

Universal credit

Yesterday I accepted the Prime Minister's advice and abstained on the Opposition day motion. I was in two minds about it and gave the government the benefit of the doubt.

On the one hand it is a perfectly fair tactic for the Opposition to table a motion to smoke out a government view on a contentious issue. I prefer it when the government has a view and then defends it with arguments and votes. It would be popular with many if the government just agreed to continue the new higher rate of benefit. On the other hand, I could see that the government wishes to make up its mind on whether to continue the extra £1000 a year Universal Credit to all recipients nearer the budget when it should have new forecasts of how likely it is people can get jobs to boost their incomes, and how the spending figures generally are placed.

The central idea of Universal credit is to ensure people are always better off working. Higher minimum wages, control of low wage migration, taking lower pay out of income tax are all part of a suite of policies to make it true that it is better to work, whilst ensuring all can afford to live from benefit payments if they are out of work. I was a strong supporter of the increase in UC when the pandemic hit with policies to control it that drove many lower paid out of work altogether, and slashed the overtime and performance related pay of others.

I fear we will need further support for families and small businesses before the pandemic is over and more normal life resumes. I will press for suitable measures in the run up to the budget. I am against the ideas I see in some parts of the media that from March the government needs to rein in spending and borrowing and push up taxes. That would be quite the wrong response when the economy is still limping along way below its levels of income and work of 2019.