

Dyddiad/Date: 28th January 2021

Dear Minister,

RE: Universal Basic Income

At the December meeting of Full Council, Members considered and agreed a Notice of Motion which resolved for Rhondda Cynon Taf Council to express its interest in forming part of any potential future pilot scheme for the introduction of Universal Basic Income in Wales.

The Motion recognised the multi-faceted nature and effects of inequality and poverty on life chances, particularly in the current context of the global COVID-19 pandemic, which has exposed the financial hardships that both enterprise, communities, and families across the country and beyond are experiencing – whether that be through the collapse of many businesses or through the mass job losses that we have sadly witnessed.

Members of the Council felt that a Universal Basic Income scheme would provide a safety net for residents, ensuring that a fixed sum would be paid to all to cover basic costs, regardless of their wealth, background or employment status. It is clear that the current benefits scheme is broken, with millions of people suffering hardship through the issues intrinsically linked to the Universal Credit system. The introduction of a UBI pilot would not only reduce poverty and inequality, but also work to address the failures of the benefits system by providing a robust means of increased financial security for families experiencing hardship.

Members were keen to highlight the work of the UBI Lab in driving forward the agenda on Universal Basic Income, and an invitation has been extended for representatives to attend the February meeting of the Council, where Members will be addressed and provided with further updates.

It was, of course, recognised during the debate that there would be a significant cost to any potential pilot and we consider that the Westminster Government would be required to fund any form of Universal Basic Income pilot here in Wales.

There appears to be a growing appetite across the country for the introduction of a UBI scheme and I would therefore ask that this issue is raised at a Westminster level in discussions with Ministers, and I further request that should any agreement be given for a pilot in Wales, that Rhondda Cynon Taf be included for consideration as a pilot area.

Yours sincerely,

Leader of Rhondda Cynon Taf County Borough Council

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Letter to Leader

Rhondda Cynon Taf County Borough Council

23 February 2021

I am writing in response to your letter of 28 January regarding the possibility of Rhondda Cynon Taf County Borough Council hosting a pilot of a Universal Basic Income (UBI).

Thank you very much for your interest in UBI – we share your interest and have been following the evidence of UBI pilots around the world with interest.

In principle, UBI has much to commend it. It could ensure a reasonable standard of living is provided to all, without stigma, and could make a measurable contribution to tackling poverty and inequality in Wales, including for all those who have been disproportionately affected by the coronavirus pandemic.

I agree with you that the interaction between devolved powers and the benefits system, which is not devolved, means that it would be difficult to introduce UBI in Wales without the active commitment of the UK Government. If a pilot was taken forward, we would not want to see anyone's benefits or welfare made worse as a result.

Unfortunately, successive Conservative UK governments have supported austerity measures that have decimated the public services on which vulnerable people depend and driven forward a damaging programme of welfare reforms, which have had the greatest impact on those people and households with the lowest incomes.

A motion was passed in the Senedd last year to establish a UBI trial in Wales and to lobby the UK Government for funding to establish a Wales-wide UBI. We continue to explore opportunities for the development of a pilot and would envisage that social partners would play a significant role in its design, governance and accountability.

A transition to UBI would be more difficult to implement as an emergency measure as part of a crisis response to the pandemic. Our response to the pandemic continues to focus on helping employers and workers through the current crisis and supporting those living in poverty, ensuring they receive the financial support they are entitled to.

Officials are working with UK Government officials, particularly with those in the Department for Work and Pensions (DWP), to ensure all measures being taken by the UK Government to mitigate the impact of the COVID-19 pandemic crisis are integrated with the support being provided by the Welsh Government.

The DWP has been able to respond, in some cases, through flexible administration of social security for those ill, self-isolating or unfortunately displaced from work.

There will be many lessons to be learned from our response to Covid-19, and the extent to which changes to mitigate this crisis may permanently alter this safety net during the recovery and post-recovery period.

We continue to be interested in UBI in Wales and how a pilot could be designed to support those in greatest need. Thank you for your interest and I look forward to working with you and Rhondda Cynon Taf Council on this emerging and exciting policy area.

Best wishes

MARK DRAKEFORD