

PUBLICATION

Basic income pilot for care leavers: integrated impact assessment

An assessment on the impact of the basic income pilot for care leavers.

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What action is the welsh government considering and why?

The **Programme for Government 2021 to 2026** commits Welsh Government to pilot an approach to basic income in Wales. On Wednesday 16th February 2022, the Minister for Social Justice announced, via **written statement**, the development of the basic income for care leavers in Wales pilot. Based on learning from global basic income experiments and discussions with Ministers and a range of experts, particularly those who have extensive experience of working closely with care-experienced young people, officials have worked across-government to develop proposals.

The pilot will focus on care leavers who reach their 18th birthday between 1 July 2022 and 30 June 2023. The pilot will run for a minimum of three years, with each member of the cohort receiving a basic income payment of £1280 per month (£1600, pre-tax) for a duration of 24 months from the month after their 18th birthday. Basic income is a direct investment in this group of young people, giving them the space to thrive whilst securing their basic needs.

The pilot will build upon and enhance the support available to young people as they leave care and assess the effect that this added support has on them. It will also assess the stated benefits of basic income, considering whether taking this approach; offering a regular monthly payment to people, without conditions; offers a viable alternative to existing models of government support. The pilot will deliver valuable learning about whether a basic income approach leads to positive affects to mitigate against some of key challenges that those leaving care face.

Many young people leaving care face significant barriers to achieving a successful transition into adulthood that, in turn, make them more vulnerable to poverty. This group of people are disproportionately disadvantaged and are

statistically more likely to experience issues such as homelessness, addiction and mental health issues than their peers. On average they tend to do less well in contrast to the mainstream population. For example, this can be seen in terms of lower levels of educational attainment and university attendance as well as poorer health outcomes and higher levels of unemployment.

Recent Ofsted research from England considered care experienced young peoples' views on leaving care. They found that often they felt unprepared on how to manage money on leaving care, for example being unaware of what bills need to be paid or how to budget. In some cases this led to them getting into debt, losing tenancies, or not being able to afford food or travel. Some care leavers were still in debt years later. When they were asked what made them feel unsafe when they first left care, being worried about money was the most common reason report. A few care leavers reported getting into crime when they left care in order to get money, or because they were not able to manage their finances.

In November 2020, the Bright Spots Programme published a report following 5 years of surveys of care-experienced young people about how they feel about their lives. They found that there was a steep decline in well-being after young people left care. They found that compared with children in care a higher percentage of care leavers felt unhappy, unsafe and unsettled where they live. They also found that care leavers did worse than the general population on a range of measures. For example, more care leavers had higher anxiety, lower life satisfaction, felt lonely and were less likely to have trusted supportive people in their lives.

Care leavers are often required to live independently much earlier than their peers who have not been in care. 2021 data shows that whilst 19% of care leavers returned home to live with their parents or someone with parental responsibility, there were many young people who were living independently or semi-independently with a varying range of support.

The reason we propose working with this cohort over any other groups who typically face poverty and other forms of disadvantage, is to understand the unique challenges care leavers themselves face and whether extending the time they are supported could have a positive impact on their entry into adulthood. We will use these insights to test how cash payments and system re-engineering could better help them to live the kind of lives they want to lead.

Care experienced young people are a group that the Welsh Government has consistently chosen to provide additional investment in. We hope that the proposals will encourage the young people that choose to participate have more freedom to enter and remain in higher education or take their time finding quality, well paid jobs.

The proposed evaluation of the pilot consists of process/implementation, impact and value-for-money elements, in order to consider how the basic income has enriched the lives of the care-experienced young people. This will be achieved by commissioning two separate but integrated pieces of work. Firstly, a combined process and impact evaluation employing a mix of qualitative and quantitative methods. Secondly, an in-depth qualitative ethnography study. The work is concerned with both the experience and the effectiveness of the basic income pilot.

Cost

Ministers have allocated £20m to the delivery of this pilot over the course of 3 years. The payment being made to the young people in the cohort is unconditional with no requirements attached. The gross payment will be the same for everyone and it will not be altered during the pilot. Payments will be made to individuals and not to households.

Collaboration

The Welsh Government has worked closely with social services, both internally and externally as well as with the third sector organisations such as Llamau and Voices from Care. Both of whom have close relationships with the young people.

There has also been partnership working with local authorities and Young Person's Advisors (YPAs).

A Technical Advisory Group has also supported development of the pilot, with experts in various fields contributing their opinion on proposals.

The young people themselves are being given the opportunity to be involved in the design and the delivery of the pilot, and third sector organisations have assisted in bringing together a group to discuss the options available and advise Welsh Government on the best way of doing things from their experience. The Minister has met with a group of care experienced people, and colleagues from the relevant organisations have been members on the Welsh Government's Operational Group since the beginning of the project and are providing key guidance and advice throughout the design and delivery phase.

There are significant delivery challenges with a proposal of this kind, and the Welsh Government has held regular discussions with colleagues in the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) about the interaction with the benefits and tax systems.

Long term

What long term trends, challenges and opportunities might affect the

proposal?

More Looked After children are likely to have mental health issues, additional or special educational needs and are less likely to remain in education, training or employment.

With the additional financial support available through the basic income pilot, it is hoped this will empower the young people to make their own choices on how they use that money to create a better life for the future.

How does the proposal prevent/mitigate the bad effects in these trends or facilitate / make the most of the good effects?

The objectives extend beyond the life of the pilot. The impact of an individual receiving a basic income and additional wraparound support is intended to echo throughout their life, long after the payments stop. It is hoped this would provide opportunities for young people leaving care to set them on a different life trajectory than otherwise might have been the case.

The pilot will be closely monitored and the evaluation will look at both the impacts as the pilot is underway as well as a longer term view to see how in the future such an intervention may have broken negative cycles such as poverty and poor health.

Prevention

As part of the pilot, we will seek to understand the unique challenges care leavers face and whether extending the time they are supported could have a positive impact on their entry into adulthood. We will use the insights to test how cash payments and a system re-engineering could better help them to live the

kind of lives they want to lead, and prevent or reduce cycles around poverty and poor health.

Integration

We understand that we could not help everyone with our basic income pilot however the Welsh Government has announced further support for others which may be of interest.

The Minister for Finance and Local Government announced a £300 million-plus package of support for people struggling to make ends meet as a result of the cost of living crisis. It is hoped that by providing young care leavers with this Basic Income payment it will reduce the likelihood of a future reliance on benefits but encouraging participants to remain in further education increasing their chances of finding better quality jobs in future.

Collaboration

The pilot has been co-designed with partners in the local authority leaving care teams, as well as Voices from Care and care experienced young people themselves. They have helped us to understand some of the unique issues faced by care leavers and detailed conversations have resulted in the delivery elements being revised accordingly.

A practitioner group has been created to contribute now and throughout the pilot, assessing how the pilot is going and contributing to the dynamic evaluation where changes can be made to the process if that would be beneficial.

Meetings were held with other countries that have undertaken basic income pilots, including Ontario, Finland and Santa Clara using the lessons they have learned as well as their knowledge and expertise to help inform proposals.

Capturing the voice and experience of the young people themselves will be crucial to the success of the evaluation. This will be embedded by employing qualitative methods in both the process and the impact evaluation in order to understand how being part of the pilot has affected young people's lives. Within the evaluation specification we will be asking for approaches on including care experienced young people themselves in the design and management of the evaluation.

Involvement

We have worked with care experienced young people in developing proposals via Voices from Care who are a trusted organisation to those individuals. We have sought their feedback as proposals developed and revised proposals to take their feedback on board.

We will continue to take on board the views of the cohort themselves as we progress through the pilot and adapt the way we are doing things if they are not working.

Children's rights

Policy objectives

The Welsh Government have confirmed that their Basic Income Pilot will focus on Category 3 care leavers who reach their 18th birthday in a 12 month period from the start of the pilot, with the pilot due to start in financial year 2022 to 2023. More information on the relevant categories is provided below:

• Category 1 young person: a child who is (a) aged 16 or 17 (b) is being looked after by a local authority, and (c) has been looked after by a local

authority for a period of 13 weeks, or periods amounting in total to 13 weeks, which began after he or she reached 14 and ended after he or she reached 16 (Known throughout the code as a young person looked after aged 16 or 17).

- Category 2 young person: someone who is 16 or 17, who is not being looked after by the local authority and who was a category 1 child (Known throughout the code as a care leaver under 18).
- Category 3 young person: someone who was a category 1 child or a category 2 child but who is now 18 or older up to the age of 21 (Known throughout the code as a care leaver aged 18 or over.

The pilot will run for a minimum of three years with each member of the cohort receiving a basic income payment for a duration of 24 months from the month after their 18th birthday.

Data from local authorities tells us that approximately 570 young people would be eligible to take part in the pilot.

This impact assessment has been used as part of a range of other evidence to determine the impact and implementation of the basic income pilot.

Gathering evidence and engaging with children and young people

Typically, outcomes for care leavers are less positive than for those young people who live at home with a parent or parents. We know that care experienced young people are less likely to achieve good educational qualifications, have greater health and housing needs, are more likely to become involved in substance misuse and come into contact with the criminal justice system.

Care leavers often begin to live independently much earlier than their peers who

have not been in care. 2021 data shows that whilst 19% of care leavers returned home to live with their parents or someone with parental responsibility, there were many young people who were living independently or semi-independently with a varying range of support. Basic income is a direct investment in this cohort of young people, giving them the space to thrive whilst securing their basic needs.

In-depth discussions with Social Workers, Young Persons Advisors and care experienced young people have provided us with many different scenarios to consider in the planning process, and whilst we have attempted to make provision for various scenarios there will undoubtedly be some we cannot foresee. The pilot will have a dynamic evaluation process, meaning that if during the monitoring phase we find things that are not working, we can adapt and make changes.

The pilot has been designed with the Code of Practice for Looked After Children in mind.

Some care leavers will be used to calling on the Local Authority as the Corporate Parent for support when needed, but not all local authorities would provide this same support once the individual turns 18. The reason we propose working with this cohort over any other groups who typically face poverty and other forms of disadvantage, is to understand the unique challenges care leavers themselves face and whether extending the time they are supported could have a positive impact on their entry into adulthood.

We hope to be able to measure this by monitoring the outcomes for participants, and if it encourages some to remain in higher education which in turn could improve their chances of gaining better quality jobs in the end. It could also encourage more young people to take on apprenticeships, which are often unappealing due to the low wage. The Basic income payment could act as a top-up in those situations.

Discussions with care experienced young people and Young Person Advisors have helped us understand those unique challenges, and through engaging with the participants, we will learn more as we move through the pilot period.

Using this research, how do you anticipate your policy will affect different groups of children and young people, both positively and negatively? Please remember policies focused on adults can impact children and young people too

The basic income pilot will give the selected cohort a better start in life, starting them off with a decent income to help provide them with more flexibility to continue in education or take their time looking after their family or looking for good quality work.

Citizens Advice will be funded as part of the pilot, and will also provide the participants with the opportunity to undertake financial awareness sessions, and undertake better off calculations. It could be that some eligible individuals could be better off staying on Universal Credit if they claim disability benefits, or have dependents of their own.

Managing their own finances will empower them to make their own choices about how they spend their money and set them up for a better life. The young people will still receive support from their local authority and Young Persons Advisors as is the case until they turn 21 years of age, or until 25 years of age if they remain in education. This support will mean that additional needs they have will still be addressed via existing processes. Be this help with cooking skills, buying items for their house and other life lessons.

Those young people who will be turning 18 just outside of the pilot start and end date may feel like it is unfair that they have missed out by being just outside the eligibility dates, but they will still be able to access all of the financial support on offer.

Those young people will still have access to the additional support being funded by the Welsh Government, and this will be communicated to them.

There is also a chance that the participants could be targeted for having this additional income, and safeguarding guidelines already followed by local authorities will continue to apply to this group.

It is hoped that very young children who are dependents of the participants would benefit from the effects of their parent/s being part of the pilot as outlined above. Positive outcomes for parents generally mean a better chance for their dependents as they want them to have a positive upbringing.

What participatory work with children and young people have you used to inform your policy? If you have not engaged with children and young people, please explain why

YPA's and Social Workers have informed us that many of these young people would have experienced Adverse Childhood Experiences, and experienced living in poverty.

Some of these individuals may have learning delays, which further highlights the need for the additional support to be embedded.

Meetings with care experienced young people have been held via Voices From Care Cymru, and these individuals have been able to share their experiences of leaving care honestly and openly. Their main concerns were that some people would waste the money and not pay their rent, and as a result, end up homeless. They were also concerned about being targeted and exploited for having this extra money.

These are concerns that have been shared with the YPA's and Social Workers also, and a specific section in the guidance document has been written bringing

attention to existing safeguarding protocols.

Essentially, Basic Income should be treated as any other benefit would be. If one of these young people were to go and get a full time job and earn a similar wage to this. Existing processes do not need to change but providing quick links to the current safeguarding processes may act as a refresher for those who work most closely with this group.

Representatives from the leaving care forum which is attended by Social Workers and Young Person Advisors have been in discussions with policy leads and expressed their views on behalf of the young people they are responsible for.

Analysing the evidence and assessing the impact

Using the evidence you have gathered, what impact is your policy likely to have on children and young people? What steps will you take to mitigate and/or reduce any negative effects?

UNCRC Articles or	Enhances	Challenges	Explanation
Optional Protocol	(X)	(X)	

Article 12 (respect for X the views of the child): Every child has the right to express their views, feelings and wishes in all matters affecting them, and to have their views

In developing the pilot, we have worked with care experienced young people to ensure their views are heard and that their views are used to help inform policy. As part of the evaluation process, the views of care experienced young people will be an important element of designing how the pilot is evaluated, ensuring we are asking

Enhances Challenges Explanation (X) (X)

considered and taken seriously. This right applies at all times, for example during immigration proceedings, housing decisions or the child's day-to-day home life.

about what matters to young people. Participation in the pilot is voluntary so it is ultimately the choice of the young person to take part, to receive the basic income, to access the wider support provision and to engage with any associated research.

Article 15 (freedom of X association): Every child has the right to meet with other children and to join groups and organisations, as long as this does not stop other people from enjoying their rights.

The extra funding provided by the pilot would hopefully encourage young people to socialise more and in different groups. For those participants with dependents, they may be able to afford to take their children to more playgroups, softplay, and other baby groups for socialising and learning through play.

Article 31 (leisure, play and culture):
Every child has the right to relax, play and take part in a wide range of cultural and artistic activities.

Χ

Surveys of care experienced young people has shown that one area that children in care often struggle with is being able to afford to do the same things as their friends and engage with their communities. By providing a basic income, it is intended to provide the care leavers with the same opportunities that their peers have to socialise and engage with their

Enhances Challenges Explanation (X) (X)

communities.

Article 17 (access to information from the media): Every child has the right to reliable information from a variety of sources, and governments should encourage the media to provide information that children can understand. Governments must help protect children from materials that could harm them.

Χ

It is essential that information about the pilot is easily accessible and available to the children in care who may be eligible for the pilot.

We have produced a specific young persons guide to ensure that the information is something that the children can easily understand. We will work with young care experienced people to develop plans for how best to share that information and what social media platforms would be most appropriate.

Article 6 (life, survival X and development):
Every child has the right to life.

It is hoped that the additional funds the basic income will provide more opportunities for further education, making better choices in terms of

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Enhances Challenges Explanation (X) (X)

Governments must do all they can to ensure that children survive and develop to their full potential.

nutrition and that goes for any dependents of the participants as well.

Article 26 (social security): Every child has the right to benefit from social security.
Governments must provide social security, including financial support and other benefits, to families in need of assistance.

Χ

The payment level of the Basic Income is higher than any other Basic Income across the world. Welsh Government has set the payment at a level to help give this particularly vulnerable group a better start in life and hopes that the outcomes from the pilot will provide evidence to support such a scheme going forward.

Article 27 (adequate standard of living): Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development. Governments must help families who cannot afford to provide this.

Χ

As above, it is hoped that the higher payment provided will enable participants to engage more in physical and social activities without worrying about cost being as big a barrier.

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Χ

Enhances Challenges Explanation (X) (X)

Article 28 (right to education): Every child has the right to an education. Primary education must be free and different forms of secondary education must be available to every child. Discipline in schools must respect children's dignity and their rights. Richer countries must help poorer countries achieve this.

The provision of a basic income may open up opportunities the care leavers to further their education, both part time and full time education, apprenticeships etc.

Consider whether any EU Citizens Rights (as referenced in the Equality Impact Assessment) relate to young people up to the age of 18.

Communicating with Children and Young People

Care experienced young people have been involved in developing the pilot and will be kept aware of the start dates. They are linked with Voices from Care and can engage or disengage with the team at any time but their input has been invaluable in informing the proposals.

Young People's versions of the guidance have been created and shared with Local Authorities as well as a short video version aimed directly at young people.

Monitoring and review

Please outline what monitoring and review mechanism you will put in place to review this CRIA

The pilot is to be subject to a detailed evaluation, considering how the recipients of the support make use of the freedoms that a regular, unconditional income provides. We will learn what receiving this new form of support has meant to the young people, and what it has enabled them to achieve.

The proposed evaluation consists of process/implementation, impact and value-for-money elements, in order to consider how the basic income has enriched the lives of the care-experienced young people. This will be achieved by commissioning two separate but integrated pieces of work. Firstly, a combined process and impact evaluation employing a mix of qualitative and quantitative methods. Secondly, an in-depth qualitative ethnography study. The work is concerned with both the experience and the effectiveness of the basic income pilot.

Capturing the voice and experience of the young people themselves will be crucial to the success of the evaluation. This will be embedded by employing qualitative methods in both the process and the impact evaluation in order to understand how being part of the pilot has affected young people's lives. Within the evaluation specification we will be asking for approaches on including care experienced young people themselves in the design and management of the evaluation.

Welsh language

Does the proposal demonstrate a clear link with the Welsh Government's strategy for the Welsh language? Cymraeg 2050 A million Welsh speakers and the related Work Programme for 2017 to 2021?

The basic income pilot is aimed at a group of approximately 500 care leavers, who will receive a monthly payment for 24 months from the month following their 18th birthday.

It is hoped this payment will provide those leaving care to fulfil their life aspirations and give them the flexibility to continue with education or training to be able to achieve what they want. As part of the support provided by Citizens Advice and Voices from Care, individuals will be encouraged to consider learning or to keep hold of their Welsh Language skills. It is recognised that Welsh Language skills at any level can help young people build a brighter future by attaining good quality work in a in a wide variety of settings.

Among the pilot group of care leavers there may be individuals who received a Welsh medium education. We want to ensure that these young people are aware of their options to continue with their education in the medium of Welsh and of the options to gain skills and accreditation for extracurricular activities should they wish. It is key that these young people are aware of the value of Welsh language skills, advisors working on the project will be asked to ensure the appropriate signposting to Welsh medium organisations such as the Mentrau laith, Urdd, Clybiau Ffermwyr Ifanc Cymru in order to help them find Welsh language opportunities such as work experience and volunteering within their communities.

How will the proposal affect Welsh speakers of all ages (both positive and/or adverse effects)?

You should note your responses to the following in your answer to this question, along with any other relevant information.

How will the proposal affect the sustainability of Welsh speaking communities (both positive and/or adverse effects)?

As the pilot is for a small targeted group, it is not thought to have a notable affect on Welsh speaking communities. It is hoped some of the cohort will pursue further education or Welsh Language lessons if required, which as a result could have a knock-on effect to their own families but the impact on the wider community would not be significant either positively or negatively.

How will the proposal affect Welsh medium education and Welsh learners of all ages, including adults (both positive and/or adverse effects)?

It is hoped some of the cohort will continue through Welsh medium further education where possible, and they will be encouraged to do so by those providing the support element of the pilot. But the small size of the pilot means it is unlikely to have any positive or adverse effects.

How will the proposal affect services available in Welsh (both positive and/or adverse effects)? (e.g. health and social services, transport, housing, digital, youth, infrastructure, environment, local government etc.)

Unlikely to impact either way.

How will you ensure that people know about services that are available in Welsh and are able to access and use them as easily as they can in English? What evidence/data have you used to inform your assessment, including evidence from Welsh speakers or Welsh language interest groups?

We have collected data on members of the cohort who currently consider Welsh as their first language, and although the numbers are very small all information and application forms have been prepared bilingually, their language choices have also been checked before working with them.

Conclusion

How have people most likely to be affected by the proposal been involved in developing it?

Care experienced young people have been involved in meetings with officials and Ministers sharing their honest opinions on the proposals and have had a great deal of input in to the final decisions made on this pilot. Some young people who will be participating in the pilot attended an event where they shared their experiences and how they felt the basic income payments would help them and their future.

The information above and in the full impact assessments provide more information on the significant impacts, both positive and negative on the below groups:

- · children and their representatives
- people with protected characteristics under the Equality Act 2010
- Welsh speakers
- · specialist groups

How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

Key to this pilot has always been the focus on a dynamic, continuous evaluation process for the life of the pilot and will enable changes to be made in response in real time. We have been clear that if certain things aren't working, we will change it without delay to ensure the best experience possible for those taking part.

The main aim of the evaluation will be to gain an understanding of whether the Basic Income pilot has worked, how, why and for whom, and at what cost. In order to do this the evaluation will be required to describe and report on the processes of the pilot, report on outcomes of the pilot, suggest improvements and savings; and test the effectiveness of the investment and intervention.

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For more information refer to our accessibility statement.