

Recovery and renewal in the Liverpool City Region

A recovery for secure livelihoods: Addressing
inequalities in Liverpool City Region

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The Liverpool City Region

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A recovery for secure livelihoods: addressing inequalities in Liverpool City Region

Key takeaways

1. The COVID-19 pandemic has caused considerable human and economic damage, and placed enormous pressures on public services. It has also worsened the UK's **stark socio-economic inequalities** and **geographical disparities**.
2. Current responses to the crisis reveal a worrying **disconnect between policy frameworks and lived social and economic experiences**. There is an urgent need to examine the interconnections between inequalities in income, health, housing, education, working conditions, and digital engagement.
3. Citizen-led research by the Institute for Global Prosperity (IGP) at University College London (UCL), finds secure livelihoods are the product of various assets, services, and networks that together provide the foundation for a prosperous life. This **Secure Livelihoods Infrastructure (SLI)** is the most important contributing factor to prosperity and wellbeing.
4. **Applying IGP's SLI lens to Liverpool City Region (LCR)**, we find a mixed picture. Despite areas of strength, there are also serious and ongoing challenges. Vital components of LCR's Secure Livelihoods Infrastructure may be in need of significant reinforcement as the City Region works to recover from the COVID-19 pandemic.
5. This policy brief recommends new ways of thinking and acting in local policymaking that are **informed by citizen-led research, local knowledge and lived experience**. A renewed **emphasis on livelihood security** can help reveal spaces for action that are currently overlooked by policymakers, and would help **provide structure and direction for policy action** as places seek to meaningfully Build Back Better from the pandemic.

1. Introduction

The COVID-19 pandemic has caused considerable damage to communities and placed enormous pressures on the entire public service ecosystem at local, regional, and national levels. It has also emphasised — and exacerbated — the UK's stark socio-economic inequalities: from unequal access to digital services, housing, green spaces and culture, to unequal outcomes in education, employment and health. Crucially, throughout the pandemic we have also seen how these marked differences exist not just between regions, but within them too.

Aggregated metrics of economic prosperity such as national or regional

GDP can often mask these local inequalities, and overlook the lived realities and day to day experiences of many people and communities (Moore et al. 2020). As policymakers now seek to simultaneously [build back better from Covid-19 and “level up” the UK](#), alternative approaches will be required to fully understand what prosperity means to different communities, how aspirations are shaped by local histories and conditions, and how the multiple challenges they face can be effectively overcome.

In this policy brief, we argue for an approach that is guided by a renewed focus on building secure livelihoods for all. Applying the Institute for Global Prosperity's (IGP) Secure Livelihoods Infrastructure (SLI) framework to the case

of Liverpool City Region (LCR), we show how focusing on livelihood security can help highlight the significant challenges facing LCR communities in the wake of the pandemic, and give further structure to the local 'Build Back Better' agenda to ensure it is meaningful, effective and rooted in the lived experiences of people and communities.

2. What is Secure Livelihoods Infrastructure

Citizen-led research carried out by the Institute for Global Prosperity (IGP) between 2015 and 2017 in East London found that 'Secure Livelihood Infrastructure' was the most important factor to people's prosperity and wellbeing (Woodcraft and Anderson 2019). People identified that secure livelihoods are the product of various assets, services, and networks that overlap and work together to support - or undermine - people's opportunities for a prosperous life (Woodcraft et al. 2021).

While the specific features of an SLI will likely vary from place to place, four general themes have been identified by IGP. These are:

1. Regular and good quality work that provides a reliable and adequate income;
2. Genuinely affordable, secure, and good quality housing;
3. Access to public services;
4. Social and economic inclusion (see Figure 1).

These four components of SLI bridge physical, economic, social, and political domains (Woodcraft et al. 2021: 7). This holistic view of shared prosperity, its foundations and features, can help give structure to live debates about how places can meaningfully "level up", deliver a more inclusive economy, and build back better

from the COVID-19 pandemic. In particular the Secure Livelihoods Infrastructure model provides a lens through which places can take stock, understand the challenges facing local citizens in their daily lives, and prioritise more targeted policy solutions to deliver effective shared prosperity that goes beyond aggregate-level economic growth.

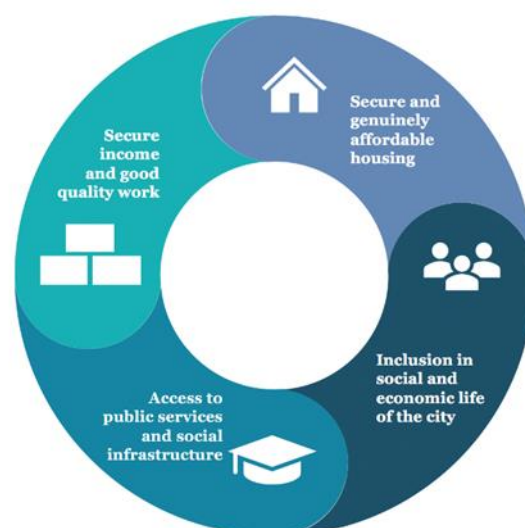


Figure 1: Secure livelihoods infrastructure (Woodcraft, Collins and McArdle 2021: 6)

3. Applying the SLI lens to Liverpool City Region

With the pandemic disproportionately impacting the lives and livelihoods of local citizens, Liverpool City Region is one place where adopting and applying a Secure Livelihoods Infrastructure lens could help to provide greater understanding of community needs and guide effective policymaking. In particular, such an approach could support local ambitions to "Build Back Better" after the pandemic, and to "reshape [LCR's] economy and society in a way that is greener, fairer and more inclusive" (LCRCA 2020: 2).

Without detailed citizen-led research, such as that conducted by IGP in East London, it is difficult to truly understand the real lived experiences of LCR citizens, or the kinds of assets, services, and networks that matter to them and their sense of prosperity and wellbeing. Nevertheless, by looking across available evidence we can begin to sketch out an initial picture of the state of Secure Livelihoods Infrastructure in Liverpool City Region in line with the four key themes identified in IGP's previous research.

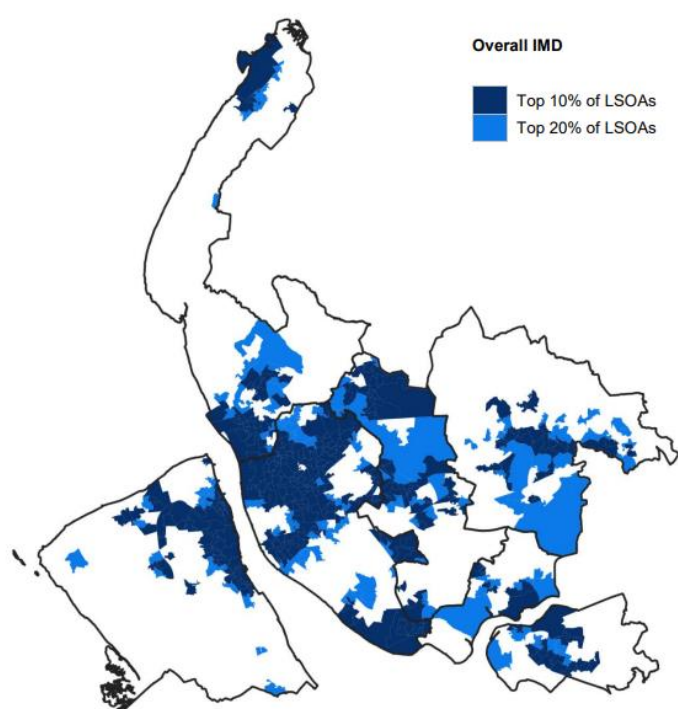


Figure 2: Most deprived areas in Liverpool City Region (Ministry of Housing, Communities and Local Government Index of Multiple Deprivation 2019)

Secure income and good quality work

Prior to the pandemic, Liverpool City Region had witnessed a significant – if incomplete – economic renaissance (Parkinson 2019), adding [over £1.5 billion](#) to its economy over the last decade. This period of economic growth had positive implications for the narrowing of long-standing employment gaps, with LCR's [unemployment rate](#) in fact falling below the UK average in 2018.

However, significant economic challenges remain. The City Region still has a relatively [low jobs density](#), with not enough businesses generating sufficient employment opportunities for all people and communities need to thrive. Moreover, the work that is available is disproportionately skewed towards lower paid jobs and as a result [average pay](#) across Liverpool City Region remains substantially below the UK average. This troubling picture of LCR's labour market is further complicated by the rapid rise of more precarious forms of work, such as zero hours contracts, that can make it harder for workers to reliably make ends meet. While there is no data available at the city-region level, analysis by [the TUC](#) suggests that 10.9% of workers are now in insecure work across the North West of England.

Scarce jobs, low wages, and insecure employment have consequences for household finances, as well as the wealth and prosperity of local communities. Almost one-third of the City Region's neighbourhoods rank amongst [the most deprived](#) in the UK (see Figure 2). It is concerning to note that in recent years many areas of the City Region have grown more deprived relative to other areas, even as the LCR economy as a whole was growing (MHCLG 2019).

The pandemic has added further stress to an LCR labour market that can scarcely afford to lose good-quality, well-paying jobs. [Claimant count](#) as a proportion of the City Region's working age population has risen dramatically during the pandemic, and remained high at 7.3% in May 2021 compared to 4% in May 2019. It will be important here for policymakers to gain a nuanced understanding of how the pandemic is affecting employment opportunities for different groups. Nationally, we already know the pandemic has disproportionately hit [BAME workers](#), [young workers](#), [female workers](#), and [low earners](#) hardest, whilst [older workers](#) are

also typically more exposed to unemployment shocks.

Secure and genuinely affordable housing

Liverpool regularly ranks as one of the [most affordable cities](#) in the UK when comparing average house prices and wages. As such, the character of the housing crisis in LCR is more related to quality, choice, and security than affordability.

[Poor quality housing](#) remains a significant challenge throughout LCR. With more than half the privately owned or rented properties in LCR thought to have been built before 1940, often to low standards, housing choice in the City Region is typified by aging, energy inefficient homes. 60% of homes have an EPC rating of D or below, presenting challenges for fuel poverty and for public health. In many of the City Region's most vulnerable neighbourhoods, there is a prevalence of [poor quality, private rented stock](#). The poor quality of rental properties in these communities leads to higher than average churn rates that undermine longer-term neighbourhood sustainability and exacerbate broader socio-economic challenges.

[Homelessness](#) has increased markedly in Liverpool City Region over the past decade. While the causes of homelessness are complex and wide ranging, a current lack of affordable, good quality [one-bedroom homes](#) in LCR has been highlighted as a barrier to supporting people to access a secure home of their own.

Ensuring all citizens have access to a safe and warm home should be understood as a basic, and necessary, foundation for a secure livelihood. However, the COVID-19 pandemic has exacerbated housing insecurity and is undermining affordability. [Evidence from Shelter](#) suggests that the pandemic and its economic shocks have

“turbo charged” England’s homelessness crisis, with 253,000 people homeless and living in temporary accommodation during the pandemic – the highest figure for 14 years. Meanwhile, the pandemic has fuelled a significant boom in [global house prices](#), the effects of which can already be felt in LCR. [Average prices in Wallasey](#), Wirral rose by a massive 15% between 2020 and 2021 – the largest increase seen anywhere in the UK.

Access to public services and social infrastructure

[Social Infrastructure](#) as a concept can encapsulate a diverse range of local institutions, services, spaces and infrastructures that connect people and places to each other and to opportunity, meet people’s needs (for healthcare, childcare, recreation, etc.), and support shared prosperity, high living standards and strong communities. In many respects Liverpool City Region offers citizens a strong foundation in this respect.

[Meryseyrail](#) is a well-run and heavily used public transport network, connecting communities across the City Region with high customer satisfaction. The City Region has [good digital connectivity](#), with higher ultrafast broadband coverage than the UK average and rapidly spreading full fibre coverage. And many communities are well-served by schools, medical centres, libraries, retail, and leisure facilities. However, the picture is not uniformly positive across the City Region as a whole, with many challenges only exacerbated further by more than a decade of austerity that has seen deep cuts to the public realm.

Schools and preschools provide a critical service to local communities, providing childcare that enables parents to work whilst also developing skills and knowledge for the next generation. However, the quality of local schools is a key issue for LCR. While there has been

significant improvement in recent years, [over 50% of LCR pupils](#) still do not achieve the expected education standard at age 16, with low levels of Maths and English attainment in particular. Supporting local schools to improve performance, and increasing access to lifelong opportunities for school leavers, will be even more vital in the wake of the disruption wrought on education by the pandemic. Despite the best efforts of teachers and parents, [evidence suggests](#) that most pupils suffered at least some learning loss during 2020, particularly in relation to maths and literacy. Those from deprived and disadvantaged backgrounds are thought to have suffered the most overall learning loss during the pandemic, with concerns about what this means for future learning and career opportunities.

Disruption to education has been exacerbated by issues of digital exclusion, with many young people unable to adapt effectively to remote learning as a result of [poor access to digital technology or digital skills](#). Despite widespread broadband coverage, take up by households across LCR has been low. This is the result not just of perceived lack of need, or lack of digital skills within communities. It is also a result of prohibitive costs, with the most [digitally disengaged neighbourhoods](#) in LCR also tending to be the most deprived. Improving access to digital skills, technology, and affordable broadband for all will be critical to enabling all citizens to access educational and employment opportunities online.

Away from the digital domain, ease of access to public transport can also vary greatly across the City Region. The recent Liverpool City Region APPG [Build Back Better Inquiry](#) heard, for example, that for many the City Region's bus network has become complex, expensive and unreliable in recent decades. This has consequences for citizens' access to employment opportunities and to vital public services, and is perhaps one

reason why dependency on car travel remains high in the City Region. [68% of all journeys to work are made by car](#) and car usage continues to rise in LCR.

One way to address these public service and social infrastructure challenges could be to promote a '20 Minute Neighbourhood' model for Liverpool City Region, ensuring that each resident is able to access high-quality goods, services, opportunities, and experiences within a 10 minute walk, in each direction, of their home. However, initial analysis from Liverpool suggests just 21% of the population in this part of the City Region currently live in what could be described as a 20 Minute Neighbourhood (Dunning et al. 2021: 3). Elsewhere, recent research by the Heseltine Institute has begun to identify a number of social infrastructure 'deserts' in LCR, further emphasising the extent to which certain areas of the City Region are poorly served.

Inclusion in the social and economic life of the city

Liverpool City Region is an inclusive and welcoming place, with a unique culture of solidarity. This is evidenced most clearly by the strength of the City Region's [social economy](#), with 45,000 people working across 1,400 organisations that pursue fairness, community investment and other social objectives. These local grassroots, neighbourhood, community and voluntary groups, registered charities, social enterprises, cooperatives and mutual societies play a critical role in building and maintaining an inclusive economy and City Region.

However, despite such strengths, a number of barriers continue to exclude local citizens from participating fully in the social and economic life of the city. [Poor health and wellbeing](#) is a significant challenge in Liverpool City Region. The estimated healthy life expectancy at birth within most areas of Liverpool City Region

is below the national average, and is especially low in more deprived areas. Meanwhile, the prevalence of both common and severe mental health disorders is higher in LCR than nationally. Overall, one in four people of working age in Liverpool City Region suffers from a limiting health condition of some sort, contributing to LCR's higher than average economic inactivity rate and preventing people from realising their full potential.

The health of LCR's population has been further challenged by the disproportionate impact of COVID-19 in the City Region, with parts of LCR recording [among the highest case rates](#) in the country over the course of the pandemic so far. Designing a City Region that actively promotes healthy lifestyles and good mental wellbeing – with high quality homes and social infrastructure, space for exercise, good air quality, and access to affordable healthy food - will be critical towards addressing longstanding health inequalities, and rebuilding good public health after the pandemic.

Crime and antisocial behaviour will also act as a significant barrier to creating a fully inclusive Liverpool City Region. While the City Region is, on the whole, a safe place to live, there are a many neighbourhoods that score poorly on the ['crime' domain](#) of the Index of Multiple Deprivation. Meanwhile, all six LCR local authority areas record [rates of violent crime](#), including domestic violence, that are above the national average. Ensuring that all citizens can feel safe in their homes and communities will be vital to supporting more secure livelihoods in LCR.

For Black, Asian and Minority Ethnic (BAME) citizens, [deeply entrenched structural racism](#) represents a further barrier to participation in the social and economic life of Liverpool City Region. Among other indicators, BAME residents in the City Region face higher employment

gaps, are more likely to be economically inactive, are paid less on average than white residents, are more likely to live in poverty, and less likely to own their own home. These inequalities and barriers to opportunity must be systematically dismantled and proactively redressed before all citizens of Liverpool City Region can enjoy more secure livelihoods (cf. Charalambous et al. 2021).

4. Conclusion

The findings from this initial application of IGP's SLI lens for the Liverpool City Region highlight many serious and ongoing challenges. Many components of LCR's Secure Livelihoods Infrastructure may now be in need of significant strengthening and reinforcement if the City Region is to meaningfully Build Back Better from the COVID-19 pandemic.

Developing a more comprehensive Secure Livelihoods Infrastructure approach for LCR, one based on citizen-led research and cross-sectoral multi-stakeholder collaboration in communities, such as that applied in East London, could help develop more nuanced, place-based evidence and intelligence to inform the City Region's post-pandemic recovery and renewal strategies. Such an SLI model for LCR could also help to give further structure and direction to these local processes of recovery and renewal, supporting robust prioritisation, rationalisation, and evaluation of interventions in a complex policy landscape. Importantly, capturing and monitoring new forms of knowledge about the strength of Secure Livelihoods Infrastructure could also reveal novel spaces for policy action and innovation that are currently overlooked by policymakers, though could be essential to delivering meaningful prosperity and wellbeing for local people and communities.

One way to pursue this agenda practically could be to develop a citizen-led Prosperity Index based around the factors identified by LCR residents as most important to their sense of livelihood security, shared prosperity, and quality of life. Through an open-ended exploration of what supports, or inhibits a good life, this process would reveal the intersections between services, assets, and other factors that determine citizens' sense of prosperity in their daily lives. Using such an index to analyse local data would also allow policymakers to baseline the strength of the local economy at a community level, co-design policy interventions to target the things that matter most and will make the biggest difference to communities, and evaluate the long-term success of the economy in a way that is more nuanced and meaningful than merely tracking (and chasing) aggregate GDP growth.

Such an approach offers a strong basis for places, such as Liverpool City Region, as they begin to recover from the pandemic and respond to the wider policy challenges of the 21st Century, not least the uneven impacts of an accelerating Climate Emergency. By orienting action and investment towards (re)building the foundations of livelihood security, policymakers would be able to ensure interventions tangibly deliver on the needs and aspirations of local citizens.

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