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# Basic income for care leavers in Wales pilot evaluation: second annual report, 2024 to 2025

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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## Basic income for care leavers in Wales pilot evaluation: second annual report, 2024 to 2025

Authors: Vibhor Mathur<sup>1</sup>, Louise Roberts<sup>1</sup>, Zoe Bezeczky<sup>1</sup>, Harriet Lloyd<sup>1</sup>, Dimitris Vallis<sup>2</sup>, Michael Sanders<sup>2</sup>, Kate E Pickett<sup>4</sup>, Matthew Johnson<sup>5</sup>, Rod Hick<sup>6</sup>, Elizabeth Schroeder<sup>3</sup>, Patrick Fahr<sup>3</sup>, Stavros Petrou<sup>3</sup>, Hannah Lee<sup>1</sup>, Sally Holland<sup>1</sup> and David Westlake<sup>1</sup> with The Evaluation Co-Production Group.

1. Children's Social Care Research and Development Centre (CASCADE), School of Social Sciences, Cardiff University
2. The Policy Institute, Kings College London
3. Nuffield Department of Primary Care Health Sciences, University of Oxford
4. Department of Health Sciences, University of York
5. Department of Social Work, Education and Community Wellbeing, Northumbria University
6. School of Social Sciences, Cardiff University

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Views expressed in this report are those of the researchers and not necessarily those of Welsh Government

For further information please contact:

Equality, Poverty and Children's Evidence and Support Division  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ  
Email: [SocialJusticeResearch@gov.wales](mailto:SocialJusticeResearch@gov.wales)

\*HL joined the research team during the analysis stage of this report, and approval for her to access sensitive data was not secured until 09/12/24. She was therefore tasked with analysing non-sensitive data and drafting/ editing sections of the text. Her contribution meets CASCADE's threshold for report authorship.

## **Acknowledgements**

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Finally, the evaluation benefits from the wisdom and expertise of three other advisory groups; the External Strategic Advisory Group, which we appointed to guide us on methodological and research issues; Welsh Government's Research and Evaluation Advisory Group and an independent Technical Advisory Group (TAG) of external experts.

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## **Glossary**

### **Additional support/ non-financial support**

The provision of tailored advice through the Single Advice Fund providers (Citizens Advice Cymru).

### **All Wales Leaving Care Forum**

A regular meeting of members of the 22 local authority leaving care teams to share policy and practice updates.

### **Appointee/ deputy**

An individual appointed to manage the financial affairs of a care leaver who may not be able to take on these responsibilities themselves. This support is often provided when young people 'lack mental capacity' to make certain decisions, for example due to serious brain injury or severe learning disabilities.

### **Basic income**

A basic income is a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement.

### **‘Better off’ calculation**

Offered pre-pilot and throughout the pilot to eligible recipients in order to understand whether that individual would be ‘better off’ being on the pilot or not. This should consider not just financial matters but also wider support that they may/may not be entitled to receive.

### **BIP**

A shorthand term used by stakeholders to refer to the pilot. While this is not an official term, it is used by research participants and included in some quotations.

### **Citizens Advice Cymru (CA)**

A network of independent, locality-based charities that offer free, independent and impartial advice to anyone. The service was initially linked to the development of the social welfare service, and areas of support include: benefits, work, debt and money, consumer rights, housing, family, law and courts, immigration and health. The organisation provided additional financial advice and support for recipients of the Basic Income for Care Leavers in Wales Pilot via the Single Advice Fund. The organisation is sometimes called Citizens Advice Bureau and is often referred to as CAB by participants in this study.

## **Cost-Consequences Analysis (CCA)**

A form of economic evaluation where disaggregated costs and a range of outcomes are presented. Cost-Consequences Analyses are recommended for complex interventions that may have multiple implications, and for public health interventions which may have an array of benefits that are difficult to synthesise in a common unit.

## **Direct landlord payment**

An option to allocate a portion of a recipient's basic income to pay towards their rent. Landlords are paid once a month, on either the 15th or 22nd of the month. Their payment amount is deducted from the young person's payments, reducing the amount that the young person receives accordingly.

## **Eligible recipient**

A young person who was a Category 3 care leaver (as outlined in the Social Services and Well-being (Wales) Act 2014) and turned 18 years of age between 01 July 2022 and 30 June 2023 (on turning 18 years of age, a Category 1 or 2 care leaver becomes a Category 3 care leaver).

## **Enrolment month**

The enrolment month for all recipients is the month of their 18th birthday. For late applicants, this may be beyond their 18th birthday.

## **Former Unaccompanied Asylum-Seeking Child (UASC)**

In the context of this pilot, an eligible Category 3 care-leaver recipient who was an Unaccompanied Asylum-Seeking Child (UASC) when under the age of 18 and is then classified as a 'former' UASC on turning 18.

## **Foster care**

Foster care is a way of offering children and young people a home while their own family are unable to look after them. According to Foster Wales, about 70% of children who are looked after away from home in Wales live with foster families. Unlike adoption, where the legal guardianship of children is transferred from their birth family, foster carers provide care until the child either returns to their birth family, or moves elsewhere, including out of the care system when they reach adulthood. This arrangement can last for many years.

## **Heads of Children's Services**

Heads of Children's Services are senior leaders responsible for children's services in local authorities. They typically set the strategic direction of the service, provide leadership, oversight, guidance and support for other senior managers.

## **HM Revenue and Customs (HMRC)**

HMRC is the UK's tax, payments and customs authority. It is the UK government department responsible for handling taxes, regulating national insurance, among other financial functions.

## **Individual Assistance Payment (IAP)**

Individual Assistance Payment is a grant provided by the Discretionary Assistance Fund that aims to help potentially vulnerable individuals, such as those leaving a care home or institution or those moving homes due to domestic violence to live independently in their home. It can be used to provide 'white goods' (e.g. fridge, washing machine) and other home furnishings (e.g. beds, sofas) when the individual has no access any other sources of funding.

## **Kinship carer**

A kinship carer is an adult who is looking after the child or children of a relative or close friend on a full-time basis.

## **Late applicant**

A recipient who joined the pilot later than their expected enrolment month. Some young people have joined the pilot later than intended, due to administrative or personal reasons. These young people still receive 24 months' worth of payments.

## **Leaving care team managers**

Those responsible for the team of young person's advisors in a local authority. They typically have a social work qualification.

## **Legal aid**

Legal aid is a means-tested provision for people who cannot afford to pay for legal advice or representation in court by a solicitor or barrister, including on asylum and immigration.

## **Local authority**

There are 22 local authorities (councils) in Wales which make up the elected local government tier for Wales. They are typically responsible for delivering children's social care services.

### **Monthly payment**

The recipient has opted to receive one payment a month. They receive £1,280 directly (net of tax) unless they have also opted for direct landlord payments, whereby their received payment will be reduced accordingly. Tax of £320 is paid directly by Welsh Government to HMRC.

### **National Health Service (NHS)**

Government funded medical and healthcare services that everyone in the UK can use without being asked to pay for the full cost of the service. The NHS was established as part of major social reforms following the Second World War. The founding principles were that services should be comprehensive, universal, and free at the point of delivery. There is more than one NHS in the UK, comprising of NHS England, NHS Wales and NHS Scotland.

### **Payment frequency**

The schedule of payments according to the option chosen by the recipient e.g. once a month or twice-monthly.

### **Personal Advisor / Young Person's Advisor (often referred to as a PA / YPA)**

Practitioner working directly to support care-experienced young people. A Personal Advisor is responsible for working with young people who have left the care of the local authority (and is often in contact with them before this in order to transition as smoothly as possible from the provision of a social worker). Personal Advisors also contribute to pathway plans and to making sure they are carried out correctly.

### **Pilot duration**

The length of the pilot for recipients, which is a maximum of 24 months.

### **Practitioner(s)**

Those who are working to deliver the pilot.

### **Real Living Wage**

An independently calculated rate of income based on what people need for a decent standard of life. Annually calculated by the Resolution Foundation and overseen by the

Living Wage Commission, the pilot's payment amount is based on the rate as of November 2021 for the equivalent of a 37-hour working week.

### **Realist Evaluation**

An approach to evaluation which is underpinned by the premise that any intervention designed to solve a social problem relies on human decision-making as well other factors to make them work. This means that the same intervention implemented in a different context may work (or not work) through different mechanisms and therefore produces different outcomes. Rather than determining the 'average effect' of a policy, realist evaluations try to explain what works, for whom and in what circumstances.

### **Recipient**

A recipient of basic income for at least one month's payment. This includes those who have withdrawn from the pilot or who have completed their participation in the pilot.

### **Single Advice Fund**

The Single Advice Fund assists the delivery of 'free to the client welfare information and advice services' to achieve the best outcomes for individuals seeking advice. It was established by Welsh Government to address the increasing demand for advice services.

### **Social cost-benefit analysis (SCBA)**

An extension of cost-benefit analysis, adjusted to consider the full spectrum of costs and benefits (including social and environmental effects) borne by society as a whole because of an intervention or programme.

### **St David's Day Fund**

A fund set up by Welsh Government in 2017 to support young people who are or have been in local authority care. It is part of the Children and Communities Grant. It is administered by local authorities and they are encouraged to be flexible and creative in deciding how to use it to best meet the needs of young people in the same way that birth parents might financially support their children.

### **Supported housing / accommodation**

A form of accommodation that also provides additional support, such as care and supervision.

### **Supporters**

The evaluation team asked recipients who took part in interviews or focus groups if there was anyone in their lives who supported them who would be willing to talk to the researchers about the impact of the pilot on them. Those nominated most frequently included their Young Persons Advisor, birth parents, kinship carer or foster carer. The interviews carried out with 'supporters' focus on the impact on the young person and are therefore treated separately from discussions with professionals about their own experiences of the pilot and the impact on their caseload as a whole.

### **Twice-monthly payment**

The recipient has opted to receive their basic income split into two payments each month. For those without direct landlord payments, this means two payments of £640 each month (net of tax). For those with direct landlord payments, their received payments are reduced accordingly.

### **Unconditional**

This relates to the use of the income. The basic income payments do not have any requirements or expectations attached, with recipients empowered to choose what they do with their income.

### **Universal Basic Income (UBI)**

A regular payment that is given to everyone in society to create a minimum income floor. The money is unconditional in that it is paid to people in any circumstances and the ways it can be spent are not dictated.

### **Universal Credit**

Universal Credit is a means-tested benefit, which is replacing a range of benefits and tax credits in the UK, including Housing Benefit, support for unemployed people (income-based Jobseeker's Allowance or JSA), those on lower incomes (Income Support, Working Tax Credit, Child Tax Credit), or those with health conditions or disabilities that affect the amount of work they can do (income-related Employment and Support Allowance or ESA). It does not replace benefits to help with extra living costs for those who have a long-term physical or mental health condition or disability and have difficulty doing certain everyday tasks because of their condition (Disability Living Allowance, which has been replaced by the Personal Independence Payment or PIP). Universal Credit is paid monthly as a single amount and is made up of a basic 'standard allowance' and supplementary payments for those who meet additional criteria.



## **When I'm Ready / When I am Ready**

'When I am Ready' enables young people in foster care to continue living with their foster carers once they turn 18, up to the age of 21, or up to age 25 if they are completing an agreed programme of education or training. It was set up by Welsh Government in 2015 and is similar in many respects to the 'Staying Put' scheme in England, or to 'Extended Care' placements internationally. Young people who are over the age of 18 are no longer legally 'in care' or 'looked after' by the local authority, so this does not count as a foster 'placement.' It is instead considered a 'post-18 living arrangement', meaning that the young person is effectively lodging in the home and the carer technically becomes the young person's landlord (and is therefore only paid on this basis). However, the expectation that a foster carer cares for a child placed with them as if they were a member of their own family carries through into the 'When I am Ready' arrangement.

# 1. Introduction

- 1.1 The Basic Income for Care Leavers in Wales pilot (herein referred to as ‘the pilot’) was launched in July 2022 with the first payments issued to recipients in August 2022 (Welsh Government, 2022a). The evaluation of the scheme is now in its third year. This is the second annual report from the evaluation, following the [previous basic income for care leavers pilot evaluation report](#) published in 2024 which presented initial findings (Holland et al., 2024). The study protocol, which describes the design and methods of the evaluation in more detail, has also been published recently (Westlake et al., 2024).
- 1.2 The series of reports, published in the first quarter of each year focusses on different parts of the study as results and findings become available. The previous report examined the perceptions and experiences of practitioners during the early stages of the pilot, explored the theoretical basis on which the pilot was initiated, and presented descriptive data on the cohort of young people involved.
- 1.3 This report is the first opportunity to hear directly from the young people who are receiving the basic income, through an analysis of interviews conducted with recipients in the early stages of the pilot. In addition, we include a contribution from our evaluation co-production group of young people who meet regularly to support and advise us as we conduct the study. Finally, an initial analysis of how the pilot is being implemented is included. We will return to all of these areas of analysis in later reports, when more data has been gathered at different stages of the pilot. Towards the end of the study, we will also report on quantitative analyses of impact on key outcomes, and of cost effectiveness.

## Overview of the pilot

- 1.4 The pilot is unique in several ways, and as such it has garnered a great deal of interest from both within the UK and around the world. No other basic income scheme has given regular payments as large as those received by young people involved in the pilot, nor have other basic income schemes been open to a national cohort of care leavers from the age of 18 for two years of payments. More detail about the nature of the pilot is available from Welsh Government<sup>1</sup> but we briefly describe the key aspects of the scheme here.
- 1.5 Before we discuss the practicalities of who is eligible and how the basic income payments are delivered, it is worth noting that the pilot is based on four key principles. These were described by the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip, Jane Hutt MS<sup>2</sup> in her 2022 Written Statement (Welsh Government, 2022b):

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<sup>1</sup> [Basic income pilot for care leavers: overview of the scheme.](#)

<sup>2</sup> Previous title: Minister for Social Justice.

- Taking part in the pilot should make no recipient worse off.
- There should be no conditionality on income received.
- The same payment should be paid to everyone.
- The payment will not be altered midway through the pilot.

- 1.6 In order to be eligible, a young person must be a category 3 care leaver. This means they must have been looked after by one of the 22 local authorities in Wales for a period of at least 13 weeks<sup>3</sup>, beginning after their 14<sup>th</sup> birthday and ending after they reached the age of 16 years. At enrolment, they must have been resident in Wales or being supported as a care leaver by a Welsh local authority's social services department and living elsewhere.
- 1.7 For those meeting these criteria, the pilot had an enrolment period lasting 12 months, from 1 July 2022 to 30 June 2023 for all those having an 18<sup>th</sup> birthday in that period. For those who enrolled, the transfer started the month after their 18<sup>th</sup> birthday and continued for 24 months<sup>4</sup>. The total amount of the basic income payment is £1,600 gross per month, which is taxed at source to leave recipients receiving a net amount of £1,280 each month<sup>5</sup>. Recipients of the basic income can choose whether this is paid in one monthly transfer of the full amount, or twice-monthly transfers of half the amount. They can also choose to have housing costs paid from the basic income directly to their landlords. Depending on their individual circumstances, some young people may be eligible for tax rebates at the end of each financial year they are in receipt of basic income payments. When the policy was developed, in 2021/22, the levels of payment were set to be roughly in line with the Real Living Wage (Living Wage Wales, 2023) for a full-time employee at that time. These payments are unconditional, in keeping with the second principle mentioned above, and with the notion that recipients should be free to make their own life choices without being compelled to take a certain route.
- 1.8 In addition to the basic income payments each month, the young people involved are also eligible for support around budgeting and managing finances as part of the pilot. In most local authorities this is provided by Citizens Advice Cymru (CA), but some local authorities are providing financial advice via other providers. This component of the pilot is designed to offer tailored financial advice and support for individual young people, including 'signposting and additional support relating to wellbeing, education, work, as well as broader financial advice' (Welsh Government, 2022a). As part of the decision to enrol onto the pilot, an optional 'Better Off'

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<sup>3</sup> Or multiple periods amounting to at least 13 weeks.

<sup>4</sup> With the exception of some who enrolled late for reasons outside their control, and who therefore started receiving payments shortly after this point.

<sup>5</sup> Some recipients will be eligible for a tax rebate depending on other taxable earnings, such as earnings from employment.

calculation was available to inform this decision and estimate whether or not the basic income would constitute a net increase in a person's income.

- 1.9 No aspects of the pilot are intended to affect their eligibility for the usual services for care leavers. This is in keeping with the first principle mentioned above and reflects a desire to add to the support available for care leavers rather than replace existing provision. As care leavers, young people are eligible for a range of services, including support from an allocated 'Young Person's Advisor', who provides one-to-one advice and support in various aspects of life. They are also exempt from council tax liability, eligible for higher education bursaries and cost of living payments and can apply for financial grants through the St David's Day Fund, which is administered by local authorities alongside localised forms of support.
- 1.10 The pilot has proved popular, with 97% of young people who were eligible taking part (n= 644; Welsh Government 2024).
- 1.11 The pilot has a governance structure which includes a Steering Group, an Operational Group, a Research and Evaluation Advisory Group and an independent Technical Advisory Group (TAG). These groups include civil servants and independent experts, and their function is to give advice to Welsh Government on the design and delivery of the pilot. In addition, the evaluation has a separate advisory group, which consists of experts from various fields of academic study and professional practice.

### **Overview of the evaluation**

- 1.12 The commissioned evaluation began in November 2022 and is due to end in 2027. Several aspects of the pilot are within the scope of the evaluation. We will measure its impact in the different areas of recipients' lives that we detail below. We will also explore how the scheme is implemented, the attitudes and experiences of key stakeholders involved, and the cost effectiveness of the pilot from public sector and societal perspectives. The following research questions cover these disparate aspects of the scheme:
  - Research Question 1: What is the impact of the pilot?
  - Research Question 2: Is the pilot implemented as intended?
  - Research Question 3: How is the pilot experienced?
  - Research Question 4: How does the pilot fit into the overall offer for care leavers in Wales?
  - Research Question 5: How cost effective is the pilot?
- 1.13 The study protocol (Westlake et al., 2024) describes our approach to answering these questions in greater detail. It also includes a more extensive summary of the background to the pilot, a discussion of previous research on the topic, and the challenges and limitations we face in conducting this study.

1.14 The evaluation is designed around five core areas called ‘work packages.’ These are briefly summarised as follows:

**a. Co-production**

Co-production underpins the study and participatory methods feed into the design and data collection. A group of care-experienced young adults, living in a range of educational, employment and housing situations, meet regularly to provide advice. Their role is to co-create research questions, data collection instruments, consider ethical and analytical questions and advise on policy and practice implications. Seven such meetings have taken place to date, involving 6-10 young people in each meeting, and the advice of the group has materially informed key decisions. Examples of changes and decisions made in conjunction with this group include which survey measures to choose, focus group questions for young people’s advisors and a change to procedure to allow young people to take part in qualitative interviews in pairs or small groups, rather than just individually, if they choose to do so.

**b. Theory enhancement**

The study is a theory-based evaluation, and it employs techniques informed by realist evaluation (Chen, 2014; Pawson, 2013; Pawson and Tilley, 1997). The advantage of this approach is that it promises an insight into how and why the pilot may or may not have the intended effects for different people involved.

**c. Impact evaluation**

The impact of the pilot is being measured on several outcomes, so that we can see in what ways and how much of an effect it has for young people involved. The outcomes of interest for the pilot, which were specified at the outset by Welsh Government, fall into the following categories:

- (1) wellbeing
- (2) financial literacy / security
- (3) community cohesion / engagement
- (4) the effects of poverty
- (5) access to labour and education markets
- (6) volunteering and life skills
- (7) physical and mental health.

**d. Implementation and process evaluation**

This strand focuses on how the pilot is implemented, its ongoing delivery, and how the scheme is experienced and perceived by those involved. Also explored, within this analysis, is how the pilot fits into the overall offer for care leavers in Wales, including intersections with existing services. The qualitative elements of this work package were enhanced and extended in 2023, when further funding

became available. This increases the scope of the study to understand the lived experience of young people involved.

#### **e. Economic evaluation**

The economic evaluation will consider whether the pilot represents value for money in terms of the outcomes achieved. It aims to synthesise the costs and consequences of the pilot, to inform a social cost-benefit analysis. Social cost-benefit analysis (SCBA) is an extension of cost-benefit analysis, adjusted to consider the full spectrum of costs and benefits (including social and environmental effects) borne by society as a whole because of an intervention or programme. A further cost-consequences analysis will examine a range of key outcomes to explore wellbeing where the data allow, and aspects of educational attainment, engagement in the labour market and financial security.

- 1.15 All research undertaken by Cardiff University must undergo ethical review. This study was considered by Cardiff University's School of Social Sciences Research Ethics Committee and approved in January 2023 under the reference SREC/323. An amendment, to include additional qualitative methods, was approved on 20th June 2023. Prior to this, ethical approval for Coram Voice's<sup>6</sup> administration of the survey was obtained from the University of Oxford under the reference CIA-22TT-149. The study is also being conducted in line with the Government Social Research (GSR) ethical principles / checklist.

#### **Aims and scope of this report**

- 1.16 This report opens with an update from our co-production group. This group has been meeting since December 2022, shortly after the evaluation commenced. It has met nine times so far and involves care-experienced young adults who were too old to qualify for the pilot. Most are in their early 20s, have a wide range of personal, employment and educational experiences, and come from five local authority areas of Wales. The aim of this section is to enable our co-production partners to report directly on their experiences so far in working with the research study, and the group have collectively decided on the format and content of that section. The group will report again in the final evaluation report.
- 1.17 Following the introduction and report from our co-production group, we focus on the two areas of analysis noted above: participant experiences and initial implementation. These relate to Research Questions 2 and 3: 'Is the pilot implemented as intended?', and 'How is the pilot experienced?'
- 1.18 The participant experiences section brings early perspectives and experiences from young people receiving the basic income. The views of eight adult 'supporters'

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<sup>6</sup> Coram Voice are a children's rights charity who have been commissioned separately by Welsh Government to gather survey data from participants of the pilot.

nominated by these participants are also included. This section of the report aims to bring the experiences of the intended beneficiaries of the pilot to the fore. Their varied experiences and opinions about the income are reported, with comparisons made to the views and experiences of practitioners included in the first evaluation report.

- 1.19 The initial implementation section outlines the journey implementing the pilot, from designing the scheme, through launching it, and to initial experiences on the pilot. This is the first part of the analysis of how the pilot was implemented, and it provides a descriptive analysis of the early phases of implementation. It considers the experiences, challenges, opportunities and learning from the perspectives of those involved in designing and implementing the pilot, and those receiving it. A further analysis of implementation will include more recent data on the latter stages of the pilot, including the exit process. This will take a more evaluative approach, incorporating a combination of qualitative and quantitative data, and seek to answer the question ‘was the pilot implemented effectively?’
- 1.20 Various aspects of this pilot make it unique and unprecedented. Being the first government to run a basic income pilot of this nature and scale, operating within a devolved governance context and working with care-experienced young people who face multiple social and economic challenges. Given this context, our analysis of implementation is relevant not just to this pilot, but also other programmes of a similar nature.

## 2. Contribution from the evaluation co-production group

### Basic Income Pilot Co-Production Group – Who are we?

- 2.1 The co-production group is a group of care-experienced young people who are all in their early to mid-twenties. We are the (just slightly) older generation, most of whom are not eligible to benefit from the basic income pilot (BIP). We are involved in co-production to share what we think is beneficial – and what might not be so beneficial – about receiving the BIP. We have given our insights into the risks and vulnerabilities of receiving the large amount of money the BIP entails.
- 2.2 This photo shows some of the young people who have been involved in our co-production group over the past 2 years. Some young people come regularly to feed into our research process – others have attended occasionally. All have given brilliant insights along the way.





## Our co-production timeline

We're halfway through – what have we done so far? Follow the footsteps to see our journey.



# ...Beginning co-production work



## Autumn-Winter 2022



### November 2022

Cardiff University (CASCADE) is commissioned by Welsh Government to start evaluating the BIP...

A contract lasting 4 years - until November 2026!



### December 2022

First meeting of the co-production group is held (online)...



...Advice given to researchers on survey questions on mental health



# ...A busy Spring of co-production groups

BIP Project



Year 1

Year 2



March 2023

May 2023



February 2023

Second meeting of group  
(in person –at the Voices  
office!)

The group gives advice on  
research questions...



Third meeting of the  
group (held online)

Group gives advice on  
questions to ask  
personal advisors.



Winter-Spring 2023

Fourth meeting!

Held at the Voices office. Advice given on  
methods for interviewing young people.



Group interviews taking  
place: 41 PAs and  
managers; some foster  
carers and Citizens Advice  
staff.

# ...A Summer of surveys and interviews



 Summer 2023

64%  


The survey of young people who are too young to get the BIP starts – they will make up the comparison group.

July 2023



Fifth meeting of our group, in Carmarthen.

The group gives advice on questions to ask young people... and we painted mugs!

First survey for young people getting the BIP finished. 64% responded!



44 YP

8  
ADULTS

The first face-to-face interviews with young people on the BIP take place...

...and some interviews with adults who support them.

## ...into 2024

### BIP Project



March 2024

Researchers start collecting data from local authorities about the costs and savings with the BIP.

February 2024

First annual report of the evaluation is published.

November 2023

Sixth meeting of the group, in the voices office.

Advice about minority group experiences with the BIP.



Winter 2023-Spring 2024



# From Spring to Autumn 2024

**April 2024**



The **seventh** meeting of the group, at the Voices office...

Lots of advice given on:

- Questions about future goals in the next round of surveys.
- Questions to ask young people in interviews about when they stop getting the BIP.
- Best ways of sharing findings with young people.

Starting catch-up interviews with young people to hear how they're getting on with the BIP.

**May 2024**



**June 2024**

Researchers start **observing meetings** between young people and their PAs – seeing how they are preparing young people for payments ending...



Asking YP to complete a **survey** when they stop getting the BIP  
*- open for the next year...*

**August and November 2024**

The **eighth** and **ninth** meetings of the group were used to plan this section of the report!



## Mains impacts of the research



Here are some examples of how the co-production group has shaped the research:

- From a list of previously tested questions, the group **chose mental health questions** for the survey that members thought were important and sensitive.
- **Added questions and topics** for the interviews with professionals and young people, e.g. to ask about changes to confidence in socialising with friends – going for a coffee, a meal or a day out.
- Advice on **how to help young people feel safe and comfortable** in interviews.
- Advice on **how to ask about sensitive topics** in interviews like alcohol and drug use.
- **Suggested we offer** individual, paired or group interviews for young people which wasn't in the original research plan but worked well.
- Advice on **how to run group interviews** with young people.
- **Threw out some ideas** that researchers thought were creative, but the group thought were too complicated!

Here are some of our thoughts about the evaluation co-production group





### **3. Methodology**

- 3.1 While we are using a range of methods across the study as a whole, we focus here on the methods used in the analysis presented in this report<sup>7</sup>. The analysis in this report is based entirely on qualitative methods used through interviews, focus groups and observations, and relates to the following Research Questions<sup>8</sup>:
- Research Question 2: Is the pilot implemented as intended?
  - Research Question 3: How is the pilot experienced?
  - Research Question 4: How does the pilot fit into the overall offer for care leavers in Wales?

#### **Sources of data**

- 3.2 Young people were invited, through their Personal Advisors, to take part in an interview. Recruitment for interviews aimed for a geographical spread across Wales and a diverse range of life situations. To recruit the sample of young people, we were heavily reliant on local authorities to facilitate access and publicise the opportunity to participate. Professionals were encouraged to offer the opportunity to as many young people as possible and were told that the research team were interested in varied views and experiences.
- 3.3 Most young people who took part had been in receipt of the basic income for at least four to six months at the time of the interview (conducted between July 2023 to December 2023). Interviews predominantly took place on a one-to-one basis, with a few exceptions where young people preferred to be interviewed with others in receipt of the basic income or with the support of another adult (e.g., their partner or Personal Advisor). Follow-up interviews were conducted when young people were mid-way through the pilot and further interviews will be conducted several months after the end of the pilot to further explore their experiences. The interviews explored young people's views on the design of the pilot, their use of the cash, engagement with the additional available support, and their experiences of wellbeing, time-use as well as hopes, fears and aspirations on the pilot.
- 3.4 Young people were asked if they would like to nominate an adult 'supporter' to take part in an interview to discuss their experiences of the pilot. These adults included Personal Advisors, birth parents, a kinship carer (sometimes known as family and friends carers), and a partner. These 'supporter' interviews explored their views of the pilot and how it has impacted the young person who nominated them.

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<sup>7</sup> A more comprehensive discussion of the evaluation methodology is found in the study protocol (Westlake et al, 2024)

<sup>8</sup> See Annexes 2-5 for interview and focus group topic guides.

- 3.5 For the enquiry into the implementation of the pilot, we used a wide range of sources. Experiences of implementation were drawn out from young people's and supporters' interviews and from the focus group discussions with practitioners (Personal Advisors, Team Managers, Heads of Services) conducted in spring 2023. In addition, focus groups were conducted in winter 2023 with the Welsh Government Basic Income pilot policy team and from members of CA.
- 3.6 Both sets of focus groups explored the journey of the pilot from the initial idea to the ongoing experiences, successes, challenges and innovations along the journey of designing and rolling out the pilot. Finally, we sought inputs and triangulation from fieldnotes collected at various Welsh Government events around the pilot, including practitioner events attended by local authority and CA professionals, and from Welsh Government's Policy Development Log, which documents significant moments along the journey of the pilot.

**Table 1. Participation in qualitative data collection activities**

<b>Participant type</b>	<b>Participation format</b>	<b>Number of participants</b>	<b>Participation time</b>
Personal Advisors	Focus groups and interviews	22	Spring 2023
Heads of service/senior managers	Focus groups	12	Spring 2023
Team managers	Focus groups	7	Spring 2023
Young people	Focus groups and interviews	44	Spring 2023 to winter 2023
Supporter - Personal Advisor	Interviews	4	Spring 2023 to winter 2023
Supporter - Birth parent	Interviews	2	Spring 2023 to winter 2023
Supporter - Partner	Interviews	1	Spring 2023 to winter 2023
Supporter - Kinship carer	Interviews	1	Spring 2023 to winter 2023

Citizens Advice Cymru	Focus groups	11	Winter 2023
Welsh Government policy team	Focus groups	6	Winter 2023

### **Qualitative analysis**

- 3.7 Anonymised interview and focus group transcripts, field notes, and the Welsh Government Policy Development Log were coded using NVivo software (NVivo, 2018). Coding was both deductive and inductive, in that the initial programme theory and research questions informed our initial codes, and further codes were identified from the data following transcription, reading of data and reflection by the evaluation team. The first stage of analysis involved two researchers reading transcripts and coding excerpts of text into themes and subthemes. Through discussion within the evaluation team, the codes were further developed and grouped into themes that were agreed across the team. Each of the analyses for the two parts of the report were conducted separately, to address the research questions related to (1) the early experiences and perspectives of recipients and supporters and (2) the set up and initial implementation of the pilot.
- 3.8 A final stage of analysis involved policy and evaluation officials from Welsh Government. The first draft of the report was reviewed by members of the policy team who are tasked with managing the pilot, and who were involved as research participants in the focus groups detailed above. The subsequent draft was revised in light of their feedback.
- 3.9 This was designed to serve the following purposes:
1. Fact checking to ensure accuracy, which included adding detail about aspects of policy development that were not included originally. For example, the timing of different aspects of policy development in the period before the evaluation was commissioned (the months leading up to November 2022). This also involved more general sense checking of analysis and presentation to ensure the findings were clear and consistent.
  2. Reviewing the quotations and characterisation of their own contributions to ensure these remained representative of their views and experiences. In some cases, changes and clarifications were made by request once this feedback had been returned to the authors of the report.
  3. Giving the policy officials an opportunity to note where they felt perceptions of the pilot as reported by participants should be presented alongside documented

evidence about how the policy was implemented. Where these additions were made, they are noted in the text - for example, 'policy officials noted that guidance on the process being discussed by this participant was issued in May 2022.'

- 3.10 Whilst this approach has its limitations, as discussed in section 6, formalising this into a stage of analysis seemed overall to be a positive and transparent way of ensuring a comprehensive analysis and maintaining rigour.

#### **4. Findings: Experiences and perspectives of recipients and supporters in the first year of the pilot**

- 4.1 This section reports on the early views and experiences of young people who were recipients of the pilot. In addition to the data from interviews with recipients, it also draws on data from 'supporter' individuals nominated by young people - people who knew them well and who would offer additional insights related to their experiences of the pilot.

- 4.2 First, we describe our sample of recipients and supporters, before reporting on views about the design of the pilot, early experiences and perceived impacts.

##### **Description of participants: recipients and their nominated supporters**

- 4.3 The 44 young people who took part in qualitative interviews were all aged 18. Participants were spread across 13 of the 22 local authorities and this included young people from north, south and mid-Wales. Enrolment data showed young people started receiving the basic income payments between August 2022 and July 2023.
- 4.4 At enrolment, just under half of the young people who participated in the interviews declared their national identity as Welsh (48%; n=21), 20% as British (n=9), 9% as English (n=4), and 10% as other identity or did not respond (n=23). Over 60% of the young people were female (61%, n=27), with 30% male (n=13) and 9% who did not respond (n=4). Around 30% of the young people stated that they have a long-term health condition that is expected to last for 12 months or more (27%; n=12), 61% stated that they do not (n=27), and 11% stated that they don't know, prefer not to say, or did not respond (n=5). Five young people were former Unaccompanied Asylum-Seeking children (11%).
- 4.5 Whilst the summary above shows diversity across our interview sample, the findings are not intended to suggest representation of basic income recipients as a whole. See the 'limitations' section below for more information on this.
- 4.6 Based on the management information accessed in January 2024, young people were receiving the basic income on a monthly (n=25, 57%) or twice-monthly basis (n=19, 43%). Eighteen young people (41%) were having money paid directly to their

landlord. Based on enrolment data, eight young people (18%) were continuing to live with their foster carers (the 'When I am Ready' arrangement<sup>9</sup>, and seven (6%) were in supported accommodation.

- 4.7 At the time of the interview, just over half (52%) of the young people reported that they were not currently in education or employment (Table 2). Four of these young people were due to start college or university at the start of the next academic year. Sixteen young people (37%) were in education, with three working part-time alongside their studies. A further four young people (9%) were in work full-time or part-time.

**Table 2. Young people's reported education or work status**

<b>Education or work status</b>	<b>n</b>	<b>%</b>
In education	13	30
In education and part-time employment	3	7
In employment (part-time or full-time)	4	9
Not in education or employment	23	52
Not reported	1	2
<b>Total</b>	<b>44</b>	<b>100</b>

- 4.8 The eight supporters were, Personal Advisors (4), birth parents (2), a kinship carer and a partner. When Personal Advisors were interviewed, they were encouraged to shift from talking about their own views in relation to the pilot (which were discussed separately in interviews with professionals) to the impact on the specific young person who nominated them to take part in this part of the evaluation.
- 4.9 In all cases, the supporters were discussing an individual recipient. In one case where a Personal Advisor had been nominated by three recipients in her caseload, she discussed each in turn, answering all questions in relation to one young person, before answering the same set of questions for the others. In total, eight supporters were interviewed, representing 10 recipients. Some participants chose not to nominate a supporter while in other instances an interview with the supporter could not be secured.

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<sup>9</sup> Information on 'When I am Ready' arrangements were not reported before January 2023, so it is likely that there were more individuals living in this type of placement at enrolment.

- 4.10 To protect participants' anonymity, data from supporters is integrated into the discussion and not directly linked to the young person that nominated them.

### **Views on the design of the pilot**

- 4.11 This section outlines the young people's perceptions and suggestions around the key design elements of the pilot: the choice of cohort, age of recipients, the amount of the transfer, and the duration of the pilot.

### **Choice of cohort**

- 4.12 There was universal support for the choice of cohort and provision of additional support to young people leaving care. Participants noted that care leavers had often 'not had the best start in life' and couldn't rely on financial support from birth parents as non-care experienced young people might be able to (YP4). They identified multifaceted challenges facing care leavers and perceived their cohort as both emotionally and practically disadvantaged:

'I know a lot of us care leavers have a lot of worries about financial security.... You know, we are leaving care. We don't know where we're going, what we're doing, how's it going to work. You know, [with this pilot] the government take away the financial worry side of it, [that] does massively help with a lot of anxiety problems that most of us have, and any of the mental health problems. It just makes our life a little bit easier to transition, and not to worry about how you're gonna pay your bills, pay your phone contracts, and everything else that you need to.' (YP2)

'I agree with giving it to care leavers as a group. You're already put in a rather disadvantaged situation. I know the government tries to make up for that, but it doesn't always equate to you being on the same level as other people once you've finished, which means once you've left, sometimes I think it's quite daunting for a lot of people. I know like... I know getting jobs is a part of like, life and earning money and everything, but not everyone I think is on the same level as everyone else. It's... it's so much... it's better to give I think people that are less advantaged that help just because they really do need it.' (YP8)

- 4.13 The 'disadvantaged situation' and precariousness of many care leavers' circumstances at aged 18 years were core themes across the interviews. Recipients were often thought to deserve additional financial support, and this was considered helpful in alleviating some of the challenges. Related to this, a birth parent stated their child was going through a difficult time because of previous trauma, but the basic income had made one aspect of life easier because 'the financial struggle just sort of adds to what's already there' (SUP1).
- 4.14 In addition to agreeing that care leavers are a good group to include, all participants expressed appreciation for being part of the pilot. They recognised that it presented

a valuable opportunity - one they wanted to make the most of. Despite being beneficiaries of the policy, the interviews highlighted young people's sense of social responsibility, with explicit references to 'taxpayers' money' and hopes for it to be used responsibly. One young person noted the pilot is '... good for the people who don't abuse alcohol or drugs' and cautioned that 'this money could lead you the wrong ways' (YP3). They went on to add that, for those without such issues, the basic income can help people in various ways - by 'getting into their own place, by getting them a car, helping them do [driving] theory, [getting a] bike [and helping with] their career...if I didn't have that, I wouldn't be where I am today.' Another young person, who acknowledged that they are 'quite lucky to have it', reflected on the group as a whole, saying:

'Yeah, but fingers crossed, [I] hope and pray that enough of us are sensible enough to realise that we've got a blessing in disguise here, to be able to have this, because most people don't...So, we gonna use it for good instead of squandering it like a teenager would. You know, grow up a little bit, and take some responsibility.' (YP2)

## **Age**

- 4.15 Some participants felt the pilot should not have been restricted to those turning 18 between a defined timeframe, and instead argued it should be given to all care leavers - regardless of age or stage of transition. However, when reflecting on this aspect of the pilot's design, other participants generally felt that 18 was an appropriate time to start receiving the basic income. Some noted this was a key stage of transition, and others noted the risks of waiting until recipients are older:

'I think 18 is the perfect age to receive this, because you're going into adulthood, you gain the responsibility, and it's good to have that financial support when you turn into an adult, because most care leavers, in their childhood, they never had anything that was completely theirs on their own - that they could control. So, I suppose it helped us with feeling in control, and that.' (YP1)

'We're leaving care at 18... if they wanted to, like, put it to 20 or 21 by the time that's arrived, you've already left care [and are] massively worrying about your financial sorta security and that sorta stuff.... So, 18 is the right sorta time, I'd say to receive BIP.' (YP2)

- 4.16 In particular, young people viewed the basic income as a much-needed support to help find accommodation and make decisions around education and employment (further discussed below). In this context, the basic income was seen as a useful bridge in seeing young people through these turbulent transitions at 18. In a similar vein, some young people felt that the basic income could be tied more closely to the point where they leave care settings, whatever age this is:

‘Yeah, I think, personally, I would have benefitted more if it was a younger age, 17 or 16, because not everyone is in care until they’re 18. Not everyone leaves at 18, because I left care at 16.’ (YP4)

‘I think if a care leaver leaves care at 16, goes straight into a hostel, I think they should also get offered it...’ (YP29)

‘Because most people move out when they’re 21, and they might need the money to pay for rent and stuff.’ (YP32)

- 4.17 Despite highlighting the demands young people face during the period of transition and suggesting some flexibility in respect of age, a few participants also raised questions around maturity. For example, some participants voiced concern that ‘some 18-year-olds’ may not have the maturity or understanding to manage their finances, especially when the cash they receive is significantly more than they are used to handling. One commented that, in these cases, ‘maybe it could also be bad, because they don’t really know how to use that money properly, so, maybe it could be pushed back a year or so’ (YP5).
- 4.18 While no participants expressed concerns about their own maturity in managing the money at 18, some reflected that they wouldn’t have been mature enough had the basic income been given prior to 18. One told us ‘younger me... wouldn’t know what to do with that money’ and predicted that they would have gone on ‘a spending rampage’ (YP16). Similarly, a partner of a participant reflected ‘when you turn 18, you’ve got your head more screwed on and you’re not going to...go and splash it on, like, random stuff...’ (SUP6).

### **Amount of money**

- 4.19 The conversations around the amount of the basic income were distinguishable by those that considered the basic income in relation to expenses and disposable income, and those concerned with what was a realistic or reasonable income. In relation to expenses, many suggested the £1,280 per month amount was sufficient to meet basic needs and allow for some additional saving or spending:
- ‘I think it’s about right. I think that it covers everything that you really need in the moment’ (YP1)
- ‘I think it’s quite good, because it gives people some spending money as well to put aside, so like save up.’ (YP22)
- ‘But it also enables you to do things you want, as well as things you may need to do’ (YP4)
- 4.20 One interviewee on the pilot felt it was sufficient without being an amount that might prompt people to waste the money or use it unwisely:



‘Also, like, it's not a ridiculous amount, you know, it is only like thirteen hundred a month... It's enough to keep you above water, but it's not enough for you to start doing stupid things with... generally, with everyone I've talked about who's on it, yeah. Most are saving half, and then using the other half to pay their bills, pay for driving lessons, pay for car insurance, sensible stuff to use it for, which then they are looking for jobs, so that they can use job money to do all their extra curriculum stuff they wanna do.’ (YP2)

- 4.21 The suggestion that the basic income was ‘not a ridiculous amount’ was consistent with the following comment from a Personal Advisor who was nominated for interview as an adult supporter of a recipient:

‘I think the amount, although it sounds huge when you first look at it, actually, it's what you need to live a fairly comfortable life. It's not even comfortable, a decent life. It isn't a huge amount, I don't think, [by] the time you've paid your way, you don't have a huge amount of disposable income left. So, I think the amount was reasonable for the standard of living I want all people in Wales to have.’ (SUP7)

- 4.22 These comments suggest the amount of basic income enabled young people to cover their expenses and also allowed some choice and control with the remaining money. However, the extent to which participants felt they had surplus monies after living costs varied depending on specific circumstances (e.g. geographical location and living arrangements). The perception that it was not an excessive amount of money was noted as being particularly true for those paying high housing costs. For example, one participant suggested, ‘it's too low, because I have to pay £600 [in rent], and I'm only left with £600 [to cover food, bills, travel etc.]’ (YP32), while another stated they ‘pay £800 rent so that takes a lot of my BIP money’ (YP35).
- 4.23 In this way, while participants were generally supportive of the amount of basic income, this was contingent on the extent it could account for an individual's basic outgoings **and** allowed for some financial freedom.
- 4.24 For other participants, the amount of basic income was considered in relation to national standards in respect of income. For example, one compared it to a basic wage, being ‘roughly about the same amount on a minimum wage for someone my age’ (YP18). This echoes Welsh Government's decision to set the amount to be broadly similar to the Real Living Wage at the time of policy development (Holland et al., 2024). While this was sometimes considered by participants to be a sensible way to set the amount of basic income, others voiced concerns that it might be too high. This seemed to be related to comparisons between the basic income and the sort of income they might expect to earn from employment in the future, and the idea that the basic income may set unrealistic expectations for what income they may receive in the longer term:

‘Think that doesn't prepare them for like the real aspect of money, I guess. Because we're not always going to get this £1,600 a month. So what happens?... I am kind of basing it off of what I see my friends do who aren't in the care system and they're not getting this money, and I have a substantial amount more than them... When I was working full-time at a summer job, and I worked quite a lot of hours in the month, the most I ever earned was £1,000 in a month. So, I don't - I just don't think it's a realistic thing to start off straight at 18.’ (YP6)

- 4.25 This suggestion that the amount risks setting unrealistic experiences or expectations which may not be sustainable post-pilot is a concern that was shared by a Personal Advisor when discussing the young person they were supporting:

‘I feel like it's not set her up to fail, but I feel it hasn't been, um, realistic in terms of what you have to do to earn money in this day and age [...]. I don't think she realises, like I said, the work that she's going to have to put in to be in the same financial position in a year's time.’ (SUP5)

### **Duration**

- 4.26 When discussing the duration of the pilot, participants agreed that the availability of the basic income during the transition period between the ages of 18 to 20 years was helpful. Whilst recognising that ‘two years [will] go quicker than you think’ (YP1), participants acknowledged that the timeframe provided a safety net and buffer to help navigate the challenges of leaving care:

‘I think having that amount for two years definitely gives you the foot up that you need. ... Even if you do work, you always have something to fall back on, you have that sense of security.’ (YP8)

- 4.27 The comment above suggests the duration of the pilot was practically and emotionally helpful in supporting young people's transition to adulthood and the independence that brings. The ‘safety net’ and added ‘sense of security’ was considered helpful as young people secured accommodation, completed education and / or looked for employment. Related to this, some thought that the pilot should have lasted three years rather than two, to allow for completion of university or college courses, and / or to allow more time for saving. One young person suggested lowering the amount so it could have lasted longer:

‘Personally, I think [the amount] should be a little bit less, but for a year longer. Because, obviously, I'm in college, and it's a three-year thing. So, if it was three years, I could have finished college without worrying about the money’ (YP5)

- 4.28 Another emphasised the potential benefits of having a third year of the basic income to save for the future:

‘I don't think two years is long enough, because I was... it gives you a short time to save up for, like, transport and stuff like that, but if it was three years, you'd have an extra year to put a tonne of money away for the stuff that you need.’ (YP12)

- 4.29 However, others acknowledged the need for a balance to be struck in terms of providing additional support for young people through a difficult transition period, whilst not undermining young people’s sense of self-determination and the need to plan for the future. For example, there were some who thought that a longer timeframe would act as a disincentive to finding work:

‘Yeah, I wouldn't say that, you know, it needs to get any longer. Because I worry that would start discouraging people from getting the job... I've learned that time likes to creep up on you. So, then eventually they'll get to the end, and they'll have no work experience. No job, no nothing. And they're gonna find it really hard to move on.’ (YP2)

- 4.30 Discussions about the end of the pilot were frequent within interviews. Whilst participants did not expect the basic income to be available indefinitely, almost all young people said that they had thought about the end of the pilot and were conscious of the time-limited nature of it. Some were relaxed about this, noting that they will be in a good position at that point, with savings and the opportunity to work part-time. One participant who planned to start a university course took this view, noting ‘it’s not going to affect me too much because I'll have the money saved up. I'll get a part-time job when I start uni’ (YP41). Others also had on their minds the need to ‘get a job just before it finishes’ (YP18), and the security of knowing savings would have accrued helped others as they looked towards the end of the pilot:

‘I did think of... about it, because obviously then I'll have to change some of my budget, ...but I think I'm not too worried about...Because I know by then I'll have quite, like, a lot saved up.’ (YP22)

- 4.31 Nevertheless, alongside this optimism from some young people, others were more anxious. For example, the end of the basic income payments was described by one participant as akin to ‘taking a blanket off a baby’ (YP31), while another expressed concern at adapting to a greatly reduced income - noting the much lower entitlement that Universal Credit would provide:

‘I think the biggest challenge that we've always spoken about is just what happens at the end. That, it's - it's going to sound really harsh but it's only setting us up to fail. We're, great, we've got £1,600 a month, roughly... and boom, you're down to £72 every two weeks....it's something that I've always kept in my mind, and even though I'm sensible, I know it's all going to be a challenge for me. You can have the most prepared person in the world, and it's still a big drop.’ (YP6)

## **Summary of young people's views of the design of the pilot**

- 4.32 In summary, young people highlighted the disadvantaged position of care leavers and welcomed the policy intention of the pilot to provide additional support. The provision of a basic income was seen as having the potential to mitigate disadvantage and perceived as helpful in managing the transition to adulthood. Some flexibility in the design was recommended by participants to reflect the diversity of young people's needs and situations. Participants were similarly conscious that experiences and opportunities of young people in receipt of the basic income would vary depending on individual circumstances and living costs. Related to this, some concerns were expressed in relation to how some young people would use and be influenced by the basic income. Finally, our analysis suggest that participants were largely supportive of the two-year duration of the pilot. While some suggested a moderately extended timeframe would be valuable in supporting young people's transitions and futures, participants accepted the time-limited nature of the provision. Related to this, young people remained cognisant of the end of the pilot and some voiced concern about managing and adapting to the change. Some of these issues will be revisited below, where we discuss young peoples' early experiences of the pilot.

## **Early experiences of the pilot**

- 4.33 The following section discusses young people's early experiences of the pilot - first in relation to the support available to them during this period, and then regarding their perceptions of early impacts.

## **Engagement with financial advice**

- 4.34 Apart from the cash transfers each month, recipients have continued access to routine care leaver services, including access to a Personal Advisor. As part of the pilot, young people could access specialist financial advice, which in most locations was provided by CA. This included 'Better Off' calculations that were available before young people signed up for the scheme, to ensure that individuals would not be financially worse off by enrolling, for example because of enhanced welfare benefits entitlements due to complex health or care needs, that may no longer be available.
- 4.35 Looked after young people often have many professionals involved in their lives and therefore it may be unsurprising that most did not clearly recall the name of the service or professional, or details of their initial meeting. Rather, young people tended to refer to 'one of the meetings' at the beginning, particularly when reminded in reference to the 'Better Off' calculation. Other recollections were similarly uncertain with statements including 'I don't remember' (YP17) and 'this other man that was working for BIP. And... they were asking me, like, my expenses' (YP14).

- 4.36 Despite this, there was broad acceptance that the availability of financial advice to help young people manage the money was important. For a minority of respondents involved in interviews, the introduction of a CA worker or equivalent had resulted in regular financial check-ins:

‘Yeah, I talked to someone, and she works in the centre in [town] Citizens Advice, and I had her at the very start. So, she has meetings with me once a month, round about, or once every two months, just to check in, and talk about how much I’ve saved, and what I spent my money on, and stuff like that. And then, obviously, she gives advice as well, of what would be helpful with the money sometimes, and stuff.’ (YP1)

- 4.37 However, more commonly, young people felt reassured that they knew how to access financial advice and support if they needed it:

‘I had an introduction with [name], who... and she explained what her role is and how she can help and stuff. ... I haven’t needed to have any advice from her at the moment, but if I do need to, I’ve got her contact details to get in touch.’ (YP27)

‘I really like the fact that, before you go on BI, they send you to have a little talk with Citizens Advice.... I’ve still got them on e-mail, to the same guy, like, direct contact. If I ever need him. That personally, I think, is great because I wouldn’t have gone to Citizens Advice any time, but now I know what they’re for, if I have any problems later on down the line now, not just about BI, but anything that Citizens Advice could help with. I have a line directly to someone now, who will be able to talk about it. So, it’s actually an overall smart idea.’ (YP2)

- 4.38 It appears that knowing there was a specialist they could turn to if they needed financial advice was reassuring for many, even though young people’s recollections of financial advice at the outset of the pilot were vague, and their engagement with support varied.

### **Engagement with Personal Advisors and other professionals**

- 4.39 As noted above, young people retained access and entitlement to leaving care support whilst in receipt of the basic income. As such, many referred to their interactions with a range of professionals they were engaged with and described them as important sources of information and advice regarding the basic income. One participant described maintaining contact with their social worker, along with a support worker:

‘If I need them [professionals], I message them. I also message my old social worker, she always asks about me anyway and she is the social worker for my

siblings. I have a support worker too...she checks up on me. I'm meeting her after this.' (YP29)

- 4.40 Whilst the number of professionals and services young people were engaged with varied, a key source of support for many was that of the Personal Advisor:

'My PA, she was there, and she talked me through [the pilot]. She calmed me down and we, like, talked through a plan and how I'm going to use the money and, you know...She was amazing, she always is. Anything I don't know, if she doesn't know, she will find out.' (YP13)

'She spoke to me about how, if necessary, I could have help with I think it was like, budgeting and learning how to save and manage money and all of that, and she always told me I could come to her if I like, needed assistance with [the basic income]. Because I think sometimes, for some people, it might be quite a lot of money. Like, it is, I'm not saying it isn't, but it is a lot of money and like I said before, it is overwhelming I think to suddenly have this and be like, what do I do with it now sort of thing. But she's always been there to tell me like, if you need help sorting this, that and the other, we will do it.' (YP8)

- 4.41 The comments above show the potential for some young people to be anxious or overwhelmed at the prospect of managing the increased income. The young people we interviewed repeatedly referred to the Personal Advisor as providing both practical and emotional support. Consistent with this, the majority believed there was no change in their engagement with their Personal Advisor as a result of the pilot:

'I met my Personal Advisor before. I'll be honest, it's not changed much. She like, gives me... she still does the same thing, she still sends me everything I need help with or access to, so it's not any different, no.' (YP8)

- 4.42 Whilst it is important to note that participants were unable to compare support with what they would have had without the pilot at this crucial transition stage of life, young people nevertheless saw their Personal Advisor as a key resource and relied on them for advice on savings and planning use of finances. Similarly, participants also described their Personal Advisor as providing on-going encouragement, advice and / or cautions about spending. According to one young person, their Personal Advisor would:

'...just check up on you, see what you've been spending money on. Make sure you're doing it correctly, advise you to save, and basically, everything that you could ask for someone to make sure that you've got the money behind that, just in case you need it.' (YP3)

- 4.43 Another valued the advice around saving and acknowledged 'I'm terrible at saving anyway, so... it's quite hard for me to save, but she reminds me every day to save.'

(YP12). An exception to this was one young person who stated the basic income reduced the number of times they sought help from their Personal Advisor, because the basic income negated the need for financial support from the council:

‘It’s been slightly less because when I’ve had to, for example, have money for something, I had to ask if the council could support me. I’ve been able to use the basic income money instead.’ (YP20)

- 4.44 Overall, this suggests that for many young people the support of trusted professionals, and in particular the Personal Advisor, was valued during the early stages of the pilot. However, for a minority of our sample, support was less forthcoming. For example, one young person stated they would have liked more information about the pilot. When asked about what they were initially told:

‘Participant: Nothing much really, but all she really said was that’s it like, you get it over two years, ... you get it over two years, and you know, it helps you with stuff like that. She didn’t really give me a full description as to what it was.

Interviewer: Would you have liked a bit more information?

Participant: Personally, yes.’ (YP12)

- 4.45 There were also other examples of young people reporting a need for information or support that was not forthcoming:

‘I can’t do my tax rebate form, it’s so long. I asked my Personal Advisor and she told me just to fill it out, but that’s not helpful, bro. I messaged you for a reason. ... Like, no idea what I had to do, so I messaged her and I was like hey, help me please. She was like, you’ve just got to fill it out and send it back. It’s a 15-page form, I don’t understand any of it, please help me like, do you get me.’ (YP7)

‘I tried to ask [PA] to put me in contact with somebody about budgeting since then, a few times, but not had any contact with any financial advice since then. So, for example, I would start a savings account maybe, to put some of the money in so that that could help me after university, because obviously in university there’s other support that I can get other than the pilot. But I haven’t been able to ask anybody about savings or anything like that because I’ve asked, but there’s no support available.’ (YP20)

- 4.46 This may reflect the situation whereby Personal Advisors were learning about how the pilot worked in practice at the same time as recipients, as our other analysis has suggested, and as one young person observed:

‘[Support from the Personal Advisor] was helpful... but a lot of Personal Advisors and social workers don’t actually understand the pilot themselves because obviously it is new... So, you’re asking them questions and they’re

going back and asking other people questions, and there's just a delay on the answers.' (YP11)

- 4.47 As previously evidenced, young people in our sample were conscious of the opportunity presented by the pilot and were sometimes unsure, overwhelmed or anxious about managing the money. Whilst understanding the 'newness' of the pilot and the associated delays and uncertainty, young people nevertheless needed timely and accurate advice, as well as responsive and pro-active support. The extent to which this was available seems to have varied.

### **Informal support**

- 4.48 In addition to professional support, young people also referred to the support available from family members and carers. For some, family members, carers and partners were seen as good sources of advice as they understood the situation they were in. One noted:

'I trust their [family members] judgement. They've been through most of what I've been through, and they've succeeded in life up to now, so I would take their advice and support, because they know what they're saying and what they're doing.' (YP33)

- 4.49 Other participants discussed how family members and carers had provided advice and guidance about spending and saving the basic income. Examples include the young person whose brother 'tells me to save it' (YP30), one whose foster carer helped them open a savings account (YP3), and another whose mother reinforced advice that was coming from CA:

'I had a little chat [with my mother], and she said the... kind of the same thing Citizens Advice said. Don't be blowing it on everything... Because it's... it... it would just be a waste of money.' (YP18)

- 4.50 The comments above are consistent with those reported in relation to key professionals, where individuals show interest in young people's use of the money and encourage positive spending and saving decisions.

- 4.51 In contrast to the comments above, the complexity of young people's relationships was sometimes apparent as participants disclosed negative experiences or noted that they chose not to tell family members or friends about the pilot. This includes an example recounted to us, where a participant's ex-partner 'just wanted money' from them (and was told to 'go find your own') (YP32), and others who reported being careful about who knew they were part of the pilot:

'I've haven't told anyone I am [receiving the money], apart from social services, myself, and other people on the BIP, I think, not many people know that I'm on it. I'd rather not tell them; they don't need to know.' (YP4)



‘I think it would have been a challenge if I had divulged to all of my friends and my mother that I've got all this money.’ (YP6)

4.52 These examples relate to wider concerns, noted in our analysis of professionals’ perceptions and experiences (Holland et al., 2024), about potential exploitation. The same issue was raised in some of the supporter interviews. For example, one Personal Advisor reported that the young person she works with decided not to tell a close family member about the basic income because the young person ‘knows if [family member] knew, [family member] would be ringing her asking for money’ (SUP5).

4.53 On the other hand, there were other examples where young people disclosed that the basic income had allowed them to support family members who needed it:

‘I often lend my auntie money throughout the month, if she needs it, but I get that back straight away. I give my brother a tenner here or there. Same with my sister as well.’ (YP1)

‘I have a sibling and sometimes I bought them some food or something or like a present and that's about it.’ (YP20)

‘If my mum or nan are struggling, I'll give them a little something you know. They'd do the same for me.’ (YP29)

4.54 In these examples, young people valued the opportunity to give rather than receive support. These participants did not appear to think of giving money to friends and family as ‘extractive’ or coercive but rather as reciprocal. They seemed to appreciate the opportunity to help out those close to them, especially as families were also noted to be living in poverty. This was reflected upon by a Personal Advisor in relation to one of the young people they support:

‘[she's] very family focused and that's I think what a lot of their money has gone on as well kind of buying things you know for them, uh, doing a food shop at home because her parents don't have much money, you know, buying food for the house and kind of supporting everybody else... I think that is what she would have really kind of taken from this and she's enjoyed that, you know, I don't think it's a case of that they've been taken from her.’ (SUP4)

### **Perceived impacts**

4.55 This section summarises the ways in which participants perceived the basic income as impacting on their lives in the first year of the pilot. It is important to emphasise that these are *perceptions* of a small group of participants and should not be interpreted as impacts of the pilot as a whole, which will form the basis of a quantitative comparative analysis in due course. Nonetheless, these perceptions illustrate how some participants feel about the pilot and what role it has in their lives

and indicate ways in which the pilot might be having effects on the outcomes of interest.

- 4.56 Three themes were apparent from our analysis in relation to (1) young people's financial literacy, (2) health and wellbeing and (3) autonomy and control.

**a) Developing financial literacy**

- 4.57 Many participants described a process of learning and adapting to receiving the basic income. As part of this, young people were sometimes self-critical for having made, or continuing to make, 'stupid' purchases. This related to spending on things that they felt that they didn't really need, with examples including:

'Yeah, sometimes I buy stupid things...Like, I have an Xbox. Sometimes I buy stuff on Xbox...Some of them are games, some of them are, like, battle passes and stuff like that.' (YP12)

'I just got like, a shopping problem, do you get me. I can't like, see cute baby clothes, I pick it up, do you get me.' (YP7)

- 4.58 Related to this, a kinship carer said:

'[Young person] likes to be out all the time, and I said, I explained to her, "If and when that money runs out, there is no more." I said, "you'll need to save a little bit,... because it won't be there forever, and then you look back then to think, well, I wish I'd saved a bit of it."' (SUP2)

- 4.59 Another area of spending that some young people reported they had been on a learning curve with was overspending on alcohol or drugs early in the pilot, but later moderating this:

'Because... not long ago I was smoking weed, and that's where all my money was going, and I didn't even know where it was going.' (YP28)

'I am going to be honest now. So, when my [grandfather] passed, I went downhill, and I was doing weed. I bought weed, and I would pay 50 quid on weed, and that was it. And then all my pay would be spent on weed, and it's been five months since I've been off it.' (YP3)

- 4.60 Another reported a more recent significant spend on alcohol, but framed this as a negative use of the money, showing a desire to separate this type of spend from other ways of using the money:

'basically I went on a bit of a spiral on like, the other week because I... recently got broken up with, and I was spending like... basically, because I had like £800 in my account, I ended up spending £300. All on alcohol.' (YP16)

- 4.61 Many of the participants disclosed that the basic income was the first time they felt they 'had money' and reported initially struggling with prioritising things they needed

over things they wanted. Encouragingly spending patterns were subject to change over the course of the pilot, and many young people believed their financial literacy skills developed during the early stages. Young people described reflecting on and adapting their spending over time. For example, one young person stated:

‘At the start, I was just blowing it on anything and then, obviously I had some, I asked for advice on what to do because I realised, like, I’m getting things and it’s... just not what I need.’ (YP18)

- 4.62 The comment above chimes with the previous discussion which noted how young people valued the availability of advice and support from trusted sources. In other examples, young people described progress in terms of saving and budgeting:

‘It was hard at first to like save...Because I was like, “Oh, that’s a lot of money.” So, my brain was like, “We should spend it.” But then, eventually I got used to it, and I learned how to like budget...’ (YP17)

‘It’s like shown me like what it’s actually... what it would be like if I was living on my own, like independently, and how... and it’s actually helped me budget, not to just spend on whatever, not actually need it.’ (YP27)

- 4.63 Saving was a recurrent topic of discussion in interviews. Most participants stated the importance of saving, as the basic income was time-limited, and expressed their wish to ensure some longer-term benefit and / or security for the future. This is perhaps to be expected, given what we know about the level of uncertainty care leavers face and the fact many are unable to rely on support from family.

‘I think with Universal Credit, it’s very much budgeted for that month...But with BIP, as I work, I want to save for uni, I want to save for... a lot of things. A car, driving lessons...’ (YP14)

‘I just want to make sure I have, like, a back-up there, because I’ve no idea where I’m going in my life, so I just need to know, you know, like if I decide to go to uni or if I decide to move out, or, if I decide to go for this job or that job, like I’ll be able to support myself and make sure everything’s alright.’ (YP23)

- 4.64 Related to this, some young people discussed choices around payment frequency (monthly or twice-monthly) and linked this to other financial cycles they had set up. Although not all young people reported being offered a choice in this matter, those that were given a choice typically described making an informed decision in order to support their budgeting. For some a monthly payment mimicked a working wage and tied in with cycles of rents and bills.

‘Interviewer: You have it...

Participant: Monthly.

Interviewer: And why was that? What prompted the decision to go fortnightly or monthly?

Participant: Just easier to pay the rent.' (YP32)

- 4.65 Others considered their own spending habits and mentioned how having money twice-monthly meant they never used it up fully before the end of the month.

'So, I do like to receive it in the two payments, because it also helps me with the savings side, because I used the first half, and then save the other half, and it works quite well for me too. It also spreads it out across the month.

Yeah. So, I'm not just receiving it all at once, blowing it all, and then sitting for the rest of the month, going "I have no money".' (YP2)

- 4.66 Some young people also discussed strategic spending, for example, spending different sources of income for different purposes and managing it in different ways using different tools. This was the case for a young person who was about to start a university course:

'Yeah, especially now I'm going to university because I'll have support from student loans to cover the university there and it would be nice to put aside some money for the future and saving account seems like the smart way to do that, especially given current interest rates.' (YP20)

#### **b) Mental health and wellbeing**

- 4.67 The amelioration of mental health difficulties and improvement of wellbeing are two of the outcomes of interest outlined at the start of the pilot, so these interviews offer an early insight into how young people feel the pilot is impacting them. During the interviews, they frequently referred to stresses and uncertainties associated with leaving care, echoing what previous research has shown about this issue noted above. Young people repeatedly reported that the basic income had eased their anxieties and helped them manage anxieties:

'I suffer with anxiety, so, the less stressed the better, for me... It's [the pilot] had an excessively significant impact, but not in the way you'd think, I mean. The impact is more my mental health side, the stress and the worries of finance and other stuff... I feel like my future is in my control because I'm not rushed into it. I can do it at my pace' (YP2)

'Yeah, I feel a bit in control of my life. If I didn't have the BIP, I would have been stressing, because I've got anxiety. It would have ruined my mental health a lot. And with the stress about getting to college, I'd probably not be able to go to college because of the stress.' (YP1)

- 4.68 Both these participants refer to feeling more 'in control' of their lives as a result of the basic income, and notions of autonomy and control were recurrent and are

further discussed below. Importantly, young people's increased sense of control was perceived as beneficial to their mental health. This was also recognised by third parties. For one Personal Advisor, the benefits for the young person she supports were visible in her appearance and manner:

‘[Young person] recently accessed the [local authority office] and everybody noticed how it was telling on her physically. She just looks so well, so relaxed and so happy that she's made the choices that she's made recently.’ (SUP8)

- 4.69 In addition to reducing insecurity and uncertainty, mental health was also thought to be boosted by the material items and activities that were funded through the basic income:

‘I buy clothes that make me feel good...And... oh, and dye my hair, like...Get all my nails done. ... Now, I can like make myself feel better, doing these things. It improves your confidence and, you know, just makes you feel good, just makes you feel better.’ (YP14)

‘And it gives them that extra money to like... like do a hobby; like I'm doing baking now... So like it allowed me to have that, like, that childhood back a little bit, like.’ (YP13)

- 4.70 While young people sometimes referred to such spending as ‘treating’ themselves, more akin to spending on wants rather than needs, participants consistently made connections between the basic income and improved mental health and wellbeing. This was also highlighted by a partner who reflected:

‘I’ve noticed, since she’s been able to provide for herself, buy herself nice things, she’s got so much better with her mental health. Although she might not think it, she really has. [...] She can buy herself things, make herself feel better. She can get herself tattoos, she can actually eat, she can get herself the food she wants, she can get herself a McDonald’s if she wanted to, like, she has that...’ (SUP6)

- 4.71 Increased choice in respect of spending and the ability to treat oneself was thought to have a destigmatising effect - in some cases reducing the sense of difference and disadvantage felt by some participants. Rather than feeling like a ‘stereotypical foster kid [who are all] broke and stuff [without] much family, or like anything going on in our lives’ (YP17), many recipients reported that the income had increased their participation in society. This included doing things alone and with others, both doing activities that cost money and also - interestingly - activities that were free. For example, several interviewees mentioned using their income to take part in activities such as walking, cycling, driving, visiting new places and joining gyms or using the local leisure centre more. For example, the following recipient discussed improvements to both physical and mental health as a result of the pilot:

‘I’d say it’s meant I’m more stable, which has meant that I can focus on actually, like, improving my health. So I was really unhealthy back, when I came into care, and also like when I was leaving care. So now thanks to, you know, having stuff like a bike and being able to go out and do more stuff, my health has gone quite good ..., I don’t have to eat something that’s cheap and unhealthy. I can have a meal that’s not going to have tonnes of calories and when I have a meal I look at the calories less and look more at, you know, is it healthy enough for me because I’m not worrying about getting all the calories I need for the money because, you know, if I spend a bit extra it’s okay.’ (YP20)

- 4.72 Other examples illuminated how young people’s wellbeing was improved through their ability to spend time and do things with others:

‘I think it’s great that I’m able to not think about like, “oh, I can’t really do this, sorry, guys, ... I can’t really do this because I don’t have enough money right now”, but I know that I do now and like, improve my wellbeing in the sense of, I can see my friends.’ (YP22)

‘And I think... because a lot of my... none of my friends are from a foster care background or a care leaver background, so I think it puts... if we plan to do something, it puts me at a similar level for them. Like, if they want to go plan something big like, I don’t know, go to Manchester or something, I know I’d have the money to come with them and I wouldn’t be left behind.’ (YP8)

‘So, I went to [location 1 overseas] and that was so fun. I only went for a couple of days with my friends, and then I went to [location 2 overseas], and I spent time with my family in [location 2 overseas].’ (YP14)

- 4.73 These excerpts suggest that young people’s improved financial position created parity with their peers and allowed them to participate in activities that they would have previously been excluded from. The reduced sense of difference and disadvantage was described as beneficial to young people’s relationships and to their wellbeing, and the material ability to fund activities that were previously too expensive seemed to aid this sense of equity among peers.

### **c) Autonomy and control**

- 4.74 This combination of emotional and material benefits cited for young people engendered a sense of autonomy and control over their lives. This was evidenced by young people’s reduced sense of dependence on others to ensure their needs are met - characterised by one participant as ‘you... don’t have to rely on other people, you can like do stuff on your own.’ (YP22). More specifically, another young person framed this as freedom from relying on support from the council:

‘Because I’m in care, because a lot of the stuff that I do and the support I have depends on the council. If I want to, for example, contact somebody in the

council to discuss things with, that's a long turnaround time... that's got a bit better with the Basic Income pilot because before I relied on people for food and for everything, but now I don't rely on people for the basics. I can have a bit more independence and that's been quite helpful.' (YP20)

- 4.75 As well as a general feeling of increased autonomy and control, young people also made reference to specific aspects of their lives. For example, some reported greater choice and control in respect of housing:

'Like me like basically like going out and looking at flats that I could... that I can... Well, not buy, but rent... with that money. And like without that, that would not have been able to happen.' (YP30)

'So having this money ... it helped me lots, cause the place I was in, I was kicked out after my first payment. So having this money helped me get everything that I needed for this [place].' (YP1)

'I've already made the decision to move in with my father, yeah. But it did make it easier, because my poor father has lived on his own for quite some time. And he was like, "oh, the increase in bills", and all that stuff. And he didn't account for this, and I could go, "I'll pay my side of what I'm using", which helped a lot with the financial side; we're quite comfortably self-sufficient.' (YP2)

- 4.76 The influence of the basic income on housing decisions - and, indeed, housing security is also something supporters noted. One Personal Advisor believed the pilot had enabled the young person to avoid being homeless:

'So if she didn't have that basic income pilot and that money wasn't going directly to the landlord, I don't think they would have extended her tenancy and she would have ended up being homeless [in] March this year.' (SUP5)

- 4.77 However, the time-limited nature of the basic income was highlighted and recognised as providing what may be only a temporary relief from long-standing housing challenges. The same Personal Advisor went on to give a note of caution. While describing a recipient as a 'poster girl' for the pilot - being at university and working in employment at the same time - she anticipated the end of the pilot would be problematic:

'She's not gonna be able to afford £700 a month rent. Even with two jobs, university grants, bursaries, she's not going to be able to afford that rent and all those bills unless there is a massive change in the system.' (SUP5)

- 4.78 The comments above suggest that within the parameters of the pilot, the basic income increased young people's choice of housing, provided resources to avoid financial independence and cope with unexpected housing changes. The notion of

being able to cope with unexpected or atypical situations was also commented upon in other interviews:

‘And then when I realised I was pregnant, I was like, okay. And then I was like actually this money’s pure useful, do you know what I mean, because I bought my... I bought my pram with it, bought my Moses basket, like everything I’ve bought for the baby has been from this money.’ (YP7)

‘I recently, I’d say about a month ago, I had a seizure, and I was... I was unable to get to the hospital, and that morning that I had that seizure, I received some money from basic income, and I was able to get a... a taxi down to the hospital to be able to get sorted.’ (YP12)

4.79 Clearly, participants on the pilot have a wide range of different experiences, yet there is a shared sense that the basic income enabled them to manage and cope with both anticipated and unexpected events. As these examples show, in the case of an unplanned pregnancy, or a medical emergency, the basic income has clearly made life easier.

4.80 In terms of future planning, young people also discussed feeling more in control. While the pilot reduced the pressure young people felt to secure an income, those we spoke to were often still keen to develop their skills and experience:

‘I’m not gonna sit on it for, like, two years and then get a job, because two years of non-work experience is a little difficult to explain to an employer.’ (YP2)

‘I would rather go out and do some work and get a wage, because that’s the type of person I am, I’d rather be in work than sat in the house, doing nothing, playing on the Xbox, chilling. I would rather have a qualification or something behind me.’ (YP3)

4.81 These comments relate back to the earlier discussion about the time-limited nature of the pilot. Despite the security of a basic income for two years, young people remained conscious of the future and the need to progress in terms of education, training and employment. For the young person below, the basic income allowed them to make more considered choices, explore pathways and control the ‘terms’ on which they engaged with employment:

‘I’m not pulling my hair out and going grey. Yeah, no, I feel like my future is in my control because I’m not rushed into it. I can do it at my pace... I’ve got a fall-back, so I can find a job that I’m comfortable with....And if I can’t get a job straight away, because I’ve got BIP, I might do some volunteering in one of the cat protection places. ... While I’m doing the volunteer, I can look for an actual part-time job..... The work experience would be on my terms, not their terms.... so, you don’t have to worry about, oh, if I quit this job, I’m not gonna



get a paycheck. Actually. Well, I can quit this job, fall back onto BIP, find another job that's going to match me.' (YP2)

- 4.82 This echoes some of the theoretical mechanisms of the pilot that were detailed in the first report - in particular the notion that young people may have the freedom to take higher quality employment and plan for the longer term, rather than having to accept low quality employment. Similarly, for young people interested in higher education, the basic income was thought to help make that a viable option:

'For... even for people who don't come from a care background, I think going to uni is a big decision. It's quite a... especially in terms of finances, it's quite a difficult one to make. Not everyone wants to be saddled with debt, but I... like, through this I know I am in a better position and my dreams are probably a lot more realistic.' (YP8)

- 4.83 In contrast to examples where young people believed the basic income had changed their employment journeys, others we spoke to said they would have likely made the same decisions in respect of college, work and apprenticeships regardless of the basic income. Typically, in these examples, the basic income was described as having 'taken the pressure off', avoiding young people being 'too stressed about like failing' and allowing them to concentrate on their studies or training. This included young people avoiding the need to take on additional hours:

'It helps so much because I think if I didn't... if I didn't have BIP I would be struggling a lot more...I'd have to work way more hours, at work, and... and I'm already working like 16 right now...' (YP14)

- 4.84 Interviews with supporters similarly suggested young people were enjoying more freedom in terms of education, training and employment. This was sometimes seen to motivate young people and encourage the pursuit of interests and goals. For example, one partner talked about how Universal Credit disincentivised work, because an increase in paid income decreased eligibility for support, whereas the basic income did not. In another example, a Personal Advisor suggested that the basic income allowed the young person to change career path:

'And one thing was it did empower her to make a life choice in terms of education. She was on the apprenticeship with the NHS and she wasn't particularly enjoying it and she's always wanted to do hairdressing. And then, you know, she decided in the end that she would relinquish the apprenticeship, given that she had this income behind [her], financially. [It] gave her the confidence and she's going to college and she's loving it, doing the hairdressing course.' (SUP8)

- 4.85 There were also reports of young people with existing plans being able to pursue them more freely. One Personal Advisor talked about a recipient who would have much more time to devote to her university course because of not having to work

alongside it. Another talked about how the basic income had given a recipient more time to work out what she wanted to do, and to aim for a higher income:

‘It’s afforded her the chance to research new college courses, and she’s going back to college in September. Thankfully, her goal is still to go to university, so it hasn’t shifted any of that. It’s just made her realise that, actually, if she gets a really good job, she’ll be able to sustain and improve this level of living that she’s already on.’ (SUP7)

- 4.86 Despite this, in other examples, supporters believed the basic income had had a detrimental impact on education, training and employment. One parent reported worrying about their child’s lack of motivation and suggested that the money could have been used to help young people into employment instead. One Personal Advisor highlighted this concern as the overarching ‘theme’ for the young people she supported:

‘I think there’s kind of the same theme for the three of them on different levels [...] it’s impacted their motivation to seek employment or education, or to push themselves to do anything else.’ (SUP4)

- 4.87 Whereas young people believed the basic income allowed them to make more informed and less pressured decisions in respect of education, training and employment, this was sometimes interpreted negatively by their supporters. However, the extent to which the basic income had demotivated young people was unclear. When discussing one of the three young people she supports, the Personal Advisor reflected:

‘[YP] is a lovely, lovely, lovely girl, but just lacks motivation. And has been since I’ve known her. Umm, I think her, her upbringing kind of feeds into a lot of that, you know, which it does with a lot of our young people, you know, she’s got no kind of experience of any family members kind of working or having employment.’ (SUP4)

- 4.88 On the other hand, some young people told us that being unemployed was not down to a lack of motivation, but a lack of opportunities. For example, one young person said:

‘I’m eager to start working, yeah. Lots of people can see that that I’m eager to start work, but there’s no job out there. I’ve applied to [company], they didn’t accept me for some reason, [company], they wouldn’t accept me.’ (YP3)

- 4.89 They went on to list a range of jobs they had applied for over the last few months, since leaving college, but had not been successful in securing a job at the time of the interview.

- 4.90 This reminds us that the basic income is not a panacea and underlines the need to consider the range of factors influencing young people’s trajectories. While the

basic income may reduce young people's disadvantage and increase their options and opportunities, long-standing needs and challenges remain.

### **Summary of young people's early experiences of the pilot**

- 4.91 In summary, our findings suggest that young people valued the availability of financial advice and appreciated support from professionals, carers and family around their spending and saving decisions. The basic income was reported to have furthered the development of financial literacy for some young people. Whilst many initially struggled with managing the money, spending decisions were perceived to improve over time. Whilst this process was ongoing and financial literacy varied across participants, young people's perceptions of wise and unwise spending, and the importance of saving was consistent across these interviews.
- 4.92 Our analysis suggests that the basic income reduced financial insecurities and uncertainty for young people and eased their worries. Some young people discussed being able to buy nice things for themselves or participate in more activities, which had led to improvements in their health and wellbeing. The basic income was also reported to have promoted young people's independence and sense of control over their lives. This related to the decisions young people were making now in terms of employment, education, and training, and how they spend their time, and when planning for the future.

## 5. Findings: Early implementation and delivery

- 5.1 The apparent simplicity of cash transfers and basic income schemes is an important part of their appeal. Characteristics such as administrative efficiency and the ability to 'trim' bureaucracy are regularly emphasised by advocates and proponents (Standing, 2020; Nettle et al., 2021). However, as is increasingly being realised, the design details of the policy, the context within which it is implemented and the governance architecture within which it is delivered makes it inherently complex (Aerts et al., 2023; Marchall and Marx, 2024).
- 5.2 The early stages of the pilot support these observations, illustrating the complex nature of implementing such a pilot. In this section, we cover the experiences, challenges and successes of bringing a novel policy initiative like this from a policy pilot *on paper* to a policy *in practice*. Based on insights from those officials involved in designing and delivering the pilot at various stages, we reflect on the enablers and barriers that guided the journey, the emergent challenges, and the iterative and relational approach taken.
- 5.3 Various aspects of this pilot make it unique and unprecedented: it is the first government-run basic income pilot of this nature and scale; it operates within a devolved governance context; and is being delivered in collaboration with various actors at different levels and with a group whose members often face multiple social and economic challenges. As such, this analysis can provide insights into not just the particular successes and challenges of this pilot but also speak to other programmes that share one or more of these characteristics.
- 5.4 We structure this section of the report according to a series of themes that we identified through qualitative analysis. First, we describe the background with a focus on the political commitment and bureaucratic innovations behind the launch of the pilot (5.5). We then focus on the two core themes along the implementation journey, namely *Partnerships and Interactions* with local authorities across Wales and CA in delivering the program (5.12); and *Complexity* in managing devolved governance and the varied and unique circumstances of different young people on the pilot (5.45). Finally, we reflect on the roles of iteration and adaptation in delivering this 'simple' intervention, at pace, in such a complex environment. (5.70).

### Initial announcements and background

- 5.5 The pilot was included by Welsh Government as a commitment in its Programme for Government in July 2021 (Welsh Government, 2021). By autumn 2021, the then First Minister Mark Drakeford MS, had publicly confirmed a plan to test a basic income pilot, to do so with care leavers as a target group, and an intention to launch the scheme by April 2022<sup>10</sup> (Welsh Parliament, 2021). These plans were the result

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<sup>10</sup> [Record of Proceedings, Welsh Parliament, 19 October 2021, Para 83](#)

of a period of scoping and consultations within various government departments (such as the Tackling Poverty and Housing teams, Welsh Treasury, HM Prisons and Probation and others), experts and civil society actors (e.g. Public Health Wales, Voices from Care Cymru), as well as groups with experience of running and researching basic income pilots (e.g. the Citizens' Basic Income (CBI) Feasibility Study Steering Group in Scotland, and the team running a basic income pilot with foster care-experienced young people in Santa Clara, California). In addition, a Steering Group (internal Welsh Government group of senior officials) and an Operational Group (external input alongside officials from Welsh Government departments) informed this phase of the pilot. Both groups reported to the First Minister, the Minister for Social Justice, and the Deputy Minister for Social Services on a regular basis.

- 5.6 The pilot was formally announced in February 2022 and care leavers started enrolling onto the pilot from July 2022, a period of six months (see Annex 6 for an overview of some key dates associated with the pilot and its implementation).
- 5.7 Two themes were clear right from the early announcements and launch of the pilot, implications of which are apparent across themes and stages of the pilot. First, the significant 'political will' backing the pilot and informing key design features. Second, the need to deliver the pilot, and to complete and communicate accompanying preparation, within short timescales.
- 5.8 Shen (2024, p.2) defines political will as 'the degree of commitment among key decision makers (i.e. elected politicians in democracies or political leaders in autocracies) to enact and implement specific policy solutions addressing a particular issue... beyond merely supporting a policy idea... to see the policy through to implementation despite obstacles.' This combines *intent* of actors towards a policy end, and the sustained fiscal, political and institutional *actions* undertaken to bring it to reality (Brinkerhoff, 2000; Post et al., 2010). In key design decisions of the pilot, we see strong ministerial support, which has continued in the public and political statements of the Ministers responsible for the policy. Public statements by the then Welsh First Minister and Social Justice Minister continue to highlight the ongoing support and hope for the success of the pilot (BBC News, 2023b). In bringing it from a political commitment to an actual pilot, data from the policy team focus groups reflect ministerial desire to make the pilot as impactful and inclusive as possible. This is reflected in various decisions, such as setting the amount of the basic income in line with the Real Living Wage at the time of policy development after being presented with a range of budgetary options by officials (Living Wage, 2023); the decision to include all Category 3 care leavers; and wanting the pilot to be

completed within a government term to ensure no disruption to its delivery and evaluation<sup>11</sup>.

- 5.9 For these targets to be met, the policy team had to finalise all the logistical arrangements (e.g. partnership with CA, a reliable payment partner, preparation of guidance for local authorities and development of delivery mechanisms and processes) within relatively short timescales. The policy team responsible for the pilot undertook far-reaching consultations and discussions across government departments, as well as with external actors within the UK and globally, to inform pilot design and delivery:

‘I soon learned there was a lot to do in a very short space of time because there were expectations on when this would be delivered...And it's not something that really exists out [there], there isn't sort of a carbon copy that we can do and sort of just tweak and adapt here and there.’ (Member 3, Policy Development Team)

- 5.10 The key task from the announcements to rollout, was building partnerships and preparing the local authorities and other partners (e.g. CA) with the requisite guidance and information required to deliver the pilot and continue to provide ongoing support to the young people. These partners were a fundamental part of the design and delivery of the scheme, with their role going from enrolling young people on the scheme to providing ongoing support across the course of the pilot. This involved drafting extensive guidance and sharing it with a range of stakeholders within local authorities. One of the main challenges in this process was the need to balance sharing relevant information with all stakeholders with managing policy discreetness in the design and launch. Further, as details of the pilot started to emerge there were concerns around building expectations from those potentially eligible, and delivering within the announced timelines:

‘...we had to be very, very careful about when we announced it because the expectation of young people who would be receiving it. So the more it got pushed back ...obviously different people would get it. And once we got to the point where we were engaging with all local authorities - and that was in April and May of 2022 - we were very clear that [the launch] cannot go beyond July [2022]’ (Member 2, Policy Development Team)

- 5.11 While the policy team report that they did their best to engage all relevant parties and all local authorities, time limitations and lack of participation from all stakeholders meant that this was not always possible. Welsh Government had to rely on information cascading down the tiers of local authorities for the guidance to reach all staff, especially those working most closely with young people.

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<sup>11</sup> As has happened in UBI pilots in the US (see Frazee, 2021).

## **Partnerships and interaction**

- 5.12 One classic example of the complex nature of implementing a basic income are the partnerships required between horizontal and vertical levels of government, and any external actors. This section explores the experiences of implementing the pilot in partnership with local authorities (responsible for leaving care services) across Wales and CA (responsible for the additional financial advice component of the pilot).

### **Partnerships with local authorities**

- 5.13 The relationships between Welsh Government and local authorities developed over the course of the early stages of the pilot. From the perspective of the Personal Advisors who work directly with young people, it developed from initial confusion and frustration to much stronger and more productive relationships. There were three key challenges at the outset: the various concerns of practitioners about the idea of a basic income in general and certain vulnerabilities among the care leaver population; the variability in leaving care services across local authorities; and the feelings of underrepresentation of Personal Advisors.

#### **a) Concerns about the pilot and its effect on care leavers**

- 5.14 One of the first issues in this partnership was a strong pushback that Welsh Government faced from practitioners, who were concerned about the vulnerability of the chosen cohort, the amount of the basic income and the decision to make it unconditional. These concerns from practitioners are reflected in greater detail in the first annual report of the evaluation (Holland et al., 2024).
- 5.15 Following the publication of the first official communication about the pilot in February 2022, Welsh Government held various meetings with practitioners to inform them and get their input on how to manage the rollout. An important moment in this process, mentioned multiple times by various participants, was a three-hour long meeting involving the policy team and the members of local authorities from across Wales. The aim of officials at the meeting was to assuage practitioner concerns by presenting evidence from global basic income pilots and talking through existing safeguards in place for young people. Based on reporting from the officials, practitioners who attended continued to emphasise what they considered to be the risks of the pilot:

‘We were quite conflicted in terms ... of hearing what the Minister wanted to do and [some practitioners] telling me, telling us that these kids were..... likely to, you know, to blow it all.’ (Member 5, Policy Development Team)

- 5.16 Practitioners based in local authorities also voiced broader concerns about the pilot during these meetings. These were chiefly about communication through the

planning stage, preparedness and capacity at the local level, and the suitability of the model for implementation with care leavers:

‘Nobody has shared any information with us about it. Yeah, so, that just didn't feel so great, that beginning bit. And then I remember being invited to a group, and I went with my Head of Service, it just left us with lots of questions about those vulnerable young people... And they were talking a lot about it being based on a model from California, and things like that. It just made us think, we were a little bit anxious about its applicability to our young people in [name of local authority]’ (Senior Manager 2).

#### **b) Information, guidance and variability**

- 5.17 The second key issue is the variability of how leaving care services are organised across the 22 local authorities in Wales. This limited how prescriptive Welsh Government could be about how local authorities communicated details to young people or how they dealt with specific cases and circumstances:

‘...there are 22 local authorities with 22 different ways of doing it: ... some leaving care teams are 14 plus, some are 16 plus, some are 18 plus, some is contracted out. And all of these different ways of working. And you know, we're trying to design a one size fits all approach...’ (Member 3, Policy Development Team)

- 5.18 For their part, members of local authorities reported not receiving sufficient guidance and information on the various eventualities of the pilot and its effect on other benefits to which young people might be entitled:

‘The lack of guidance, that's, I'd say, primarily one of the main issues that we've had, as the CAB haven't received guidance on, say, somebody in supported accommodation, what they're expected to pay, as in what housing benefit then will contribute towards it. ....when the pilot started, this is something that should have been established, and should have been part of the guidance, or say, when someone comes to us, “what am I gonna be entitled to if I'm in this particular situation?” All that information should have been available from the get-go because that has been a massive issue.’ (PA1)

- 5.19 Two clarifications are relevant here. First, as an intervention, a basic income affects all parts of people's lives in cash-based economies (Mathur, 2024). Therefore, while Welsh Government prepared and circulated a wide range of guidance on the pilot, officials note that it was not possible to provide guidance on all eventualities. Second, given the variability of how leaving care services are organised in each local authority it was difficult to give specific guidance on some issues. This was recognised by the officials in the interviews as being reminiscent of implementing other policies at scale. They noted that some local authorities desired more detailed



instructions while others preferred greater autonomy, making it challenging to strike an effective balance.

### **c) Preparedness**

- 5.20 Finally, within local authorities, it was Personal Advisors, who work most closely with young people said that they initially felt underprepared:

‘I feel like, especially the first couple of months, us as workers weren't given enough time to prepare with them, and reading through some of the documentation that we've been given, that, you know, we would have done three months sort of preparing with them.’ (PA14)

- 5.21 In focus groups, Personal Advisors reported feeling ‘on the back foot’, because they felt that much of the information they were receiving about the pilot came through the media and other sources, rather than through formal channels. Some Personal Advisors reported having young people they worked with asking them about a pilot they'd heard about on TV and being unable to provide details. As this quote from a Personal Advisor from our fieldnotes highlights, ‘the press release didn't help. “every care leaver will get this”, but they didn't say *which* cohort. We were inundated with phone calls.’ (Researcher Fieldnotes, practitioners' forum, October 2023).

- 5.22 A Head of Service also remarked on the pressure for practitioners in this period:

‘Originally, [Welsh Government] said the cohort would be from the first of July ... then they said don't tell those young people because we may not go with that cohort. So, we get to around the middle of May, end of May, and they suddenly tell us, and I thought, oh, they're probably gonna go for first of September, now. Then they tell us, no, we're going ahead with the first of July... it was very rushed in those early stages. And, umm, you know, at a time when there were lots of staffing shortages, it felt very, very pressurised, to be honest with you, and it wasn't ideal’ (Head of Service 1)

- 5.23 Personal Advisors were given the additional task of assisting young people to enrol onto the pilot. This involved dealing with the bureaucracy and paperwork of the pilot, and although enrolment itself was relatively simple, the specific effects of other benefits and life situations on young people needed to be considered. Practitioners reported that the pilot further added to their workloads. One Personal Advisor explained this in detail, noting the consequences for the number of cases they could handle:

‘I don't think when it was created, they understood how much work it would involve from us. I'm the link between everybody in our team and the Welsh Government and it takes up 80 to 90% of my day, so, I've had to reduce my caseload in order to be able to facilitate the BI within the team. And I just don't think that was considered, about how much work is involved without any extra members of staff.’ (PA4)

- 5.24 Personal Advisors reported having to rapidly become the source of solving individual issues of rent, benefits, and other support for young people - something they did not feel fully equipped for. For instance, some reported confusion around the implications on student finance, communicating across the English border, and dealing with concerns around legal aid (see further section starting paragraph 5.55).
- 5.25 Welsh Government highlighted (in the review stage of analysis) the efforts they had made to ensure Personal Advisors had the information they needed. They noted that members from the All Wales Leaving Care Forum were always part of the Operational Group of the pilot. Furthermore, they recommended that Personal Advisors were brought into meetings with local authorities for discussions, alongside senior managers, but that this was often not possible for a range of operational reasons. Finally, they emphasised that efforts to disseminate information and hold consultations had to be balanced with the concerns noted above about being discreet about the policy's amount, eligibility and other details being passed out prematurely.
- 5.26 Over time, these initial operational issues have been largely resolved and the relationship between Welsh Government and local authorities has improved significantly. As a later section (paragraph 5.40) highlights in more detail, this is a result of ongoing efforts to invest in this relationship, build on feedback and establish trust across groups.

### **Partnership with Citizens Advice Cymru**

- 5.27 Over and above the support to which care leavers were already entitled, the pilot was conceptualised as the cash payment *plus* additional financial advice. In this sense it represents an example of a 'basic income plus' scheme, similar to others such as WorkFREE (Mathur et al., 2023), CLARISSA (Howard et al., 2024), the Santa Clara Pilot (County of Santa Clara, 2023) and various others<sup>9</sup>. The financial advice element was delivered in partnership with CA, an advice and advocacy service. CA had a crucial role at the enrolment stage, particularly in conducting 'Better Off' calculations to make sure that no young person would be financially worse off on the pilot.
- 5.28 Two themes are apparent from the data collected from focus groups with members of CA and our fieldnotes. First, that working specifically with this cohort was a new experience for CA practitioners, and at the start of the pilot they felt under-resourced to deal with their unique needs and circumstances. Second, that the relationships between CA and young people were mediated through Personal Advisors, which was a new relationship for most.

#### **a) Citizens Advice capacity and relationships with young people**

- 5.29 Research participants from CA tended to report not having prior experience of having worked specifically with care leavers before and lacked knowledge about

their circumstances or entitlements. Furthermore, the partnership between Welsh Government and CA, and their involvement in the pilot was finalised relatively late into its development. While some local authorities had existing relationships with CA, or other arrangements with local providers, the final partnership was only finalised a month before the launch of the pilot. This meant that CA reported not having sufficient time to build capacity to support this group.

- 5.30 CA's ability to support young people, especially beyond the first 'Better Off' calculation meeting, required both supply and demand side motivations. A scoping review by Prendergast and colleagues (2024) identified a range of barriers to care leavers' engagement with support, including a wish to be self-reliant and a lack of trust in services. Some of the CA practitioners noted 'trust issues' among some young people, and part of the challenge seems to arise from a lack of clarity about the role of CA. They found it was important to make clear that the CA were independent of the local authorities and Welsh Government. For example, one CA participant noted:

'So until they kind of feel comfortable with you and kind of trust you to kind of do what's in their best interest and we have to obviously let them know we are impartial, we're not part of the Welsh Government. We're not part of the local authority and that did help.' (Member 2, CA)

- 5.31 In terms of doing the 'Better Off' assessments, some young people had already started receiving the cash as the involvement of CA rolled out across local authorities. These young people then had 'Better Off' assessments retrospectively, but in all those cases however (like most across the pilot) the young people were better off on the pilot than on existing provision.

#### **b) Synergy between Personal Advisors and Citizens Advice practitioners**

- 5.32 Data protection regulations dictated that CA couldn't contact young people directly without their consent. This meant having to go through local authorities and Personal Advisors to establish contact. CA advisors reported trying various strategies, ranging from direct contact and attempts at relationship-building with young people (where consent had been pre-established) to setting up specific contact forms for different local authorities to refer young people to them. Despite these efforts, CA staff felt the service to have been underutilised. Their key goal thus became ensuring that routes to engagement remained open to interested young people:

'We're a service that kind of pride ourselves on digital access, so we knew that that would be something that might entice our young people to kind of stay in contact with us, and we obviously keep in contact with the PAs and make sure that even if a client doesn't feel as though they want to contact us directly,

there is still that referral channel where they'll just come back through and just email us and go, can you pick this up?' (Member 2, CA)

- 5.33 Additionally, interactions between CA and recipients were complicated by the initial relationships between Personal Advisors (who work most closely with, and were the channel of contact to, the young people) and CA sometimes being tense. Some Personal Advisors reported feeling that CA did not have the experience and skills required to work with care leavers and were not adept at providing the holistic financial support customised to their life situations. Some examples reported to us in focus groups or observed in practitioner-government meetings, showed Personal Advisors feeling that CA did not understand the importance of building trust with care-experienced young people, or that Personal Advisors had a better grasp on the nuanced aspects of budgeting that are key for a care leaver to live independently:

'And I think there were some views about why commission a service, such as Citizens Advice, when Personal Advisors acting as corporate parents are the ones that are closest to, and support our care leavers, and have that established relationship. ... our young people may not find meetings easy to go to, and, you know, to almost have to go and ask for that support in terms of budgeting.'

(Senior Manager 1)

- 5.34 On the other hand, some CA practitioners reported in focus groups that Personal Advisors were gatekeeping access to young people, perhaps owing to a feeling like CA were taking on roles that were traditionally held by the Personal Advisor. Some argued that the Personal Advisors were not letting a relationship build between young people and the CA:

'I think partly they (PAs) felt that we were pinching their job to some extent... not all of them by any means... but there were a few that were kind of, "no, no, this is my young person and I can do all of this. We don't need you coming in and interfering", and so, you know, there was no way of actually getting in touch with anybody that we'd missed.'

(Member 11, CA)

- 5.35 Nonetheless, over time, reports of the CA service from Personal Advisors became increasingly positive. A few months after the initial focus groups (conducted in spring 2023) with practitioners, we start to note growing appreciation of the CA service (from the areas availing that service). We noted in fieldnotes when observing a practitioner forum in autumn 2023 that one attendee said 'the Citizens Advice was a great shout - having them involved' and another explained that 'sometimes they (YP) stop listening to you because you're talking to them all the time. They've been brilliant, the CAB. They (young people) listen to them' (Fieldnotes, practitioner forum, October 2023).

### **c) Evaluating ‘success’ of the pilot’s financial advice element**

- 5.36 Data around the ‘success’ of the implementation of this arm of the intervention presents an interesting, if slightly conflicting picture. Our qualitative discussions with young people and CA practitioners highlight challenges with regular and sustained engagement. For example, one focus group participant from CA (no. 8) described engagement as ‘by far the biggest challenge that we’ve had’ and implied that the main function of CA was the ‘Better Off’ calculations - ‘once they have the money, then why should they engage with us?’ In our fieldnotes, we found another CA member explaining their strategy for keeping in touch with young people, but noted a lack of demand for their input:

‘I began by ringing the young people on my case every month. I’d ask them “How are you?” “Yeah, alright”, “Do you need any support”, “No not really”. After a few months of such conversations, I stopped ringing them so regularly. Maybe I was doing something wrong.’ (Fieldnotes, practitioners’ forum, October 2023)

- 5.37 Participants from CA reported that there were only a ‘small handful’ who met CA advisors regularly - ‘far and away the minority.’ (Member 8, CA)
- 5.38 In contrast, the numbers recorded of CA engagements with the basic income recipients detail hundreds of contacts between CA advisors and young people. For example, between the end of July 2022 and the end of September 2022, CA reported contacts with 385 different young people on the scheme, either in person, on the telephone or by email. More recently, between April 2024 and August 2024, CA reported that an average of 161 individuals, around a quarter of the overall cohort, were supported each month, across most local authorities.
- 5.39 This presents an interesting puzzle, which could be explained by issues of recollection, sampling for the qualitative interviews, perceptions of significance or other factors. In this report, we simply present these reports and experiences of engagement. We will look to further explore this in our follow-up data collection with young people and CA, due to start in spring 2025.

### **Relational development: feedback, iteration and trust**

- 5.40 It is notable that despite the various challenges highlighted above, emerging primarily from rushed timescales and information asymmetry, the pilot appears to have largely settled into a stable period of delivery by the autumn of 2023. The consensus across participant groups (young people, social care practitioners and CA advisors) was that many of the issues that were significant and urgent at the rollout stage, have been gradually addressed as the pilot has progressed. There seem to have been two factors responsible for this.

- 5.41 First, successful ongoing communication from Welsh Government and consistent efforts to build relationships and address the concerns of practitioners has strengthened trust and resolved emergent issues over the course of the pilot.
- 5.42 Professionals at all levels of seniority reported that problems encountered during the launch and immediately after were resolved quickly. The two main communication channels - the pilot mailbox and quarterly one-to-one meetings between Welsh Government officials and individual local authorities - were both reported to be very effective at providing quick, reliable and ongoing support from the policy team. A local authority Head of Service summarised this:
- ‘The support from the [Welsh Government] team has been great. So, if I e-mail with a question, I get a response within the hour, somebody responds to me. I wouldn't even say that long, and tells me what I need to do, tells me what I've missed, tells me, you know, what will happen if we don't do this... They solve that straight away. So, there's a positive that the team check in with us...So having somebody who will answer my questions, no matter how stupid the question is, they don't look at me as if I'm stupid. But they will give me an answer. And so, that has been a real positive.’ (Head of Service 2)
- 5.43 In a practitioner forum held in October 2023, several professionals reflected positively on communications with Welsh Government:
- “They're so responsive once you have a personal contact in there” (several officials named as ‘good’), “they're brilliant. They're so easy to get hold of”, and after saying “I think they're outstanding”, PA starts reminiscing about early BIP meetings, pre-roll out where they met large groups of PAs and just “took question after question”.’ (researcher fieldnote, Practitioner forum, October, 2023).
- 5.44 The second factor in resolving the issues quickly was that policy officials seemed open and responsive to the ongoing concerns being raised by practitioners. Several key decisions in the design and implementation of the pilot reflect what Ansell et al. (2017, p.474) describe as ‘feed-back’ and ‘feed-forward’ loops. For instance, the inclusion of a twice-monthly payment option alongside the monthly one was added after being suggested by Personal Advisors in the initial long three-hour meeting between Welsh Government and local authorities. Similarly, the option of direct payments being made to landlords on behalf of the young people was introduced after suggestions from Personal Advisors. Other examples along the course of the pilot include changes being made to the IT system. This was the pilot's interface for local authorities, and it was upgraded after they found it to be too complex, and to ensure compliance with data handling at Welsh Government. Changes were also made to tax forms and various other administrative pieces:

‘It [dealing with the initial rollout] was a bit of a muddle for us, in terms of trying to get to grips with it, and what was needed. But then, as time has gone on, and it's become almost embedded in our practice, the process has got slightly easier. You know, we've got one PA, who, thankfully, for me, has taken the lead with it, and she's the one that will remind people of when they need to enrol young people by, you know, what they need to do before that meeting with CAB, et cetera. And we've got smarter with it, I guess, as time has gone on, and she attends all the Welsh Government meetings, and she feels really supported by them... But like I said, at the very beginning, we were winging it...’ (Team Manager 2)

## **Complexity**

- 5.45 More broadly, the experiences of implementing the pilot in its early stages appear to confirm claims that it is the context, political and administrative system, choice of cohort, amount of basic income, delivery mechanism, accompanying support, relationship with other benefits and other such details that truly determine the nature of such interventions (Aerts et al., 2023).
- 5.46 As highlighted above, the coordination between various arms of government and external actors brought about a range of challenges and created a learning curve for the implementation of the pilot. In this section, we reflect on further issues that add layers of governance and complexity. Namely, implementing the scheme within a devolved context, and variability in both young people's individual circumstances and the organisational circumstances of the services they were working with across Wales. At an early stage, it was clear to the policy team that this was ‘one of the most complex and comprehensive policies [they] had dealt with’ (Member 3, Policy Development Team).

## **Devolution**

- 5.47 The dynamic that has played a role in both enabling and complicating the pilot has been the nature of devolved governance in the UK. One member (no. 1) of the policy team commented ‘*I never dreamed... that a basic income pilot could happen in a devolved context*’, when reflecting on the barriers that had been overcome. The constraints that the current devolution arrangement places on the possibility of basic income in the UK has long been recognised. One of the main conclusions of the extensive feasibility study conducted in Scotland found that:

‘This research has determined it is not currently feasible for any one level of government alone to deliver a pilot model of a CBI as described by the Steering Group. There would be substantive and complex legislative, technical and delivery changes required to ensure that a CBI interacts with the existing social security system in a way that avoids detriment to those on benefits and lowest incomes’ (CBI Feasibility Study Steering Group, 2020, p.3)

5.48 Similarly, Rebecca Evans, then speaking as Finance Minister in the Senedd (Welsh Parliament) said:

‘The Welsh Government would be open to such a [Universal Basic Income (UBI)] trial taking place in Wales, but we have to be realistic that such a trial would not be possible without the active co-operation of the UK Government, and this is because of the interaction of universal basic income with the tax and benefit system’ (Rebecca Evans MS, Welsh Parliament, Sep 2020, paragraph 326)

5.49 However, political will and bureaucratic workarounds enabled devolution to be used as a tool, rather than hindrance, to trial a basic income pilot. Fundamentally, Welsh Government used the areas in which it has policy competence under the devolution arrangement (e.g. social services and housing) to proceed to run a programme of this sort. Nevertheless, given that areas like welfare and taxation are not wholly devolved, Welsh Government still had to navigate complicated and rarely used governance routes to make the pilot a reality. This complexity was explained by the former First Minister:

‘[The] devolution settlement is an asset but also has its real limitations ... the asset of the devolution settlement is that it does enable us to mount a pilot of this sort, we have made a conscious decision to find over 20 million pounds from our budget to support it ... the limitations are when these things touch on non-devolved responsibilities ... we were very disappointed that we were unable to persuade the DWP and then through them HMRC to be part of this experiment with us ... quite a lot about 20 million pounds now ends up in a direct transfer under the Welsh budgeting back into budgets in Whitehall either through taxation or by welfare payments not being made.’ (Mark Drakeford, Former First Minister of Wales<sup>12</sup>, quoted in Prabhakar (2024, pp.2-3).

5.50 The UK Government did not recognise the basic income as a government benefit paid to young people, and more broadly stated that they were not in favour of piloting a basic income in the UK (Welsh Government, 2022, 2023). As a result, Welsh Government’s process of implementing this pilot has required developing and delivering it in a manner that it could work within existing UK non-devolved systems. One illustration of this was in the realm of tax.

5.51 Since the basic income money is classed as an ‘unearned’ income for young people, rather than a government benefit, the payments are subject to tax deductions. Under UK tax legislation, Welsh Government needed to tax the money at source, which reduced the directly paid amount from £1,600 to £1,280 per month per individual. Welsh Government then paid £320 a month in tax to UK Government, on behalf of each recipient. This mechanism already existed (under

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<sup>12</sup> Current position: Cabinet Secretary for Finance and Welsh Language



the code CT61), but this was the first time it had been used for a basic income scheme, to the best of the knowledge of the policy team. We are unaware of any precedent for this in the UK, and it may be the only example globally of a devolved government paying tax on behalf of a group of citizens. Young people could then claim back tax, either independently or assisted by Personal Advisors or CA, if tax deductions were owed to them - for instance if they had overall income below the tax threshold, and depending on what other income they had.

- 5.52 However, data from the focus groups and fieldnotes suggest that this has been experienced as relatively complicated. While some practitioners reported finding the tax process 'straightforward' (researcher fieldnotes, practitioners' forum, October 2023), other accounts show CA staff reporting having had to make the same claims multiple times. In some cases, even the handlers in HMRC were unclear about how to handle pilot-related tax claims, even though they were supposed to be categorised as a separate case:

'...my experience of having done a claim for a refund for about 10 people was not one of them worked ... HMRC who were processing the claims, didn't have a clue about BIP, what it meant, what the money was for... in every case I had to make a claim at least twice and in one case about four times before it was processed.' (Member 8, CA)

- 5.53 Given these complexities, the policy team recognised that while the pilot was managed within these frameworks, future rollout and a full-fledged policy of this sort would require legislative change:

'...if this interaction with tax is a real deal breaker in terms of whether this is scalable and deliverable longer term it would require some legislative change to find a better route for managing the tax side of things' (Member 3, Policy Development Team)

- 5.54 In a recent publication, Prabhakar (2024) notes that the pilot provides a unique case study of how the dynamics of social security and social citizenship are evolving and expanding in devolved contexts. The experiences from the pilot highlight the freedom for the government to proceed regardless of the UK government position, but also the barriers they must navigate in doing so. Officials were aware of the potential lessons to be learnt from pioneering the pilot in the context of devolution:

'So, we're demonstrating what happens when you do a basic income pilot in a devolved context. The positives and the negatives. So that's why I hope that the learning from this is going to be strong and influential, not just for Wales but for the UK as a whole...' (Member 1, Policy Development Team)

## **Complexity and variability**

- 5.55 The other major factor creating complexity in the design, rollout and participant-experiences of the pilot is the variability in the structure of leaving care support across Wales<sup>13</sup>, and the unique life situations of different participants. These have wide-ranging legal, fiscal and policy implications for different young people under the pilot conditions. Different local authorities had varied capacity to support young people navigate the journey on the pilot, provide insights on engagement with other benefits and relationships with CA or other service providers.
- 5.56 An example of the unique and complex situation of some participants relates to disabled young people. One supporter of a young person with severe impairments highlighted confusion at the early stage on the interactions between the basic income and other benefits. They described a lengthy process of understanding the pilot during the enrolment process for the young person on whose behalf they were acting. They mentioned how, in spite of the Personal Advisor leading on enrolling the young person, they had to go through multiple rounds of ‘back and forth’ with officials on the phone before the relevant departments of the local authority were able to accommodate for the young person’s condition.
- 5.57 These sorts of difficulties may be unavoidable given the scale of the pilot and the range of different individual circumstances. Yet a broader issue for the pilot is that these experiences led to perceptions of ‘unfairness’ that can be difficult to disentangle from the pilot itself. There was a general sense among different participants that to some extent, the pilot was exposing (rather than causing) structural flaws in the support available for care leavers, such as the perceived high fees charged by some housing and support providers and the variation in provision of leaving care support for young people. This variability was highlighted most starkly in two areas: housing and asylum.

### **a) Housing**

- 5.58 The differential experiences of housing for young people, which is a common concern for young people leaving care across the UK (Liabo et al., 2016) is among the most challenging issue that is evident across our data sources. Young people leaving care have various housing arrangements, including private renting, living with families/relatives, living in supported accommodation, and remaining with foster carers in a ‘When I am Ready’ arrangement. All these arrangements had different implications for how much money young people paid for housing, how this is paid for (i.e. by them or straight from the council) and how much financial support they receive to pay for it.

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<sup>13</sup> See [transformation of children’s services programme](#).

5.59 Welsh Government engaged in a high degree of intra-departmental dialogue on this issue at the design stage of the pilot, and issued guidance at the rollout stage, outlining that the basic income comes on top of (not in place of) existing support. From the practitioners' perspective, however, participants at various stages of the pilot were struggling to grapple with the implications of young people's increased incomes on the amount of rent they could be liable to pay, in different types of accommodation. It appears that policies on the contribution young people are expected to make towards accommodation costs in some placements, for example the 'When I am Ready' provision, vary between local authorities, and in some cases vary according to whether an individual is on the pilot or not (researcher fieldnotes, practitioners' forum, October 2023). Across the pilot, Personal Advisors were sometimes unclear on young people's housing benefit entitlements and were critical of the higher amounts young people on the pilot paid for supported housing compared with their peers.

'On the supported accommodation, that's been a massive impact, because - no offence to CAB and the Better Off calculations - they have been no help at all with trying to figure out how to get around the supported accommodation issues, with the rent. It was only agreed, I think, two weeks ago, that every young person in supported accommodation, we were gonna initially do a £450 payment in rent [from the basic income money received by participants], and then apply for discretionary housing benefit. Then, again, that's (housing benefit) not always gonna be given, umm, so, a lot of young people feel worse off, and wish they hadn't gone on BIP, because they're now paying rent when other young people aren't having to pay rent. The accommodation providers have been really, really negative towards the scheme, which has not helped us.' (PA3)

5.60 Welsh Government officials note that the pilot was not intended to replace all benefits to which a young person would otherwise be entitled, including housing benefit. They recognise, however, that participants in different parts of Wales, in different types of housing, and with different local rules on rent caps could end up in 'postcode lotteries' paying vastly different amounts on rent while on the pilot. They also note that these variations in experiences and outcomes were not a consequence of the pilot, but the pilot has highlighted existing long-standing challenges:

'I think probably some of our most frustrating parts of delivering it have been those existing differences and inequalities that we weren't really fully aware of beforehand. And I don't think each local authority was sort of fully aware that these many differences really kind of existed. So, but yeah, I would say it wasn't the job of the basic income pilot to try and address some of those existing issues.' (Member 3, Policy Development Team)

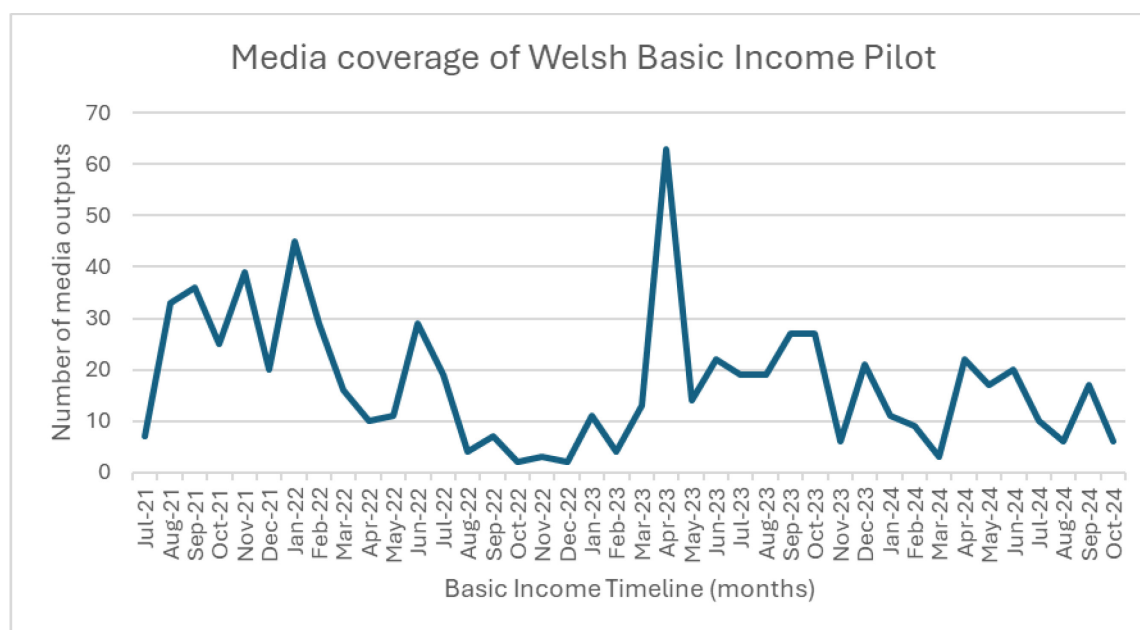
5.61 In response to housing issues being revealed by the pilot, local authorities took different approaches to helping young people. At this point in the evaluation, the extent to which expectations vary by local authority and by type of provision is not clear, but we intend to explore this further in the next stage of implementation analysis.

## b) Asylum

5.62 Another area which highlights the complexity of this pilot, bringing in matters of non-devolved policy, complex individual circumstances and political and bureaucratic will, was the inclusion of asylum seekers on the pilot<sup>14</sup>.

5.63 To begin with political will (Shen, 2004), the inclusion of this cohort, which represents only 11% (n=74) of the recipient group (Welsh Government 2024), received a high degree of political, and relatedly, media attention. For instance, analysis of a repository of media articles compiled by Welsh Government that specifically mention the pilot, contains over 700 entries. The articles provide some evidence of spikes in publication around key announcements to do with the pilot (see Figure 1). The most notable increase in media output, in April 2023, seems to cluster around debate about the inclusion of unaccompanied asylum seekers on the pilot.

**Figure 11. Trends in publication of media articles mentioning the pilot (July 2021 to October 2024)**



SOURCE: Welsh Government repository of media articles relating to pilot

<sup>14</sup> It is worth noting that while some civil society actors have trialled UBI with non-citizens, most proposals and pilots think of 'countries' and 'citizens' as the unit of UBI imagination (Gordon, 2021).

- 5.64 This reflected some public and political criticism of the inclusion in the pilot of eligible care leavers who are former unaccompanied asylum-seeking children, following criticism of this by the UK's then Prime Minister in the House of Commons in April 2023, and subsequent robust defence of those young people's right to support by the then Welsh First Minister (BBC News, 2023b). This unwavering support for this aspect of the policy was reiterated by Ministers on several occasions.
- 5.65 Correspondence from the Minister for Social Justice to the Petitions Committee on 25 October 2023 states that:
- '[...] care experienced unaccompanied asylum-seeking children have always been included as eligible for the basic income pilot as category three care leavers. In line with our Nation of Sanctuary approach, we want to ensure that unaccompanied asylum-seeking children are supported to rebuild their lives. Enabling eligible young people to participate in the Basic Income for Care Leavers in Wales pilot supports this ambition.'
- 5.66 This public debate, which required the attention and time of officials and Ministers, was an additional layer to what was already proving to be a complex part of the pilot implementation. An early concern related to how being on the pilot affects an individual's eligibility for receipt of legal aid. As legal aid is treated in the same manner as a means-tested benefit, with a person's income and capital being considered before a decision on legal aid entitlement is made, the level of basic income received pushes individuals above the threshold at which they would be eligible to claim for what can be costly legal aid services. While this issue arose because of how it relates to unaccompanied asylum seekers, who usually require legal aid to make asylum claims, it would also potentially affect any participant who needed legal aid - for example, any young person who was involved in the criminal justice or civil courts system. One solution that was explored by Welsh Government officials was to exempt this group from the legal aid means test, which would enable them to claim as usual. However, this required UK Government agreement which was not forthcoming. Welsh Government officials continued to liaise with UK Government Ministry of Justice officials to explore the implications, but the situation created confusion for practitioners and supporters working with affected young people.
- 5.67 The complexity of this situation, and its impact on different young people, led to many challenges for the practitioners and CA staff supporting recipients. CA staff highlighted an inability to conduct robust 'Better Off' calculations for this group - both due to lack of complete clarity on the legal aid issue, and it being very difficult to meaningfully predict what legal fees could be incurred. They were also unclear

about whether former unaccompanied asylum-seeking children<sup>15</sup> are issued national insurance numbers<sup>16</sup>, affecting eventual tax refund claims. Our fieldnotes and discussions with policy officials suggest that Personal Advisors adopted different individual-level strategies, ranging from continuing to petition for legal aid for their young people to agreeing fees with solicitors for these cases, amongst others. In some cases, this group may be having to pay a large proportion of their basic income money towards legal fees.

‘...So, we've had three-way meetings with interpreters, and solicitors, and I think the one meeting we had, it was sort of agreed that the young person would put £600 a month towards their legal fees... You know, so, there is a language barrier even with an interpreter, trying to explain what BI is, and that it will end. But you are better off on it, paying your legal fees generally. And if you're not, you can come off it.’ (PA3)

- 5.68 Thus, the complexity of managing issues of young people seeking asylum on the pilot highlight another case of ‘complexity’ in the delivery of the pilot, the effects of running this pilot within devolved contexts, and the variable outcomes and experiences of young people on the pilot.

### **Delivering a ‘simple’ intervention in ‘complex’ systems: iteration and adaptation**

- 5.69 As previous sections have outlined, the claims of basic income providing administrative ‘simplification’ in welfare delivery might ignore the complexity of governance and delivery in real-world contexts.
- 5.70 In some respects, the pilot has been reported to have some significant successes. One such example is the regular and reliable transfer of cash. As highlighted above, the guarantee of young people’s money reaching them without delay was crucial to the delivery of the pilot. Its importance was underlined by Personal Advisors who raised concerns around the potential for harm if scheduled payments failed to reach young people. Members of the policy team reported being keenly aware that the payment partner being brought into the pilot had to provide the highest degree of reliability. Qualitative reports from across data sources included in this analysis suggest this has been a success throughout the timespan of the scheme, to date:

‘I can almost guarantee the exact days of when I get the payment, it's always on the first [and] the fifteenth. No failure. It's always in on those days. I've

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<sup>15</sup> The Welsh Government refer to this cohort as ‘former Unaccompanied Asylum-Seeking Children’ for consistency with broader social services/Home Office terminology, as at this stage of the pilot as they are all aged over 18. They are UASC under the age of 18 but are then considered ‘former’ post 18, even if asylum claims are still in progress.

<sup>16</sup> Welsh Government officials clarified in their review that unaccompanied asylum seeking young people are provided a temporary National Insurance number through which they can make R40 claims. See further [Claiming Universal Credit and other benefits if you are a refugee](#).

never had a problem with it. I've got a direct debit...I can guarantee that it'll be in there when the debit goes up.' (YP1)

5.71 In other respects, the design and implementation of the pilot has adopted a more iterative approach. Welsh Government officials issued draft guidance to local authorities for comments and review and published all comments and responses in subsequent drafts. Ministerial steer on the pilot was also always for it to be dynamic and to learn along its journey. This could be seen in the changes made based on local authority feedback and national and global insights, as mentioned above.

5.72 However, it was apparent to the officials tasked with delivering the pilot that no amount of preparation would eliminate all challenges (potentially) arising. There were too many 'unknown unknowns' for this to be realistic:

'But I think that's one of the big learning things from this for me is that like, sometimes you've just gotta crack on because you can talk about it all day and come up with lots of reasons why it can't happen. But sometimes you just gotta get on with it and see what you can do to make it happen.' (Member 2, Policy Development Team)

5.73 Moreover, as mentioned above, this was also due in part to the nature of basic income as an intervention that can affect all aspects of a participants' life, meaning various specific scenarios were difficult to predict. It was clear early on that the policy team and local authorities would have to recognise different outcomes and experiences that went beyond the remit of the pilot itself. These related to young people's housing, health, benefits, taxation and various other aspects of policy and governance. All of this meant that a dynamic approach was needed, as one official explained:

'So a lot of things you have to get going to identify them, I think and that's been the case for the basic income pilots around the world as well' (Member 1, Policy Development Team)

5.74 This need to work 'through', rather than 'around', many issues was also mirrored to some extent by some practitioners recognising that there were limits to the levels of pre-meditation and preparedness those involved in delivering the programme could have had. As one focus group participant, put it:

'I think we could have engaged for five years and still not come up with all of the complex scenarios that we have to have happened. They have come forward because each individual who's on this pilot is different.' (Member 13, CA)

5.75 In a similar vein, Welsh Government also showed willingness to adapt in implementation practices. For instance, initial government policy was to not allow late applications, given considerations around the timing of the end of the pilot and

government budget cycles, However, in some cases young people could not be enrolled by their 18<sup>th</sup> birthday, due to administrative challenges at the early stages that were outside their control. Given its implications for young people missing out on this opportunity for such reasons, this position moved:

‘So we saw it was quite unfair that young people, for reasons out of their control, couldn't join the month after their birthday and we would let them onto the pilot and that's obviously that was a big decision because it means our payments go on a bit longer than originally was intended and into other years' budgets potentially.’ (Member 2, Policy Development Team)

- 5.76 This approach of adapting and learning through doing has been seen to be a core driver in the smoothing out of initial tensions and confusions from the rollout stage of the pilot, as well building stronger relationships between those involved in the process.

### **Summary of the early implementation and delivery findings**

- 5.77 In summary, our findings demonstrate the complex nature of implementing a basic income pilot. Welsh Government worked with many partners to deliver the pilot including local authorities across Wales and CA. The logistical arrangements for the pilot were finalised within relatively short timescales and many local authority practitioners reported feeling frustrated and under prepared when the pilot began. However, our findings demonstrate that the relationship between local authorities and Welsh Government improved over time as the policy team sought to build relationships and trust, listen to feedback, and respond to arising issues and concerns.
- 5.78 Our findings also highlight some initial difficulties in partnership working between local authorities and CA. Many CA advisors reported that it was challenging to regularly engage young people in their service, although hundreds of contacts between CA advisors and young people have been recorded. We plan to further explore young people's engagement with the service as the evaluation progresses.
- 5.79 In addition to working with many partners, Welsh Government needed to navigate the devolution arrangements, the variation in how services are organised across local authorities, and the unique life circumstances of young people in receipt of the pilot. Our findings suggest that a dynamic approach of adapting and learning has been necessary to tackle emerging challenges and build stronger relationships with partners.



## 6. Discussion

### Perspectives and experience of recipient young people

- 6.1 As we have noted previously, the transition to adulthood for young people leaving care has been described as ‘accelerated, compressed, and linear’ (Stein 2019, p.400), with young people facing significant life changes at an earlier stage and without the support network typically available to their non-care-experienced peers. Whilst the challenging nature of this transition remains, the availability of the basic income is intended to strengthen support for care leavers, enhancing their ability to navigate key changes and make decisions in respect of their future (Welsh Government 2022a). Our findings suggest some consistency with the policy aims as young people reported a developing sense of financial literacy and competence, improved mental health and wellbeing, together with an increased sense of autonomy and control.
- 6.2 Perhaps unsurprisingly, all those who were interviewed expressed support for the pilot being targeted at young people leaving care, emphasising their disadvantaged position and deserving status. It is of note that several participants overtly referred to a sense of social responsibility to use the money productively and responsibly.
- 6.3 Parallels and contrasts are notable between young people’s views and experiences of the pilot, with those of professionals previously reported (Holland et al., 2024). Consistent with professionals, young people appreciated the additional support provided by the basic income and believed this had the potential to reduce disadvantage and enhance future prospects. When talking about other young people in the abstract, as we found previously in discussions with professionals, recipients sometimes expressed concerns that the opportunity of the basic income might be wasted. However, none of the recipients we interviewed at this stage of the pilot felt they had used the money unwisely, and all told us the pilot had been helpful or beneficial to them in some way. This trend of making claims to hoping for ‘responsible’ behaviours, or positioning themselves as a cohort with socioeconomic disadvantage, or young people’s reiteration of the importance of finding ‘jobs’ continue to highlight the dominance of prevailing narratives around welfare and social policy. Qualitative research on UBI in Netherlands (Rosseti et al., 2020) and South Africa (Fouksman, 2020) for instance highlight that while participants value the support, they continue to position themselves within the dominant societal perceptions of ‘deservingness’ of welfare support (Van Oorschot, 2000). Whether this would change if basic income was a long term ‘right’, as some have argued (Standing, 2004), is difficult to ascertain from short-term pilots (Widerquist, 2018).
- 6.4 Concerns expressed by many professionals that the basic income could disincentivise education, training and employment (Holland et al., 2024) largely stood in contrast to the views of young people participants. Some young people

reported that basic income enabled them to explore new education or employment opportunities that matched their interests or made their existing choices easier by providing financial security and alleviating stress. For some, the basic income reduced the need to take on part-time work while they studied or enabled them to look for volunteering opportunities instead. The young people we interviewed who were unemployed frequently highlighted an absence of employment opportunities, as opposed to a lack of motivation.

- 6.5 In terms of living independently, the basic income reportedly enabled young people to manage financially and feel financially secure. It similarly seemed to facilitate more choice and control of key aspects of their lives, including housing, education, training and employment and leisure activities. Related to this, many young people explicitly attributed feeling less stressed and anxious to the basic income. This speaks to the theoretical and empirical work on links between basic income schemes and mental health, of which there has been a recent increase (Johnson et al., 2023; Wilson and McDaid, 2021).
- 6.6 The findings can be related to indicators of care leavers' subjective wellbeing in surveys developed and implemented widely by Coram Voice (Briheim-Crookall et al., 2020) and which form the basis of surveys conducted as part of this evaluation (see Holland et al., 2024). Informed by research and co-developed with care-experienced young people, the indicators highlight important considerations in relation to what matters and what makes life good. Indicators related to support, living independently, feelings and relationships provide a helpful way of analysing if, and in what ways, the basic income may be beneficial to subjective wellbeing.
- 6.7 The findings can also be related to Jeffrey Arnett's concept of 'emerging adulthood', a developmental stage between adolescence and adulthood, where young people explore and experiment with their identity, relationships and professions (Arnett, 2000). As described by Arnett (2000, p.469) this is a time when:
- 'many different directions remain possible, when little about the future has been decided for certain, when the scope of independent exploration of life's possibilities is greater for most people than it will be at any other period of the life course.'
- 6.8 Given the constraints care leavers face compared with non-care experienced young people, our data suggests that the basic income provided some parity for participants with their peers. Young people reported feeling able to engage in more activities and experiences and enjoyed a reduced sense of difference and disadvantage from their peers. Importantly, the basic income enabled less pressured decision-making in respect of education, training and employment, such as the opportunity to take time to find the right opportunity, or to change training routes. While supporters sometimes questioned young people's progress and

engagement in education, training and employment, participants' preference to consider and find options they believed were right for them are consistent with theoretical understandings of this developmental phase.

- 6.9 In addition, the findings reconfirm the importance of support. The pilot can be seen as a part of a wider movement of 'cash plus' pilots (see e.g. Mathur et al., 2023; Roelen et al., 2023). These pilots combine unconditional cash transfers along with additional support (Palermo and Watson, 2016; Roelen et al., 2017). Both formal and informal sources of support were highlighted by the young people we spoke to. This included appreciating the availability of specialist financial advice, and having support from Personal Advisors, carers and/or family members to talk to about the basic income, to help them plan and/or manage concerns. When this was unavailable, young people reported feeling uncertain and/or anxious.
- 6.10 Recent evidence has illuminated the challenging transition to employment for care leavers, which offers limited opportunities and many of which are typically insecure, low paid with little scope for progression (Harrison et al., 2023). There is global evidence on the issue of 'adverse incorporation' (Philips, 2013) that highlights how the terms on which people in vulnerable positions enter the labour market create traps that are then difficult to escape. For instance, a child who is resident in a poor family may need to start working at an early age to support their family, but this prevents them from pursuing further education or training. This then traps them into cycles of low-skilled and poorly paid labour.
- 6.11 Viewed in this way, the findings from young people's interviews provide some support to those who argue that an unconditional basic income can provide participants the power to say 'no' (Widerquist, 2013) to unfavourable relationships and instead do work (paid and/or unpaid) that they truly want to (Standing, 2021). Whether this is (a) a wider pattern among the recipient group, and (b) of longer-term benefit to individuals, or society more generally, in the UK context, remains to be seen.
- 6.12 Finally, while a number of professionals expressed concern that the basic income could harm rather than benefit some young people (particularly in regard to exploitation and substance misuse) (Holland et al., 2024), this was not a feature of our interviews. The young people we spoke to typically described a 'learning curve' whereby they had initially made unwise spending choices, which included alcohol and substance misuse, but these were reported to be temporary rather than routine. Notions of a learning curve in relation to managing a basic income are not unique to the young people in this study but have been highlighted in other basic income pilots across the world (see Davala et al., 2015). In addition, the data revealed that young people were aware of the potential for relationships to be exploitative and were mindful of disclosing their receipt of the basic income. Moreover, some young

people described how the basic income had supported their relationships to be more reciprocal and less dependent.

## **Implementation**

- 6.13 An objective assessment of relative successes and failures at each stage of the pilot would be premature at this interim stage, and this analysis is therefore more descriptive than evaluative. The core story of the implementation so far is one of substantial political will engendering bureaucratic initiative and innovation. A short rollout process caused significant confusion, anxiety and hurdles, especially for those working most closely with young people. But the process as a whole can be described as an iterative and collaborative process of learning that largely solved the various challenges encountered. Underlying each of these stages were conditions of great variation across Wales, across young people's lives, emergent and unknown challenges and the complex institutional architecture of devolved government and local government.
- 6.14 There are two key lessons in this context. First, evidence from this pilot's implementation journey highlights claims made by Aerts et al. (2023) that a basic income is not a uniform policy. Rather, it is shaped by its design details and the political, socioeconomic and welfare context within which it is implemented. Second, that in spite of claims that a basic income could reduce bureaucratic processes, the role of the bureaucracy remains integral, if slightly transformed.
- 6.15 In terms of the context of the basic income, two factors that seem particularly important. First, the role of strong and continued political commitment to the pilot which played a key role in the policy team being able to carry on delivering the programme, in its most ambitious form, in spite of challenges from above and below. The pilot exemplifies Brinkerhoff's (2000; 2010) key principles of political will - notably being the locus of initiative, the mobilisation of relevant stakeholders, mobilisation and commitment of resources, and the continuity of effort. Members of Welsh Government's policy team who took part in focus groups regularly highlighted the many ways in which ministerial direction continued to make this pilot as far-reaching, ambitious and potentially beneficial to young people as possible.
- 6.16 In the past, devolution has been seen as a key limit to the evolution of basic income in devolved UK nations, for example in the context of Scotland (Cantillon and O'Toole, 2022; Thomas, 2022). The Welsh experience, on the other hand, highlights how strong political commitment allowed for the policy to largely sidestep devolution constraints and work around the largely non-devolved tax, benefits and justice system.
- 6.17 The second key factor has been on the role of the bureaucracy at different stages and the relationships between them. As the growing profile of direct cash transfer programmes are highlighting (see for example Dar et al.'s (2023) analysis in India or

Maki (2016) for Finland), bureaucracy continues to play a key role in the design and development of such programmes. Civil servants implementing the pilot had to navigate various arms of bureaucracy: inter-departmental coordination within Welsh Government, inter-governmental discussions and advice seeking between Welsh and Scottish Governments, different departments within UK Government, and between Welsh Government and local authorities. Learning from and working with different departments remained critical for the implementation of the pilot. Furthermore, young people on the pilot have not been simply passive recipients of the income and the services described here. They too have shaped the pilot through their level of engagement with support services and the decisions they have made on how to use the income.

- 6.18 Findings from this pilot also support the notion that ‘street level bureaucracy’ (Lipsky, 1980) as a key determinant of the programme’s implementation. This highlights the role of the individual officials whom citizens come into direct contact - in this case Personal Advisors, CA advisors and others such as housing officers - play a crucial role in determining how the programme is experienced by the end user - in this case the young person. For example, at the start of the pilot, young peoples’ lack of clarity on the pilot meant that they relied quite heavily on Personal Advisors’ advice for key decisions - such as whether to choose monthly or twice-monthly payments, decisions around how rent is paid, and various others.
- 6.19 This speaks to a key conversation in basic income research. Some basic income advocates, particularly those on the political Right, argue for basic income as a way of trimming down bureaucracy and ‘simplifying’ benefits through direct cash transfer (Martinelli, 2017; Haagh, 2019). On the other hand, scholars have argued that a basic income is unlikely to reduce bureaucracy, but could instead change the role and nature of it (De Wispalaere and Stirton, 2013). As the first government-run pilot of this nature and scale, findings from the pilot provide empirical support to the latter claim. The role and significance of bureaucracy did not diminish for either Welsh Government teams, or for staff of local authorities, as evidenced both in their own reports and in interviews with young people. It did bring in new and evolving roles beyond the remit of what both sets of actors were traditionally used to doing, and in some ways modified the support they looked to provide to care leavers.

### **Limitations**

- 6.20 Although the evaluation as a whole uses a wide range of methods and types of data, this report is based entirely on qualitative data. This is appropriate for the research questions we begin to answer in this report, but there are certain limitations. There is selection bias, particularly in relation to the experiences of young people and their supporters. The recipients who volunteered to take part in interviews themselves were engaged in communications with their Personal Advisor, as this was the route through which they were invited. It was not

uncommon for us to be told by Personal Advisors 'I would love you to speak to X' but for various reasons this was not possible. Examples included young people who were travelling, working and/or studying, who did not have time to take part in an interview, as well as those considered particularly vulnerable and whose challenges rendered an interview unfeasible.

- 6.21 Therefore, while the sample of young people was diverse in terms of needs, experiences, situations and hopes for the future, it is not representative of all young people in receipt of the basic income, and we are aware that some perspectives and experiences were not captured.
- 6.22 There was also an element of selection bias in the recruitment of supporters. Only a small number of supporter perspectives could be included. Young people sometimes chose not to nominate an additional person and in other instances supporters were not able to be reached or declined the invitation.
- 6.23 The implementation analysis also has some limitations. Although we have had access to rich and detailed data through interviews with key stakeholders and access to government policy logs, the evaluation did not commence until after the pilot had begun. This means that data relating to the set-up phase relies to some extent on memories of civil servants, practitioners and recipients. This may introduce recall bias, leading them to highlight the more vivid challenges and successes, rather than the more mundane. Nonetheless, this is somewhat mitigated by some of these data sources existing from the start of the pilot. For example, the policy development log was compiled retrospectively but used files generated at the time of policy development.

## **7. Conclusions and next steps**

- 7.1 These findings build on those of our previous report, by adding the perspectives and early experiences of young people involved in the pilot, and through an explicit focus on implementation. Both these areas develop some of the themes that were identified in discussions with practitioners at the outset, and they will be further explored as the evaluation progresses. Both this report and the previous one have been primarily focussed on the early stage of the pilot - from the inception of the policy, through its design and refinement and into the first year of delivery.
- 7.2 The perspectives and early experiences of young people in receipt of the basic income are positive. Despite varied needs, situations and hopes for the future, the young people we interviewed appreciated the availability of the additional financial support and felt that it had benefitted them in terms of financial literacy, mental health and wellbeing and/or autonomy and control. The extent to which these positives will be long-lasting is unclear and concerns raised by participants in relation to the temporary nature of the pilot (including anticipated challenges in respect of housing, employment, income sustainability) will be revisited. It will also be important to establish - when the data is available - whether any of these perceived benefits are evident in quantitative measures. The analysis of implementation during the early stages of the pilot also gives a more detailed picture of the complexity of making such an intervention happen. This prepares the ground for further analysis which will encompass the latter stages of the pilot. As such, the topics and themes covered here will be revisited in future reports.
- 7.3 A growing number of participants have left or are in the process of leaving the pilot as their two-year period of payments comes to an end. Between the publication of this report and the end of June 2025, the majority of recipients will complete the exit process and stop receiving the monthly or twice monthly transfers. As the pilot progresses, we will turn our attention to participants' exit from the pilot and their onward journeys. This is a critical stage for a care leaver's journey, and one about which all stakeholders have expressed significant concerns. While this report has aimed to document and analyse the initial journey of implementation and the factors that have generated the various successes and challenges along the way, the next wave of implementation analysis will aim to reflect on the next steps of the journey, and bring in more reflexive voices from senior stakeholders across the pilot as well as quantitative analyses of engagement, delivery successes and failures, and economic implications. In due course we will also report on how outcomes compare to comparable groups of young people who have not received the basic income.

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## **Annex 1: Short description of the Basic Income for Care Leavers in Wales pilot**

Basic Income for Care Leavers in Wales: Overview, October 2023

### **Why**

Care leavers face unique challenges. They are disproportionately disadvantaged and statistically more likely to experience issues such as homelessness, addiction, and mental health issues than their peers. They are over-represented in the criminal justice system with over 25% of the adult prison population having previously been in care. This pilot will provide greater support to this cohort as they transition to adulthood whilst also testing the principles of basic income as a mechanism for delivering this support.

### **Who (recipients)**

‘Category 3’ care-leavers (as outlined in the Social Services and Well-being (Wales) Act 2014) turning 18 years of age between 01 July 2022 and 30 June 2023. Participation is non-compulsory and recipients have to enrol in order to join the pilot.

### **What (materials)**

£1600 per month, pre-tax, per recipient over a 24-month period. The income is taxed at source, meaning a total of £1280 per month per recipient directly into their bank account (based on current tax rates).

### **What (procedures)**

Additional support, including pre-pilot ‘better off’ calculations and ongoing budgeting support, provided through the Single Advice Fund providers. Continued ongoing support from local authority social services and Personal Advisor services.

### **Who (provider)**

Pilot day-to-day management provided by local authority Social Service departments and leaving care teams. Welsh Government policy team undertake monitoring and guidance

development. NEC Software Solutions administer the payments. Single Advice Fund providers provide the additional support component. Voices from Care Cymru administer practitioner and recipient forums.

### **How (format)**

Payments provided by bank transfer. Additional support provided in-person or virtually according to recipient's preference.

### **Where (location)**

Wales. Young people looked after by a Welsh local authority but living elsewhere are also eligible as long as they remain looked after and in contact with the Welsh local authority.

### **When and how much**

Monthly payments of £1280 (net) or twice-monthly payments of £640 (net) over a 24-month period, in most cases commencing the month after the recipient's 18th birthday. Recipients can also nominate to pay their landlord directly from the payments, reducing their monthly or twice-monthly amount accordingly.

### **Tailoring**

Provision is tailored for young people who may have an appointee/deputy in place providing support for them. In addition, interactions with the criminal justice system may see a young person's participation suspended.

### **Control condition**

This is not a randomised control trial. A comparator group has been established to enable comparison between the recipient cohort and their peers turning 18 between 01 July 2023 and 30 June 2024.

Source: Welsh Government 2023

## **Annex 2: Sample interview topic guide for young people**

Introductory exercise: All participants were asked to think of up to three words to describe the pilot or their experiences of it.

### **1. Views on the design of the pilot:**

- Care leavers as recipients
- Age group
- Amount of money provided
- Length of pilot - two years
- Support package in the policy

### **2. Support package**

- Support from Personal Advisor
- Support from Citizens Advice
- Support from others
- How decisions were made about the basic income payments

### **3. Basic income payments**

- Use of the basic income payments
- Experience of managing the money

### **4. Perceived Impact**

- How spending time (e.g., a typical day)
- Perceived impact of the pilot (e.g., on health, wellbeing, work/education, volunteering/life skills, community participation/engagement, financial security/literacy, alleviating poverty)
- Any positives about the pilot
- Any challenges about the pilot

### **5. End of the pilot**

- Feelings about the end of the pilot
- Hopes and goals for the future, and whether the pilot has supported these

### **6. Conclusion:**

- Concluding remark - something they would like to reiterate or a comment they haven't yet had a chance to make.

### **Annex 3: Sample interview topic guide for adult supporters**

Introductory exercise: All participants were asked to think of up to three words to describe the pilot or their experiences of it.

#### **1. Views on the design of the pilot:**

- Care leavers as recipients
- Age group
- Amount of money provided
- Length of pilot - two years
- Support package in the policy

#### **2. Delivery of the pilot**

- Support that has been provided to the recipient (e.g., from Personal Advisor, Citizens Advice)
- Role in supporting the recipient, including any changes since the start of the pilot
- Perceived impact of the pilot for the recipient (e.g., on health, wellbeing, work/education, volunteering/life skills, community participation/engagement, financial security/literacy, alleviating poverty)
- Any positives about the pilot
- Any unexpected or negative experiences of the pilot
- Recipient's engagement with services and any impact of the pilot
- Better off calculation
- How decisions were made about the basic income payments
- Feelings about the end of the pilot

#### **3. Conclusion:**

- Concluding remark - something they would like to reiterate or a comment they haven't yet had a chance to make.

## **Annex 4: Sample focus group topic guide for professionals**

Introductory exercise: All participants were asked to think of up to three words to describe the pilot or their experiences of it.

### **1. Views on the design of the pilot:**

- Care leavers as recipients
- Age group
- Amount of money provided
- Length of pilot - two years
- Support package in the policy

### **2. National and local implementation of the pilot (asked to managers and senior managers):**

- Experience of clarity of the policy aims and expectations of local authorities
- Support and guidance from Welsh Government and other commissioned providers
- Positive experiences and challenges in the implementation so far (for local authorities)
- Changes to other costs associated with supporting recipients

### **3. Details of role in supporting young people in the WBIP (asked to Personal Advisors and CA):**

- Support provided to recipients (e.g., budgeting advice)
- Similarities/differences to the support usually provided
- 'Better off' calculations
- Decisions about the basic income payments
- Any impact of the basic income payments on other sources of funding
- Maintaining contact with recipients
- Support after the pilot ends
- Relationship between Personal Advisors and Citizens Advice

### **4. Impact on role (asked to Personal Advisors):**

- Additional tasks / responsibilities
- Reduced tasks now the pilot is underway?

### **5. Impact of WBIP for young people:**

- Positives of the pilot for young people



- Unexpected or negative experiences for young people
- Engagement of young people with Personal Advisors and Citizens Advice

6. Conclusion:

- Concluding remark - something they would like to reiterate or a comment they haven't yet had a chance to make.

## **Annex 5: Sample focus group topic guide for Welsh Government policy team**

Introductory exercise: All participants were asked to think of up to three words to describe the pilot or their experiences of it.

### **1. Design of the pilot:**

- Initial thoughts, fears and aspirations
- Ethical considerations during the design stage and delivery stage
- Reflections on the rollout process
- Biggest worry before the launch of the pilot

### **2. Experience of implementation**

- Thoughts on the complex aspect of delivering the pilot
- Any unexpected challenges
- Any aspects that have gone particularly well
- Experience of delivery the pilot in partnership with many stakeholders
- Experience of any unexpected or surprising outcomes and positive outcomes
- Advice to others looking to run a pilot

### **3. Reflections on the four founding principles of the pilot that were set out by the Minister for Social Justice:**

- Principle one: Taking part in the pilot should make no participant worse off
- Principle two: There should be no conditionality on income received
- Principle three: The same payment should be paid to everyone
- Principle four: The payment will not be altered midway through the pilot

### **4. External interest and involvement in the pilot:**

- National and international attention on the pilot
- Expectation management
- Role of the UK Government in the pilot
- Political enthusiasm for the pilot
- Any contact with those campaigning for a basic income pilot in Scotland

### **5. Conclusion:**

- Concluding remark - something they would like to reiterate or a comment they haven't yet had a chance to make.

**Annex 6: A high-level overview of some key dates associated with the pilot and its implementation.**

<b>Timeline / dates</b>	<b>Activity</b>
Jul 2021	Programme for Government commitment to pilot a basic income
Jul 2021	Operational Group and Steering Group set up and meetings began. Engagement with stakeholders started.
Feb 2022	Basic income for care leavers in Wales pilot formally announced
Mar 2022	All Wales stakeholder event with local authority leaving care teams
Apr 2022	Policy team attends All Wales Leaving Care Forum
Apr 2022	Draft delivery guidance issued to local authorities
May to Jul 2022	Local authority one-to-one meetings
Jun 2022	Launch of the Basic Income for care leavers in Wales pilot
Jul 2022	Care leavers start enrolling on the pilot and payments start
Jul 2022	WLGA (Welsh Local Government Association)-hosted meetings with local authorities on housing benefit
Jul 2022	Meetings with local authority Heads of Service
Oct 2022	Local authority information sessions
Oct and Nov 2022	Local authority one-to-one meetings
Jan and Feb 2023	Local authority one-to-one meetings
Mar 2023	Publication of six-month monitoring data and update
Apr and May 2023	Local authority one-to-one meetings
July 2023	North and South Wales Basic Income Practitioner meetings
Sep 2023	Publication of 12-month monitoring data and update

Sep 2023	Local authority one-to-one meetings
Oct 2023	Ministerial stakeholder events in Aberystwyth, Conwy and Cardiff
Jan 2024	Attendance at All Wales Leaving Care Forum
Feb 2024	Publication of first annual evaluation report
Mar 2024	Local authority one-to-one meetings
Apr 2024	North and South Wales Basic Income Practitioner meetings
Jul 2024	Recipients start leaving the pilot
Sep 2024	Written statement and publication of latest monitoring data
Sep 2024	Local authority one-to-one meetings
Oct 2024	North and South Wales Basic Income Practitioner meetings
Jun 2025	Formal end of pilot