Funding the Future

The time for universal basic services has arrived

Published: January 13, 2026, 1:06 am

There has been a lot of discussion of universal basic incomes in the context of the current crisis, but very little of an alternative idea, which is the supply of universal basic services.

I have already discussed why I do not think that a universal basic income could be put in place at present: the administration to deliver it is simply too complex to consider at this point of time, whatever its long-term desirability, or otherwise. Universal basic services, are however, another issue.

The critical point to understand within this context is not that we are facing a recession at present: what we are, instead, seeking to do is close our economy down. There is a marked difference.

A recession is the consequence of market failure giving rise to a lack of both supply and demand for the goods and services that an economy can produce. That, however, is not the problem that we face at present.

What we are doing is deliberately closing down the capacity of very large parts of the market at present with the deliberate intention of reducing economic activity for the purpose of beating the coronavirus. This deliberate closure of the economy is unprecedented in modern history.

I am not, for one moment, saying that people do not need a continuing income as a consequence: I have argued for better support for those in employment than Rishi Sunak is offering and I will continue to argue for help for the self-employed and (I think fairly) small landlords. But right from the beginning of this crisis I also argued that we have to think very differently about how we manage it.

The absolute priority at this point of time is the well-being of people. Healthcare for those who are sick is, of course, the greatest priority of all, but everyone has needs that must be met at this present including:

- Food

- Housing

- Energy

- Water

- Telecommunication, including television and broadband

Without these absolutely fundamental services being supplied then people are going to be in even greater crisis than they are at present. Worse than that: if they believe that these things will fail then people will cease to be obedient and the government will face a civil order crisis that is at present beyond its imagination. This is precisely why it is essential that the government now consider the supply of universal basic services as well, and at the same time as, considering how people can receive income support.

The supply of universal basic services is, thankfully, very much easier in many cases than is the supply of a universal basic income. That is because most people only have one supplier of the services, and the number of those suppliers is, in most cases, remarkably limited. Food is the exception to this.

So, as I have already explained, to ensure that people can stay in their homes every bank should be required by law to now grant all people with mortgages a mortgage repayment holiday. They should offer similar holidays on loans and leases whilst credit card minimum repayments should be deferred as well. They should, in addition, make clear that these sums will not have to be repaid immediately once we go back to whatever is ‘normal’. Deferred sums should be added to the end of any existing loan period, and be repaid then, whilst credit card deferrals should simply be rolled over. In this way the burden of debt can be taken off most households for the duration of this crisis, and people can as a result be sure that they can stay in their homes.

This does not, of course, deal with the problem of those renting their homes, and for them I go back to the proposal I made some time ago, which was that everyone who is renting should now be given a rent free period as a matter of right, with no possibility of eviction as a consequence. I have now suggested that small landlords should be subject to the same support arrangement of the self-employed as a consequence: level pegging between landlords and tenants is, as a result achieved, and that is fair.

The other charge associated with housing, which is council tax, should simply be waived at present: the cost should be covered by central government.

Do these things and some of the biggest spends of most households will have been removed for the time being.

To then remove even more stress, the government should simply make payment of all domestic energy costs for the duration of this crisis, without exception. There is absolutely no point in finessing details at present: we are talking about survival and there is no time to worry about minor issues with regard to support for those who do not need it.

And the same payments should also be made for all water costs, and all mobile phone and broadband bills, because access to telecommunications is now fundamental to life.

There is a massive advantage to the government from adopting these proposals. Firstly, bank loan deferrals will not have a direct cost to the government and could well reduce the cost of any bank bailout by keeping bank assets intact.

Landlord payment holidays will also have no direct cost, except for the support that will have to be supplied to small landlords who are dependent upon this source of income as their sole income stream, for whom the cost will, eventually, be equivalent to that of supporting self-employed people.

The only actual costs will come then from the cost of support to councils, energy companies, water companies and broadband suppliers. I am not for a moment pretending that this is not significant, but compared to the overall level of increase in government spending that that will arise as a consequence of this crisis, the sums are modest, whilst the risk of fraud is massively reduced by direct payment.

Most importantly, the stress of most households will be dramatically reduced by this programme. It is precisely because of these costs that many are still going to work when they should not be. And it is precisely because these costs have to be covered, and food cannot be, that I predict that there will be rioting sooner rather than later, which can be prevented if the government acts now. Given that the last thing that we can afford at present is rioting because we do not have the capacity to deal with any of the consequences arising from it this is vital.

But there is another advantage as well. By making these direct interventions the government will be ensuring that in the vast majority of households given the current restrictions on spending on almost anything but essential items, the only need for cash remaining will be to cover the cost of food. As a result the support required for this purpose, and the risk of fraud arising from such payments, will be dramatically reduced. Instead of having to make 80% of wage payments employers could reduce the sum to, maybe 20%. And as a result support for the self-employed could also be massively cut, because direct support would have already been provided in other ways, and this would both simplify any support scheme, and once more reduce the risk of fraud within it.

But perhaps just as importantly, critical supply chains will be guaranteed their income during the course of this crisis, and so we can be sure that they will survive it, which is vital. Banks will also have stronger balance sheets. Whilst, since we already know that landlords are in possession of assets, and they will also be subject to loan waiver repayment provisions just like everyone else, they too can survive this intact, subject to the support I note for the very small landlords who do actually live on their income from rents.

Perhaps most important of all: this scheme could be put into effect in days. And if it was a payment of a few hundred pounds, at most, will keep the majority of households in the UK solvent for the time being, and free from stress for another month also, which is vital for the maintenance of social order as we face the coronavirus crisis.

None of this is ideal, of course, but then, no one wanted to face this crisis. What terrifies me is the lack of creative thinking within government in response to it. Unless that thinking improves then everything is going to get very much worse, very soon and no one can afford that.