

<p>Institution: Loughborough University</p>
<p>Unit of Assessment: C22 Social Work and Social Policy</p>
<p>Title of case study: Measuring Poverty: A Minimum Income Standard for the United Kingdom</p>
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Since 2008, continuous research at Loughborough University, currently led by Donald Hirsch, has identified a minimum socially acceptable level of income in the UK, based on detailed consultation with the general public to define minimum needs. Its impacts are underpinned by close engagement with the public and with organisations promoting social welfare, establishing it as an accepted national benchmark. The standard has become a reference point in analysis of public policy, and been used directly by charities to distribute money equitably and by wage negotiators and campaigners to identify a “living wage” level, implemented by a wide range of employers.</p> <p>2. Underpinning research (indicative maximum 500 words)</p> <p>A Minimum Income Standard for the United Kingdom (MIS) is an on-going research programme carried out by the Centre for Research in Social Policy (CRSP) at Loughborough University. Since 2008, it has produced annual figures showing how much different household types need for a minimum acceptable standard of living.</p> <p>The research brings together the two leading approaches to compiling minimum household budgets: expert-led research and “consensual” deliberation among panels of members of the public. In the combined MIS method, panels decide budgets, informed where relevant by experts. Loughborough University pioneered the development of consensual methods (supported by The Family Budget Unit, University of York, until it closed down). Main MIS studies have been:</p> <ul style="list-style-type: none"> The first full study, in 2008 (Study A, 3.1). The 2010 review study, with new groups reviewing budgets, (Study B). The 2012 study, by “rebasing” some households’ budgets through fresh research, and reviewing others, (Study C, 3.2). <p>The Joseph Rowntree Foundation (JRF) has funded this research. Supplementary research on rural areas was funded by the Commission for Rural Communities in England and by a coalition of stakeholders in Scotland. The former produced research on MIS budgets in rural England (Study D, 3.4).</p> <p>The research found that:</p> <ul style="list-style-type: none"> - Finding 1: Means-tested benefits are much too low for a minimum living standard for working age households, but about right for pensioners, before taking account of additional needs based on individual circumstances [3.1, 3.2]. - Finding 2: The minimum wage is too low for most working households to reach an acceptable living standard [3.1, 3.2]. - Finding 3: Minimum household costs have been rising faster than average prices, and much faster than typical household incomes, since 2008 [3.2]. <p>This research programme has three particular strengths contributing to its usefulness:</p> <ul style="list-style-type: none"> - <i>Credibility</i>. A “socially defined minimum”, the MIS represents what members of the public think that everybody needs, at least for an acceptable standard of living. This is rooted in qualitative research, with decisions corroborated by multiple groups and confirmed by experts. - <i>Accessibility</i> Clearly written reports and summaries are backed by an easy to use online calculator showing the minimum income relevant to a wide variety of household types and situations. - <i>Contemporary relevance</i>. Continuous updating keeps findings relevant to changing social and economic conditions. Since MIS considers what incomes people need to participate in contemporary society, timeliness is at the heart of its usefulness.

Impact case study (REF3b)

The main researchers, all based in Loughborough's Centre for Research in Social Policy, have been:

Donald Hirsch, Head of Income Studies 2008-2012, Director since 2012: led Studies B and C.

Sue Middleton, Assistant Director, 2008-2011, led study A

Abigail Davis, Research Associate 2008-12, Senior Research Associate since 2012: a main researcher in all four studies and led the fieldwork in Study C.

Noel Smith, Assistant Director 2008-2011, Director 2011-2012: led study D, led fieldwork in Studies A and B and was involved in Study C.

3. References to the research (indicative maximum of six references)

Principal research outputs from the main research include the following published by the Joseph Rowntree Foundation, whose reports are subjected to external expert scrutiny and are known for their quality and authority:

3.1. Main report on Study A:

Bradshaw, J., Middleton, S., Davis, A., Oldfield, N., Smith, N., Cusworth, L. and Williams, J. (2008) *A Minimum Income Standard for Britain: what people think*. York: Joseph Rowntree Foundation.

3.2. Main report on Study C:

Davis, A., Hirsch, D., Smith, N., Beckhelling, J. and Padley, M. (2012), *A Minimum Income Standard for the UK in 2012 – Keeping Up in Hard Times*, York: Joseph Rowntree Foundation.

Articles presenting the results of the research in peer reviewed journals include:

3.3. Hirsch, D. (2013), "Paying for Children: The State's Changing Role and Income Adequacy", *Journal of Social Policy*, 42(3), 495-512, DOI: 10.1017/S0047279413000238. *Presents findings from Study C.*

3.4. Smith, N, Hirsch, D and Davis, A. (2012), "Accessibility and Capability: the minimum transport needs and costs of rural households", *Journal of Transport Geography*, 21, 93-101, DOI: 10.1016/j.jtrangeo.2012.01.004. *Presents findings from Study D.*

3.5. Oldfield, N. and Bradshaw, J. (2011) "The Costs of a Child in a Low Income Household". *Journal of Poverty and Social Justice*: 19(2), 131-143, DOI: 10.1332/175982711X574003. *Presents findings from Study A .*

The many reports re-analysing the findings of this research include:

3.6. Hirsch, D. (2012) *Does the Tax and Benefit System Create a "couple penalty"?* York: Joseph Rowntree Foundation, 2012.

Reference 6 made calculations that were peer reviewed by three reviewers via Joseph Rowntree Foundation, in a much more extensive review than is usual for such funders, because of the importance of the reliability of the findings due to their significance for the policy debate.

Research grants:

The many research grants awarded to Loughborough University for this research include three of the largest grants ever given by Joseph Rowntree Foundation, backing their commitment to maintaining this research with on-going funding. These grants were:

PI (all CRSP staff)	Grant Title	Awarding Organisation	Start Date	End Date	Amount Awarded (£)
Sue Middleton	A Minimum Income Standard for Britain	Joseph Rowntree Foundation	01/05/2006	31/12/2008	£416,451

Impact case study (REF3b)

Donald Hirsch	A Minimum Income Standard for the UK: Updating and Influencing Activity 2010-2014	Joseph Rowntree Foundation	01/01/2010	31/12/2014	£392,240
Abigail Davis and Donald Hirsch	A Minimum Income standard for the UK: Updating and Influencing Activity 2013-2016	Joseph Rowntree Foundation	01/01/2011	31/9/2011	£483,604

4. Details of the impact (indicative maximum 750 words)

Our main funders, JRF, allocate resources allowing us on an on-going basis to disseminate our work on MIS and use it to influence policy and practice. This has produced a chain of impacts, starting with the engagement of the public and social commentators in recognising a socially acceptable minimum, then followed through into analysis of the policy and practice implications, and finally into specific changes in practices.

1) *Engagement of the public, commentators and analysts in debate about a socially acceptable minimum*

- **IMPACT 1.** The influence of the research on public thinking about minimum needs has been underpinned by an exceptional amount of press coverage for all four of the main research studies (A to D in Section 2). On each occasion, the final report was featured on national television, on BBC radio 4's today programme, in at least 20 other media interviews and very extensively on the web and in newspapers. Two examples of evidence of direct public engagement with the research findings are: 2000 comments posted on the BBC website debating what should be considered as essentials in 12 hours following the publication of Reference [3.1]; in the nine months following the publication of [3.2], 35,000 unique users accessed the on-line Minimum Income Calculator [5.1].
- This has been followed up by extensive use of the benchmark in policy analysis and comment by social policy analysts, recognising MIS as a valid benchmark. For example:
 - **IMPACT 2** The Progressive Conservatism project at the Demos think-tank produced a report arguing for a raising of personal tax thresholds to the Minimum Income Standard for a single person, thus using our research (Study B; finding 2) to benchmark a major policy proposal [5.2]. This has contributed to the rationale for the present government's policy of raising tax thresholds.
 - **IMPACT 3** The Pensions Policy Institute used MIS as a key benchmark in a report (2009) considering how high pensions need to be in order to meet minimum needs in retirement [5.3]. In 2010, the Treasury's consultation paper on annuities reform suggested MIS as one potential criterion for a "minimum income requirement" [5.4]. These analyses related to Study A, finding 1.

2) *Use by charities in means testing (IMPACT 4)*

Various charities use the MIS as a threshold to determine whether to assist people in hardship (using Finding 1, Studies A to C above). For example "Independent Age", use it to determine the distribution of £6m a year in grants to older people [5.5].

3) *Use to campaign for and set a "living wage" (IMPACT 5)*

Living wage campaigns have been growing in the UK, but have not hitherto systematically produced and updated evidence for what is an acceptable wage to live on. Secondary analysis of MIS has allowed us to produce living wage figures rooted in public acceptability (based on Studies A to C, Finding 2). These have been taken up by campaigners and used as a benchmark in wage-setting practice. The Living Wage Campaign has adopted a Living Wage level for outside London based explicitly on MIS [5.6]. By November 2012, 30,000 employees outside London had received pay increases worth a total of £33 million directly as a result of employers adopting

the living wage level based on MIS, according to an estimate made by Queen Mary University of London.

The living wage based on MIS has been adopted by Birmingham, Glasgow, Newcastle and other local authorities, in some cases applying to procurement of services as well as directly applied staff. The MIS work has been central to local analysis of the case for the living wage [5.7]. The living wage is also being used by the Government of Scotland for its own staff. Donald Hirsch gave evidence to the Scottish Parliament about MIS and its relevance for wages at the time that this was being adopted [5.8]. The trade union side of pay negotiations for local government staff (NJC) used MIS as a basis for negotiating a pay settlement for England, Wales and Northern Ireland for 2010-11 [5.9]. In 2012, the General Synod of the Church of England voted to encourage all C of E churches to pay the Living Wage, stating in the paper supporting the resolution: "The independent Centre for Research in Social Policy at Loughborough University conduct thorough and rigorous research to work out what is needed for an adequate standard of living" [5.10].

5. Sources to corroborate the impact (indicative maximum of 10 references)

The following sources of corroboration can be made available at request:

- 5.1. Letter from JRF corroborating the quantified impact identified by its Communications Division, including the BBC online calculator activity claimed under Impact 1 Available to panel on request.
- 5.2. Olliff-Cooper, J., (2010), *Good Work: How to cut taxes for low earners*, <http://www.demos.co.uk/publications/goodwork>. A report by the Progressive Conservatism Project using MIS as a tool to assess the case for changing tax allowances (Impact 2)
- 5.3. Pension Policy Institute, (2009), *Retirement income and assets: do pensioners have sufficient income to meet their needs?* <http://www.pensionspolicyinstitute.org.uk/default.asp?p=12&publication=0233&pagesize=999> A policy report assessing whether pensioners have sufficient financial resources to meet their needs, using MIS as a key benchmark (Impact 3).
- 5.4. HM Treasury, (2010), *Removing the requirement to annuitise by age 75*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/81232/consult_age_75_annuity.pdf A Treasury assessment of options for annuities reform, suggesting MIS as one way of assessing whether pensioners should be given greater flexibility over using their annuities pots because their living costs are adequately covered by other income (Impact 3).
- 5.5. Letter from Independent Age confirming its use of MIS as a benchmark for financial support. Available to Panel on request (Impact 4)
- 5.6. "<http://www.livingwage.org.uk/calculation> Confirmation on the Living Wage Foundation's website that the Living Wage outside London is "set annually by the Centre for Research in Social Policy at Loughborough University."
- 5.7. New Economy Working Papers, (2012), *Pay Up? Living costs and the living wage in Manchester*, <http://neweconomymanchester.com/downloads/1700-NE-Working-Paper-Living-Wage-final-pdf> Analysis of the case for a Living Wage in Manchester using calculations based on MIS as the main reference point. (Impact 5)
- 5.8. The Scottish Parliament, Local Government and Regeneration Committee, (2012), *Report on the Living Wage in Scotland*, [http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Reports/Report-12-02w_\(2\).pdf](http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Reports/Report-12-02w_(2).pdf) - Report on evidence to Scottish Parliament on Living Wage given by Donald Hirsch and others (Impact 5)
- 5.9. Unison (2009) "NJC Pay Claim for 2010/11", page 12, national union negotiators for local government pay cited MIS level in their bargaining.
- 5.10. Freeman, J, (2012), General Synod, *Private Member's Motion: Living Wage*, <http://www.churchofengland.org/media/1571687/gs%201882a%20-%20living%20wage%20pmm.pdf> The background paper informing the Church of England's General Synod at the time it adopted the Living Wage put the moral case for paying workers enough to reach a minimum acceptable standard of living as defined by MIS.