

PILOTING BASIC INCOME

# The Welsh basic income pilot for care leavers: a look at the first interim results



Autonomy

**Basic** \_\_\_\_\_  
\_\_\_\_\_ **Income**  
**Conversation**

# Introduction

The Welsh basic income pilot for care leavers is a globally significant project. It is a unique contribution to the body of evidence on basic income and provides us with new data that can be used to shape the social security system in the UK. This briefing outlines the key features of the pilot,<sup>1</sup> which began in 2022, and new insights from the first release from the pilot evaluation, published in February 2024.<sup>2</sup> This report is not a full evaluation of the ongoing pilot – just a first, fascinating insight into this groundbreaking project.

The evidence produced by this pilot could be used to revolutionise the way we support care leavers in this country and help us transform the UK's social security system to make it fit for the 21st century.

This report covers:

1. **What we know about the pilot participants** - Information on demographics and other factors like health and well-being, employment, education and training and their experience of care is outlined in this report. This is “baseline” data, information from before the basic income payments started to have an impact that will be compared to the situation later in the pilot and to other care leavers not receiving a basic income.
2. **Pilot design and evaluation** - As this is a unique approach to piloting basic income, the method of evaluating it is brand new. This report explains how this has been developed, what we expect to learn from the pilot and the approach being taken to evaluate the pilot.
3. **Professionals' views and early experiences** - Professionals that work with the young people participating in the pilot have been making important contributions to the design, delivery and evaluation of the pilot. This is summarised in this report, including some early observations of the impact of the basic income.

The next report will focus on the experiences of young people who are receiving the basic income and others, towards the end of the study, will look at key outcomes, cost effectiveness, implementation and delivery of the pilot.

---

<sup>1</sup> Welsh Government, *Basic income pilot for care leavers: overview of the scheme*, Feb 2023  
<https://www.gov.wales/basic-income-pilot-care-leavers-overview-scheme>

<sup>2</sup> Welsh Government, *Basic income for care leavers in Wales pilot evaluation: annual report, 2023 to 2024*, Feb 2023  
<https://www.gov.wales/basic-income-care-leavers-wales-pilot-evaluation-annual-report-2023-2024>

# The Pilot

The Welsh basic income pilot for care leavers is globally significant as the first pilot to 1) give payments of this size, 2) focus on a national cohort of care leavers and 3) be delivered in the UK.

## Key features of the pilot:

Payment amount	<b>£1600 (£1280 after tax)</b> benchmarked against the real Living Wage.
Additional support offered as part of the pilot	<b>Tailored financial advice and support</b> for participants covering: <ul style="list-style-type: none"><li>• signposting</li><li>• well-being</li><li>• education</li><li>• work</li><li>• broader financial advice</li></ul>
Payment frequency	<b>Monthly or twice monthly</b> , depending on preference of the participant.
Payment duration for each participant	<b>24 months</b> , starting the month after their 18th birthday.
Duration of pilot	<b>36 months</b> , due to staggered start over the first year of the pilot.
Eligible participants	<b>Care leavers</b> , meaning they: <ul style="list-style-type: none"><li>• Are supported by a Welsh local authority's social services department.</li><li>• Were looked after by a local authority for a total of 13 weeks beginning after the age of 14 and ending after age 16.</li><li>• Turned 18 years of age between 1 July 2022 and 30 June 2023.</li><li>• Accepted the invitation to participate in the trial.</li></ul>
Number of participants	<b>641</b> , 97% of eligible people volunteered to take part in the pilot.

The pilot is built around a number of key principles:

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

The pilot doesn't impact eligibility for existing services available to care leavers. This is to ensure the first principle of making sure no participants are worse off because they have participated in the pilot is met.

## Pilot timeline:

When?	What?
July 2022	Pilot enrolment and evaluation begin.
August 2022	First payments made.
June 2023	Enrolment ends.
July 2023	All participants now receiving payments.
July 2024	Final payment made to participants who turned 18 in July 2022.
July 2025	Pilot ends.
2027	Full evaluation published.

# The Participants

The first report from the Welsh basic income pilot evaluation begins by sharing the information collected about the participants when they enrolled in the pilot and in the first few months after the pilot began. In this section, we outline what that information covers and how it will be used.

## Baseline data

Outlining what is known as ‘baseline’ data is a crucial part of evaluating a pilot like this. Baseline data is information about participants’ circumstances and characteristics before the basic income has an impact on them. Over the course of the pilot other information will be collected on a variety of factors to examine what changes as a result of the basic income. To understand the changes and to make sure they can be attributed to the basic income pilot, the information collected is compared to:

1. The baseline data, to see how things have changed for the participants in particular.
2. Other cohorts of care leavers in a similar position, to see how things are different for the group getting a basic income and the group not getting a basic income.
3. The general population, to see how things are different for care leavers and care leavers receiving a basic income.

## Enrolment form

Eligible people were invited to complete the pilot enrolment form. It contained 49 questions and a consent form covering:

- Personal details - date of birth, address, national insurance number, etc.
- Demographic information - gender, ethnicity, national identity.
- Health and disability.
- Details of their landlord (as rent can be paid directly from the basic income)
- Willingness to participate.
- What they were consenting to as participants of the pilot - contact from researchers evaluating the pilot, information about the size and delivery of payments, other benefits they will no longer be eligible for.

This information was used to enrol participants, set up payments to them and their landlords and to inform the evaluation.

Demographic information - things like age, gender, health and ethnicity - will be used in the evaluation in a number of ways:

1. To understand if there are any differences in the way people interact with the evaluation methods based on their characteristics.

For example, with the initial surveys mentioned in the next section:

- Women were more likely than men to respond.
- Those identifying as mixed or 'other' ethnicities were less likely to respond than those who identified as Asian, Black or White backgrounds.
- Disabled young people were as likely as non-disabled young people to respond to the survey.

This needs to be taken into account during the evaluation as the survey results are more representative of some groups than others due to the completion rate. It is also important to ensure the methods used are equally accessible to people from different groups.

2. To look at whether the impacts of the basic income payments differ based on certain characteristics.

This is something that will be considered throughout the evaluation while more information is collected. The impact of the basic income payments will interact with the different experiences people have due to, for example, their gender or health. It is an important part of the evaluation to understand these differences and to separate the impact of the basic income payments from other factors.

3. To compare the characteristics of the pilot participants with the wider population.

This tells us how representative the participants of the pilot are of the wider population. The data so far shows:

- Men are over-represented in the cohort (51%).
- 14% of the cohort self-report that they are disabled. This is slightly higher than the general population in Wales aged 15-19 (12.7%).

## Your Life Beyond Care surveys

Your Life Beyond Care surveys have been used for nearly a decade to understand the experiences of young people who have experienced the care system. The survey was developed in collaboration with care leavers and also contains some questions that are asked by the Office for National Statistics (ONS), so it can be compared to UK-wide data. Participants were invited to complete Your Life Beyond Care surveys adapted for the pilot twice, once in October 2022 and again in January 2023.

Using existing surveys and data collection methods, like ONS questions and the Your Life Beyond Care survey, is beneficial in situations like this because they are tried and tested. They have also already been used to collect a big pool of data from other groups that the data from the pilot can be compared to.

### Insights from the survey:

Area of interest	Insights
Well-being	<ul style="list-style-type: none"> <li>Similar to previous surveys of care leavers, well-being measures show the cohort experienced lower well-being than the general population.</li> </ul>
Relationships	<ul style="list-style-type: none"> <li>87% reported having someone they could trust in their lives.</li> </ul>
Employment, Education and training	<ul style="list-style-type: none"> <li>Similar to other cohorts of care leavers, the proportion of those not in employment, education and training (36%) is about three times higher than the general population (12.6% in 2021).</li> <li>Results show that 42% of care leavers were studying at the time of the survey. With approximately 21.5% in work or training.</li> </ul>
Finances	<ul style="list-style-type: none"> <li>When asked about how they were coping financially, basic income recipients showed more positive findings than in comparable surveys of care leavers.</li> <li>Most survey respondents had already received some basic income payments before completing the survey and it's possible this caused the difference.</li> </ul>
Housing	<ul style="list-style-type: none"> <li>More than 50% lived with friends/relatives or their foster carers.</li> <li>Approximately 35% resided in supporting housing or a home they rented.</li> <li>Around 4.4% indicated they were homeless (including 'sofa surfing').</li> <li>Overall, around 3 out of 4 indicated they felt where they lived at the time of the survey was right for them.</li> </ul>
Experience of care	<ul style="list-style-type: none"> <li>Around 60% had spent more than 4 years in care before the age of 18.</li> <li>Almost 80% stated they could trust their Young Person's Advisor most or all of the time.</li> </ul>

# How is the pilot being evaluated?

The pilot is testing the impacts of the unconditional, monthly payments as well as financial advice and support that is being offered to the participants.

The evaluation will examine 5 research questions:

1. What is the impact of the pilot?
2. Is the pilot implemented as intended?
3. How is the pilot experienced?
4. How does the pilot fit into the overall offer for care leavers in Wales?
5. How cost effective is the pilot?

Over the course of the pilot, data will be collected on a range of things that tell us how the payments and support are impacting participants. This will look at:

- Wellbeing
- Financial literacy and security
- Community cohesion and engagement
- Effects of poverty
- Access to labour and education markets
- Volunteering and life skills
- Physical and mental health

It's expected the payments and accompanying advice will make it easier for participants to meet their basic needs leading to more opportunities, autonomy and agency.

As this pilot is unique, both the data it produces and the evaluation methods that are being designed are important contributions to the body of evidence on basic income. The methods have been informed by relevant, existing projects such as other basic income pilots and the "Your Life Beyond Care" survey from Coram Voice. They will also be honed as the pilot progresses and they collect more relevant information.

The pilot has four key components that are being tested:

1. the amount of money
2. the regularity of payments
3. unconditionality
4. support with finances

The resulting evidence will give us crucial insight into how higher levels of unconditional payments could be used to improve the UK social security system. It will also help explore a basic income for care leavers as an alternative approach to



income support for this group, helping take an evidence based approach to doing what is best for these young people.

# What do the professionals working with these young people think about the pilot?

This report shared some insights from focus groups with professionals working with the participants.

These focus groups were a part of the co-production of the pilot. Co-production is the involvement of key stakeholders who have experience of the care system in the process of designing the pilot. Young people who have experienced care, leaving care and who are involved in the pilot have also been involved in the co-production of the pilot. Their experiences will be covered in later reports.

Although this report focused on the professionals' experiences, it shared some participant stories:

*“Personally I have been very lucky, I have stuck with my education and in September I am going to uni to study... I have stayed with the same carer of just under 13 years and have a very helpful PA. I also was put forward for the basic income pilot, this really helped me feel more at peace about money for when I go to uni. I still plan on getting a job but it's not as much of a worry.”*

## Early experiences

Three themes emerged from the discussions of these professionals' experience of the start of the pilot, the young people had:

1. Reduced reliance on support.
2. Increased opportunities.
3. Differences in opportunities and experience from person to person.

While interesting and useful, it is important to note that these insights do not give a full picture of the impact of the pilot. They came from conversations during some of the initial focus groups with professionals involved, so describe their opinions and observations from the first few months of the pilot. The full picture will emerge when the information from focus groups, surveys, interviews and more come together in the full evaluation of the pilot after it has finished.

### 1. Reduced reliance on support

Some young people were opting to become more independent rather than relying on the support provided:

*“What they're saying is, 'I'm financially independent of social services. Now I can make my own decisions about my own life. I don't necessarily need you?' ... I didn't expect to see that outcome. Young people would say, we'd been*

*controlled by social services all their life, and now they have the right and autonomy, which is what it's for, isn't it? The freedom to make decisions, [and say] 'You don't need to look after me anymore, because I can look after myself, now.' If that isn't a good outcome, frankly, what is?"*

Some of the professionals voiced their concern that less engagement with their support may lead to less positive outcomes. This will be carefully evaluated throughout the pilot.

## 2. Increased opportunities

Some young people were reported to be making long term investments in themselves, even at this early stage: investing in driving lessons, saving up, going into education, or training and doing paid work.

*"So, for example, with one young person, she's been able to reduce her hours in the full-time occupation to be able to train for (specific occupation in health and beauty), and to do something that she really wants, and she really wants to move forward."*

Increased opportunities also included leisure activities, with some young people using the money to take their first ever holidays, socialise and make other investments.

*"Those who are receiving the money, they are continuing to work, to go to college. I have one saving to buy a car. So, the first payment he had, he spent it all on clothes, and every payment thereafter he saved because he's in college, he's on an apprenticeship. So, he gets a wage. So, he's saving all his money."*

It was reported that the basic income seemed to be changing the relationship between the professionals and young people. More mature, productive conversations have replaced frustrated and accusatory ones which are likely to be much more conducive to the support being provided to the young people having a long term, positive impact. More positive relationships with professionals could be a route to benefits from the basic income.

## 3. Differences in opportunities and experience from person to person

Professionals had seen experiences vary according to circumstances. Those still living with foster carers were often perceived to be managing their finances and opportunities well.

Some groups of young people face far more financial pressures than others. Specifically, those in supported accommodation have higher housing costs, and

former Unaccompanied Asylum-Seeking Children. Legal aid is for people who cannot afford to pay for legal advice or representation in court by a solicitor or barrister, including on asylum and immigration. The basic income is high enough to mean they do not qualify for legal aid, leading to uncertainty around legal bills.

It was clear from these conversations that there is a wide range of circumstances and backgrounds experienced by these young people. The basic income payments will interact with these, meaning the impact will vary from person to person. These initial observations show that some participants are thriving due to the opportunities the basic income pilot has opened up. Others are struggling due to situations that existed prior to the beginning of the pilot.

## Feedback on the pilot design

The focus groups also invited feedback on the pilot design from the professionals, focused around four areas:

- Care leavers as recipients of the basic income.
- The age at which the money is offered.
- The amount of basic income provided.
- The unconditional nature of the basic income offer.

The feedback was mixed and, as may be expected, varied from person to person.

Broadly the professionals were supportive of care leavers as a target group. This support tended to be for the opportunity to reduce the disadvantage of young people leaving care. Concerns were also noted about how the pilot could make vulnerable people even more vulnerable.

Regarding the age of participants (18), there was support due to various legal status changes that occur at 18, such as to individual's benefit entitlement, statutory support, education and living arrangements. It was felt this was a good moment to test the intervention in tandem with these other factors. Others felt that 18 might be too immature, and worried that the opportunity the pilot poses might be better suited to older care leavers.

The high level of payment was viewed positively, as its benchmarking against the Real Living Wage reflects the level of salary it was thought care leavers should be aspiring to. It was noted that the payment being high enough to be taxed could be a useful life lesson for the young people involved as this is also reflective of a salary. Others felt it was too high, sharing concerns about exploitation and access to drugs and alcohol.

The unconditional nature of the payments were the cause of the most concerns. Suggestions for alternative approaches included certain forms of work as a condition of the payments and a mandatory savings goal. It's important to note

that the pilot retained statutory support for seeking employment and offered financial advice as voluntary engagements. Some of the professionals noted that a lack of conditions allowed for choice, and that the impact this has on areas such as work and financial health will be better understood at the end of the pilot due to the evaluation.