

Subject: Referred Motion and Universal Basic Income

Report to: Economy Committee

Report of: Executive Director of Secretariat

Date: 2 March 2021

This report will be considered in public

1. Summary

- 1.1 This report provides background information in advance of the Economy Committee's follow-up session to further understand Universal Basic Income (UBI). The Committee will also be asked to consider the motion set out, which has been referred to the Committee by the London Assembly.

2. Recommendations

- 2.1 **That the Committee notes the report as background to putting questions to invited guests, and notes the subsequent discussion.**
- 2.2 **That the Committee considers the motion referred to it by the London Assembly at its meeting on 5 November 2020.**

3. Background

- 3.1 At the London Assembly (Plenary) meeting on 5 November 2020, the Assembly agreed to refer the following motion to the Economy Committee:

"This Assembly notes that:

- **Financial security is critical to a stable and thriving society.**
- **According to Trust for London close to a third of Londoners live in poverty, even before the coronavirus crisis our city had the highest poverty rates in the UK.**
- **A Universal Basic Income (UBI) could help alleviate poverty, opening the door to opportunities that might otherwise be out of reach, and liberate people from the anxiety of job insecurity through a monthly income regardless of employment status, wealth, or marital status.**
- **The existence of a UBI must be in addition to targeted welfare payments to those who have additional needs - such as for housing, for single parents, or for expenses incurred due to disabilities.**

- **A network of UBI Labs have been set up and works with local authorities across the UK developing UBI proposals to address problems such as poverty, inequality, discrimination and environmental damage, long-term and immediately, in relation to coronavirus.**
- **There are many potential benefits to a UBI including:**
 - **More flexible workforce and greater freedom to change jobs;**
 - **Supporting a caring economy to value unpaid work;**
 - **Removing the negative impacts of benefit sanctions and conditionality; and**
 - **Enabling greater opportunities for people to work in community and cultural activities or to train or reskill in areas that will be needed to transition to a lower-carbon economy**
- **The current crisis has increased the risk of poverty for many Londoners. This is the right time to trial Universal Basic Income.**
- **520 elected representatives from every part of the UK have recently written to the Chancellor asking him to support pilots of Universal Basic Income in England, Wales, Scotland and Northern Ireland.**

This Assembly calls on the Mayor to:

- **Write to the government calling for a fully evaluated basic income pilot in the city; and**
- **Work with local authorities to help test UBI in London.”**

3.2 The Committee held a question and answer session with invited guests on Universal Basic Income at its meeting on 20 January 2021. Following that discussion, the Committee agreed to defer the consideration of the referred motion to a future meeting of the Economy Committee.

4. Issues for Consideration

4.1 The Committee will explore the financial viability of UBI, seek to understand the taxation implications of implementing UBI, and discuss what level of payment UBI may be set at and what support that would offer individuals.

4.2 The Committee is recommended to consider the referred motion.

5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

6.1 There are no direct financial implications arising from this report.

List of appendices to this report: None.

Local Government (Access to Information) Act 1985

List of Background Papers: None.

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