

# **Written Response by the Welsh Government to the report of the Petitions Committee entitled A UBI pilot for Wales**

The Programme for Government 2021-2026 made a commitment to pilot the use of a basic income scheme in Wales.

The provision of a Basic Income can give people more control over their lives and have a positive effect on their mental health and well-being while contributing to tackling poverty and inequality. It can also encourage people to access training opportunities and allow people the space to become more involved in their community.

The purpose of the Basic Income pilot for Care Leavers in Wales is to try to give the young people in the pilot the best possible start to adulthood and make the transition out of care better, easier and more positive. The pilot will also test some of the claims made for Basic Income (including that it can encourage people to make longer term decisions that will ultimately lead them to better outcomes).

I would like to thank the members of the Petitions Committee for their report on a Basic Income Pilot in Wales. I am particularly pleased to see the Committee's recommendations are largely in line with our current and future plans. I have set out my response to the Report's individual recommendations below.

## **Detailed Responses to the report's recommendations are set out below:**

**Recommendation 1:** The Welsh Government should consider increasing the size of the pilot scheme to provide more robust data. This could be done by adding additional groups (as suggested in the petition).

### **Response: Accept in principle**

The pilot size has increased from the quoted 250 in the report to approx. 500-600. However, the cohort will still focus on care leavers. Participation will not be mandatory, therefore exact numbers will be unavailable until sometime after the pilot is underway.

Typically, actual and proposed trials in developed countries have been confined to relatively modest payments to limited groups which replace some, but not all, existing benefits.

It would be wrong to assume that by targeting the pilot on care leavers in Wales we would not be able to collect sufficient data to test the concept and stated benefits of a Universal Basic Income.

We hope that as well as learning about the cohort taking part in the pilot, the evaluation will provide valuable information about how the concept of basic income could apply to other similar groups and more widely across the Welsh population.

**Financial Implications** – None. Costs will be met from existing programme budgets.

**Recommendation 2:** An effective pilot scheme for care leavers should include care leavers from as diverse as possible a range of backgrounds, locations and circumstances.

**Response: Accept**

The pilot will be open to every care leaver in Wales who reaches their 18th birthday within a 12 month timeframe. Dates are still to be determined and will depend on a number of factors. We hope to be able to confirm a start date soon.

Although we know that statistically outcomes for looked after children are generally poor this does not mean that they are one homogenous group with the same experiences and aspirations. The cohort will include young people from a range of backgrounds, locations and circumstances.

**Financial Implications** – None. Costs will be met from existing programme budgets.

**Recommendation 3:** Payments must be guaranteed, unconditional, and paid to the individual (not the household).

**Response: Accept**

Payments will be guaranteed, unconditional, and paid to the individual.

**Financial Implications** – None. Costs will be met from existing programme budgets.

**Recommendation 4:** The pilot will be richer and produce more robust evidence if all relevant agencies are engaged in the enterprise. The Welsh Government should make every effort to persuade UK Government departments to support the widest possible pilot scheme.

**Response: Accept**

We are working with UK Government departments to develop the best possible pilot for care leavers.

We are also working with Local Authorities in Wales, advocacy organisations for care experienced young people, such as Voices from Care, Barnardo's and Llamau and other relevant stakeholders who can assist us in developing and evaluating this pilot.

**Financial Implications** – None. Costs will be met from existing programme budgets.

**Recommendation 5:** The evaluation of the pilot should:

- Be conducted by independent experts, with experience of working with care leavers and/or young people from similar backgrounds.
- Include a control group.
- Be on-going during the pilot, and at the end of the three-year scheme. There would also be merit in including an option in the evaluation contract for longer term follow-up of what happens to participants in the longer term.
- Attempt to capture any indirect savings (or costs) accruing as a result of the pilot.
- Consider all seven 'Wellbeing Goals' – specifically including mental health in the 'A Healthier Wales' goal.

**Response: Accept in principle**

The evaluation is being designed, specified, procured and managed by members of the Welsh Government's Knowledge and Analytical Services (KAS) and Government Social Research (GSR) profession. It will adhere to the five principles for social research in the Welsh Government, as agreed with Ministers in 2014. The evaluation will be procured via open competition and will include a specification that the contractor will need experience of working with care leavers and/or young people from similar backgrounds. In addition, the design of the evaluation will have input from the independent members of the Technical Advisory Group.

Evaluation will be a dynamic, continuous process for the life of the pilot and will enable changes to be made in response in real time.

It will not be a randomised control trial and there will be no control group within the eligible cohort in Wales. However, we recognise the value of having a comparator against which the impact of the pilot can be compared. Such a comparator involves a group of people who would not receive the income but apart from that were the same. The evaluation team is working with partners to identify an appropriate comparator group, taking into account the vulnerabilities of care experienced young people, as well as scoping what is possible methodologically.

It is proposed that the evaluation will consist of process / implementation, impact and value-for-money elements, drawing on both quantitative and qualitative methods. The intention is to provide a rich, insightful and multi-faceted evaluation. However it is worth noting at the outset that many of the longer-term impacts will take some time to manifest and so will not be possible to measure during the course of the pilot. The outcomes of the pilot are still under consideration but the wellbeing goals are being considered. We hope that by the end of this trial we will be able to produce a set of recommendations which will be relevant to both care leavers and other groups

who could potentially benefit. We also hope that the pilot will offer real-world deliverable ideas for financial wellbeing, emotional wellbeing, and pathways to education and employment.

**Financial Implications** – None. Costs will be met from existing programme budgets.