

# Corporate Policy & Strategy Committee

10:00am, Tuesday 27 February 2018

## Citizen's Basic Income Pilot

Item number	7.3
Report number	
Executive/routine	Executive
Wards	All
Council Commitments	<a href="#">2, 3, 7, 9, 45</a>

### Executive Summary

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This briefing provides a summary and update on progress made to develop a Citizen's Basic Income pilot in Scotland. The paper notes the availability of Scottish Government funding to support feasibility research into pilot projects, timescales for bids to access that funding, and next steps for collaborative cross-local authority work to support development of a pilot scheme.

## Citizen's Basic Income Pilot

### 1. Recommendations

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- 1.1 It is recommended that Committee:
  - 1.1.1 Note progress underway to develop a pilot scheme for a Citizen's Basic Income in Scotland
  - 1.1.2 Approve City of Edinburgh Council continued participation in feasibility research for a pilot scheme, subject to further reports to Corporate Policy and Strategy Committee as the scope of pilots develops and any associated costs are clarified.

### 2. Background

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- 2.1 In August 2017 Council agreed a motion in principle for City of Edinburgh Council to work with other local authorities to develop a pilot scheme for Citizen's Basic Income in Scotland.
- 2.2 In November 2017, the Scottish Government announced the availability of £250,000 to fund feasibility research to inform development of a pilot project.
- 2.3 A deadline of March 2018 has been set for submission of bids for this fund, with feasibility work to be carried out during April 2018 to March 2020.
- 2.4 To support joint working, an officer led cross-council working group has been established across the four authorities (including Edinburgh) who have been invited to bid for Scottish Government funding.
- 2.5 To support the development of bids, a stakeholder engagement event is being planned by the cross-council working group, for February 2018.
- 2.6 To support governance of the bid and co-ordination of the project, the establishment of a cross-council elected member group has been proposed.

### 3. Main report

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- 3.1 On 24th August 2017, a motion to Council noted the plans of three Scottish local authorities – Fife, North Ayrshire and Glasgow – to develop pilot schemes for a Citizen's Basic Income in Scotland. The motion, approved by Council, agreed that the Council should join and work with these three authorities to progress a pilot scheme, subject to a further report to Corporate Policy and Strategy Committee as the scope of the pilot is firmed up and any associated costs are clarified.
- 3.2 Following this motion, officers contacted the Scottish Government and other authorities to express Edinburgh's interest in participating in a pilot scheme.

- 3.3 This report provides an overview of activity underway since August 2017, and next steps for the development of the project.

### **Scottish Government Support**

- 3.4 In the 2017/18 Programme for Government, the Scottish Government noted the work underway by some local authorities to conduct pilot research into a citizen's basic income. In order to help develop policy thinking in this area, the Government pledged to:
- 3.4.1 Establish a fund to help these local authorities develop their proposals further and establish suitable testing, and
  - 3.4.2 Ask the Scottish Government's own Poverty and Inequality Commission to consider how it could help to draw together evidence findings from local authorities.
- 3.5 Following this, letters were sent to chief executives of four local authorities (Fife, North Ayrshire, Glasgow, and Edinburgh) by the Cabinet Secretary for Communities, Social Security and Equalities outlining Scottish Government plans to take forward these pledges. The letter noted that a fund of £250,000 would be made available for the four authorities to bid into for feasibility work to be carried out over the period April 2018 to March 2020 with a deadline for bids set for end March 2018. Eligible activities for funding are expected to include feasibility research, evaluation approaches, and consultation or engagement with communities. Funding is expected to be available to fund internal staff resources or expenses, or commissioning of external consultants to carry out research activities.
- 3.6 Scottish Government funding commitments to-date extend only to support for feasibility research, not to fund actual pilot projects themselves. Decisions on further funding will be made on evaluation of findings of this initial research stage and in the context of Government spending priorities at that time. As such, outline timescales for pilot projects suggest the following:
- 3.6.1 April 2018 - March 2020: Feasibility work and research
  - 3.6.2 Mid 2019 – Interim report and Scottish Government decision on continued funding for pilot projects
  - 3.6.3 2020-2023 – Implementation of full pilot projects followed by evaluation report.

### **Pilot Local Authority Joint Working**

- 3.7 While plans are at an early design stage, four local authorities have expressed an interest in participating in pilot research - Fife, Glasgow, Edinburgh and North Ayrshire. In addition to the August 2017 motion carried by City of Edinburgh Council:
- 3.7.1 In Fife, the report of reports from the Fairer Fife commission in November 2015 recommended that the area should identify a town in Fife in which to test out a pilot of unconditional basic income. The Programme for

Administration, May 2017, reinforces Fife Council's commitment to work with partners to establish a pilot Basic Income Scheme in Fife. Initial survey research has also been carried out with Fife People's Panel members to test current levels of awareness of the concept of basic income in Fife. Political approval was given in September 2017 for Fife to work with other local authorities to explore and progress local pilots of basic income in Scotland.

- 3.7.2 In Glasgow, an initial consultation exercise with community groups, third sector organisations, trade unions and potential funder organisations was carried out in 2017, facilitated on behalf of Glasgow City Council by the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA). Following this consultation, Council gave approval for officers to explore approaches to identify a discreet group of residents who could potentially benefit from a basic income. In taking forward this project, Glasgow City Council is committed to working with other local authorities and partners to help develop pilot schemes, compare models, and share learning and evaluation findings.
- 3.7.3 In North Ayrshire, Council agreed as part of the budget-setting process in March 2017 to set aside funding of £200,000 for a Basic Income Pilot which would look at the feasibility and potential benefits of implementing a basic income in North Ayrshire. It was agreed by Cabinet in August 2017 that officers would work to develop a feasibility study for a Basic Income Pilot, working alongside the three other local authority pilot areas. Initial survey research will be carried out through the North Ayrshire People's Panel, building on the work of the Fife Council People's Panel, to test currently levels of awareness and understanding of basic income in North Ayrshire.
- 3.8 In response to Scottish Government support, in November 2017 the four pilot local authorities came together to form Scottish Universal Basic Income Pilot Steering Group (SUBIP). The group aims to provide a forum to:
  - 3.8.1 Co-ordinate the creation of a business case for piloting basic income, in accordance with Scottish Government timeline.
  - 3.8.2 Co-ordinate funding discussions and decisions across the four participating local authority areas.
  - 3.8.3 Develop specific research questions to be tested, design pilot interventions, and co-ordinate or commission research and evaluation studies as required.
  - 3.8.4 Co-ordinate reporting to the Scottish Government, local authorities, wider stakeholders and the public.
- 3.9 Membership of the group includes representatives from all four pilot authorities Scottish Government, and NHS Scotland. Secretariat support for the group is provided by NHS Scotland, with meetings held monthly.
- 3.10 Within City of Edinburgh Council, participation in the steering group is being taken forward by Strategy and Insight within existing resources, and in alignment with

other corporate strategy projects, including 2050 Edinburgh City Vision, the Edinburgh Partnership Community Plan, Edinburgh Economy Strategy, and others.

- 3.11 The steering group aims to engage and work in collaboration with a wide range of stakeholders who can bring a range of views and expertise to the pilot scheme – including RSA, Citizen’s Basic Income Scotland, Joseph Rowntree Foundation, Reform Scotland, IPPR, Scottish Poverty Alliance, and others. Towards this, a stakeholder engagement event is planned for February 2018.
- 3.12 Governance and agreement on any decisions or recommendations made by the group will be sought through appropriate local committees and bodies in each local authority area. In order to facilitate decision making, a group of senior councillors from across the four participating areas will be established. Representation on this group is yet to be established, but initial recommendations suggest a maximum of 3 councillors per authority with meetings held twice a year at most.

### **Next Steps**

- 3.13 Immediate next steps for the pilot include:
  - 3.13.1 January 2018 – Scottish Government issues guidance on funding bids
  - 3.13.2 February 2018 – Planned stakeholder engagement event
  - 3.13.3 April 2018 – launch of feasibility research project.

## **4. Measures of success**

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- 4.1 Key outputs for research activity will include identification of evaluation approaches and measures of success.

## **5. Financial impact**

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- 5.1 There are no significant financial impacts as a result of this report to the City of Edinburgh Council. Further reports to committee will be made as costs of pilot projects are identified.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 No adverse risks or policy impacts have been identified as associated with this report.

## **7. Equalities impact**

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- 7.1 Equalities impact assessments will be made as details of feasibility research are developed.

## **8. Sustainability impact**

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- 8.1 Sustainability impact assessments will be made as details of feasibility research are developed.

## 9. Consultation and engagement

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- 9.1 Consultation and engagement with communities will be a key output of the feasibility research

## 10. Contact

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## 11. Appendices

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Appendix 1: Citizen's Basic Income background note

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A Basic Income (also known as Universal Basic Income, Citizen's Basic Income) is an unconditional, non-withdrawable income available for every individual in society as a right of citizenship (Citizen's Income Trust, 2017).

Key elements of a basic income are that it is:

- Basic: A minimum payment, sufficient to meet basic needs
- Universal: Paid to everyone, based on rights of residency
- Unconditional: Without conditions, and non-withdrawable, irrespective of other sources of income
- Individual: Assessed and paid individually (including to children) rather than by household

Proponents of the concept believe that it provides a basic platform on which people can build their lives – whether they want to earn, learn, care or set up a business (RSA, 2016).

A combination of factors has broadened its appeal in recent times: rising inequality, widespread economic insecurity, and the potential of labour-displacing technological change including automation and artificial intelligence.

There are many models which basic incomes can take. Differences include the amounts of the basic income, how payment levels are applied across different age groups, the source of funding, the nature and size of reductions in other transfers that accompany it (for example, changes to existing tax and National Insurance systems; which benefits are withdrawn).

Basic income pilots, of varying shapes and forms, are currently at planning stages or underway in Finland, Netherlands, Canada, Barcelona, USA and Kenya. Research is required to determine the feasibility of such a concept within a Scottish context.

The aim of these pilots is to establish evidence on the potential impacts and feasibility of a basic income scheme, including impacts on:

- Residents use of time – for employment, education, care and leisure activities
- Residents health and well being
- Residents financial health – including consumption, saving, and investment
- Residents decision making capacity, and
- Spillover effects on households, children's well-being, social and community engagement.

Key elements to be considered in the design of a pilot project include:

- Scope – pilot projects may choose to focus on a specific group (families, lone parents, those with poor health, homeless) or on a specific geography (ward, locality, town, community)
- Comparison against control group/time – a pilot needs to be able to differentiate the impacts of basic income from other factors. Control groups are important to allowing this analysis to take place.

- Randomisation – in order to avoid selection bias, randomised selection of participants in pilots is a key consideration
- Analysis of context – again, the evaluation of results needs to take into consideration the specific context affecting each participant in the pilot.
- Time – in order to give time to effectively gather results, a time period of 18 months to 2 years for a full pilot project is anticipated, not including feasibility and preparatory research.