, with Jobcentre Plus or a work programme contractor, to deliver back-to-work support framed using the SLA. The SLA provides a holistic view of people's livelihoods, and using it to analyse the assets people have and how these could support them into employment would enable claimant agreements and action plans to be drawn up in a way that is likely to lead to more sustainable employment, by factoring in the full scope of people's existing livelihoods and strategies.

Due to the increasing levels of conditionality built into the work programme, as well as the need to respect sensitivity and confidentiality, it would be difficult for a claimant to talk openly about the realities of their life. It may, therefore, be most appropriate to deliver such a pilot in partnership with a community-based organisation, keeping the SLA analysis separate from the regime for imposing conditions and sanctions on jobseekers.

3: Understanding housing assets

We propose that further analysis should be undertaken to understand perceptions of different forms of housing and the sense in which they might be deemed 'physical assets'. This work should have a particular focus on the value of social housing as well as the inter-relationships between housing and place-based and social assets, and it should give special consideration to the impact of current policies as they are implemented in the months and years ahead.

4: Meeting housing demand – lessons from overseas

We propose that models of schemes developed in Europe and further afield to increase the supply of affordable housing are assessed using SLA to gauge their suitability in a UK context.

5: Community Capital Challenge Fund

We propose to explore ways to develop a 'community capital challenge fund' to pilot a range of approaches that would seek to use a modest injection of capital funding to unlock local financial and social assets. The challenge fund could potentially include both a revenue element, to enable local groups to research and develop new ideas, and a capital element, to fund selected creative or innovative approaches to tackling financial exclusion.

6: Increasing access to mainstream financial services

We propose to test a range of approaches to tackling the poverty premium by making mainstream financial services more accessible to people on low incomes. The project, to be delivered in partnership with South Yorkshire Credit Union and Cooperative Financial Services, will draw on the 'Paying over the odds' research (Perry 2010), in seeking to 'bend' the design or marketing of existing financial services to fit with people's existing livelihoods strategies.

7: Using SLA to inform co-commissioning of local services

We propose to identify a small number of case studies where communities and public agencies are working together in the commissioning and provision of a local service using SLA to assess both the service demand and also the wider value of a co-commissioning approach.

If any policymakers or practitioners have an interest in pursuing these lines of inquiry – or a variation thereof – then please contact any of the report's authors through IPPR North, Oxfam, CAP or Urban Forum.

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