



Department
for Work &
Pensions

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Your ref: ER

Cllr Edgar Owen
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Our ref: MC2021/29325

10 May 2021

Dear Councillor Owen,

Thank you for your letter of 13 April to the Secretary of State on behalf about Universal Credit Basic Income (UBI). I am replying as the Minister for Welfare Delivery.

I can confirm that there is no intention to introduce a UBI as we need to provide support to those who need it most and a UBI would not do that.

Our analysis indicates that a basic income would mean a choice between an extremely expensive approach, that would require lifting taxes substantially to afford a meaningful payment to all, or paying a very small amount, insufficient to live off, that would be more affordable. I believe neither option would be acceptable.

A flat rate UBI would also not target support at those in greater need, and would not take into account additional costs faced by many citizens. For instance, those with disabilities or childcare responsibilities. Furthermore, a UBI would reduce incentives to work. The absence of work search conditionality in a full UBI scheme has potential to damage work incentives, trapping people on benefits indefinitely.

In the context of the current COVID-19 outbreak, the Government set out a substantial package of targeted measures to provide support to people affected by Coronavirus.

Our plan is among the most generous in the world. We have strengthened the safety net for the most vulnerable investing billions into improving our welfare system. Using existing frameworks for those who need additional support is the quickest and most effective way to do so during the COVID-19 outbreak.

I hope you will find this reply helpful.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Will', is centered below the text 'Kind regards,'.

Will Quince MP

Minister for Welfare Delivery