Dear Convenor

In the 2017-18 Programme for Government (PfG), the Scottish Government made a commitment to provide support to the four pilot authorities in their exploration of the Citizens Basic Income concept. I am writing to provide further details to the Committee on the nature of that support.

I have written to the Chief Executives of the four pilot authorities announcing that a fund of £250,000 is available for them to bid into, covering a two year period from April 2018 to March 2020. The funding is to support feasibility work and will be made available on the basis of a short business case. Further guidance will be issued to the pilot authorities in January 2018 and a deadline for bids will be set for late March 2018.

In addition to the fund, government analysts will assist the pilot authorities by using tax and benefit models held within the government to help them assess the cost and feasibility of their plans.

As you are aware the Scottish Government does not have the range of powers over tax and benefits necessary to pilot a full citizens basic income. I have reminded the pilot authorities that their plans will need to be fully aware of the legislative and practical basis for implementing a pilot including the consideration of reserved and devolved powers and administrative complexities. I have also committed to engage with my counterparts in the UK Government to seek assurances around their interest and co-operation in order to support the pilot authorities’ required engagement with DWP and potentially HMRC.

I would also like to remind Committee that the PfG commitment is only to help develop a research design and undertake a limited amount of community engagement, not to fund the pilots themselves. The decision on funding the pilots will only be made when feasibility costings and implementation plans are fully understood and in the context of the priorities for spend in Scotland at that time.
I hope that this further detail is helpful to the Committee. If any Committee members would like to discuss the nature of support around citizens basic income, please don’t hesitate to contact me.

ANGELA CONSTANCE