

## Universal Credits, Benefits, Services – and the National Debt

Over the past couple of weeks we've heard a great deal about universal credit, which wraps together a range of welfare benefits under a single system. There's been much debate in Parliament over whether it's fair in setting a six week delay on receipt of any payment, the justification for which has been that benefits should not be paid faster than getting a job (curious - have they not heard of asking for an advance?). Writing to the Sunday Times, the Archbishop of York criticised a system that 'seems to assume that everyone has a nest egg which will tide them over as they wait a minimum of 42 days for payouts'. However, the word 'universal' is inappropriate in any case, since that implies that universal credit is available to everyone: it is not. Universal services – or some might say benefits – are, however, available to everyone as part of the welfare state we have been experiencing for the past 70 years. Health, education, social care – all free at the point of use. In theory they're paid for by National Insurance, but in practice there is no hypothecation - they've largely been paid for by borrowing: the [national debt has doubled over the past 70 years](#) (chart source: Economic Research Council). So effectively the universal services which we've enjoyed for decades will be paid for by future generations. And of course they now include free bus passes, winter fuel allowances and various other goodies liberally supplied to all senior citizens. I have for several years believed that universal service provision is the enemy of targeted service provision for the most needy, and of sound public finances. The Joseph Rowntree Foundation has calculated that just 20% of expenditure on public services is 'linked to dealing with the impacts of poverty'. On this basis, if someone is financially able and willing to pay, they should be able to do so. I say 'willing' because it's clear that any attempt to roll back universal service provision unilaterally is clearly electoral suicide in a democratic society. People don't like their goodies being taken away. So notwithstanding my contribution to the Autumn Budget proposals from The Share Centre and The Share Foundation, which you may have seen last week, I have written a [personal Budget proposal](#) seeking a voluntary system for repaying the cost of universal services used, designed particularly for higher rate tax payers. To it I attached a cheque for £125 to cover the cost of my free bus pass (an essential facility, as I have no driving licence). HM Treasury has in reply referred me on to the quaintly-named "Commission for the Reduction of the National Debt", set up by the [National Debt Act 1823](#), who will pay in my cheque, thus repaying 0.00000001% of the National Debt! So - there is a route for paying back the cost of universal services. All we need now is an easy process by which this can be achieved. HM Treasury will need to accept an alien principle – voluntary payments - and no doubt amounts will take time to grow. But this may at last be the start of a way to wean the country off one of the most unhelpful features of the post-war welfare state settlement – free provision of universal services for all.

Gavin Oldham

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