

“CITIZENS’ BASIC INCOME FUND”

New Proposals	<p>This proposal is for the Scottish Government to set up a small fund to help four local areas in Scotland with their work to develop pilots associated with Citizens’ Basic Income (CBI). Ministers have expressed interest in the CBI concept, as have Fairness Commissions across Scotland. CBI is seen as a radical reform, challenging current notions of the social safety net and the relationship between work and income. There is growing international support for the concept, with an experiment testing elements of CBI underway in Finland – 2,000 unemployed people will be given €560 (£480) every month for two years, without any restrictions or conditions attached. Recipients will not need to prove they are looking for work and the money will be given regardless of any other income the person earns. The Finnish government is planning to study whether the policy helps recipients find work. Similar experiments are being prepared in Ontario, Canada and are under consideration in the Netherlands.</p> <p>Four Scottish local authority areas – Fife, Edinburgh, Glasgow and North Ayrshire – are exploring the possibility of setting up CBI ‘pilots’ locally, and three of the four have been working with the RSA [think-tank] on drawing up initial plans. Note that thinking in all four areas is at very early stages and that what emerges, if anything, is likely to be an <u>experiment</u> using elements of CBI rather than full <u>pilots</u>, which currently are beyond the scope of what local or devolved government could achieve. Any experiment would likely be similar to the model in Finland, focusing on raising the incomes of unemployed or under-employed people to a particular level, without conditionality, to test whether this improves incentives to get into work or to work more hours. Obviously, DWP support for such an experiment would be important here and may not be forthcoming.</p> <p>Scottish Ministers’ position so far has been to welcome the work happening locally and to ask officials to keep a watching brief. Officials have been engaging with areas, encouraging them to work collaboratively on approaches.</p> <p>At the moment, it would be inappropriate to provide funding for a full CBI pilot – any such pilot would be very expensive and have very limited meaning without full support from DWP. However, the Scottish Government could provide seedcorn monies to help local areas focus on:</p> <ol style="list-style-type: none">1. Working collaboratively, designing small experiments linked to some aspects of CBI2. Research, design and scoping work needed
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	<p>3. Community engagement / buy-in for any experimental approach</p> <p>4. Initial consideration of evaluation requirements</p> <p>We would expect this fund to be warmly welcomed by stakeholders, as there is strong support for CBI in the third sector. Many Scottish parliamentarians would also be likely to be supportive. However some members of the Social Security Committee reserved judgement during an inquiry earlier in the year. And a UK parliamentary committee inquiry advised the UK Government not to consider the issue any further.</p>
Cost	Cost: £100,000-250,000
Resourcing required	Staffing resources for the fund could be managed by a combination of social justice and communities analysis staff.
Risks to delivery	Experiments may prove very difficult to progress without DWP and HMRC support and more ambitious pilots may require further powers.
Lead official (inc extension)	[REDACTED]