



# IMAGINING A WELFARE STATE THAT SUPPORTS SECURE LIVELIHOODS

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Georgia was appointed Leader of Camden Council in May 2017 and has served as a Councillor for Kentish Town Ward since 2010.

Georgia studied at Camden School for Girls and has lived in the Borough for most of her adult life. Georgia studied History and Politics at Oxford, and graduated with a master's degree in global politics from the London School of Economics.

At the age of 24 she was elected a Labour councillor for the Kentish Town ward of Camden in 2010 and prior to becoming leader she held cabinet roles responsible for young people, economic growth and adult social care.

Georgia has a particular interest in youth politics and published a book called *Wasted: How Misunderstanding Young Britain Threatens Our Future*. It draws on two years spent travelling around the UK interviewing young people.



# FOREWORD

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The pandemic has clearly exposed the inability of our existing welfare system to provide people with an adequate safety net to navigate times of crisis. The significant rise in food poverty, debt and extreme financial vulnerability caused by the pandemic is clear evidence of this. The failure of the welfare state has been compounded by an economic system that creates economic insecurity, in-work poverty and job precarity.

Simply reverting to the 'old normal' post-pandemic is not enough. Now is the time to be bold and imaginative about the future we want to build, collectively reimagining a welfare state that is better suited to our current era.

The scale of today's crisis of inequalities makes clear that genuine welfare reform needs to be grounded in a different perspective, one based on values. A values-based approach means designing a social security system that recognises the importance of flexibility, trust, relationships, and social solidarity in enabling people to live flourishing lives.

In Camden, we've seen that whether it's in employment support or family help, when people and relationships are at the heart of service delivery, these services offer a more secure platform for people to build their lives on.

The work of the Institute for Global Prosperity (IGP) on Universal Basic Services (UBS) is an exciting demonstration of what it could look like to bake these values into a future welfare system.

Working in partnership, Camden Council and the IGP have brought together deep understanding of the people and place of Camden and expert p26. 91 Tf0.01 Tc values and principles of UBS to life at a local level.

Our joint work is a powerful example of the value of leadership by local places in welfare reform. They are well placed to learn about what works from those that the failures of our current system most impact, and to test and develop new ideas together in partnership with academic experts.

Small scale, iterative local experimentation can build a powerful case for change that is deeply rooted in the lived experience of communities - and give new genuine progress on today's most pressing social challenges.

The COVID-19 pandemic has devastated communities, caused considerable economic damage and placed enormous strain on our public services. It has also revealed — and worsened — our country's stark [inequalities](#), from access to [digital services](#) and housing, as well as educational and [health outcomes](#). The pandemic has also highlighted how the inequalities which characterise our modern society cannot be effectively addressed by our existing welfare system.

Long before Covid struck, the welfare system was struggling to respond to many of the 21<sup>st</sup> century's challenges — from the social care crisis to the [climate emergency](#), the unequal impact of [new technologies](#) and the automation of jobs. As the pandemic has unfolded, the need for a new welfare state that can effectively reduce inequality, build social solidarity, and enable people to live flourishing, secure lives has become clearer than ever.

In this paper, co-authored by Camden Council and the Institute for Global Prosperity (IGP), we explore the potential of Universal Basic Services (UBS) as a cornerstone of this newly imagined welfare state. UBS refers to the universal provision of public services — such as housing, transport, and access to digital services — to enable access to economic opportunity and civic participation for all. To enhance people's capacity to respond not just to today's challenges but to future changes in the economy.

UBS is based on the principles of solidarity, collective responsibility, and shared needs. These are the same principles that underpin the UK's existing offer of health and education as universal services. Yet, while these two key services are critical, alone they cannot adequately address the challenge of building back better and improving the quality of people's lives across the UK.

A 21st century welfare system needs to acknowledge that health, education, employment and poverty are not issues that are experienced in isolation but are intricately and inextricably linked. As such, an

effective system must give people access to the tools, skills and relationships they need to participate in our society and economy, building a stable platform from which lives can flourish holistically. This requires expanding our view of core public services to include new services relevant to our modern lives, such as digital access and fair access to transport.

It's not just which services people have access to that matters, but also how these are provided. The NHS provides a powerful example of universal provision, paired with flexibility and personalisation. In the case of a broken leg, for example, one person might be given a wheelchair to get around whilst another might receive crutches. Both have access to high quality care, but the nature of that care varies based on their needs and personal circumstances — and clinicians and patients are trusted to make the decision about what is right for that individual.

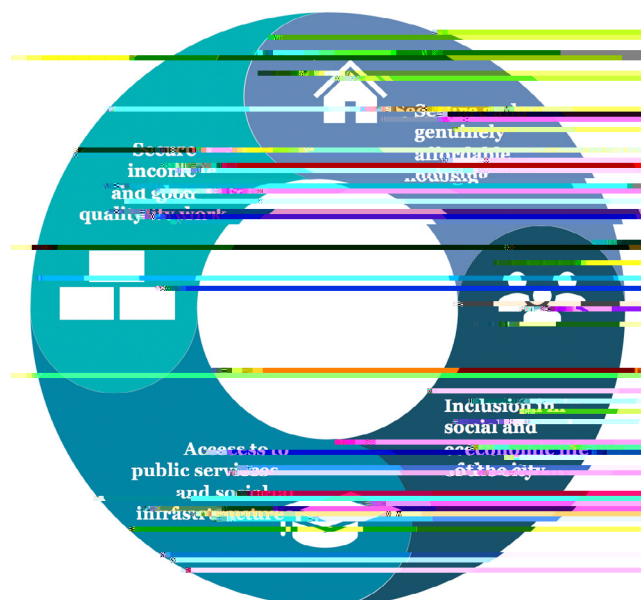
Facing the many challenges and uncertainties of the 21st century, like the COVID-19 crisis, will require more resilient communities with greater capacity and capability to develop support that is specific to their place. This means holding a focus on relationships and people within an approach that goes further than thinking about individual capabilities alone, and instead on lifting up whole communities. That means building up the social and service infrastructures within a community that, taken together, can build

# A 21ST CENTURY WELFARE SYSTEM THAT FOCUSES ON LIVELIHOOD SECURITY

What does it mean to live a secure and flourishing life? Traditional metrics like Gross Domestic Product (GDP) suggest that the primary determinant of quality of life is economic growth at the national level and material wealth at the individual level. However, what emerges when we ask citizens to define for themselves what a good life means?

Between 2015 and 2017, IGP worked with a team of [citizen social scientists](#) - residents trained to work as social researchers in their own neighbourhoods - to ask people living in east London what [prosperity](#) means to them. Interviewing people in five neighbourhoods in and around the Olympic Park, the research team explored what supported, and what prevented people from living prosperous lives.

The research found that a secure livelihood was consistently identified as the most important [factor to people's prosperity](#). While secure income and good quality work were described as vital, people also explained how livelihood security depends on several overlapping factors: regular and good quality work that provides a reliable and adequate income; genuinely affordable, secure, and good quality housing; access to public services; and social and economic inclusion. These factors are summarised in the diagram below:



**What supports livelihood security?**

Source: [Woodcraft, Collins and McArdle 2021](#)

People discussed how this mix of assets, services, and networks overlap and work together to enable individuals to support or undermine people's opportunities for a prosperous life. For example, accessible and affordable childcare, and public transport were identified as critical: enabling people to find and stay in work or education, care for family members, and participate actively in society (Woodcraft and Anderson 2019). For example, residents of Hackney Wick highlight the intersection of disability, age, public services, employment, regeneration and development, and unpaid care:

"[B]ecause all of the facilities that were around 20 years ago have now all gone [...] Everything's gone, for instance, my mum is disabled, I'm her carer, that's why I'm here, all the places she can go into and be looked after, they're all gone, so I have to [...] give up my work so I can look after my mum" (Hackney Wick resident, 2017).

"How can we have a prosperous life for everyone, people of all classes? The situation is precarious for people around here. The combination of unaffordable housing, zero-hours contracts, portfolio careers ... people have no security. Jobs are not good quality ... this is a toxic mix" (Frances, Hackney resident, 2015).

For others, prosperity and livelihood security lies at the intersection between community services, like health, education, retraining, volunteering. As Natalie and Niaja, residents from Bromley-by-Bow and Heath, respectively, share:

"[...] I was looking for somewhere to volunteer when I first moved here, and I came across a skill exchange programme that was just starting at that time. And I went to an event, run by a lady [...] and she introduced me to the doctors, referred me to mental health services. I started volunteering, and I became part of the furniture of Bromley-by-Bow" (Natalie, Bromley-by-Bow resident, 2017).

"[T]here is a community spirit here. There is an after school club in the library and I go and help out there. It's really good and I volunteer there. It's children having help with homework and things like that" (Niaja, Heath resident, 2017).

Conventional socio-economic policy responses tend to focus on increasing the number of people in work. This research suggests that, if people are to live truly prosperous and flourishing lives, we need to think differently about what people need to play a full and active role in society, and expand our ideas about the range of public services a 21st century welfare state should provide for its citizens.

In Camden, the recognition of this reality has led to a shift in focus from 'economic development' to building 'an inclusive economy' - and with it the experimentation with a more diverse service offer to support people into work. Camden Council and IGP have also been furthering the work that began in east London, and applying similar methods and principles in Camden – training citizens to lead the research and design of a 'Wellbeing and Prosperity Index' for Euston that will guide the development of the place over time in direct response to what people say is important to them.





The insights from these initial prototypes have fed into the design of a Resident Support Fund for those seeking work, which empowers advisors with the flexibility to fund and provide people with what they need to overcome barriers on their journey into work - trusting people and supporting relationships to make the right decisions for individuals. It has already been used to enable people to access to services that have allowed them to secure work.

Baking in these values of trust, social solidarity and prioritising relationships into services and support is an area in which the community has long led the way. For example, a group of neighbours in Camden who had previously received food parcels established a food co-operative when they realised that their collective purchasing power could give them more affordable access to food and essential goods - and this work now inspires and informs Council thinking about the borough's response to food poverty.

A group of Somali parents in the borough worked together to take a community approach to achieving a remarkable improvement in their children's educational performance over a decade. This has in turn acted as inspiration for a Council learning offer for other parts of the Camden community with poorer educational outcomes - a powerful example of the value of communities and the public sector working in partnership to develop services.

The response to the pandemic has made clearer than ever before the strength of what values-led partnerships can achieve - when mutual aid groups have come together to help their neighbours, and together Camden Council and voluntary and community groups in the borough distributed over 280,000 meals to people that needed them. As a local place, citizens, community organisations, business and the Council were able to come together and provide a values led fundamental service to a community in the height of a global crisis.

These examples give an indication of the potential of a values led, comprehensive set of basic services in creating secure livelihoods, when they are designed and delivered with communities. Investing in UBS can extend and enhance the capabilities and capacities of individuals and communities, strengthening their resilience in the face of current and future challenges as processes of economic, social and ecological transformation continue to accelerate. Co-designing these services builds social integration, cohesion and shared resources for enhanced prosperity.

Reimagining a 21st welfare state will require us to find answers to a series of deeply challenging questions: *How can we improve quality of life for all? How can we ensure everyone eats well every day? How can we make sure everyone can get online to learn, work, and access key services? How can we reverse widening inequality? How can we build economic opportunity through improving social integration and cohesion?*

Addressing these challenges is a process that needs to start now. At its most ambitious, delivering a new national welfare system for the 21st century will require a [reformulation of the tax and benefits system](#), a consistent industrial strategy, a reformed approach to local government spending, an innovative approach to building local assets and capabilities, and much more besides. And, of course, local authorities cannot fund UBS services given their current levels of resourcing and what, by international standards, is very limited ability to raise funds through taxes and levies.

Despite these constraints at scale, when it comes to testing and developing a different way of supporting people to live securely, we must start small and local.

Local places are already the providers of a vast array of public services. As early work in Camden has shown, if we experiment with providing these services based on values of empowerment, trust, and social solidarity, we can begin to demonstrate a different way of securing people's livelihoods.

The work in Camden connects to and builds on local leadership around the UK which together shows the green shoots of a new way of providing welfare that builds on the strengths and ambitions of individuals, families and communities rather than the current experience which fails to meet need and that residents often experience as limiting and lacking in humanity.

Partnerships — between local authorities and between the public and voluntary sector and academia — such as that between Camden Council and the IGP, are critical to accelerating our learning about what works and build a robust evidence base.

So too are collaborative dialogues within local places that bring together different sectors, such as business, civil society, local government, communities and researchers, to enable sustained shifts in policy debate, experimentation and practice.

All of these need to be based on sharing new methods for engaging the citizens in the production of knowledge to inform and deliver public policy.

Join us in exploring what a 21st century welfare state should look like and, together, we can start to chart a path to recover from the pandemic, building a future in which everyone has the opportunity to live a flourishing, secure life.

Rebuilding prosperity for the 21st century requires new ways of thinking and acting and the kind of vision, commitment and courage that informed the national conversation in the 1940s. The IGP is launching a \_\_\_\_\_

# APPENDIX A - IGP ANALYSIS OF WHAT A UBS SYSTEM MIGHT COST

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An unconditional UBS system could address many of the negative effects of existing welfare conditionality including the punitive effects on those who fall through the cracks of eligibility ([Reeve 2017](#); [Wright 2019](#)) and the expenses associated with means testing ([Ingold 2020](#); [Mehta et al. 2020](#)). Indeed, a UBS model of public service provision meets needs more directly, increases efficiency, reduces costs, facilitates a vibrant private economy, and buttresses the institutional fabric of society ([IGP, 2019](#)).

## Costing UBS

In 2017, the IGP [estimated that a UBS system](#) including shelter, food security, transport, digital access, childcare and adult social care would cost around £42.16 billion per year, equivalent to 2.3% of GDP.

We include below a breakdown of the estimated yearly costs this analysis:

- **Shelter:** £13.0bn per year. This encompasses 1.5 million social housing units at zero rent, council tax exemptions, and utilities.
- **Food security:** £4.0bn per year. This includes 1.8 billion meals at 7 meals per week.
- **Local Public Transport:** £5.2 bn (or £12.3 bn) per year. Extending the current concessionary bus scheme for pensioners to the rest of the population would cost £5.2bn. If the transport UBS were extended to include tube-type and tram-type transport this could increase to £12.3bn.

- **Digital Access:** £16.5bn to £19.9bn per year. The overall aggregate cost of providing information services, including broadband internet and TV license free at the point of use, is calculated between £16.5 and £19.9 billion.

The figures above do not include costs for Adult Social Care and Child Care services, which are also fundamental areas of UBS. Costing these components is much more difficult given the great variations in costs from region to region, as well as the difficulty to estimate private spending on these areas.

For **Adult Social Care**, for instance, latest figures on total expenditure by UK councils show an estimate of £19.7 billion for 2019/2020. This represents an increase of £918 million from the previous year, a 4.9% increase in cash terms and a 2.4% increase in real terms ([NHS Digital 2020](#)). While these figures reflect an increasing trend on spending on social care since 2015/16, they remain below 2010/11 levels and do not reflect the increases in population and levels of demand. Furthermore, it is important to note that this is purely council spending on social care. None of the expenditure data includes private spending on care. The [National Audit Office](#) had estimated the total size of the self-funded social care market at £10.9 billion in 2016/17 ([NAO 2018](#)), however, according to the Office for Statistics Regulation there are no reliable estimates of trends on self-funded adult social care expenditure ([ONS 2020](#)).

For **Child Care**, estimates for England for the financial year 2017–18, show total spending (excluding healthcare) was over £120 billion or over £10,000 per child under 18 ([IFS 2018](#)). It is due to remain at about

£10,000 per child until about 2019–20, leaving it at about the same level in real terms as it was in 2006–07 just before the Great Recession. The £120 billion included: **£59 billion in benefits or £5,000 per child**, - the three largest in being tax credits (£22 billion), housing benefit (£10 billion) and child benefit (£10 billion); **£54 billion in education** of which more than two-thirds represents expenditure on schooling; and **£8–9 billion in child children’s services and social care** - ranging from Sure Start Children’s Centres to safeguarding and services targeted at young people services. In addition, health spending on children estimates for 2016/17 were around **£9.3 billion** (Ibid).

## Funding UBS

Funding and operationalising a UBS system would require a serious reformulation of the tax and benefits system ([IFS 2020](#)). Such reformulation must be consistent with a renewed industrial strategy that is adapted to the challenges of livelihoods insecurity, at on of t]TJdS.bDF 1 r cea(isrity IGP h0.6propos adystT.otseTj0.151 0.356 0.609 scn/GI)]TJ-0.[(IGP)57 (,)10 (

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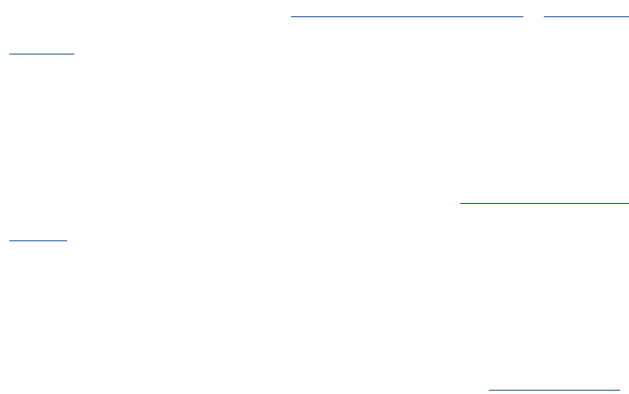
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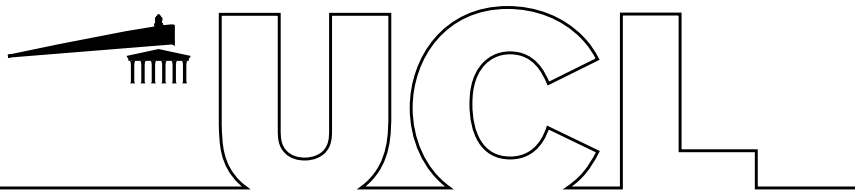
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In the UK, there are already local UBS-type initiatives experimenting with community-led housing, food security and resilience, and free and affordable legal advice services. These initiatives are of local, regional and national significance in the context of post COVID-19 recovery planning and for the long-term resilience of disadvantaged areas. However, for these local efforts to become part of a more systemic and sustainable change, they need to be systemised and scaled-up through both the development of communities of practice that design, deliver and test alternative UBS-experiments based on cross-sectoral collaborations, as well as central government's support that genuinely overhauls our national welfare system.

For instance, while the community-led housing initiatives and legal advice projects cited here are providing quality services, these are not always 'free' services and will require both multi-sector collaborations as well as the extension of and changes to existing government schemes, to develop more place-based interventions that enable communities







# THIS PAPER IS PART OF THE REBUILDING PROSPERITY CAMPAIGN

Rebuilding prosperity for the 21st century requires new ways of thinking and acting and the kind of vision, commitment and courage that informed the national conversation in the 1940s. The Institute for Global Prosperity is launching [qd`Rebuilding Prosperity Campaign](#) calling on policy-makers from Town and City Halls to Whitehall and from National Assemblies to Westminster Parliament to engage in a new conversation and to **fl & l r o** campaign for a radical new approach that will create shared prosperity across the country.





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