



Assessing the Feasibility of Citizens' Basic Income Pilots in Scotland: Appendices

Prepared by the Citizens' Basic Income Feasibility Study Steering Group
June 2020

Appendix 1: Detailed overview of contemporary basic income type experiments currently underway, in planning or recently completed worldwide

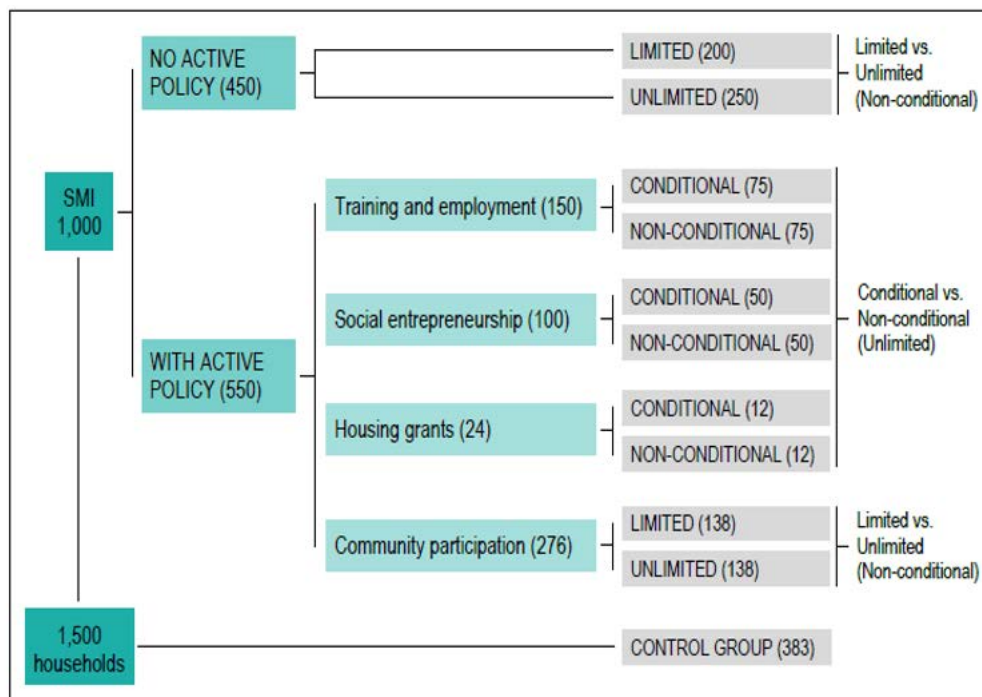
Finland	Experiment Details
Title	Kela Basic Income Experiment 2017-18
Date	1st January 2017 - 31st December 2018
Protocol	<p>No formal protocol could be found but there are multiple updates published by Kela on http://www.kela.fi/web/en/basic-income-experiment-2017-2018</p> <p>The team presented its preliminary report in March 2016. It outlined various basic income models and study designs and estimated their cost and impact. Because of a tight schedule and budget, most of the recommendations made in the preliminary report cannot be implemented in the first stage of the experiment. An English language blog outlining the preliminary consideration can be found here: http://blogi.kansanelakelaitos.fi/arkisto/2937</p> <p>The working paper outlining the preliminary research and planned experiment is here: https://helda.helsinki.fi/handle/10138/167728</p>
Sample	2,000 people chosen at random in December 2016. Study participants are drawn from those aged 25 and 58 who are paid unemployment benefits.
Intervention	Set at €560 per month, the basic income is paid unconditionally and without means testing. Recipients get it automatically once a month.
Research Questions	<ul style="list-style-type: none"> • How could the social security system be redesigned to address the changing nature of work? • Can the social security system be reshaped in a way that promotes active participation and gives people a stronger incentive to work? • Can bureaucracy be reduced and the complicated benefits system simplified?
Methodology	<p>Randomised Control Trial: Partial basic income of 560 euros per month given to 2000 randomly selected participants for 2 years. Participants must be between 25-58 years old and were in receipt of unemployment benefit in November 2016. Participants were located throughout Finland.</p> <p>Evaluation will comprise of statistical evaluation of official register data (days in employment, taxable income, participation in employment-promotion measures, benefit receipt).</p> <p>Qualitative telephone interviews (questions based on social and financial wellbeing, subjective health, job-search activity and employment, and attitudes towards basic income) took place between Oct-Dec 2018 with 1600 participants (sourced from treatment and control groups). Where participant permission has been granted, interview and register data will be combined for the final evaluation.</p>

Finland	Experiment Details
Outcomes	To evaluate how receiving a basic income affects the income, wellbeing and employment status of participants.
Interim Findings	<p>Preliminary results for the first year of the study were released in February 2019. These suggested during the first year self-perceived wellbeing had improved with no effects on employment. Preliminary results available at: http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161361/Report_The%20Basic%20Income%20Experiment%2020172018%20in%20Finland.pdf?sequence=1&isAllowed=y</p> <p>Comprehensive results will be released in Spring 2020.</p> <p>Preliminary results include register-based statistical analysis of employment effects in 2017 and survey data about the impact on participant wellbeing.</p>

Barcelona (Spain)	Experiment Details
Title	B-Mincome http://www.uia-initiative.eu/en/uia-cities/barcelona
Date	Nov 2017- Oct 2019
Protocol	The B-MINCOME Project Journal N°1, Laura Colini (UIA Expert) December 2017 http://www.uia-initiative.eu/sites/default/files/2017-12/FINAL%20VERSION_Barcelona.pdf
Sample	Randomised Control Trial incorporating 11 participation groups - 10 treatment groups and 1 control group. 1000 households assigned to the treatment groups and 383 households in the control group. Selection from people currently accessing social services and had voluntarily applied to participate. Households were also required to meet several selection criteria.
Intervention	The intervention is a complex mix of active and passive benefit policies (see Figure 7)
Research Questions	Project aims to test the efficacy and the efficiency of an innovative and integral policy combining a monetary transfer - Municipal Inclusion Support or SMI - with four active policies of social and employment inclusion in the areas of training and employment, entrepreneurship in the social, solidarity and cooperative economy, housing reforms for refurbishing and renting rooms and a community participation program.
Methodology	Overall duration of 36 months (24 months of intervention and evaluation and 12 months preparation prior to start of intervention).
Outcomes	Monetary poverty will be significantly reduced among homes receiving the Guaranteed Minimum Income (GMI), with a positive impact on other poverty related dimensions. Likewise, implementation of the GMI will have a positive impact on the effectiveness and efficiency of social inclusion policies, by better relating services with users, better coordinating them throughout the area and providing an improved understanding of poverty. The experience will offer an improved understanding of the factors that generate poverty, community involvement in the implementation of the GMI and greater participation of the beneficiaries in community life. Recipients of the GMI will develop processes that favour their autonomy and ability to take decisions regarding their life options and reducing their dependence on subsidies in a mid and long term. It is expected that meaningful conclusions and learnings regarding the most effective and efficient means of fighting poverty will be reached, through ongoing quantitative and qualitative evaluation processes, comparing the different GMI, service use and the behaviour of recipients.

Barcelona (Spain)	Experiment Details
Interim Findings	<p>Preliminary Results (Qualitative and quantitative analysis from July 2019) from first year of intervention available at: https://ajuntament.barcelona.cat/dretsocials/sites/default/files/arxiu-documents/results_bmincome_eng.pdf</p> <p>A final report with analysis from both intervention years will be available in due course.</p>

Figure 7: Barcelona (B-Mincome) Experiment Design



Gyeonggi Province (South Korea)	Experiment Details
Title	Youth Dividend Gyeonggi Province
Date	April 2019 - present
Protocol	No protocol found.
Sample	<p>Every 24 year old citizen of Gyeonggi Province over the course of a year. Approximately 170,000 individuals eligible, 124,335 applied to take part.</p> <p>Selection criteria - 24 year olds who have lived in Gyeonggi Province for 3 consecutive years or more than 10 years in total.</p>
Intervention	250,000 won (\$212) per quarter to all 24 year olds (124,335 participants). The payment will be made in local currency.
Research Questions	None available
Methodology	None available
Outcomes	None available
Interim Findings	A satisfaction survey is available at: https://basicincomekorea.org/wp-content/uploads/2019/10/1Q-2019-Satisfaction-Survey-Report-on-Gyeonggi-Youth-Basic-Income.pdf

Ontario (Canada)	Experiment Details
Title	Ontario Basic Income Pilot
Date	<p>Sept 2017 - March 2019 (A political decision was taken in July 2018 to prematurely end the pilot. Participants received final payments in March 2019).</p> <p>Original pilot due to be 3 years</p>
Protocol	None published but pilot details available: https://www.ontario.ca/page/ontario-basic-income-pilot
Sample	<p>4000 intervention participants across 2 randomised control trial (RCT) sites and 1 quasi-saturation site. £825 for an individual per month.</p> <p>2000 RCT participants (1000 Hamilton, 1000 Thunder Bay) and 2000 control group.</p> <p>2000 participants in quasi-saturation site (Lindsay). No control group.</p> <p>Sample criteria:</p> <ul style="list-style-type: none"> • 18 to 64 years old for the duration of the pilot. • living in one of the selected test regions for at least 12 months (and still live there) • living on a low income (under \$34,000 per year if single or under \$48,000 per year if in a couple)
Intervention	<p>The payment will ensure a minimum level of income is provided to participants. CBI is reduced by \$0.50 for every dollar earned through employment. Following a tax credit model, the Ontario Basic Income Pilot will ensure that participants receive up to:</p> <ul style="list-style-type: none"> • \$16,989 per year for a single person, less 50% of any earned income • \$24,027 per year for a couple, less 50% of any earned income <p>People with a disability will also receive up to \$500 per month on top</p>
Research Questions	None expressed on website but anticipated outcomes and research methods are described.

Ontario (Canada)	Experiment Details
Methodology	<p>Comparison study with control group:</p> <p>To start, the pilot will select two groups of eligible applicants who will be asked to participate in the research study:</p> <ol style="list-style-type: none"> 1. The Basic Income Group will receive monthly basic income payments for up to a three-year period. 2. The Comparison Group will not receive monthly Basic Income payments, but will actively participate in the research study. <p>People in these two groups will be regularly asked about their health, employment and housing through surveys. Third-party evaluators will then compare people in these two groups to see whether a basic income helps people living on low incomes better meet their basic needs and improve their education, housing, employment and health.</p> <p>Applicants from Lindsay are not being assigned to a comparison group. In Lindsay, the Pilot will measure the community-level outcomes of a basic income, e.g. hospital usage.</p> <p>Participants in control groups will be compensated for their time and effort.</p>
Outcomes	<p>The government will test how a basic income might help people living on low incomes better meet their basic needs, while improving outcomes in:</p> <ul style="list-style-type: none"> • food security • stress and anxiety • mental health • health and healthcare usage • housing stability • education and training • employment and labour market participation
Interim Findings	<p>The study was ended prematurely before any evaluation could take place.</p> <p>An advocacy group, Basic Income Canada Network published results of a survey of Ontario study participants, available at: https://assets.nationbuilder.com/bicn/pages/42/attachments/original/1551664357/BICN_-_Signposts_to_Success.pdf</p>

Oakland (California, US)	Experiment Details
Title	Y Combinator Research
Date	3 years. Start date TBC
Protocol	Protocol available at: https://static1.squarespace.com/static/599c23b2e6f2e1aeb8d35ec6/t/5c53606b971a1879b1ad176c/1548968052512/YCR-Basic-Income-Proposal-2018.pdf
Sample	<p>Plan to recruit approximately 3,000 individuals across two US states.</p> <p>Randomly select 1,000 in total to receive \$1,000 per month for 3 years. Remaining 2000 will be the control group (receive \$50 per month).</p> <p>Restricted to participants aged 21-40 years old whose total household income in the year prior to enrolment did not exceed the median income.</p>
Intervention	<p>The intervention in this study is an income increase in the form of unconditional cash transfers. The transfers will be delivered via direct deposit to participants' existing bank accounts or to a Chime account registered in participants' names at enrolment. Chime resembles a reloadable debit card, but it is an account with an online bank that can be used to pay bills and write checks. There are no overdraft fees and no monthly account fees. Chime sends a permanent debit card by mail that can be used at any store that accepts Visa. There is no fee to withdraw cash at any ATM in the Chime network. Receipt of the treatment transfers and the nominal benefit for the control group is not conditional on participation in any of the research activities and individuals can spend the money however they choose.</p>
Research Questions	<ol style="list-style-type: none"> 1. How does receiving a basic income affect the way people spend their time? 2. What is the effect of a basic income on objective measures of health and subjective measures of well-being? 3. Does receiving a basic income cause people to pursue behaviours that promote economic self-sufficiency and improvements in financial health? 4. What is the effect of an increase in income on behavioural decision-making outcomes such as time and risk preferences? 5. Political and social behaviours and attitudes 6. Crime 7. Effect on children 8. Spill over and network effects outside the household
Methodology	RCT proposed using quantitative analyses and in-depth interviews of a randomly selected sample of 200 individuals twice per year.

Oakland (California, US)	Experiment Details
Outcomes	<ol style="list-style-type: none"> 1. Time Use (with a focus on the nature and volume of productive activity - Employment, Human Capital Investment, Unpaid Productive Activity, Leisure). 2. Subjective Well-Being 3. Health, mental health and cognitive functioning 4. Financial Health and Self-sufficiency (Assets, Savings, Borrowing and Investment Behaviour, Cash Flow, Financial Health). 5. Political and Social Behaviours (Political and social attitudes and behaviours, social capital) 6. Antisocial Behaviour: Crime and Domestic Violence 7. Time and risk preferences 8. Spill over and Network Effects
Interim Findings	None available – not started.

Kenya	Experiment Details
Title	GiveDirectly
Date	October 2016 - 2028
Protocol	Study details can be found at https://www.givedirectly.org/ubi-study/
Sample	More than 20,000 people will receive some type of cash transfer, with more than 5,000 receiving a long-term basic income. Participants will be randomly allocated to one of 4 arms.
Intervention	<p>As part of a randomized-controlled trial, each of 295 rural villages in Western and Rift Valley region of Kenya were assigned to 4 groups:</p> <ul style="list-style-type: none"> • Long-term basic income: 44 villages (4966 people) with recipients receiving roughly \$0.75 (nominal) per adult per day, delivered monthly for 12 years • Short-term basic income: 80 villages (7333 people) with recipients receiving the same monthly amount, but only for 2 years • Lump sum: 71 villages (8548 people) with recipients receiving the same amount (in net present value) as the short-term basic income group, but all up front as a ‘lump sum’ • Control group: 100 villages not receiving cash transfers <p>Pilot villages: GiveDirectly selected an additional 2 villages to receive monthly payments for 12 years. People living in these villages are not part of the formal research study, enabling GiveDirectly and others to have more in depth, qualitative conversations with them about what it’s like to receive a basic income.</p>
Research Questions	None available.
Methodology	<p>Randomised control trial, randomised at village level, with all adult villagers receiving a basic income. This is intended to capture community effects of a basic income.</p> <p>Baseline responses have already been gathered in each village, collecting answers from four different groups of people: household heads and spouses to understand household level-conditions; village elders to measure village-level changes; and owners of local enterprises to understand the effects on the local economy.</p>

Kenya	Experiment Details
Outcomes	<ol style="list-style-type: none"> 1. Economic well-being: consumption, assets, remittances, debt and credit, food security, employment 2. Health: psychological well-being, nutrition, cognition 3. Social well-being: mental health, intra-household gender relations, aspirations, social integration 4. Macroeconomic well-being: price changes, availability of goods & services, community demographics, village infrastructure, political participation, and crime rates 5. Financial preferences: willingness to take financial risk, invest, start businesses, and migrate
Interim Findings	Initial results from the first endline survey will be available by mid-2020. Follow-up research will take place every 2 to 5 years.

Brazil	Experiment Details
Title	Renda Básica de Cidadania (RBC)
Date	Anticipated 2019/2020 start. Enrolment currently underway.
Protocol	Very few details can be found. BIEN provides info https://basicincome.org/news/2019/05/brazil-small-city-in-brazil-implements-a-modest-partial-basic-income/
Sample	50,000 citizens of Marica (a city in the state of Rio de Janeiro) will receive a monthly basic income of 130 Mumbucas (a local, social currency) (equivalent to US\$ 32.5). Limited to citizens residing 3 or more years in Marica with low incomes.
Intervention	It has been reported that this is not a pilot, it is the first phase of a policy roll-out that will eventually be paid to all eligible residents in the Marica municipality. The amount (130 Mumbucas) equates to approximately US\$ 32.5 (67% of the individual poverty line in Marica).
Research Questions	No clear research questions found.
Methodology	Payment will be distributed via pre-paid debit card loaded monthly with 130 Mumbucas, a local social currency which can only be used in Marica. It is not clear whether and how an evaluation will take place.
Outcomes	No clear outcomes found.
Interim Findings	Not available

Uganda	Experiment Details
Title	Eight World (Belgian Charity)
Date	January 2017 - January 2019
Protocol	No research protocol can be found and brief project details can be found at http://eight.world/
Sample	All residents (including children) of Busibi village in Uganda. This includes 56 adults and 88 children. There is no control village.
Intervention	Saturation intervention of unconditional monthly cash transfers to 56 adults (60 UGX / EUR 16.70) and 88 children (30 UGX / EUR 8.35) through mobile money.
Research Questions	None available.
Methodology	Provided participants with basic cell phones and payments disbursed via mobile transfer.
Outcomes	<ol style="list-style-type: none"> 1. Education participation of girls and women; 2. Access to health care; 3. Engagement in democratic institutions; 4. Local economic development.
Interim Findings	<ol style="list-style-type: none"> 1. Education - School attendance raised from 50% to 94.7% 2. Health - More food, more diverse diet and fewer GP visits 3. Business - 10x more businesses (from 2 to 20 businesses) 4. Happiness - Raised life satisfaction

The Netherlands	Experiment Details
Title	THE NETHERLANDS: Social Assistance Experiments
Date	2017-2019
Protocol	Currently the protocol is under review as per a statement by Utrecht University in an update at https://www.uu.nl/en/news/utrecht-university-and-city-of-utrecht-start-experiment-to-study-alternative-forms-of-social
Sample	Randomised trial experiment, targeted at unemployed citizens: 2,500 plus 500 (control) across six municipalities.
Intervention	The social assistance benefits experiments in the Netherlands are testing out which interventions help unemployed people get back into the labour market or participate in activities of care and voluntary work. Existing social assistance is used as the CBI. Experiments are taking place across six municipalities: Groningen, Tilburg, Utrecht, Wageningen, Nijmegen and Deventer.
Research Questions	Researchers have proposed experiments in several Dutch municipalities that will examine the effects of reducing conditions on welfare benefits, including the removal of job-seeking requirements and a lessening in the amount benefits are reduced with income.
Methodology	The experiments explore the effects of changing work conditions and means-tested social assistance in the direction of an unconditional CBI. Interventions vary between municipalities but broadly cover 1) exemption from duties of reintegration such as job search and training, 2) intensive coaching through additional voluntary and personalised support, and 3) testing financial incentive of retaining more earnings from taking a job.
Outcomes	Researchers plan to examine outcomes such as: health, stress level, subjective well-being, financial well-being (such as amount of debt), education, employment (including part-time and temporary employment), participation in social and cultural life.
Interim Findings	Not known

Germany	Experiment Details
Title	HartzPlus
Date	February 2019 - February 2022 (3 years)
Protocol	Detail on the project is available at: https://hartz-plus.de/hpenglish
Sample	<p>250 individuals who are in receipt of unemployment benefits will be compensated for any sanctions accrued. 250 people in receipt of unemployment benefits are the control group.</p> <p>Participants were randomly selected from 5000 applicants.</p>
Intervention	250 people who are in receipt of unemployment benefits will be compensated for any welfare sanctions up to the value of 424 EUR per month.
Research Questions	By making unemployment benefits effectively sanction-free, the study tests how a less punitive approach to welfare impacts upon 250 people over 3 years
Methodology	At regular intervals, 500 study participants (250 intervention group, 250 control group) participate in anonymous web-based surveys over a period of 3 years.
Outcomes	<ol style="list-style-type: none"> 1. Health and well-being 2. Individual living conditions 3. Attitudes and opinions on relevant topics.
Interim Findings	None available

Stockton (California, US)	Experiment Details
Title	Stockton Economic Empowerment Demonstration (SEED)
Date	18 months started February 2019
Protocol	Available at: https://www.stocktondemonstration.org/wp-content/uploads/2019/08/SEED-Pre-analysis-Plan.-8.6.19-1.pdf
Sample	<p>Randomised selection of 125 people in Stockton with \$500 per month for 18 months.</p> <p>Active control group = 200; passive control group = 150.</p> <p>Selection criteria: +18 years old, occupy a residence in Stockton and located in a neighbourhood where median income is at or below \$46,033</p>
Intervention	<p>Randomised control trial testing a guaranteed unconditional income by selecting 125 residents of Stockton to receive \$500 a month for 18 months. The residents started receiving money in February 2019.</p> <p>Active control group (n=200) do not participate in intervention but are involved in compensated qualitative and quantitative evaluation.</p> <p>Passive control group (n=150) do not participate in intervention and are not involved in primary data collection. Secondary administrative data is collected for the intervention and control groups.</p>
Research Questions	<ol style="list-style-type: none"> 1. How does a Guaranteed Income impact volatility? 2. To what degree do changes in income volatility alter financial well-being, psychological distress and physical functioning? 3. How does a Guaranteed Income generate agency over one's future?
Methodology	<p>Randomised control trial with mixed methods evaluation (qualitative and quantitative) and participatory action research (PAR).</p> <p>Intervention duration: 18 months. Data collection duration: 24 months.</p> <p>Participatory Action Research will involve community stakeholders not enrolled in the intervention.</p>
Outcomes	<p>Primary outcomes: Income volatility, psychological distress and physical functioning.</p> <p>Secondary outcomes: Family dynamics and parenting, food security, material hardship, agency, and perceived stress and well-being.</p>
Interim Findings	<p>Not yet available.</p> <p>Interim report available 2020. Full findings published 2021.</p>

Appendix 2: Summary Table of Preferred Model

Criterion / Consideration	Preferred Model
Duration of pilot	Paid for 3 years in the pilot after a 1-year preparatory period.
Experiment Type	<ul style="list-style-type: none"> • Saturation within specified areas. All residents within a geographical area will be eligible to participate in the study. • A control group will comprise a stratified random sample of the population drawn from the same sampling frame as the pilot communities. • New-borns within a saturation site will be eligible to receive payment. • Incomers to a saturation site eligible to receive payment. (This may be subject to a qualifying period). • People leaving a saturation site eligible to receive payment. (This may be subject to a time limit). • It is recommended that if a pilot goes ahead, consideration is given to compulsory participation in the intervention, but that the Scottish Government should also seek expert advice on the legal and procedural basis for requiring people to accept a CBI.
Payment type and regularity	<ul style="list-style-type: none"> • CBI paid by bank transfer or equivalent. • Regular payment (preference for weekly, fortnightly or monthly options). • Given prospectively.
Universal	Total population (within saturation site) with no restriction by income, age or individual characteristics.
Conditionality	No conditions, CBI as a right.
Individual	<p>Individual payment for adults.</p> <ul style="list-style-type: none"> • Child payments to main parent/guardian, usually mother. • For adults without capacity, payment made to guardian.

Criterion / Consideration	Preferred Model																
Level of payment	<p>Preference is to test two levels of CBI payment.</p> <p>High level CBI (per week):</p> <table> <tr> <td>0 to 15y</td> <td>£120.48 (payment to main carer / parent)</td> </tr> <tr> <td>16y to pension age</td> <td>£213.59</td> </tr> <tr> <td>Pension age</td> <td>£195.90</td> </tr> </table> <p>Low level CBI (per week):¹</p> <table> <tr> <td>0 to 15y</td> <td>£84.54 (payment to main carer / parent)</td> </tr> <tr> <td>16-19y</td> <td>£84.54</td> </tr> <tr> <td>20-24y</td> <td>£57.90</td> </tr> <tr> <td>25y to pension age</td> <td>£73.10</td> </tr> <tr> <td>Pension age</td> <td>£168.60</td> </tr> </table>	0 to 15y	£120.48 (payment to main carer / parent)	16y to pension age	£213.59	Pension age	£195.90	0 to 15y	£84.54 (payment to main carer / parent)	16-19y	£84.54	20-24y	£57.90	25y to pension age	£73.10	Pension age	£168.60
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Interaction with tax system	CBI would be included in the calculation of income for tax purposes. N.B. CBI would only be taxed if a participants' total taxable income exceeded the Personal Income Tax Allowance threshold for the pilot year(s).																
Delivery vehicle	<p>There is currently no clear and feasible delivery vehicle which could deliver the CBI pilot model proposed by the Steering Group. Delivery vehicle options include:</p> <ul style="list-style-type: none"> • Delivery by UK Government • Scottish Government using Exception 5 or Exception 10 of the Scotland Act 1998. • Local Authority using: i) statutory power to enhance wellbeing; or ii) power to make payments to people in need. • Non-governmental delivery using Charitable Trust / Private Company. 																

1. Low level CBI rates reflect existing benefit entitlements:

0 – 15 y = £84.54 (Rate of child tax credit family rate & 1st child rate (£63.84) plus Child Benefit eldest child rate (£20.70)).

16-19 y = £84.54 (Reflecting rate of 16-19 year-old who is still in approved education: Rate of child tax credit family rate & 1st child rate (£63.84) plus Child Benefit eldest child rate (£20.70)).

20-24 y = £57.90 (Rate of jobseeker's personal allowance for a single person aged 16-24).

25y to pension age = £73.10 (Rate of jobseeker's personal allowance for a single person aged 25 or over).

Pension age = £168.60 (Rate of the new state pension).

Criterion / Consideration	Preferred Model
Interaction with other benefits	<ul style="list-style-type: none"> • Unless specified below, all benefits (including those delivered by DWP, HMRC, Scottish Government or Local Authorities) should remain in place for the pilot duration and able to be claimed alongside a CBI. There are further comments regarding pension age participants below. • The Steering Group are working to the policy objective that participants of pension age are included in a CBI pilot. The inclusion of pensioners is in line with the current approach of adhering to the universal principle of CBI and desire to have a saturation site within the pilot. • It is proposed that the low rate CBI for those of pension age is set at the same level as the new state pension (£168.60). The Steering Group recognise the likely complexity of CBI interaction with the variations of state pension entitlements and that pensioner participants will have a range of existing payments, premiums and top-ups. To help avoid detriment, we want to ensure participants receiving payments in excess of the new state pension rate continue to have access to this amount and any passported entitlements. • For the duration of the study, pilot participants who would normally be in receipt of the following benefits should be able to claim these alongside a CBI: All benefits, premiums and elements relating to disability, limited capability for work, housing and childcare support. • Pilot participants (particularly those engaged with the benefit system) should not be financially worse-off during or beyond the duration of the study. • To reduce the risk of financial detriment to pilot participants, particularly vulnerable individuals on lower incomes, it is suggested that CBI is fully disregarded for calculation of the retained means-tested benefits. • To avoid long-term financial detriment, participants who would have National Insurance gaps as a result of losing access to suspended benefits should be credited with class 1 National Insurance contributions for the duration of the study. <ul style="list-style-type: none"> • A preferred model would be to suspend participant access to the following benefit entitlements for the duration of the study: <ul style="list-style-type: none"> – Income Support (Personal Allowance) – Income-based Jobseekers Allowance (Personal Allowance) – Income-related Employment and Support Allowance (Personal allowance) – Child Tax Credit (Family Element plus Child Element) – State Pension

Criterion / Consideration	Preferred Model
	<ul style="list-style-type: none"> - Child Benefit - Carer’s Allowance (Basic Rate and Scottish Supplement) - Universal Credit: Standard allowance for Single person - Universal Credit: First child / subsequent child payments <ul style="list-style-type: none"> • For pilot participants who would normally be eligible to underlying entitlement within Carer’s Allowance, this should be retained for the duration of a pilot. • For the duration of the study, pilot participants who would normally be in receipt of elements paid within Universal Credit, and premiums and additions within Pension Credit and legacy benefits should be able to claim these alongside a CBI: Specifically, those relating to disability, limited capability for work, housing, childcare and caring.
Anticipated Sample Size / Number of Intervention Sites	<u>Sample size</u> <ul style="list-style-type: none"> • There is a preference for testing the two levels of CBI. • A minimum sample size of around 800 at the high rate of CBI and 7,300 at the low level of CBI would be required for the evaluation to be adequately powered to detect changes in the primary outcomes (poverty, child poverty and unemployment). To be able to detect different effects for males and females separately would require the minimum sample sizes to be doubled to 1,600 for the high level of CBI (or 2,500 minimum if we base our community size on ‘interzones’ and we want to be able to detect community effects) and 14,600 for the low level. • For a CBI set at the lower level, a sample size in the order of 14,600 would be required. • Allowing for non-response would require these sample sizes to be increased further. • Similar numbers would be needed in the control groups.

Criterion / Consideration	Preferred Model
	<p data-bbox="515 199 913 231"><u>Number of intervention sites</u></p> <ul data-bbox="515 252 2107 470" style="list-style-type: none"> <li data-bbox="515 252 2107 327">• The Steering Group recommends testing two payment levels – a low and a high CBI. This would require two intervention sites, one for low CBI and one for high CBI. <li data-bbox="515 347 2107 422">• The Steering Group recommends piloting each level of CBI (low and high) in communities typical of Scotland in terms of the primary outcomes. <li data-bbox="515 443 2107 470">• Both intervention sites need to be large enough to detect community effects.²

2 Community effects are social or economic outcomes over and above direct, individual level impacts, which may occur because all of the people within a defined area receive a CBI. Community level effects include, for example, increases in volunteering, creation of informal caring networks, or the creation of new social enterprises, businesses and clubs. There is little evidence on how big a community needs to be for community effects to arise, but it is unlikely they will occur in the smallest communities.

Appendix 3: Draft CBI theory of change - Unintended consequences, Assumptions and External factors

Unintended consequences

In addition to the intended or anticipated outcomes, an intervention may directly or indirectly have knock on effects in unanticipated ways. In addition to assessing whether or not the anticipated or desired outcomes are achieved, the evaluation may also include whether, how, in what ways and for whom these unintended outcomes occur. These may be positive and/or negative (depending on the perspective taken).

Some of these may only become apparent if CBI were implemented for a longer period than is suggested for the possible pilot period and covered a larger population.

Domain	Potential unintended consequences
Labour Market	
Participation rates	Differential participation rates (increased/decreased) for some groups e.g. women
Terms and conditions of employment	May improve or diminish (e.g. increases in zero-hour jobs/temporary contracts)
Productivity	May increase or decrease
Labour market structure	May increase/decrease incentives to mechanize jobs with implications for the type of jobs/skills required
Increased entrepreneurial activity	Risk of increases in business failure rate
Demand for education/training and business start-up support	Increased demand for education/training and business start-up support may be a positive indicator at individual level but may also have financial impacts for providers of support, if funding not available to meet demand.
Social Security	Increased welfare benefits bureaucracy/administration in short term over life of the pilot Individuals at risk of being charged for overpayment if not aware that they need to declare CBI as income Individuals disengaging from other means of support/advice if no longer in contact with welfare benefit services Longer term may impact on design of social security system. This could be positive or negative (e.g. if becomes a vehicle for 'dismantling' the welfare state)
Other public services	In the short-term increased use of NHS and other public services as people have more time/capacity to look after their health and that of their household members In the medium term a reduction in demand for health and other public services because people are living healthier lives

Domain	Potential unintended consequences
Labour Market	Increased demand on NHS and other public services over time if people living longer
Income	Risk of increased poverty for some groups in the intermediate and longer term
	Potential impact on income or wealth distribution: could be progressive or regressive
Economy	Potential inflationary effects on wages/prices (long term/over larger population)
Population (pilot areas)	Impacts (positive or negative) on patterns of migration into/out of pilot areas (including impacts on areas out with pilot areas)
	Birth rates
Health and well-being	Increased consumption of 'harmful' products

Assumptions/conditions for success of the pilot

- DWP/HMRC support for pilot
- Legislative framework in place
- Revenue neutrality
- Level and frequency of payment agreed and payment delivery methods in place
- People in pilot areas prepared to participate in the pilot and in the evaluation of the pilot in sufficient numbers

External factors

These are factors out with the control of the pilot but which may occur over its life time with implications for what it can achieve. These could include:

- UK-wide changes in social security
- Scotland-specific changes in social security
- Wider labour market/employment market change in the short term (local/national)
- Repercussions of Brexit

Appendix 4: Domains, outcomes data sources/measures

	'Domains'	(Short term) outcomes	Potential data collection sources			
			Routine/admin data 'universal' (e.g. DWP, HMRC, NHS, local authority – including, where appropriate, data linkage with CBI routine data)	Routine/admin data (CBI delivery agent/mechanism)	Survey: Indicative sources for questions from national surveys ³	Qualitative/ in-depth case studies/panels
1	Socio-demographic data (e.g. age, gender identity, ethnicity, disability/long term limited illness, household composition/size, housing tenure, length of time in current area, SIMD etc)	All	√	√	SHS FRS LFS	

3 Abbreviations: FRS: Family Resources Survey; GHQ12: General Health Questionnaire; LFS: Labour Force Survey; SHeS: Scottish Health Survey; SHS: Scottish Household Survey; SSA: Scottish Social Attitudes Surveys; SCJS: Scottish Crime and Justice Survey; DWP CSES: DWP Claimant Service Experience Survey; WEMWBS: Warwick-Edinburgh Mental Well-Being Survey.

	'Domains'	(Short term) outcomes	Potential data collection sources			
2	Income, poverty, child poverty (income and sources of income etc.)	Reduction in individual/household income insecurity; Improved individual and household income; Decrease need/usage of emergency support provisions such as food banks/welfare fund; Reduction in individual/household debt; Reduction in individual/household poverty including child poverty	√	√	SHS LFS FRS SHes	√
3	Individual/community empowerment	Increased opportunities to make life choices; Increased community participation/activity			SHS SSA 15/16 SSA 16/17 SSA 17/18 SCJS 17/18	√
4	Health, well-being and child/young people education	Improved individual and household health and well-being;	√		SHS WEMWBS GHQ12 LFS Summary Statistics for attainment	√

	'Domains'	(Short term) outcomes	Potential data collection sources			
5	Labour market participation	Reduction/removal of individual barriers to labour market participation; Increased uptake of opportunities for acquiring training, skills, qualifications; Increased rate of business start up/entrepreneurial activity/creative activities/industries; Increased labour market participation (in fair work)	√		SHS LFS	√
6	Experience of social security system	Reduction in means-testing conditionality; Improved experience of, and relationships with, social security and welfare support	√	?		√
7	CBI Process: delivery, receipt, mechanisms of change	Implementation, delivery process Reach Uptake 'Dosage' Experience Mechanisms of change Wider system/context	√	√	DWP CSES Scottish Social Security Panel	√

Appendix 5: Indicative Integrated Impact Assessment

This is an indicative Integrated Impact Assessment based on guidance for Councils, Health & Social Care Partnerships, Health Services and other relevant public sector bodies. It covers a checklist to help public bodies meet their legal duties to consider equality, human rights, socio-economic disadvantage, sustainability and the environment in planning and policy decisions.

It is based on guidance produced by Lothian local authorities and NHS Lothian which can be accessed [here](#).

The checklist produced here does not form part of the IIA report but is intended to inform the process to identification and collection of relevant evidence and information. The checklist helps to inform the following questions:

1. What might change as a result of the proposal?
2. Which groups will be affected?
3. In which ways might different people be affected differentially and where are the possible areas of impact?

This IIA checklist is based on the pilot model proposed by the Feasibility Study Steering Group outlined in Section 5. **However, should a CBI pilot go ahead in Scotland, it is essential that the agreed pilot model is assessed using a full, detailed and robust IIA.**

Title of plan, policy or strategy being assessed:

Pilot model of Citizen's Basic Income as proposed by the Scottish CBI Feasibility Study Steering Group.

Brief description of public involvement in the proposal to date:

As part of the Feasibility Study, consultation has taken place at a local and national level. At a national level, the project Steering Group have engaged with Councillor and Stakeholder representatives for the project on a regular basis. The Steering Group has also participated in a series of workshops funded by the Scottish Universities Insight Institute (SUII), which brought together practitioners, policy makers and academics to explore a range of issues relating to basic income, including human rights and equality, employment and entrepreneurship, housing, care and, modelling, implementation and evaluation of basic income.

In the past three years, local surveys and focus groups assessing public understanding of Citizen's Basic Income have taken place in two local authorities involved in the feasibility study: North Ayrshire and Fife. Members of Fife People's Panel (a representative panel of 1% of the adult population in Fife) were invited to complete either a paper or online survey between 16 June and 14 July 2017 incorporating questions on views of CBI. A similar approach was taken in North Ayrshire where in 2018, North Ayrshire People's Panel (including approximately 2,000 residents across the various communities of North Ayrshire) were posed similar questions on CBI. During 2018/19 these local survey analyses have been followed up with focus group work in both these authorities.

CBI Model(s) Assessed for the indicative Integrated Impact Assessment checklist:

Pilot CBI Model as described in Chapter 5 with lower and higher weekly CBI payment rate and specified benefits suspended. As a baseline, the IIA will assess the potential impacts of the low rate CBI. Where notable and/or relevant, impacts due to the high rate CBI will be identified separately.

The low rate is based on the current level of 2019 social security rates common for different age groups. Low CBI payment rates per week:

0-15 years = £84.54 (based on rate of child tax credit family rate plus first child rate plus child benefit eldest child rate.

16-19 years = £84.54 (as above)

20-24 years = £57.90 (based on rate of jobseeker's personal allowance for a single person aged 16-24)

25 years to pension age = £73.10 (based on rate of jobseeker's personal allowance for a single person aged 25+)

Pension age = £168.60 (based on equivalent rate of new state pension).

The high CBI rate is based on the 2018 Minimum Income Standard (MIS) defined by Joseph Rowntree Foundation (JRF). The MIS is the income required to pay for items that members of the public think UK households need to be able to afford in order to meet material needs such as food, clothing and shelter, as well as to have the opportunities and choices required to participate in society. High CBI payment rates per week:

0-15 years = £120.48 (Based on MIS rate for a primary school-aged child)

16 years to pension age = £213.59 (based on MIS rate for single, working-age adult)

Pension age = £195.90 (based on MIS rate for single pensioner)

A saturation CBI pilot is intended to include all individuals within a specified geographical area. It could therefore include individuals from a variety of backgrounds and circumstances with a range of characteristics. This checklist attempts to understand the differential impacts of the pilot policy on all groups of people. However in the case of a pilot being agreed, a further detailed and comprehensive equalities assessment based on the chosen model is essential.

Integrated Impact Assessment Checklist

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
<p>Age</p> <ul style="list-style-type: none"> Older people and people in their middle years Young people and children 	<p>There are two levels of CBI proposed to be tested – a lower and higher level. For both levels, the rate of CBI varies according to the different needs of each age group.</p> <p>The intended principle is that no-one of any age group or circumstance is in financial detriment as a result of a CBI pilot. Commissioned research from Child Poverty Action Group (CPAG) was used to inform benefit interaction scenarios and the requirements of a pilot to ensure no financial detriment, particularly for low-income or vulnerable participants.</p> <p>Assuming the specified benefits are retained, CBI income is disregarded for means-tested benefit calculation and passporting entitlements can still be accessed, no one receiving the low or high level CBI should be financially worse off.</p> <p>Children and Young People could potentially be able to remain in full time education for longer, particularly if they are young carers, within families living in poverty, stopping them having to go and become earners.</p> <p>Due to the suspension of State Pension during a pilot, older people would likely be asked to defer entitlement to their pension. State Pension can only be deferred once during a lifetime. Participants would therefore lose the opportunity to defer their pension entitlement at a later date.</p>
<p>Sex/Gender</p> <ul style="list-style-type: none"> Men (include trans men), Women (include trans women) and Non-binary people. (Include issues relating to pregnancy and maternity including same sex parents) 	<p>Potential positive is that it provides the potential to free women from abusive or unhappy relationships and unsafe situations with an independent income.</p> <p>Fear that it could reinforce traditional gender roles that women will stay at home and look after children. Women are more likely to cut hours or give up jobs in order to accommodate childcare. A basic income would allow for more freedom of choice for women/secondary earners within a two partner household.</p> <p>90% of lone parents are women, who are more likely to live in poverty, so a CBI in particular may provide increased security of income for this group of women.</p> <p>GDP does not take account of the value of domestic work. Most economic strategies/national accounts exclude the great bulk of many women’s work – reproduction, raising children, domestic work and subsistence production. Ignoring this contribution makes women appear to be less productive and more dependent than they actually are. This exacerbates problematic gender norms that produce gender inequalities in the first place. An unconditional CBI provides financial</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
	<p>stability to value domestic work and have a choice to seek employment. Some women will take the opportunity to stay at home and look after children and some will choose to work, as they do now. However choice of employment will be dependent on the local labour markets.</p> <p>Women are a key part of the Sandwich Generation (women generally take on caring roles) who care for children and elderly parents. An unconditional CBI would provide financial support for this activity. An MIS level CBI would provide greater financial support.</p> <p><u>The cumulative impact of tax, social security and public spending decisions in Scotland</u></p> <ul style="list-style-type: none"> • Taken across the whole income distribution, women lose an average of around £250 from the tax and social security reforms compared with £40 for men. • For couples, the assumption about which partner receives UC (where rolled out) is crucial for the pattern of results. If we assume that UC is paid to the partner with the highest weekly earnings in every couple, women’s losses average around £2,400 in the bottom decile of the income distribution and £2,850 in decile 2. The equivalent figures for women, if we assume a 50/50 split of UC between partners, are losses of around £1,050 in decile 1 and just under £1,500 in decile 2. • Women aged 35 to 44 lose over £1,200 per year from the reforms on average compared with less than £350 for men. • Women from ethnic minorities experience greater losses from the tax and social security reforms on average than either White women or men of any ethnic group. For example, Asian women in the bottom third of the household income distribution lose over £3,100 from the reforms on average compared to just over £800 for Asian men in the same part of the income distribution and £950 for White women in the same part of the income distribution. <p>An individual CBI (as opposed to household payments) could have a positive impact in mitigating this cumulative negative impact.</p>
<p>Disability</p> <ul style="list-style-type: none"> • Disabled people (includes physical disability, learning disability, sensory impairment, long-term medical conditions, mental health problems) 	<p>Relative poverty rates are higher for families in which someone is disabled compared to those without.</p> <p>There are no proposals to suspend any payments related to disability support or limited capability for work.</p> <p>The proposed model assumes retention of entitlements, elements, top-ups and premiums associated with disability, limited capability for work, childcare, caring or housing support. Literature suggests a CBI is not equipped to adequately support individuals with this needs. The entitlements which have been retained therefore help to account for</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
	<p>these needs and provide support if a participants' situation changes during a pilot.</p> <p>If these entitlements and elements, including access to passporting, are maintained during a pilot, participants with a disability should not face a negative impact. However due to the complexity of Universal Credit and legacy benefit systems there are risks associated maintaining these entitlements and elements.</p> <p>CBI could have a positive impact on mental illness / mental ill health and general well-being. Evidence suggests that welfare conditionality regimes including sanctioning can have a negative impact on the mental health of affected individuals. By contrast, an unconditional CBI could have a positive impact on mental ill health.</p> <p>Evidence from previous trials of CBI suggests there is a positive benefit due to reduced institutional complexity and reduced risk of sanctioning.</p> <p>CBI could be considered beneficial for mental health by reducing stress, uncertainty and precariousness, providing the reassurance of a predictable income.</p> <p>A change in the process for accessing employment and welfare support services due to a CBI could have negative impacts on some individuals, particularly if some services are no longer available due to an individual participating in a CBI pilot.</p>
<p>Ethnicity/Race</p> <ul style="list-style-type: none"> • Minority ethnic people (includes Gypsies/Travellers, migrant workers, non-English speakers) • Refugees and asylum seekers 	<p>People from minority ethnic groups are more likely to be in relative poverty compared to those from the 'White, British' group. A CBI, particularly at the high rate, should be of benefit to minority ethnic groups.</p> <p>There is still a decision to be taken whether refugees and asylum seekers would be eligible for participation in a CBI pilot study. If refugees and asylum seekers are deemed to be eligible, CBI could have a positive impact due to the associations of a regular, predictable income.</p> <p>The Race Equality Foundation notes that minority ethnic people may be at greater risk of stigma associated with accessing health and social care services.</p> <p>CBI may have a positive impact on wider minority ethnic communities, circumventing any possible stigma that may prevent people from applying for benefits at present. Non-English speakers may benefit from a CBI if the process for received CBI is less complex than current benefit applications.</p> <p>It would not be the intention to exclude Gypsies and Traveller communities from participation in a CBI pilot if they meet residency and eligibility criteria. However Gypsies and Traveller communities may be</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
	<p>ineligible to participate due to criteria for inward / outward migration to a pilot site. A decision has still to be taken whether a qualifying period for newcomers or time limit for people leaving a pilot site would formulate criteria for participation. Communities who move frequently may therefore be disadvantaged in terms participating.</p> <p>The chosen method of CBI payment delivery has yet to be agreed. Depending on the method chosen, alternative arrangements may be required if individuals do not have access to a bank account.</p>
<p>Religion/belief</p> <ul style="list-style-type: none"> • People with different religions or beliefs (includes people with no religion or belief) 	<p>Muslim people are more likely to live in relative poverty in Scotland therefore the CBI should have a positive impact on this religious grouping.</p>
<p>LGBT</p> <ul style="list-style-type: none"> • Lesbian, gay, bisexual and heterosexual people 	<p>Lack of data, but we foresee no significant differential impact on LGBT and heterosexual people as a result of the CBI.</p>
<p>Marriage and Civil Partnership</p> <ul style="list-style-type: none"> • People who are unmarried, married or in a civil partnership 	<p>Married and Civil Partnership: A taxable CBI (particularly at a high level) would increase tax liability and possibly push individuals into a higher tax band. This could impact on eligibility for tax-relief Marriage Allowance for some individuals. However the value gained in CBI should be more than the increased liability for income tax and participants should not be in financial detriment.</p> <p>In an evidence review of CBI type experiments, it was noted that several studies reported no effects on marital dissolution.</p> <p>Under the current social security system in the UK, cohabiting partners are assessed together as a household. Due to household economies of scale, the couple receive less than two single applicants. Under this system, there is a financial incentive to live apart. An individual CBI would remove this financial incentive and could have the effect of increasing co-habitation.</p> <p>Under the current UK social security system, people who are married, co-habiting or in a civil partnership are assessed together as a household and therefore receive less than two individuals. An individual CBI could provide greater financial independence for co-habiting couples.</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
Pregnancy and maternity	<p>Women on maternity leave could be financially better off, especially if they do not get enhanced maternity pay.</p> <p>An evidence review of CBI type experiments in low income countries noted modest positive effects on low birthweight. Improved maternal nutrition was the suggested mechanisms underlying this impact.</p>
<p>Those vulnerable to falling into poverty:</p> <ul style="list-style-type: none"> • Unemployed • People on benefits • Lone parents • Vulnerable families eg young mothers, people experiencing domestic abuse, children at risk of statutory measures • Families with a child under 1 • Larger Families (3+ children) • Pensioners • Looked after children and young people • Those leaving care settings (including children and young people and those with illness) • Homeless people • Carers (including young carers and carers with protected characteristics) • Those involved in the criminal justice system 	<p>Generally a CBI seeks to reduce poverty and deliver positive impacts for all of these groups e.g. remove the risk of destitution, reduces the stress and stigma associated with being on benefits, provide stable income, improve transition into employment and reduce risk of losing income if unable to meet various conditions.</p> <p>People on benefits:</p> <ul style="list-style-type: none"> • There are premiums / top-ups associated with some benefits which are available to those with additional needs related to disability, limited capability for work, caring and childcare. If these additional elements were not retained there would be a risk of absolute financial detriment and significant relative detriment for these individuals. • There is a risk that due to suspension of some entitlements, participants would lose access to a range of passported services and benefits. The Steering Group recommends entitlement to passported services and benefits is retained however if this is not confirmed through regulations, there is a risk that participants would lose access to Jobcentre Plus support services, National Insurance Credits (which if lost could mean participants might lose future entitlement to benefits for which national insurance contributions are required) and passported benefits resulting in financial detriment. • If some benefits are suspended, there is a risk of participants permanently losing out on transitional protection due to a pilot. Participants would therefore be at risk of relative and actual detriment compared to those not involved in a pilot. Some people may be unwilling to participate if they are automatically moved to UC upon finishing a pilot as some may be worse off financially. • People on benefits at greatest risk of adverse impacts include people on low incomes or few other sources of income, people or families with complex needs and people whose circumstances change substantially during the course of a pilot. <p>It will be important to ensure that existing or additional support for vulnerable families can be accessed. An individual CBI may support people leaving unsafe situations (if this was the case and they moved outside a pilot area then there would need to be safeguards to ensure the money would still follow them).</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
<ul style="list-style-type: none"> • Those living in the most deprived communities • People with low literacy/numeracy • People misusing substances • Others e.g. veterans and students 	<p>Children would be eligible to a CBI from birth and at any point during a pilot CBI.</p> <p>Larger families: There would be no cap on the number of children in a household eligible for CBI.</p> <p>Additional benefits for larger families (no cap on number of children).</p> <p>Looked after children and young people: for children under 16, it would be essential to ensure payment is delivered to the appropriate main carer. Young people aged 16 -19 may particularly benefit from an individual income to support education or employment choices.</p> <p>Care leavers (16+ to adult): There is a risk individual receipt of CBI would put some care leavers in a financially vulnerable position at risk of financial exploitation. Safeguards will be necessary to identify and support individuals at risk. However an individual CBI may also help support individuals to transition out of care.</p> <p>Homeless people would not be excluded from a pilot. It could have a positive financial impact on individuals, supporting a transition into safe and secure accommodation. There is a risk of negative impacts associated with a reduction in income when a pilot finishes, however a transition and exit strategy should help mitigate this. The chosen method of CBI payment delivery has yet to be agreed. Depending on the method chosen, alternative arrangements may be required if individuals do not have access to a bank account.</p> <p>There is a risk that CBI would place some homeless individuals in a financially vulnerable position and at risk of exploitation. Safeguards will be necessary to identify and support individuals at risk.</p> <p>Carers are often either quite far from the labour market or struggle to maintain a job due to their caring responsibilities. A low-level CBI does not provide any additional income for carers, however it is not subject to any conditions, including work allowances. The higher level CBI provides additional financial support for carers.</p> <p>Those living in most deprived communities: A site for a pilot CBI would be selected at random according to a set of criteria. It is not possible to say whether a pilot CBI would be sited in an area of high deprivation.</p> <p>The process of transitioning on or off a pilot CBI and the evaluation process could be challenging for individuals with low literacy or numeracy. It will be necessary to identify these individuals and provide additional support.</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
	<p>Individuals with existing addiction or substance misuse issues may continue to misuse substances if provided with a CBI. It will be necessary to identify these individuals and provide support.</p> <p>A CBI may have a positive impact in supporting veterans who are not eligible for financial benefits.</p> <p>A CBI may have a positive impact for students as the CBI would be paid while the individual was in education. This may reduce the need to apply for financial loan support or seek financial assistance from parents.</p>
<p>Could the proposed service change or policy have a disproportionate impact on the people because of their social class or experience of poverty and what mitigating action have you taken/planned?</p> <p>You should evidence here steps taken to assess and mitigate risk of exacerbating inequality on the ground of socio-economic status.</p>	<p>In a saturation pilot where CBI was not counted as taxable income and could not be clawed back from higher earners, inequalities would widen due to an increase in relative poverty. The only way to mitigate this effect would be to ensure CBI was taxable (or design an alternative tax collection system) or design a pilot targeting only low income households.</p> <p>A saturation pilot could limit the stigma associated with receiving a basic income, however there may be stigma associated with being part of the pilot. Clear communication on the pilot purpose and local public engagement prior to commencing will help mitigate.</p> <p>It is hoped the process of joining and exiting the pilot would require limited intrusion for participants.</p> <p>Compared to wealthier people, participants in poverty and/or receiving benefits may feel they have little choice about whether to participate in a pilot (if participation in a pilot was deemed non-compulsory). Wealthier people could choose whether to participate or not because they may already have a secure income.</p> <p>A CBI should improve equality of access to training, education, entrepreneurship, increased employment that some people on current benefits would not be able to access due to restrictions or work allowances.</p> <p>There could be an impact on services if enhanced demand for employment / business support or further education.</p> <p>A CBI may help improve mental health and reduce stress associated with poverty or unemployment. Evidence from a recent pilot targeted at unemployment people in Finland reported participants had better self-perceived wellbeing and fewer stress symptoms than the control group.</p>

Population Groups	Differential impacts (how may each group be affected in different ways?)
People with protected characteristics	
Geographical communities <ul style="list-style-type: none"> • Rural/ semi-rural communities • Urban communities • Coastal communities • Island communities • Business community 	<p>The geographical site(s) for a CBI pilot have not yet been chosen. A pilot site would be selected at random according to a defined set of criteria. At this stage it is not possible to say which type of community a pilot would be sited. It is unlikely a CBI pilot would have significant differential impact on the described geographical communities.</p>
Staff <ul style="list-style-type: none"> • Full-time • Part-time • Shift workers • Staff with protected characteristics • Staff vulnerable to falling into poverty • Staff who live in the 20% most deprived datazones 	<p>It is possible a pilot CBI could cause people to increase or decrease hours in employment. Depending on individual circumstances, this may have a positive impact on the individual.</p> <p>There should be positive impacts for staff vulnerable to falling into poverty as CBI will provide an income boost and a “safety net” should employment income change.</p>

Consider how your proposal will impact on each of the following from both an equalities and human rights perspective:

Objectives	Positive/negative impacts
Equality and Human Rights	
Eliminate discrimination and harassment	<ul style="list-style-type: none"> • CBI could help reduce inequalities experienced within the current benefit system. E.g. reduction of stigma associated with both poverty and claiming benefits, experience of services for those currently on benefits for example scrutiny, assessments and conditionality and threat/experience of sanction. • Potentially improved dignity and control over own life and decisions. • There is a risk that pilot participants could face harassment from people not involved in a pilot e.g. people who live close to a pilot site but are not included. The high level CBI may increase this risk due to a higher income level.
Advance equality of opportunity e.g. improve access / quality of services	<ul style="list-style-type: none"> • Potential to increase opportunities to make life choices. • Ability to take up range of opportunities to which individuals may currently face barriers, possibility due to benefit restrictions, insufficient or insecure income. • Opportunities include learning and training, additional employment, entrepreneurship or social enterprises. May allow people to participate in volunteering, community or social/leisure activities which could have a positive impact on social inclusion and community participation.
Foster good relations within and between people with protected characteristics	<ul style="list-style-type: none"> • Universality of provision could foster better relations between people and communities, including people with protected characteristics. It could help reduce stigma associated with social security. • There is a risk that negative connotations associated with benefits remains, and in some cases, worsens due to perception of people getting “free money”. • Could improve relationships by reducing stress associated with poverty.
Enable people to have more control of their social/work environment	<p>Could reduce barriers to labour market participation and allow people to access good / fair work, which fits with skillsets and aspirations.</p> <p>Ability to access a range of opportunities including learning and training, additional employment, entrepreneurship or social enterprises. May allow people to participate in volunteering, community or social/leisure activities. This may have a positive impact on tackling social exclusion and promoting participation and inclusion.</p>

Objectives	Positive/negative impacts
<p>Reduce differences in status between different groups of people</p>	<ul style="list-style-type: none"> • Universality of provision could foster better relations between people and communities. It could help reduce stigma associated with social security and poverty. • There is a risk that negative connotations associated with benefits remains, and in some cases, worsens due to perception of people getting “free money”. • There is a risk that pilot participants could face harassment from people not involved in a pilot e.g. people who live close to a pilot site / interact with participants but are not included themselves. The high level CBI may increase this risk due to a higher income level.
<p>Promote participation, inclusion, dignity and control over decisions</p>	<ul style="list-style-type: none"> • Ability to access a range of opportunities including learning and training, additional employment, entrepreneurship or social enterprises. May allow people to participate in volunteering, community or social/leisure activities. This may have a positive impact on tackling social exclusion and promoting participation and inclusion. • Could reduce barriers to labour market participation and allow people to access good / fair work, which fits with skillsets and aspirations. • Potential to increase opportunities to make life choices, improving dignity and enhancing sense of control over own life and decisions. • Due to being a timebound pilot study (3 years), this may limit or restrict participants’ decisions, particularly for significant life changes that may have financial impacts beyond the duration of a pilot e.g. starting a business, college / university study.
<p>Build family support networks, resilience and community capacity</p>	<ul style="list-style-type: none"> • May allow people to participate in volunteering, community activities or social enterprises. This may have a positive impact on tackling social exclusion and promoting community participation and building community capacity. • Additional income (particularly at high-level CBI) could allow families to access more frequent leisure activities which otherwise may have been too expensive e.g. swimming, cinema, days out. • Particularly for high level CBI, some people may be able to reduce working hours (e.g. overtime) and spend more leisure time with families. • CBI may improve security of income for carers (including young carers) who may face barriers to access current welfare support. • Could improve family relationships by reducing stress associated with poverty. • There is a risk that negative connotations associated with benefits remains, and in some cases, worsens due to perception of people getting “free money”.

Objectives	Positive/negative impacts
	<ul style="list-style-type: none"> There is a risk that pilot participants could face harassment from people not involved in a pilot e.g. people who live close to a pilot site / interact with participants but are not included themselves. The high level CBI may increase this risk due to a higher income level.
Reduce crime and fear of crime including hate crime	<ul style="list-style-type: none"> There is a risk that pilot participants could face harassment or hate crime from people not involved in a pilot e.g. people who live close to a pilot site / interact with participants but are not included themselves. The high level CBI may increase this risk due to a higher income level. Hate crime could increase depending on inclusion criteria and prevalent political debates. E.g. debates around citizenship and inclusion of refugees or asylum seekers It is theorised that a CBI which provides people with a secure income and reduces risk of poverty or destitution, it could mean people are less likely to engage in criminal behaviour, leading to overall reduction in crime.
Protect vulnerable children and adults	<ul style="list-style-type: none"> An individual, secure and regular income may help people to leave domestic abuse situations. This could have a positive effect on protecting vulnerable children and adults. There is a risk that an increased income (particularly in relation to a high-level CBI) could put people in a financially vulnerable position and at risk of exploitation.
Promote healthier lifestyles including: <ul style="list-style-type: none"> diet and nutrition, sexual health, substance misuse physical activity lifeskills 	<ul style="list-style-type: none"> Reduced need for emergency food banks if individuals have a secure, regular income, free from risk of sanction. The cost of a healthy diet is greater than the cost of a less healthy diet. May allow people to buy fresh, more nutritious food on a regular basis. An evidence review of CBI type experiments in low income countries noted modest positive effects on low birthweight. Improved maternal nutrition was the suggested mechanisms underlying this impact. There is a risk that individuals with existing addiction or substance misuse issues may continue to misuse substances if provided with a CBI. Higher CBI payments could exacerbate issues. Individuals may have increased freedom or resources to make healthier lifestyle choices, including improved diet, reduction of substance misuse or access to physical activity which may otherwise have been too expensive.
Environmental	
Reduce greenhouse gas (GHG) emissions (including carbon management)	<ul style="list-style-type: none"> If a CBI caused individuals to use a car more, or purchase their own car, GHG emissions could increase. Individuals may choose to travel more as a result of CBI e.g. reduced fuel poverty, increased employment hours, increased leisure trips. However it is not possible to assess whether or how this would happen e.g. via public transport, active travel or private car use.

Objectives	Positive/negative impacts
Plan for future climate change	No impacts anticipated
Pollution: air/ water/ soil/ noise	If a CBI caused individuals to use a car more, or purchase their own car, air pollution could increase.
Protect coastal and inland waters	No impacts anticipated
Enhance biodiversity	No impacts anticipated
Encourage resource efficiency (energy, water, materials and minerals)	No impacts anticipated
Public Safety eg: <ul style="list-style-type: none"> • minimise waste generation • infection control • accidental injury • fire risk 	No impacts anticipated
Reduce need to travel and promote sustainable forms of transport	Individuals may choose to travel more as a result of CBI e.g. reduced fuel poverty, increased employment hours, increased leisure trips. However it is not possible to assess whether or how this would happen e.g. via public transport, active travel or private car use.
Improve the physical environment e.g. <ul style="list-style-type: none"> • housing quality • public space • access to and quality of green space 	No impacts anticipated
Economic	
Maximise income and /or reduce income inequality	<ul style="list-style-type: none"> • A key purpose of a CBI is to provide an unconditional, predictable and secure income which helps to maximise individual and household income and reduce insecurity. • A high level CBI would have greater impact on income maximation than a low CBI. • In a saturation pilot where CBI was not counted as taxable income and could not be clawed back from higher earners, inequalities would widen due to an increase in relative poverty. The only way to mitigate this effect would be to ensure CBI was taxable (or design an alternative tax collection system) or design a pilot targeting only low income households.

Objectives	Positive/negative impacts
<p>Help young people into positive destinations</p>	<ul style="list-style-type: none"> • A CBI may help young people to pursue a variety of opportunities to which individuals may currently face barriers, possibly due to benefit restrictions, insufficient or insecure income. Opportunities include learning and training, further education, apprenticeships, additional employment, entrepreneurship or social enterprises. May help young people to participate in volunteering, community or social/leisure activities which could have a positive impact on social inclusion and community participation. • Could reduce barriers to labour market participation and allow young people to access good / fair work, which fits with skillsets and aspirations.
<p>Support local business</p>	<ul style="list-style-type: none"> • A CBI could support small local business start-up or growth by providing financial security to take an entrepreneurial risk. • Increased interest in entrepreneurship could put pressure on local business support services for the duration of a pilot. • However due to being a timebound pilot study (3 years), this may limit or restrict participants' decisions, particularly for significant life changes that may have financial impacts beyond the duration of a pilot e.g. starting or developing a business • Business growth could have a positive effect in terms of more diverse business base, growth of social enterprises / cooperatives. • Low income households may have restricted social geographies due to limited housing and transport choices. As a result of these restricted geographies, spending could be more localised. • However by increasing incomes, people may have greater choices for accessing work and/or transport, resulting in an expansion of social and geographical networks. This could result in money which was previously spent locally being spent in a wider area.
<p>Help people to access jobs (both paid and unpaid)</p>	<ul style="list-style-type: none"> • Provides economic stability to undertake unpaid work • Could reduce barriers to labour market participation and allow people to access good / fair work, which fits with skillsets and aspirations. • Ability to access a range of opportunities including learning and training, additional employment, entrepreneurship or social enterprises. May allow people to participate in volunteering, community or social/leisure activities. • Increased income security may help people to cover transport to work costs, particularly in rural areas and areas with low job density.
<p>Improve literacy and numeracy</p>	<p>Lack of evidence of potential impacts.</p>

Objectives	Positive/negative impacts
Improve working conditions, including equal pay and living wage	<ul style="list-style-type: none"> • Potential for wage bargaining for better pay, or leaving employment to find better / fairer work. • In the longer term, employers may use a basic income as justification for paying employees less.
Improve local employment opportunities	<ul style="list-style-type: none"> • A CBI could support small local business start-up or growth by providing financial security to take an entrepreneurial risk. This may involve small businesses recruiting staff.
Improve quality of and access to services	Lack of evidence of potential impacts.

Evidence available at the time of undertaking IIA Checklist:

Evidence	Available?	Comments: what does the evidence tell you?
Data on populations in need	Community Planning Outcomes Profiling Tool ScotPHO Profiles Tool	<ul style="list-style-type: none"> The overall pattern of key life outcomes in areas across Scotland and whether people's lives are improving. There are differential outcomes and inequalities between and within communities
Data on service uptake/access	Income-related benefits: estimates of take up Take-up of benefits and poverty: an evidence and policy review Local financial vulnerability dashboard	<ul style="list-style-type: none"> Non take-up of benefits is most significant for income-related benefits, varying between 64-88% of eligibility, depending on the benefit. Pension Credit has lowest uptake. This is not the case for non means-tested benefits, with 'universal' child benefit and contribution based State Pension having take-up rates of almost 100% Rising demand for crisis grants and advice services.
Data on socio-economic disadvantage e.g. low income, Low wealth, material deprivation, area deprivation.	Income and poverty statistics for Scotland Poverty and income inequality in Scotland: 2015-2018 Expected impact of UK welfare reform changes (from 2010 onwards) by 2020 (Sheffield Hallam University, as at April 2019) Impact on Scotland of the new welfare reforms Real level of unemployment 2017 (Sheffield Hallam University) JRF poverty in Scotland 2019	<ul style="list-style-type: none"> Overall, poverty was lower in 2015–18 than it was in 1999–2002, but since 2009–12, poverty rates have started to shift upwards. Income inequality continues to rise. Median household income is rising slowly Uneven impact of welfare reforms across the UK with poorest areas hit hardest. There remain almost as many unemployed 'hidden' on incapacity benefits as 'visible' on the unemployment claimant count. Hidden unemployment is concentrated in the weakest local economies.

Evidence	Available?	Comments: what does the evidence tell you?
		<ul style="list-style-type: none"> • Support for housing costs, alongside social security and employment is essential for solving poverty in Scotland. • Despite improvements over time, children remain the most at-risk group in terms of poverty, with rates far above average, followed by working-age adults with children.
Data on equality outcomes	<p>Discussion paper on drivers of poverty – Section 3 – How are the drivers of poverty mediated by equality and household characteristics?</p> <p>Inclusion Scotland: Friend or foe? Basic Income and Disabled People in Scotland</p> <p>Poverty and income inequality in Scotland: 2015-2018</p> <p>Let's Leave No One Behind: Poverty and Protected Characteristics in Fife</p> <p>Informing Interventions to reduce health Inequalities (Triple I)</p> <p>Is Scotland Fairer? (EHRC Scotland)</p> <p>NHS Health Scotland – Position Statement on Food Poverty</p> <p>Race Equality Foundation Poverty and Social Networks Evidence Review</p>	<ul style="list-style-type: none"> • The following groups are at greater risk of poverty. <ul style="list-style-type: none"> • children, • lone parent families, minority ethnic households, • muslims, • people with a disability • Income-based interventions (maximising income and increasing benefit take up) can help to undo or prevent health inequalities • in 2016 to 2017 women earned on average £1.90 an hour less than men • women and men are segregated into different sectors of the economy, with women often working in the poorest paying sectors • disabled people are twice as likely to be without work and more likely to live in poverty • Food poverty is primarily driven by income deprivation. • Inadequate or insufficient food may have negative impacts on nutrition and health and wellbeing. • Low income households with neighbourhood focussed social networks are a result of limited housing and transport choices caused by low income.

Evidence	Available?	Comments: what does the evidence tell you?
Research/literature evidence (contd)	<p>Gibson, M., Hearty, W. and Craig, P. (2018) Universal basic income: a scoping review of evidence on impacts and study characteristics. Project Report. What Works Scotland</p>	<ul style="list-style-type: none"> • A systematic review of interventions which unconditionally provided substantial cash transfers to individuals or families. • The review concluded that, for the studies identified, the impact of basic income on labour market participation were small for male heads of household, and for both men and women in the most contemporary studies. • There was also consistent evidence that a basic income led to children and young people spending longer in education. • Although less consistent, there was evidence of positive impacts on some health and social outcomes, and spill-over or wider economic effects such as reduction in health service use and increases in business activity
	<p>Research commissioned by Steering Group on interactions between CBI and welfare benefits:</p> <p>Shaw J. and Paterson J. (2019) Exploring the Social Security Implications of a Citizen's Basic Income Pilot, Child Poverty Action Group in Scotland.</p>	<ul style="list-style-type: none"> • Research concluded that leaving all benefits in place and ensuring CBI income is disregarded for calculation of means-tested benefits is the surest way to avoid detriment to pilot participants. • However, such an approach may be of limited value in learning about the effects of a CBI scheme which would replace parts of the current benefit system.
	<p>Research commissioned by Steering Group – Economic Modelling of CBI policy in Scotland, Fraser of Allander Institute at the University of Strathclyde.</p> <p>(Report available June 2020).</p>	<ul style="list-style-type: none"> • Research has been commissioned to model the longer-term macroeconomic impacts of a CBI rolled out on a national basis. • The research will model low and high levels of CBI alongside changes in employment, tax revenues and savings to welfare benefit spending to estimate the full fiscal and economic effects of a Scotland-wide CBI.

Evidence	Available?	Comments: what does the evidence tell you?
Research/literature evidence (contd)	<p><u>Welfare Conditionality research</u></p> <p>Illustrative or modelled basic income schemes for the UK:</p> <ul style="list-style-type: none"> • Citizens Income: An Introduction • Adam Smith Institute (2015) Free Market Welfare: The case for a Negative Income Tax • RSA (2015) Creative Citizen, Creative State: The principled and pragmatic case for a Universal Basic Income • Reform Scotland (2016) The Basic Income Guarantee • Compass (2016) Universal Basic Income: An idea whose time has come? • Buchanan Institute (2017) A Secure Foundation to Build our Lives: Making the case for a Universal Basic Income • Annie Miller (2017) A Basic Income Handbook (Luath Press) • Malcolm Torry (2017) A variety of indicators evaluated for two implementation methods for a Citizens Basic Income • RSA (2018) Pathways to a basic income - The case for a Universal Basic Opportunity Fund • IPPR (2018) How much would it cost to reduce child poverty in Scotland? • Compass (2019) Basic income for all: from desirability to feasibility • RSA (2019) A Basic Income for Scotland • Guy Standing (2019) Piloting basic income as common dividends 	<ul style="list-style-type: none"> • Welfare conditionality is largely ineffective at facilitating re-entry / progression into employment. • For some, welfare conditionality causes a range of negative behaviour changes (including increased poverty). • Since 2015, and from a variety of perspectives, a number of different models for basic income schemes have been proposed that relate specifically to the UK, and more recently, the Scottish context. • Models vary according to whether the level is set at a partial or full basic income, and whether a citizens income is intended to fully or partially replace a number of current benefits. • Housing, Disability and Carers benefits are commonly retained alongside a citizens income. • Typically, payment levels proposed vary by age. • Implications for impact assessment and mitigation actions required are heavily dependent on the detail of individual basic income schemes.

Evidence	Available?	Comments: what does the evidence tell you?
Public/patient/client experience information	Humans of Basic Income (set up in response to premature ending)	Illustrates range of outcomes impacted by the payment of a basic income in Ontario Canada.
Evidence of inclusive engagement of service users and involvement findings	Fife Council People's Panel – Survey 28 June-July 2017	In 2017, Fife People's Panel (a representative panel of 1% of the adult population in Fife) were invited to complete either a paper or online survey incorporating questions on views of CBI. The majority of respondents (58%) said they knew something about CBI or understood it fully
	North Ayrshire Council People's Panel 2018 Summary Report	In 2018 the North Ayrshire People's Panel (approximately 2,000 residents across the various communities of North Ayrshire) were posed questions measuring awareness and acceptance of CBI. The majority of respondents (66%) said they knew something about CBI or understood it fully.
	RSA and Glasgow City Council Scoping Exercise	The RSA undertook a scoping exercise with interested stakeholders and community groups in Glasgow. Two facilitated workshops were held in July 2017. Around 70 interested individuals, including those with lived experience of poverty and representatives of organisations attended the workshops, which were facilitated by the RSA. In addition, a Sounding Board was organised, to allow more in depth dialogue with a number of organisations about basic income. This included the Chamber of Commerce, STUC, CoSLA, Big Lottery Fund Scotland and the Child Poverty Action Group.

Evidence	Available?	Comments: what does the evidence tell you?
	<p>RSA and Fife Council Engagement Sessions</p> <p>Painter, A. Cooke, J. Burbidge, I and Ahmed, A. (2019) <i>A Basic Income for Scotland</i>, RSA</p>	<p>A series of citizen and stakeholder deliberations were held in Fife in early 2019; a core Steering Group, a wider stakeholder group involving leaders from the voluntary, community and public sectors, and an ‘active citizen’ series of workshops supplemented with a session with young people. Together, participants helped us understand challenges with modern employment, the welfare system, and local needs. Following this context mapping exercise, we then asked participants to consider basic income, its possible impacts, and how individuals in receipt of basic income could be best supported. The purpose was not to gauge support for basic income but rather to understand potential opportunities, risks and impacts. A series of blueprints for systems of support wrapped around Basic Income experiments was produced from this deliberation exercise.</p>
	<p>Goodman C. and Danson M. (Eds.) (2019) <i>Exploring Basic Income in Scotland</i></p>	<p>Exploring Basic Income in Scotland is a cross-disciplinary project, funded by Scottish Universities Insight Institute, that looked at the implications of a basic income for a variety of intersecting issues. The project was led by academics from the Heriot-Watt University, University of Edinburgh and Citizen’s Basic Income Network Scotland (CBINS). It united policy makers, practitioners and academics to look at the intersection of a basic income with employment and entrepreneurship, housing, care and human rights and equality and the modelling, implementation and evaluation of the policy.</p>
Evidence of unmet need	None available	

Evidence	Available?	Comments: what does the evidence tell you?
Good practice guidelines	<p>Lessons that Scotland can learn from international pilots in Finland, Ontario and the Netherlands</p> <p>Barclay, C., McLachlan, J. and Paterson, M. (2019) <i>Exploring the practicalities of a basic income pilot</i>, Carnegie UK Trust</p> <p>The basic income experiment 2017-2018 in Finland: Preliminary Results</p>	Key lessons and considerations which focus around pilot framing, design, implementation, evaluation and communication.
Environmental data	N/A	There appears to be no requirement to undertake a Strategic Environmental Assessment. Some models suggest that a basic income may lead to an increase in consumption, including fuel consumption.
Risk from cumulative impacts	No evidence available	
Other (please specify)	N/A	
Additional evidence required	<p>More evidence / engagement required to understand the potential impacts of CBI on:</p> <ul style="list-style-type: none"> • Minority ethnic groups • People with disabilities • Marriage and civil partnership • Pregnancy and maternity • LGBT groups • Religion / belief groups • Supporting local businesses • The environment and sustainability 	

Appendix 6: Overview of evidence for benefit interaction scenarios

Option	Description	Rationale	Key Challenges
<p>Option 1: CBI payment with some entitlements suspended</p> <p>This option is for both low and high CBI payment levels.</p>	<p>Entitlements Suspended for Pilot Duration:</p> <ul style="list-style-type: none"> • Income Support (Personal Allowance) • Income-based Jobseekers Allowance (Personal Allowance) • Income-related Employment and Support Allowance (Personal Allowance) • Child Tax Credit (Family Element plus Child Element) • State Pension • Child Benefit • Carer's Allowance (Basic Rate and Scottish Supplement) • Universal Credit: Standard allowance for Single person • Universal Credit: First child / subsequent child payments <p>The same treatment of CBI for calculation of retained means-tested benefits would need to be agreed for Universal Credit, Legacy benefits and Pension Credit as these currently assess income differently. To reduce</p>	<ul style="list-style-type: none"> • Suspended entitlements within this scenario do not include any elements, top-ups or premiums associated with disability, limited capability for work, childcare, caring or housing support. Literature suggests a CBI is not equipped to adequately support individuals with these needs. The entitlements which have been retained therefore help to account for these needs and provide support if a participants' situation changes during a pilot. • A CBI at the same level as the suspended entitlements would provide opportunity to test the effect of an unconditional income. A CBI at a higher rate would provide an opportunity to test the effect of increased, unconditional incomes. • The suspension of some entitlements alongside a CBI will reduce conditionality and the impact of means-testing associated with the suspended elements. This is considered to be a more accurate test of 	<ul style="list-style-type: none"> • There are premiums / top-ups associated with some benefits which are available to those with additional needs related to disability, limited capability for work, caring and childcare. To avoid absolute and significant relative detriment, these additional elements would need to remain in place. • Suspension of entitlements would require complex changes to underpinning regulations necessitating primary and secondary legislation and cooperation of UK and Scottish governments. This will entail substantial political will and time to deliver. Significant changes to IT systems would also be necessary and are likely to be very complex and potentially impossible. • There is a risk that due to the suspension of some entitlements, participants would lose access to Jobcentre Plus support services, National Insurance Credits and passported benefits resulting in financial detriment. • If some entitlements cannot be maintained alongside a CBI there is a risk of adverse effects for participants who could no longer access these benefits.

Option	Description	Rationale	Key Challenges
		<p>CBI principles (while minimising detriment and achieving benefit savings) than either Option 2 or 3. A suitable test is dependent on agreement to retain benefits providing additional support as detailed above.</p>	<ul style="list-style-type: none"> • For example, there is a risk of loss of access to a range of passported benefits (including Free School Meals, Sure Start Grants), service support and loss of national insurance credits which could reduce rights to future benefits. • If some benefits are suspended, there is a risk of participants permanently losing out on transitional protection due to a pilot. Participants would therefore be at risk of relative and actual detriment compared to those not involved in a pilot. Some people on legacy benefits may be unwilling to participate if they are automatically moved to UC upon finishing a pilot as some may be worse off financially. • Clarity and regulation agreement would be required on the treatment of CBI payments for the purposes of means-tested benefit calculation. • If a new benefit was created as a way of delivering CBI, clarity would be required on whether it was to be considered taxable. • Some conditional requirements of retained benefits may remain during a pilot of CBI. Participants could therefore experience both conditional and unconditional payments potentially causing issues for accurately evaluating the effects of CBI.

Option	Description	Rationale	Key Challenges
			<ul style="list-style-type: none"> • A CBI model – particularly at the low rate – may have adverse impacts on relative child poverty, causing child poverty to worsen. • Suspension of State Pension and a pension-age CBI could be interpreted as creating a new pension. The Scotland Act 1998 has an explicit bar against creating new pensions. • Suspension of State Pension during a pilot would likely involve participants being asked to defer entitlement to their pension. State Pension can only be deferred once during a lifetime. Participants would therefore lose the opportunity to defer their pension entitlement at a later date. • There is a risk of pension age participants being in financial detriment due to a wide range of different pension entitlements among pilot participants. • A pension-age CBI at new state pension level will exclude easy access to pension credit and end or reduce entitlement to passported benefits such as housing benefit, council tax reduction or other support.

Option	Description	Rationale	Key Challenges
			<ul style="list-style-type: none"> • There is a risk of potential legal challenges if legislation was brought in which causes pilot participants to be treated differently to those not involved in a CBI pilot. • Technical IT barriers prevent separation of UC elements. Changes to the current system would be costly, problematic and involve changes to legislation. • A CBI which was considered taxable would increase an individuals' liability for income tax and require completion of a self-assessment tax return. The retrospective nature of a tax return could cause budgeting / cash flow issues for participants in the years following receipt of CBI, particularly if they are unfamiliar with the process. • The combined effects of increased tax liability and any withdrawal of means-tested benefits could create a high effective marginal tax rate which could act as a work disincentive and may result in financial detriment. • Within current legislation, an MIS level CBI fully counted for income would cause participants to lose all entitlement to UC and therefore passported entitlements and Jobcentre Plus support.

Option	Description	Rationale	Key Challenges
<p>Option 2: CBI payment with full access to all means-tested and non-means tested benefits with CBI income disregarded.</p> <p>This option is for both low and high CBI payment levels.</p>	<p>Pilot participants would have access to all current means-tested and non-means tested benefits alongside a CBI. CBI income would be disregarded for the calculation of eligibility to means-tested benefits.</p>	<ul style="list-style-type: none"> Commissioned research by CPAG concluded that leaving all benefits in place and ensuring CBI income is disregarded is the surest way to avoid detriment to pilot participants. Maintaining all non-means tested benefits and all means-tested benefits alongside a CBI will account for the complex needs of participants and provide support if a participants' situation changes during a pilot. This scenario does not include suspension of current benefits. Compared to Option 1, it may be more institutionally feasible as it requires less change to DWP/ HMRC processes and IT systems. 	<ul style="list-style-type: none"> This scenario would be of less value in learning about the potential effects of a CBI scheme which may be designed to replace part of the current benefit system. In theory an upscaled CBI scheme could be mimicked by pilot administrators calculating weekly or monthly what a household would get under a permanent CBI scheme, and ensuring that the total of CBI and current benefit entitlement equalled what someone would get in that system. However, this would make the administration of the pilot very complicated. It would also not do anything to remove conditionality requirements in the current system. Within this scenario all means-tested benefits should disregard CBI for benefit calculations. This will require changes to the current benefit rules for Universal Credit, Legacy benefits and Pension Credit to ensure all treat CBI in the same way. If a new benefit was created as a way of delivering CBI, legislation would be required to clarify whether it was to be considered taxable.

Option	Description	Rationale	Key Challenges
			<ul style="list-style-type: none"> • Conditional requirements of the current benefits system would remain in place during a pilot of CBI. Participants could therefore experience ongoing means-testing, both conditional and unconditional payments, potentially causing issues for accurately evaluating the effects of CBI. • Retaining the current benefits system would also retain all aspects of a fundamentally household based means-testing system alongside an individual CBI. Need to establish an agreed method for integrating an individual CBI alongside the current household assessment system. • A CBI which was considered taxable would increase an individuals' liability for income tax and require completion of a self-assessment tax return. The retrospective nature of a tax return could cause budgeting / cash flow issues for participants in the years following receipt of CBI, particularly if they are unfamiliar with the process. • There is a risk of potential legal challenges if legislation was brought in which causes pilot participants to be treated differently to those not involved in a CBI pilot.

Option	Description	Rationale	Key Challenges
			<ul style="list-style-type: none"> <li data-bbox="1494 220 2132 443">• This scenario does not replace any benefits within the current system. Therefore there are no potential savings associated with this scenario. This would increase the potential cost of the experiment, especially at an MIS level CBI. <li data-bbox="1494 467 2132 802">• The rationale for an MIS level to have a greater impact on poverty is reduced due to all benefits being retained and any CBI being disregarded for income. A high level CBI combined with existing benefits (which would be disregarded for income) would exceed the minimum income standard. As such, a MIS level CBI may not be suitable under this scenario.

Option	Description	Rationale	Key Challenges
<p>Option 3: CBI payment with access to all means-tested and non-means tested benefits with the current default legislative rules for treatment of CBI payments.</p> <p>This option is for both low and high CBI payment levels.</p>	<p>In contrast to option 2 which would require legislative change to ensure Universal Credit and Legacy benefits all disregard CBI income, this scenario would interact with the current and default benefit rules on treatment of income.</p> <p>This would mean Universal Credit, Legacy benefits and Pension Credit would treat CBI income differently, causing different effects for pilot participants within UC, Legacy or Pension Credit claims. This would be contrary to the principles of testing the effects of a universal, equal and consistent CBI within the sample population.</p>	<ul style="list-style-type: none"> No requirement to secure legislation changes to the existing Universal Credit, Legacy benefit and Pension Credit rules. This scenario does not include suspension of current benefits. Compared to Option 1, it may be more institutionally feasible, as it requires less change to DWP/HMRC processes and IT systems. 	<ul style="list-style-type: none"> Legacy benefits will treat CBI as income, causing some participants to lose part or all of their entitlement to legacy benefits, including passported benefits. This could cause participants to be in financial detriment. Under current benefit rules Universal Credit may disregard CBI payments for the purpose of benefit calculation. Participants on Universal Credit and Legacy benefits could therefore experience different effects, raising issues around equality of treatment. Conditional requirements of the current benefits system and means-testing would remain in place during a pilot of CBI. Participants could therefore experience means-testing and both conditional and unconditional payments potentially causing issues for accurately evaluating the effects of CBI. If benefits are lost because of CBI income, there is a risk of participants permanently losing out on transitional protection due to a pilot. Participants would therefore be at risk of relative and actual financial detriment compared to those not involved in a pilot.

Option	Description	Rationale	Key Challenges
			<ul style="list-style-type: none"> • Retaining the current benefits system would also retain all aspects of a fundamentally household based means-testing system alongside an individual CBI. Need to establish an agreed method for integrating an individual CBI alongside the current household assessment system. • A CBI which was considered taxable would increase an individuals' liability for income tax and require completion of a self-assessment tax return. The retrospective nature of a tax return could cause budgeting / cash flow issues for participants in the years following receipt of CBI, particularly if they are unfamiliar with the process. • Within current legislation, an MIS level CBI fully counted for income would cause participants to lose all entitlement to UC and therefore passported entitlements, National Insurance Contributions and Jobcentre Plus support. • There is a risk of potential legal challenges if legislation was brought in which causes pilot participants to be treated differently to those not involved in a CBI pilot.



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