



**4 million children in poverty** in the UK, and this figure is projected to rise to 5 million by 2020 as further social security cuts come into force.<sup>1</sup>



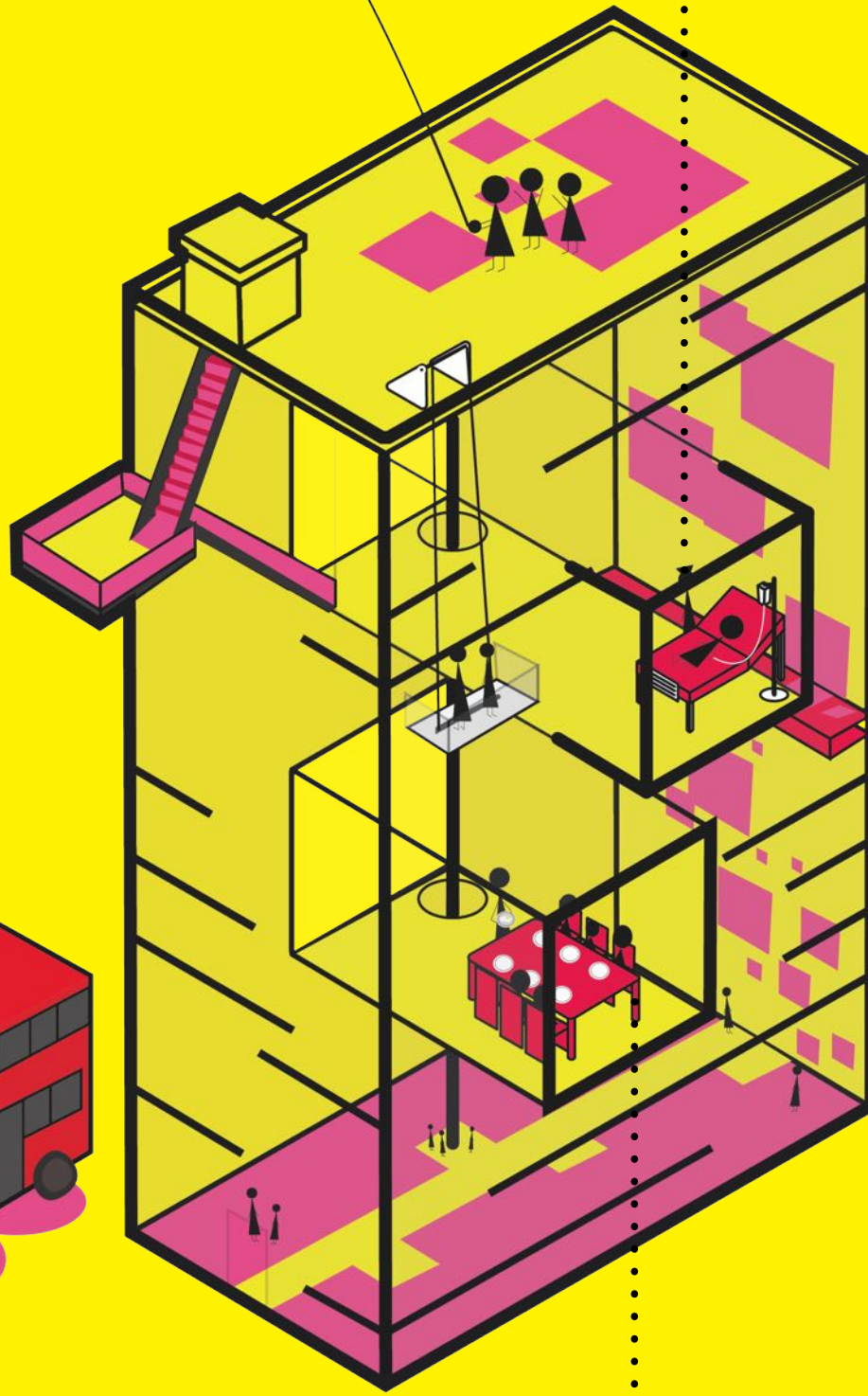
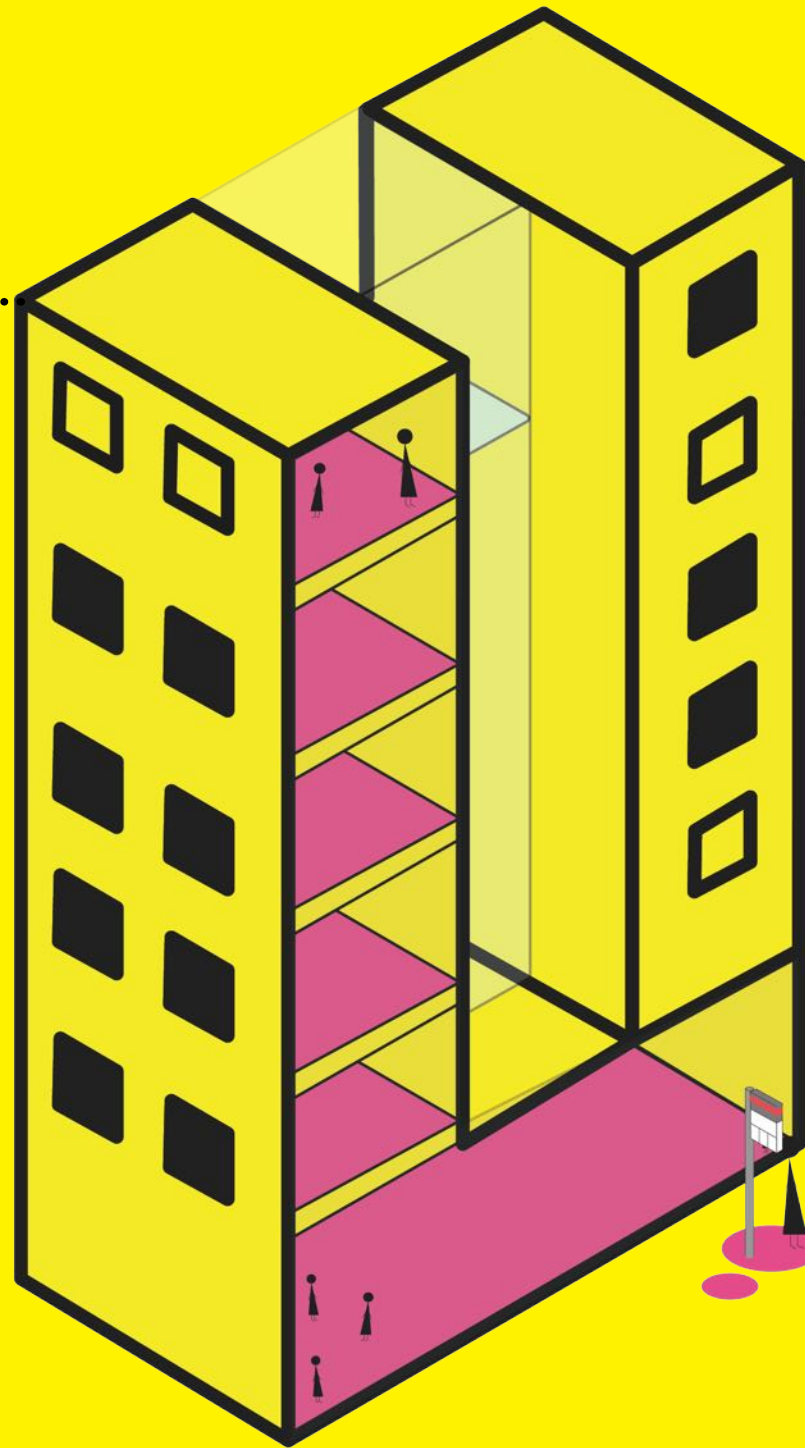
In England in 2015 there were **16,686 deaths from avoidable causes in the most deprived areas** whereas there were less than half that number (7,247 deaths) in the least deprived areas.<sup>4</sup>



**71% of students** are **STRESSED** and **ANXIOUS** about money and meeting basic living costs.<sup>5</sup>



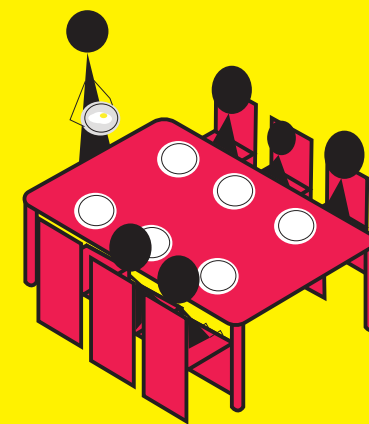
**Social housing units decreased** by 20,000 between April 2012 and September 2014: 2,298 were built, 22,899 homes were sold.<sup>2</sup>



17% of people earning less than £20,000 **never use the internet**, as opposed to 2% of people earning more than than £40,000.<sup>6</sup>

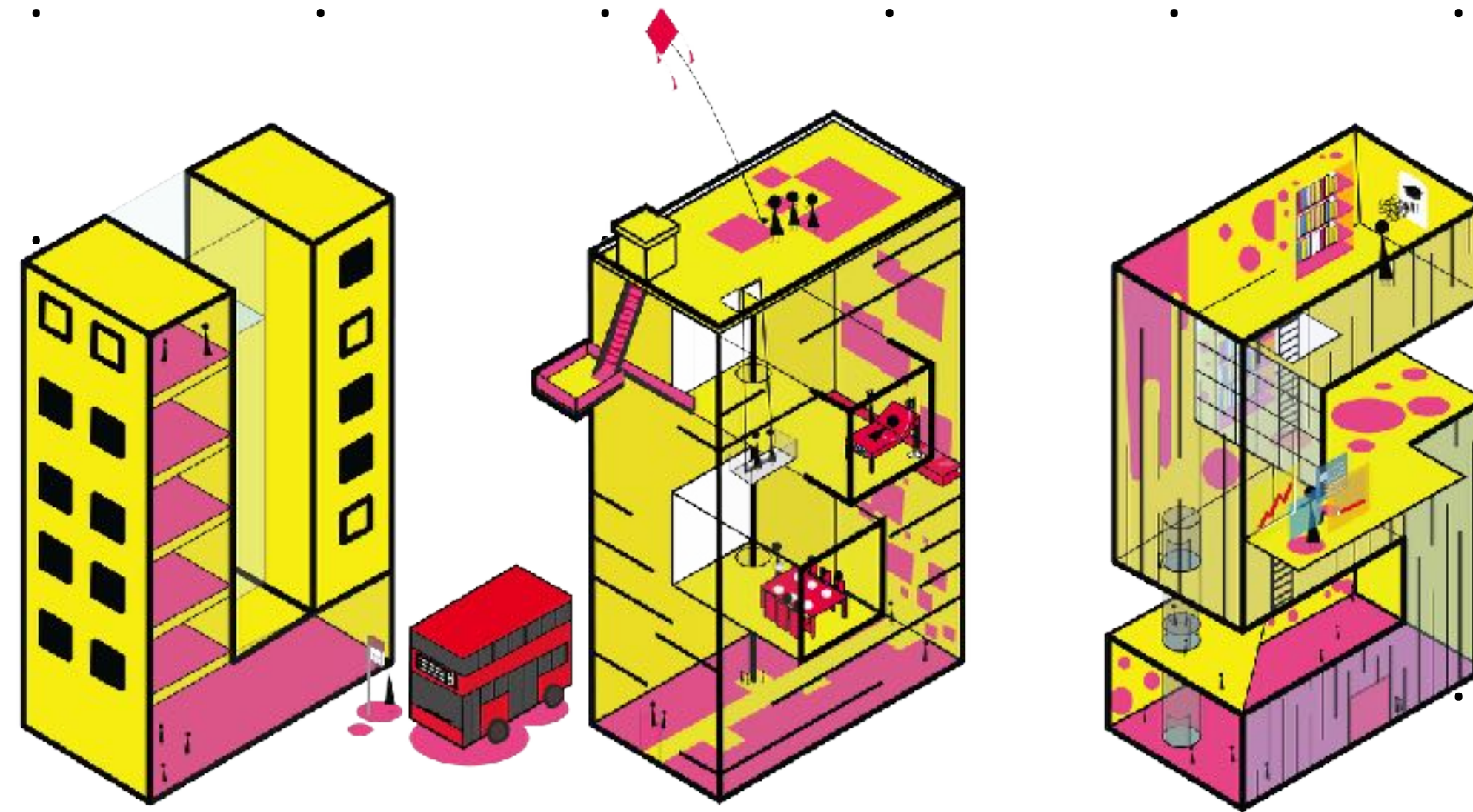


Between 1980 and 2014 **bus and coach fares increased by 58%** and **rail fares increased by 63%** in real terms.<sup>3</sup>



**4 Million** people have difficulty putting food on the table each year.<sup>7</sup>

# Universal Basic Services



Andrew Percy

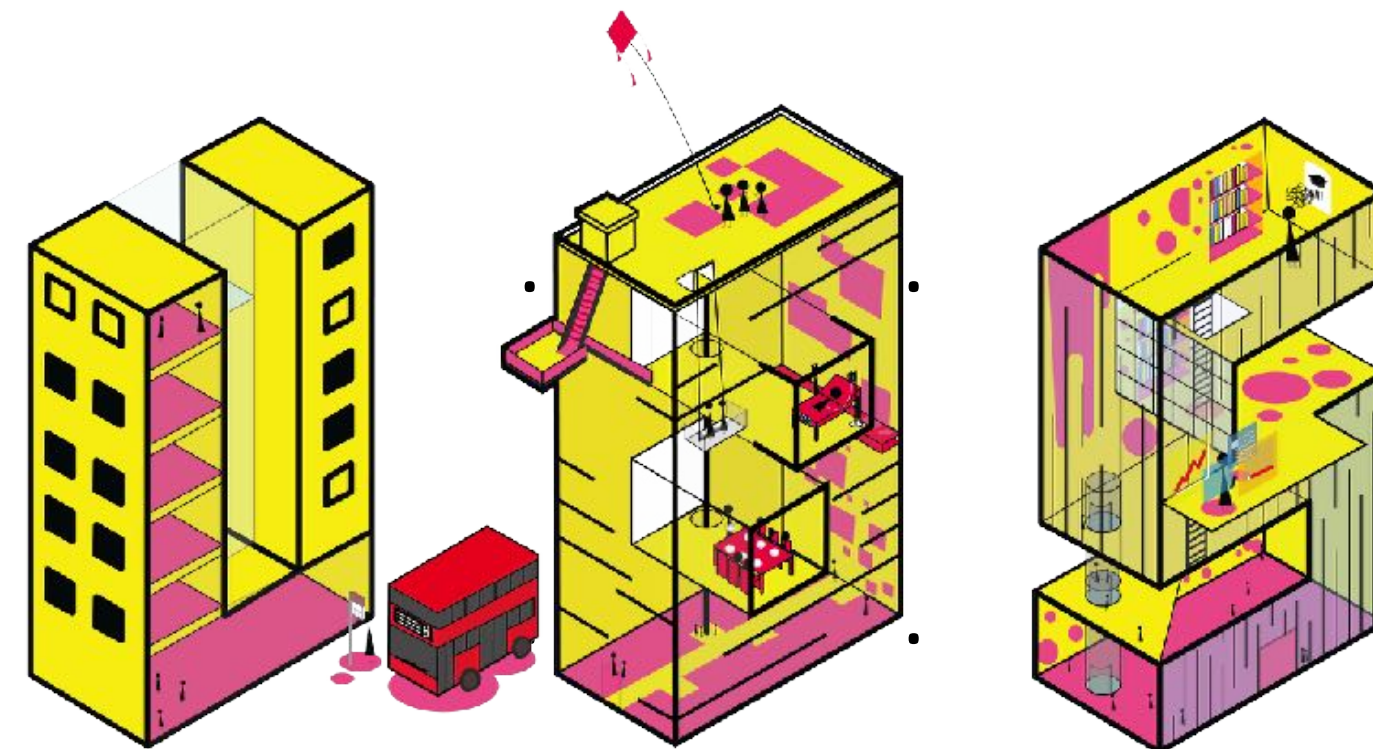
Co-Director, IGP Social Prosperity Network

[igpspn.org](http://igpspn.org)

# What is UBS?

UBS definition:

the provision of sufficient free public services,  
as can be afforded from a reasonable tax on incomes,  
to enable every citizen's safety, opportunity, and  
participation.



# The BIG question

How do you deliver the essential social support necessary for a successful, cohesive society, and do that within the available revenues and resources?

Blundell's Iron Triangle: Meet needs - Control cost - Preserve incentive

# What is UBS?

- A Change of Direction
  - Towards public services, away from cash distribution
  - Away from compensation, to actively reducing cost
- “A larger life for the ordinary person”
  - Less fear/anxiety
  - Enable contribution
  - Enhance cooperation



# What UBS does

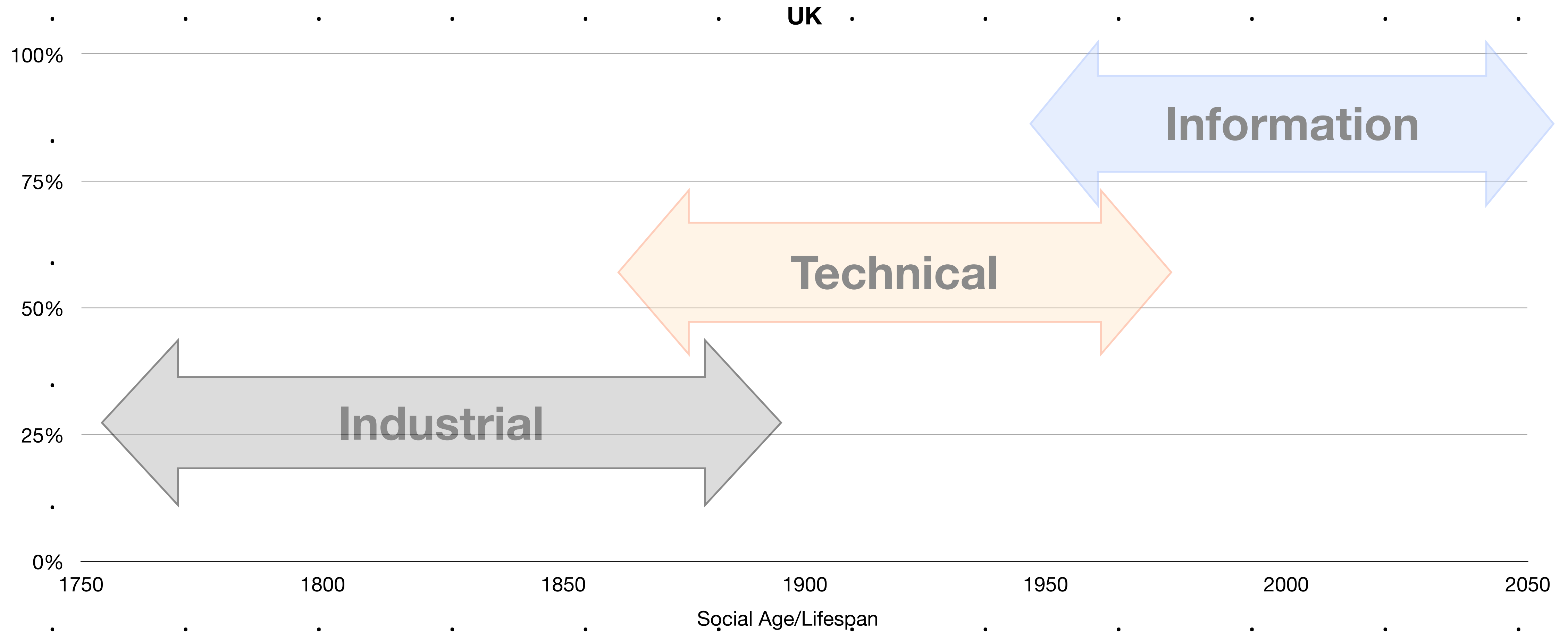
- Reduces costs
- Increases efficiency
- Facilitates a vibrant private economy
- Meets needs more directly
- Buttresses the institutional fabric of society

# Understanding our Context

- Time.
  - When are we?
- Supply.
  - How much money is available?
- Demand.
  - What are today's & future needs and what do they cost?

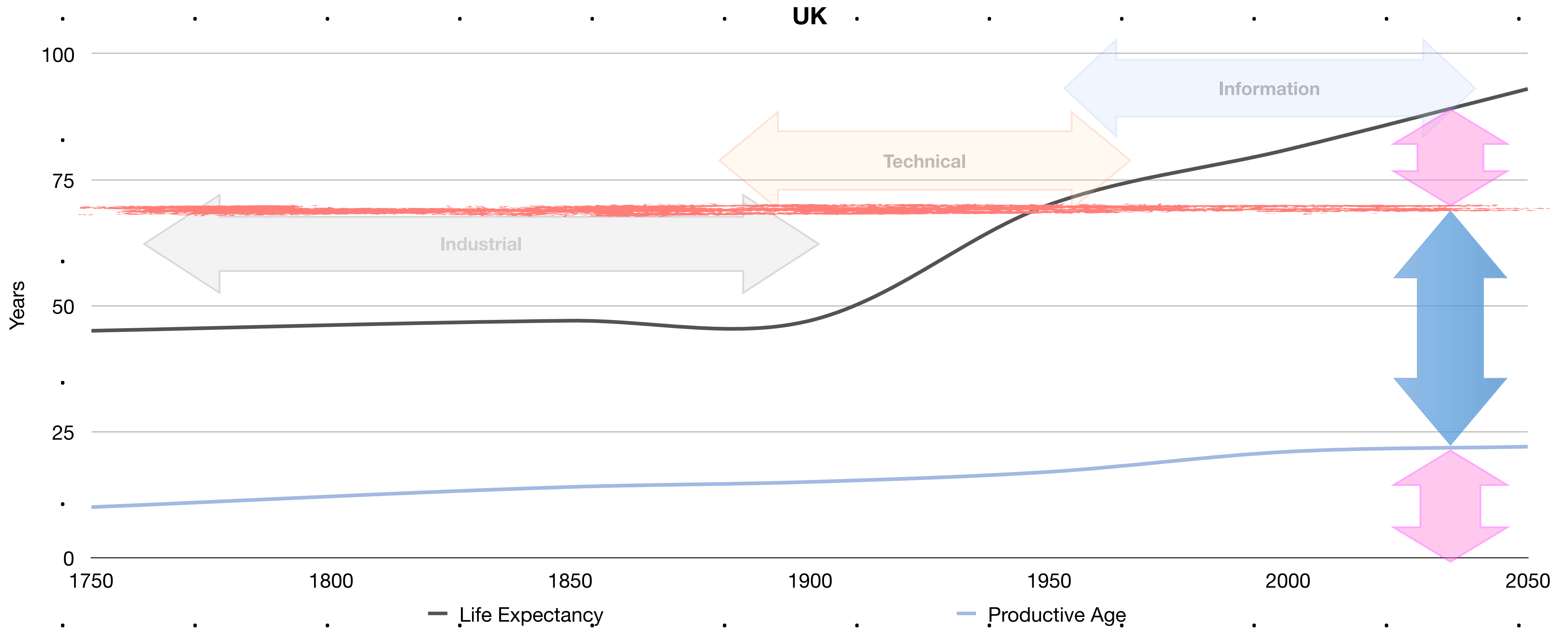


# 3 revolutions

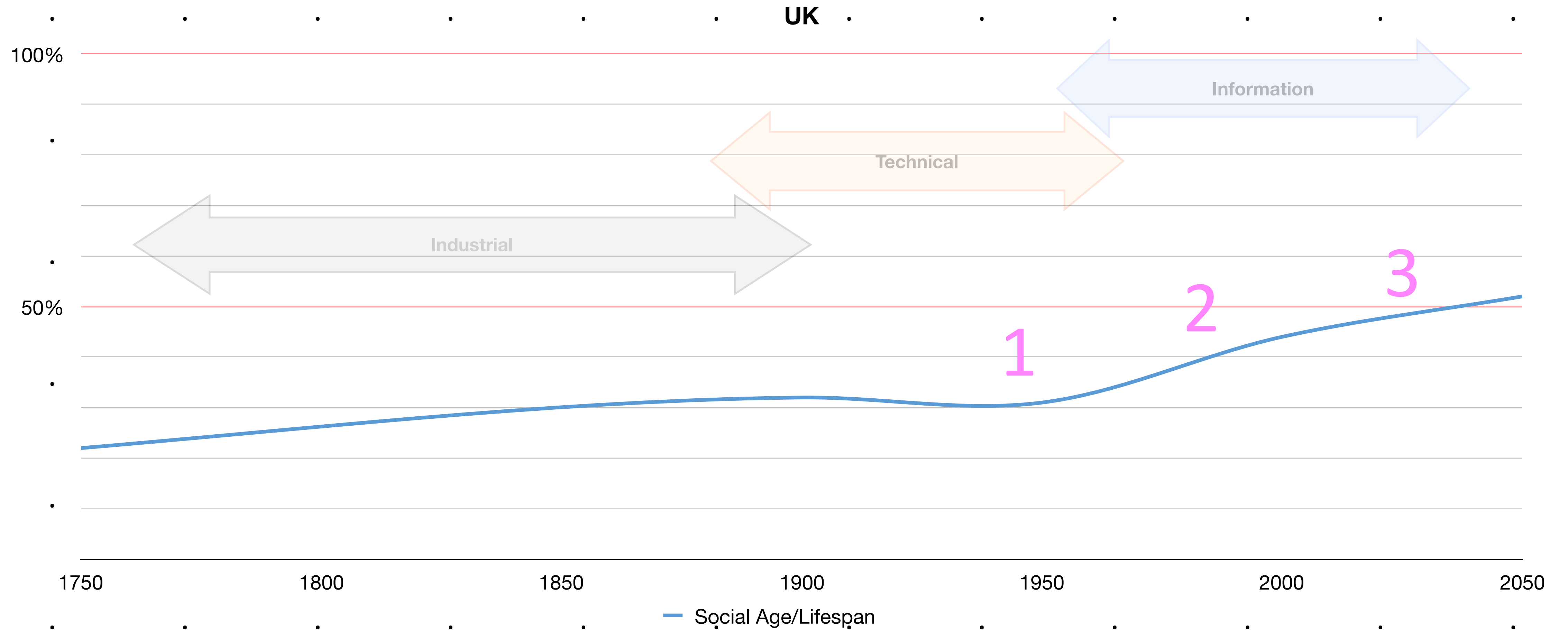




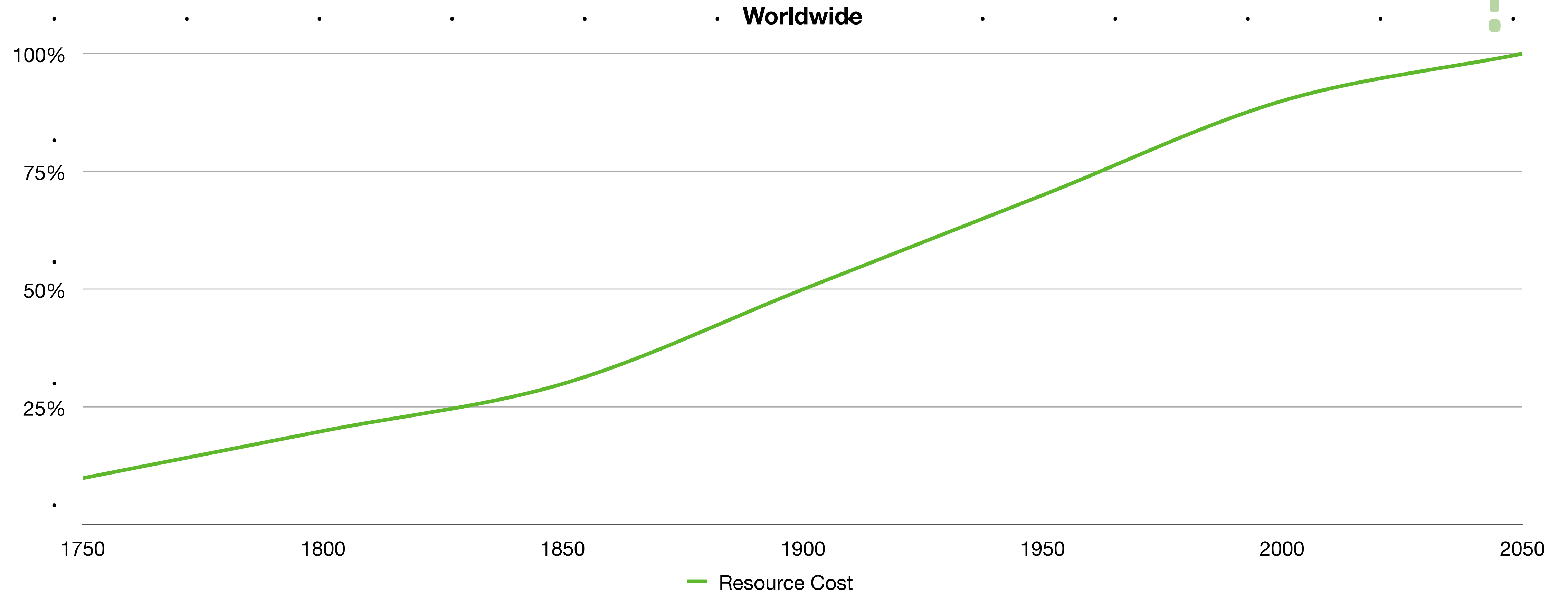
# Social Age (Demand)



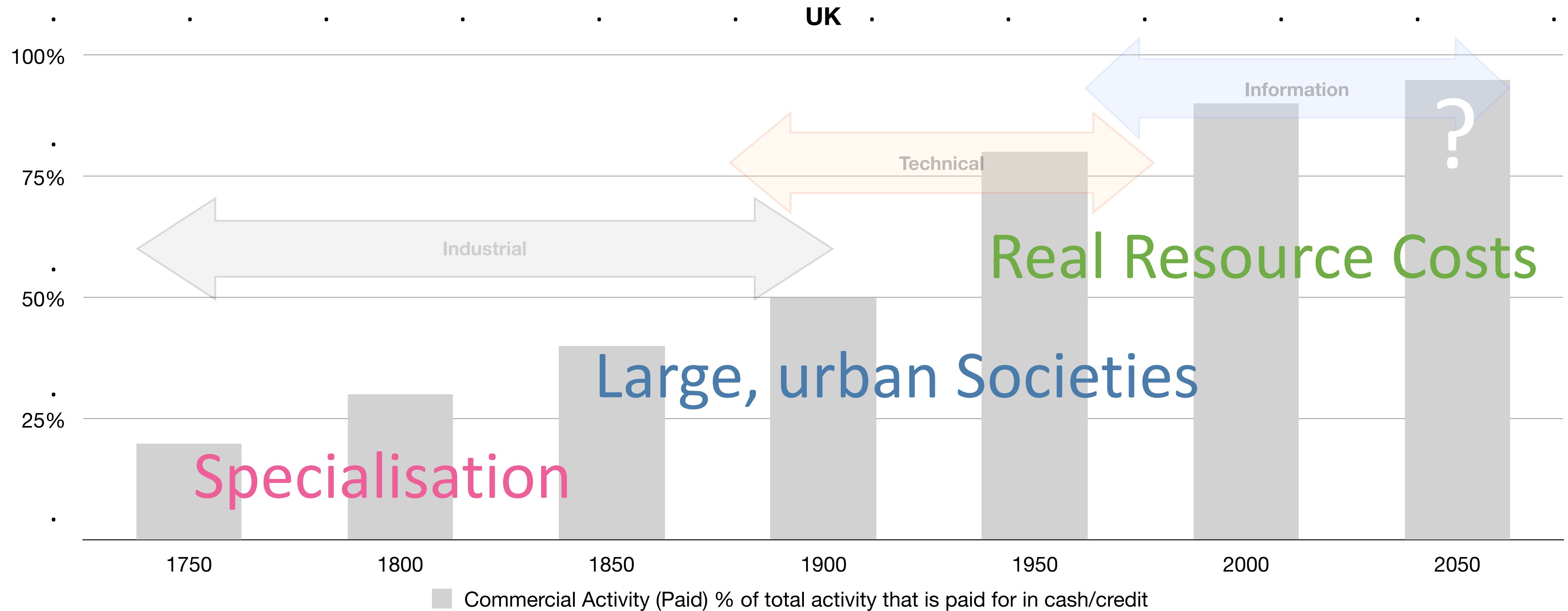
# Social Age



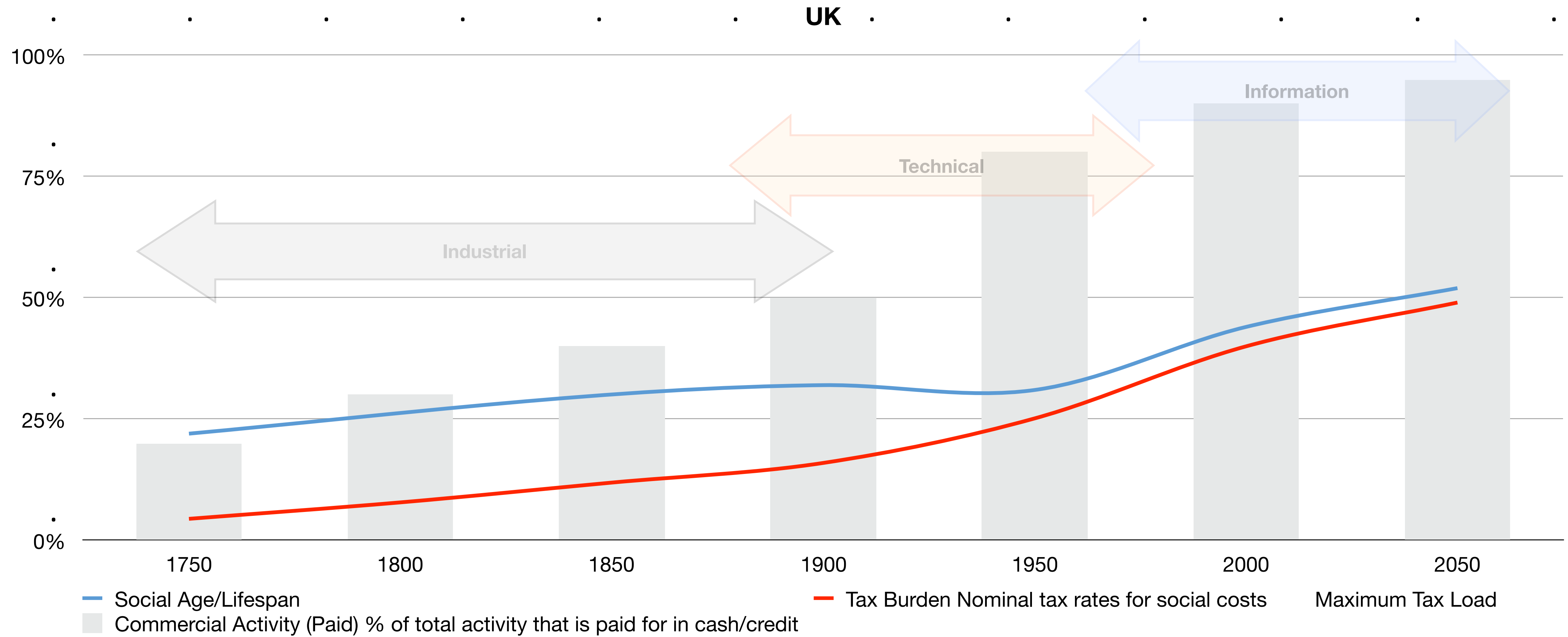
# Real Resource Cost



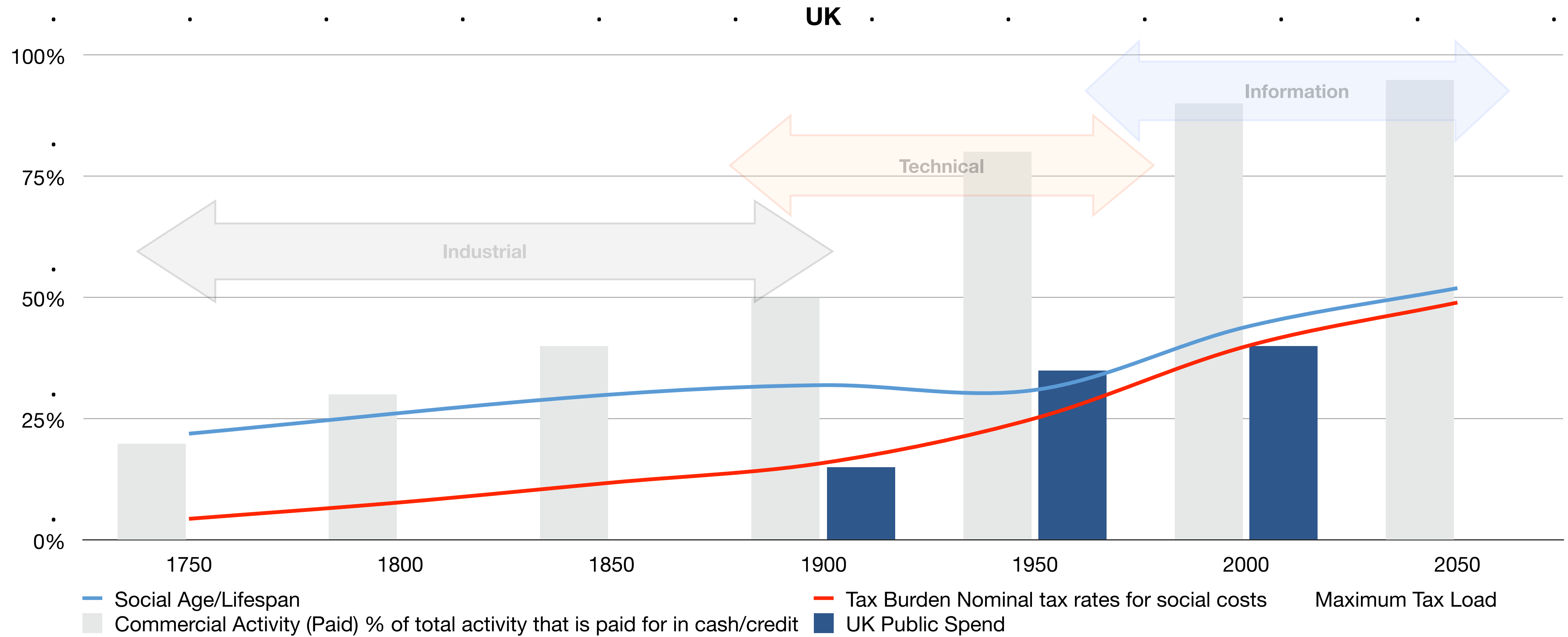
# Commercial Intensity



# Tax Effect

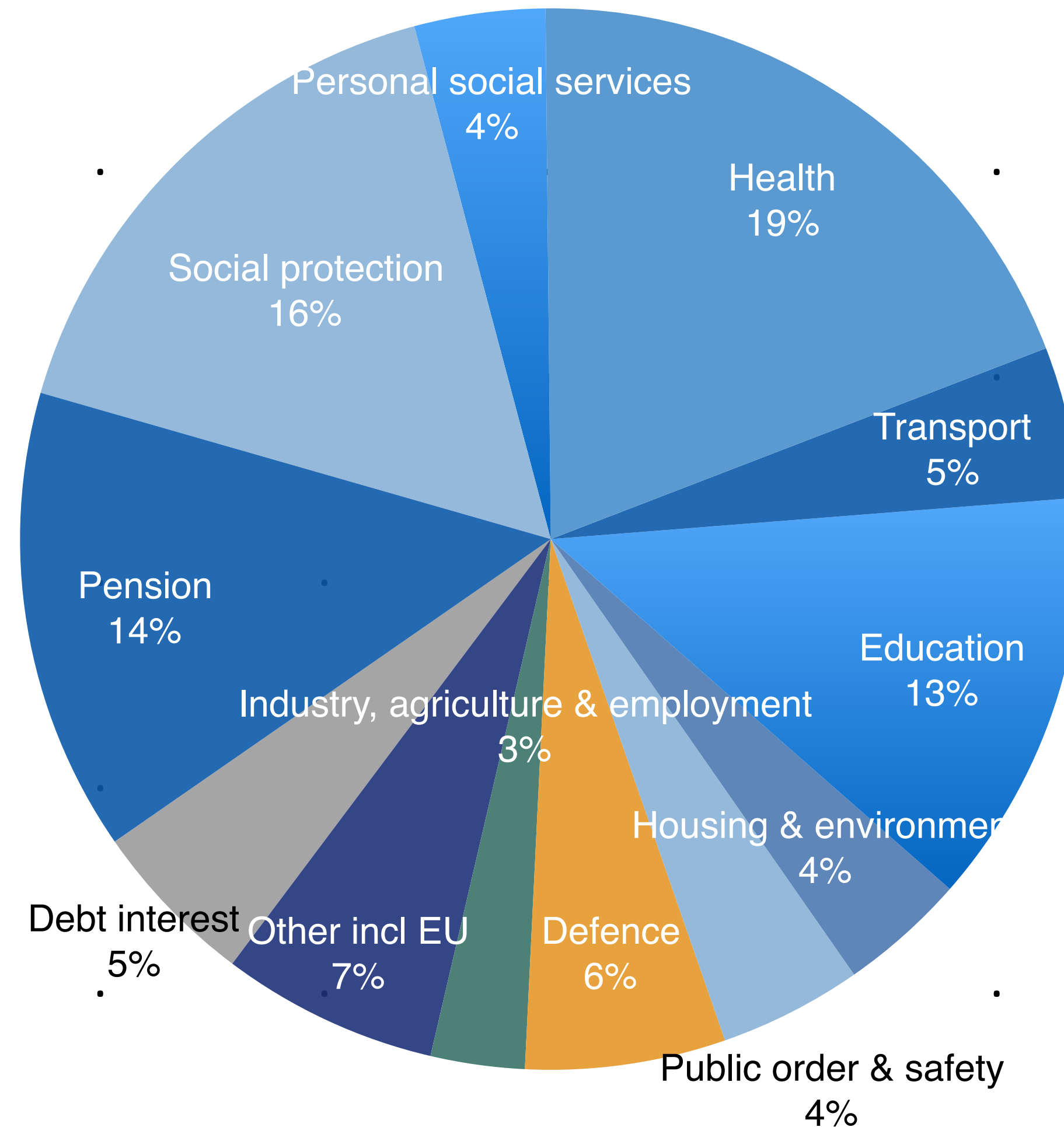


# Tax Effect



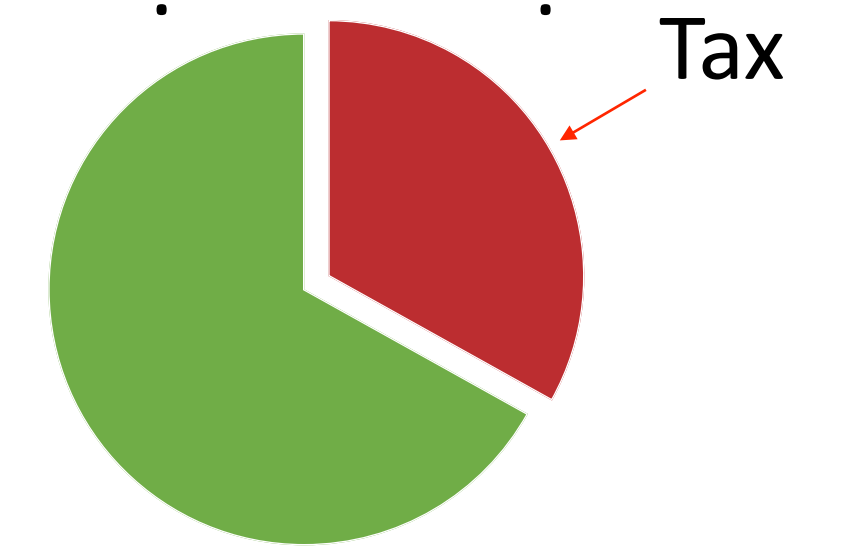
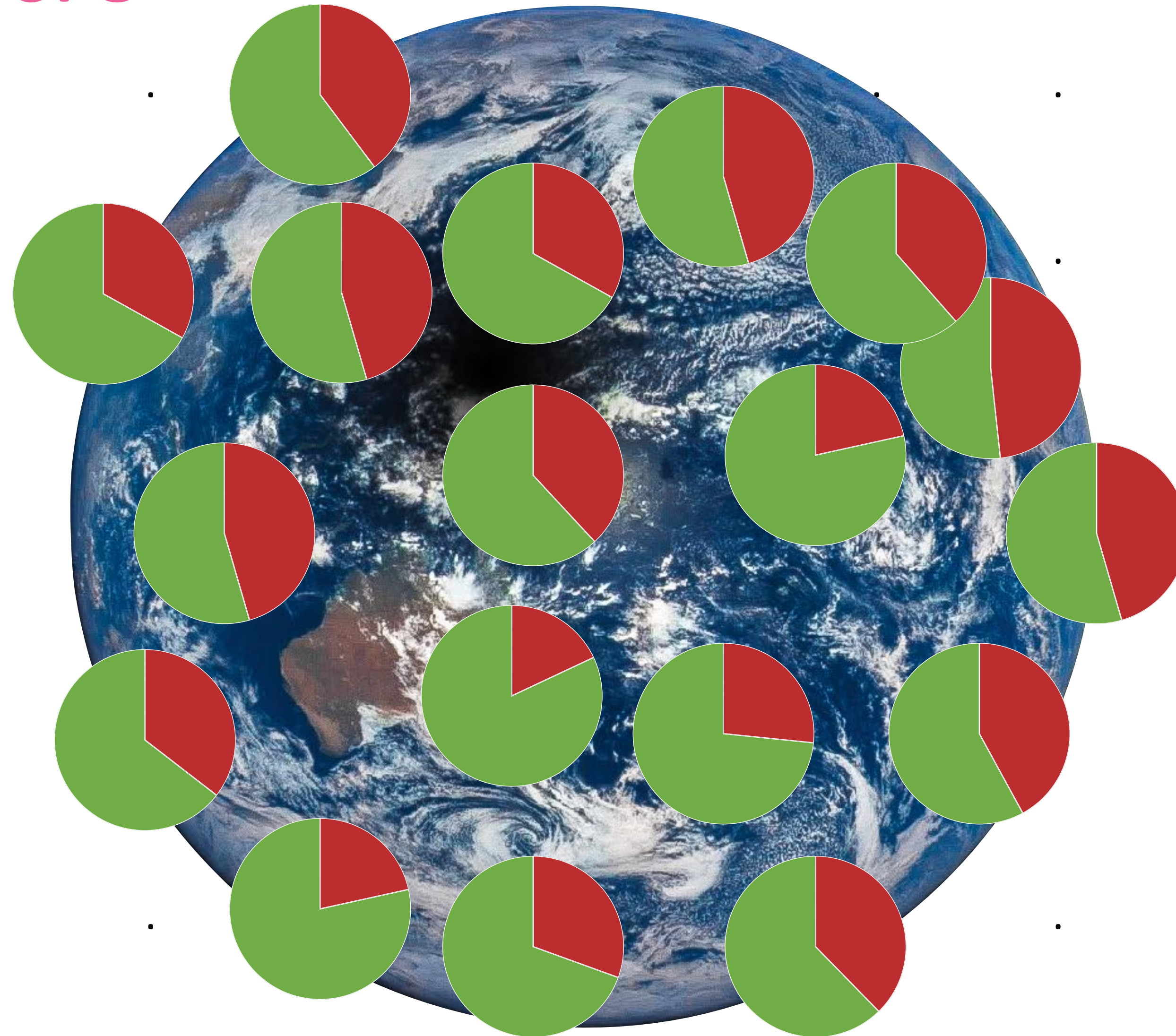
# Supply

**UK Public Spending 2017/18 (OBR)**



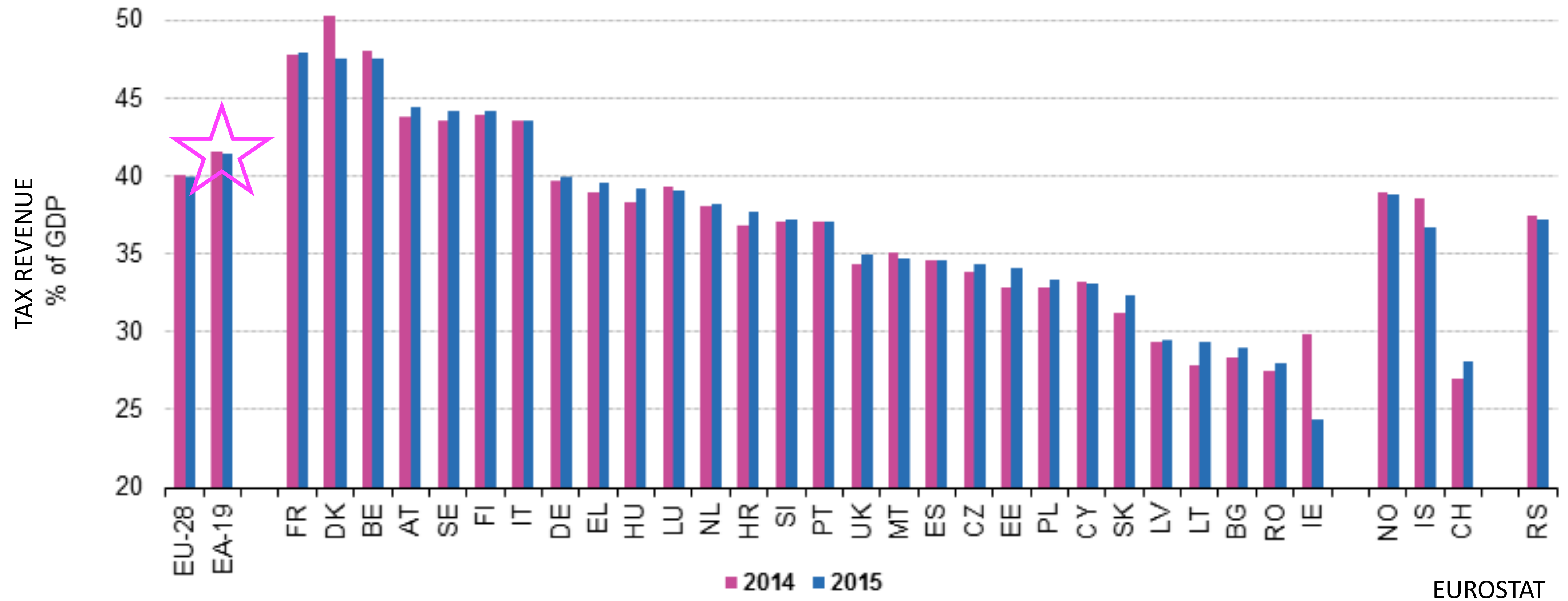
- Pension
- Social protection
- Personal social services
- Health
- Transport
- Education
- Housing & environment
- Public order & safety
- Defence
- Industry, agriculture & employment
- Other incl EU
- Debt interest

# Super Macro





# Answer: 42%

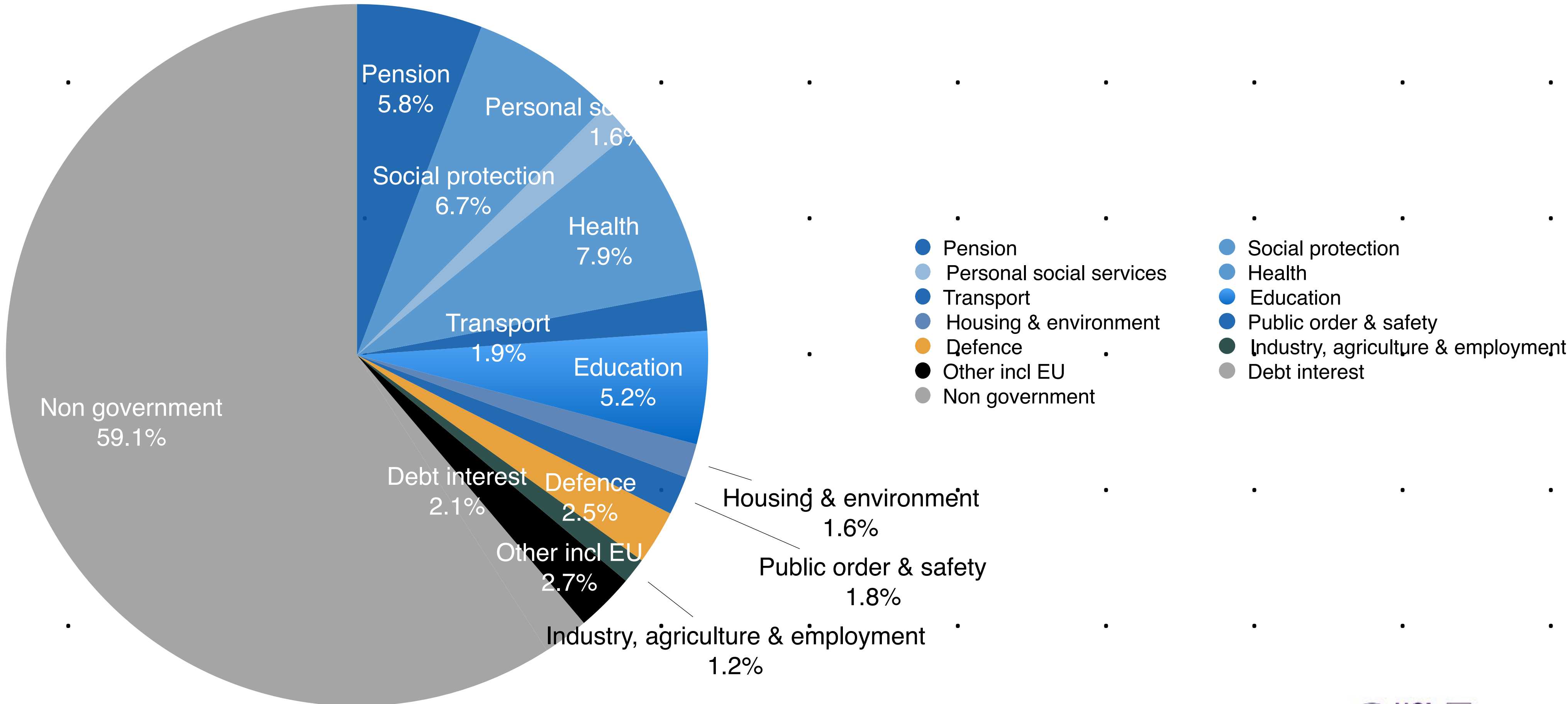


# Convergence

- 42% of GDP is the average of top 25 OECD countries tax take. (ex USA)
- 40% including USA (26% Federal)
- 42% of GDP is the average of EU19 countries tax take
- 40% of GDP is the average of EU28 countries tax take
- 35% of GDP is the average of all OECD countries tax take

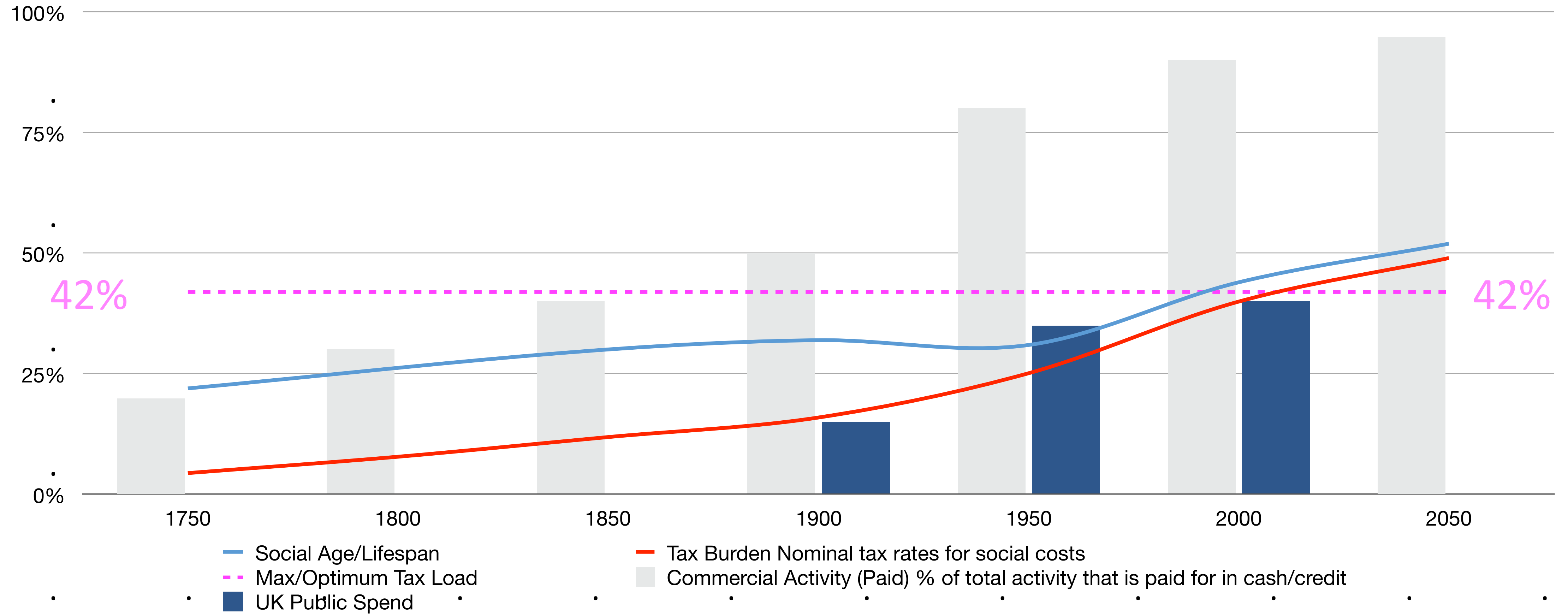
# UK Public Spend

**Spending as % GDP - 40.9%**



# Tax Effect

UK



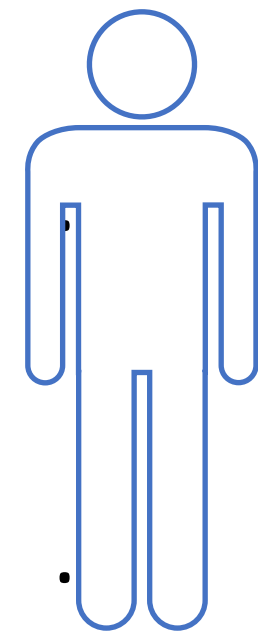
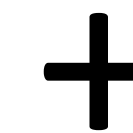
# Universal Basic Needs

- Shelter
- Food
- Healthcare
- Education
- Transport
- Information
- Legal & democracy



# Universal Basic Services

- Healthcare
  - Education
  - Legal & democracy
- +
- Shelter
  - Food
  - Transport
  - Information



# Universal Basic Services



- 1.5M housing units



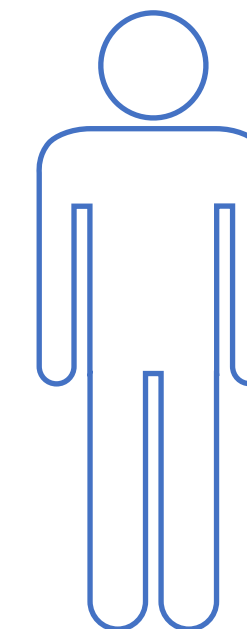
- 4M people, 1/3 meals: 1.8Bn



- Freedom Pass for all

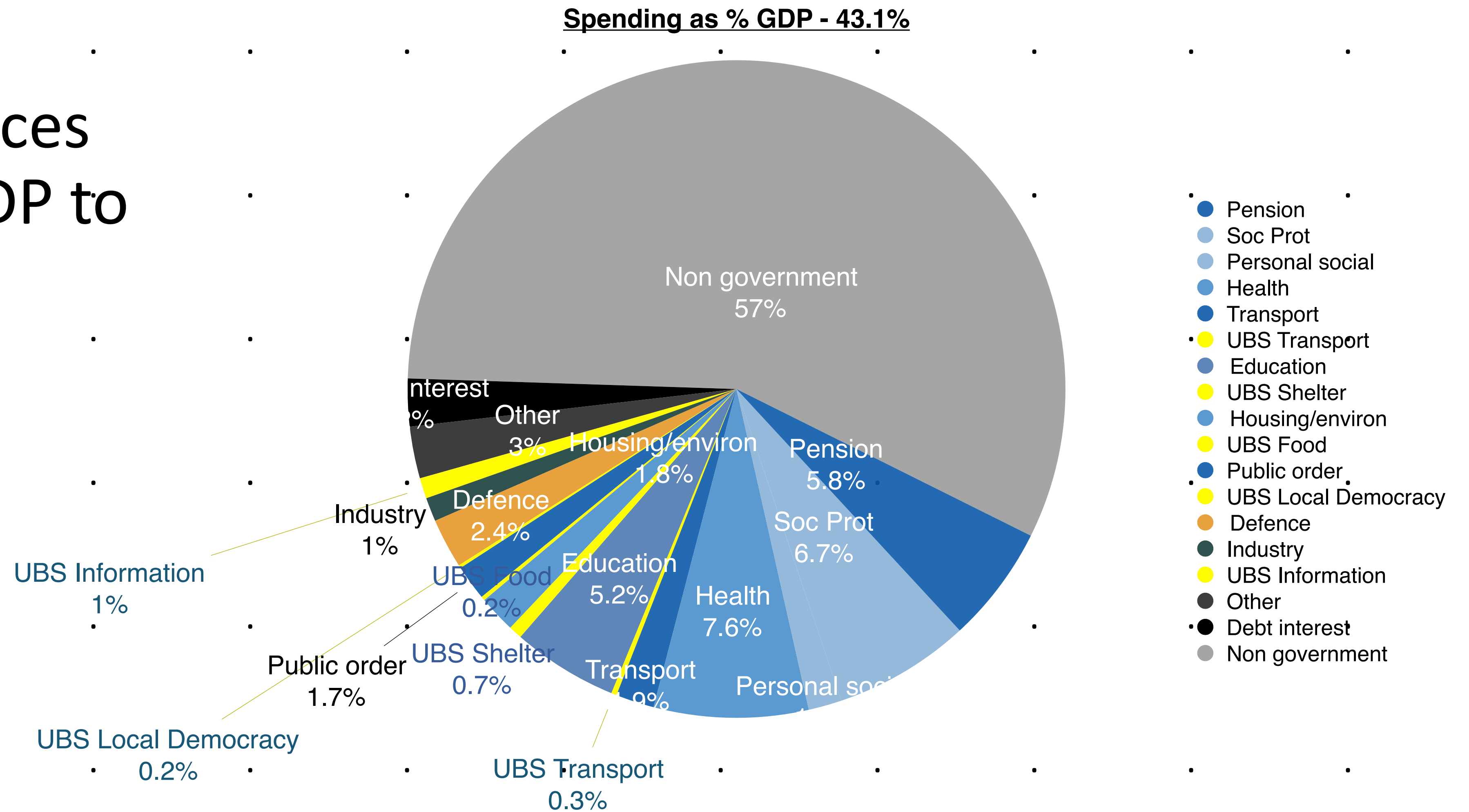


- Cell phone, Internet, BBC



# UBS Budget Effects

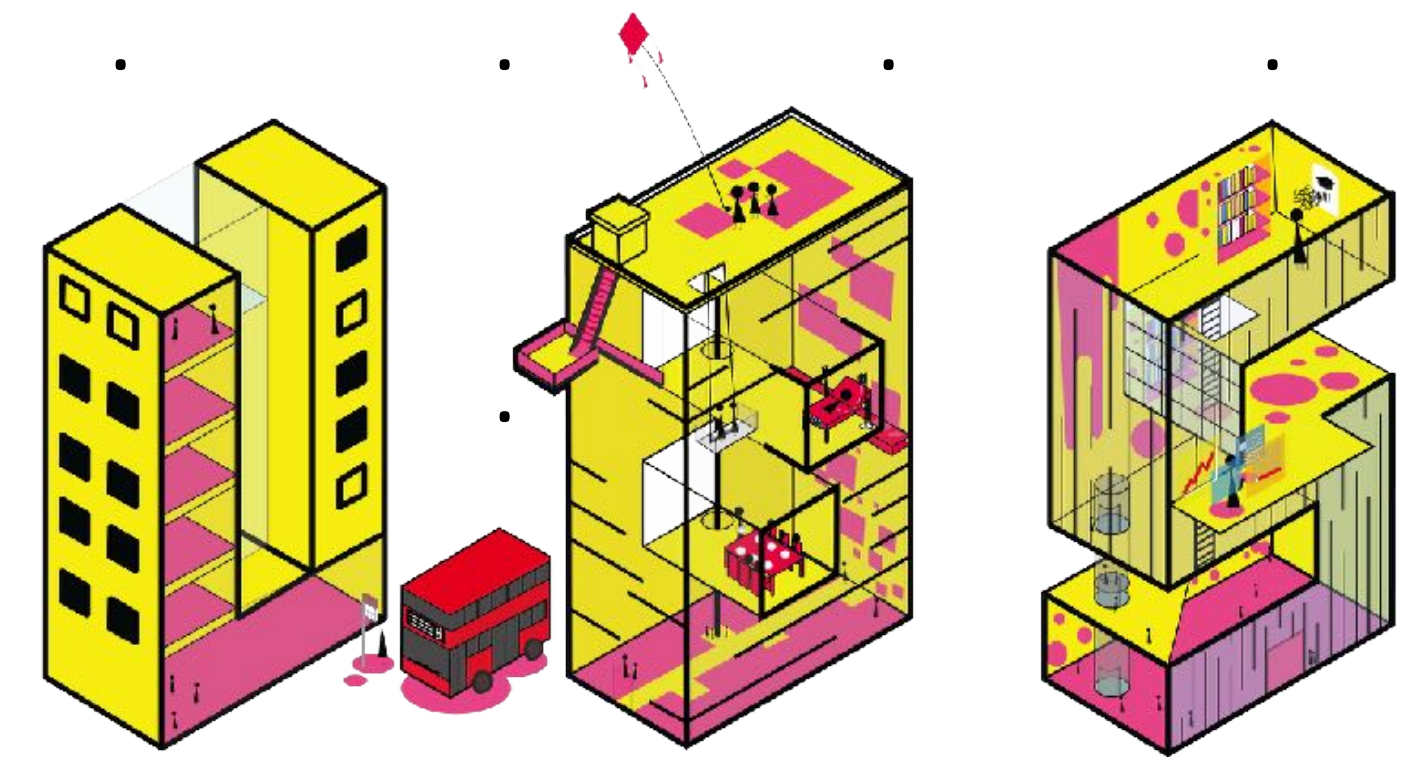
- Proposed services add 2.3% of GDP to spending





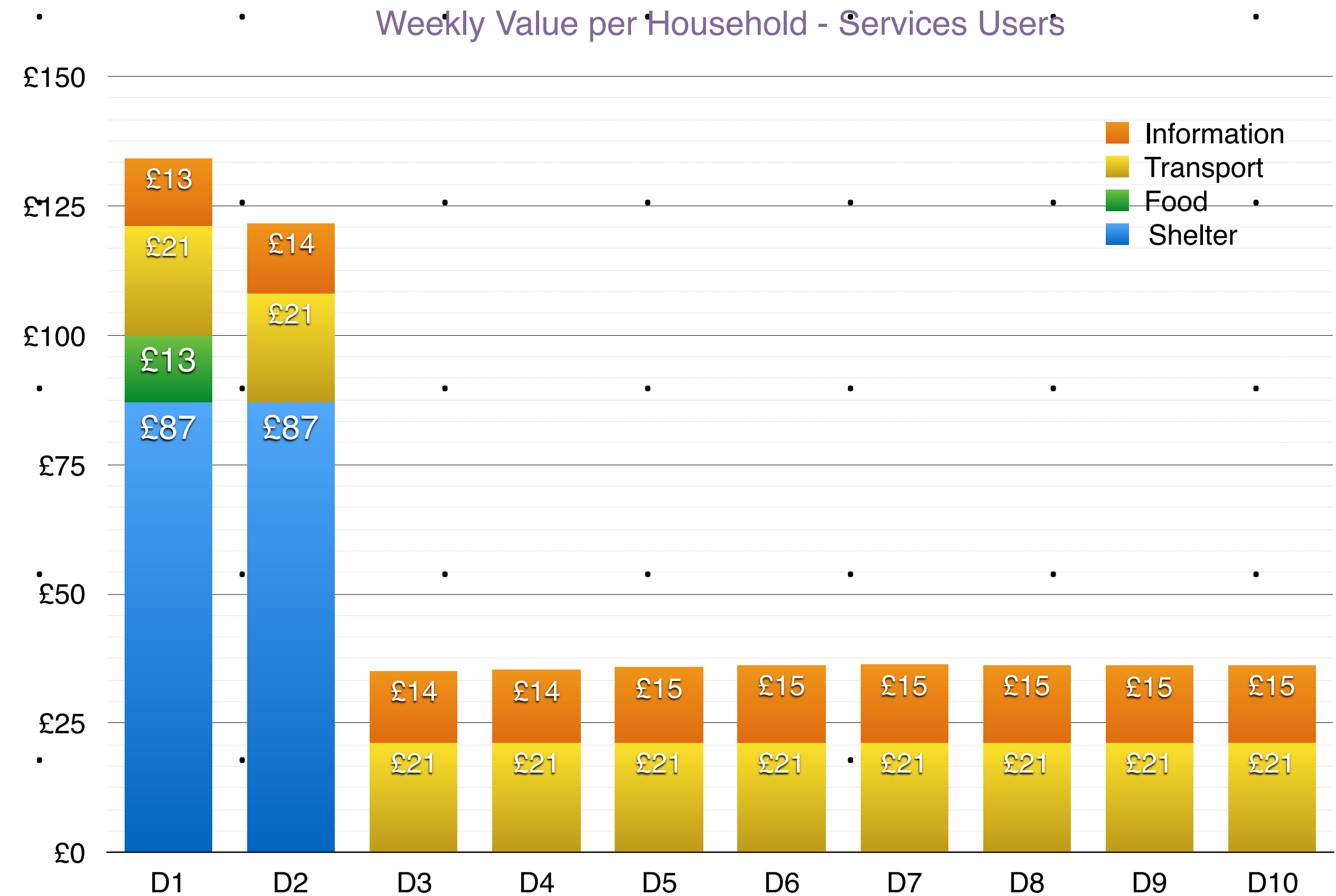
# What UBS does Differently

- Reduces costs for people
- Increases efficiency for tax payers
- Facilitates a vibrant private economy
- Meets needs more directly
- Buttresses the institutional fabric of society



# 'Social Wage'

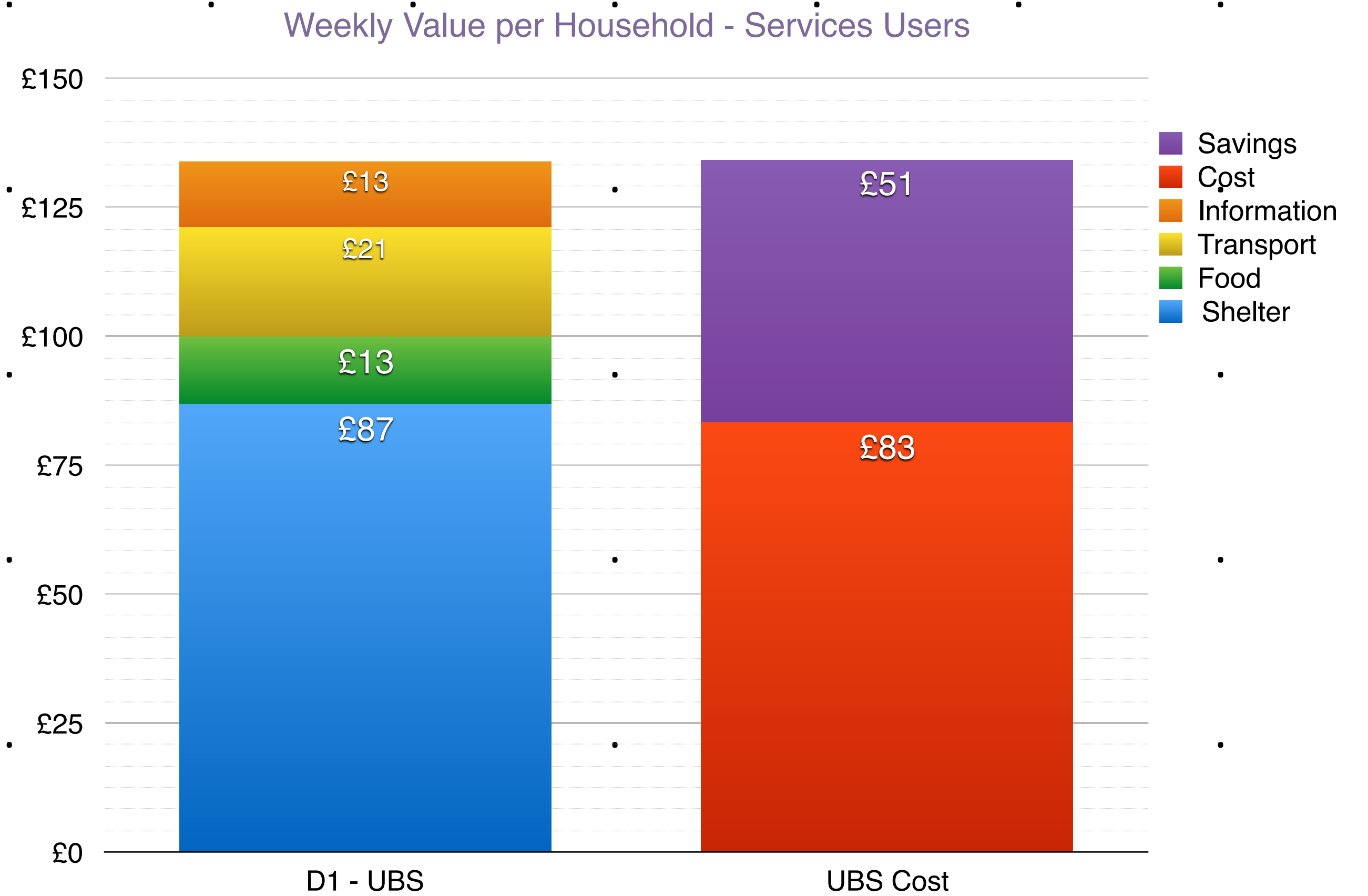
- Reducing cost of living
- UBS equivalent to 80%\* pay rise for D1 service users
- Same as £3.36/hour for a 37.5 hour week



\* Based on D1 Benefit Unit average income of £159/week.

# Efficiency: reduced cost for tax payers

- Value is £126
- Cost is £83
- 30% savings



# Private Economy

- Enables micro businesses
  - Especially micro services
    - Caring
    - Repair
    - Retrofit
- Reduces labour costs
  - Subsidise the bottom instead of the top
- Increases labour bargaining power
- Quality motivation



# Meets Needs Directly

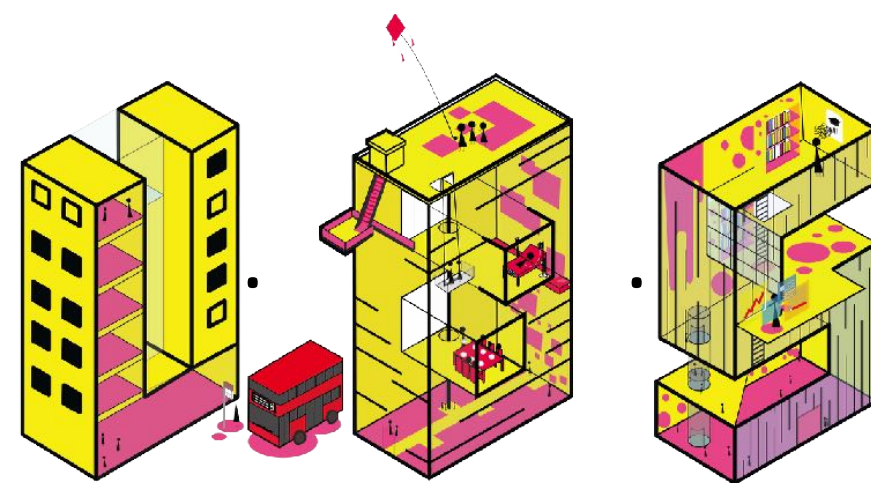
- Flexible, direct, need specific
  - NHS model: at point of need
  - Service selection at time of need
- Cash distribution misses too often
  - Hungry children
  - Housing market failure
- Requires local capacity
- More effort = Builds social capital



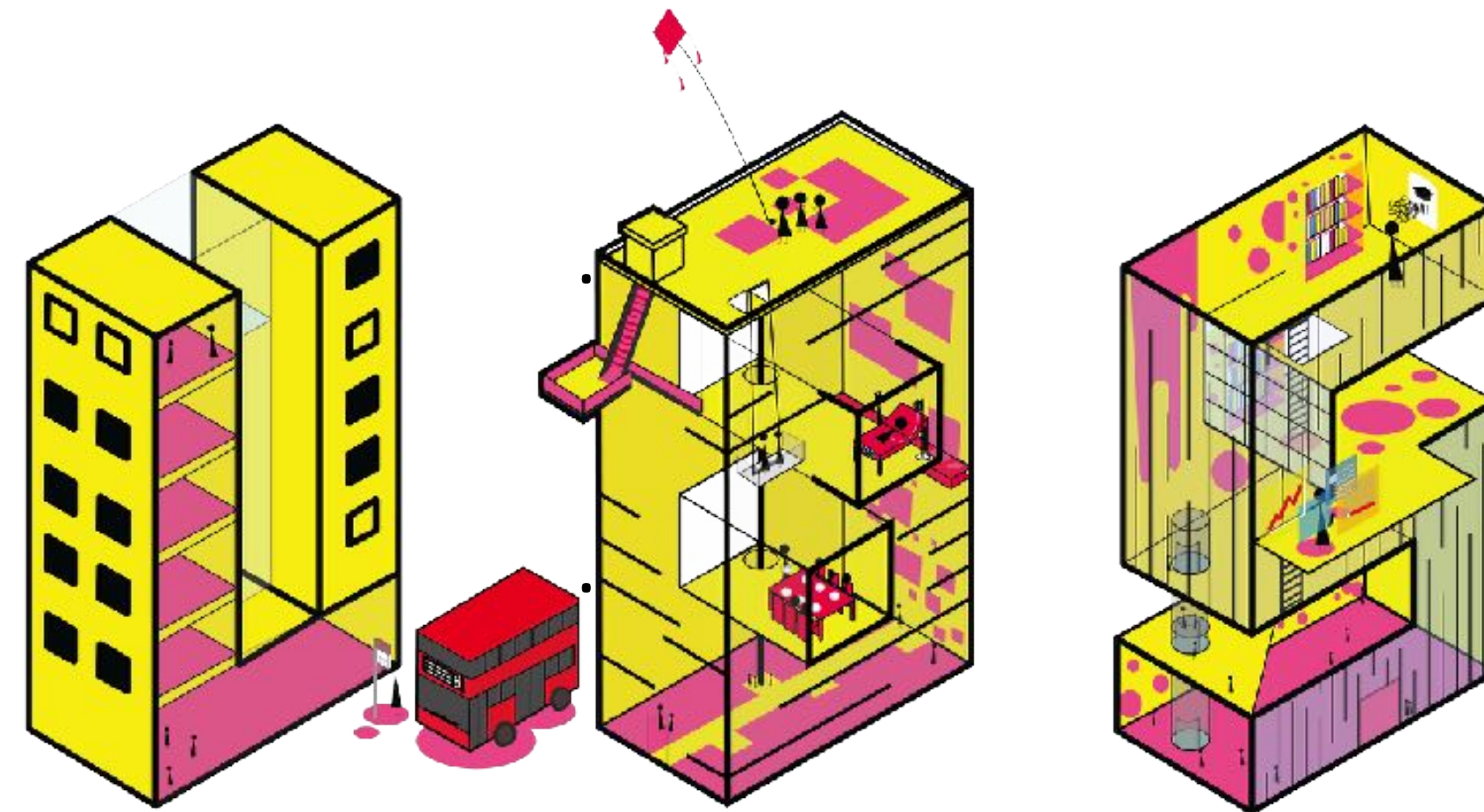
# Why move to UBS? Because UBS...

- Delivers transformative support for 21st C
- Fits within a reasonable budget
- Preserves motivation & enables micro economy

Blundell's Iron Triangle: Meet needs - Control cost - Preserve incentive



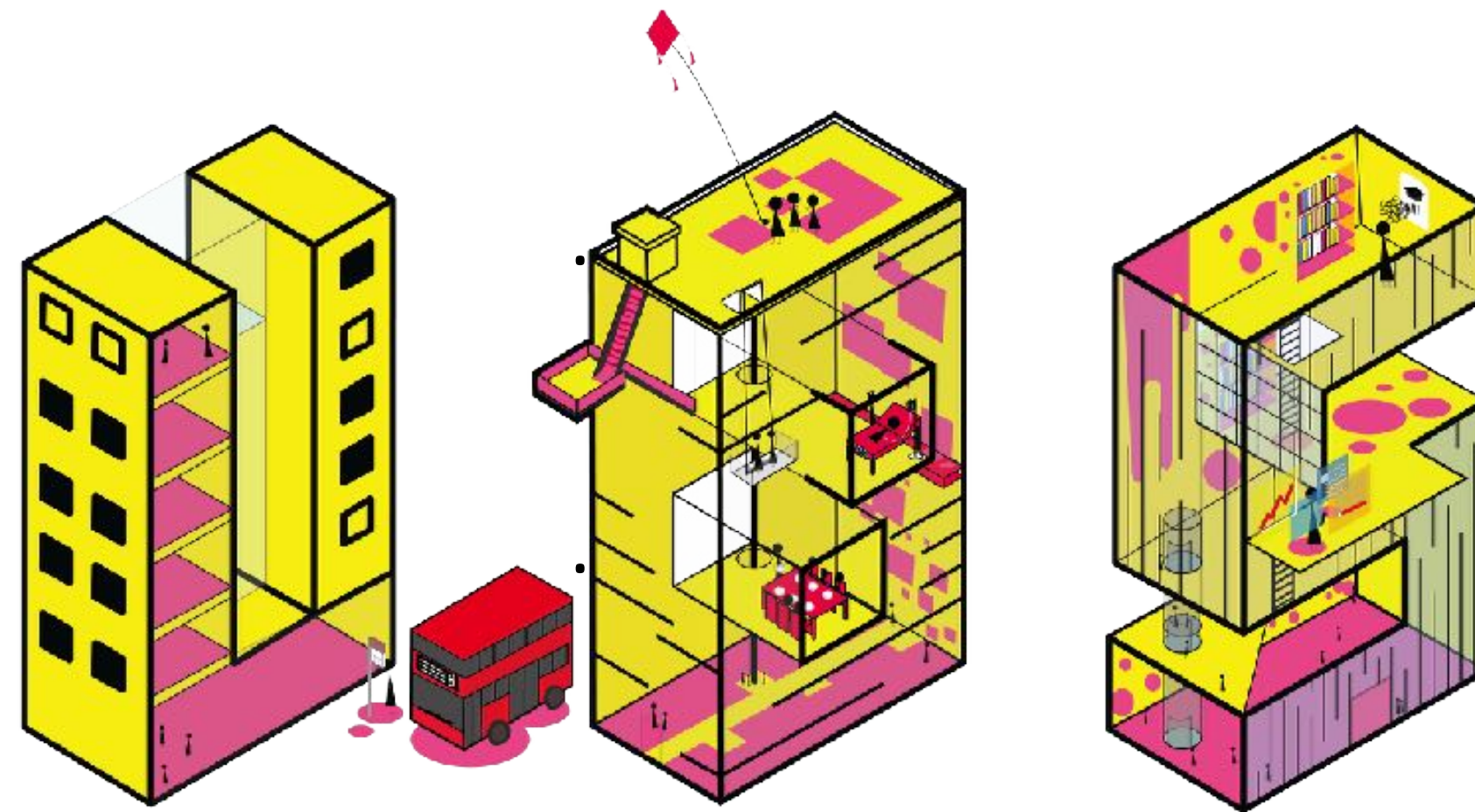
# Questions



[igpspn.org](http://igpspn.org)

[ubsnow.org](http://ubsnow.org)

# Comments



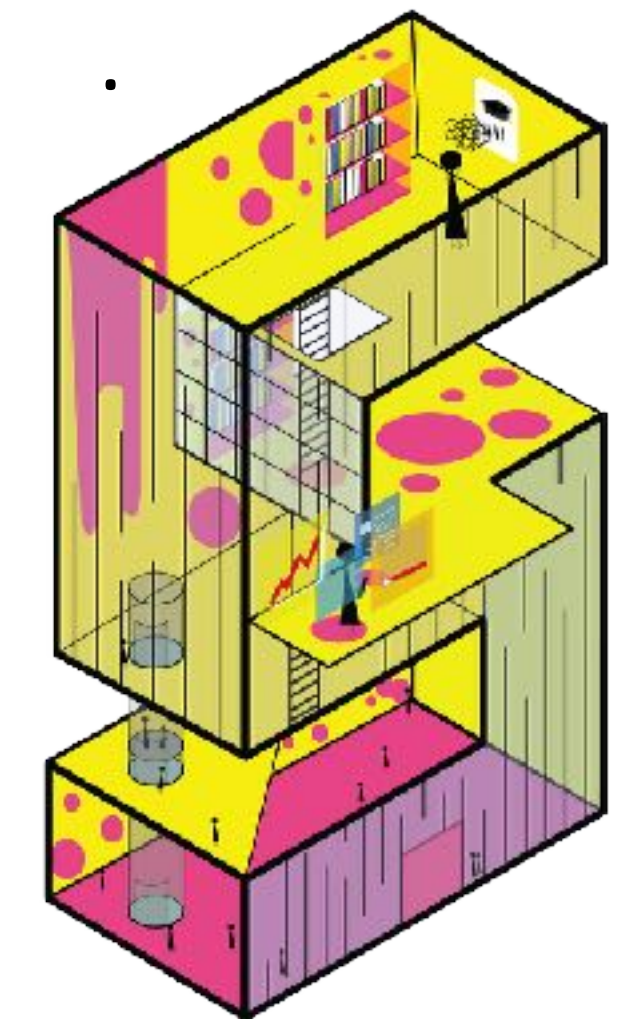
[igpspn.org](http://igpspn.org)

[ubsnow.org](http://ubsnow.org)



# What SERVICES do better

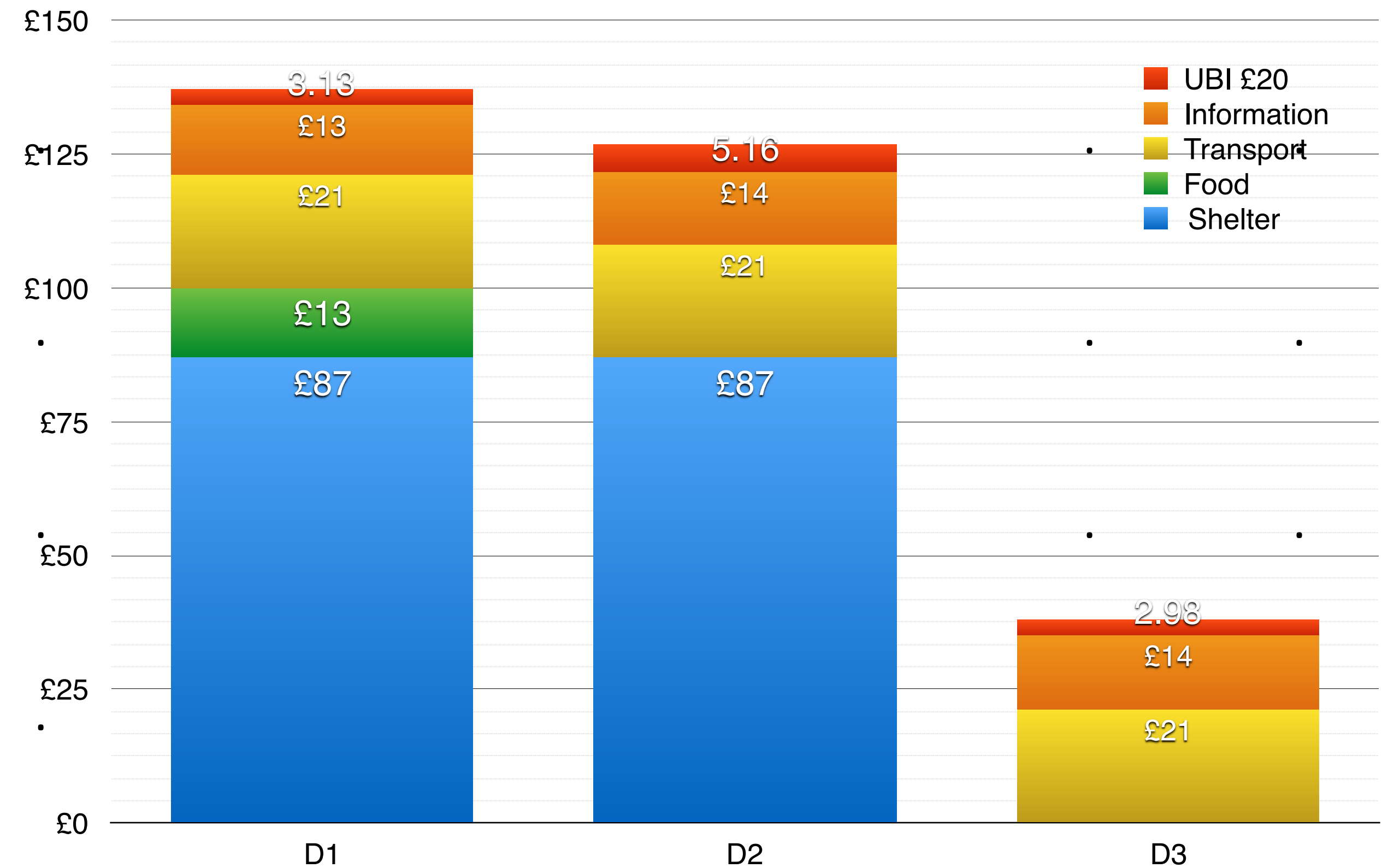
Feature	UBS	Benefits	UBI
Flexibility	✓	✓	
Need specific	✓	✓	
Responsive	✓	?	
Affordable	✓	?	
Coercion free	✓		✓
Preserve motivation	✓	✓	?
Conforms to public attitudes	✓	✓	
Build social fabric	✓		
Increase resilience	✓		
Incremental implementation	✓	✓	
True resource pricing policy enablement (carbon tax)	✓	✓	✓



# UBI ineffective

- UBI added almost nothing
- Cost is the same as all of the UBS

Weekly Value per Household - Services Users



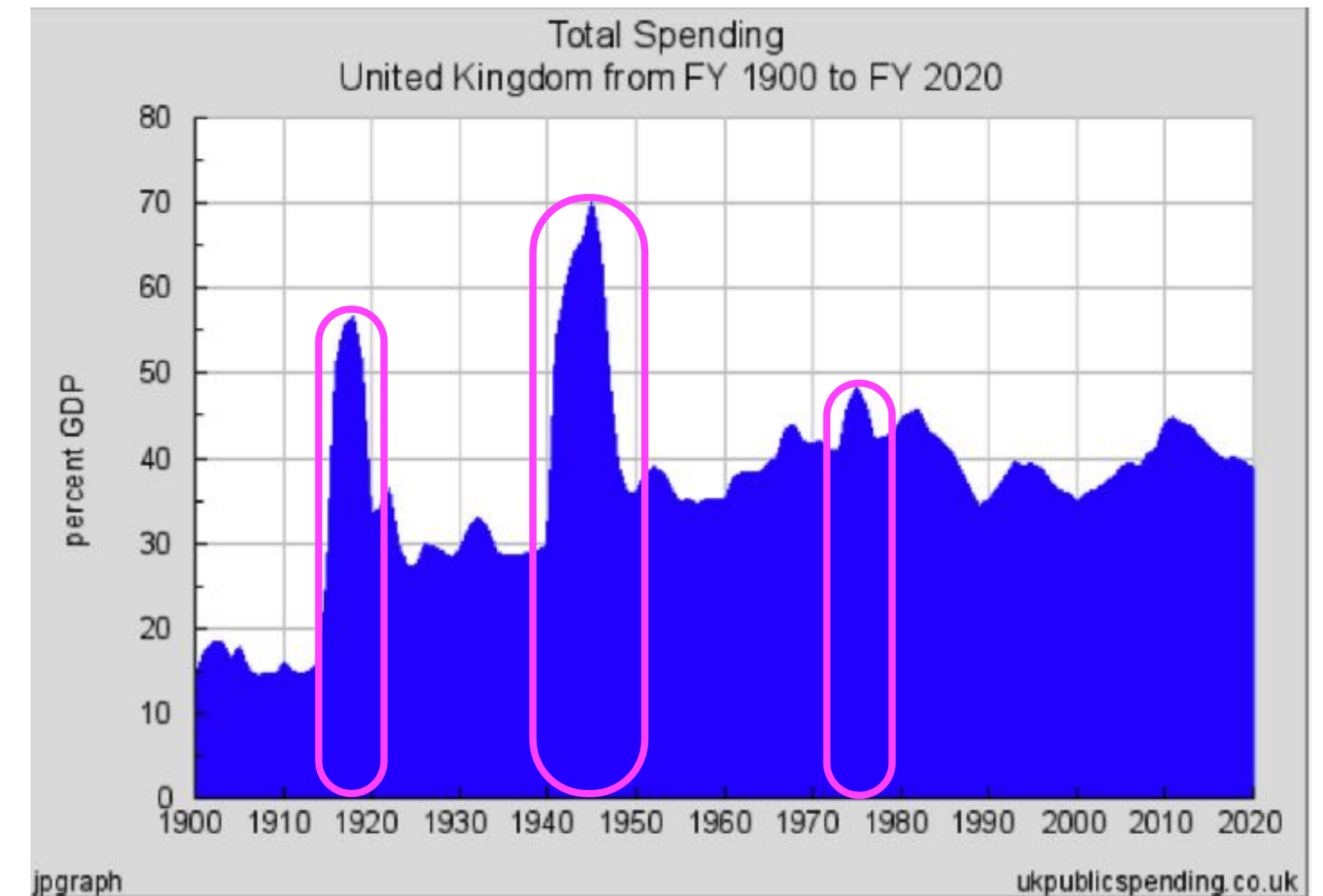
# Unmet needs & Future challenges

- Unmet current needs
  - NHS funding
  - Education funding
  - Housing
- Unaccounted for future challenges
  - Social care (ageing)
  - Climate mitigation
  - Automation impact



# The Crush of Costs

- 41 % current spending
- + ½ % (£10Bn) for unmet current needs
- + 1 % for future needs (ageing, climate)
- + 2½ % for UBS
- = 45 % !
  - = £0 Personal Allowance
- The UK hasn't raised 45% except wartime & oil shock



# The Establishment Answers

- never-ending growth
- inconsequential externalities
- universal abilities
- perpetual productivity increases
- inexhaustible demand
- unquenchable consumption
- the negation of chance
- the sustainability of mountains of debt

# Serenity

## Things we cannot change:

- Ageing demographic
- Automation & demographics
- Sophistication
- Time
- Built-in climate change

## Things we can change:

- Tax rates
- Social effort
  - degree of Commercial Intensity

# Tax Effect of Social Effort

