Petitions Committee

Oral evidence: E-petitions session: Support for individuals and households during COVID-19, HC 754

Thursday 17 September 2020

Ordered by the House of Commons to be published on 17 September 2020.

Watch the meeting

Committee Members present: Catherine McKinnell (Chair); Martyn Day; Chris Evans.

Other Members present: Ronnie Cowan; Wera Hobhouse; Imran Hussain; Bell Ribeiro-Addy; Ms Lyn Brown; Beth Winter; Mrs Sharon Hodgson; Vicky Foxcroft; Marion Fellows; Naz Shah; Will Quince, Parliamentary Under-Secretary of State, Department for Work and Pensions; John Glen, Economic Secretary to the Treasury, HM Treasury; Luke Hall, Minister of State, Ministry of Housing, Communities and Local Government.

Questions 1-15
Chair: Thank you, everybody, for joining us today. I am delighted to be chairing our second hybrid e-petition sitting, which we have scheduled to give Members from across the House an opportunity to discuss issues raised in e-petitions relating to support for households during the covid-19 pandemic.

Sessions such as this would normally take place in Westminster Hall but, due to the ongoing suspension of sittings there, we have been looking at alternative ways to consider issues raised by petitions and to present them to Government. I am pleased that we are holding today’s sitting in this way, and it means that Members who are shielding or self-isolating and unable to take part in substantive proceedings in the Chamber may participate. I am pleased that we have not only SNP and official Opposition Front-Bench speakers contributing, but Ministers as well, to respond to the points made by Members.

Thank you, everyone, for taking part. I welcome Chris Evans to open.

Chris Evans [V]: Thank you, Chair. I also thank our fantastic Committee staff for organising this sitting.

It is vital that those who sign petitions are taken seriously and that their issues are debated in this place. Even though the pandemic has curtailed some of our parliamentary activities, the Petitions Committee has striven to be the voice of the British people here.

When we last debated covid-19 issues before the summer recess, lockdown was easing and people could afford to enjoy holidays, visit pubs, and enjoy meeting family and friends. Now, in several parts of the country, including my own in Islwyn, we live under local lockdown conditions as fears of a second wave start to rise. This meeting of the Petitions Committee to discuss a number of e-petitions relating to support for households during the covid-19 pandemic therefore takes on special significance.

Since the start of the pandemic and lockdown instructions, the Committee has seen more than 800 petitions relating to coronavirus. Of those, three petitions have reached the threshold of 100,000 signatures, which allows them to be considered for a debate. The first relates to the introduction of a universal basic income in response to the impact that covid-19 has had on household finances. It is entitled: “Implement Universal Basic Income to give home & food security through Covid-19”.

The petition asks the Government to implement an immediate universal basic income trial for all UK residents to ensure financial security during the coronavirus crisis. It is believed that such a move would support the needs of those who must self-isolate, as well as wider public health and the long-term economy. The petition received more than 114,000 signatures and reached 100,000 signatures on 23 March. The Government responded later that month.
The petition claims that the introduction of a universal basic income would mean that the incomes of households whose employment status has been directly impacted by coronavirus were protected for as long as they are unable to work due to the pandemic. The petition further argues that by providing households with financial security, people would be more likely to adhere to lockdown, self-isolating measures and not leaving the house for work, in the process protecting wider public health.

Furthermore, a universal basic income could provide a more sustainable arrangement than the present coronavirus job retention scheme. That scheme, the self-employment income support scheme and the mortgage payment holidays for landlords and homeowners have been a temporary success, securing the livelihoods of so many households during this initial stage of the pandemic, but the Government have made it clear that they will not allow those schemes to run indefinitely.

The furlough scheme is due to end next month, forcing many business owners to decide whether they will have to make staff redundant when it closes. There is a danger many families will be left in limbo, fearing for their finances.

In response to the petition, the Government made it clear that they do not support the introduction of a universal basic income. However, there is still no clear end in sight to this pandemic. Sadly, we are almost certain to head into recession, with unemployment predicted to hit a record high. If the Government do not plan to continue their financial support schemes throughout the pandemic, other sustainable alternatives must be considered.

The Government need to instil confidence in the public that jobs and incomes will be protected and that no one will be left struggling to make ends meet. Mass unemployment will do untold damage to our economy in the long run. If the Government are as committed to keeping our economy afloat and thriving as they say they are, options such as the introduction of a universal basic income ought to be kept on the table. There is no doubt that the times we are living in are unprecedented, and therefore the Government should not be so quick to rule out practical solutions.

The second of the three petitions to be considered today is entitled, “Encourage lenders, landlords and utilities to freeze payments during lockdown”, and has amassed almost 127,000 signatures as of yesterday. The petition also hit 100,000 signatures on 23 March, with the Government responding in June. Unsurprisingly, the highest concentration of signatories for this petition are based in London. It is a well-known fact that London is one of the most expensive places in the world to buy property. For those looking to get on the property ladder, living in the city is seen as out of reach. Extortionate fees paid in rent to landlords mean that even saving for a deposit is beyond the realms of possibility for so many people, especially the young.

With so many jobs based in London, and countless employees finding themselves laid off or furloughed, it is no wonder that people are crying
out for help and have signed this petition. The petition calls on the Government to “work with mortgage providers, landlords and utility companies to freeze rent, mortgage and utility bill payments”, particularly for those who find themselves unemployed or unable to work during the pandemic. The petition makes the argument that if it is public health and Government guidance to stay at home as much as possible, members of the public should be supported in doing so. Without such support, there is a risk that those who leave the house to work or find work could put public health at risk. This, in the long term, could have an even more detrimental impact on our economy and public services.

The Government did introduce measures to tackle these concerns, as they highlighted in their response to the petitioner. As previously mentioned, mortgage payment holidays were introduced for landlords to protect the incomes of landlords of renters who were unable to meet rent claims throughout the early stage of the pandemic. Furthermore, legislation was implemented to prevent landlords from starting proceedings to evict tenants for at least a three-month period from 26 March. Those measures were certainly welcome; however, they were only temporary. So many people since then have slipped through the cracks and been left to struggle financially as the pandemic has progressed. The petitioner points out that in most cases, statutory sick pay does not cover rent prices, and most people do not have swathes of savings and financial security that they can fall back on.

Throughout the pandemic, we have seen a worrying increase in food bank usage and the number of people signing up for universal credit. There are warnings that poverty will increase by more than a half in the run-up to Christmas, with the Institute for Employment Studies predicting that there will be about 450,000 redundancies made in the autumn alone. The Trussell Trust has recently received evidence that nearly 100,000 people used food banks for the first time during the coronavirus lockdown. Last month, research from the BBC found that there had been a sharp increase in people living in commuter towns claiming benefits. This has been the dismal reality for so many households during this public health crisis. Despite the avenues of help that have been offered, temporary schemes are just not good enough. This pandemic will not magically disappear once the Government’s financial support schemes have closed.

This leads me to the third petition to be discussed today. That petition, which as of yesterday has received 107,000 signatures, calls on the Government to require councils to suspend council tax payments during the coronavirus outbreak. Like the previous petition, there was a high concentration of signatures in London, particularly in the boroughs surrounding central London. There has also been a steady spread of signatures in the counties and towns surrounding London, along with high numbers in the north-west and parts of Yorkshire. After the petition hit 100,000 signatures back in April, the Government responded by insisting that financial support currently provided to households across the country was adequate, citing once again schemes such as the furlough and self-employment income support scheme as positive examples.
Surely, these petitions and the strength of response to them show that the Government need to be doing more to help, support and secure the future of households up and down the country. We risk facing an unemployment crisis that this country has never seen before, with a serious risk of more people than ever before falling into poverty and possibly even homelessness. This country demands more clarity from the Government about their plans to support households past the closure of financial support schemes. As I already mentioned, sick pay and universal credit will not be able to keep households afloat. Wages in key worker jobs will not be enough to keep families from the breadline. At the start of the pandemic, the Government adopted the slogan, “whatever it takes,” and yet so many households find themselves facing an uncertain future.

Most of the signatories to these petitions are people living in more deprived areas—those who will be worst affected by a recession. Those households have already suffered enough from the 10-year programme of austerity that this Government, in their various guises, have pursued. Households up and down the country clearly need more financial support—why else would they be calling on council tax, rent and mortgage freezes? Yes, we need to get the economy back up and running as best we can, but as we have seen in the last fortnight, we cannot rush that process.

By setting deadlines to end financial support for households and businesses, we risk even more business closures, because they simply are not ready to fully reopen or can no longer afford to keep their workforce. It will only be more damaging to our economy in the long run. If the Government do not believe that the coronavirus income support schemes are sustainable enough, perhaps it is time to consider the options for the introduction of a universal basic income, as called for in the first petition.

I want to wrap up this speech where I began, by thanking all the individuals who started these petitions and all those who went on to sign them. Petitioning is often the best way for members of the public to have their voices heard directly by parliamentarians on specific issues. The pandemic has thrown our country into uncertainty; it often feels as if there is no end in sight. That is why it is of the utmost importance that we use our voice to speak up for all those who are struggling and in need of help.

It is no coincidence that those countries that are predicted to feel the economic impacts of coronavirus to a lesser degree have not been afraid to respond to this unparalleled worldwide crisis. Let us listen to the public. In their response today, I urge the Government to set out their plans on how they will provide support for households during and after the covid-19 crisis, and at least provide some hope for families who are desperately in need.

Q2 Chair: Thank you. I call Ronnie Cowan.

Ronnie Cowan [V]: Thank you very much for this opportunity to discuss the issue of universal basic income and to address the 114,000 people who signed the petition.
The Government’s response to the petition is, “The Government does not believe a Universal Basic Income is the best method to tackle the extraordinary situation resulting from COVID-19, because it does not target help to those who need it most.”

That is incorrect, because it does, and it helps myriad other people—like all those people who fell through the cracks and were excluded; like all the people who found themselves registering for universal credit with a five-week wait; like all those mothers on maternity leave. No one is left behind with UBI—that is the beauty of it.

UBI is not just for times of national crisis. I have supported a universal basic income for years. I was the first MP to bring forward a debate on the subject in Westminster on 14 September 2016, which is shameful, as it is an idea that has been around since ancient Greece. This is not some new, hot, fashionable soundbite that is flavour of the month and will disappear overnight. From the philosophy of the Charter of the Forest in 1217, through Thomas More’s “Utopia” in 1516 and Thomas Paine’s “Rights of Man” in 1791 and even Richard Nixon in 1960s USA, the idea has been considered. Now, its time has come.

For it to be a true basic income and not just another branch of welfare, it has to be unconditional or universal. It is not a handout; it is not charity; it is not a benefit—that way we streamline the administration and remove any stigma attached to it. Ideally, it would not be temporary either, because strictly speaking, temporary is not unconditional, but there are questions that need answered, which is why pilot schemes are so important. A UK-wide scheme would, even if it were only run for a short period, mean that we create a database of all recipients and bank details to pay the income. Currently, we do not have such things and they would be very valuable going forward.

Pilots have been run around the globe and we have learned from each one. Some of the lessons are worth repeating. UBI does not make people indolent; UBI reduces poor mental health; UBI empowers women; UBI recompenses underpaid carers; and UBI provides a platform for everyone, including those of a more creative leaning, to follow their dreams.

It is worth telling this true story one more time. A woman worked in an accounts office and she also did babysitting to make more money. Because she had two jobs, she never had time to focus on her dream of writing a book. On Christmas day, the folks she babysat for gave her a cheque equivalent to a year’s salary—basically, a basic income—with the understanding that she would dedicate a year to writing, which she did, and Harper Lee wrote “To Kill a Mockingbird”. How many Harper Lees are there currently not getting the opportunity to fulfil their dreams?

In Scotland, the Scottish Government provided £250,000 for a feasibility study. Its report suggested that four pilots could be run covering two different structures of basic income. They would run for three years and cost £186 million, but we cannot run them until HMRC and DWP get on board as we are not prepared to treat the participants like laboratory rats.
We need to know that during the pilots, and at their conclusion, the people taking part will be taken care of and not punished for not seeking welfare for three years.

As always, the big question is: how much do people get paid and how will we pay for it? The pilots would have specific incomes, and we know their cost, but, outwith that, on a national scale, estimates vary. It will almost certainly be more than the existing welfare system, but we can offset that with a more progressive tax system, including land reform tax and enforcing payment from multinational conglomerates. There are many variations of this, but there is no hiding from the fact that people will have to pay more tax. However, those same people will also be receiving UBI.

Run and funded properly, UBI can eliminate poverty. Remember: poverty is a big factor in addiction, poor health and crime. People's lives can be improved, and society at large will benefit, too. There will be cost savings in the NHS and the judicial system. Prior to covid-19, the gig economy was seen as a driving force for UBI. Who knows what will be next?

When the world is changing and the workplace with it, and with global warming, automation and pandemics becoming a factor in our very existence, we would do well to heed the words of William Beveridge, who wrote in 1942, “A revolutionary moment in the world's history is a time for revolutions, not for patching”, which is exactly what we are doing with universal credit. From his report grew the welfare state, about which, at the time, we were told, “You can't afford that”, and soon came the NHS, based on existing schemes already running in the highlands of Scotland, and we were told, “You can't afford that”, and now we are told about UBI, “You can't afford that.”

In conclusion, the value to our society will be far higher than any cost we can attach to it. I would go so far as to say that in these uncertain times, we cannot afford not to have a UBI.

Chair: Thank you. I call Wera Hobhouse.

Wera Hobhouse: It is an honour to speak in this timely debate. In fact, this debate coincides neatly with our community conversation that we had in Bath only yesterday evening. There are four major issues that I want to touch on as we struggle to come to terms with the covid crisis and its consequences for all our households in this country, but particularly those that have struggled already. These issues are the most unjust and the most worrying: debt, homelessness, and, associated with it, mental health. I also want to touch on domestic abuse.

We do not yet know the full economic fallout of this pandemic, but we do know that many of our constituents have been struggling, and were struggling even before the crisis. Sadly, we can anticipate that many more people will now experience financial hardship. The reality is that covid has shone a light on the poverty gap in this country. Across the UK an additional 3.5 million people are now in the benefits system, and debt is a
major cause of anxiety, stress and even trauma. Six million adults have fallen behind on at least one bill as a direct result of the pandemic.

As the evictions ban and furlough scheme come to an end, the problem of household debt will only get a lot worse. My local Citizens Advice estimates that there is a 60% increase in the need for debt support in Bath and north-east Somerset. They alone have recently hired five new debt advisors to help manage the crisis. The need for support is great, but it will only get bigger. If nothing is done, we risk leaving many households trapped in unfair and unaffordable debt for years to come.

Council tax is a big worry for many people: 79 of my constituents have signed the petition that we are debating today. There was already a crisis in council tax before this pandemic and covid has made things a lot worse. However, the current regulations force councils to use outdated collection methods or even bailiffs to pursue money. That can be extremely traumatic and add large amounts to the fees. The Government must listen to the calls of charities, such as StepChange, and introduce a pre-action protocol for council tax.

Homelessness is the most frightening prospect at any time, even more so as we are now heading towards the colder winter months. I have recently been contacted by a constituent who was given an eviction notice before 29 August, which means they are not eligible for the six-month notice period. Thousands of people are now possibly facing eviction when the moratorium ends this week. It must be extended to provide renters with the security they need.

The pandemic has highlighted the unaffordability of our private rental sector. The breakdown of a private sector tenancy is the biggest form of homelessness. We cannot address homelessness unless there is a public sector infrastructure project to build at least 100,000 new social homes for rent every year to make up for the loss of so many socially rented homes.

It is well understood that one of the biggest impacts of this pandemic has been the fallout on our mental health because of all these worries. The Royal College of Psychiatrists has already warned that mental illness could be our second pandemic. Official statistics suggested that almost one in five adults were likely to experience some form of depression in June. That is almost double the numbers we saw before March. If we see a second wave, the effects could be even greater.

I know that the picture is similar in Bath. Local organisations have supported higher numbers of our residents than ever. Since lockdown began, Bath Mind has had a 100% increase in calls from people experiencing isolation and anxiety. Our local compassionate community hub has made contact with 7,800 people.

Mental health issues do not discriminate, but some groups have been disproportionately affected. Younger, female or disabled adults are much more likely to have experienced some form of depression over the six months. The financial burdens and pressures add to that mental health
problem. I recognise the excellent work of Boys in Mind and Girls Mind Too, youth-led organisations that are focusing on removing those anxieties. Young people are affected by their family worries of debt and homelessness as well.

Government must work with the voluntary sector. I cannot overstate the value of these groups, without whom the cost to the statutory sector would be enormous. Our charitable sector is wonderful in helping, but it cannot pick up all the massive problems that the covid crisis has thrown up. The next six months will be critical if we are to prevent a pandemic of mental health issues. We must put in place a systematic approach where mental health is placed at the heart of our communities, our workplaces and our schools.

My biggest worry in the last months has been about domestic violence. Such violence grows in the shadows and lockdown created the worst of all worlds for victims of domestic abuse. There is help out there from wonderful charities like Voices in Bath.

We have been talking about a UBI and I add my voice to the call for it. It is worth looking into as an idea, but everyone needs to put their minds into what we want to achieve with it and how it would be different to universal credit. For me, universal credit is a universal service. If we recognise that universal credit is there to help everybody who is in need, then I do not understand how UBI would be different.

My call would be to massively increase universal credit and to take the stigma away from claiming it, which I think is at the bottom of the call for UBI. Universal credit has become something for people who are at the bottom end of needing help, and that is the wrong way to go forward. I am calling for universal credit to be increased substantially.

Q4  **Chair:** Thank you. I call Imran Hussain.

**Imran Hussain [V]:** Thank you, Ms McKinnell. It is a pleasure to serve with you in the Chair. I begin by thanking the Petitions Committee for securing time for this timely and very important debate. I agree with some of very important points made by speakers before me, and I thank the opening speaker, Chris Evans, who made some pertinent and substantial points.

Six months ago, the Government told us that they would do whatever it took to protect jobs and support households through the pandemic, but in this time we have seen serious flaws, gaps and outright omissions in support, some of which have just been highlighted. While the flagship furlough scheme was the right decision, saving thousands of jobs that would otherwise have been lost, many who could not rely on it or were excluded from it have received insufficient support. As a result, they have seen their health, their finances and their families put at risk by these serious pressures and challenges. Nowhere is that more evident than in the support provided to low-income households asked to self-isolate.
because they are experiencing coronavirus symptoms or because they have been in contact with an infected individual.

While the Government will tell us that those self-isolating can claim sick pay or another similar scheme for the 10-day isolation period, both of those payments fall well short of the minimum wage. The minimum wage, currently at £8.72 an hour, works out at about £340 each week for an average 39-hour working week, yet someone on sick pay will receive just £95.85 each week, which is just £2.45 per hour for the same average hours. Indeed, the Health Secretary claimed he could not live on such a low rate, yet Ministers continue to fail to grasp the problems created by the low rate of sick pay not just for households but in our efforts to tackle the virus spread. Those in low-paid roles are just one missed pay cheque or one low-wage packet away from poverty, as they simply do not have savings to fall back on. The current rate of sick pay cannot make up for lost earnings. Consequently, they face the difficult choice between going to work and risking infecting others or self-isolating and being unable to pay bills or put food on the table.

For many, that is how extreme life is on the edge of poverty, and it demonstrates how important it is for the Government to support these households by increasing the rate of sick pay to that of the minimum wage. By waiting until the 11th hour to extend the ban on evictions, permitting bailiffs to resume work and allowing many companies and lenders to charge extortionate rates of interest to those who are most desperate, the Government are failing to accept, and actively turning a blind eye to, the consequences of the pandemic, when many businesses still face challenges in returning a profit and thousands remain jobless.

In my own constituency of Bradford East, this week saw a rise of 235 in the number of people unemployed on the previous month’s figures, with more than one in 10 out of work, and even those who kept their jobs are facing a reduction in hours. Therefore, thousands face drastically reduced incomes, leaving them unable to cover rent or interest payments and at serious risk of destitution because of coronavirus. Until there is a return to normality, those who prey on the poorest and those schemes that hit the poorest cannot be permitted to resume. The Government must support these people.

I also want to touch briefly on the impossible situation that many individuals and households in Bradford have been put in by the Government’s exclusion of certain groups from the support schemes. Imposing an arbitrary cut-off date for the furlough scheme and conditions that fail to reflect the reality of how many businesses operate while imposing further senseless conditions on support for the self-employed has created huge swathes of excluded groups in Bradford and across the country who have been cut off from support. This has thrown those groups into serious financial difficulties and dragged many people into poverty, as they have seen their incomes being drastically reduced or even wiped out altogether. So, as the Government seek out solutions that can replace the furlough scheme, when they bring that to an end in October, they need to
ensure that any replacement does not exclude groups who have already been hard hit.

Ms McKinnell, time not permitting as I wind up my remarks, I implore Ministers today to reacquire the Chancellor’s commitment at the beginning of this crisis to do “whatever it takes” to keep people in work and households out of poverty. The key part of this approach is introducing a targeted support scheme to help those sectors of the economy that face the biggest hurdles to recovery, so that we do not see a cliff-edge of redundancies in just a few weeks.

However, just as important is raising the level of sick pay to meet the minimum wage and the rate paid for jury service, so that no one is financially punished for doing the right thing by self-isolating, and providing for a further extension of the ban on evictions, a reapplied ban on the use of bailiffs and a freeze on extortionate interest payments that hit the poorest in society the hardest.

Q5 Chair: Thank you. I call Bell Ribeiro-Addy.

Bell Ribeiro-Addy: Thank you, Chair. I would like to associate myself with all of the remarks made by previous speakers. I think it is very, very important that we have been able to have an opportunity to raise these issues, as per the petitions that were put down.

The coronavirus pandemic has been difficult for everyone, and it has exacerbated just about every single inequality that we already see in society. In my constituency and beyond, thousands have fallen behind on their rent, and while the Government have heralded schemes that were introduced as a saving grace for renters and others alike, the reality is that they do not go far enough and are far behind what is being offered in countries of similar economic standing in Europe.

It has not escaped the public’s attention that the Government actually introduced help for homeowners by way of a mortgage holiday, but for renters no such scheme was introduced. Instead, they have been forced to rely on either the generosity of landlords to lower their rents for the lockdown period or on insufficient support packages, bearing in mind that for some of these landlords the rent that they receive is their income.

This pandemic is unprecedented, so the three-month eviction ban initially was welcomed, but now that we can see that it is not enough, it has to be extended. It was more welcome news today that the Government have announced that businesses will be protected from eviction until the end of the year, but why will we not do the same to protect people in their homes?

A recent report by the Greater London Authority showed that about half a million private renters in London are potentially at risk of eviction from this Sunday. With approximately 65% of households in Lambeth living in rented accommodation, I worry what this will mean for my constituency of Streatham.
The six-month notice period for evictions in all cases, barring serious incidents, is also welcome, but it is not an overall solution. That is why I support the call by Labour’s London Mayor, Sadiq Khan, to freeze rents in London, to help prevent a wave of evictions. You have heard already that the Government promised that they would do “whatever it takes” in this pandemic, but that rings hollow when it is unlikely that the Government will devolve powers to City Hall so that it is able to support Londoners in this way.

It seems that the Government have chosen to kick the issue further down the road and made the issue of mass evictions a post-winter problem, but they simply cannot wait. Job losses and industry closures have resulted in a rising unemployment rate, which will only worsen when the job retention scheme winds down. And many people have found themselves slipping further into poverty, unable to afford the cost of food and increased utility bills on top of their rent payments.

Food banks are overwhelmed; for example, the Trussell Trust has seen an 81% increase in food bank usage. Those eligible for the job retention scheme have been living on just 80% of their wages and too many have been forced to make the difficult decisions about which bills to pay.

Workers who were unable to be furloughed but have to self-isolate for health reasons are left to live on £95.85 a week of statutory sick pay, yet the average weekly rent in the UK is £246 a week, and the average weekly food bill is over £100.

That is all before I mention the 3 million people who have been excluded from support packages entirely. Arbitrary cut-off dates, a lack of consideration for more complex payments, certain industries, parental leave and a whole range of personal circumstances affecting eligibility have left 3 million people excluded from any form of financial support during the pandemic through no fault of their own. Without a regular income and adequate financial support to see them through this crisis, people will be forced to burn through their savings if they have any. Shelter has found that two thirds of renters have used all their savings during this period. In the worst-case scenario, that will leave people unable to buy the basic things that they need to survive. That is why I believe that we need an emergency universal basic income now to make sure the millions who have seen their incomes slashed can support themselves over the coming months. We need a plan to make it permanent to address all the inequalities that we see in society. That would be levelling up.

The disastrous universal credit scheme is not the answer. A mere 10% of those who have been excluded have been able to make a successful claim. Plumbers, dentists, photographers, therapists, barristers, performers—far too many have been left to slip through the cracks. The Government has stuck its fingers in its ears and refused to listen to them, leaving thousands in dire financial situations.
We all know that the pandemic is far from over. Winter is approaching, and we do not know how that will impact the infection rate. If sectors are forced to close—there are rumours of another national lockdown—employers will be forced to let people go, and people will be faced with harder decisions. They will be forced to choose between rent, food and heating—all this in the sixth largest economy in the world. According to the RSA, a universal basic income of just £4,800 per person a year could reduce relative household poverty by up to 33%, which would make a massive difference.

This is a global pandemic. It is completely unprecedented, and it has brought unprecedented problems. The Government put support schemes in place in March. They were tried and tested, and we have seen that they are not enough; they have merely delayed certain problems. Given that the pandemic in the winter will bring so much uncertainty, the Government must intervene. That is why we really need a universal basic income as soon as possible.

I pay tribute to those who put their names to petitions. I have seen a greater wave of people than we have ever seen before getting involved, lobbying MPs and calling for what they need in these very difficult times. I hope that is not something we will see just in desperate times; I hope we will see it moving forward.

Q6 Chair: Thank you. I call Lyn Brown.

Ms Brown [V]: It is a real pleasure to follow on from my hon. Friend from Streatham. I agree with much of what she said. There have already been some excellent speeches in this debate, and I know that there will be more to follow. I thank you, Chair, for once again giving us the chance to speak remotely in a debate that is so important to many of our constituents. We are very grateful to you; I am very grateful to you.

This is a time of extraordinary risk in our communities. We needed by now to have a track and trace system that would let the economy reopen without increasing the danger of infection, but we have not got one, and covid infections are now on the rise. In Newham, at the beginning, we had the highest age-adjusted mortality rate from covid. Presumably that is the reason why the track and trace app is being piloted here. Yet if you go on that app or the website, in Newham, as with everywhere else, the chances are that you are not going to get a test.

On Monday, a constituent told me that he had had symptoms since last Friday. Twice a day he tried for either a home test or a walk-in. Neither option was available to him at any point. Another needed tests because his 10-year-old and 14-year-old children had symptoms. Between last Thursday and Sunday, he and his wife tried over 30 times to get any kind of test and were told over and over that nothing was available.

People need tests so that they can go to work, so their children can go to school, and so they can do the things that we want them to do. People need tests so that our society and economy can function better, so that
jobs and life chances are saved. Sadly, the risk to life is rising, not falling, and the threat to the economy is dire. The preparations made over the summer clearly were not good enough and, as a consequence of those failures, livelihoods as well as lives are at stake.

In West Ham, we have had the highest number of jobs furloughed in the country—almost 30,000 people in my constituency alone have been affected. That support is being withdrawn, and I am so worried about what the next months are going to bring. The sectors that have been hugely affected by the pandemic desperately need Government support, and most of all that means the leisure and hospitality sector, our night-time economy, our arts and creative industries, events and weddings, and travel and aviation. All those industries are important to jobs in my constituency and, because wages are low on the whole in my constituency, people overwhelmingly do not have savings or other income to fall back on. With the pandemic on the rise again, the Government have to face the fact that, for those industries, things may get worse and not better over the coming months. I hope that Ministers who are in the room today will be able to explain how the Government are listening to sectoral organisations and to trade unions in order to offer people support.

The Government also have to listen to organisations such as ExcludedUK. We must not allow the self-employed and others who have been locked out of Government support so far to continue to be excluded. I fear terrible consequences for Newham this autumn if the Government do not act. Families in my constituency will be pushed further into poverty, unemployment will rise and the economy will be damaged for years.

Let me tell the Committee about Bob. Bob is nearing retirement age. Throughout the pandemic, he has worked on the buses, allowing NHS staff and others to make essential journeys. Given his age, we know and Bob knows that he has faced serious risk as a key worker himself, and, tragically, he has lost friends and colleagues to covid. Yet, as soon as Monday, Bob could be handed a notice of eviction from his home, which he has lived in for 16 years. Bob has nowhere else to go that will be affordable to him after he retires. The stress of a possible eviction next year, coming after all these months of working through lockdown, bereavement and fear, is causing Bob terrible anxiety. I cannot really imagine just how he is feeling.

Bob’s story illustrates the financial insecurity of many families in West Ham. The Trussell Trust predicts a further, 61% increase in the need for emergency food parcels by December, and unless the Government step in effectively, six food parcels a minute will need to be given out to stop children going hungry. That is an utter disgrace, and totally avoidable in a country with the wealth that ours has. During the first lockdown, food banks were used by 100,000 families who had never used them before. How many more will be using food banks for the first time this autumn, and what will that do to them?

The Government’s job is to protect other people’s jobs and support family incomes so that parents can put food on the table and keep the heating on
this winter. Let me quote what the Chancellor of the Exchequer said back in March, because he offered real, genuine hope to many of my constituents when he said: “You have not been forgotten. We will not leave you behind. We are all in this together.” Sadly, the flood of emails that I have received during this terrible pandemic demonstrates that those words ring hollow. I hope that the Government are properly listening to this debate, because they have to act, they have to act competently and they have to act now.

Chair: Thank you. I call Beth Winter.

Beth Winter: Thank you, Ms McKinnell, for the opportunity to speak in this extremely important and timely debate. I also want to extend my support to the comments that previous speakers have made. While I endorse all three petitions, I am going to focus on the petition on UBI.

The covid-19 pandemic has laid bare the extent of poverty and inequality in our society. In my constituency, Cynon Valley, a quarter of people live in poverty and almost a third of children suffer poverty—one of the highest rates in the UK. The pandemic has also exposed the inadequacies of our welfare system as a safety net for people: the insufficient levels and restrictiveness of statutory sick pay, the five-week waiting time for universal credit, the stigmatising assessment process, the high level of appeals, and the delays in payment of personal independence payments.

While the Government introduced some measures and tried to ease some of the financial pressures on people at the outset of the pandemic, the schemes have definitely not reached everyone, and many people have remained excluded. They are short-term measures.

As we emerge from lockdown, we will face a damaging recession and ongoing economic insecurity, as well as a climate emergency. It has been estimated that the rise in unemployment will be 3 million, although it is likely to be even higher as furloughed people continue to be made redundant, so we must grasp this moment and do everything we can to ensure that, as we emerge from lockdown, we do so into a fairer and more resilient society and economy.

A vital part of that will be to replace our dysfunctional benefit system with one that provides financial security for everyone who needs it. UBI, an unconditional regular cash payment to everyone, regardless of their income or situation, is gaining traction as a solution to many of those issues. It is underpinned by the principle of universality, which I very much support, the purpose of which is to ensure that everyone is provided with enough to cover the basic cost of living, and to provide financial security.

UBI has a number of merits. Most notably, it meets the human right that everyone should have an appropriate amount of money on which to subsist. It overcomes the negative features of means-testing. It is simple, unlike the complex current welfare system, and it will stimulate demand in
the economy by putting money in people’s pockets. It could help avoid a deep and prolonged recession.

It is gaining interest—increasingly so—with a number of pilots taking place, which are having positive results. For instance, in Finland, where there was an experiment, it resulted in an increase in employment and positive effects on confidence, health, and financial wellbeing and support.

The parliamentary petition gained more than 140,000 signatures, and more than 500 public figures and academics have signed an open letter calling for an emergency basic income. A recent opinion poll estimates that 84% of the public now support the introduction of UBI.

What a timely opportunity we have now to introduce this. In Wales we have a positive opportunity in terms of UBI. We have a Future Generations Commissioner, and she has come out very strongly in support of UBI, as well as a four-day week—a solution to help people out of poverty and aid the economy. I am also encouraged to see the First Minister of Wales, Mark Drakeford, say in conversation recently at the Hay festival that he has been interested in the idea of basic income for 40 years and that we are “up for playing our part in such an experiment.”

Yes, I think there are some limitations to UBI. It could need many modifications to ensure that those with the greatest need retain additional benefits to meet their needs, including cover for housing costs, childcare and disabilities. I don’t think UBI can be looked at in isolation from other measures that are required: welfare reform, extension of the furlough, a more progressive tax system. Tackling those goals is not insurmountable, and we must do everything to achieve them.

The upfront cost of an emergency or recovery UBI has been estimated as £118 billion over a two-month period. While the figure seems high, it cost £137 billion to bail out the banks during the 2008 financial crisis. Some costs could be recouped through additional tax revenues as the economy grows. We could call for a people’s quantitative easing, with the Bank of England putting money into the economy to help pay for it, as it did in 2008, or the Government could borrow and pay some of the debt back afterwards through progressive taxation. That would ensure that the highest earners did not benefit from UBI in the longer term, and, of course, we could close some of the 150-odd tax reliefs in the UK, many of which disproportionately benefit the wealthiest households.

The current situation demands immediate and urgent action, and that is why I, along with over 170 MPs and Lords, signed a letter at the outset of the pandemic to the Chancellor urging him to consider a recovery universal basic income. This would be a temporary measure to address the needs of people and the economy, given the very deep recession that we are going to face in the coming months following the pandemic.

I am also extremely privileged to be a co-chair of the cross-party parliamentary and local government working group on UBI. We had our launch yesterday, and it is quite a unique group because it is inclusive. It
is not just parliamentarians; we also have local authority councillors, mayors and local constituents involved with it.

Let’s make a call for the new normal to include a benefits system that makes sure that everyone has equal access to a financial safety net that is adequate for their needs, and a progressive taxation system, with the doors closed on tax havens and tax evasion, that helps to pay for that fair system. UBI would help the economy during the recession, but it can also be a means of paving the way for a fairer, long-term solution to the current broken system. Diolch yn fawr, Chair.

Chair: Thank you. I call Sharon Hodgson.

Mrs Hodgson [V]: Thank you, Chair. It is a pleasure to serve virtually under your chairmanship this afternoon. I would like to begin by thanking the Petitions Committee for arranging time for these debates, and for allowing virtual participation. It is very much welcomed by me and my constituents. It is a pleasure to follow my hon. Friend the Member for Cynon Valley (Beth Winter)—if that is not how the constituency is pronounced, I apologise to everyone in Wales.

I would like to speak today to the petition on implementing universal basic income to give home and food security through covid-19. I believe that UBI is just part of a larger package that could be implemented immediately to provide home and food security.

Colleagues will be aware that since becoming an MP in 2005 I have campaigned for universal free school meals, and I set up, and have chaired for over a decade now, the all-party parliamentary group on school food. I proudly do this, as I know what it is like to receive free school meals. I am not the only one in Parliament who did; I know that others are present today who will also have done. I know the stigma, and I have to say that that stigma does stay with you into adulthood. You never forget how it feels to be told to stand in a different queue from your classmates to get your dinner.

I also know how important school meals are to children and parents on low incomes. A hot and healthy meal during the school day ensures that children are fit and ready to learn. It improves attendance, attention and attainment. We knew before the pandemic that 11.5% of households with children experienced moderate or severe food insecurity. According to new data from the Food Foundation, it has now risen, unsurprisingly, to 14%. That is 4 million people, including 2.3 million children, reporting moderate or severe food insecurity in the last six months. These families have had to rely on a few kinds of low-cost food to feed their children, to provide unbalanced meals of smaller portions or, in some cases, to skip meals entirely.

We cannot pretend that this is a new trend, brought on by coronavirus, but coronavirus has truly brought the experiences of some families to the forefront of the public’s consciousness. I commend the work of Marcus Rashford, who joined the campaign to extend the national school voucher
scheme over the summer holidays and highlighted the experience of children like himself, growing up in low-income households. Marcus’s intervention and continued commitment to tackling food insecurity means that the only thing missing from this puzzle is Government will.

The Government support available during lockdown—the furlough scheme and the national school voucher scheme—have prevented the situation from worsening, and that is to be welcomed. But, as the furlough scheme comes to an end and the threat of job losses becomes ever more real to those in insecure work, a large number of children are still left in a precarious situation when it comes to securing the necessary healthy diet for them to grow, develop and participate actively in school and society.

That is why we need the Government to take action to protect and support a whole generation of children. I support the recommendation in part one of the excellent National Food Strategy that free school meal eligibility should be extended to every child up to the age of 16, “where a parent or guardian is in receipt of Universal Credit”. It just makes so much sense to me. This would ensure that more children growing up in low-income households have access to a hot and healthy meal in school, improving their health and attainment, while also supporting their families at a much-needed time.

I also believe that free school meal eligibility should be extended permanently to the estimated 175,000 children in the UK whose family’s immigration status means that they have no recourse to public funds. In April, the Government gave these children temporary access to free school meals during the pandemic. Families with no recourse to public funds now need the assurance from Government that their children will continue to be able to access free school meals. We are only talking about 175,000 children, some of whom will be in very vulnerable situations.

The Government have indicated that a full review of the free school meals system is needed before this policy can be made permanent. I think it just needs a signature from a Minister to make it permanent. It does not require a review to do that. Can the Ministers today outline the nature, scope and timetable of this review, and provide assurances that children with no recourse to public funds will be able to access free school meals while this review takes place?

Finally, last year I co-chaired the Children’s Future Food Inquiry with the hon. Member for Central Ayrshire (Dr Whitford). We heard from young people across the country, who told us about their experiences with food insecurity and what they wanted to see in the food policy that affects them. The young food ambassadors published the excellent Children’s Right2Food Charter, which set out their recommendations on food policy. The inquiry called for these recommendations to be looked at by a children’s right to food commission, which young people would be part of, too.

When the inquiry and charter were published last year, the then Education Minister, the hon. Member for Stratford-on-Avon (Nadhim Zahawi), said
we could expect an official response. I know a lot has happened since then, but can the Ministers put on record today when we should expect that official response? It would have been good to have had it before the start of covid-19, but anytime now would be good, too.

Our young food ambassadors are ready to act. They are just waiting for the Government to step up and support them. While the jury may still be out on the pros and cons of UBI, there are lots of other measures, especially around food and food security, which I have outlined, that the Government could implement immediately. I hope they will seriously consider my recommendations.

Q9  **Chair:** Thank you. I call Vicky Foxcroft.

**Vicky Foxcroft [V]:** Can I start by saying what an honour it is to follow my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson)? She made such an articulate and powerful speech around food poverty. I also thank you, Chair, for allowing people such as myself the opportunity to participate. Like many people who were shielding prior to it being paused, I am trying to adhere to medical guidance, so thank you for this opportunity.

Many people who are shielding have shared their concerns with me regarding the pausing of shielding. I will share a few of them. They obviously have serious anxiety about returning to work. They need to know that support is there for them. One simple step is to give them decent information. They want to know that their workplaces are covid-safe.

The Government have issued some guidance on covid-secure workplaces, and a large number of employers are doing the right thing, but what about those who are not? Will the Government look at some form of furlough scheme where employers are unable to make their workplaces covid-safe for people who are disabled or have been shielding, and will they look at requiring employers to conduct risk assessments? If an employer does not do that, will the Government look at issuing sanctions?

If this Government is going to support individuals and households properly, they really do need follow through on their commitments to local government. Local authorities deliver so many frontline services. Take my local authority, Lewisham, for example. They have done a fantastic job in really hard times, supporting disabled and shielded people throughout this crisis. They were told by Government—it has been said before—that they would receive whatever is necessary. However, of the £60 million that they have additionally spent, the Government have given them only £20 million. That is a £40 million shortfall. Surely that cannot be right. The Government’s new line seems to be that they need to share the burden, but have they forgotten that councils are already struggling after a decade of austerity imposed by this Government?

Another area where this Government can support individuals is with good-quality employment for all, and this must include disabled people. For too
long, the difference between the employment rates of disabled people and people who are not disabled has been terrible. The gap among 16 to 24-year-olds stands at 19%, and at 29% for those aged 25 to 49 years old. A recent report by Citizens Advice, “An unequal crisis”, makes for alarming reading. The report found that 27% of disabled people are facing redundancy, rising to 37% for those whose disability has a substantial impact on their activities; and 48% of people who are extremely clinically vulnerable to coronavirus are facing redundancy. As we come to the end of the furlough scheme, the potential for this gap to widen should worry us all. Clear action needs to be taken. The Government hinted this week at creative ways to support employment over the next months. My plea to them is: remember disabled people.

A recent report by Inclusion London, a charity that represents 77 disabled people’s organisations, paints a bleak picture of the impact that covid-19 has had on disabled people. The report states: “From the outset, we have been discriminated against, forgotten, and in some cases abandoned as policymakers have ignored our needs. Or, at best considered them as an afterthought.” The report found that over 60% of disabled people questioned said they struggled to access food, medicine and necessities, and over 35% of respondents talked about increasing levels of psychological distress. Nearly half of respondents talked about inaccessible information, confusing guidance, and lack of advice.

Take that in for a moment. That is what disabled people are telling us as policy makers. These experts by experience need to be listened to, not forgotten about. One area where the Government could end some of this anxiety is by uplifting legacy benefits. The Government were able to deliver “eat out to help out” overnight. I see no reason why they cannot deliver the same for legacy benefits as they did for universal credit.

As the Government seek to move back to assessments, can they do a couple of simple things to make disabled people’s lives better? Listen to disabled people. Include them fully in what you do. They are the experts. This is what I have been told. Disabled people want the DWP to let them choose the method of assessment—we know different assessment methods work better for different people. End sanctions. Some 70% of decisions are turned over at appeal and people endure a lengthy process, often affecting their mental health. I urge the Government to stop driving people into extreme poverty. I have seen no evidence of any benefits from sanctions, unless the Government want to share what they think the benefits are.

Finally, can we move to longer term benefit awards? This would save the Government money, supporting disabled people rather than giving private companies money for doing poorly held assessments. I have said it before and I will say it again: communication is key. At the start of this pandemic, communication with disabled people was incredibly bad. Should there be a second wave, this must be better, so will the Minister commit the Government to ensuring that disabled people and those who are
shielding are fully consulted on all the next stages? Sadly, I fear that the Minister will not address that point.

Q10 **Chair:** Thank you. I now call Marion Fellows to speak for the SNP Front Bench.

**Marion Fellows [V]:** Thank you, Chair. My thanks also go to all the petitioners, the Petitions Committee and the previous speakers—I will not name them all, but I must say a word about the speech from the hon. Member for Lewisham, Deptford (Vicky Foxcroft). I could not agree more with what she said about people with disabilities. That work has to go on and their lived experience has to shine through in Government policy across the UK.

The covid-19 pandemic has exposed the shortcomings of the UK social security system, which has been well documented by the UN special rapporteur and poverty organisations, and is facing calls to further explore how a universal basic income could provide support to people and reduce poverty. A group established to explore the feasibility of piloting a citizen's basic income in Scotland released its final report in June. The group concluded that although a basic income pilot is desirable, it is not feasible under the current devolution settlement, as the necessary welfare and tax powers remain with the UK Government through the DWP and HMRC. Scotland’s Community Secretary, Aileen Campbell, has already written to UK Ministers urging them to engage constructively with the Scottish Government on this matter and to discuss the next steps towards a universal basic income pilot.

Even with a pilot, it should be understood that such a systemic change to the welfare state would take many years to introduce. At the moment, measures introduced by the UK Government in response to covid-19 have failed to provide home and food security for all. UBI would be a financial lifeline for people, allowing them to live with a degree of security, but it is not a cure-all. It has to be complemented by other social policies—namely, policies that tackle the cost of living. Take the issue of runaway and rip-off rents, for example. The home is an essential expense, but whether people are working or unemployed, a larger and larger proportion of their income is being spent on renting. Low and precarious pay, as well as increasing unemployment, are making it harder and harder for tenants to keep their head above water. The Scottish Government have already halted evictions of tenants during covid and have ended the right to buy your council home, ensuring that council house stock remains public, but I believe—this is a personal belief—that we can go further.

If a UBI were implemented, it could encourage landlords to increase already high rents, cancelling out the benefits that the UBI was meant to deliver. That is why I believe that tenants in Scotland and across the rest of the UK need a points-based system of rent controls to ensure that rents—both social and private—are fair, and to brings rents down, not just freeze them. The think-tank Common Weal and the tenants’ union Living Rent have been driving a campaign to ensure fair rents in Scotland.
Several other European countries have implemented rent controls, so there are plenty of case studies and examples to draw from.

Having already left the self-employed high and dry by ending the self-employment income support scheme last month, and constantly ignored SNP demands to fill the gaps in the jobs retention scheme, the Chancellor is now determined to cut that vital support entirely. While Ireland, France, Germany and other countries have already extended their furlough schemes, Scotland has been prevented from taking that crucial action. Thousands of Scots stand to lose their jobs unnecessarily, and that is reflected across the UK.

As has already been mentioned, the UK Government’s meagre rate of £94.25 per week for statutory sick pay is poverty pay compared with the £266 per week rate in Ireland and the £287 per week rate in Germany and Austria. The UK has the second-lowest rate in the EU. The UK Government have eroded the social safety net over the past decade through brutal cuts to the social security system and inhumane policies such as the benefit sanction regime, benefit cap, two-child limit and bedroom tax. Even with the temporary £20-a-week increase to the universal credit standard allowance that the UK Government call “generous”, people out of work today are still £1,000 a year worse off compared with 2011, according to the Joseph Rowntree Foundation.

The DWP’s £20-a-week increase also excludes people claiming legacy benefits, many of whom are sick or disabled people, carers, and people affected by the benefit cap. An extra 31,000 families UK-wide have become subject to the benefit cap due to the DWP increasing universal credit and local housing allowance, taking the total number of affected families to about 129,000 across the UK. The UK Government have consistently refused SNP calls to extend the furlough scheme, make a one-off emergency basic payment, increase statutory sick pay and strengthen the UK’s social security system for everyone.

In response to the outbreak, the SNP have repeatedly called on the UK Government to extend the furlough scheme to protect people’s incomes, to address gaps in support to ensure no one is left behind, and to urgently roll out an emergency basic payment to help families who are in financial difficulty due to the current crisis. An emergency basic payment would be a one-off payment during the pandemic, which is not the same as introducing a UBI. We want the Government to increase the rate of statutory sick pay in line with the real living wage, and we want the weekly earnings threshold removed, so that all workers can receive statutory sick pay irrespective of their weekly earnings or NI contributions.

We need this Government to uplift the child element of universal credit and child tax credit, and to lift children out of poverty. We want to make permanent the £20 uplift to universal credit—a call echoed by the Trussell Trust and the Joseph Rowntree Foundation—and to extend that uplift to all legacy benefits. We want the Government to introduce a non-repayable grant at the start of a claim for universal credit, instead of a loan, which would address the five-week wait. We want this Government to bring in
the approximately 3 million people across the UK who are excluded. We want them to increase local housing allowance in line with average local rents, and to scrap the benefit cap, the two-child cap and the sanctions regime—“whatever it takes”, to coin a phrase. I hope the Minister will respond to the pleas of those who have spoken on behalf of those petitioners who wrote in their hundreds of thousands, and who enabled this debate to take place.

Q11 Chair: I now call Naz Shah to speak on behalf of the Labour Front Bench.

Naz Shah [V]: First, I thank you, Chair, the Petitions Committee, and all those involved, including the IT staff, who have ensured this debate has happened. It is very important that we have this conversation. I welcome the opportunity to speak on these e-petitions, and am grateful to my colleagues for their contributions. The issues that these petitions raise are an important part of how we as a country react to the unique circumstances that the pandemic presents, both for our society as a whole and for individuals, families, employers, businesses and councils. Members will be aware of the concerns that my Front Bench colleagues have consistently raised with the Government, even as we have sought to do so in a constructive and bipartisan manner wherever possible.

Labour believes that a universal basic income would not have been the correct response to the covid-19 pandemic, for four principal reasons. First, we were keen—as were both employers and trade unions—to ensure that the Government were supporting jobs and keeping a link between employers and their staff. For that reason, we welcomed the furlough scheme with which the Government delivered that, preserving that vital link. In fact, we believe that the Government’s decision to withdraw that support for furloughed employees now, without targeting additional support at sectors hard-hit by the pandemic and crucial to our country’s future—for example, aerospace—is an historic mistake. Members heard a number of my colleagues pressing those points at Treasury questions on Tuesday. We will not stop expressing the concerns of workers and businesses in this place, and I take the opportunity to ask the Minister to pass those concerns on to the Chancellor.

Secondly, a universal basic income scheme would have resulted in money being transferred to those whose livelihoods were largely unaffected by the pandemic, rather than being targeted at the jobs and livelihoods of those most affected. We do not believe that that would have been the best use of public money. Public money must always be spent wisely and well. Labour’s view is that money spent supporting the incomes of individuals who are still in stable employment, still able to do their job and still being paid, regardless of their financial circumstances, would not meet that test.

Thirdly, we believe that in the circumstances at the beginning of lockdown, speed of administration was of the essence. Britain was slower into lockdown than many countries. Once it was clear that lockdown was coming, businesses and self-employed workers needed clarity and certainty about how Government employment-support arrangements would work. Realistically, the fastest way to provide that support was
through existing payroll and HMRC systems. The beginning of the lockdown, when every hour mattered, was not the time for the development from scratch of new systems, software, processes, regulations and mechanisms for delivery of financial support to citizens.

Fourthly, we believe that the universality that the Government should seek is proper public services for everyone. Labour is proud of its record of creating national institutions such as the national health service, providing services to citizens free at the point of use. We believe that universal high-quality services, secured efficiently and effectively for all of us by collective provision, should be our focus. The principle, “by the strength of our common endeavour we achieve more than we achieve alone”, applies to public spending as much as to political organisation.

None of those considerations represents a rejection of the premise of the petition—that the role of a Government is to provide security for people. Providing security includes ensuring that people may make decisions for themselves and their families to keep a roof over their heads and food on the table. That takes me to the second petition that we are discussing. As the petition observes, “Statutory sick pay does not cover most people’s rent, and many people do not have savings”. If we do not support those people, we risk forcing them to go to work when they should not be doing so. Labour agrees wholeheartedly with those points. The Secretary of State for Health and Social Care has himself admitted that he could not live on statutory sick pay. We have repeatedly urged the Government to make a proper assessment of what the level of statutory sick pay is so that no one is put in the situation to which the petition refers.

Earlier this summer, my hon. Friend the Member for Houghton and Sunderland South (Bridget Phillipson) drew attention to the situation disclosed by the Government’s own data on individual savings on the eve of this pandemic. Too many households in this country had none. Huge growth of insecure work and a 12-year wage squeeze has left millions with neither a penny of savings nor the financial security that they bring. Now, 20 million adults have no savings—an increase of almost 3 million since 2010-11. The number of working age adults with no savings has also risen by more than 2.5 million since 2010-11. The number of adults without savings has increased across every age group compared with 2010-11, with the biggest increase for people aged between 50 and 59—an increase of more than 960,000. That is followed by a significant rise in the number of people in their 30s without savings, up by more than 670,000 over the decade of Conservative government.

Members will be aware that Labour has repeatedly called on Ministers to ensure that no one who rents a home loses it as a result of the covid-19 pandemic. The Government were right to put in place an eviction moratorium earlier this year, but it cannot be right to pull that away without a credible plan to ensure that no one loses their home as a result.

Members will also be aware that Labour has demanded that the Government improve the support offered by the existing support for mortgage interest scheme, including by cutting the waiting time and
urgently reviewing the level and threshold of support through the Social Security Advisory Committee. No one, whether they have a mortgage on their home or rent it, should fear for the roof over their head simply because of the pandemic.

My hon. Friend the Member for Bristol West (Thangam Debbonaire) urged Ministers earlier this week to extend the eviction moratorium past this Sunday, until the Government have a credible plan to ensure people do not lose their homes as a result of the pandemic. It is not too late, but as it stands, thousands of people who rent their homes face a financial cliff edge.

The third petition focuses on council tax payments and the funding of local government and, therefore, on the wider issue of how our local authorities are funded at this difficult time. While the Government’s hardship fund for those in receipt of working-age council tax support is welcome, there is a wider issue about the promises made to councils at the start of the pandemic.

The Secretary of State for Housing, Communities and Local Government, the right hon. Member for Newark (Robert Jenrick), promised councils in March that “this government stands with local councils at this difficult time.” He said: “Everyone needs to play their part to help the most vulnerable in society and support their local economy, and the government will do whatever is necessary to support these efforts.” He has spent six months retreating from that position.

The reality is that many councils are on the brink of bankruptcy because of the cost of tackling covid-19. While any help is welcome, if the Government break their promise to fund the costs in full, councils will be forced to cut back services such as social care, youth activities and bin collections, and closed libraries and leisure centres might never reopen.

What the petitions have in common is a deep concern that the Government’s economic and fiscal response to this pandemic lacks an understanding of how people in this country live their lives and how our economy works. People want to know that if they are asked not to go to work, they will not lose out. People want to know that if they fall ill, they can still feed their families. People want to know that the pandemic, which has already taken so many lives, will not also take their home. People want to know that the services on which they depend will be there when the pandemic is over. People do not expect handouts from the Government, but they do expect fairness. In times like these, the role of Government must be to provide security, in every sense, for all its citizens. My colleagues and I will continue to press the Government to face up to the challenges that face us all.

Q12 Chair: Thank you. I call Will Quince, the Minister for Welfare Delivery, to respond to the debate.

Will Quince: May I first place on record thanks to the Committee for choosing this important subject and to all Members for their contributions?
I will do my best to respond to the points, specifically those on universal basic income.

UBI is a perennial issue, and in my time within the Department for Work and Pensions, it has reared its head several times, but its supporters still remain unable to answer many of the key questions that undermine its appeal.

Let us not underestimate the scale of what UBI entails. This is a cheque written by the Government to every person in the United Kingdom regardless of their age, wealth or employment status. For me, that raises three important questions, which remain unanswered: how do you afford it, how do you deliver it and, finally and perhaps most fundamentally, what would the actual impact be?

I turn first to the cost. A 2018 report by the Centre for Social Justice found that giving every working-age adult in the United Kingdom £10,000 per year would cost in the region of £400 billion, rising to well over £500 billion if you wanted to extend that to everyone over the age of 16. Making the payment equivalent to the average universal credit claim of around £16,000 per year—I hasten to add that is far more than proposed by most UBI advocates—would cost in the region of £670 billion for all working-age adults. That is five times the spending on the NHS in 2018-19. Those numbers are absolutely eye-watering.

I would hasten to add that those were simply raw numbers of the pay out under a UBI scheme. They do not include cost of delivery, so let me turn to that. My Department and HMRC have done exceptional work throughout the pandemic to stand up new services and increase the capacity of existing ones. We have been able to move quickly to support over 9 million people through the CJRS—the furlough scheme—and since mid-March we have accepted over 3 million new claimants to universal credit. However, that would pale into insignificance compared with the infrastructure and bureaucracy required to deliver a nationwide UBI, particularly in the midst of a global pandemic. In universal credit, we have one of the most advanced welfare systems in the world and, despite its detractors, it has successfully met the demand of a hugely increased case load and demonstrated the scalability required to meet future pressure. Replacing the system at potentially astronomical cost would provide little benefit to anyone, not least those who rely on our welfare safety net the most.

I turn next to impact—and this is the fundamental case against UBI. The welfare system is fundamentally a safety net and should be there for those in need, so making billions of pounds of payments to the wealthy and those who do not require them is wasteful in any environment. Unlike our UC system, UBI does not target support at those in greater need or take into account additional costs faced by many individuals, such as those with a disability or those with childcare responsibilities. To put this into perspective, Chair, UBI would be paid to you, me and all Members of this House. I would much rather see that money spent on supporting those who need it. That is before we discuss things like actual outcomes.
The existing evidence base suggests that UBI systems are a disincentive to work. The lauded Finnish trial, which was mentioned earlier, noted improvements to employment, but they were only marginal, and the impact of external factors could not be ruled out. It may have been for that reason that the Finnish Finance Minister stated in an interview he gave in 2019 after the trial that the case was closed for UBI and that there must be conditionality in the social security system. What is more, a 2017 OECD report found that, for most high-income countries, a UBI would increase poverty and negatively affect the poorest, with middle income households most likely to see gains.

I know time is short, so to conclude, the Government remains wholly unconvinced of the case for a universal basic income. We have taken steps to address home and food insecurity brought about by the pandemic, notably by temporarily increasing the generosity of universal credit by around £1,040 per year; uplifting LHA rates to the 30th percentile, putting an average £600 back into people’s pockets; providing millions to food charities to help get through to those who are struggling; providing free school meal vouchers through the DFE as part of its covid summer food fund, with some £380 million now claimed as part of that fund; providing £16 million for food charities through DEFRA to support those who are struggling; and delivering over 4.5 million food boxes to vulnerable people who were shielding. That was only possible against the backdrop of a welfare system that has been technically capable of meeting the challenge of hugely increased demand and targeting appropriate support at those who require it, with many of those who need to access UC able to access and receive funds within 72 hours.

The pandemic has shown UC to be the right approach for the United Kingdom. It simplifies the benefit system, promotes and incentivises work and provides targeted support for those in need in a way that is affordable to the taxpayer—challenges that UBI simply would not be able to meet.

Q13 Chairman: Thank you. I appreciate that a huge range of issues were raised in the debate. As some people did not use all the time, there is a little bit of leeway for running over the allocated five minutes. I call John Glen, the Economic Secretary to the Treasury, to respond to the debate.

John Glen: Thank you, Chair. I would first like to take a moment to thank all Members for their contributions this afternoon.

Today’s second petition addresses three areas that are key to people’s household finances up and down the country: mortgages, rent and utility bills. The petition asks that the Government encourage lenders, landlords and utility companies to freeze related payments as a means of providing financial support to households at this very difficult time. As Economic Secretary to the Treasury, I assure you that this is a particular area of concern for myself and for the Government as a whole. The Government understand the challenges facing households across the country, and we have been working very closely with the industry to ensure that appropriate support is available to help alleviate financial strains.
In the case of household mortgage payments, the Chancellor announced back in late March the availability of a three-month mortgage holiday for consumers struggling to meet their payments. That was then extended in June, when we granted a second three-month holiday. I am sure the Committee will agree that no individual should face losing their home during this period. That is why we also announced a ban on lenders repossessing homes as part of our significant support measures. No lender can commence repossession proceedings before the end of October, and the Financial Conduct Authority published new guidance on Monday that set out how lenders should treat customers after that time.

Although it has been helpful, an automatic entitlement to payment holidays can only be a temporary solution for customers facing difficulties. Lenders must take into account the individual circumstances of their customers and offer them appropriate forbearance options, which will vary according to individual circumstances, and the Government continue to engage with lenders to ensure that they provide the support that consumers need in light of the challenges they face.

At this point, I will also respond to the point made by the hon. Member for Bath (Wera Hobhouse), who referred to debt advice. On 9 June, the Government announced an additional £37.8 million for debt advice, and we continue to monitor that provision carefully.

Let me now turn to the private rental sector, another area in which the Government have sought to support households. The Government have announced an unprecedented package of measures to help individuals struggling with rental payments during the pandemic. The Government protected incomes through the coronavirus job retention scheme, subsidising 80% of wages during the pandemic. Alongside this, the Government have also ensured that renters have been protected from eviction by agreeing with the courts to stay possession proceedings for a total of six months. Provisions are now in place to safeguard private renters from evictions through the coming autumn and winter in all but the most egregious cases, ensuring that tenants and landlords have the support they need.

The third area addressed in the petition is utilities, and here, too, the Government have sought to alleviate financial pressure on households. On 19 March, the Secretary of State for Business, Energy and Industrial Strategy announced that the Government had secured industry-wide agreement to a set of principles to support consumers impacted by covid, thereby protecting the domestic energy supply of those most in need during the pandemic. There has been a freeze on energy disconnections for those on regular credit meters, and in cases where people with pre-paid meters are unable to top up due to self-isolation, suppliers can offer either postal delivery of top-up credit or automated top-ups.

Energy companies are also offering forbearance to vulnerable customers on a voluntary basis. OVO Energy has established an £80 million hardship fund; it is one of several suppliers that has set aside funds to support customers in need.
The UK’s major telecommunications providers have also committed to working with customers who have found it difficult to pay their bills as a result of covid, to ensure that they are treated fairly and are appropriately supported. In the household water sector, water companies have stepped up action to support vulnerable customers who are struggling to pay their water bills, which includes actively offering payment breaks, adjusting payment plans and simplifying the process whereby customers can access additional support.

The Government have worked hard to support millions of households, and we will continue to look at ongoing needs.

Chair: Thank you. Finally, I call Luke Hall, Minister of State with responsibility for regional growth and local government, to respond to the debate.

Luke Hall: Thank you, Madam Chair. It is a pleasure to serve under your chairmanship today, and after serving for two years on this Committee, it is a privilege to speak in front of it as a Minister. May I put on record my thanks to the Committee and the Clerks for their hard work in making this format work so well in the circumstances?

We have had an interesting debate this afternoon about three important topics, and people have passionately raised important issues. I want to respond specifically to the petition about council tax. As well as the unprecedented threat to public health, covid-19 has of course had a significant impact on many households’ finances. That is why the Government stepped in so quickly and decisively to support people who had been exposed to a wide range of financial risk. Whether it is the furlough scheme, the changes to the welfare system, which my hon. Friend the Member for Colchester (Will Quince) outlined, or support with council tax bills, our response has focused not just on the medical need to save lives, but on protecting people’s livelihoods. The discussion that we have been having about council tax, and the petition’s call to suspend all council tax payments during covid-19, is an important part of this debate.

Of course, we recognise that for many households, these have been incredibly challenging and worrying times that have put pressure on finances and household bills, including, of course, council tax. It is, however, important to remember that help for households struggling with their council tax bills is available through local council tax support schemes. Every council across England has its own scheme to reduce the bill for low-income households in a way that reflects local circumstances.

The hon. Member for Islwyn (Chris Evans) talked passionately about the important subject of the demographics of the people who signed the petition and their concentration in core cities in the UK. That is an important point to reflect on, as local responses are required by local authorities. Depending on those schemes, and the individual case involved, council tax bills can be reduced to zero. I encourage anybody watching who feels worried about their finances through this period, even if they have never contacted their local authority before, not to hesitate to
pick up the phone and ask what support is available from their local authority.

In addition to that direct support available from councils, we have also put in place a hardship fund worth £500 million to deliver further reductions in council tax. Importantly, it has been targeted at the most vulnerable households. It gives councils the ability to reduce the bills of working-age households receiving council tax support by a further £150. Individual councils will of course have the continued flexibility to deliver further financial assistance through other mechanisms, such as the local welfare schemes. It is important to note that the hardship fund is not operating in isolation from all the other support.

We are absolutely committed to doing whatever it takes to support families through this crisis. That is why we put in place this unprecedented package of assistance to support people through this period. We have made universal credit more generous by increasing the standard allowance, and we have matched that in working tax credits. Importantly, we have increased the local housing allowance to the 30th percentile at local market rates. Of course, the discretionary housing payment pot to support people in this difficult period has been raised by an extra £40 million this year.

On top of that, we have put in place the £160 billion plan to protect people’s jobs, incomes and businesses. That is the job retention scheme, which has helped 1.2 million employees across the UK. Combined, the measures that we have heard about this afternoon demonstrate one of the largest and most comprehensive economic responses anywhere in the world. We are protecting public services, businesses and workers from the economic challenges that we face across our country.

We believe that this is a rounded, holistic approach to providing support to vulnerable households. It recognises that the financial health of the broader economy and the financial health of the individual are intimately intertwined. It is vital that we keep the economy going to protect employment and the financial resilience of councils.

The hon. Member for Bradford West (Naz Shah) raised support for councils. We have allocated £3.7 billion of un-ring-fenced funding to support local authorities during this time. I believe that local authorities have stepped up and demonstrated the best of public service delivery across our country during this period, and we have seen an incredible response across the country.

I want to associate myself quickly with the point of the hon. Member for Bath (Wera Hobhouse) about the importance of supporting domestic abuse provision during this time. That is why the Government have stepped up by providing £10 million of support to make sure we can open more beds for domestic abuse survivors and victims—1,500 have been created or reopened during this pandemic and difficult period.
As we have heard today, support already exists for council tax payers facing financial hardship. We have acted quickly to provide additional funding for this support, alongside the unprecedented package of furlough assistance. We believe that these steps, alongside the continuing efforts by local government, will ensure that we can recover as a country, and that no household is left behind.

Q15  
Chair: Thank you. The final word goes to Chris Evans, who will summarise and wrap up the debate.

Chris Evans [V]: Thank you, Chair. The most disappointing thing that has come out of this debate is that although we have heard from MPs from all four corners—from London MPs, Scottish MPs, Welsh MPs and those representing the north of England—not one of them was a Conservative MP. Not one of those new Members of Parliament for those red wall seats came here and spoke up for their constituents. That is wholly disappointing and should be put on the record.

In terms of the three petitions, I was interested to hear the Minister talk about universal basic income. I thought it was a fascinating debate that will go on. Someone mentioned that it goes back as far as Milton Friedman and Richard Nixon. When we are faced with an unparalleled crisis, we have to have innovative debates about measures that can alleviate the problems and struggles that families in this country are facing.

The second petition was about freezing utility bills and landlord payments. It was highlighted, particularly by colleagues from London, that there is a serious issue, with so families facing the prospect of homelessness.

Finally, in terms of council tax, while there is an argument that council tax should be affordable, I think the fantastic work that so many councils are doing should go on record, Chair. They are the ones on the ground. They are the ambassadors. They have to deal with the everyday issues and problems that families are facing. Very often, they are the first and last port of call for those families who are having difficulties.

I am extremely disappointed that at the end of the debate, we still have no answer. Furlough is ending, and with that, there is real fear for the future for many families. That point has not been answered. My concern is that, within Government, answers change from day to day, depending on who is asking the question. Ultimately, as we face this second spike, people want to know that they will have the support they need. I hope that will come through in the next few months.

Chair: Thank you, Chris. It was a little difficult to hear you at the beginning, but did you express disappointment that no Government Backbenchers made contributions to the debate?

Chris Evans [V]: Yes. There were no Conservative MPs here.

Chair: Right. Thank you.

Thank you to everyone who attended the session today. Thank you to all three Ministers who responded to the debate. Thank you to the
broadcasters and to *Hansard*. There is a lot of technical work that goes into making sure that these hybrid sessions can go ahead. We are very grateful.