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## Basic income for care leavers in Wales pilot evaluation: annual report 2025 to 2026

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

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

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## Table of contents

List of tables .....	5
List of figures .....	6
Glossary .....	7
1. Introduction and background .....	13
1.1. Overview of the pilot .....	13
1.2. Overview of the evaluation .....	15
1.3. Aims and scope of this report .....	17
2. Methodology .....	19
2.1. Interviews and focus groups with recipient young people .....	19
2.2. Interviews and focus groups with professionals .....	21
2.3. Analysis to inform the revised programme theory .....	23
Findings 1: Young peoples' experiences of the pilot .....	24
3.1 Perceptions on Design .....	24
3.2 Wellbeing and Health .....	25
3.2.1 Dignity and Wellbeing .....	25
3.2.2 Autonomy and Control .....	26
3.2.3 Mental health .....	27
3.2.4 Physical Health .....	28
3.3 Work, Education, and Training .....	29
3.3.1 Motivations and Future Planning .....	29
3.3.2 Experiences of Education .....	30
3.3.3 Work-Related Decisions .....	31
3.3.4 Agency and choice .....	31
3.3.5 Paid work not always available or reliable .....	32
3.4 Housing .....	34
3.5 Leisure, Socialising and Travelling .....	37
3.6 Relationships .....	38
3.7 Financial Management .....	39
3.8 Engagement with Support .....	41
3.8.1 Personal Advisors .....	41

3.8.2 Citizens Advice.....	43
3.9 Navigating the end of the pilot .....	44
3.9.1 Communication, Emotions and Preparation .....	44
3.10 Future Suggestions.....	46
Findings 2: Professionals' perceptions and experiences .....	48
4.1 Three words to summarise perceptions and experiences.....	48
4.2 Perceptions of impact .....	50
4.2.1 Engagement with support.....	51
4.2.2 Housing .....	53
4.2.3 Health and wellbeing.....	56
4.2.4 Education, training and employment .....	59
4.3 Observations post-pilot.....	61
4.4 Reflections on the design of the pilot .....	63
4.4.1 Cohort .....	63
4.4.2 Amount and duration .....	64
4.4.3 Conditionality.....	65
4.4.4 Other options.....	66
Findings 3: Updated programme theory and logic model.....	69
5.1 Revising the programme theory and logic model.....	69
5.2 Summary of the initial programme theory .....	69
5.3 Revised programme theory .....	70
5.3.1 Pathway 1: The pilot will increase recipients' participation in activities that are important to them .....	70
5.3.2 Pathway 2: The pilot will increase recipients' spending in the community	72
5.3.3 Pathway 3: The pilot will reduce recipients' involvement in crime .....	73
5.3.5 Pathway 5: The pilot will have an indirect effect on the poverty of others	75
5.3.6 Pathway 6: The pilot will improve recipients' money management skills..	76
5.3.7 Pathway 7: The pilot will improve recipients' access to transport and increase the opportunities available to them .....	77
5.3.8 Pathway 8: The pilot will increase recipients' ability to afford more secure and appropriate housing .....	78
5.3.9 Pathway 9: The pilot will reduce financial stress and improve recipients' health and wellbeing .....	78

5.3.10 Pathway 10: The pilot will increase recipients' ability to access chargeable health services .....	79
5.3.11 Pathway 11: The pilot will increase recipients' participation in health-promoting behaviours.....	79
5.3.12 Pathway 12: The pilot will lengthen recipients' 'time horizons' and they will be more likely to engage in employment, education and training.....	80
5.4 Summary .....	82
6. Discussion.....	88
6.1 "Real Freedom" .....	89
6.2 Conditions and unconditionality .....	89
6.3 The present and the future .....	90
6.4 Life expanding and contracting.....	91
6.5 The pilot as part of an imperfect system.....	91
Conclusions.....	93
Annex A: Sample interview topic guide for young people.....	101
Annex B: Sample focus group topic guide for professionals .....	102
Annex C: Word cloud based on professionals' 3-word summary submissions at the start of the pilot.....	103
Annex D: Summary of the revisions made to the initial programme theory.....	104

## List of tables

Table 1: Young person participation in qualitative data collection activities .....	20
Table 2: Professional participation in qualitative data collection activities .....	22

## List of figures

Figure 1: Word cloud based on professionals' 3-word summary submissions .....	49
Figure 2: Initial logic model diagram for the Basic Income for Care Leavers in Wales Pilot .....	86
Figure 3: Revised logic model diagram for the Basic Income for Care Leavers in Wales Pilot.....	87

## **Glossary**

### **Basic income**

A basic income is a periodic cash payment unconditionally provided to all recipients 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 was formerly called Citizens Advice Bureau and is often referred to as CAB by participants in this study.

### **Conditional Income**

This relates to the use of income, where income is only paid out if certain conditions are met. The income provided by the Basic Income for Care Leavers in Wales pilot was unconditional.

### **Cost Consequence Analysis**

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.

## **Cuckooing**

When an organised crime group or perpetrator takes over an individual's home and uses it as a base for crime. By using a victim's home, criminals hope to avoid the police.

## **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 1 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). Participation was non-compulsory and recipients had to enrol in order to join the pilot.

## **Educational Maintenance Allowance**

Educational Maintenance Allowance is a weekly payment of £40 to eligible 16- to 18-year-olds who are in full-time education. It helps with the costs of further education.

## **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 Savings Account (ISA)**

A UK savings or interest account that allows the individual to save or invest up to a national set amount tax-free.

## **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.

## **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 providing children's social care services.

## **Minimum Wage / National Minimum Wage**

Minimum wage is an obligatory national minimum wage payable to a worker. The amount varies depending on the individual's age and if they are an apprentice. Minimum wage is reviewed and changed annually on April 1<sup>st</sup>.

## **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.

## **NVivo**

A qualitative data analysis software that is used to code and manage qualitative data.

## **Participants**

The young people and professionals who took part in the interviews and focus groups, providing in-depth information and perspectives.

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

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) / Professional(s)**

Those who are working to provide the pilot and participated in an interview or focus group (for example, Personal Advisors, Team Managers and Citizens Advice Cymru).

## **Real Living Wage / Living Wage Wales**

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**

The eligible care leavers who chose to receive the basic income.

## **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.

## **Stakeholders**

Stakeholders are individuals, groups or organisations who have some form of stake in the portfolio, programme or project being undertaken. This might be because they are sponsoring or investing in the work, are involved in providing it, benefit from or are affected by it, or have a broader interest in it.

## **Supported housing / accommodation**

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

### **Twice-monthly payment**

The recipient has opted to receive their basic income split into 2 payments each month. For those without direct landlord payments, this means 2 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 (UC)**

Universal Credit is a means-tested benefit, which replaced 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). It did 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 (Personal Independence Payments). 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 and background

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](#)). Delivery of the pilot has now concluded, with the evaluation of the scheme continuing until 2027. This is the third annual report from the evaluation, following reports published in 2024 and 2025 which presented interim findings ([Holland and others, 2024](#); [Mathur and others, 2025](#)). The study protocol and statistical analysis plan, which describe the design and methods of the evaluation in more detail, are also available ([Westlake and others, 2024](#); [Sanders and others, 2025](#)).

The series of reports, published in the first quarter of each year, focus on different parts of the study as results and findings become available. The [first annual report](#) of 2023/2024 examined the perceptions and experiences of practitioners during the early stages of the pilot, explored the theoretical basis on which the pilot was established, and presented descriptive data on the cohort of young people involved. The [second annual report](#) of 2024/2025 provided an update from the evaluation’s co-production group outlining their contribution to the project. It also covered 2 areas of analysis: the experiences of basic income recipients, based on interviews undertaken at an early stage in pilot, and an initial analysis of implementation, based on a range of qualitative data but particularly focus groups with the policy makers involved in delivering the pilot.

This is the first report to be published since the pilot ended, all young people who received the income have now exited the pilot. The report returns to and builds upon participant groups and themes explored in the first annual report. As well as providing an updated analysis of how practitioners and young people experienced the pilot, the report returns to the initial programme theory developed at the outset and updates it based on the analysis completed to date. This provides an updated view of how the pilot is expected to produce positive outcomes for recipients and in what circumstances.

Towards the end of the study, the quantitative analyses of impact on the identified outcomes of interest will be reported on, to examine what the impacts of the pilot have been to date. Alongside this, an economic analysis of cost effectiveness will be presented.

## 1.1. Overview of the pilot

The pilot was 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 to date 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 cohort of care leavers from the age of 18 for 2 years of payments. More detail about

the nature of the pilot is available from [Welsh Government \(2022a\)](#) but the core aspects of the scheme are briefly described here.

Before the practicalities of who received it and how the basic income payments were provided are discussed, it is worth noting that the pilot design was based on 4 core principles. These were described by the Minister responsible for the pilot, Jane Hutt MS, in her 2022 Written Statement ([Welsh Government, 2022b](#)):

- 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

In order to be eligible, a young person had to 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 (or multiple periods amounting to at least 13 weeks), 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.

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 during that time. For those who enrolled, the transfer started the month after their 18<sup>th</sup> birthday and continued for 24 months, with the exception of a small number who enrolled later for reasons outside their control, and who therefore started receiving payments shortly after this point. The total amount of the basic income payment was £1,600 gross per month, which was taxed at source, to leave recipients receiving a net amount of £1,280 each month. Some recipients are eligible for a tax rebate depending on other taxable earnings, such as earnings from employment. Recipients of the basic income could choose whether this was paid in one monthly transfer of the full amount, or twice-monthly transfers of half the amount. They could also choose to have housing costs paid from the basic income directly to their landlords. 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 were 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.

In addition to the basic income payments each month, the young people involved were also eligible for support around budgeting and managing finances as part of the pilot. This was provided by Citizens Advice Cymru, but some local authorities also offered financial advice via other pathways. This component of the pilot was

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’ calculation was available to inform this decision by estimating whether or not the basic income would constitute a net increase in a person’s income.

No aspects of the pilot were intended to affect 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.

The pilot has proved popular, with 97% of young people who were eligible taking part (n= 644; [Welsh Government, 2024](#)).

The pilot had a governance structure which included a Steering Group, an Operational Group, and an independent Technical Advisory Group chaired by Professor Sir Michael Marmot. These groups included civil servants and independent experts, and their function was to give advice to Welsh Government on the design and implementation of the pilot. A Research and Evaluation Advisory Group continues post-pilot. In addition, the evaluation has a separate advisory group, which consists of experts from various fields of academic study and professional practice.

## **1.2. Overview of the evaluation**

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 important stakeholders, 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?

The study protocol and statistical analysis plan ([Westlake and others, 2024](#); [Sanders and others, 2025](#)) describe our approach to answering these questions in greater detail. The protocol also includes a more extensive summary of the background to the pilot, a discussion of previous research on the topic, and the anticipated challenges and limitations associated with conducting this study.

The evaluation is designed around 5 core areas called 'work packages'. These are briefly summarised as follows:

### **1. 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. Ten meetings have taken place to date, involving 6-10 young people in each meeting, and the advice of the group has materially informed our work, including the data collection and analysis of the young people's data presented in this report.

### **2. 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 positive effects for different people involved.

### **3. 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.

#### **4. Implementation and process evaluation**

This strand focuses on how the pilot was implemented, its delivery, and how the scheme was 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.

#### **5. 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 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 core outcomes to explore wellbeing where the data allow, and aspects of educational attainment, engagement in the labour market and financial security.

The evaluation also involves Coram Voice, a children's rights charity. They have been commissioned separately by Welsh Government to gather survey data from recipients of the pilot and a comparator group.

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 administration of the evaluation surveys 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 ethical principles.

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

This report builds upon the previous annual reports and continues the comprehensive evaluation of the Basic Income for Care Leavers in Wales pilot. Following the methodology section, the report focuses on 3 important areas of analysis. The first substantive section examines young people's experiences of the

pilot, based on interviews undertaken at two stages: halfway through and towards the end of the basic income payments. This section aims to foreground the voices and varied experiences of the beneficiaries of the pilot, exploring how they have used the income and how they feel it has affected different aspects of their lives. This analysis addresses the research questions: “How is the pilot experienced?” and “How does the pilot fit into the overall offer for care leavers in Wales?”

The second section explores professionals' perceptions and experiences of the pilot after it had been implemented for some time. This explores the challenges and opportunities they have encountered, and their observations of changes in the young people they support. By bringing together both young people's and professionals' viewpoints, this section also addresses the research questions: “How is the pilot experienced?” and “How does the pilot fit into the overall offer for care leavers in Wales?”

The third section presents an updated programme theory and logic model. The initial version of this, presented in the [first annual report](#), was based on literature and policy documents, so in this iteration empirical data from the pilot has been used to enhance the theory about how the pilot might operate. As the pilot has advanced, the data gathered has highlighted which mechanisms are more or less significant and filled gaps in our initial understanding. This iterative approach to theory development ensures the evaluation remains grounded in emerging evidence and addresses the question: “Is the pilot implemented as intended?”

The discussion section brings together findings from these 3 sections, synthesising the evidence and placing it within the context of the broader evaluation. This is followed by conclusions and a look forward to the next stages of the evaluation, including a fourth annual report in spring 2027 and a final report later in 2027.

## 2. Methodology

This report contains qualitative analysis of interviews and focus groups with young people and professionals involved in the pilot. Presented in Sections 3 and 4, are young people's and professionals' perceptions and experiences of the pilot. The findings relate to the following research questions:

- 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?

Next, the data is used to refine our programme theory and explain how, why, for whom and in what circumstances the pilot has an impact (Section 5). This relates to the following research question:

- Research Question 2: Is the pilot implemented as intended?

### 2.1. Interviews and focus groups with recipient young people

The young person interviews and focus groups presented here were conducted at two points. One, roughly halfway into the pilot (which is referred to as a 'mid-pilot interview'), and 2, a few months after the young people had received their final payment (an 'end of pilot' or 'follow-up' interview). For the mid-pilot interviews, conducted in spring to autumn 2024, young people who had been interviewed in the baseline round of interviews (reported previously - [Mathur and others, 2025](#)) were invited again to take part in interviews. For the end of pilot interviews, conducted in winter 2024 to summer 2025, young people were directly contacted via email or text by researchers at Cardiff University 2 to 3 months after receiving their final payment to participate in an interview (see Table 1).

Participants predominately took part in 1 to 1 interviews, with focus groups held on 6 occasions with between 2 and 6 young people attending each session. Interviews and focus groups were conducted through video conferencing (via Microsoft Teams), phone calls or in-person at a local authorities' office or at the CASCADE office. The interviews lasted between 20 to 60 minutes, covering themes such as participants' views on the design of the pilot, the perceived effects of the intervention on their wellbeing, health, relationships, choices around work, housing, education, experiences of financial management and engagement with the additional available support. [Annex A](#) provides more details on the questions and themes explored in the interviews. Particular attention was paid to ethical concerns around qualitative research with vulnerable populations, concerns around power, and specific pressures identified around basic income research ([Mathur, 2024](#)). These included checking that participants agreed to take part, ensuring participant confidentiality and wellbeing, and taking care to phrase questions (and responses to answers) in ways which did not make participants feel judged about their choices.

**Table 1: Young person participation in qualitative data collection activities**

<b>Timepoint</b>	<b>Number of participants (n=)</b>	<b>Participant format type</b>	<b>Timing</b>	<b>Reported</b>
Baseline	41	Interviews and focus groups	Spring 2023 to winter 2023	Previous publication: <a href="#">Mathur and others 2025</a> & Section 5
Mid-pilot	14	Interviews and focus groups	Spring 2024 to autumn 2024	Section 3
End of pilot	36	Interviews and focus groups	Winter 2024 to summer 2025	Section 3 & Section 5

Source: Evaluation management information, Cardiff University, 2025.

Seventy-two young people took part in the interviews and focus groups. Fifteen participated multiple times over the course of the evaluation. Three young people participated in both an interview and focus group at baseline, four took part at baseline and mid-point, and one at baseline and end of pilot. Seven young people took part at all three timepoints.

As noted previously (Mathur and others, 2025), the sample was diverse and included young people with varied characteristics and circumstances. This included young people with different asylum statuses, living in a range of locations and settings, with differing health needs and impairments, and varying levels of engagement in education, training, and employment. Despite this, it is acknowledged that the sample may not be representative of the cohort of basic income recipients as a whole.

Interviews and focus groups were recorded digitally and then transcribed. Transcripts were reviewed to remove any information that may identify the participant. To analyse their content, anonymised transcripts were then coded thematically using NVivo software, combining both deductive and inductive reasoning ([Fereday and Muir-Cochrane, 2006](#); [Meyer and Lunnay, 2013](#)). The initial programme theory and research questions ([Holland and others, 2024](#)) guided the development of an initial set of codes (for example, effects on education choices, physical and mental health, engagement with Citizens Advice and Personal Advisors, preparing for the end of the pilot). On reading and reflecting upon the transcripts, further codes were identified from the data (such as, experiences of Universal Credit, conditional versus unconditional support, dignity and autonomy).

Rich narrative analysis like this can provide great depth, granularity and explanation on how those who chose to take part in interviews or focus groups perceived the pilot, how they experienced the income, the effects they say it had on their lives, the way those effects played out, and how they feel about these changes ([Copestake and others, 2019](#)). To this end, it provides insight into a variety of experiences and effects of the pilot and allows for the understanding of the mechanisms behind any changes or effects in their lives (or lack thereof) ([Kopec, 2023](#); [Maxwell, 2012](#)). However, it does not aim to provide definitive causal or aggregate impacts of the scheme on the entire cohort. It is inherently limited in its sample – both in size, and self-selection. That is, participants who might be struggling emotionally, physically or financially – or those thriving in life with multiple work, education or social commitments – might not be able to participate in research activities. Further, such research is likely to be affected by social desirability bias, defined as the tendency of participants to provide answers that are considered ‘desirable’ by researchers ([Bergen and Labonté, 2019](#)).

## **2.2. Interviews and focus groups with professionals**

Professionals working in a range of roles were invited to take part in a focus group towards the start and end of the pilot. On some occasions, interviews were conducted as professionals wished to participate but were unable to attend a focus group. Findings from the first (baseline) set of interviews and focus groups are reported in the first annual evaluation report ([Holland and others, 2024](#)) and this analysis also informed the theory development work (discussed in Section 5 of this report). The findings from the interviews and focus groups conducted towards the end of the pilot are discussed in Section 4 and 5 of this report.

Professionals from across Wales were invited to take part in an interview or focus group in spring 2025. By then, the majority of recipients had received their final basic income payment. The sessions explored professionals’ experiences of supporting young people on the pilot, their views on how the pilot had affected recipients (for example, in terms of their health and education, employment and training) and their thoughts on the pilot design (see [Annex B](#) for a full focus group topic guide). Interviews and focus groups were conducted through video conferencing (via Microsoft Teams), phone calls or in-person at a local authorities’ office or at the CASCADE office and lasted between 30 to 90 minutes. Professionals who took part represented 14 out of 22 local authorities in Wales and included young people’s Personal Advisors, Team Managers and Heads of Service or senior managers as well as Citizens Advice Cymru staff (see Table 2). Eight professionals participated in an interview or focus group on more than one occasion over the course of the evaluation.

**Table 2: Professional participation in qualitative data collection activities**

<b>Timepoint</b>	<b>Participant type</b>	<b>Participation format</b>	<b>Number of participants (n=)</b>	<b>Timing</b>	<b>Reported</b>
Baseline	Personal Advisors	Interviews and focus groups	22	Spring 2023	Previous publication: <a href="#">Holland and others, 2024</a> & Section 5
Baseline	Head of Service/ senior managers	Focus groups	12	Spring 2023	Previous publication: <a href="#">Holland and others, 2024</a> & Section 5
Baseline	Team Managers	Focus groups	7	Spring 2023	Previous publication: <a href="#">Holland and others, 2024</a> & Section 5
End of pilot	Personal Advisors	Interviews and focus groups	20	Spring 2025	Section 4 & Section 5
End of pilot	Head of Service/ senior managers	Focus groups	4	Spring 2025	Section 4 & Section 5
End of pilot	Team Managers	Interviews and focus groups	8	Spring 2025	Section 4 & Section 5
End of pilot	Citizens Advice Cymru	Focus groups	4	Spring 2025	Section 4 & Section 5

Source: Evaluation management information, Cardiff University, 2025.

Transcripts from the interviews and focus groups were anonymised and coded using NVivo software. Consistent with the young people's data, the coding was both deductive and inductive. The initial coding frame was developed from the initial programme theory and research questions ([Holland and others, 2024](#)), and additional codes were identified and grouped into themes through discussion within the evaluation team.

### **2.3. Analysis to inform the revised programme theory**

This evaluation takes a realist, theory-based approach to explore how and why the pilot works, for whom and in what circumstances (Pawson and Tilley, 1997). The first annual report ([Holland and others, 2024](#)) featured an initial programme theory based on findings from systematic reviews, academic work theorising the causal effects of basic income schemes and policy documents. The theory has now been refined using empirical data collected during the pilot (interviews and focus groups with young people and professionals; see Tables 1 and 2). Data was coded using NVivo according to the components in the initial programme theory (the different contexts, mechanisms (resources and reasoning), and outcomes). Additional codes were added when participants introduced new ideas for how the pilot worked and produced outcomes in different conditions. The codes were reviewed by a member of the research team, and a decision log documented the theory refinement process. The log included the researcher's notes on whether the data supported or challenged the causal pathways in the initial programme theory, where modifications were required and where gaps in our understanding remained. The proposed changes to the initial programme theory were reviewed and discussed by the research team, and a revised programme theory was produced.

## Findings 1: Young peoples' experiences of the pilot

This section presents insights from interviews and focus groups conducted with 14 young people at the mid-pilot stage (approximately 12 to 16 months into the pilot) and 36 young people at the end of the pilot (approximately 2 to 3 months after they received their last payment on the pilot). These interviews and focus groups cover a range of themes and in the subsequent sections, we present participants' views on the design of the pilot, effects on wellbeing, health, labour and education choices, autonomy and control, relationships, engagement with support as well as their lives since the end of the pilot. Each quote is attributed to an anonymised young person who participated in an interview or focus group, with an indication of when they participated, for example 'Young Person (YP) 12 – End of Pilot'. Two elements are important to note as consistent threads running across our data. First, some of the tension articulated in the 'best use' of the money for participants is between an enhancement in present lifestyle during the pilot, versus investing in their future. Second, a number of assessments participants made of their experiences came at a time when they had recently exited the pilot and were having to reckon with a significant reduction in their material resources.

### 3.1 Perceptions on Design

Young people's views on the pilot's core design elements were largely consistent with findings from our first wave of analysis ([Mathur and others, 2025](#)). They supported age 18 as the starting point, viewing it as the age when care leavers lose access to other support and must embark on becoming independent. Most agreed the amount (£1,280 per month after tax) was appropriate, in the words of one participant "...not too little... not too much" (YP12 - End of Pilot). This was described as enabling them to meet basic needs, pursue new hobbies, and achieve some financial security. Perhaps unsurprisingly, care leavers continued to be widely endorsed as a target group, given their unique disadvantages and lack of family financial support compared to their non-care-experienced peers. As we found previously, some expressed concerns that 2 years could be too short to fully benefit and prepare for transition to life without the income, while others felt it struck the right balance by avoiding creating dependency.

On unconditionality, young people continued to value the freedom this provided, particularly in contrast to their care experiences where decisions were often made for them. One commented "I think I wouldn't have wanted the conditions to have been like too overbearing or like too much, because I've had that like my whole life" (YP51 - End of Pilot). However, rather than debating conditional versus unconditional support, participants suggested that unconditionality combined with proactive, structured support may be what is needed:

'They kind of just dropped thousands on a bunch of kids and just said, 'Hey, good luck.' They need more... we needed more advice... we should have

been told budgeting stuff before, not when it's ending. Should have been told how to budget and where to apply, and where to get all these schemes and everything before' (YP56 - End of Pilot).

This aligns with wider debates about "cash plus" programmes ([Howard and others, 2024](#)) and highlights the role of ancillary support around the income. As mentioned above, pilot recipients were able to access financial advice as a part of this pilot, engagement with which is discussed in Section 3.8.2.

## **3.2 Wellbeing and Health**

### **3.2.1 Dignity and Wellbeing**

Dignity as a concept has varied definitions and understandings. A common understanding is built around how one views oneself, how one perceives others to view them and what they feel able to do with their own lives ([Jütten, 2017](#)). When participants were asked about the most important impacts that being on the pilot had had on their lives, many of their responses fitted within this broad definition of dignity, with most mentioning changes in their sense of self. Other answers pointed to an enhanced sense of confidence, such as being able to "pay bills and do more" (YP42 - Mid-Pilot), invest in themselves and social relationships, and thereby improve their wellbeing.

In terms of a sense of self, participants mentioned using the basic income to spend on themselves – on how they looked, their hobbies and interests and on things that they considered important:

"I was able to buy things I want, go out with my friends and have more disposable income to enjoy my life with before life got serious. So that was really positive for me, and I loved having money to be able to do that." (YP60 - End of Pilot)

Another important element of dignity is the worth and value felt in being able to contribute to, show up for, and live up to relationships and responsibilities. Participants highlighted multiple instances where they felt pride in being able to help family and friends financially, buy them gifts, or spend money on travelling or events with people around them. One noted "I could actually give back for once not... accept or just take things and I was really happy to be able to pay" (YP69 - End of Pilot). This sense of pride and dignity is a well recorded feature in empirical research with those who have lived in poverty ([Walker and others, 2013](#)). However, there were some instances when these relationships turned into being transactional and exploitative for recipients, which we highlight in more detail below (Section 3.6).

Unconditional receipt of the basic income was also found to affect how participants perceived themselves, and how they felt others perceived them. For some this was seen as support and recognition of their inherent value as people and their efforts –

a “...morale boost” (YP64 - End of Pilot), whereas others were concerned about being viewed negatively as they had not ‘earned’ the money:

‘Because I’ve done, kind of, nothing to earn it, so I feel ...really bad cause I’m getting money for free, whereas people are, like, working really, really hard for their money ...there’s been times where ... I hate having this money because I do not deserve it.’ (YP69 - End of Pilot)

‘I feel so guilty I’m getting this money... all I’ve done is been in a certain age group, I’ve just been lucky...I’m not working for it, I’m not doing anything for it...because I knew that the taxpayers are paying for this... So...[I was] sometimes like trying not to spend money because I felt guilty’ (YP6 - Mid-Pilot)

### **3.2.2 Autonomy and Control**

An enhanced sense of autonomy, control and financial freedom was one of the most consistently reported findings from our interviews. Participants described how the cash helped them navigate specific challenges – primarily through enhanced financial security and material resources, and the power to make their own decisions. One participant, for example, said it gave them “Peace of mind for when I’m alone that I’ve got that money saved up as a little safety net” (YP39 - End of Pilot). Another told us how it gave them freedom through driving:

‘When I passed my driving test, which obviously the pilot allowed me to, you know, without that money I wouldn’t have been able to, you know, do driving lessons and then the test and everything, and, you know, get my first car, yeah, it just allowed... it gave me so much more freedom to go out and meet people, and meeting people obviously got me out of the house.’ (YP62 - End of Pilot)

The sentiment around increased freedom was widespread. For example, other participants framed it as “...unlock[ing] more opportunities and freedom” (YP68 - End of Pilot) as well as preparing them for emergencies (YP69 - End of Pilot). This contrasts with the feeling of options being limited either before or after the pilot:

‘Before the money, I felt very restricted in what I could do. And during the money, the time I was getting the money, I felt like I was able to do what I wanted and live my life the way I wanted, which made me feel good... It definitely opened my eyes to the fact that I was a lot more competent than I thought I was.’ (YP46 - End of Pilot)

The contrast in financial freedom during and after the pilot was illustrated through relatively small, everyday events. During the pilot examples included being able to afford a hotel room when away from home, taking trains and taxis to places, or being able to pay their share of a restaurant bill. In contrast, examples of financial limitations after the pilot ended ranged from not being able to buy a new mobile charger when their current one broke or not being able to afford private dental treatment as they could during the pilot.

### 3.2.3 Mental health

One of the perceived effects with the strongest consensus in our qualitative dataset was the reduction in stress and anxiety owing to financial security provided by the basic income, and an associated confidence and control over one's life. For example, one participant noted "It helps with mental health because you're not worrying about, oh, can I do this?" (YP52 - End of Pilot). At mid-pilot and end of pilot other participants explained how the income alleviated financial worries in the context of other difficulties, such as homelessness or experience of abuse:

'I don't really have a fixed abode, so... I know I can get food in if I need it, and I know I can buy this if I need it, and if I need clothes, ... It's a lot nicer. It really helps with mental health in particular.' (YP2 - Mid-Pilot)

'...when you're in care, you've got no freedom. I had no freedom. I was being just abused by my carers and stuff like that. ... but when I was given the pilot, it felt like I could just go anywhere, do whatever I wanted to do, and since I suffered with bad mental health at the time and I still do, it kind of helped me go about my health journey as well...' (YP56 - End of Pilot)

At this follow-up point, participants could compare life on the pilot with life after the end and drew stark contrasts in what they were able to do and the associated effects on their mental wellbeing. For example, one young person who felt their social anxiety was alleviated while on the pilot told us that after it finished, they found themselves being "...distant from everybody, I don't really talk to a lot of people. I stick around the people that I... like I know..." (YP12 - End of Pilot).

For some participants, the extent of this contrast became most clear after the payments stopped, and they had to adjust to being on a significantly lower, conditionally provided form of financial assistance or income:

'I'd say if I never had it, I wouldn't know any different. But because I've had it now, I don't... I feel like life feels so... like I feel like I'm surviving, not living. I'm just having to worry about eating, like making sure I have enough food so I don't die, and paying my electric bill... when I was on the pilot...I'd say I was a lot happier, yeah, significantly' (YP63 - End of Pilot)

Mental health has been an important area of interest in terms of the effects of this and other basic income schemes. Care leavers have often experienced significant trauma in their childhoods, and they are disproportionately affected by mental ill health ([Phillips and others, 2023](#); [Smith, 2017](#)). Furthermore, given the compounding mental health ill-effects of poverty and financial precarity, it is often suggested that cash transfers and basic income schemes can have significant positive mental health potential ([Wilson and McDaid, 2021](#); [Chen and others, 2023](#)).

### 3.2.4 Physical Health

This analysis reinforces findings from the first round of interviews. A third of the interview participants mentioned the pilot not having any notable effect on their physical health. For several participants, the basic income allowed them to eat better, leave the house more and invest in exercise and gym memberships. In contrast, others described easier access to takeaways and unhealthy food, as well as alcohol and substances.

Those that reported improvements in their health in the mid-pilot and end of pilot interviews, highlighted how more financial freedom allowed them to eat more healthily and spend money on better equipment, and physical health, which was thought to be a factor in "...getting ... in a better physical shape" (YP67 - End of Pilot):

'It kind of improved my physical health, because I was going to gym more, and I was worrying about less things because I could eat, I could eat right. I could afford to live right. I could afford the gym membership. I could go every day. I could just work on myself. So it kind of just helped in multiple ways.' (YP56 - End of Pilot)

'Yeah, no, it's changed a lot. Like, I try and go to the gym...And like swimming and stuff like that...Yeah, like BIP [Basic Income Pilot] helps a lot with it, because like it kind of funds it.' (YP4 - MidPilot)

These positive effects were also notable for disabled recipients, as they were able to afford the extra support they needed, for example, for mobility to support their wellbeing.

Among the small minority of participants who mentioned buying more unhealthy food, some recognised the basic income as a factor in raising health risks:

'Um in terms of health in general I think I'm quite healthy although I am in the overweight section, and I blame that on being able to buy a lot of food...I could afford more chocolate.' (YP45 - End of Pilot)

Similarly, a few participants reported spending the basic income on illicit substances. While the pilot did not necessarily get them started on this path, it was seen as having made such purchases more possible. One participant commented, "I would not have been able to afford things like I was able to afford them if I hadn't had all that money coming in..." (YP51 - End of Pilot).

Some participants described being able to do more things that both enhanced and impeded their physical health, leading to mixed effects. One participant explained this meant they had the freedom to make considered choices, such as "...[going] to the gym a lot" alongside decisions that were "not smart", such as "drinking every

night, or like every other night” (YP63 - End of Pilot). Another participant echoed this tension in relation to eating and a healthy lifestyle:

‘I would have said it went both ways, because I’m quite an emotional eater, so with access to money, I was able to buy probably more than I should have eaten, which allowed me to put weight on. But then, on the reverse, it also gave me the freedom to go out with friends and do activities, and you know, go for walks, or go bowling, or things like that, which helped me lose weight as well. Or like gym memberships, which I had, which helped me lose weight. So, it sort of yo-yoed a bit, to be honest.’ (YP47 - End of Pilot)

### **3.3 Work, Education, and Training**

In this section we outline participants’ narratives on the effects of the basic income on their motivation and approach to their futures, and their choices around education, skills and work.

#### **3.3.1 Motivations and Future Planning**

Participants recognised that the often traumatic and unstable nature of being in care can mean that some recipients may not tend to think about the future when making decisions. One described this vividly, saying they focussed mainly on “...daily stuff” and the experience of living with their mum and, getting “...kicked out and [becoming] homeless” led them to think “...day by day, and not longer,” (YP65 - End of Pilot).

We heard a range of experiences with regards to the basic income and its effect on motivation and thinking around the future. Many reported the pilot having no particular effect on their future thinking, with its predominant impacts being felt on their daily life when on the pilot. On the other hand, for some participants having this money exposed them to “...just what it is like to kind of have a decent amount of money” (YP70 - End of Pilot), and the lifestyle it enabled. This encouraged them to aspire to maintain and improve their lives after the pilot. One participant noted the pilot gave them the “...ambition to do more things that I want to do, and not just lounge out and waste opportunities” (YP56 - End of Pilot). The following reflection from a young person who had not planned to enter the workplace challenges the view that the pilot may discourage work:

‘I had never the intention of working a job, and when I got into the pilot, you'd think that that would convince me even more not to work, because why do I need to work, right? I've got the money coming in. But when the pilot came through, I thought, “Well, if I work, then I can save all the money from the pilot and maybe some from the job as well,” and if I'd never been tempted by the pilot weirdly enough to go and do more work to get more money, then I never would have become more social and gone out of the house, and just developed as a person as I have over the past 2 years.. it made me happy. It changed how I acted quite a lot’ (YP62 - End of Pilot)

For some participants the money they saved during the pilot enabled them to feel more secure and make plans that seemed 'affordable' for the future. At mid-pilot, one participant suggested it lengthened the scope of their planning:

'I guess BIP has made it more feasible to start long-term thinking, where I can now realistically go, oh, I can actually afford this, and I can achieve it. So, it's making it, I guess, my plans that I'd already made prior to like BIP, I guess, more realistic.' (YP6 - Mid-Pilot)

Some described having the mental space to decide what they wanted for the future, without day-to-day financial worries getting in the way (YP50 - End of Pilot). The savings it was possible to build up provided one participant with confidence that it would be "...a lot easier to set up somewhere to [live]... before I actually start working" (YP20 - End of Pilot). Another felt that "...building up ... savings made me feel more confident about being in uni... it just kind of made me feel more confident about my future" (YP60 - End of Pilot). More generally, a third participant noted the pilot "...enabled me to think about the future more, and look at wider opportunities," including investing in their education: "I don't think I ever would have considered spending quite a lot of money on my education" (YP64 - End of Pilot).

However, other participants wished they had received more support and encouragement to look for work, save more and think more productively about the future. One noted:

'...you're set up with this amount of money and it's not taxed, and you don't have to work, so there's no encouragement to actually get you into work... you don't actually have anyone supporting you throughout it' (YP51 - End of Pilot).

For clarification, the basic income was taxed (taken at source by Welsh Government), but the young person quoted above does not seem to have been aware of this.

This tension between beliefs about unconditionality and autonomy on the one hand, and greater regulation, support and guidance on the other, is a consistent theme across the analysis presented in this report.

### **3.3.2 Experiences of Education**

Over half the interview participants at the end of pilot were involved in, or planning towards being in training, apprenticeships or education at the end of pilot stage. As a reference point, almost 40% of care leavers (aged 19-21) in England in 2023-24 were not in education, training or employment (NEET) ([Foley and others, 2025](#)). This is significantly higher than a comparable figure of roughly 15% of young people aged 18-24 in the UK ([Office for National Statistics, 2025b](#)) and 11.6% of young people aged 16-24 in Wales ([Welsh Government, 2025a](#)). Nearly half of care leavers in Wales were NEET in 2019-20, in contrast to 17% of all 19-24-year-olds, which is the most recent available figure in Wales ([StatsWales, 2019](#)).

Much like the discussion above, the reported effects of the pilot on decisions around education, training and skill development were varied. For some participants, decisions around education or training were not dependent on the basic income: they felt they would have made the same choices anyway. For others, the pilot affected how they saw their future, brought security and stability to go into further education, and enhanced their experiences of being in education.

As an illustration of the choices it generated, one participant told us how they were working in a job they always wanted to do, but realised there were more options available and achievable because of the pilot (YP64 - End of Pilot). Others described how being on the basic income encouraged them to think about education as a tool to enhance their future. One participant described using the money to “...go back and get some qualifications” to make up for missing a lot of school and not leaving with many qualifications (YP50 - End of Pilot). Another described that the money had made other aspects of pursuing education more affordable:

‘I think I was more optimistic for the future, because I knew that... money wouldn't be an issue, that I could afford things, and when I was doing performing arts, if I had an audition and I needed to get to [location] or something, that I could afford the bus, I could afford staying in a hotel for the night or something.’  
(YP53 - End of Pilot)

Those who were in education at the end of the pilot found themselves in different positions financially, with some accessing student finance, grants from their local authority and other support from their educational institutions.

### **3.3.3 Work-Related Decisions**

The effect of an unconditional basic income on people's motivation to start or continue paid labour has been an important feature of basic income discussions ([Francisco and others, 2024](#); [Howard and Mathur, 2025](#)). In the end of pilot interviews, just under half the participants were involved in some form of paid labour or volunteering when on the pilot. In the section below we highlight the effects the basic income was described as having on participants' capacity to choose when, how much and what work to do, how it enabled them to navigate precarious and difficult work arrangements, effects on motivation and aspirations around work, and the changes that have come about since the end of the pilot.

### **3.3.4 Agency and choice**

The increase in autonomy and control discussed above was particularly apparent in relation to work. It manifested in increased freedom and choice about work. In the mid-pilot interviews, all participants spoke of the importance of work, especially to transition beyond the pilot. In end of pilot interviews, some spoke regretfully about reduced motivation to work. One described not feeling an urgency to find a job “...because you are sorted to a degree... When the money's there, you just think, well

I've got money, what's the point?" (YP72- End of Pilot). Another stated: "I didn't want to work... didn't even think to even apply for a job at all, because I was just living my life off that money" (YP57 - End of Pilot). Likewise, when asked what stopped them getting a job during the pilot, another simply replied: "I didn't need to" (YP51 - End of Pilot).

As well as the choice to decide not to work, the cash transfers were also said to allow others to gain control over what types of work to pursue. The financial freedom provided some 'breathing space', which manifested itself in different ways. For many participants, it took away the stress of meeting basic needs, which meant that they did not need to take the first job that was available, a discussion further elaborated on in the programme theory discussed in [Section 5](#). With the pilot in place, they didn't have to think, for example: "Oh, Christ,... where am I going to get my rent money from? Where am I going to get food from? Where am I going to get this from and that?" (YP67 - End of Pilot). And with that stress alleviated, they were able to focus more on the direction they wanted their working lives to go in:

'It would just be like that little safety net of like, hey, I don't do well with this, I know I've got that bit of backup that I can dip into...I've got that money saved up to be able...To live alone... And not worry about losing the place I'm at.' (YP39 - Mid-Pilot)

'I think it's the pilot scheme that allowed me to decide what I wanted, because it gave me that time where I didn't have to, like, juggle things about. I could just solely focus on what I wanted, and it set me up for being able to, like, now I know, like, the direction I want to go in [working with animals], and it really helped with like finding what I wanted.' (YP50 - End of Pilot)

Beyond the binary question of whether to work or not, it also enabled alternative career options and self-employment for a few participants, as reported in the previous analysis of baseline interviews ([Mathur and others, 2025](#)):

'So, when I started on the pilot scheme, it was actually brilliant, because I started a business with it. So, I set up a self-employed business, and it was going really like well when I was on the money. In all fairness, when the money stopped, it did set me up to fail a little bit, because there was no chance of me reaching the kind of income that I was given. So, I was able to run the business on it, but... I still have my business now, but it is hard. Like I'm on no like financial support, no nothing. So once the money stopped for me, it was really difficult. But it did help me set up a business really well, like, and be able to maintain it.' (YP48 - End of Pilot)

### **3.3.5 Paid work not always available or reliable**

The enhanced freedom and reliability of income from the pilot was particularly notable for some participants, as work was not always an available or stable source

of sustenance. In many parts of Wales participants struggled to find and secure jobs. Participants reported unsuccessfully applying "...literally for hundreds" of jobs (YP63 - End of Pilot). One reported being unemployed "Not by choice... doing anything you can, applying on Indeed, going the Jobcentre, handing your CV around in the high street... It appears that no-one is offering jobs" (YP47 - End of Pilot). Another had applied for "...800 jobs" with only one response, attributing this to "...artificial intelligence immediately rejecting... thousands of applications" and "...ghost jobs" where companies appear to be "...always hiring, but... never hiring at the same time" (YP46 - End of Pilot).

It is important to note that factors influencing availability of jobs (for example, automation or levels of economic activity) are independent of the pilot. Work-related decisions in a basic income pilot are always influenced by the wider political economy situation of where it is implemented ([Calnitsky and Latner, 2017](#)).

Even when participants did secure employment, they were not always able to hold on to work due to mental ill-health, unstable housing and other issues. For example, one participant commented: "I've got bad paranoia and I suffer with ADHD as well, so it tends to be hard for me to keep a job sometimes." (YP56 - End of Pilot). There were also concerns about how sustainable working was given its effect on entitlement to benefits:

'Because I'm not someone who can exactly rely on work as a source of income, ... I can kind of do it, but I don't know when I'll be able to do it until, or I don't know if I'll be able to sustain it. The worry that if I come off of those things [Universal Credit] and just rely on a job, and then the same thing happens again, and I'll be left with no income, is quite high... I have a lot of struggles with my mental health and ... ADHD and stuff, so I think that's a lot to do with it, but I think it's also ... like what I'm coming home to, and also how much I earn in work, but how much I get if I'm on other benefits. Like it's worse for me in a way. It's scarier for me to be in work than it is to not be.' (YP51 - End of Pilot)

In both mid-pilot and end of pilot interviews, most participants highlighted the importance of looking for a job. For many participants, the end of the pilot served as a crucial juncture where they had to look for a job. The challenges in that process, combined with the significant drop in income, and having to sign up to Universal Credit made this a period of great stress. Some were successful in securing a job or enrolling on a course, but many others who did not experienced a period of great anxiety and uncertainty.

Participants described the pilot enabling them to take risks – giving them "...the freedom ... financially to make the choice and for it to go wrong" because "...it wasn't a huge risk if something didn't go the way I wanted it to" (YP47 - End of Pilot). The same participant went on to add that with the pilot money, they could "spend money on the bus to go to 5 or 6 interviews if I wanted to, to get the job that I wanted to, or

to go to college and back” but they felt this was not possible since it ended. Another described being “trapped” in a job that did not satisfy their needs:

‘I didn’t feel trapped when I had the pilot...Because I’m currently... I’ve got work...I’ve got a part-time job, but I’m really wanting to leave...Because it’s... he’s not giving much hours, he’s not paying me the right amount... And I feel trapped, because I have to stay, because I might... something might happen if I quit with no reason...They might suspend the paying [Universal Credit payments]... the money I’m getting for a month or 2 or something...’ (YP31 - End of Pilot)

### 3.4 Housing

Housing situations of interview participants varied greatly. At the time of the end of pilot interviews, 5 participants were living with family (grandparents, siblings, parents), 5 with carers, 4 in supported housing, 8 in local authority housing, 6 in private tenancies, 3 in university halls of residence, 2 in social housing and 3 were living in other types of housing. The significance of housing for recipients of the basic income is amplified by the huge challenges around the availability and affordability of housing in Wales ([Rogers and others, 2025](#)). The amount participants were paying towards housing varied greatly, with impacts on their disposable income, and therefore experiences of the pilot. Availability and costs of housing also vary significantly across regions in Wales, as well as the type of accommodation that young people were in. Charging policies for When I’m Ready / supported housing also varied geographically.

While basic income expanded recipients’ capacity to afford housing, our data suggests it was not the only factor affecting their housing-related decisions. There was roughly a half and half split between the participants who reported in interviews that being on the basic income affected their housing decisions, and those who said it did not. Concerns around their needs, availability of different housing options, and affordability were the primary factors that drove housing-related choices. One participant who lived with their grandparents noted how expensive rental costs were and said that the pilot “...didn’t affect my housing, but it made it easier to pay rent” (YP46 - End of Pilot).

Other factors, such as long waiting lists, limited availability of social housing, participants’ health needs and unaffordability of private rentals often meant they did not have the ability to exercise much discretion over housing choices. One remarked: “You should pick whatever, because otherwise you’re not able to get a flat in 2, 3, 4 years. It depends how long that takes” (YP15 - End of Pilot) and another noted never being “...in a position to say no to a property if they offered me it” (YP72- End of Pilot). However, for some participants, the pilot made housing that would otherwise be out of reach much more affordable:

'I can't explain how much the money's helped. I've got my own place now. ...You know, it's... having that money has, you know, given me the chance to get my own place and live on my own, have my own independence. So, yeah, it's been really good.' (YP40 – Mid-Pilot)

Participants also cited the pilot's role in making them creditworthy or reliable in the eyes of potential landlords. This included the council in some cases, who one participant observed "...knew that I do have the money to pay the rent ... like they can't say, oh no, she's unreliable, kind of thing, because I had the money" (YP52 - End of Pilot). However, not all participants benefited from this demonstrable financial support, as many landlords were not familiar with the basic income pilot, or did not consider it stable enough. As outlined below, some participants even felt it disadvantaged them when accessing housing-related support from the council.

The basic income was also reported to provide security and stability through periods of uncertainty and transition. These experiences were not uncommon for care-experienced young people who often go through a range of accommodations before they can afford to settle into a home. Periods of homelessness, temporary accommodation and supported housing in the 2-year journey of the pilot were not uncommon in our interviews, with some participants moving 5 or 6 times in that period. This underlines the complexity of homelessness being a product of various factors beyond solely financial affordability ([Palmer and others, 2022](#); [Cross and others, 2022](#)):

'...it helped us with paying a chunk of money to people where we could stay every now and again, just to make sure that we had a roof over our head. Say if we had nowhere to go, then we would have money because we got paid the pilot money every month. We would go and book a hotel and stay in there for a few days, and then obviously we went into temporary accommodation then.'

(YP61 - End of Pilot)

'Well, it made me feel more comfortable, because obviously, if I had no money and I was homeless at the same time, I would have been terrified... because that money was there ... I had a fallback ... that was the most important thing for me.'

(YP65 - End of Pilot)

Experiences of accessing and receiving housing-related support varied greatly. For context, those who were living in supported, sheltered or temporary housing remained entitled to make a claim for Housing Benefit in line with [The Housing Benefit and Universal Credit \(Supported Accommodation\) \(Amendment\) Regulations 2014](#). Welsh Government guidance made explicit that being on the pilot should not make anyone ineligible for claiming Housing Benefit, and many participants did receive Housing Benefit. However, Housing Benefit is a means-tested benefit, and thus entitlement was affected by participation in the pilot. People on Universal Credit receive their maximum Housing Benefit award, regardless of the rent amount. For

those on the pilot and in housing arrangements with higher-than-normal rent (for example, supported accommodation), the Housing Benefit is calculated through the means-test process and therefore does not cover the entire rent amount. Hence participants' unique living situations, needs and circumstances often led to significant disparities between rental payments between recipients, and with their peers, which some recipients described as unfair. For example, one described living in shared accommodation where the landlords:

'...were kind of taking advantage of me because of the [basic] income, to the point where one of the tenants there was paying about £80 a month for this one room. They were charging me £300 a week' (YP71 - End of Pilot).

Another described hostel accommodation where "I was paying like a solid, like £700, £800... which is a lot of money, and it's literally one bedroom and a bathroom you get." When asked if the hostel increased charges because of the basic income, they confirmed: "Yeah...I remember the battle... getting me not to pay the full amount, because it was robbing me blind" (YP51 - End of Pilot).

This was particularly relevant for those in supported accommodation, the costs of which could range from £800 to £1,300 per month for the young people interviewed. One participant described how the experience of being in temporary accommodation while on the pilot made things complicated and "...almost as if we weren't important" (YP67 - End of Pilot). They noted the council telling them not to work because of the impact this would have on accommodation – "...I'd be claiming too much for them to be able to help with our accommodation, so I would then have to pay out, you know, the £2,300, whatever it was". They went on to add "It's ridiculous how much they pay temporary accommodation owners" (YP67 - End of Pilot).

Given the complexity of these arrangements, it is perhaps unsurprising that both recipients and those supporting them were not always clear on how the pilot and housing support interacted, and this often caused confusion and stress. One described how difficult it was to get good advice:

'I think it was everybody I spoke to, even including like Citizens Advice, they didn't really know much about BIP in the sense of anything really, other than sort of the payment side of things... because I had a lot of issues with my housing and benefits which the BIP was taken into account and then wasn't taken into account, and then was... it's just the clarity side of things with it.' (YP67 - End of Pilot)

Young people described a state of confusion especially at the outset, where it appeared to them like the system of entitlements on the pilot was not entirely clear:

'I had a lot of complications with Housing Benefit when I first started, because they weren't classing it as like a payment, like a salary, but they weren't classing it as able to accept Housing Benefit, so I'd get Housing Benefit one week, and

the next week I wouldn't. It would change all the time. And I think I'd want there to be more information about it for other people.' (YP50 - End of Pilot)

Towards the end of the pilot the Welsh Government distributed reminders that the payments were coming to an end and encouraging participants to consider the affordability of current housing. Checklists were provided by officials to professionals and recipients at 6 months, 3 months and 1 month before the end of the pilot. Checklists included tasks and actions as minimum considerations. However, these were not effective for everyone. At the end of the pilot, with the drop in income, many participants struggled to afford their current accommodation. The sense that life was "...a real struggle now" (YP47 - End of Pilot) was conveyed by several participants, and accommodation that was affordable during the pilot quickly became unaffordable after it ended. For some this had material effects on their housing. For example, a young person who wished to continue staying with their foster carers to be with their sister, had to renegotiate a rent that they were unsure of being able to pay after the pilot:

'No, I think that affected them having me stay there, because I think they'd worked out that it wouldn't have been as affordable as they thought after telling me I could stay there, so I think that might be part of the reason they got me out, to be honest.' (YP51 - End of Pilot)

### **3.5 Leisure, Socialising and Travelling**

Most interview participants reported socialising more frequently during the pilot and in some cases, the basic income enabled participants to pay travel costs and visit loved ones more regularly, "...going on days out" with family who lived far away (YP12 - End of Pilot), or "...going travelling to see [a] friend" by train (YP58 - End of Pilot). Activities engaged in during these visits included bowling, the cinema and meals out, all of which were more affordable with the basic income payments. Participants clearly valued having the financial freedom and independence "...to do nice things" with others (YP48 - End of Pilot) and make them "...feel comfortable" (YP46 - End of Pilot). Some noted benefits in terms of mental health (YP53 - End of Pilot) and increased networks of friends (YP63 - End of Pilot):

'I was able to buy things I want, go out with my friends and have more disposable income to enjoy my life with before life got serious. So that was really positive for me, and I loved having money to be able to do that' (YP60 - End of Pilot)

Participants reported that the ability to spend time with others and participate in these activities had benefitted their health and wellbeing and improved their relationships.

Less frequently, participants reported using the basic income to take holidays in the UK, Europe or further afield, with one noting going on holiday "...multiple times a year ...I was always out and about" (YP61 - End of Pilot).

These activities became less affordable for most when the pilot ended, and participants reported they "...really financially lack the freedom on Universal Credit" (YP47 - End of Pilot) and "...don't go out much" now (YP55 - End of Pilot). In the same way participants cited positive impacts on mental health while on the pilot, they highlighted negative effects of life without it:

'But sitting down with no money, you can't even, you know, just go out for a walk to the shop or anything like that. It's just... and that will play a lot on mental health, because being... especially living alone, take it from me, you know...?' (YP40 - End of Pilot)

### **3.6 Relationships**

As discussed in Section 3.5, for many participants, the basic income increased their ability to socialise and take part in activities with others, and this was perceived to have improved their relationships. Furthermore, participants frequently recounted spending their basic income on others and financially supporting them when they were struggling:

'I was more willing to go out and do things and, you know, sometimes cover people's bills, and it just being able to do that, you know, it did... it made me happy.' (YP62 - End of Pilot)

'...it's indirectly helped my family at points as well at some points when I was on the income pilot, because there was points where my eldest brother was really struggling because he wasn't on much money with Universal Credit, and he was barely getting by each month, so he started asking to lend off money, but then my mum couldn't help as much or my sister, because they were struggling themselves, so I was able to help...' (YP89 - End of Pilot)

For the participants offering these examples, there was clearly a sense that being able to support those around them in this way was rewarding; they valued being able to spend on their loved ones. As one participant put it, being fortunate to be on the pilot meant "...you want to give as someone who hasn't had" (YP51 - End of Pilot).

However, other participants described pressure to spend their basic income on others, or coercion, and this had adversely impacted their wellbeing and relationships:

'People just thought I was kind of made of money in a way, and I was in a way, so I did feel pressure to give it out, but it was honestly everyone.' (YP51 - End of Pilot)

'... they were trying to kind of just scrounge money out of me all the time, and they would borrow money off me all the time. Because you're 18 and naive, you don't really realise what people are doing and saying... You don't really think that there's ulterior motives or anything like that, not really. So it tends to affect mental health a little bit, and it affects your relationships with people...'  
(YP56 - End of Pilot)

Professionals previously voiced concerns that new 'friends' and family members may try to take advantage of recipients ([Holland and others, 2024](#)). One young person, for example, was advised by their Personal Advisor not to tell their sister about the basic income due to concerns around exploitation. They described how their sister had taken advantage when she found out:

'... I was told by my PA and her boss... the head of the PA service, and even my carers that I was staying with... I was told not to tell my sister about me having the money so that I was able to save it and everything... [But] when she knew that I was having that money, that's when she kind of was like, "Right, well, you're getting that money. Now I can take the advantage of you more to take all the money away," and that's basically just what she did over the next like year and a half.' (YP61 - End of Pilot)

Concerns around exploitation are revisited in Section 5.3.5 as professionals discussed reasons why some recipients were at greater risk of exploitation on the pilot than others.

### **3.7 Financial Management**

Much like the concerns of practitioners highlighted in this and previous publications ([Roberts and others, 2025](#)), participants also voiced concerns about the financial prudence of recipients, given their age and life experience. One noted that having "...grown up with having very little" the 18-year-old care leavers on the pilot "...are more likely to be a little bit more crazy with their spending", because "...it's kind of like winning the lottery to someone who's had nothing" (YP63 - End of Pilot).

Speaking from their own perspectives, participants had mixed experiences of managing their basic income. In the mid-pilot interviews, young people mentioned a range of strategies to ensure they planned their expenses, saved strategically and made sure that they were "...never spending more money in a month than [they were] getting in" (YP20 - Mid-Pilot). As highlighted in the annual report of 2024/2025 ([Mathur and others, 2025](#)), some became more confident in managing their money over the course of the pilot and felt comfortable budgeting by the end:

'I went, "Okay, how much is going out each month? How much is going to be left over? How much can I save and how much do I want to spend each month?" and it's sort of something that I keep doing, because it's one of those things that helps me make sure I know I don't get stretched then each month,

because then I know how much I've got to work with, and it gives me a rough idea for when I live alone, how much I've got to work with for like bills and stuff.' (YP39 - End of Pilot)

Others never got to the point where managing money was something they felt capable of. One reflected on how difficult this was, noting "I looked at a lot of videos on...how to manage money, and I tried doing the 20/20/20 method...But...I am ever plagued by the temptation to spend money..." (YP46 - End of Pilot). Similarly, another said:

'I tell myself every time when I get the money, I'm not going to spend it stupid this time. And within a couple of hours, I'd be like oh, I've done it again. It was always the same' (YP72 - End of Pilot).

Nonetheless, several participants attributed these difficulties to their age at the start of the pilot and commented that they were "...a lot more mature" at the end (YP61 - End of Pilot). Others also alluded to their precarious mental health and traumatic histories getting in the way of stable savings:

'I was doing really well. It was to the point I had £5,000 at some point in my savings...And the moment I hit that rock bottom [with mental health issues] that all went within like 2 weeks, and I've not been able to recover from that fully yet....But I want to make sure I get that back up...'. (YP39 - Mid-Pilot)

A few participants felt their post-pilot experiences pushed them more to learn budgeting skills because they had to make less money go further. One said they did not have to budget during the pilot "...because I had so much money, it wasn't really an object" (YP63 - End of Pilot) and another observed "...having less money has made me manage it a lot better" (YP70 - End of Pilot). These young people were aware that financial advice was available, but had not particularly accessed those services. The same point was extended by a participant who framed the relatively large amount of the pilot income as a financial buffer:

'I didn't have to put as much thought into it when I had BIP, because I had a nice amount of leeway due to the amount. But now, obviously it is a very minimum amount of leeway that I have. I have to be very careful with expenses, because it does run out quite quickly' (YP47 - End of Pilot)

Many of those who found a way of managing their money prudently reported saving some of it, either for a specific purchase (for example driving lessons or a car) or to support themselves either during the transition off the pilot or further into the future:

'I did [save during the pilot], but I've ended up getting through it now trying to get used to living on a lower income, and then, you know, I'd have no money, so I ended up spending my savings for the rest of the month' (YP53 - End of Pilot)

When asked if there was anything they wished they had done differently on the pilot, saving more was by far the most common response by participants. Participants reported they would have liked to “...definitely save a lot more” (YP66 - End of Pilot), “...spend less and be[en] cautious” (YP31 - End of Pilot), and “...have a plan... be more organised” (YP52 - End of Pilot) and some wished they had been “...less generous” with their money (YP50 - End of Pilot). Participants often reflected on what might be possible with the knowledge and experience they gained over the 2-year period. When asked if they would have acted differently, one lamented the spending choices they had made, saying “...if I knew what I knew now, it would have been different” (YP56 - End of Pilot). Only one of the young people quoted here mentioned being in touch with Citizens Advice for financial advice, while a couple mentioned receiving some support from their Personal Advisors, reflecting trends discussed in more detail below.

### **3.8 Engagement with Support**

The pilot involved sources of support for recipients that were designed to help them make wise decisions during the 2-year period. As well as the financial advice introduced as part of the pilot, this also included usual support from Personal Advisors, and a network of other adults – such as carers, parents, grandparents, siblings, partners and even university and other support workers. This section focusses on their experiences of this support during the pilot.

#### **3.8.1 Personal Advisors**

As intended, Personal Advisors remained the main source of contact and support for most participants. Some described close relationships with Personal Advisors, in which they could “...tell [the Personal Advisor] everything” and they “...understood” the young person well (YP57 - End of Pilot). One went even further, emphasising the significant role their Personal Advisor had in their life in interviews both at mid-pilot and end of pilot – “Me and her get along amazingly, and it’s like she just knows me... Like she’s literally like another mother” (YP40 - Mid- Pilot and YP40 - End of Pilot). Even some who had less contact – for example because they were away at university – described feeling well supported:

‘I don’t really see my PA very much, because obviously I’m quite busy with uni... If I need anything, I can always give her a text or an email... She asks me if I need anything, so she helped me out with like things like gym memberships... and a new toothbrush for electric toothbrushes... So it’s nice she checks on me’ (YP60 - End of Pilot)

Some participants were less close to their Personal Advisors. Reasons for this ranged from a lack of desire for more support, being geographically distant to their local authority, and difficulties in getting some Personal Advisors to respond to calls for support. The latter seemed to be an issue for several participants:

'I don't really see him that much, because he's always busy doing other things, so... it's pretty much been the same [in the last 2 years]. I see him like, once in a blue moon ... it's been alright. I've been managing alright, so...'  
(YP58 - End of Pilot)

'So I had the relationship with them [PA] while I was staying with my aunty and while I was in accommodation, but after I left, I just stopped like reaching out, contacting, and then there wasn't much attempt to reach out to me, but even if she did, which was like rarity, once every, no, twice a year' (YP65 - End of Pilot)

'I tried calling my PA [name of Personal Advisor] but he only texts back after 2/3 days. I couldn't get hold of him. When I asked him why didn't you answer me, he said 'I have lots of [young person's name] to answer' (YP42 - Mid-Pilot)

Another major factor was repeated personnel turnover that reduced participants' ability to form deeper connections with their Personal Advisor. One noted having "4 different Personal Advisors during the start of the pilot – they just all kept leaving their job" (YP53 - End of Pilot) and another said "I think I had one for a week at one point that I thought I had for a few months, but no one had told me she'd left" (YP51 - End of Pilot). All of this, as well as the impression that "...it seems like every other day they're on leave" (YP63 - End of Pilot) made it difficult to build relationships that might create support. As one participant noted, "...you're lucky if you get a good PA...or one that is going to work with you for long" (YP51 - End of Pilot).

The nature and frequency of interaction with Personal Advisors varied significantly. Some participants had regular calls to discuss all aspects of their lives including managing the pilot payments. Others had more of a needs-based relationship, seeking support on specific aspects like accessing financial or housing support from the council, pilot-related administration, or in emergencies. Most participants mentioned that the basic income did not affect their relationship with their Personal Advisor. A very small number mentioned a reduced need to access their Personal Advisors when they were on the pilot.

Most participants mentioned that their Personal Advisors contacted them towards the end of the pilot and offered valuable advice on next steps – including starting to save, applying for Universal Credit and other options. When asked about this, most found this support useful and sufficient:

'Yeah, I feel like she did...say like obviously the pilot is going to be ending. Yeah, and then she was kind of letting me know what's going to kind of go on from there, and how to apply like Universal Credit and all that. Because I don't have a clue to be honest, but...Yeah, so she was helping me with all that...'  
(YP70 - End of Pilot)

'Yeah. I believe it was a mix between my PA and When I'm Ready [carer], because then they both sort of separately at occasions would be like, "Oh, you're going to need to ... sort out Universal Credit now"... and if I needed a hand, [they would] just give me a little help with it here and there.' (YP39 - End of Pilot)

### **3.8.2 Citizens Advice**

The specialised financial advice component of this pilot, delivered predominantly through Citizens Advice, was designed to be 'demand-led' from participants, rather than placing any obligations on the amount or nature of advice sought. The findings around participants' limited interaction with Citizen's Advice from our previous report were mirrored in this round of analysis. Barring the important junctures of the start and end of the pilot, there were only a few interview participants who sought out or responded to help offered by Citizens Advice. Most participants did not recall being contacted by Citizens Advice at all, while some were contacted, but did not feel like they needed their help. When asked whether they ever spoke to Citizens Advice, one participant reported trying to phone them, but found long queues of around an hour which were demotivating (YP56 - End of Pilot).

Those who did talk to Citizens Advice for support around budgeting did not always find this useful, highlighting the difficulties in the gap between receiving advice on saving and actually being able to save, and suggesting the advice was not tailored or sophisticated enough:

'But, they both kept on telling me the same things, so I wasn't too bothered ... you've told me this, you've asked me this, this has been my answer, this has been my answer every time. So, I didn't really find it that helpful because it was basically the same thing over and over. Like, kind of, just, basically, like, give the basic advice, like, maybe how to save' (YP69 - End of Pilot)

Exceptions to this norm were those in local authorities who had embedded or long-standing relationships with Citizens Advice or other money advice or benefits advice. Participants from these local authorities highlighted much greater interaction and familiarity with Citizens Advice, and reported having had multiple conversations regarding financial advice:

'[Citizens Advice Worker] helped me with my debts and stuff as well... She would literally help me try and do a plan, like how much I got, then how much everything is, and work out at the end how much I got left afterwards... And then she would go to other people and try and get some... help me out with my bills and all.' (YP55 - End of Pilot)

'Yeah, they helped me quite a bit, because I did CVs with them and everything ... Yeah. She would ask to... a time to have a phone call or an appointment, and then we would just have a quick call.' (YP72 - End of Pilot)

More generally, the bulk of the advice seems to have been more focussed on navigating the technical challenge of applying for tax refunds and support on claiming Housing Benefit, rather than guidance on budgeting or financial management. This support in navigating bureaucracy was helpful for most participants, but it seems unlikely to have contributed to an increase in financial literacy among the cohort:

'I was advised by my PA to meet them, so I did it once, and I remember [I had] questions about budgeting [and] they just told me, "Oh, we don't help for that." And so... I said, "Okay. Great, cool." And then, I just didn't contact them again... Yeah, they told me that, no, it's not within their area, and that I should come to them if I had issues with like paying bills' (YP6 - Mid-Pilot)

One participant was very complimentary about the Citizens Advice worker supporting them through frustrations with HMRC and the tax rebate process:

'He's amazing, he's very helpful. He helped me get the tax rebate, which took nearly the whole year... It was a big hassle getting it, because I don't think HMRC knew too much about it, and how to... like every time I applied for it, the tax rebate, I think they thought it was PIP instead of BIP. Basically, it wasn't PIP. It was BIP. I wrote Basic Income Pilot, BIP, and they still... I don't know, they just had a big headache with it.' (YP68 - End of Pilot)

Aside from these issues, it is also worth noting that several participants described not necessarily wanting to engage a lot with any form of support. They expressed a yearning for independence, and valued self-sufficiency:

'I'd say me, normally, I don't really go to people for support, because I like keeping to myself, but if it's mundane things, if it's not personal-personal, I can go to my boss or a friend, like one of my friends, stuff like that. But if it's like really personal, I'll just do it to myself.' (YP68 - End of Pilot)

### **3.9 Navigating the end of the pilot**

#### **3.9.1 Communication, Emotions and Preparation**

The end of the basic income pilot, and how participants would cope with life without it has been a main concern in this pilot ([Holland and others, 2024](#)) and in cash transfer piloting more broadly ([Howard and others, 2024](#)). At the start of this pilot, recipients had to acknowledge that this was a time-limited (for 24 months) pilot. In the mid-pilot interviews, young people mentioned being aware of the end of the pilot, "...sad that it will stop and worried about it" (YP42 - Mid-Pilot). There was a sense among some that they needed to prepare for the end:

'But, yeah, it's a bit scary, I guess, that it's ending. But I think like before it ends, I kind of want to plan for after it ends, if that makes sense. So like, before it finishes, I want to plan for after it finishes.' (YP4 - Mid- Pilot)

From 6 months prior to the end of the payments for each young person they received text messages or emails from Welsh Government to remind them about the approaching end of the payments. This seems to have been quite successful, as all participants mentioned being aware of this communication at end of pilot interviews, and of the payments ending on the month of their 20th birthday. Many were also reminded regularly by Personal Advisors and other people around them. One noted how they appreciated this, saying:

'I quite like how, they kind of prepared us that it was going to end, and they didn't just like, take it away and expect us to like, swim in deep ocean'  
(YP4 - End of Pilot).

Despite this awareness, the levels of emotional and financial preparedness varied amongst the participants. Most described being aware of but not fully prepared for the end of the payments - "...it wasn't a shock that it was ending but the decrease in the amount of money I'd be getting between the pilot and the Universal Credit was a shock" (YP45 - End of Pilot). Another participant made an observation that is pertinent to debates about whether pilots should stop suddenly or taper down, noting the "massive jump" between the final payment and the next month - "I've gone from £1200 to £300", and saying "...there was no sort of like weaning off period, you know" (YP53 - End of Pilot). Unsurprisingly, those who had or were able to get jobs fared better:

'I was quite smart with getting a job straightaway and making sure all expenses were taken care of...I think there was a little bit of anxiety, just of the knowing that I'm going to be... not going to be getting it. Obviously it's not a small amount of money. There was a bit of anxiety, I'd say, but I think after it happened, after it ended and I was able to get back on to the job ladder and stuff, it's fine.' (YP50 - End of Pilot)

While some were "...grateful" for the 2 years of payments (YP68 - End of Pilot) and minded not to be "...too greedy" (YP68 - End of Pilot), others emphasised what they felt was the short-lived nature of the pilot. One participant said, "It's horrible, it's dreadful ... that [the] money ain't permanent, which is horrible for us knowing that's not permanent, that's just a 2-year thing" (YP57 - End of Pilot). They went on to explain that the £552.91 per month that they and their daughter now receive is insufficient and has led to some mental health difficulties. Others supported this notion:

'It helps you live and then they kind of just withdraw it, and then you've been used to living this lavish lifestyle with all that money, and then you drop down to like... I was a good saver and budgeter before the pilot scheme and afterwards, nope.' (YP51 - End of Pilot)

'People would think that they wouldn't need to worry about money if they had the pilot scheme, but then, once it ended, it would all just fall apart. And it's

kind of like taking someone's comfort away from them, like a blanket or something.' (YP31 - End of Pilot)

### 3.10 Future Suggestions

Participants had a range of suggestions for any future basic income pilot, and for alternative forms of financial support for care leavers. This included tweaking main design features, as well as adding in additional guardrails and requirements to enhance the positive effect on recipients. One set of suggestions for a future basic income scheme revolved around changing some of the important design decisions, such as the duration of the pilot, when the money is paid or how the amount is distributed. For example, some suggested that while care leavers were a good cohort to receive this money, the point of eligibility should not be 18. One participant felt that rather than starting "...from the minute you leave care", eligible young people "...should qualify for it when [they] leave care" but that the payments should start later (YP51 - End of Pilot). Another young person, who agreed with this suggestion and felt it should begin at age 19, noted the value of having "...a little bit of experience with money before you start" (YP63 - End of Pilot).

Others suggested the basic income period should be longer, to allow recipients to settle into receiving the money and the turbulent transition to adulthood and have more time to prepare for exit. One felt a 3-year pilot would be better, between age 18 and 21 because the 2-year period "doesn't really give you enough time to get on your feet, because it does actually take a while to, you know... do things and get comfortable" and 21 is "when adulthood actually starts" (YP69 - End of Pilot).

Suggestions for alternative forms of cash-based support for care leavers (than a basic income, which by its nature is unconditional, focussed on cash transfers with conditions that encouraged saving or education. One participant felt around half the money "...should be put into some sort of ISA..." (YP63 - End of Pilot) and another suggested this could resemble the way landlord payments were made directly. They noted the government "...could bump it up by £20 more and then save it for recipients ...If they can pay it directly to the landlord then they can pay it directly to savings" (YP49 - End of Pilot). Similarly, another saw value in separating out the transfers to cover different things:

'... a future government could ... decrease the main amount of BIP...enough to cover, say, accommodation, food, and clothes. And then, make any extra part of the BIP ...make it so you get the extra if you go into education or something... but something that anybody can do. So, not like saying we have to pass tests, but something where...If you choose to go to education, you'll get the extra money. So, like as an incentive.' (YP20 - End of Pilot)

Although participants did not necessarily advocate for strict conditions, some felt building in practices to these alternative forms of financial support around saving and participation in work and volunteering could help better prepare them for the future.

For example, the suggestions to “...put in a thing where ... you have to do something every week to show... for that money” (YP40 - End of Pilot):

‘...I think it should be mandatory for them to do some amount of job searching like I said, not 35 hours a week, that’s ridiculous ... make the saving part mandatory...even if they just put the £50 aside rather than us having to do it but you’d still then get what £430 something a fortnight and then they’d have that amount of money after the pilot to do whatever with...’ (YP45 - End of Pilot)

Regarding the end of the pilot, a popular suggestion was tapering the amount provided, reducing the payments “...bit by bit” (YP55 - End of Pilot) to avoid a cliff-edge. One participant suggested reducing in the last few months “to a half, to a quarter, or whatever it would be” to taper down to the amount provided by Universal Credit, so that recipients can get used to the lower amount and change their lifestyle gradually, rather than “...being forced to make [changes] all at once” (YP47 - End of Pilot). This is in keeping with the notion of financial help being a ‘safety net’, which was the topic of discussion more broadly. Tapering payments was considered by Welsh Government not to be practicable for this pilot as a result of the way the scheme interacted with the tax and benefits systems. Participants felt the systems designed to support the pilot needed more time at the start to launch, and interactions with ancillary systems such as housing and tax needed to be ironed out further, in addition to having “...more education and employment ...[because] a safety net only works if there’s also a good way for people to do something to like make their lives” (YP20 - End of Pilot).

## **Findings 2: Professionals' perceptions and experiences**

The first annual report ([Holland and others, 2024](#)) outlined professional views and observations in the early stages of the pilot. This section reports on follow-up interviews and focus groups with professionals around the end of the pilot. Important topics were revisited in relation to the perceived impact of the pilot for young people, as well as professional reflections on the design and implementation of the scheme.

Consistent with earlier findings, professionals' views and perceptions were mixed. The section below provides an overview of the contrasting perspectives through the presentation of a word cloud summarising views of the scheme. This is followed by professionals' observations of the impact of the pilot on recipients and their reflections on the pilot design.

### **4.1 Three words to summarise perceptions and experiences**

Repeating the exercise at the earlier stage, we conducted a warm-up exercise which asked participants to suggest '3 words' to describe the basic income pilot. This provided insight into prevailing thoughts about the scheme and offered a helpful starting point for the more detailed discussions. The following word cloud was generated from participants' responses, with the size of the text corresponding to the frequency of the word being chosen by different professionals:



the pilot was referred to as “innovative” and “inspirational”, as well as “idealistic” and “ill-thought through”. Roll-out and ongoing implementation was considered “a learning curve” which created “partnership working” for some participants, but “complicated” and “confusing” for others. Similarly, the impact of the pilot was summarised as both “successful” and “unsuccessful”, and both “beneficial” and with “disappointingly negative outcomes”.

In addition to contrasting perspectives from different participants, individuals’ choice of words sometimes contained a mixture of sentiments – “...two ends of the scale” as one put it (P46, Citizens Advice - End of Pilot). For example, explaining the use of “...challenging” and “...opportunity” one participant stated: “...it was a challenge to get through with it with some people... and it’s been an opportunity for others” (P43, Personal Advisor - End of Pilot).

As well as illustrating the range of participant responses, word clouds are also useful for highlighting the most commonly used words (size of word in the image representing frequency) ([McNaught and Lam, 2010](#)). The most frequently offered word was the same in both exercises: “opportunity”. Summary views included explicitly favourable and critical terms, as well as more neutral words requiring further clarification. The continued prominence of “opportunity” at the initial and follow up stages illustrates the mixed and contingent perspectives expressed by this group. The temporal aspect of the word is emphasised by the [Cambridge Dictionary’s definition](#) - “an occasion or situation that makes it possible to do something that you want to do or have to do, or the possibility of doing something”, and it is also something which might only be available during a ‘window’, and that people may ‘seize’ or ‘miss’. Practitioners used the word in a variety of ways, which included the opportunities afforded by the pilot, as well as the extent to which these were used by young people.

Although they are valuable, word clouds can mask some of the nuance present in in-depth qualitative accounts, such as the same word being used in different contexts. The following sections will provide further discussion of the mixed and conflicting views that emerged from the more detailed discussions.

## **4.2 Perceptions of impact**

Professionals who participated in interviews and focus groups made several observations about the impact of the pilot, based on their experiences of working with small numbers of recipients. Two themes were identified in the analysis: the opportunity provided by the basic income and the autonomy and control the basic income afforded to young people, and whether professionals thought this was beneficial.

As noted in the previous section, “opportunity” was the most commonly used word by participants when asked for the 3-word summaries. Yet, it was apparent that “opportunity” had different meanings: the opportunity offered by the basic income,

the opportunities young people accessed during the pilot, as well as suggestions of missed and wasted opportunities. As noted by one Head of Service:

‘For all of our young people, it gave them opportunities, because everyone had, to an extent, a choice how they wanted to utilise that money. But for some of our young people, they’ve utilised those opportunities greater than others.’ (P62, Team Manager - End of Pilot)

Professionals observed recipients using the money for essential needs, such as housing and food, discretionary spending on wants such as socialising and personal care, and savings, with varied outcomes. Some felt it "...levelled them up to want better things in their life" by enabling experiences "...they never would have been able to experience without the BIP" (P25, Team Manager - End of Pilot). Others saw mixed results: recipients either did "...something good with it, or they've literally got nothing to show for it" (P52, Personal Advisor - End of Pilot). One Head of Service noted a spectrum: at one end there were young people perceived as thriving "...in university, in great jobs", and at the other, young people whose "...existing vulnerabilities" were exacerbated by the additional income and who were continuing to struggle (P61, Head of Service - End of Pilot). A Personal Advisor summed up this variability: "I have got a few success stories... but then there have been some really ... dark ones as well" (P68, Personal Advisor - End of Pilot).

With or without the provision of a basic income, the diverse nature of young people leaving care means that varied transitions will always be observed, and include young people ‘moving on’, ‘surviving’ and ‘struggling’ (Stein, 2012). Nevertheless, the comments above highlight participants’ interest in both short-term effects, within the timeframe of the pilot, as well as longer-term benefits or detriments. The following sections explore participants’ observations of how increased opportunities, autonomy and control influenced important areas of young people’s transitions to adulthood, namely engagement with formal support, access to housing, health and wellbeing, and education, training and employment.

#### **4.2.1 Engagement with support**

There is some evidence to suggest that the pilot may have altered recipients’ relationships with formal support services. While practitioners broadly agreed that it reduced dependency on leaving care services, its effect on engagement patterns proved more complex and varied.

Participants repeatedly referred to efforts to maintain contact with young people or reassure them that they were available if needed. Such efforts similarly extended to encouragement to access financial information and advice. Despite this, there were mixed reports regarding young people’s engagement with professional support. For some, engagement from young people was largely unchanged and the additional income was reported to have enabled different types of conversations:

'It's allowed freedom and time to have conversations about the other stuff, and it's the other stuff that other [non-care-experienced] kids as young adults would be having [conversations about] with their friends, with their parents, with their carers. We don't have time for a lot of that, because the noise is all around the practical ... All of those things take precedent over how are you feeling, ... we've been able to have very different conversations with them than we would have done if they hadn't got BIP.' (P21, Team Manager - End of Pilot)

Similarly, in some instances, engagement with financial support (typically from Citizens Advice) was deemed to have worked well. This is in contrast to the descriptions provided by young people in the last section. This included local authority areas which had existing relationships, as well as areas where new partnerships had been established:

'Citizens Advice has been outstanding, really. We've had no complaints at all. The identified person within Citizens Advice to support us with BIP was brilliant, knew the system, you know, always quick to respond to us with any queries.' (P66, Team Manager - End of Pilot)

Yet in other instances, young people were described as reluctant to engage with financial advice. For example, one Head of Service stated engagement was "...a bit hit and miss" (P62, Team Manager - End of Pilot), while a Personal Advisor stated:

'When we were trying to say, "Look, let's make another appointment with Citizens Advice," or get some professional support around spending their money, etc, well, no, they weren't really that interested...' (P69, Personal Advisor - End of Pilot)

Likewise, some practitioners reported reduced engagement in leaving care support. As noted in the comments of the Head of Service in the previous section, some young people were described as "...not really wanting much to do with us because their lives are going well" (P61, Head of Service - End of Pilot). In such circumstances, participants supported young people's decisions and recognised the benefits associated with their increased autonomy and control over their lives. In addition, professionals also sometimes understood young people's decisions, even if they felt that on-going engagement would be helpful, as they acknowledged their complex histories of compulsory involvement with statutory support and their wish to be free from it.

Nevertheless, participants repeatedly expressed anxieties about a lack of involvement with some young people because of their perceived vulnerabilities. Referring to one young person, a Personal Advisor stated: "The only kind of carrot we had for her before she was 18 was financial support... and we haven't heard or seen of her since" (P12, Personal Advisor - End of Pilot). Likewise, another Personal Advisor stated:

[Some young people have] got the money, and then, we have not seen them then...They're gone. ... Some we don't know the outcome, in spite of reaching out on a regular basis ... we've had young people with ... severe substance misuse [issues], who have just gone missing for months and months at a time. And we... even if we say to them, look, if we don't... we shouldn't have done it, but we've gone, "If I don't hear from you in the next 2 weeks, I'm going to have to put your BIP on hold, because I don't know where you are or what you're doing." And to be fair, that has been a bit of a wriggle for some of them and they've said, "I'm alive, leave me alone." (P3, Personal Advisor - End of Pilot)

The comments of the Personal Advisor again highlight the sense of responsibility that participants felt for the young people they support. Whilst local authority professionals did not have the authority to stop the basic income payments, and the income was unconditional, the Personal Advisor appeared to feel using this as a sanction was justified by the concern they had for this young person.

As this shows, many professionals perceived young people as needing support, even if the young people did not necessarily want or need it. Without the basic income, it was felt that young people were more dependent on leaving care services to support their basic needs, and this might mean they were more likely to be in contact with professionals. On the other hand, it could be said that receipt of the basic income necessitated engagement with the local authority at certain points, so overall engagement may have been higher than without the income. For those on the pilot, the autonomy and independence afforded by the income may have helped them advance into adult life, but it also altered the existing mechanisms through which concerned Personal Advisors could maintain contact and oversight.

#### **4.2.2 Housing**

The shortage of suitable and affordable homes in Wales has been described as a 'Housing Emergency' ([Welsh Government, 2025b](#)). As might be expected, the pilot appears to have increased young people's choices around housing. Young people on the pilot were living in a variety of settings, including with family and partners, extended foster care (what is known as 'When I'm Ready' provision), supported and independent types of accommodation. The pilot opened up a range of opportunities, in some cases – recipients reportedly used the money towards house purchases. Likewise, the pilot enabled greater access to private-rented accommodation. Scarcity of suitable and affordable provision was a recurrent concern across the interviews with professionals, and the basic income clearly eased the challenges (though it did not eliminate them, as highlighted in the analysis of young people's interviews). Describing one young person leaving a residential care home, a Personal Advisor stated:

'...he was looking at a long wait for accommodation, and he's like, "I'll need to go and live in temporary [accommodation]", somewhere probably not appropriate for a working young person, not being rude, some of the other people that might be in some of these hotels and hostels and stuff. [With the basic income, he thought] "I want to just, you know, get myself sorted and have something that's mine that nobody can take away, and I'm just going to go on private rent", whereas none of my [other] young people can afford that.'

(P69, Personal Advisor - End of Pilot)

While private rented accommodation was considered problematic by some participants (further discussed below), the example above suggests the young person was able to access more suitable and secure housing at least for the duration of the pilot. Related to this, professionals also noted young people's ability to make a 'home' as a result of the basic income:

'I've got 4 or 5 who do have nice flats. ... They're taking pride in these things and that has been down to BIP.' (P45, Personal Advisor - End of Pilot)

'I've got people who've moved into flats and, you know, they've done really, really well. You know, they've bought new furniture and new carpets and, you know, made their place look lovely. ... have made a go of it, have, you know, used it to go to college and, you know, and pay for the flat. They haven't had to choose, kind of, like, between the two.' (P45, Personal Advisor - End of Pilot)

These comments suggest that the basic income enabled young people greater housing choice but also increased capacity to furnish and decorate their home, creating a sense of pride and dignity. Notable from the above quote is the suggestion that the basic income allowed young people to manage the costs of independent living, without having to sacrifice a wish to study.

This had implications for housing stability, and the basic income helped prevent housing crises when relationships broke down. For example, a Personal Advisor (P3 - End of Pilot) commented:

'One or two, it has saved them, because they've gone into a joint tenancy, and then, that other person has left, so they've continued to be able to pay the rent on their own. ... BIP also kept [another young person's] private tenancy with mum, because she was paying her £200 top up out of BIP. So, if it wasn't for that £200, her and mum would probably be homeless now.'

In another example, a Personal Advisor noted that during conflicts, recipients could secure alternative accommodation, but warned that post-pilot, similar situations would have a "...far bigger impact" with "...possible homelessness or emergency placement" (P69, Personal Advisor - End of Pilot).

Despite these positives, concerns were also expressed about the pilot unhelpfully influencing housing choices. For example, while living with family, friends and partners was considered positive for some, concerns about the exploitative nature of some relationships or the sustainability of arrangements were a concern for others:

‘...young people where there had never been a plan for them to kind of maybe return home to family at 18, you know, their lives were quite separate, and we have had people, sadly, that, you know, we've feared they've been exploited for their money because they've got this income.’ (P67, Team Manager - End of Pilot)

‘I've got another lad, he moved to his own tenancy, and he was being cuckooed, basically, and he... yeah, he was just so vulnerable, people just took over his flat... He'd have these... all these mates. Two days later, all the money's gone and he's on his own, you know, with no money, no food in his cupboards. We've had to actually move him out of area because he was so at risk.’ (P49, Personal Advisor - End of Pilot)

It is important to note that participants' fears regarding exploitative relationships were not always confirmed. For example, the Personal Advisor (P49 - End of Pilot), described professional intervention to safeguard a young person, whereas another Personal Advisor (P43 - End of Pilot) noted the suspicion rather than confirmation of housing difficulties for another. Nevertheless, each of these participants believed that the provision of the basic income increased young people's vulnerability to housing exploitation.

In contrast with suggestions that the basic income increased stability and prevented housing crises, the time-limited nature of the pilot was also perceived as delaying rather than preventing housing difficulties for some young people. Whereas the basic income had enabled young people to access alternative accommodation when relationships broke down, this would not be possible post-pilot. Likewise, professionals were also concerned about the affordability of some accommodation types after the pilot ended. In one example, a Team Manager reported:

‘One [young person] is in debt because they got into a flat when they started the BIP and have struggled to pay since. The PA thinks they might lose their house in the next few months.’ (P21, Team Manager - End of Pilot)

In the annual report of 2023/2024 concerns were highlighted about inequity for young people living in supported accommodation ([Holland and others, 2024](#)). Misunderstandings and inconsistencies in access to Housing Benefit meant that young people in these settings were sometimes paying high proportions of the basic income on rents. Similar concerns were again apparent in the follow-up analysis. Yet, in addition to concerns about equity, some professionals reported that young people had subsequently chosen not to stay in supported accommodation despite being perceived as needing additional help:

'...we've had a lot of young people who won't go into supported housing because they won't pay the rent, because they feel like they shouldn't have to.' (P3, Personal Advisor - End of Pilot)

In other examples, young people were reported to have accumulated debts because of non-payment of rent which had implications for future housing support:

'...she's in emergency accommodation, but the issue that we have, and she's been in temporary accommodation for the last year or so, certainly before the BIP ended, because she's got so many arrears, you're not able to be... you're like frozen on the housing list.' (P68, Personal Advisor - End of Pilot)

The findings in this section echo the tensions noted above, whereby participants recognised increased opportunities and autonomy for young people, as well as the potential for increased vulnerability and detrimental impacts. In addition to the influence of young people's relationships, the findings also highlight the significance of the wider context, namely, limited affordable and appropriate housing options, and inconsistent and unestablished interactions with wider support.

#### **4.2.3 Health and wellbeing**

Professionals perceived both benefits and detriments to health and wellbeing that they felt were connected to the basic income. Positively, perceptions of improved mental health and wellbeing were recurrent across the data, including references to poverty and hardship being eased during the transition from care. For example, a Personal Advisor referred to a young person with "...severe mental health before BIP, [and having the money] for 2 years without the stress of having no money, her mental health has massively improved" (P43, Personal Advisor - End of Pilot). Likewise, a Head of Service stated:

'Of course it's going to improve your wellbeing if you're feeling really vulnerable and you know you haven't got to worry about money as much as you used to.' (P61, Head of Service - End of Pilot)

In addition to improvements resulting from reduced stress and anxiety about resources, participants also referred to benefits resulting from particular spending decisions. For example, one Head of Service (P63 - End of Pilot) noted, "...some were even using it to add it to therapy, private therapy funding, to actually move that forward". Describing another young person, a Personal Advisor stated: "...she did spend it on weekly private therapy sessions to work through her childhood trauma ... because she was quite severely neglected as a child" (P21, Personal Advisor - End of Pilot). Such investment in individuals' mental health was viewed positively, with the potential of lasting benefits.

In other examples, wellbeing was perceived to have been enhanced through the activities young people were able to engage in or the purchases they were able to make. This was notable in the housing section above, where participants highlighted

young people's pride in being able to decorate and personalise their homes. Similarly, one Team Manager commented:

'I think it definitely has benefited young people who've had the finances to be able to go and meet up with friends more often, so reduce isolation. So, I definitely think it's helped in all them areas.' (P66, Team Manager - End of Pilot)

Professionals observed that spending on appearance and social activities enhanced recipients' self-esteem and wellbeing. One Team Manager noted the significance of being able to afford haircuts, new clothes, and treats – "...stuff that lots of people take for granted, but they're completely alien to our young people." They explained that "...you can't underestimate what a good haircut does for a young person" in a world "...driven by comparison on social media," concluding it had "definitely had an impact on their wellbeing positively" (P21, Team Manager - End of Pilot).

This was particularly notable when professionals had anticipated negative outcomes. One Personal Advisor described a young person with "...quite a significant drug problem at the beginning" who defied expectations: "It's like he matured with that money ...he didn't go down the road we thought he would go down...I remember seeing him in this lovely blue jacket walking up all proud of himself...so that was lovely to see...when we worried so much" (P43, Personal Advisor - End of Pilot).

This shows that for some, the basic income allowed them to participate and feel part of the norms consistent with their peer group, as opposed to feeling excluded and disadvantaged. As illustrated in the example above, this had the potential to influence young people's trajectories in ways unanticipated by professionals. Nevertheless, such spending was sometimes criticised on the basis of satisfying immediate needs and wants but leaving young people with 'nothing to show' for the money at the end of the pilot. As noted in our previous report, professionals were conscious of the time-limited nature of the pilot and eager for young people to use the money for long-term benefit. However, these examples suggest that some value-based judgements about the short-term implications of spending decisions may downplay benefits associated with social participation, dignity and coping for young people.

In other examples, the basic income was considered unhelpful or detrimental, exacerbating young people's existing needs or generating new problems. For example, the provision of the basic income was sometimes conceived as a barrier to addressing mental health and wellbeing needs. For example, discussing one young person, a Personal Advisor stated:

'I didn't want him to go anywhere near the Basic Income Pilot, because he suffered with severe anxiety and depression and never went outside ...all this did was facilitate his ability to stay in his room, because he had the money, he

could do everything online, and pay for anything.’ (P69, Personal Advisor - End of Pilot)

In other examples, professionals reported that young people’s diets had deteriorated as a result of the additional money. As noted by one Personal Advisor, “...poor health, as in the sense of a lot of them were just buying Just Eat, you know? Forget cooking now.” (P4, Personal Advisor - End of Pilot). Criticisms of young people’s diets included concerns for the cost and sustainability of an over-reliance on take-aways and fast-food, as well as the health implications, with some reporting significant weight gain for some young people. In addition, health and wellbeing concerns were also evident in respect of substance and alcohol misuse. Consistent with concerns raised in the early stages of the pilot, professionals reported that vulnerabilities had been exacerbated for some young people:

‘And I think, which was inevitable, really, there are young people who had difficulties with substance misuse, and that increased significantly, substance misuse, because they had the finances to be able to fund it.’ (P66, Team Manager - End of Pilot)

‘The whole [point] was to give them best life chances, and there will be a cohort that, because of the BIP, have got worse substance abuse problems than they did before this.’ (P64, Head of Service - End of Pilot)

As noted in our previous report, evidence is limited about substance misuse for children in care ([Holland and others 2024](#)). A recent systematic review found substance misuse to be the most common high-risk behaviour amongst young people leaving care ([Petäjä and others 2023](#)), although it is important to note that this did not feature any UK studies. More broadly, a sizeable minority (15.1%) of all young people (16-24 years) in the general population were reported to have used 'any drug' in the twelve months to March 2025 ([Office for National Statistics, 2025a](#)). Therefore, whilst some professional participants believed that the additional resources facilitated easier or increased access, there is not currently definitive evidence of whether the pilot had a positive or negative impact on substance misuse compared to usual behaviours in this cohort.

Overall, the health and wellbeing effects described by participants were variable. For some young people the money was reported to have protected and improved mental health and wellbeing. Yet, consistent with concerns noted above, for more vulnerable young people, the additional funds were reported to have amplified vulnerabilities and acted as a detriment to health and wellbeing. Consistent also with discussions of housing, participants discussed both short-term and anticipated long-term effects. This included benefits that were contingent on young people’s access to the income (for example, reduced stress and social participation), as well as hopes and concerns for long-term effects (for example, the potential positive impact of therapeutic support and detrimental impact of worsened substance misuse). While

the timeframe of the current evaluation does not allow long-term effects on health or other outcomes to be seen, these could be assessed in future studies through administrative data linkage as, where possible, evaluation data will be deposited in secure research environments, including the SAIL Databank, following the conclusion of the evaluation.

#### **4.2.4 Education, training and employment**

Professionals offered varying reflections about how the basic income had influenced young people's engagement with education, training and employment. For some, the basic income was considered influential in young people's decisions and outcomes. For example, references to young people learning to drive were recurrent across the data and professionals believed this boosted their opportunities for employment:

'I think the most positive thing for us... is, you know, a lot of them have learnt to drive, and they've been able to get their cars and they're able to get jobs, and I think that is a big thing for me that's come out this whole pilot, is the difference in a young person being able to drive and not. And I know obviously we know that, but seeing it in real life and like, you know, they had that money, they were able to afford to go for driving lessons, they could afford to buy their own car, they can afford to pay for the car insurance, then they're able to get a better job so they don't just have to... because we live in a little area, and the public transport is terrible, so it's more beneficial for them, they're able to get these jobs, they're able to go a little bit further afield to get jobs.' (P25, Team Manager - End of Pilot)

In other examples, a participant mentioned that one young person was reported to be "...looking to open his own business using the money" (P27, Team Manager - End of Pilot), and a Personal Advisor stated that a young person had "...paid for numerous trainings, like on-site training, like driving a tipper and dumper truck, like quite expensive courses" (P3, Personal Advisor - End of Pilot). Similarly, the income enabled opportunities to volunteer and gain experience, an opportunity often only available to young people from more affluent backgrounds but that can act as an important gateway to paid work. Describing one young person, a Personal Advisor stated:

'... he did some volunteering because he was able to, because he didn't need the money, which then led to a job in...kind of fancying up cars, I don't know what the proper word is, but working on really good cars. And he was able to kind of volunteer to get himself that.' (P12, Personal Advisor - End of Pilot)

Whilst the examples above highlight the potential of the basic income to expand young people's opportunities in relation to education, training and employment, in other instances, young people's decisions were not considered changed by the pilot, but their experiences and futures had been enhanced as a result of the additional income:

'...[some young people] have done really well on saving alongside working... one individual, I think, had saved for a deposit for a house.' (P46, Citizens Advice - End of Pilot)

'Very sensible, very switched on, works full-time. Did spend some of it, saved majority of it, has purchased her first car with it. Still has [a substantial sum] in savings.' (P68, Personal Advisor - End of Pilot)

Likewise, for young people who were studying at university, the basic income was framed as improving their experiences and easing financial pressures to work alongside study:

'...for our care leavers who were in university, whilst they are supported ... they do have extra anxieties and extra concerns, and I think this basic income pilot, that money took away some of that anxiety.' (P62, Team Manager - End of Pilot)

In contrast to these examples, professionals also described the basic income as a disincentive to engagement in education, training and employment. This involved young people feeling financially stable and therefore not compelled to study or work. While this was sometimes perceived as allowing young people time to consider their options and interests, more commonly, professionals voiced frustration at young people who "...didn't want to do anything apart from wait for the money to roll in" (P56, Team Manager - End of Pilot) and who were left with a "...big gap on their CV" (P53, Citizens Advice - End of Pilot).

'...the ones where we struggled is where people then actually who were motivated, doing well, sometimes even working, then stopped working, because they had income that they didn't have to work for.' (P63, Head of Service - End of Pilot)

Professionals were particularly concerned about recipients who had disengaged from education or employment during the pilot. One Personal Advisor described a young person who withdrew from a Network Rail course just months before completion and a guaranteed job, reasoning "I don't need a job now, I don't need to do this, because I've got this." Despite warnings that "this is only 2 years. Network Rail will be forever, and it's a high-paid employer," the young person "...dropped out, and now he's doing nothing, and he's off the pilot" (P4, Personal Advisor - End of Pilot). Similarly, another reported that a recipient had become "...unmotivated to do anything now... she won't go to college, she just won't do anything" after the pilot ended (P51, Personal Advisor - End of Pilot).

Concerns about the basic income acting as a disincentive to education, training and employment were noted in the 2023/2024 annual report ([Holland and others, 2024](#)), and data from the follow-up phase suggests such fears were realised by some young people. However, it is also necessary to consider young people's actions in line with

the developmental stage of 'emerging adulthood' ([Arnett, 2000](#)). This period between adolescence and adulthood, is purported to offer choice and possibilities, but also characterised by uncertainty, as young people experiment with their identity, relationships and professions ([Arnett, 2000](#)). As noted in the 2024/2025 annual report ([Mathur and others, 2025](#)), the theory recognises that opportunities for exploration may not be available to all, and that for some marginalised young people, such as those leaving care, choices are more constrained ([Arnett, 2007](#)). While professionals are understandably eager for young people to go into some form of education, training and employment, and see this as important to a more prosperous and positive future, young people's immediate non-engagement may not necessarily represent irresponsible or ill-informed decision making, but may simply reflect norms common amongst their non-care-experienced peers. It is also impossible to know whether these individuals may have disengaged from education or employment without the basic income.

One young person from "quite a difficult family background where parents haven't worked for a long time" initially enjoyed the income without working, but became "very, very committed to finding employment before it ended." The Personal Advisor explained that "the more that we discussed that it would end, and he didn't want that, he liked the lifestyle," the pilot's '...inspirational part of showing them the life they could have worked extremely well with him, and he's in employment now... he was real, real committed to not losing that income, and was happy to work for that, whereas before, I don't think he would have been' (P59, Personal Advisor - End of Pilot).

The findings of this section show that participants observed the basic income to support and bolster young people's opportunities and experiences in relation to education training and employment, but also to delay engagement and/or enable inactivity. Whilst recognising that such delay may be common for non-care-experienced young people, participants were nevertheless concerned about the longer-term implications of delay and withdrawal, as well as the implications of young people being given "...money for nothing" (P4, Personal Advisor - End of Pilot). The next section will focus on participants' observations of young people's lives following the conclusion of the pilot.

### **4.3 Observations post-pilot**

Concerns about how young people would manage after the pilot ended were highlighted in the 2023/2024 annual report ([Holland and others, 2024](#)) and reiterated by participants in the follow-up interviews and focus groups. These concerns centred on young people's adjustment to a reduced income and the potential knock-on effects on areas such as housing, education, training and employment, and health and wellbeing.

Participants' reflections revealed a mixed picture, shaped largely by individual needs and circumstances. For example, the transition was considered less problematic for university students who typically had access to student loans and financial support from the local authority. Similarly, participants reported fewer concerns for young people who were in education, training or employment. The exception to this were concerns about individuals' ability to maintain some financial commitments:

'So, we had one lad who's on an apprenticeship and was receiving BIP, had a huge car insurance payment, so then, you know, having to work out how he was going to make that payment without the basic income pilot money, just on his apprentice wage.' (P57, Team Manager - End of Pilot)

While the basic income had bolstered opportunities by allowing young people to access driving lessons, buy or insure a car, the subsequent reduction in income at the end of the pilot sometimes threatened the sustainability of the gains.

When discussing young people's challenges post-pilot, participants most often referred to those transitioning to welfare benefits. For those with long-term health conditions or impairments, the transition was typically noted to be difficult, but the enhanced level of welfare support was perceived to lessen the impact. Yet, for those not eligible for additional support, the reduction in income, combined with the expectations and conditions attached to work-related benefits, was perceived to be particularly challenging.

In some instances, professional anxieties had been realised, and young people were reported to be struggling with the transition to Universal Credit. One Team Manager noted that despite Housing Benefit now covering rent, "...they're still finding it very difficult, which is completely understandable, because it is a drop" in overall income (P62, Team Manager - End of Pilot). Consequences included declining mental health, rising debts, and difficulties maintaining tenancies – leading one Personal Advisor to observe recipients were "...really struggling now... they got used to that lifestyle of having that money and... obviously now they're not coping" (P52, Personal Advisor - End of Pilot). Even those who had budgeted carefully during the pilot struggled with the sudden reduction, as they "...were living to their means... and they've really struggled to take that step down quite significantly" (P64, Head of Service - End of Pilot).

However, not all experiences were negative, and some professionals were pleasantly surprised by recipients' resilience. One noted being "quietly impressed" as young people "...managed it really well, actually" (P69, Personal Advisor - End of Pilot), while another had been "...dreading" the transition but found "...it's not been as bad as I thought... They haven't asked for more support than normal" (P43, Personal Advisor - End of Pilot). Overall, professionals described varied outcomes, reflecting both the vulnerabilities and resilience of young people post-pilot.

## 4.4 Reflections on the design of the pilot

In light of their experiences and observations, professionals were asked to reflect on the design of the pilot. Discussions focused on specific elements of the pilot but also generated alternative suggestions for how the allocated funds could have been used.

### 4.4.1 Cohort

Reflecting on the decision to pilot the basic income on care leavers, several participants stated they understood why the group had been chosen. In such instances, the disadvantage faced by young people leaving care had been acknowledged and the basic income was seen as 'levelling the playing field', giving "...that extra leg-up and that extra help" (P21, Team Manager - End of Pilot) and "...kickstarting them [and] their future" (P44, Personal Advisor - End of Pilot).

Yet despite acknowledging care leavers' disadvantage, some questioned whether a basic income was appropriate for this cohort. One Personal Advisor with 11 years' experience argued:

'it doesn't matter how much money you give them, you don't solve their situation by giving them money. They'll spend it as fast as they get it... they have... there's no concept of it. They just, 'I've got it, it's burning a hole in my pocket, what can I buy?'" (P4, Personal Advisor - End of Pilot).

The comments resonate with suggestions by some participants that the pilot had a neutral effect on young people's lives, temporarily increasing their income but inducing little lasting benefit. As noted above, professionals often prioritised long-term decision-making and effects over short-term choices and benefits.

In addition to concerns about whether benefits would last, participants also expressed concerns about the vulnerability of some care leavers, suggesting:

'...there was a little bit of irresponsibility about giving large amounts of money to some young people who could be in very difficult positions.' (P59, Personal Advisor - End of Pilot)

Furthermore, some professionals felt they themselves should have had more control over who was able to access the money because they "...would make a good judgement on which young people would succeed" (P68, Personal Advisor - End of Pilot). The comments resonate with those offered in the early stages of the pilot ([Holland and others, 2024](#)) and show that professionals are both supportive of the pilot's aim to reduce the disadvantage faced by young people leaving care, but also sceptical about the potential to positively impact on the trajectories for all. Whilst it is important to note that professionals hold differing perceptions of benefits and success, and have also acknowledged instances where their expectations of how some young people would respond to the income were not borne out, concerns

remain about the inclusion of all young people in the pilot, regardless of needs and vulnerabilities.

Some professionals felt 18 was too young to receive the basic income. One queried whether it should start later, after "...preparation work has been put in place to help them think about what they want for their future" (P65, Head of Service - End of Pilot). Others argued it "...just extended the period of their life where they were just getting money without having to do anything... it didn't really force them into adulthood" (P21, Team Manager - End of Pilot), and that recipients lacked experience managing "...significant sums of money" at this critical transition point (P69, Personal Advisor - End of Pilot). Rather than 'forcing' young people into independence, the stated aim of the policy was to provide young people with "space to thrive whilst securing their basic needs" ([Welsh Government, 2022](#)). In the 2023/2024 annual report, some professionals highlighted the significance of turning 18 for many care leavers and the multitude of changes and challenges that the milestone encompasses ([Holland and others, 2024](#)).

Overall, these reservations among professionals about the choice of cohort led them to question the capacity and experience of young people to make informed decisions about the money. Such concerns relate to notions of bounded rationality whereby individuals' decision making is influenced by their context and history, cognitive ability, available information, and time constraints ([Evans, 2002](#)). Professionals felt it was unrealistic to expect young people to make informed choices about the money, and references to 'benefits' and not 'having to do anything' were repeated as participants drew comparisons between the basic income (considered generous and unconditional) and welfare benefits (considered a low and conditional income). Such comparisons will be explored further below.

#### **4.4.2 Amount and duration**

Participants offered contrasting views on the payment amount. In line with findings from the 2023/2024 annual report ([Holland and others, 2024](#)) some participants felt the amount was appropriate and aspirational, approximating realistic wages: "Not too much, not too little. Kind of what you would get if you were working" (P21, Team Manager - End of Pilot) in "...the type of job role that most young people at that age have" (P12, Personal Advisor - End of Pilot). Others, however, considered it excessive. One called the amount "...astronomical for an 18-year-old." (P48, Personal Advisor - End of Pilot). Concerns centred around comparisons with minimum wage employment and welfare benefits, with one noting the "massive, massive impact" if recipients "drop ...down" to the much lower payments of Universal Credit (P54, Citizens Advice - End of Pilot).

Whilst it is important to note that not all young people were reliant on welfare benefits post-pilot, many were, and in this context the payment amount was considered unrealistic. Related to concerns for preparing young people for the realities of the

future, some participants expressed concerns about the duration of the pilot and the potential that young people would be accustomed to the income:

‘Two years is a long time for somebody to undergo it. Like I don’t know whether, you know, should it maybe sometimes... I’m thinking, should it have just maybe been 12 months so they didn’t get so used to it?’ (P47, Personal Advisor - End of Pilot)

Yet in other instances, participants suggested extensions to the duration of the pilot. Related to the discussions about the amount of money, some participants suggested that “...less money for longer time” (P43, Personal Advisor - End of Pilot) would have been preferable. Similarly, some participants suggested that 2 years was a relatively short amount of time and extending the pilot would have enabled further advancement in education, training and employment, and increased the likelihood that young people would be able to sustain the level of income post-pilot. Notably, one Head of Service was critical of the time-limited nature of many supports for care leavers, including the basic income pilot, and advocated for more “sustainable” support. In doing so they invoked a young person who they had met recently at an event who told them “...this is my real life, not a thought experiment” (P61, Head of Service - End of Pilot).

#### **4.4.3 Conditionality**

Consistent with the findings of the 2023/2024 annual report ([Holland and others, 2024](#)) the unconditional nature of the basic income was the feature most criticised by participants. This is notwithstanding the fact that many proponents of basic income schemes argue that unconditionality is an essential component ([Basic Income Earth Network](#)). Participants believed this feature of the pilot was inconsistent with existing supports, and felt it should mirror these more closely, with “...at least some sanctions or rules in place, the same as what UC does, because they force people to engage with them” (P54, Citizens Advice - End of Pilot).

Comparisons like this with Universal Credit, where individuals are typically expected to attend appointments and/or seek employment, were common. However, some participants also noted expectations for young people in extended care settings to be “...actively seeking or in training, education or employment” (P57, Team Manager - End of Pilot) and attendance requirements for receiving the Educational Maintenance Allowance. Hence, the basic income pilot was perceived as giving a false message to young people, creating a sense of entitlement, as opposed to exchange. One Personal Advisor told us it should not be unconditional “because I don’t think you should just get given money for nothing... because I don’t think that instils the right message long-term”, because outside of the pilot “...you get money in return for something” (P4, Personal Advisor - End of Pilot).

In addition to wanting to prepare young people for societal norms in the real world, some participants also highlighted a disjuncture with non-care-experienced young people, making comparisons with their own children:

‘As a parent of kids around that age, ...it just beggars belief that I would just say, “Hey, look, here’s some extra [money]”... with no consequence at all, ... It’s something I would never do to a child of my own.’ (P55, Citizens Advice - End of Pilot)

Professionals also spoke about conditions as a lever to ensure the recipients were guided into what they considered beneficial choices. Most commonly this was in relation to education, training and employment, but also in other areas such as mental health or financial literacy. Suggestions included requiring evidence of "...looking at training or doing something... bettering your mental health or something" (P56, Team Manager - End of Pilot) or adding "...a commitment element" such as meeting an advisor, completing a budgeting course, or attending appointments to continue receiving payments (P42, Personal Advisor - End of Pilot).

It is important to note that young people leaving care are not required to engage with support after they turn 18. As such, the options available to professionals remained the same under the pilot, with young people able to choose whether to accept the help and advice of the leaving care teams. Despite this, anxieties about the potential harms of the pilot meant that many participants believed compulsory monitoring and/or increased powers were necessary. In line with the concept of ‘street-level bureaucracy’ (Lipsky, 1980), which emphasises the discretion exercised by frontline public service workers in their day-to-day roles, practitioners suggested that the availability of additional levers would have better enabled them to influence positive outcomes, as well as mitigate against the risks of harm.

#### **4.4.4 Other options**

In addition to providing feedback on the design of the pilot, participants also suggested alternative ideas for investment in young people leaving care. Rather than suggesting new initiatives, participants’ comments referred to existing services and supports and outlined ways in which additional investment could strengthen provision within the system.

In line with recommendations for increased professional control and oversight, suggestions included bolstering the St David’s Day Fund, a resource introduced in 2017 and designed to be used flexibly and creatively to help young people ‘progress towards independence’ ([Welsh Government, 2017](#)). This suggestion is consistent with discussions above suggesting that some professionals wanted greater control and oversight over young people’s use of financial support. In addition, some participants stated that increasing the fund had the potential to benefit a wide range of care leavers, as opposed to the minority eligible for the basic income pilot.

Related to this, other participants suggested that the money could have been given to leaving care teams, allowing support to be developed and expanded. For example, a Personal Advisor suggested:

‘...if that money could have been split up into the 22 authorities, given to our care leaving team, our manager, and then, we could have done different work with all of them around their substance misuse, around extra training, ... we could have done so much with it.’ (P48, Personal Advisor - End of Pilot)

Related to the comment above, other participants noted that additional investment in the service would allow for additional staff, lowering caseloads and increasing professional availability to young people. A related suggestion was offered by a Team Manager (P27 - End of Pilot) who wanted to employ former care leavers to enhance support provision:

‘...our dream hub for care leavers, [is] that they run this service themselves. Because, you know, they're going to give the best service ever because of their lived experience, and, you know, when we do sort of peer mentoring groups, you know, they just engage so well, because they understand each other. And they'll tell you that, they understand each other's experiences. We can't. We don't know what it's like. We've not lived and experienced that. So I think really investing in services just to be led by care-experienced young people who can tell us then, you know, what it's like to be a care-leaver coming out as a young parent, or a care-leaver coming out of custody, and then developing those services that we're probably missing, because we just don't have the resources and the finances at this time, really.’ (P27, Team Manager - End of Pilot)

In other examples, participants suggested that the money be used to encourage young people's career prospects through the creation of work placements and apprenticeships. For example, a Personal Advisor suggested:

‘...if the money was used somehow to kind of give to employers, whether that's, like, tradesmen or something like that, they're given the £1600 a month, and the young person then gets, I don't know, sort of £600 a month from that and yeah, so they're learning a trade. The employer's getting paid to have somebody that they can train up. ... Like, I think you have better outcomes for employability and stuff if you used it to subsidise something, whether that's, like, a work placement or an employment position, or... you know?’ (P4, Personal Advisor - End of Pilot)

Related to suggestions for increased availability of education, training and employment opportunities, one Head of Service noted the potential to develop ‘trauma-informed’ opportunities to increase inclusion and accessibility for care leavers.

Yet for others investment in housing was the most pressing need:

'Housing, without a doubt. Some form of housing, [maybe] some move-on flats for 18 to 21s, or something that we can work with, ... to try and get them independent... housing money, that wasn't for everyone else, but just for care leavers.' (P43, Personal Advisor - End of Pilot)

'Housing, just housing, so much more housing. There's absolutely nothing. But along with the housing is I think a bit more in-depth support around how you run your house.' (P45, Personal Advisor - End of Pilot)

It is important to note that these suggestions were made in the moment and might have evolved with more time for reflection. Nonetheless, they offer valuable insight into recurrent areas of discussion and concern. The comments reflect participants' desire for greater oversight of how funds were used and for stronger pathways into education, training, and employment. They also highlight concerns about equity and a wish to reduce disadvantage for the majority rather than focus resources on a small minority of care leavers. Finally, the suggestions speak to broader systemic challenges and the perceived inadequacies of existing services.

## Findings 3: Updated programme theory and logic model

### 5.1 Revising the programme theory and logic model

This section examines how and why the pilot is expected to produce positive outcomes for recipients and in what circumstances. In the first annual report of 2023/2024, we presented an initial programme theory that described how the pilot may be expected to work ([Holland and others, 2024](#)). The initial programme theory considered how providing resources to recipients (basic income payments and financial advice) could change the way they thought and felt (for example, increased sense of autonomy, agency and certainty) and lead to a range of outcomes of interest (for example, improved wellbeing). The initial theory was developed from policy documents including a draft logic model developed through a programme theory workshop held with members of the operational and steering groups. It was also informed by an existing logic model that colleagues had developed around health outcomes ([Johnson and others, 2022](#)) and the findings of recent systematic reviews that looked at the impact of a basic income ([de Paz-Banez and others, 2020](#); [Gibson and others, 2018](#); [Hasdell 2020](#); [Jones 2021](#); [Yang and others, 2021](#)). These sources provided a useful starting point for developing our understanding of how the pilot may operate: policy documents outlined policy makers' rationale for the pilot, while the systematic reviews and existing logic model offered important insights from basic income pilots around the world.

The pilot has multiple features that make it distinctive (for example, payments were available to a national cohort of care leavers, a high amount of basic income was provided, and the pilot was provided in a devolved context) and the findings from the systematic reviews were not directly applicable. Moreover, the initial programme theory did not include empirical data from the pilot. As a result, the theory presented a partial and incomplete understanding of how, why and for whom the pilot works. We have now revised the initial programme theory using the qualitative data collected in the pilot. This has created a more comprehensive understanding of how the pilot is thought to generate positive outcomes for recipients and why it may work differently for different people and in different situations. For example, the refined programme theory considers how recipients' vulnerabilities and support network influence their experiences and outcomes on the pilot.

### 5.2 Summary of the initial programme theory

The initial programme theory outlined the main components of the intervention (the amount of money provided and the duration and frequency of the payments) and sought to explain the mechanisms that were expected to produce the outcomes of interest. A logic model was created to illustrate the anticipated causal pathways (see Figure 2). This suggested the payments enabled recipients to meet their basic needs more easily and increase their disposable income. As a result, recipients were anticipated to have a greater sense of autonomy, agency and certainty, more control

over how they spend their time and an increased ability to think ahead to their future. These opportunities were suggested to lead to a range of outcomes (for example, improved wellbeing and better access to the labour and education market; [Johnson and others, 2022](#); [Reed and others, 2024](#)).

When developing the logic model there were numerous gaps in our understanding of how the pilot works. For example, recipients were offered specialised financial advice alongside the basic income payments and there was limited evidence on how similar schemes operate. We hypothesised that the financial advice, which was provided by Citizens Advice in most local authorities, would increase recipients' knowledge around how to manage their finances and lead them to feel more confident in their financial decision making ([Johnson and others, 2025](#)). However, this causal pathway needed to be explored with empirical data from the pilot. When developing the initial theory, it was also unclear at times how applicable aspects of the international literature were to the pilot. For example, the literature suggested that basic income pilots can increase recipients' access to health services including those with a charge, such as optometry ([Johnson and others, 2019](#)). However, this association is likely stronger in countries with privately funded healthcare, so this needed to be examined in the Welsh context where most healthcare services are publicly funded and free at the point of use.

The causal pathways presented in the initial programme theory have now been refined using empirical data collected in the pilot (see [Section 2](#) for details of the methodology) and an updated logic model is available (see Figure 3). The data has extended our understanding of how the pilot operates, offered support or challenge for the causal pathways in the initial programme theory and presented new ideas for consideration.

## **5.3 Revised programme theory**

In this section, the 12 causal pathways in the revised programme theory are discussed, and we highlight the insights that we have gained from the empirical data. Quotes are included from interviews and focus groups with recipients and professionals involved in the pilot. At the end of the section, the revised causal pathways are summarised [Annex D](#) outlines the revisions that have been made to the initial programme theory.

### **5.3.1 Pathway 1: The pilot will increase recipients' participation in activities that are important to them**

The initial programme theory suggested that the basic income would increase recipients' disposable income and their sense of autonomy, agency and certainty, and lead to greater participation in 'meaningful activities' (Common Sense Policy Group, 2025). Meaningful activities are those that an individual has the freedom to engage in and enables them to live the kind of life they have reason to value (Sen 1999; Van Parijs, 1997). The empirical data provided support for this pathway as

young person participants felt they had more choice and control over how they spent their time whilst on the pilot. One described being free of the restrictions they felt before the pilot and "...able to do what I wanted and live my life the way I wanted, which made me feel good" (YP46 - End of Pilot). Another told us how going out "...a lot more" meant "I actually was living life, I wasn't surviving" (YP63 - End of Pilot). This participant went on to add that visiting family was part of this for them, and many others described spending more time with family and friends and using the basic income to take part in activities together:

'I was a lot more sociable [on the pilot], like I'd go out and hang out with friends because I had the money to do it. I'd go out and eat quite often, you know, treat myself.' (YP53 - End of Pilot)

This was aided by the ability to pay for activities without relying on others for financial support:

'I was able to be independent, because I had enough money to, you know, pay my own bills and buy my own food, buy my own drink, go and do activities with my friends without the need of, you know, money from the government or the council, or family, or friends, or anything like that. I could do it by myself. Whereas unfortunately I don't have that sort of freedom anymore now that I'm off of BIP.' (YP47 - End of Pilot)

Young people also discussed using the basic income to take part in other activities such as learning how to drive (discussed further in causal pathway 6) and pursuing hobbies and volunteering. In the initial logic model, spending time with family and friends and taking part in meaningful activities were separate mechanisms, however, spending time with others was the most frequently cited meaningful activity and as a result, the mechanisms were combined in the revised logic model.

As the initial logic model suggested, young people reported that being able to "...get out more" (YP17 - Start of Pilot) and "...actually go do things" (YP18 - Start of Pilot) with others had improved their wellbeing and relationships:

'I think with my wellbeing, like... I think it's great that I'm able to not think about like, oh, I can't really do this, sorry, guys, because... so, like, to my friend, like, oh 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 - Start of Pilot)

Clearly, young people enjoyed being more social on the pilot and one professional participant reflected that it had reduced recipients' isolation and loneliness:

'...so I think it definitely has benefited young people who've had the finances to be able to go and meet up with friends more often, so reduce isolation.' (P66, Team Manager - End of Pilot)

These findings supported the proposed pathway in the initial programme theory, and no further changes were made.

### **5.3.2 Pathway 2: The pilot will increase recipients' spending in the community**

The initial programme theory hypothesised that recipients would feel a greater sense of autonomy, agency and certainty and increase their spending in the local community ([Howard and others, 2025](#)). This pathway was supported by the data as young person participants reported their spending had increased as they did more activities (causal pathway 1) and spent more on non-essential items. As noted above, the pilot afforded recipients the financial means to take part in activities in their local area, and many felt empowered to do so, leading to greater community engagement. After the pilot ended, young person participants described going out less and taking part in fewer activities: "...now if people are going out, I can't really join them, because I can't afford the travel expenses... it sort of restricts my ability to be social now" (YP47 - End of Pilot). Another noted the mental health impact, reflecting that "...sitting down with no money, you can't even... just go out for a walk to the shop... that will play a lot on mental health... especially living alone" (YP40 - End of Pilot).

Many young people reported feeling able to treat themselves occasionally while on the pilot, buying new phones, game consoles or clothes. One described buying themselves "...a treat a month" and said that while on the pilot these "...don't always have to be super expensive. They don't always have to be super cheap" (YP13 - Start of Pilot) and another described shopping, getting their nails done, and spending "...some money on family members" (YP40 - End of Pilot).

Professional participants gave contrasting assessments of such spending. Some viewed it as irresponsible, saying "...they're spending their money left, right, and centre. They're going on holidays, they're drinking more. They're buying shoes" (P6, Personal Advisor - Start of Pilot). Others saw it more positively, enabling experiences "...they never would have been able to experience without the BIP" (P25, Team Manager - End of Pilot) and reducing difference from non-care-experienced peers:

'Young people having money in their pocket to be able to go to town with a bank card, like the rest of the world, to a shop and buy themselves a pair of Nikes, because they can afford it, the same as their friends.' (P21, Head of Service - Start of Pilot)

The basic income was suggested to enable recipients to access "...normal, typical things" (P20, Head of Service - Start of Pilot) and reduced their sense of difference to their peers, and this has been added as a mechanism (response) to the revised programme theory.

As reported in Section 3.2, young person participants noted that being able to buy themselves nicer things increased their confidence and self-esteem, and benefitted their wellbeing:

‘Like, that’s one thing that like now I can do, is like, I buy clothes that make me feel good... And... oh, and dye my hair, like... Get all my nails done. It’s things like that, like, I didn’t do as often as before. Because, when I do, I’d have the stress about how much I would have after. 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 - Start of Pilot)

The causal pathway has been updated in the revised logic model to add a link between increased spending in the community and improved wellbeing.

The initial programme theory recognised that recipients’ spending in the community would increase in contexts where they had manageable outgoings. This was evident in the data as some young person participants had considerably less disposal income due to their circumstances for example, high housing costs. As highlighted in the 2023/2024 annual report ([Holland and others, 2024](#)), professional participants were particularly concerned about the high costs recipients were paying for supported accommodation and this limited the opportunities available to them and their spending decisions.

### **5.3.3 Pathway 3: The pilot will reduce recipients’ involvement in crime**

In the initial programme theory, recipients’ involvement in crime as both victims and perpetrators was expected to reduce as the basic income helps to reduce financial hardship, which can be a driver of some types of crime. It was evident in the interviews that several young person participants had experienced exploitative relationships as others took advantage of them and sought to access their basic income (see Section 3.6). Professional participants were concerned the basic income had increased the risk of exploitation for some recipients who had existing vulnerabilities or a limited support network:

“When I think of the examples of young people where we’ve been worried about exploitation, they maybe haven’t got that support network at 18 and maybe are in temporary accommodation, mixing with different kinds of people.” (P67, Team Manager - End of Pilot)

“Their mental health is probably poor, it was poor in the first place, so people have just taken complete advantage of it and it’s just been, it’s been really hard to watch in some, not just watch, but be a part of, you know?” (P45, Personal Advisor - End of Pilot)

Recipients' existing vulnerabilities and support network have been added to the revised programme theory as contextual factors that can influence the likelihood of recipients' being victims of crime.

Involvement in crime was not discussed by young person participants in the interviews. In the focus groups, professional participants discussed recipients who had committed crimes while on the pilot. In several cases, the basic income was perceived to have increased a recipient's ability to buy drugs and possibly exacerbated their involvement in criminal activities:

'I do have another young person who's in prison currently. I don't think... that is a direct result of [the] Basic Income Pilot, but he was certainly using the money he was getting to afford more and more drugs and then he was then selling and then, say, he'd almost like built this empire really and it caught up with him in the end and yeah, so now he's in prison.' (P45, Personal Advisor - End of Pilot)

This example shows how difficult it was for professionals to judge what role the pilot played, and a Team Manager expressed a similar sentiment:

'You know, he got caught quite quickly. But would he have turned to that anyway? Who knows, but he had the accessible means to continue to survive, continue to live as he wanted to, and then become a drug dealer.' (P57, Team Manager - End of Pilot)

Basic income management information ([Welsh Government, 2024](#)) demonstrates that a minority of recipients (n=25; 4%) had their payments suspended or were unable to participate in the pilot as they had received a custodial sentence. In the absence of a suitable comparison group, it is not possible to determine whether the number of recipients who received a custodial sentence was higher or lower than would have been the case without the basic income. In addition, no information was available on the type of offences committed by recipients or the length of the custodial sentences, and no data was collected on other criminal justice outcomes (such as fines or community sentences). Further research is required to determine whether, and in what ways, basic income provision may shape recipients' interactions with the criminal justice system.

#### **5.3.4 Pathway 4: The pilot will reduce recipients' experience of poverty**

Although the Welsh Government has remained agnostic about the likely or intended effects of the pilot, the initial programme theory developed as part of this evaluation proposed that the basic income would reduce the experience of poverty for recipients. Young person participants reported that the basic income made it easier to meet their basic needs (including rent, bills and food). One commented "...it's helped me with getting my life together, knowing I have that extra support [and] money that can get me food, water, stuff for my house and give that supply to my

family” (YP12 - Start of Pilot). Another stated: "It's good to have the money there so I can live somewhere and get food and stuff... if I need like medication or anything, I pay for that or my dog needs to go to the vets... I can pay for that" (YP41 - Start of Pilot). Experiences varied post-pilot, with some young person participants on Universal Credit struggling to cover their essential living costs. One young person said: “I’ve not been able to cover my bills this month” (YP65 - End of Pilot) and another explained:

‘Since not having that income pilot, I have struggled a lot with money... I had to message [name of Personal Advisor] a few weeks ago, because I had no money in my bank account, I couldn't afford anything. So, she had to come down with a Tesco voucher and post it through my door just for me to be able to buy food.’ (YP71 - End of Pilot)

Professionals also noted that some young people were struggling financially to meet their needs post-pilot due the drop in income, although experiences were mixed depending on young people’s circumstances, vulnerability and resilience (see Section 4.3 for earlier discussion).

### **5.3.5 Pathway 5: The pilot will have an indirect effect on the poverty of others**

A new pathway has been added to recognise the pilot may have an indirect effect on the poverty of others. As discussed in Section 3.6, young person participants often reported financially supporting those close to them. They valued having the freedom and means to “...help out” when a family member, partner or friend was struggling (YP22 - Start of Pilot), and many also enjoyed treating family and friends to new items, such as clothes, or paying for a meal out:

‘...I'd fight my mam with who's paying for her shopping, or I would pay for like breakfast or dinner or something if I offer to take her out or friends or something. If I offer to take them out, I can pay.’ (YP39 - End of Pilot)

At the end of the pilot however some were critical of their spending decisions and regretted how much they had spent on others. One who would “...do everything differently” if they had their time again lamented giving money to “...stupid people” and buying “...stupid stuff”: “I wouldn't have been so negligent with it” (YP56 - End of Pilot). Another also used the word “...stupid” to describe how they had used it, reflecting that they were “...constantly ...lending money out and then probably kind of not getting it back” (YP70 - End of Pilot). This had other negative consequences. Some young person participants had felt pressured to lend or spend on others and this had created tensions and difficulties in their relationships and negatively affected their mental health (see Section 3.6). As discussed in Section 5.3.3, professional participants were concerned that recipients with existing vulnerabilities and limited support networks were at greater risk of exploitation, and these factors have been added to the refined programme theory.

### **5.3.6 Pathway 6: The pilot will improve recipients' money management skills**

As reported in Section 3.7, there was evidence that for some participants' their knowledge and confidence in financial decision making improved as their financial literacy developed over time and with experience of the payments. However, several felt they had not developed strong budgeting skills on the pilot as the payments comfortably met their basic needs and meant they did not need to be particularly budget conscious. For these people, their money management skills developed further after the pilot had ended as their Universal Credit payments were much smaller and required them to be "...very careful" with their money (YP47 - End of Pilot).

Young people had mixed experiences of engaging with Citizens Advice (see Section 3.8.2 for further discussion). Many participants could not recall meeting Citizens Advice while others had received help, for example, to make a budget, complete forms for a tax rebate or apply for Universal Credit at the end of the pilot. Several Citizens Advice professionals noted that engagement had been limited, with a small minority of recipients using the service multiple times during the pilot:

'I've had, you know, some very small instances where I've had involvement with a young person, not continually, but they're kind of checking in a little bit. But very few and far between, the majority is us chasing, can we help you? Is...? This is what we do. You must be up against these things at the moment. If any of them apply, give us a shout. And very little engagement.'

(P55, Citizens Advice - End of Pilot)

'Basically, once they signed up, I didn't really hear from them. I'd send them check-in emails every six months maybe, or text them. You know? They were advised to contact me if they had issues, or their PA, but obviously they lost contact with them throughout.'

(P54, Citizens Advice - End of Pilot)

The support network of young person participants seemed to have been an important factor in whether they developed skills in money management. This included the money management practices young people had observed their family and carers using while they were growing up and the advice they received while on the pilot. As one young person commented, "...it depends really on who has brought you up. With me, I've learned how to save money. How to spend wisely, and stuff like that" (YP5 - Start of Pilot). Some professionals agreed:

'I'd say the young people who have been, say, in a foster placement who have gone onto *When I'm Ready*, who are more settled, and got more support around them, and have kind of... I suppose they've seen how an adult life works. I feel they have responded better to it, because they've had that actual guidance of a living adult, I suppose, who they've known for years and years, supporting them with it.'

(P3, Personal Advisor - End of Pilot)

Financial advice was thought to be particularly valuable when it was provided by adults who were consistent and supportive figures in the recipient's life. Young person participants provided examples of when they had implemented advice from family and carers such as developing a monthly budget, opening a savings account or investing their savings:

'I think about the age of 18, I was taught at least by my granddad to put money away and pretend it wasn't there in a way, and for me, the pilot, that's sort of what I did with it...' (YP62 - End of Pilot)

'So my foster parents suggested it. They'd put quite a bit of money into it when they were buying their house, and they kind of showed me how it works, and they were like, "You won't get any interest," because originally I had an ISA, but we took my money out of my ISA and put it into premium bonds...' (YP64 - End of Pilot)

Recipients who had managed the basic income payments less successfully were perceived by professionals to not have had "...the guidance and the boundaries" that others had (P3, Personal Advisor - End of Pilot). Experiences of saving on the pilot were mixed and probably also influenced by this (see Section 3.7). Most young person participants reported that they had no debt while on the pilot. However, as discussed in Section 4.2.2, professional participants shared several examples of recipients who had accrued debt on the pilot as they were unwilling to pay their housing costs or unclear on the amount due.

A recipient's support network has been added as contextual factor to the revised causal pathway.

### **5.3.7 Pathway 7: The pilot will improve recipients' access to transport and increase the opportunities available to them**

The initial programme theory proposed that recipients will have access to transport. Some young person participants used the basic income payments to buy a bicycle or travel by train, bus or taxi and many paid for driving lessons, insurance or a car. Professional participants explained that access to a car gave recipients greater independence and opportunities to engage in education, employment and training, especially when living in rural areas (see Section 4.2.4). It also enabled recipients to engage in leisure activities, spend time with friends and family, and wider access to housing:

'When I passed my driving test, which obviously the pilot allowed me to, you know, without that money I wouldn't have been able to, you know, do driving lessons and then the test and everything, and, you know, get my first car, yeah, it just allowed... it gave me so much more freedom to go out and meet people...' (YP62 - End of Pilot)

'She paid for her car insurance, increased the opportunities with private rents that's available in this awful climate we're living in at the moment.' (P20, Head of Service - Start of Pilot)

The initial programme theory captured the link between improved access to transport and greater opportunities for secure and appropriate housing. Additional links have been added to the revised programme theory to demonstrate that access to transport also increases recipients' access to the labour and education market and meaningful activities.

### **5.3.8 Pathway 8: The pilot will increase recipients' ability to afford more secure and appropriate housing**

As reported in Section 3.4, there were mixed views from young person participants regarding whether the basic income had led to more secure and appropriate housing. Some young person participants reported that the basic income had not influenced their decisions on where to live as they had already planned to stay in their current arrangement or move elsewhere. However, the pilot enabled others to access private rented housing, and a few saved for a house purchase deposit.

The time limited nature of the pilot may have limited its impact on most young person participants' housing decisions overall. Several participants had considered moving to private rented housing, but they were unsure whether it would be affordable in the longer-term, "...when the money stops" (YP70 - End of Pilot). This was also a worry for professionals, who acknowledged the fact this meant some were housed quicker "...because they've been able to go and get private rent and have it be affordable" but noted a "...flip side" whereby the pilot ending left them in a situation where suddenly, they don't have access to that money anymore (P67, Team Manager - End of Pilot).

Moreover, the scarcity of housing was an immovable constraint on young people's opportunities to find suitable accommodation. With this in mind, several professionals called for further government investment in housing, one saying: "[we need] Housing, just housing, so much more housing. There's absolutely nothing." (P45, Personal Advisor - End of Pilot). Housing availability and the pilot duration have been added as contextual factors to this pathway in the revised programme theory.

### **5.3.9 Pathway 9: The pilot will reduce financial stress and improve recipients' health and wellbeing**

The academic literature on basic income suggests that such schemes should reduce recipients' financial stress and improve their health and wellbeing ([Johnson and Johnson, 2019](#)). This causal pathway was strongly supported by the data as young people reported that the amount, regularity and certainty of the payments helped them to feel more financially secure and independent:

'...in the back of your head you don't think, oh my god I can't afford this this month, I can't afford to put food on a plate, I can't afford to run my car, I can't afford to get to work and pay for parking. Like, you have no kind of worries surrounding that at all, so I think that obviously gives you more of a positive mental health.' (YP71 - End of Pilot)

This extended to the ability to cope with unexpected circumstances and cover their essential needs during difficult periods such as homelessness, "...because obviously, if I had no money and I was homeless at the same time, I would have been terrified" (YP65 - End of Pilot). Another described how it provided stability during job loss:

'...towards the end of losing my job, I was actually able to continue paying for where I was living... without having that... negativity of thinking, "Oh, Christ, where am I going to get my rent money from? Where am I going to get food from?"' (YP67 - End of Pilot).

Most young person participants reported that the pilot had made them feel "...less stressed" (YP12 - End of Pilot) about their finances and improved their health and wellbeing. As a result, no changes were made to the causal pathway in the revised programme theory.

#### **5.3.10 Pathway 10: The pilot will increase recipients' ability to access chargeable health services**

Recipients were expected to have improved access to some chargeable health services on the pilot, however there was limited support for this pathway. There were a few examples of recipients using the basic income to access things such as private therapy (see Section 3.2), braces or getting a taxi to hospital. However, this pathway is likely to be more relevant to basic income pilots that are provided in countries with privately funded healthcare as most health services in Wales are publicly funded and free at the point of use. It may also be more or less effective depending on individual's underlying health conditions or disabilities, and the complexity of their needs. As a result, a contextual factor has been added to the revised logic model to note the role of existing funded healthcare services.

#### **5.3.11 Pathway 11: The pilot will increase recipients' participation in health-promoting behaviours**

The initial programme theory suggested that the basic income would increase recipients' sense of autonomy, agency and certainty and lead to health-promoting behaviours and improved physical and mental health. Young person participants regularly described being more physically active on the pilot as they used money to fund the gym, swimming, or a dance class. One participant who subscribed to a gym noted "If I didn't have the [pilot] money I probably wouldn't be going to the gym because it's about 30 pounds a month" (YP29 - Start of Pilot). Another framed the increased activity as a major lifestyle benefit:

'So, it kind of affected my lifestyle, because obviously I'm a big woman, it's... obviously it's gotten me out a lot and, you know, I don't get out a lot anyway. So it kind of affected that, which made me happy, and I was less stressed about life in general... But it would just get me like swimming or going to the gym.' (YP12 - End of Pilot)

As described in Section 3.2.4, reported changes to participants' nutrition were mixed. A few young people said they were healthier on the pilot as they could afford to "...eat right" (YP56 - End of Pilot) and buy healthier food that was often more expensive than less healthy options. In contrast, others reported purchasing more convenience or takeaway foods. As highlighted in Section 4.2.3, several professional participants were concerned the basic income had increased unhealthy eating and for some recipients, this had a detrimental effect on their physical health. Evidently, the concerns discussed above that the payments had exacerbated some recipients' substance and alcohol use also relate to this discussion about health. It is important to acknowledge that there is evidence to suggest that interventions to increase healthy behaviours often require a multi-policy approach, so increased income alone may not be sufficient to change behaviours.

Nonetheless, most young person participants we interviewed felt their health had improved overall. They noted that their mental and physical health were interlinked and "...if my mental health isn't good, my physical health takes a decline" and vice versa (YP23 - Start of Pilot). One participant who disclosed their mental health to be bad at the time, with their "...anxiety [being] all over the place" credited the pilot with helping "...in the sense of doing things to prevent [it worsening]". They noted the ability to go "...for walks, but then catching a train back, or that sort of thing. Walking further" (YP4 - Start of Pilot).

No changes were made to this causal pathway in the revised programme theory.

### **5.3.12 Pathway 12: The pilot will lengthen recipients' 'time horizons' and they will be more likely to engage in employment, education and training**

The initial logic model proposed that the basic income would reduce recipients' financial uncertainty and increase their 'time horizons' enabling them to look beyond the present and consider their future plans ([Fieulaine and Apostolidis, 2015](#)). A few participants said the basic income had enabled them to take the time to consider their career goals and aspirations:

'...I was very unsure of whether or not I wanted to go to university, and then when I decided not to and to take a bit of time to think it through and make that decision for myself, obviously having the pilot to back me up financially, and I wouldn't have to worry about, well, basically anything in terms of affording stuff, it just, yeah, was great to be honest... ' (YP50 - End of Pilot)

'I mean it's made it so I can actually, like, figure things out a bit... Because it's tricky. So, I think... I think without that, I'd just be... lost for so much longer in my life.' (YP2 - Start of Pilot)

As described in Section 3.3, young people reported more choice around education and work on the pilot as the payments met their needs. Consequently, they could leave jobs with poor conditions, study rather than work, or set up their own business. Young people described feeling motivated and confident to make these changes as they had the financial means to support themselves whether that be to pay for training courses, travel to work or college, buy equipment or buy stock for their new business:

'I don't think I ever would have considered spending quite a lot of money on my education. I left education to join the military, because I wasn't interested. But again, it enabled me to think about the future more, and look at wider opportunities than just the military... ' (YP64 - End of Pilot)

Another explained that previously they "...wouldn't have thought about" returning to education but realised with the pilot "I can go back to college and sort it all out myself without having other people to pay for it" (YP18 - Start of Pilot).

Some young person participants reflected on how they had less financial freedom and choice around their employment and education now the pilot had ended (see Section 3.3):

"More stressful now to find a job. Have had to stick with whatever I have."  
(YP31 - End of Pilot)

In contrast, the pilot appeared to reduce others' motivation to engage in education or work. For example, one noted "I wasn't really motivated to get a job when I was on the BIP because I was in the mindset of 'I have money why would I go do more work?'" (YP45 - End of Pilot). Another stated "...because I had money, I didn't think... I need to go and get a job because I'm going to be skint next week" (YP40 - End of Pilot).

This characterises the short-term outlook some recipients were perceived to have had by professionals, who were concerned their limited participation in employment or education would disadvantage them when the pilot ended (see Section 4.2.4). Professionals suggested different employment, education and training outcomes for recipients could partly be explained by recipients' pre-existing motivation and their "...personalities" or "...predisposition" (P21, Team Manager - End of Pilot). The basic income was noted to have made things easier and opened additional opportunities for recipients who were already motivated and had plans to pursue education or employment. The role of intrinsic motivation was raised, with a Personal Advisor saying, "It just depends what sort of motivated young person you've got" (P44,

Personal Advisor - End of Pilot). Also questioning the role of recipients' "...mindset", one manager remarked:

'The young people who had plans for their future, with their university, getting a job, they were more successful than the young people...who were quite happy to stay on benefits, had no interest in looking for training or employment. They appeared to be less successful than the ones who had, you know, a plan for their future.' (P57, Team Manager - End of Pilot)

Again, the role of support networks and placement stability was also cited by professionals as a critical factor, with consistent support and stable placements enabling them to think ahead and plan for the future. This was partly linked to motivation, but also because those with these assets have fewer worries:

'...don't have the same things to worry about to some of our young people, you know? They don't have to worry about where they're going to sleep tonight, or where they're next to eat, because they're in stable placements...'  
(P67, Team Manager - End of Pilot)

Pre-existing motivation, placement stability and support networks have been added as contextual factors to this pathway in the revised programme theory.

## **5.4 Summary**

The qualitative data collected so far supported multiple pathways in the initial programme theory. Participants from both groups generally agreed the pilot gave recipients a greater sense of certainty and control, reduced their financial stress, increased their access to a range of activities and improved their wellbeing. Other pathways received less support. For example, there was limited evidence that the specialist financial advice available as part of the pilot had been used widely across local authorities and increased recipients' knowledge and confidence in financial decision making as expected. This is not to say that financial literacy did not necessarily improve, as other mechanisms such as learning from the experience of managing more money, or regularly saving, may achieve this.

Furthermore, a new pathway was added to recognise the effect the pilot might have on those close to the recipients. Young person participants frequently discussed using the basic income to support and reduce the financial hardship of others. However, a negative aspect of this was that some felt pressure to spend on or 'lend' to others, and professionals were concerned that the basic income had increased the risk of exploitation for some recipients.

The revised causal pathways are summarised below and presented in Figure 3. The most substantial revision was the addition of multiple contextual factors. The contextual factors highlight the different ways in which a basic income may (or may not) work for some individuals and in some circumstances. Clearly, recipients'

experiences on the pilot varied greatly, with some care leavers' lives boosted considerably by the income while others had more neutral or negative experiences. The revised programme theory emphasises the importance of factors such as recipients' existing vulnerabilities, their living circumstances, and support network, as well as the resources and services available in their local area (for example, housing), and the influence these had on recipients' experiences of the pilot.

### **35.4.1 Revised logic model causal pathways for the Basic Income for Care Leavers in Wales Pilot**

#### **Pathway 1: The pilot will increase recipients' participation in activities that are important to them**

When recipients have manageable financial outgoings, the basic income payments will increase their disposable income and lead to a stronger sense of autonomy, agency and certainty. This will lead recipients to participate in 'meaningful' activities and result in greater volunteering and life skills, improved relationships and wellbeing, and reduced loneliness.

#### **Pathway 2: The pilot will increase recipients' spending in the community**

When recipients have manageable outgoings, the basic income payments will increase their disposable income and their sense of autonomy, agency and certainty. This will lead recipients to increase spending in the local community (for example, spending on themselves and participating in activities). This will result in improved wellbeing and lead recipients to feel a reduced sense of difference to their non-care-experienced peers. It will also lead to increased community engagement and cohesion.

#### **Pathway 3: The pilot will reduce recipients' involvement in crime**

The basic income payments will support young people to meet their basic needs, reducing the likelihood of involvement in crime and increasing community cohesion.

#### **Pathway 4: The pilot will reduce recipients' experience of poverty**

The basic income payments will support young people to meet their basic needs and have a direct effect on reducing poverty.

#### **Pathway 5: The pilot will have an indirect effect on the poverty of others**

When recipients have manageable outgoings, the basic income payments will increase their disposable income and their sense of autonomy, agency and certainty. This will lead recipients to feel able to financially support others close to them when needed. Recipients value the opportunity to help others and doing so will improve their wellbeing and reduce the effects of poverty for others. Recipients' existing vulnerabilities and a limited support network will increase the risk that individuals will be financially exploited by others.

### **Pathway 6: The pilot will improve recipients' money management skills**

When recipients engage with specialist financial advice, their knowledge and confidence in financial decision making will gradually improve over time and with experience (learning curve). As a result, recipients' financial literacy and security will improve. This outcome is more likely when recipients also have the financial advice and guidance from their support network.

### **Pathway 7: The pilot will improve recipients' access to transport and increase the opportunities available to them**

When recipients have manageable outgoings, the basic income payments will increase their disposable income and their sense of autonomy, agency and certainty. As a result, recipients will have greater access to transport. This will increase recipients' independence and access to 'meaningful' activities, more appropriate and secure housing, and the labour and education market. It will also help to ease the effects of poverty.

### **Pathway 8: The pilot will increase recipients' ability to afford more secure and appropriate housing**

When recipients have manageable outgoings, the basic income payments will increase their disposable income and their sense of autonomy, agency and certainty. As a result, recipients have greater choice and access to more secure and appropriate housing. This is more likely to happen when the basic income is available on a long-term basis and housing is available locally.

### **Pathway 9: The pilot will reduce financial stress and improve recipients' health and wellbeing**

The basic income meets recipients' basic needs more easily and this leads to reduced stress and improved wellbeing and physical and mental health.

### **Pathway 10: The pilot will increase recipients' ability to access health services with a charge**

The basic income payments will make it easier for recipients to meet their basic needs and increase their disposable income. As a result, recipients will have improved access to health services (with a charge) and better physical and mental health. This is less relevant when funded healthcare services are publicly funded and available free at the point of use.

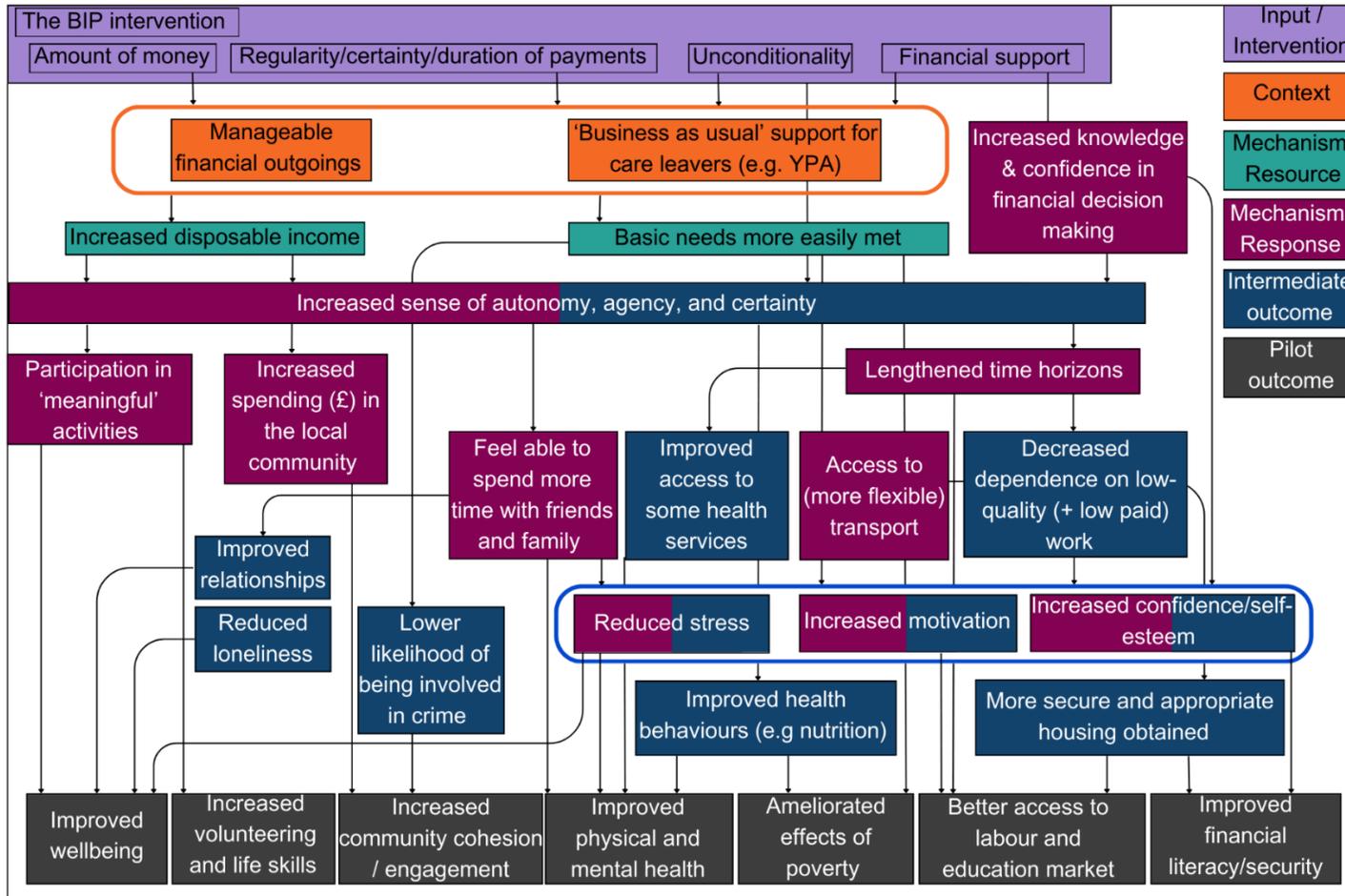
### **Pathway 11: The pilot will increase recipients' participation in health-promoting behaviours**

The basic income payments will increase recipients' sense of autonomy, agency and certainty and they will engage in more health-promoting behaviours. This will help to improve recipients physical and mental health and ease the effects of poverty.

**Pathway 12: The pilot will lengthen recipients' 'time horizons' and they will be more likely to engage in employment, education and training**

The basic income payments will reduce recipients' sense of uncertainty and lengthen their 'time horizons'. Recipients' will be less dependent on low-quality and low paid work, and their motivation and confidence will improve. As a result, they will be more likely to pursue employment, education or training and have better access to the labour and education market. This outcome is more likely to happen when individuals have a pre-existing motivation to engage in work or education and a strong, stable support network.

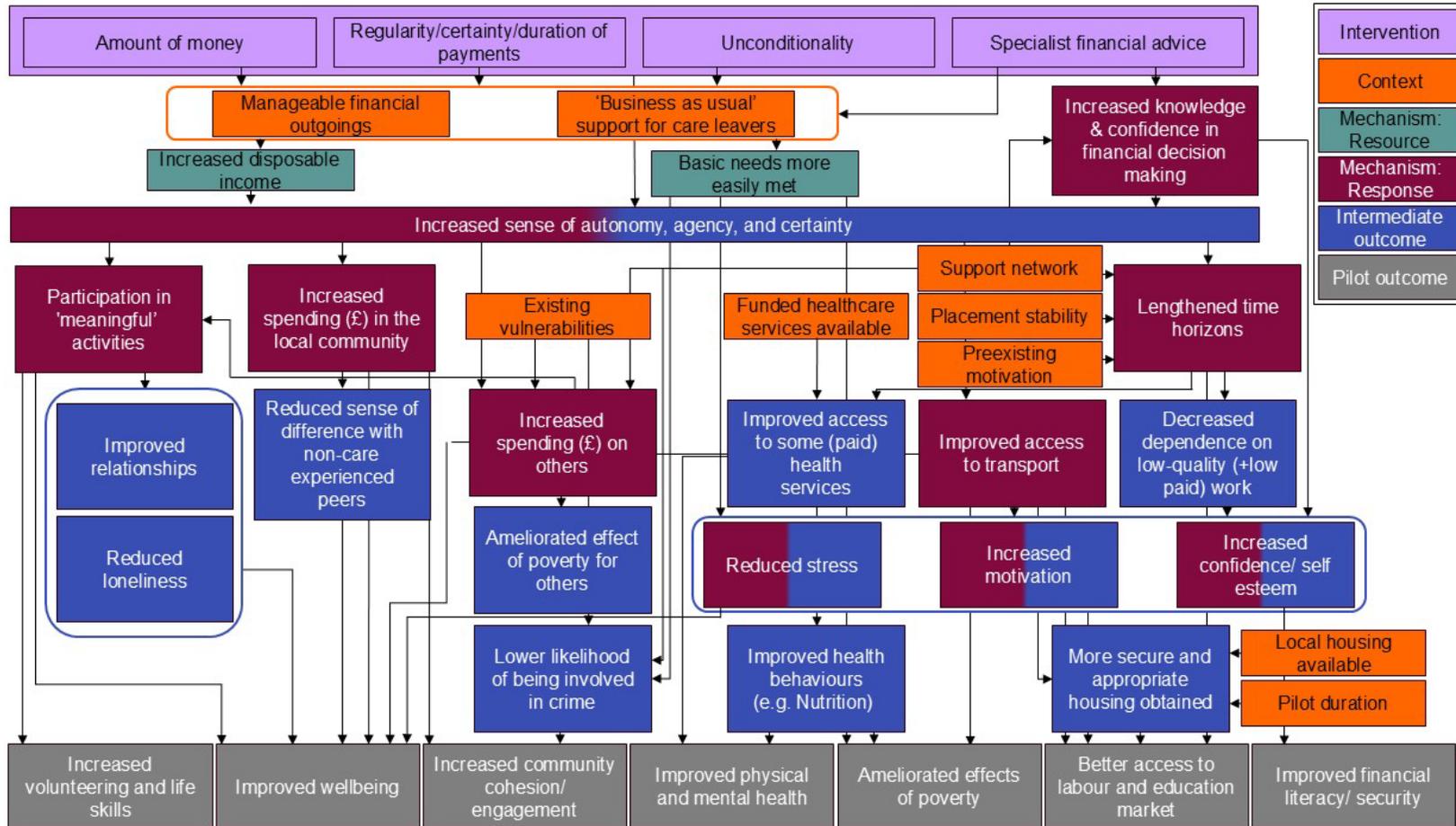
**Figure 2: Initial logic model diagram for the Basic Income for Care Leavers in Wales Pilot**



Description of Figure 2: A diagram presenting the initial logic model for the pilot, including the outcomes of interest, the underlying causal mechanisms through which they are generated and the contextual factors that enable or inhibit these pathways.

Source: [Holland and others, 2024](#).

**Figure 3: Revised logic model diagram for the Basic Income for Care Leavers in Wales Pilot**



Description of Figure 3: A diagram presenting the revised logic model for the pilot, including the outcomes of interest, the underlying causal mechanisms through which they are generated and the contextual factors that enable or inhibit these pathways.

Source: Evaluation analysis, Cardiff University, 2025.

## 6. Discussion

This analysis rounds off some of the lines of enquiry opened earlier in the evaluation, building on the previous reports in 2 major ways. First, it adds an empirical perspective to the theoretical foundation for the pilot that we presented in the first annual report of 2023/2024 ([Holland and others, 2024](#)). The initial programme theory was based on literature and policy documents and described how the pilot was anticipated to create change. We have updated and refined it with empirical data from the pilot itself showing which causal pathways are supported and which require modification, based on what we have learnt from the evaluation to date. The updated analysis addresses the research question: “Is the pilot implemented as intended?” It suggests there was strong support for pathways around autonomy, agency, and participation in meaningful activities. Evidence around the specialist financial advice pathway is more mixed. Take-up of the financial advice provided as part of the pilot was limited, though this is difficult to interpret. Low engagement with formal advice services may suggest that young people were managing adequately rather than that they were struggling without support, or it may reflect a lack of visibility – i.e. some will have forgotten it was available. It may also reflect a hesitancy among some young people to reach out for advice from a formal service. There is also evidence throughout the interviews of experiential learning about managing money. This includes young people reflecting on their spending, adjusting their spending and saving behaviour over time, and developing strategies through having money to manage. Where formal and informal support was accessed, it played a central role in guiding young people through the pilot, and some young people indicated they would have welcomed more structured financial guidance. The format and visibility of the financial advice may therefore warrant further consideration in future programme design.

Indeed, support was one of the main contextual factors (along with existing vulnerabilities, housing stability, local resources, employment opportunities, motivation) that determined whether and how the pilot worked for different people. The inclusion of this empirical analysis also led to a new pathway being added to accommodate recipients' impact on others. The revised theory emphasises that outcomes are highly context dependent, suggesting the effects will vary significantly across the cohort of recipients. This is a benefit of augmenting the initial theory with evidence from lived experience.

The second way this report closes off an aspect of the study is through following up 2 important groups of stakeholders to see how their experiences and perspectives have changed over time. Coupled with the interviews and focus groups we reported on in the first and second annual reports, this gives us a deeper understanding of how the pilot worked for different people involved and addresses the research questions: “How is the pilot experienced?” and “How does the pilot fit into the overall offer for care leavers in Wales?” Notably, it includes experiences of exiting the pilot and adapting to life on other forms of income (for recipients) and supporting this transition (for professionals).

This rich qualitative dataset provides several insights that are pertinent to both the current pilot and to other attempts to implement and research cash transfer schemes around the world.

## 6.1 "Real Freedom"

The analysis illustrates [Van Parijs' \(1997\)](#) observation that there is a difference between formal freedom (the right or theoretical ability to do something) and real freedom (the meaningful capacity to actually do it given sufficient resources). Care-experienced young people, who tend to have less of a financial or social safety net than their non-care-experienced peers, may have had formal but not real freedom because they often lack the resources to do things they would like to do. For many, the pilot engendered a genuine sense of freedom – making holidays, mobility, and leisure activities accessible for the first time, without depending on others. The pilot enabled care leavers to exercise meaningful freedom in ways many of their non-care-experienced peers take for granted through family support. The two important enablers here seem to be both the amount of the cash payments and the lack of conditions, which together gave them the means and the autonomy to obtain real freedom.

## 6.2 Conditions and unconditionality

The issue of conditions helps us understand a difference in how professionals and young people perceived the pilot. Recipients were often unclear about what the money was 'for' or what conditions it came with, whereas professionals favoured conditions and saw them as a vehicle for teaching care leavers important life lessons for the future (such as saving money, engaging with and demonstrating motivation for education, training, or employment). Both groups noted a need for more guardrails to ensure young people could be best prepared for their future. While young people we spoke to wished for this to be operationalised in the form of more oversight, accountability and guidance, professionals argued that the route could be through more conditions and behavioural requirements, that could have kept young people from using the money in ways that the professionals felt were unwise. This highlights long-standing tensions between promoting autonomy of young people and professional concerns about safeguarding, that to some extent remained unresolved by the end of the pilot. There is also some evidence that Personal Advisors applied a 'social contract' ([Van der Veen, 1998](#)) lens to the pilot. Put a different way, some felt that (a) young people should have to meet certain behavioural conditions in order to receive the payments, and that (b) conditions could help protect them from some of the negative consequences that arose from the pilot.

Regardless of the position one takes on this issue, there are questions about whether the professional advice and support was optimally designed. Some young people said they would have welcomed more structured financial guidance, though it is worth noting that low take-up of advice services does not necessarily indicate unmet need: it can be interpreted as evidence young people were managing well without it. There is also a broader point that people typically seek financial advice at crisis points rather than proactively, and that discussing money can involve stigma, particularly for those conscious of receiving support others have not been eligible for. That said, if future programmes aim to increase engagement with financial advice, a more structured approach, such as pre-arranged check-ins at key points, may be worth considering as an alternative to providing contact details and placing the responsibility on recipients to seek out advice."

### 6.3 The present and the future

Another area where professionals and young people diverged was in their focus on present versus future prosperity. Given the pilot targeted a relatively young group of care leavers, only just embarking on their early adulthood, it is no surprise that the issue of immediate and enduring benefits is in sharp focus. In this respect, there were two contrasting visions of the pilot and what it could achieve – one that prioritised immediate needs, such as improving current circumstances, relieving anxiety and increasing dignity, and another which viewed the payments more like seed funding for future success. We can be confident, based on the narratives offered by young people, that the pilot created myriad benefits for many recipients in the immediate and short term – both in terms of the goods and experiences they could afford to buy and the effects those brought, for example, reduced stress, increased autonomy, and dignity.

This near-term focus contrasts with that of professionals and policymakers, who often emphasised long-term outcomes. The stark deterioration in living standards for some after the pilot ended, illustrated through some participants' stories, suggests that present-day relief was valuable, raising questions about whether temporary support creates sustainable change or merely postpones hardship. A number of the things young people spent money on could be considered by others as everyday mundane items, which speak to the material deprivation and the absence of alternative support care leavers often face. Most professionals have questioned the choice of this cohort owing to their inexperience with money, the structural vulnerability they encounter, and what was considered a diminished capacity to 'make the most' of this support.

This begs the question: is temporary relief from disadvantage inherently valuable, or must interventions prove lasting impact to justify themselves? The case for the former rests on the notion that the state has a unique responsibility to care leavers, and that if a scheme such as the basic income pilot successfully alleviates their disadvantage – even for 2 years at a critical point of transition – then it has been effective. After all, proponents of this argument might contend, this achieves the policy goal of making opportunities for care leavers more comparable with those of the wider population, who typically have higher levels of support and financial means. Indeed, some of the more leisure and treat-based examples of spending can be rationalised in this way. However, others might counter this by noting that significant public funds should yield long-term benefits that might benefit society as a whole as well as the recipient group – perhaps through increased future tax contributions, or reduced reliance on welfare, use of prisons, hospitals and the criminal justice system. Nevertheless, without downplaying the importance of long-term effects, it would be a mistake to overlook the tangible short-term benefits many young people reported.

Either way, a missing part of this debate is how far short-term value translates to enduring impact, for the group as a whole (i.e. on average) or for individuals or subgroups within it. If it does translate to enduring impact, then the current/future issue might prove to be an artificial division. At this point we cannot answer this question for the current pilot, but our analysis of impact that is due to be published in 2027 will focus on this directly. Following the conclusion of the evaluation, with the support of Administrative Data Research Wales

(ADR Wales), anonymised data will be deposited in secure research environments where possible, including the SAIL Databank, to enable data linkage and further research on the long-term impacts of the pilot.

## **6.4 Life expanding and contracting**

Related to the discussion about current and future benefits, young people described the pilot period as one of expansion characterised by new possibilities and reduced anxiety, followed by a notable ‘contraction’ when they exited the pilot and these possibilities disappeared (for most participants). This underlines the contrast discussed above, but it also highlights the power of financial security even in the short term. It suggests that rather than being an instrumental lever for future prosperity, it has a more prosaic value in the present. From a policy design perspective, it reminds us of a crucial question of how long schemes such as this pilot should run for, and how they should be run with disadvantaged groups ([Baele 2013](#); [Howard and others, 2024](#)). A useful starting point might be to consider Stein’s ([2019](#)) observation that care leavers’ transitions to adulthood are “compressed” and “accelerated”, and ask how long a cash-based intervention would need to be to address this. This is a point we will return to in future annual reports.

Given how diverse the recipients of the pilot were, there is unlikely to be an optimal answer to that question for everyone. During the 2-year period it is clear some participants thrived and used the money to lay solid foundations for their future, pursuing education, savings, or employment. Others seemed less motivated to engage in work or education, or (in what appears from our sample to be a small minority of cases) found that vulnerabilities such as addictions or exploitation were exacerbated by access to additional income.

## **6.5 The pilot as part of an imperfect system**

The analysis in this and our previous reports shows that, rather than existing in a vacuum, cash transfer schemes are embedded in complex and imperfect systems. For care leavers on the pilot, and indeed all care leavers in Wales, the most pertinent systemic problems are in housing and employment. Young people reported applying for hundreds of jobs without success, and questioned the process used for reviewing applications as unfair and unjust. Housing shortages meant that while the pilot opened up new access to a wider and higher quality range of housing options during the pilot, some faced arrears, other debts, and other housing problems soon after they left the pilot. One way of viewing the pilot is therefore as a temporary patch on a challenged system and, in that context, one could argue its transformative potential is constrained.

However generous – and this pilot remains the most generous cash transfer scheme in the world to date – the pilot may have limited impact without complementary interventions addressing housing and employment opportunities. In this respect, the pilot inadvertently highlights the need for deeper policy shifts in how the state supports care leavers and other disadvantaged groups.

Housing warrants a particular focus, and this is an issue we intend to return to in more detail in the next annual report when we close out the analysis on implementation. In the meantime, it seems clear that the time-bound nature of the pilot delayed rather than

prevented housing problems for many young people, who could afford accommodation during the pilot period but faced arrears and debt when it ended, with some now in emergency accommodation or temporary housing. This shows that real change requires structural solutions to 'wicked problems' ([Alford and Head, 2017](#)) that can feel impossibly difficult to bring about. Without this, discrete interventions such as the pilot are at best temporary ways to manage disadvantage rather than addressing its root causes.

## Conclusions

The qualitative narratives that form the basis of this report illustrate some of the mechanisms through which change occurs and why outcomes are expected to vary across the cohort of young people who participated in the pilot. Many of the participants' accounts contain embedded counterfactuals, for example when they explained that without the money they could not have afforded the things they brought during the pilot period. At an individual level, this provides credible causal evidence, though it is inherently speculative because the counterfactual is imagined rather than experienced. The vast majority of those eligible for the pilot (97%; [Welsh Government, 2024](#)) enrolled, and most appeared to welcome the payments. Thereafter, experiences during and after the pilot varied substantially, depending on personal circumstances and individual contexts.

The narratives explain these contextual and individual factors vividly, including why autonomy matters, how dignity and reduced stigma is beneficial, and how reduced financial stress enables future planning. Likewise, these narratives give an insight into how the cash transfers may have had negative effects, or how systemic factors such as housing effects young peoples' choices and life chances. However, the quantitative outcome data (forthcoming in 2027) is needed to establish whether and how these perceived benefits and drawbacks translate into measurable changes. The outcome data will be collected through surveys and administrative records and cover recipients' wellbeing, financial literacy/security, community cohesion/engagement, poverty, employment and education, volunteering and life skills, and physical and mental health (Sanders and others, 2025). Economic analysis will also provide a cost-effectiveness perspective. It should be noted, however, that even by 2027 the evaluation will only be able to consider data on short-term outcomes and economic effects, and the longer-term impact will need to be measured in years to come as the recipients become older. The next two reports will focus more on impact, but longer term impact will need to be assessed beyond the timeline of this present evaluation.

This report has two main implications for policy and practice. First, it raises questions about how best to design support alongside cash transfers. Take-up of the financial advice service was low, though we cannot say for certain why this was. It may reflect the format of the offer, or it may indicate that many young people were managing independently. As noted above, there is some evidence of experience-based learning in relation to financial literacy. Where young people did want guidance, they tended to seek it out from their existing networks. This suggests that proactive or relationship based forms of guidance may be worth considering in future policy initiatives. Second, the stark contrast between life during and after the pilot raises questions about the duration and sustainability of such programmes. Although two years of financial security provided clear benefits for many recipients, the difficulties some faced upon exit raise questions about whether tapering the payments down would have helped smooth the transition, and – more fundamentally – whether time-limited pilots can create sustainable change without addressing underlying structural issues.

As the evaluation continues, we will build on this qualitative data from individuals with quantitative evidence to provide assessment of the pilot's impact at the policy level. The experiences presented here offer essential context for understanding not just whether the pilot worked, but how, why, and for whom. These are questions that remain central to informing future policy for care leavers in Wales and beyond.

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

1. Introductory exercise: All participants were asked to think of up to 3 words to describe the pilot or their experiences of it.
2. Views on the design of the pilot:
  - Care leavers as recipients
  - Age group
  - Amount of money provided
  - Length of pilot - 2 years
  - Unconditionality of Pilot
  - Future suggestions for design
3. Perceived effects of the pilot on,
  - Education, training and work and
  - Subjective wellbeing
  - Relationships
  - Financial literacy, savings and debt
  - Housing
  - Travel and recreation
4. Engagement with Support
  - Citizens Advice
  - Personal Advisors
  - Others (Family, carers, partners, friends, support workers)
5. End of the pilot
  - Communication about the end
  - Financial and mental preparedness
  - Transition to, and experiences of, Universal Credit (if applicable)
6. Concluding remarks
  - Reflections on what they would do the same/differently if they were to start again
  - Advice to governments and young people if the pilot were to be done again

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

1. Introductory exercise: All participants were asked to think of up to 3 words to describe the pilot or their experiences of it.
2. Perceived effects of the pilot for young people:
  - Positive effects
  - Negative effects
  - Reasons for differential outcomes for different young people
3. Perceptions of support provided to young people:
  - Any differences in the support provided during the pilot (for example, amount and nature of support)
  - Support provided towards the end of the pilot
  - Young people's engagement with support
4. Perceptions of the end of the pilot:
  - How the end of the pilot has gone
  - Young people's preparedness for the end of the pilot
5. Implementation:
  - Challenges and successes in implementation of the pilot
  - Communication with Welsh Government
  - Working with partners (for example, Citizens Advice, local authorities, housing providers)
6. Concluding remarks:
  - Asked to imagine how they would design a new basic income scheme (for example, payment amount, duration, conditionality)
  - Asked if the government were considering investing a similar amount in the future, how they would suggest they use it to support care leavers

## Annex C: Word cloud based on professionals' 3-word summary submissions at the start of the pilot



Description of the figure: A word cloud presenting the words used by professionals to describe the pilot at the start. The size of the word reflects the frequency with which it was used, with larger words used more often. “Opportunity” was used most frequently followed by “innovative”, “challenging”, “confusing” and “chaotic”.

Source: Evaluation analysis, Cardiff University, 2025.

## Annex D: Summary of the revisions made to the initial programme theory

	Causal pathway
Additional contextual factors:	
Recipients' existing vulnerability	5
Recipients' pre-existing motivation to engage in education, employment and training	12
Recipients' support network	5, 6 & 12
Recipients' placement stability	12
Pilot duration	8
Local housing availability	8
Funded healthcare services available	10
Additional mechanisms (responses):	
Recipients' reduced sense of difference to non-care-experienced peers	2
Recipients' increased spending on others	5
Edits to existing mechanisms (responses):	
"Spending time with family and friends" merged with "participation in meaningful activities"	1
Additional outcomes:	
effect of poverty for others	5
Additional links between existing components:	
Increased spending in the local community (mechanism: response) linked to improved wellbeing (outcome)	2
Increased access to transport (mechanism: response) linked to better access to the labour and education market (outcome) and participation in 'meaningful' activities (outcome).	7

Source: Evaluation analysis, Cardiff University, 2025.