

13th September, 2017.  
Agenda Item No. 15

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## Towards Universal Basic Income

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Report by: Paul Vaughan, Head of Communities and Neighbourhoods

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Wards Affected: All

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### Purpose of Report

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The purpose of the report is to update Committee on the recommendation of the Fairer Fife Commission and the commitment within the Programme for Administration to pilot Universal Basic Income (UBI) in Fife. The report and Appendix explores the concept of UBI, describes the issues to be addressed in developing a pilot and provides information on discussions with other local authorities and Scottish and UK governments in developing UBI.

### Recommendation

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It is recommended that Committee:-

1. agrees to the development of a business plan for a pilot of basic income in Fife;
2. agrees to work jointly with the other local authorities exploring the piloting of UBI.

### Resource Implications

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Ongoing discussions with the other councils and organisations interested in piloting basic income, are exploring options for sharing resources in designing the pilot. A specific resource for Fife will be agreed from Fairer Fife Allocations. The resource requirements for the pilot will be assessed through the development of the business plan.

### Legal & Risk Implications

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The council, under the Local Government in Scotland Act (2003), has powers to provide payments and benefits but neither Local Authorities nor Scottish Government have the powers to influence tax base or personal allowances which are likely to be required within any pilot. Discussion with the Department for Work and Pensions and HM Treasury will be required. There is also the need within the business plan to address how the pilot will interact with the benefits system.

### Impact Assessment

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An initial EQIA has been undertaken and generally shows positive benefits for equalities. However, the scale and distribution of these benefits is heavily dependent on the type and scale of the pilot. As the business plan develops, further appraisal of equality impacts and socio-economic impacts will be undertaken.

## Consultation

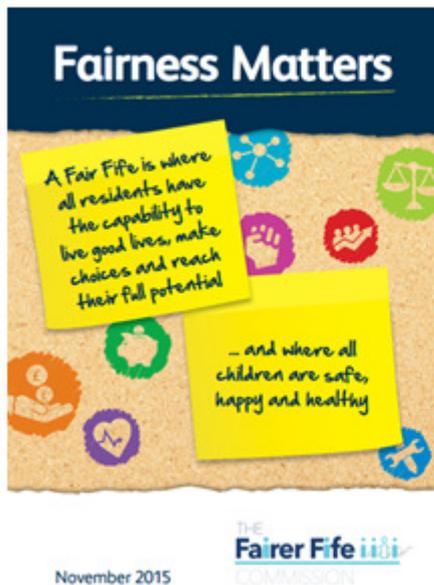
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The report has been discussed with Citizens Basic Income Network Scotland, RSA and Carnegie UK.

## 1.0 Background

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- 1.1 In November 2015, the Fairer Fife Commission recommended that Fife 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's commitment to work with partners to establish a pilot Universal Basic Income Scheme in Fife.



10. Fife Partnership should select a town in Fife to test and evaluate a highly innovative 'Basic Income' pilot, learning from leading practice around the world.

- 1.2 Previous to this, in 2014, the Scottish Government's expert group on Welfare identified unconditional basic income as an alternative model of social security for Scotland and recommended that a pilot of unconditional basic income was required before this could be considered as an option.
- 1.3 Since the launch of the Fairness Matters report, there has been support from across political parties in Fife, and at different levels of government, to further explore the idea of a pilot.
- 1.4 This report and appendix outlines the action that has been taken in developing and discussing UBI in Fife. The Appendix provides a much fuller description and background to UBI and answers frequently asked questions, including:
- What is basic income?
  - Objectives of Basic Income
  - The impact that it might have on individuals
  - How basic income would fit with current welfare system
  - The links between UBI and the changing world of work
  - How UBI affects people's choices
  - What a pilot of UBI would need to consider
  - What pilot work is being undertake elsewhere
  - Options for a pilot
- 1.5 The Appendix also reports on recent survey work undertaken with the Fife People's Panel exploring knowledge, views and awareness of UBI in Fife.

## 2.0 Issues and Options

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- 2.1 The approach to developing a pilot UBI in Fife has concentrated on developing an understanding and awareness of the issues needing to be addressed and building networks, relationships and common purpose in designing a pilot.
- 2.2 At the same time as the release of the Fairness Matters report, a series of organisations published reports on the need for UBI in the UK and Scotland. Following the RSA Angus Millar lecture in 2016, the Council was represented at a roundtable event with government, community and academic interests on UBI and the need for piloting and testing the approach. The intimation at that time that Fife was interested in proceeding with a pilot was met with enthusiasm and has allowed a useful network of contacts to be developed.
- 2.3 A roundtable discussion was held in Dunfermline in November 2016 bringing together key stakeholders for an initial discussion about developing a basic income pilot in Fife. Guy Standing (University of London), speaking at the roundtable, noted that he had found particular resonance with the idea of basic income in his discussions in Scotland.
- 2.4 Following this meeting, a public event in Kelty, January 2017, co-hosted by Citizen's Basic Income Scotland and Fife Council, enabled discussion of some of the practicalities around undertaking a pilot of basic income and was led by Karl Widerquist (Georgetown University).
- 2.5 At that event, Fife Council confirmed that no final decisions had yet been taken on the structure of a Fife pilot but that it was developing the idea that a proposal for Fife would outline the feasibility of selecting a town of 2,000 to 5,000 people for a "saturation pilot" – covering all individuals in an area, that a pilot would be expected to last at least two years and might also gather data from a similar control population. This event has helped to raise awareness of the idea of basic income with a wide range of people across Scotland.
- 2.6 The Scottish Parliament Social Security Committee held an evidence session on basic income on 9th March, 2017. It asked those giving evidence to respond to the following questions:
  - What level of basic income is sufficient?
  - How would it be funded?
  - Could it work in Scotland based on the current devolved powers?
- 2.7 Following the Scottish Parliament evidence session on Basic Income and in response to a letter from the Chair of the Social Security Committee, Fife Council noted that local government has the legal power to undertake basic income through the power to advance wellbeing in the Local Government Scotland Act 2003 but that this will require co-operation with the Scottish and UK Governments and its various departments because of the implications for tax and welfare policy.
- 2.8 A survey of Fife People's Panel members in June and July 2017 allowed us to test current levels of awareness of the concept of basic income in Fife, and explore some of the issues around this, in relation to how people might use their time, what is important to people in a job and how they weigh arguments both FOR and AGAINST a basic income. This demonstrated that there is a reasonable level of awareness of

basic income in Fife and, while a mixed picture emerges as to the level of support for or against introducing a basic income in Scotland, there appears to be a willingness to explore a pilot of this within Fife.

- 2.9 Fife is not the only area of Scotland that has been considering developing a pilot of basic income. Glasgow City Council, North Ayrshire Council and City of Edinburgh Council have also expressed an interest in exploring a pilot in their areas, as have other areas of the UK.
- 2.10 Those leading on basic income work in Fife, Glasgow and North Ayrshire met on 31st July, 2017 in Glasgow to share progress to date and discuss how best to coordinate efforts and engage with the relevant departments. Supporting this meeting were representatives of the Scottish Government, Department of Work and Pensions, RSA, Carnegie UK Trust and Citizen’s Basic Income Network Scotland.
- 2.11 There was a clear commitment to explore how local areas might work together to develop a common framework within which pilots of basic income might be undertaken in Scotland. There is little evidence of the impact of basic income in western economies, so piloting basic income in Scotland has the potential to deliver new and valuable evidence.
- 2.12 Glasgow has commissioned the RSA to develop proposals for a Basic Income Pilot. The results of Phase 1 will be considered by their Executive Committee in September. North Ayrshire have approved developing a business case for piloting basic income. All are considering similar lengths of pilots (two years) and similar lead-in times (around two years) with the group recognising that preparation is almost as critical as delivery. Edinburgh has also approved a motion on basic income on 24 August and contact is being made as to their involvement in the group of councils.
- 2.13 There was a clear interest and commitment in working together to develop a set of outcomes that would provide a common framework within which to develop local pilots of basic income in Scotland. Community capacity building will be an important element of preparation. A strong narrative around the expected benefits of a basic income pilot and how this would be resourced is also needed. Collectively, the Councils could seek some preparatory funding to support this.
- 2.14 The group is seeking agreement to:

Establish a working group to co-design this work, frame agreed outcomes, develop theories of change, and establish evaluation approach and key milestones.	Local Authorities to lead
Share upcoming reports with each other	Local Authorities
Consider how to raise political support	RSA / Local Authorities
Move from tacit agreement to commitment of support from both local and central government.	Local Authorities to obtain political approval and develop an ‘Ask’ of Scottish Government to establish extent of support

- 2.15 The working group would consist of representatives of each local authority, partner organisations and the Scottish Government and would be responsible for commissioning additional work and input. Where possible we would be seeking assistance from other national agencies such as NHS Health Scotland.
- 2.16 The business plan would address the necessary elements of any pilot as described from page 20 of the appendix and address the risk and legal issues. The timescale for development of the business plan will need to be agreed with the other councils but is likely to be between 12 and 18 months. In addition, ongoing awareness raising and discussion across all stakeholders will be required.
- 2.17 The business plan would form the basis for seeking commitment, support and cooperation from UK and Scottish Governments in running a pilot in Fife and in other parts of Scotland and in establishing the funding and evaluation needed for a pilot. Based on existing evidence, a two year lead in period is likely following agreement by all partners and Governments on implementing a pilot, with the pilot running over 2 years and a further period of evaluation and learning following the end of the pilot.

## 3.0 Conclusion

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- 3.1 The development of a UBI pilot is a complicated issue and we are near the start of a process. The enthusiasm for a pilot or series of pilots in Scotland is being led by local government and the voluntary sector.
- 3.2 Working together there is a clear business plan that needs to be developed that can be used to gain the support of the Scottish and UK Governments and the various departments that would need to be involved in the delivery of a pilot.

### List of Appendices

1. Basic Income – Fife Council Research August 2017

### Background Papers

None.

### Report Contacts

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