



Subject:	Citizens' Basic Income – Notice of Motion – proposed next steps
Date:	19 January 2018
Reporting Officer:	Donal Durkan, Director of Development
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of Main Issues
1.1	The purpose of this report is to update Members on a Notice of Motion that was brought to the Council in October 2017 and was subsequently presented to the Strategic Policy in Resources Committee on 20 October 2017.
1.2	The Notice of Motion relates to a proposal to explore the implementation of a Citizens' Basic Income (CBI) scheme. The principle behind a CBI scheme is that all citizens – regardless of their employment status – would receive a basic weekly or monthly income payment. Citizens would then be able to work and earn additional income on top of the basic payment. For those in receipt of benefits, the CBI would replace many of these. The Notice of Motion proposes that the Council “will undertake a feasibility study into how it

1.3	might support a pilot study concentrated within our most deprived communities”. This would potentially mean that a Belfast CBI would be focused on certain target groups or areas of the City.
2.0	Recommendations
2.1	<p>The Committee is asked to:-</p> <ul style="list-style-type: none"> • Note the Notice of Motion proposed at Council meeting on 2 October 2017 regarding the potential implementation of a Citizens’ Basic Income Scheme • Note that Officers will liaise with Officials in Northern Ireland Executive with a view to undertaking a feasibility study into how the scheme might support a pilot study concentrated within the City’s most deprived communities.
3.0	Main Report
3.1	<p>At the Council meeting on 2 October 2017, the following Notice of Motion was proposed by Councillor McVeigh and seconded by Councillor Hutchinson:</p> <p><i>“This Council recognises the devastating impact that unemployment and benefit cuts can have upon citizens, families and communities.</i></p> <p><i>The Council will explore, as part of a wider employability initiative and with the help of the Executive, the implementation of a Citizens’ Basic Income (CBI) scheme. In order to inform this process, the Council will undertake a feasibility study into how it might support a pilot study concentrated within our most deprived communities.</i></p> <p><i>The CBI initiative would mean, for those identified as part of the initiative, the replacement of benefits and pensions with an unconditional flat rate payment. Citizens would then be able to work and earn additional income on top of the basic payment. Such a scheme has the potential to help eradicate poverty and homelessness in the City.”</i></p> <p>3.2 In accordance with Standing Order 13(f), the Notice of Motion was referred to the Committee for consideration. At the 20 October 2017 meeting of the SP&R Committee, Members agreed that a report on the matter be submitted to a future meeting.</p> <p>3.3 The concept of a Citizens’ Basic Income has been around for some time as part of policy discussions on how to make public benefits systems more effective. It has come to the forefront in recent months with the announcement in September 2017 by the Scottish Government that they would make available resources for local authorities to undertake research into the introduction of Citizens’ Basic Income schemes in their areas. The principal</p>

driver behind this development is to look at how the Welfare System can incentivise work as opposed to potentially acting as a deterrent to work – particularly for those whose earnings levels are low.

3.4 A CBI payment is usually made to all citizens. It is not means tested and does not increase or decrease as an individual's circumstances change. The allowance is generally free of tax but it replaces personal allowances and tax credits. It would replace a number of benefits but would not replace benefits such as disability benefit, maternity benefit, housing benefit or bereavement-based benefits. Given that the CBI is tax free, it would mean that all income would then be liable for tax.

3.5 Research undertaken by the Public Policy Charity Reform Scotland suggests setting the CBI at a rate of £5,200 per adult (£100 per week). Its assessment indicates that it would cost around £2billion annually to introduce such a scheme (alternative research suggests that the costs to the Scottish government could actually be as high as £3.6billion). It would also require an increase in the contributions from all those paying income tax.

3.6 At present, the Scottish Government does not have the full legislative authority to bring about the introduction of a scheme such as this. However, it has been piloted in a number of European countries, including Finland, where all adults are entitled to a monthly income of €580, regardless of whether they work or not.

3.7 The introduction of a CBI in the local context would require support from the NI Executive, given that they have the responsibility for the benefits system. Consideration would also have to be given to how any additional funding requirement would be met. The Notice of Motion proposes that the CBI would focus on “our most deprived communities”. It would be important to consider how any future CBI could be focused or targeted towards certain groups or within certain geographical areas.

3.8 It is proposed that Officers will engage with relevant departmental officials to consider how a CBI and/or other relevant policy instruments might be effective as part of a range of interventions to address the challenges of low skills and low levels of employment, particularly within some of the City's communities. A report on how this might work alongside other employability support activities will be brought back to a future meeting of this Committee for information and consideration.

3.9 Equality and good relations implications

No specific equality or good relations implications at this point.

3.10	<u>Resource implications</u> The financial implications of any new scheme will be considered as part of the future report.
4.0	Appendices – Documents Attached
	None.