

Jane Hunt MP



House of Commons

12th May 2020

Dear local residents,

Thank you to those who have contacted me about introducing a universal basic income (UBI).

As you may be aware, ideas of a UBI have been subject to debate and discussion for some time. It is important that we have had this debate, and I hope that UBI-style systems continue to be subject to research and discussion, so that our approach to welfare can remain informed.

The question of feasibility is one we should consider. No matter how desirable a UBI-style programme might be, it must also be feasible in the present context of our economy. When considering feasibility, we must address whether such a programme would be affordable, and whether it could be introduced in a manner that prevented losses amongst the most vulnerable in our society.

A [report](#) from Compass, a think-tank, and the Joseph Rowntree Foundation, found that UBI would be prohibitively expensive, would create too many losers among the poorest families, would dramatically increase the number of children living in poverty (as was also found in modelling by the Citizen's Income Trust), and would dramatically increase inequality because it would not account for individual needs and circumstances.

The report found that the additional tax revenue required to support such a system could be as much as £160 billion. Such a figure would indicate that UBI systems would be unaffordable, even when the effect on individual behaviours in the labour market are not considered.

There are admittedly various models of UBI. The more we seek to introduce adjustments to something we call UBI to account for cost or undesirable effects, however, the closer we get to something which resembles Universal Credit.

Our current welfare system, built around Universal Credit, seeks to incentivise claimants to move off benefits and to provide tailored support to help people find work and increase their earnings.

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I hope that this information is helpful. If you have any further questions or concerns, please do let me know.

Yours sincerely,

A handwritten signature in black ink that reads "Jane".

Jane Hunt MP