



A proposal to

**Exeter City Council
Cost of Living Forum**

Produced by Marchmont Observatory
University of Exeter

January 2014

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1. Introduction

Exeter City Council's Cost of Living Forum has asked Marchmont Observatory to set out an approach to researching the cost of living research in Exeter. The requirements for the research are set out in a scoping document and project plan published by the Forum. Specifically, the research is needed to help:

- To better inform (through the gathering of evidence and multi-agency/organisation participation) the City Council, and other agencies involved, of the difficulties faced and possible solutions relating to the Cost of Living, in direct relation to regional wages in contemplation of existing Policies and any proposed Policy changes.
- To improve and enhance the collaborative effort on a cross agency and organisational basis, against continual reduced funding for the public sector.
- To provide innovative ways in which to tackle the difficulties faced by Exeter residents in direct relation to the Cost of Living and reduced public sector funding.
- To build relationships with cross agency partners, organisations and stakeholders, to provide an opportunity to discuss the issues and provide practical coping strategies and/or solutions (for example, to discuss with local businesses the Living Wage and associated issues with a view to encouraging local businesses to adopt the Living Wage).

This document has been prepared to help the Cost of Living Forum refine their specification for the work and, as such, is offered as a "discussion piece". Contained herein, as directed, are a set of research questions to underpin and guide the work, a recommended methodology and indicative costs and timescale. This document is not a formal research tender although we would of course be delighted to produce a more detailed proposal should the Forum wish to consider us for the work.

2. Research objectives and research questions

The Scoping Document sets out a series of key objectives for the research:

- To gather evidence to establish a baseline on wages and cost of living in the City of Exeter.
- To gather and analyse evidence on the impact that low wages and high relative cost of living has on residents in the City of Exeter (taking a broad perspective on impacts and to include Health and Wellbeing)
- To gather and analyse evidence on particular problems (for example, the impact of students on private sector rents – do we really know what the relationship is?)
- To explore (in partnership with a broad range of stakeholders) strategies and solutions to problems identified following the gathering of evidence for this Forum.

We suggest that these objectives give rise to following research questions:

1. What is meant by the terms “cost of living”, “low income” and “affordability” and how are these concepts operationalized and measured at the local level? How significant is housing within household budgets? What are the opportunities and challenges for enhancing measurement of these key concepts locally?
2. How ‘affordable’ is Exeter compared to other areas overall and specifically with respect to private and social housing? Which localities and personal and household characteristics are most commonly associated with low levels of housing affordability?
3. What are the consequences of low housing affordability for individuals and households, businesses and communities? What are the main challenges in addressing them?
4. What are the opportunities and challenges for local action? What adoptable best practices are evident elsewhere?

In addition, partners have expressed a desire to explore two themes in further detail: the impact of students on private sector rents and the potential impact of a “Living Wage” on household incomes and the wider economy. Thus, the research will also address the supplementary questions:

5. “How, and to what extent, does demand for student housing affect private sector rents [for non-students]?”
6. “What costs and benefits would adoption of a “Living Wage” confer on household incomes and the wider economy?” How could the City Council promote benefits to businesses?

3. Methodology

The objectives of the proposed study specify the need to “gather and analyse evidence” but also, importantly, “to explore strategies and solutions in partnership with a broad range of stakeholders”. Our suggested methodology therefore is highly collaborative in orientation and would seek to engage local stakeholders in the selection of baseline indicators, identification and discussion of the main challenges and how these are played out locally, and their perspectives on opportunities for local action. This highly participative approach will help bring local partners to a shared understanding of local problems and facilitate movement towards an agreed way forward.

We suggest a two-step approach:

- Desk research resulting in the publication of a policy briefing containing Exeter baseline information and an overview of the issues and opportunities for local action.
- Original research with local stakeholders to provide local context, explore emerging local issues in more detail (example, the impact of students on the housing market) and ‘sound-out’ potential local approaches.

Ideally, these lines of enquiry would run consecutively so the scope and focus of the participative (second) stage can be informed by the former. However, they could run simultaneously if timescales did not permit this.

3.1. Stage One: Desk research

Document Review

We suggest that the project should start with a thorough review of local strategy documents and existing research and analyses that contain findings relevant to this project. This initial stage of the research would provide a solid foundation for subsequent investigations and would need to gather information on:

- Definitions and methodological approaches to the measurement of key concepts relevant to the study. Local sources of information on these concepts will be identified and evaluated for ‘fitness for [this] purpose’.
- Spatial patterns of housing affordability and the characteristics of individuals and households who can least afford housing. The consequences of housing unaffordability for individuals and households, and employers and wider economy and society will be identified.
- Approaches to implementing a local “Living Wage” rate and exploration of potential impacts¹.
- The impact of students on the local housing market, in particular, the private rental market, and
- Finally, the opportunities and challenges for local action will be identified from existing research and strategy and policy documents. This will include the identification of good practice from other local authorities (especially from ‘comparator’ authorities such as Norwich and Ipswich).

Anticipated sources of information include:

- Centre for Cities
- Resolution Foundation
- Building and Social Housing Foundation
- Joseph Rowntree Foundation
- Child Poverty Action Group
- Oxfam
- Greater London Authority
- Local Government Association

Data analysis

In order to establish a “baseline for Exeter” the project would need to incorporate analysis of published data on local incomes, living costs, housing demand and supply, and housing affordability. We anticipate that the following data sources will be useful for this purpose although other sources are also likely to emerge from the research review:

- *Annual Survey of Hours and Earnings (ASHE)* for local and comparator wage rates;
- *Department for Communities and Local Government for statistics* on affordable housing supply, council tax, rents, deprivation, the housing market, social housing waiting lists and homelessness.

¹ Islington, York and Brighton Councils have been identified as potential sources of good practice in this regard.

- *ONS 2011 Census* data for statistics on overcrowding, household composition and occupations. This is available for small geographies allowing a fairly detailed examination of local conditions.

Briefing of interim findings

Following the initial research and data review, we suggest that an interim report or ‘policy briefing’ would help refine the scope and focus on the qualitative stage of the research, and crucially, this will highlight the main findings from study so far and make recommendations for the scope and focus for subsequent interviews and consultation.

3.2. Stage two: Interviews and consultation

Telephone interviews

There will be a range of organisations and individuals across Exeter that will have perspectives and aspirations and that should feed into the research. It is important that these perspectives are both heard and reflected in the study. We recommended gauging the views of:

- Exeter City Council’s Cost of Living Forum
- Employers and employer Networks (e.g. Federation of Small Businesses, the Chamber of Commerce and the Confederation of British Industry).
- Private Sector Landlords and Social Housing Providers
- Estate and letting agents
- University of Exeter accommodation office
- Jobcentre Plus and other employment services providers (e.g. Prospects and Working Links)
- Citizens Advice Bureau
- Trade Unions
- Other local authorities demonstrating adoptable good practice

Our indicative budget provides for 12 telephone interviews. The project sponsors may also wish to consider utilising existing networks, forums and committees to gather feedback from particular interest groups, for example, employers and residents experiencing low housing affordability.

On-line survey

We also recommend creating an on-line survey, open to all interested parties, from Members to Councillors, residents, the business and community sector and other stakeholders within the housing sector, as a vehicle for submitting perspectives and recommendations. The template for this could follow a similar approach to the aide memoir used for the telephone interviews and would allow for respondents to provide detailed responses to all or some of the questions, depending on their area of knowledge and expertise.

Consultation event

The forum might also consider hosting a consultation event towards the end of the project to present the project’s findings but also, more importantly, to allow local stakeholders to debate, agree, and prioritise local action. This could be a dedicated event or be incorporated into an existing partnership.

4. Indicative budget

We suggest an that indicative budget of £12,400 (excluding VAT and expenses) would be required to carry out the research as specified in this document. This is broken down broadly into:

- Project management, meetings and administration £1,500
- Stage 1: Document review, data analysis and briefing report £4,050
- Stage 2: Interviews, consultation and final report £6,600

In more detail, an indicative allocation and cost by task is as follows:

	Indicative Cost ²
Inception meeting	£325
Policy/literature review	£1,500
Data analysis	£1,050
Interim briefing report	£1,500
Interim meeting	£325
Telephone interviews	£2,100
On-line consultation	£950
Consultation event	£1,300
Final report writing	£2,250
Administration and editing	£500
Project management	£350
Total days	£12,400

5. Indicative schedule

Scheduling and timing would depend on the date of commissioning and whether the two research stages were run simultaneously or consecutively with the latter being the preferred option.

If the research stages were run consecutively we envisage, given the research allocations given above, the entire research study would take between 6 to 8 weeks to deliver. A more compressed study with the research stages run simultaneously could be delivered in around 4 weeks. In either scenario, the interim briefing report could be delivered after 3 weeks.

² Total costs reflect the different day rates (seniority) of researchers assigned to each task.

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