

Reaching crisis point: The story in Wales



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Executive summary

Each year since the Covid-19 pandemic and the start of the cost-of-living crisis, we have seen more and more people fall into crisis. In the first eight months of 2024 alone our advice services in Wales have helped over 25,289 people with a form of crisis support including the Discretionary Assistance Fund (DAF), food bank referrals, fuel vouchers, and Discretionary Housing Payments (DHPs).

Our latest research highlights a worrying new reality - that for many people, these crisis interventions are no longer a one-off form of assistance, but a recurring necessity just to stay afloat. Increasingly, crisis payments and support are now being built into people's budgets because without them they cannot afford basic essentials. This illustrates how the nature of being in crisis has changed: what was once an unexpected, short-term event in a person's life has now shifted to an ongoing struggle of not having enough money to heat homes or feed families.

Our findings show that current crisis support is being stretched to do a job it was never designed to do and although it offers a lifeline, it continues to fall short in addressing the needs of particular groups and those in severe hardship. For example, there are limits placed on most forms of crisis support, partly to ensure as many people as possible are able to access help; however, our evidence shows these restrictions can mean the level of support available is often insufficient to address the need. A lack of flexibility in eligibility criteria is also resulting in some people receiving help that's not appropriate for their circumstances.

Focus groups with frontline advisers and roundtable discussions with stakeholders show we are running out of tools to support people in this 'new normal'. To reduce the need for crisis support for everyday essentials and bills, broader policy reforms are needed. These include non-devolved responsibilities such as ensuring that benefit payments are at least enough to cover essential costs, raising the national minimum wage, strengthening workers' rights, secure and quality employment, and targeted energy bill

support.

These measures must sit alongside the Welsh Government's responsibilities to ensure affordable, warm homes and affordable childcare.

Until these policy changes are implemented, there will continue to be a need to maintain and strengthen a permanent crisis support scheme in Wales (such as the Discretionary Assistance Fund) to help people now and in the future. Not doing so will lead to greater long-term costs such as worsening public health and increased homelessness.

We are calling for the Welsh Government to:

1. Protect future funding for the Discretionary Assistance Fund and boost the allocation for the financial year 2025-26 in order to meet the rising need for this vital support.
2. Undertake a full review of the Discretionary Assistance Fund design, eligibility criteria and the value of awards to assess whether it is still meeting the needs of people in crisis and/or experiencing particular financial hardship.
3. Protect emergency style support for prepayment meter users who are at risk of disconnection from an energy supply, and for households living off-grid, as it is an essential part of the support structure in Wales.
4. Work with a range of organisations (including local authorities and the third sector) to improve data-sharing, building on and learning from referral systems already in place, so people in need receive the right help at the right time.

Further details on all our recommendations can be found at the end of this report.

Understanding crisis support in Wales

Emergency and crisis support has long been a part of our wider financial support system. As far back as 1988, the Department for Work and Pensions (DWP) introduced Crisis Loans to help people with essential costs after an emergency or disaster, such as a fire or flood in their home.

In April 2013, following a whole range of reforms to the social security system by the UK Government, responsibility and funding for Crisis Loans (and Community Care Grants) was devolved. This led to the Welsh Government establishing the Wales-wide [Discretionary Assistance Fund](#) (DAF).

Similarly to the type of support it replaced, the DAF was designed to provide financial support to people in crisis situations or suffering particular hardship. Instead of doing this through a loan, it provides two types of grant: non-means tested Emergency Assistance Payments (EAPs) to help with essential costs such as food, energy or travel; and means-tested Individual Assistance Payments (IAPs) to help people to remain, or begin, living independently in the community through the provision of certain white goods and furniture.

Other crisis interventions have also been available for decades. Trussell opened its first food bank over 20 years ago, while Discretionary Housing Payments (DHPs) were first introduced in 2001, to help people in vulnerable situations who needed additional assistance with housing costs.

However, the cost-of-living crisis, on the back of the Covid-19 pandemic and a decade-long deterioration of living standards, has meant the need for this form of support has grown exponentially. In recent years we've seen a huge rise in food bank use, issuing of fuel vouchers, and a heavier reliance on DAF EAPs and DHPs than ever before.

To help mitigate the impact of the rising cost of living the Welsh Government has invested in a range of specific crisis support interventions over the last 3 years. Maintaining additional funding and flexibilities for the Discretionary Assistance

Fund (that were brought in during the pandemic), the creation and expansion of a Wales Fuel Support Scheme (WFSS), as well as funding for fuel vouchers/ support for off-grid households and 'warm hubs', all of which have helped to provide vital support to many people when they needed it the most.

As significant budgetary pressures continue, national and local governments are facing more and more difficult decisions. Subsequently, some of this support has now stopped or been reduced, while the future funding of other interventions, including the DAF, remains uncertain.

While some aspects of the economy may have improved in recent months, the reality for hundreds of thousands of people across Wales is that paying essential household bills continues to be a real struggle, and it is likely to stay that way for many months to come. Given the situation we now find ourselves in, **is the current emergency support system still 'fit for purpose'?**

The overall aim of our latest research is to assess the current and future role of crisis interventions within the wider support system for people facing hardship and destitution in Wales.

The findings included in this report are based on insights from our client data and client stories, focus groups with over 20 frontline advisers and a roundtable discussion with external stakeholders. The latter were conducted during June and July 2024.

A rising tide

Adviser, South Wales

'People are going from crisis to crisis and they are in survival mode continually'

In Wales, the demand for crisis support has reached unprecedented levels¹. Comparing the first 8 months of 2022 and 2024, our local Citizens Advice offices have seen a 17% rise in the number of people coming to them in crisis situations.

This upward trend does not seem to be slowing down:

- ❖ In the first 8 months of 2024, we referred 14,728 people to a food bank², a 14% increase on the same period in 2023. Over a third (37%) had been helped with a food bank referral before.
- ❖ In 2023 we helped 8,559 people with a fuel voucher and 5,996 people in the first 8 months of 2024.
- ❖ We have helped 22% more people with a Discretionary Housing Payment since this time last year.
- ❖ The number of people coming to us for DAF applications or issues has risen significantly, reaching 6,837 people by August 2024, up 40% since the same point in 2023.

These findings were echoed by our advisers who stated they had seen a substantial increase in the numbers of people coming for crisis support since the pandemic. For example, advisers report seeing high numbers of people needing a food bank referral every day and, despite warmer weather over the summer months, some are still issuing up to 8 fuel vouchers a day. They also noted a concerning trend that people are now facing deeper levels of hardship than before, with their situations becoming increasingly complex.

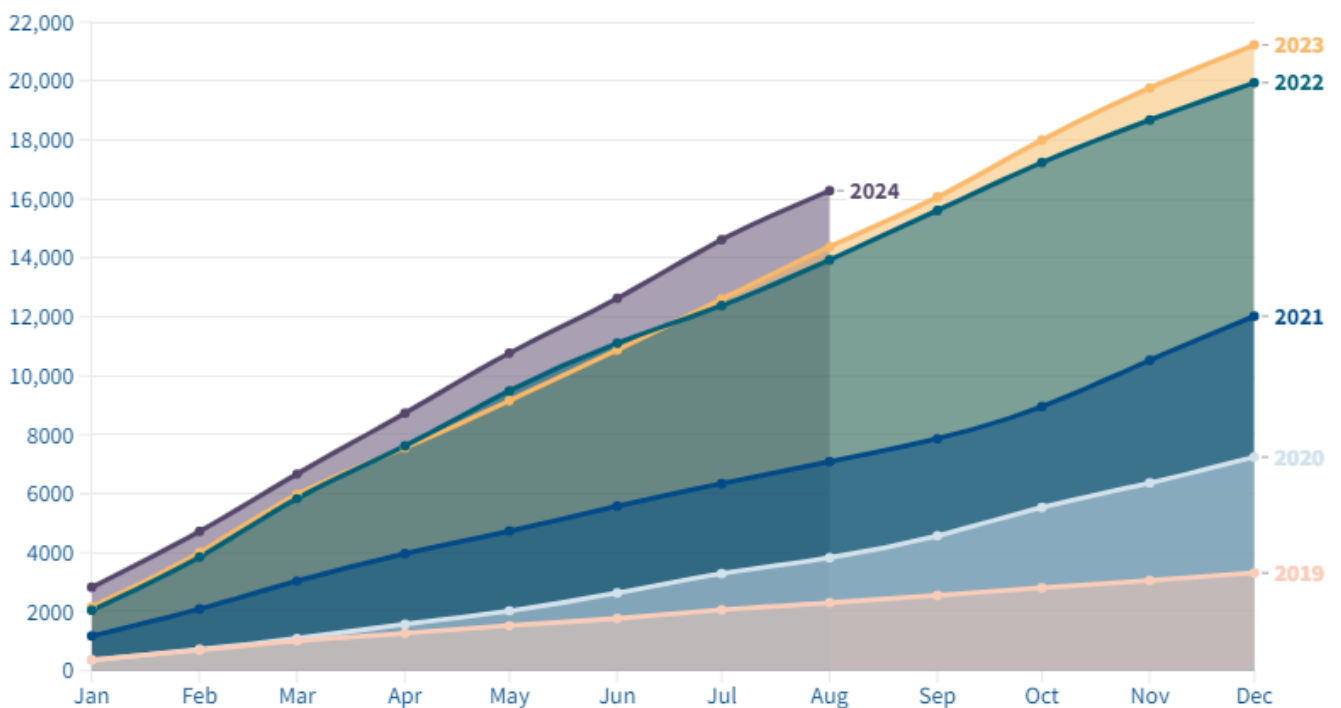
¹ It should also be noted that since the pandemic new and/or stronger referral mechanisms have been developed between Citizens Advice and other organisations including Trussell and the DAF, therefore this will have also had an impact on numbers

² Due to the nature of our Help Through Hardship project, our local offices in Wales refer people living in Wales and England to food banks.

Adviser, South Wales

'Before the covid pandemic we used to see maybe 20 foodbank cases a week, now we are seeing at least 20 a day'.

Figure 1: The number of people helped with charitable support or a food bank referral through our advice services in Wales

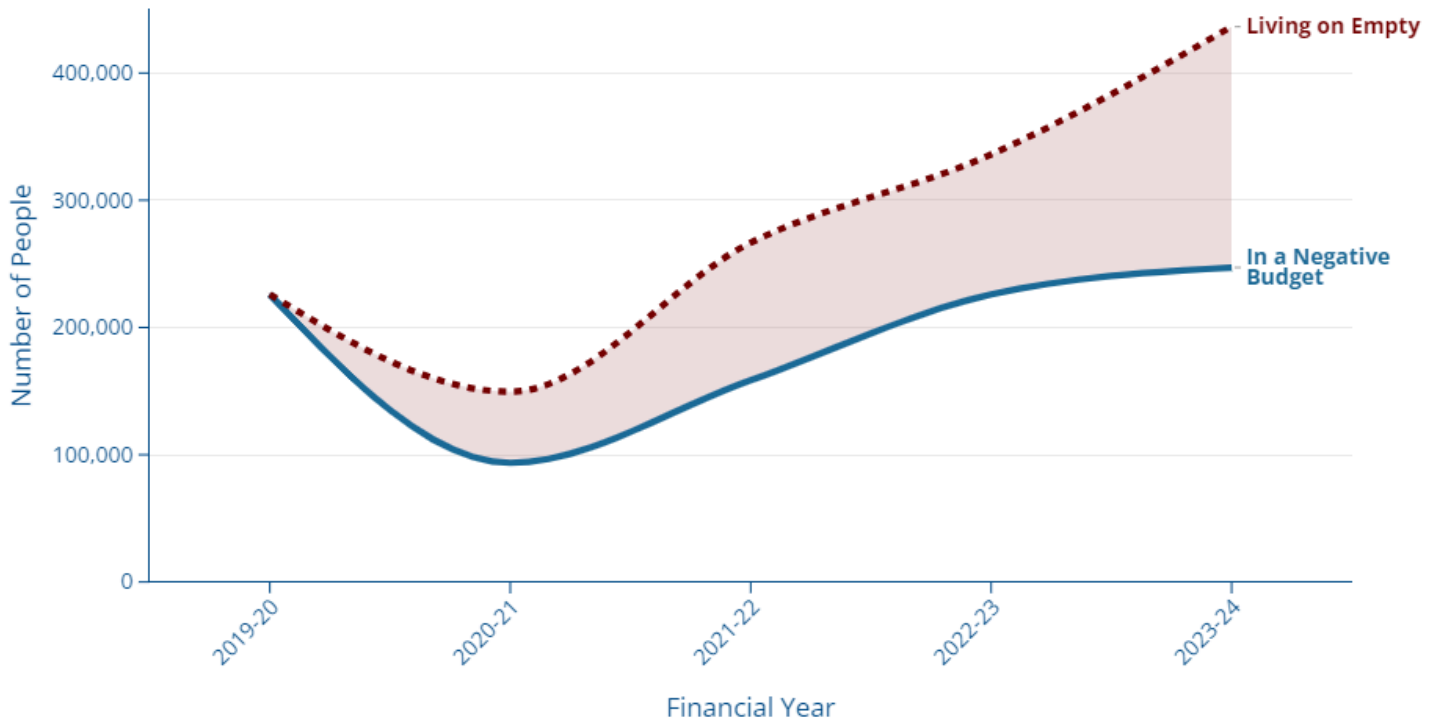


Living on empty

This rising tide of need for crisis support shows no sign of stopping. The people coming to us simply do not have enough money coming in to cover their essential costs. This is particularly true for our debt clients, half of whom are now living on a negative budget, but the pressures are felt across all households in Wales. Analysis outlined in our National Red Index³ shows a staggering 250,000 people in Wales are living on a negative budget, while a further 436,000 are only making ends meet by cutting their spending back to unsafe levels.

³ [The National Red Index: how to turn the tide on falling living standards](#)

Figure 2: Number of people in Wales avoiding a negative budget by cutting back on essential spending



Adviser, North Wales

'I guess there will always be crisis situations like a loss of job, but a lot of the people accessing support are not in one of these situations, they are simply struggling to survive on low incomes'

Advisers outlined several key factors driving the increasing demand for crisis support, including overall benefit levels being too low, support not covering essential costs like rent, benefit deductions, and people not having any money while waiting for a benefit decision. As a result, more and more people are finding themselves in crisis, relying on third-sector organisations.

Trussell

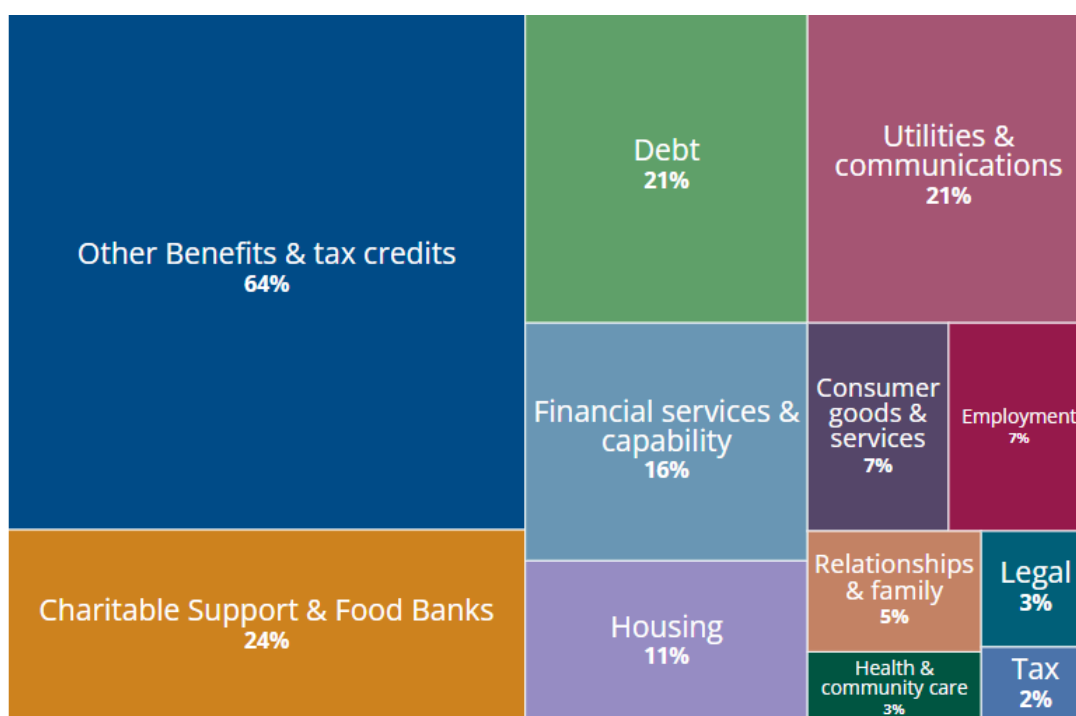
'So much of it [the drive for food bank use] is to do with social security, housing and mental health. They are the big three.'

Pressures from all sides

Furthermore, our data shows that the demand for crisis support is happening against a backdrop of people needing advice on various other issues. This shows the complexity of people's situations and the interconnectedness between being in crisis and having longer-term problems.

The below chart shows the percentage of clients who came to us last year for advice on Universal Credit (UC) as well as another issue. It shows that almost a quarter of these clients (24%) needed charitable support or a food bank referral, a trend that was also mirrored in clients who came to us for advice on Personal Independence Payment (PIP) and other issues. Our data shows that the most common debt areas for these clients are: council tax arrears, energy debt and water debt.

Figure 3: For our clients who came for advice on Universal Credit, this chart shows the proportion who needed advice on other advice issues



This demonstrates how many people coming to our services needing crisis support, particularly those reliant on benefits, simply do not have enough money to make ends meet. The findings are supported by a recent survey by Trussell which found that 70,000 people claiming Universal Credit in Wales have needed to use a food bank in the last 12 months⁴.

Further, of the people who came to us for charitable support or a food bank referral last year:

- ❖ 36% needed advice on energy issues including affordability
- ❖ 32% needed advice on PIP
- ❖ 23% needed advice on maximising their income including benefit entitlement
- ❖ 13% needed advice on energy debt
- ❖ 11% needed advice on council tax arrears

This reflects the efforts our advisers make to maximise people's incomes through in-depth debt and budget advice. But, as most advisers said throughout the focus groups, whilst the advice they give can be life changing, it is not always enough to pull people out of being in a negative budget or crisis situation.

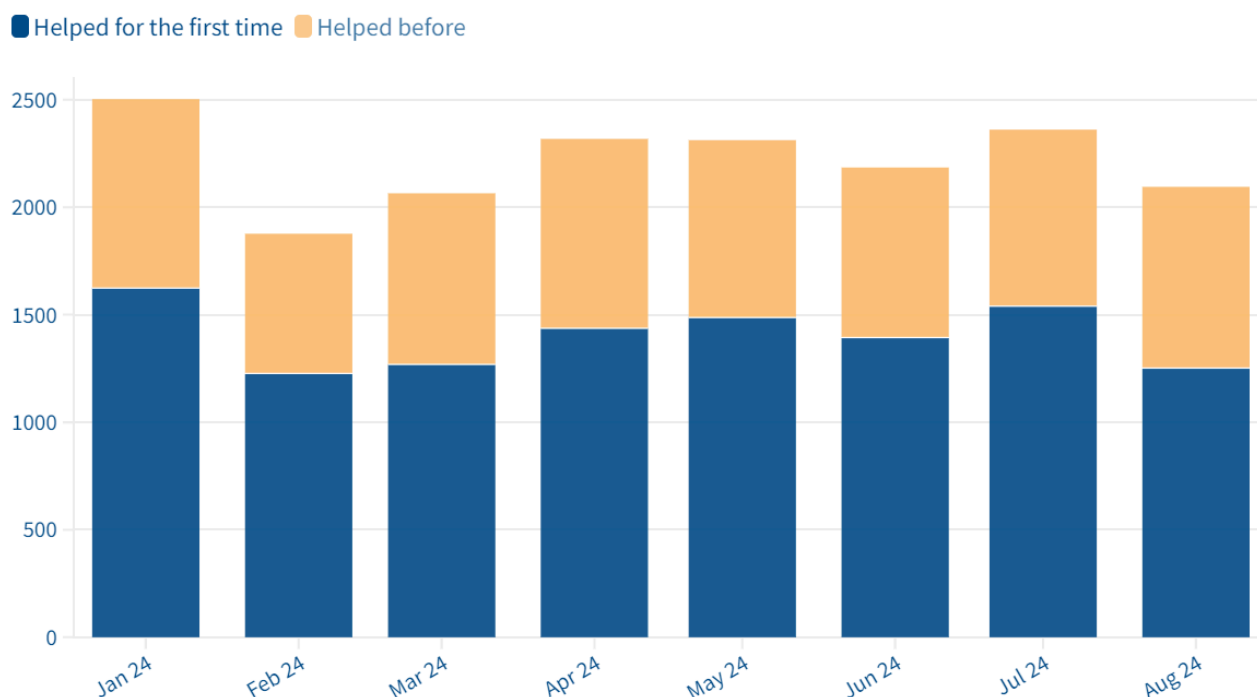
The new normal

A cycle of crisis

Throughout our focus group sessions, advisers consistently highlighted that crisis support has evolved into a 'new norm' for many of their clients. Advisers expressed that they often see the same people again and again coming for crisis support, a disheartening sign for frontline staff that interventions can only go so far and more substantial change is needed to lift people out of long-term hardship. For example, this August, our local offices saw 1,252 clients who needed a food bank referral for the first time, and 843 clients who needed another food bank referral having already been helped before.

⁴ The Guardian, [Most working families on Universal Credit struggle to buy essentials](#), September 2024

Figure 4: The number of people in need of a food bank referral for the first time or as a repeat client by month



Our research also revealed a significant shift in the demographic profile of those seeking crisis support for the first time. Advisers are now assisting individuals who, just five years ago, would not have required such help. For example, advisers stated that more pensioners and people who once had savings, are now walking through the doors of local Citizens Advice offices needing help for the first time. This combination of repeat and new clients is driving the wave of crisis support.

Often people also need more than one kind of crisis intervention each time. Most advisers agreed that when a person needs a fuel voucher they often need a food bank referral in the same appointment. In 2023, 1 in 4 (26%) of the people who came for a food bank referral also needed a fuel voucher referral and 1 in 5 (21%) also needed help with the Discretionary Assistance Fund (DAF). These insights were also mirrored in the roundtable discussion.

Adviser, South Wales

'We are seeing so many repeat clients, the longevity of support is unsustainable'

National Energy Action

'There are low income and vulnerable households in very deep difficulty. Our advisers are dealing with increasingly complex cases, which highlights the need for support to be made available for these households too'

Attitudes towards crisis support

Interestingly, our advisers observed that attitudes towards asking for and receiving help have changed significantly since before the pandemic. Specifically for repeat clients, advisers agreed that there is less stigma attached to needing support, but the picture remains more complex for new clients.

This shift in behaviour was attributed to multiple factors, including the rise of supportive communities formed by individuals in crisis, where information about available forms of crisis support is actively shared. As a result, advisers noted that many people have more confidence when asking for support and know exactly what they are entitled to. The emotion attached to needing crisis support remains though, particularly for new clients which advisers said often felt like they had reached the end of the line.

Adviser, South Wales

'I do see a lot of people who are very emotional and kind of find us to be the end of the line for them'

Unequal pressures

Crisis situations can hit anyone at any time. As previously mentioned we are now seeing people who have never needed crisis support before however, there are particular groups that our data suggests are needing crisis support more often than others. For example, of the 87,375 people helped with crisis support in Wales since 2020:

- ❖ 60% had a long-term health condition or disability
- ❖ 74% were single adult households including single parents
- ❖ 53% lived in social housing

Other groups of people identified throughout the focus groups and roundtable discussions include prison leavers and international students who remain particularly vulnerable to the high costs of living.

People who are disabled or have a long-term health condition

Our research indicates that people who are disabled or have a long-term health condition face a disproportionate need for crisis support, with this need growing starkly in recent years. With disabled people being almost three times as likely to live in material deprivation compared to the rest of the population⁵, and further evidence confirming the often devastating impact the cost-of-living has had on disabled people⁶, the link between having a long-term health condition and needing crisis support is clear.

Our recent report outlines how disability benefits are not working for disabled people.⁷ With average waiting times for PIP peaking at 6 months and remaining high at 15 weeks⁸, our advisers stated that they are seeing more and more people needing crisis support that have also applied for PIP. For example, last year 6,582 people in Wales who needed some form of charitable support (including food banks) also received advice on PIP.

⁵ Scope, [Disability Price Tag 2023: the extra cost of disability](#), 2023

⁶ Disability Wales, [Barely Surviving: The Impact of the Cost-of-living Crisis on Disabled People in Wales](#), July 2023

⁷ Citizens Advice, [Disability benefits: lessons from the front line - Citizens Advice](#), June 2024

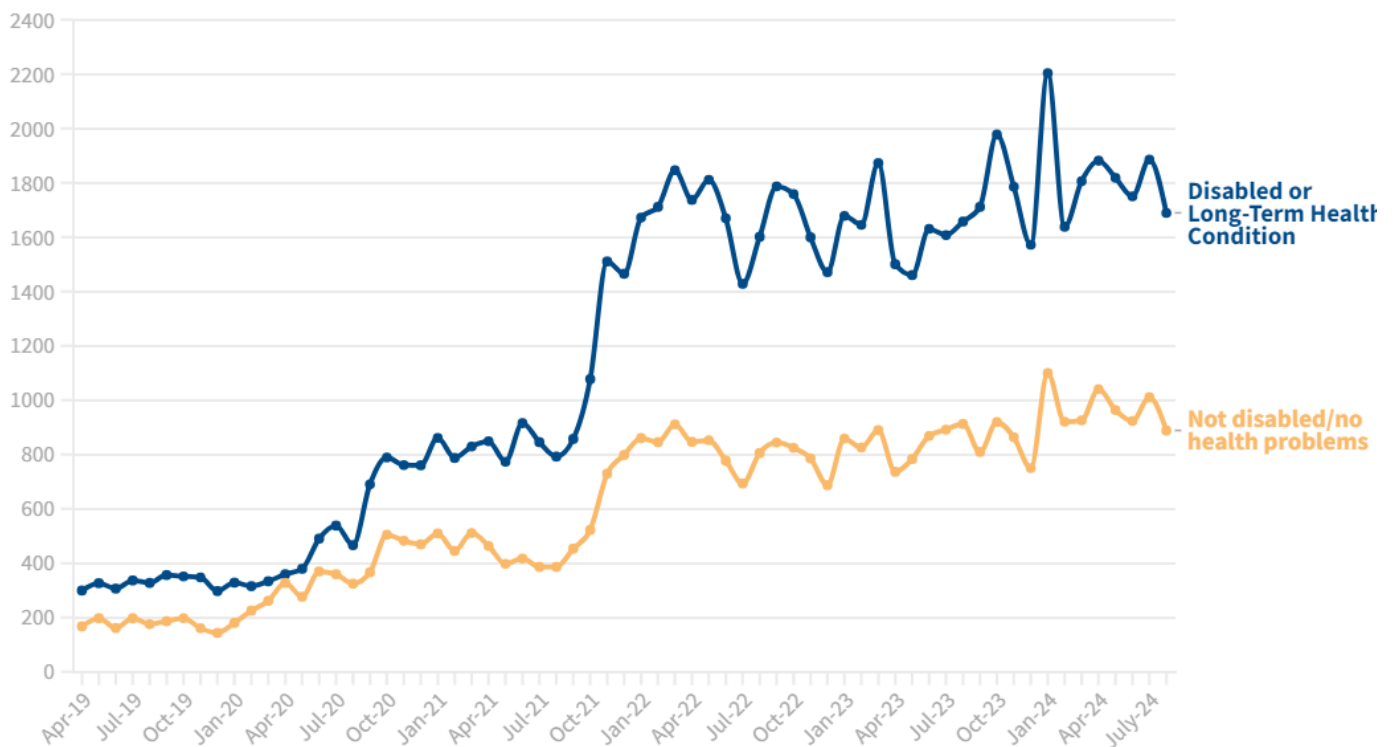
⁸ [Personal Independence Payment: Official Statistics to January 2024 - GOV.UK \(www.gov.uk\)](#)

Additionally, the relationship between mental health and poverty has been well [established](#)⁹. Our data reveals that more than a quarter of clients with a mental health problem needed help with a food bank referral last year.

Mind Cymru

'Those with a mental health problem are more likely to be in problem debt...it's a vicious circle of debt and mental health'

Figure 5: Breakdown of the people we help with crisis support in Wales who have a long-term health condition or disability



Note: Crisis support includes food banks, other charitable support and the Discretionary Assistance Fund

⁹ [MIND reveals mental health toll of cost-of-living crisis](#), October 2023

Single adults and social tenants

Our data also reveals that single adults, particularly those with children, are most often in a strained financial situation compared with couples. For example, of the people we helped who were behind on household bills last year, 35% were single adults with children. Further, of our debt clients in 2023, single adult households had a monthly surplus of less than £0 on average compared with couples who had a monthly surplus of over £40.

Table 1. Comparing the financial situation of single adult households and couples in 2023 using data from our debt clients.

Type of household	% living in a negative budget (2023)	Average monthly surplus (2023)
Single adults	48%	-£0.97
Single adults with children	48%	-£7.66
Couples	44%	£42.18
Couples with children	43%	£45.05

Social tenants were also identified as a group that were in particular need of crisis support. So far in 2024, 47% of our debt clients that live in social housing are living on a negative budget, meaning they have more essential spending going out than they have coming in.

Adviser, North Wales

'Families with younger children and single people, especially the younger ones, are often on such a low income and in difficult situations'

Dylan's* Story

Dylan is a single adult living in social housing in North Wales. He came to his local Citizens Advice office needing crisis support as his income of £270 a month is not enough to meet his essential needs. Suffering long-term mental and physical health conditions such as PTSD and epilepsy, Dylan is a repeat client who has already exhausted the number of DAF payments available to him. Our adviser was able to help Dylan with a PIP application, but as he waits for the outcome of this Dylan is forced to rely on crisis support to get him by.

**Name has been changed to protect the client's identity*

Are crisis interventions in Wales meeting the need?

Adequacy of current crisis interventions

We know that households continue to face overwhelming financial pressure. The purpose of crisis support, like food bank vouchers, is to provide immediate and temporary relief to individuals or families facing urgent financial hardship. It helps cover basic needs, such as food, during emergencies, offering a safety net in difficult times.

During the roundtable discussion, stakeholders agreed that support should aim to maintain well-being and offer a safety net during challenging times. Through the discussions with our frontline staff and external stakeholders, we sought to determine whether current crisis interventions genuinely meet the needs of the most vulnerable.

Keeping people afloat

Whilst this report goes on to discuss the limitations and barriers of current crisis interventions, it is also important to note the vital role crisis support is playing in keeping people's heads above water in Wales. Without this support, people would be in far worse positions.

In 2023/24 alone:

- Trussell distributed 187,400 food parcels in Wales¹⁰
- The Discretionary Assistance Fund (DAF) provided 244,675 payments (including both EAPs and IAPs)¹¹.

In the focus groups, our advisers reflected on a scenario where the DAF was no longer available, and said the thought was deeply concerning. The positives of having a permanent nationwide crisis support scheme, unlike in England¹², were clear, with advisers highlighting the need to protect the 'safety net' that the DAF

¹⁰ Trussell, [Emergency food parcel distribution in Wales 1 April 2023 to 31 March 2024](#)

¹¹ Welsh Government, [Discretionary assistance fund: January to March 2024 \[HTML\]](#) | GOV.WALES, May 2024

¹² Citizens Advice, [Where next for the Household Support Fund?, September 2024](#)

provides people across Wales.

Adviser, South Wales

'In the grand scheme of things DAF is only a small amount of help for our clients but it is still a lifeline and it needs to be protected. It's quite worrying, the thought of not having DAF'.

Our client stories show how DAF EAPs can be used to address an immediate crisis for some people, as in Morgan's story who unexpectedly saw his benefit payment taken by his bank to pay off his overdraft:

Morgan's* Story

Morgan came to his local Citizens Advice after his online bank used his benefit payment to pay off his overdraft. As a result, Morgan had no money left for the month and after contacting the bank who refused to reinstate his money, Morgan could not buy food or pay his rent shortfall. Our adviser was able to help Morgan with a DAF EAP and a food bank referral which ensured he could afford the essentials he needed until his next payment came through.

**Name has been changed to protect the client's identity*

Additionally, our advisers in rural Wales gave positive feedback on the Fuel Bank Foundation (FBF) Heat Fund and use it regularly to help their clients living off-grid with fuel support.

Adviser, North Wales

'Our energy team uses the heat fund regularly. They recognise some of the administrative challenges with it, but their view is that it works well and is beneficial for a few different reasons, as compared with DAF.'

Some advisers highlighted the benefits of the FBF Heat Fund in responding to the needs of rural communities and, like DAF, providing a lifeline of support. Several reasons were given for this:

- ❖ The Heat Fund allows applications for solid fuel such as wood and coal. With solid fuel being common in rural areas this was seen as a big advantage.
- ❖ As the Heat Fund payments are made directly to the suppliers, it removes any concerns about possible abuse, fraud or mispend.
- ❖ Although the application is more rigorous, it is common for rejected applications to be easily appealed and even with an 'appeal', the support is still provided within 24 hours.
- ❖ If a household has applied to DAF for off-grid fuel support it will limit the availability of future EAP applications for that client, if needed for non-fuel related problems.

Falling short

Participants agreed that while these measures are essential, they only provide a temporary solution to long-term problems. Advisers acknowledged that crisis support is not intended to address enduring hardship or poverty. However, in the current financial climate, they stressed that for some people, existing crisis support falls short of even offering temporary relief from hardship.

For instance, one adviser referred to the amount of money received in a DAF EAP as not enough to cover even a week's worth of food. From April - June 2024, the value of the average EAP (Emergency Assistance Payment) varied between £79 for those aged 16 to 29 and £77 for those aged 70 and over.¹³ This argument that the amount of money awarded can be inadequate for most forms of current crisis was echoed in the roundtable.

EYST Wales

'You have to measure what is on offer with the current climate because everyday costs have gone up, so even the amount you are getting for a client it just isn't feasible and that's why people are coming back on a regular

Adviser, South Wales

'In the short-term crisis support papers the crack. Advisers give out crisis support but it's not solving the route cause of what is making people rely on crisis support'

¹³ [Discretionary assistance fund: April to June 2024 \[HTML\] | GOV.WALES, July 2024](#)

Similarly, advisers noted that, whilst very welcome, off-grid support offered through the DAF (£250) fell short of the minimum order amount for oil, meaning that some off-grid clients were unable to order fuel despite this support. The Heat Fund payment, however, is up to £500 which they highlighted was more likely to cover a minimum order of oil.

Limits on support

When the Discretionary Assistance Fund (DAF) was first introduced people were able to claim up to 3 Emergency Assistance Payments over a 12-month period, with the time between payments being set at 28 days. During the pandemic, additional flexibilities were built into the system and the number of payments people could receive in 12 months increased from 3 to 5, with the minimum gap between payments shortened from 28 days to 7 days. In April 2023, the Welsh Government revised these limits, bringing the number of EAPs someone could apply for back to 3, but maintaining the minimum gap at 7 days.

Our research highlights how the latest reduction has significantly impacted those in crisis situations. Although most advisers understand the need for limits, due to finite funding and resources, they are increasingly encountering individuals who have exhausted their DAF payments and are left with few other options of support.

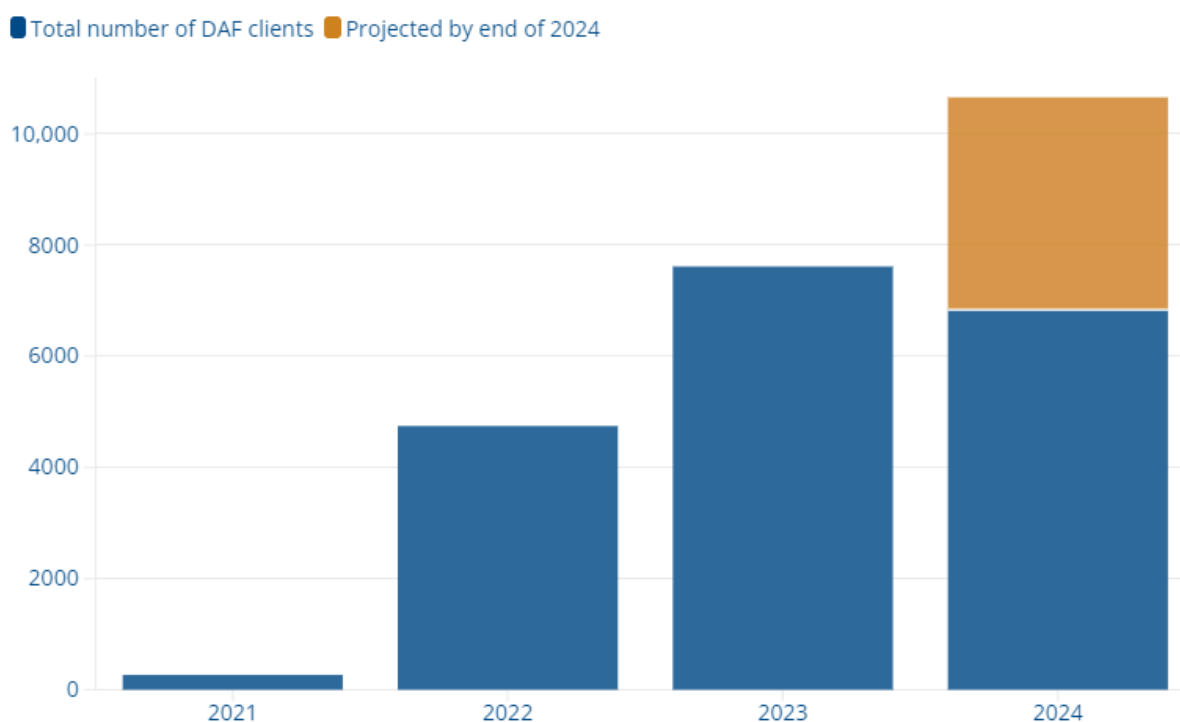
Our client data shows that the number of people we see coming to us for DAF has increased by 40% since this time last year. Our focus groups suggested this increase could be due to various reasons such as:

- ❖ **An increase in process and application issues with DAF:** Advisers have seen a particular increase in people coming to them for supported applications, as requested by DAF to avoid fraud. However, most advisers agreed this was often not necessary and instead delayed payments to people in genuine need. Reviewing client stories gathered from our local

offices shows this as an issue across Wales, with 53% of evidence forms¹⁴ that advisers submitted from April-June this year highlighting process and application issues with DAF as a problem.

- ❖ **An increase in applications being rejected:** A number of advisers felt the DAF application process is becoming stricter. This has led to more people coming for help to understand why their application may have been rejected and to help appeal the decision.
- ❖ **Lengthy appeals process:** When a client is denied a DAF payment and not told why, it can be a long process in getting that decision appealed which ultimately causes a delay in the client receiving the emergency payment.

Figure 6: The number of people helped with the Discretionary Assistance Fund in Wales to date and projections until the end of the year.



Data is for Wales. Data is from Local Citizens Advice offices. Note that the Discretionary Assistance Fund was only recorded as specific issue codes in our data from 2021.

¹⁴ Evidence forms are submitted by Citizens Advice advisers when they have identified a particular issue that multiple clients are often experiencing. They are based on client case notes and are regularly used in our policy work.

Whilst it was emphasised that DAF EAPs provide people with a key lifeline in a crisis situation, there remains some significant barriers with ensuring people in need get their payment granted as soon as possible, without the stress of having to visit a third party organisation for help with appealing application decisions.

Emily's* story

Emily has submitted an application for a DAF EAP on three separate occasions, each rejected because she does not have a secure address. Emily is homeless and needs money urgently to travel to doctor appointments and buy food. Our adviser was able to help Emily with a supported application but flagged this as a concern as Emily had to wait for a payment when she was in a time of most urgent need.

**Name has been changed to protect the client's identity*

Accessing crisis support for someone who has already reached their limit of vouchers or payments can be difficult. For example, after a person has used their three fuel vouchers or food bank referrals in a six month period, frontline staff are able to use an 'override' pin to allow someone to have more support. In the focus groups, advisers highlighted this as a benefit to the client as they were able to access more fuel and food support in times of urgent need. However, it was also flagged that this places an additional responsibility on frontline staff to decide whether a person gets more help than the suggested limit of support, which they described as unfair and stressful.

Access to current interventions

Meeting the needs of specific groups

Our research identified specific groups that face significant barriers when accessing DAF, food bank referrals, fuel vouchers, and DHPs. For example, frontline staff in rural Wales highlighted that digital exclusion in their areas hindered access to these interventions. Notably, advisers mentioned that even younger age groups struggled with tasks like using email and applying for help via forms online, making it difficult for them to access crisis support without

help. These arguments around digital access were mirrored by organisations in the roundtable discussion, with some stakeholders stating that information on what crisis interventions are available/how to apply are predominantly online.

Nathan's* Story

Nathan visited his local Citizens Advice office in South Wales because he was struggling to afford food and energy until his next benefit payment. Nathan tried applying for a DAF EAP but because he does not have a mobile phone or access to email, he was told by DAF that it was not possible to issue him a voucher. Our adviser noted that this had exacerbated Nathan's already vulnerable position and provided him with a food bank referral until the issue could be resolved.

**Name has been changed to protect the client's identity*

We welcome the work being undertaken to develop a Welsh Minimum Digital Living Standard¹⁵, and hope this will help the Welsh Government and others to better understand the impact of digital inequalities on people and communities across Wales, and how best to overcome them.

In terms of physical accessibility, we heard public transport and buildings themselves are often a barrier to disabled people trying to access spaces where crisis support is available. On top of this, those with a long-term health condition or disability are still impacted by Covid-19 with many still nervous to go out in public spaces due to their vulnerability.

Disability Wales

'One of the big issues that needs to be highlighted is that many disabled people are still living in fear of going out and mixing with the general public due to their health conditions'

Additionally, our client stories and adviser discussions show that the 'one-size

¹⁵ Welsh Government, [Towards a Welsh Minimum Digital Living Standard: final report \(summary\)](#), February 2023

-fits- all' approach of current crisis interventions often overlooks the unique needs of specific groups. For instance, families with autistic children may require more tailored support, while individuals from certain ethnic backgrounds may need culturally appropriate provisions, such as halal food.

Adviser, South Wales

'I've actually had quite a lot of people mention that families who have children who maybe have autism are struggling to use the food banks because the food that is provided just don't quite meet what their children are able to eat .. that's not a reflection on the food bank, it makes you think what is the alternative for them'

EYST Wales

'We can't just refer ethnic minority clients to any kind of food banks because of the nature and type of resources they have which might not be culturally appropriate.'

Rigid rules

The EAPs are not the only element of the DAF that has changed. Over the last year (since October 2023) a number of changes have also been brought in to the type of white goods available under the IAP element, some of which link to the size of the household in need.

These changes have been introduced to help ensure the best use of the finite budget available, at a time of increasing demand, as well as providing items that are considered more portable and/or more energy or cost efficient to use. All of these are important considerations. However, evidence gathered during our research highlights that the rigidity of these new requirements, particularly the changes to fridge/freezers and cooking bundles, is leaving some people without the items that are most suitable to their needs, or even in a worse situation than they were in before. This is especially true for some of our clients living with a long-term health condition or disability.

Sam's* Story

Sam was awarded a fridge with an ice box as part of his DAF IAP instead of a fridge freezer because he lives alone. However, due to his health conditions

Sam cannot cook and relies solely on pre-made meals which he has to freeze. As he cannot get out of the house often, approximately once or twice a week, the ice box is insufficient in meeting Sam's need of storing a large number of pre-made meals at one time.

**Name has been changed to protect the client's identity*

Furthermore, DAF IAPs no longer replace broken items, however advisers noted an inconsistency with this as some clients they help are able to get a replacement for a broken item and others are declined. Whilst for some, the white goods offered in a DAF IAP are sufficient, our advisers argued that more flexibility was needed for people who have more complex circumstances.

Awareness of current interventions

Advisers stated that knowledge of what crisis interventions do and how they can help is widespread. Clients now seem more aware than ever of what support they can get and how many payments or vouchers, for example, they are entitled to. As outlined above, people who are struggling are sharing more information within social circles or communities around available support.

A review of local authority websites in Wales also indicated that every council provides some information about available crisis support for those struggling financially, although as previously discussed this does not meet the needs of those with digital exclusion issues. Many of the 22 local authorities have sections on their websites dedicated to housing support, food banks, DAF and referrals to third party organisations. In this sense, lack of awareness does not seem to be a key barrier for people who are digitally able to access crisis support. However, despite this boost in awareness of crisis support since the pandemic and cost-of-living crisis, there will always be some people who are not aware or think they are not eligible for certain types of support.

Even when a client knows exactly what they can get to support themselves, it still does not go far enough in ensuring they won't need to come back for crisis support in the future. This links back to insights around repeat clients and the short-term nature of crisis support with many advisers arguing that even when someone has done everything they possibly can to maximise their incomes, it

still is not enough.

Adviser, South Wales

'It can be quite deflating to have to say to someone there's nothing else available. Or, I think maybe frustration is the right word. They may be trying everything they can to address their situation and yet every month still they're not making ends meet. .. it can be sad to kind of just see them struggle and not really be able to do anything about it'

Rising pressure on the third sector

The increasing financial hardship experienced by individuals and families across Wales has also placed an immense pressure on third sector organisations who support people. They are often the first port of call in crisis situations. As the demand for crisis support surges, organisations are having to meet growing needs with limited resources. In a recent survey, Building Communities Trust found over half of community organisations in Wales reported that demand on their services had increased, whilst their income decreased¹⁶.

Discussions during our roundtable revealed the solemn picture that the safety net provided by the third sector is beginning to fray. We heard from organisations whose funding has been reduced, as well as overstretched staff dealing with an overwhelming number of clients. This was also a key theme that came out of the focus group discussions, where advisers spoke of the impact of rising crisis support needs on their own mental health. Advisers used the words 'deflating' and 'frustrating' to describe situations where they have done everything they can to help someone and yet every month they are still not able to make ends meet.

The impact financial pressures are having on the third sector's ability to support clients in need cannot be underestimated. Looking at a particular example, the Discretionary Assistance Fund mainly operates through an approved partner network. On the positive side, this enables the majority of people to have support in applying to the Fund, and helps to reach those in the most need. However, this also places an over-reliance on third-sector partners to handle complex cases, without providing them with sufficient resources to do so. As a result, the ability of these organisations to work with other clients is depleted and frontline staff are being increasingly stretched.

There are proven benefits of formally integrating wider support into crisis interventions. For example, there is strong evidence from both the Standard and Enhanced DAF Project Pilots¹⁷ that being referred into Citizens Advice services

¹⁶ Building Communities Trust, Beyond Essentials: Community Responses to the Cost-of-Living Crisis, May 2024

¹⁷ Citizens Advice, Evaluation of Welsh Government Enhanced DAF Project Pilot, 2022 (unpublished)

resulted in a number of positive outcomes for DAF clients, including improvements in their financial circumstances (with an average annual income gain of £251), as well as enhanced mental and general health. While only the Enhanced Pilot was specifically funded, this helps to highlight the value of adopting a more preventative approach to crisis management.

Bevan Foundation

'Crisis support has been stretched to try and deal with a problem it was never designed to solve'

Oxfam Cymru

'There is so much expectation on the third sector and we don't have the capacity. This is not a sustainable way of managing crisis'

Adviser, South Wales

'We never used to live in a world like this because people did get enough money to cover the basics. It seems that costs have risen exponentially and benefits arguably have not kept up, and effectively a large portion of society is driven into poverty'

What needs to change

Crisis support is currently being stretched to do a job it was never designed to. To reduce the growing reliance on crisis support for everyday essentials and bills, broader policy reforms are needed, many of which are the responsibility of the UK Government. These reforms include ensuring that benefit payments are at least enough to cover essential costs through an Essentials Guarantee¹⁸, raising the national minimum wage, strengthening workers' rights, ensuring access to secure and quality employment, targeted energy bill support (including a reformed Warm Homes Discount¹⁹), and guaranteeing affordable housing and childcare. Frontline advisers have emphasised the necessity of these policy changes to address the root causes of financial hardship and reduce reliance on crisis support.

Adviser, South Wales

'It's hard to imagine a time where crisis support is no longer needed. There needs to be a massive overhaul in the benefits system'

However, given the current fiscal landscape, combined with the time it will take to implement many of these changes (if taken forward), there is a need to maintain and strengthen a permanent crisis support scheme in Wales (such as the Discretionary Assistance Fund) to help people now and over the coming months. As well as supporting them in the future, when life circumstances mean they are facing hardship.

Evidence gathered throughout this research suggests that more flexibility needs to be built into the current crisis support system, because the one-size-fits-all approach is inadequate for some people. People are unable to access suitable food, store their medications, or access emergency payments if they have exceeded their limits despite their need remaining the same. We recognise the challenge of balancing limited funding and the need to ensure value for money, while also addressing the urgent need to support those in crisis. However, the

¹⁸ JRF, [Guarantee our Essentials: reforming Universal Credit to ensure we can all afford the essentials in hard times](#), February 2024

¹⁹ Citizens Advice, [Fixing the foundations: the need for better targeted support for energy consumers](#), August 2024

long-term costs of failing to help those in hardship - such as worsening public health and increased homelessness - will be even greater.

Adviser, South Wales

'It's unrealistic to aim for a time where crisis support isn't going to be needed, if anything the need is going to increase. It's so much a part of modern society, people are so reliant on it. Unless there is a major overhaul, it will be part of lives for generations to come'

Our recommendations

Discretionary Assistance Fund

The Welsh Government should:

- 1. Protect future funding for the Discretionary Assistance Fund and boost the allocation for the financial year 2025-26 in order to meet the rising need for this vital support.**
- 2. Ensure that the value of Emergency Assistance Payments is updated annually by inflation, and payments:**
 - Better reflect individual needs rather than household size
 - Remain as cash payments, so people are able to use the support where it's most needed
 - Remain accessible to anyone in a crisis situation or experiencing financial hardship.
- 3. Build in more flexibility to both Emergency Assistance Payments and Individual Assistance Payments by:**
 - Re-introducing the ability to claim up to 5 EAPs in any 12-month period as the need is as great, if not greater, now than during the pandemic
 - Allowing the ability to claim up to 2 more payments (maximum of 7) if the need has been verified by an approved partner and the claimant is engaging with wider support, such as debt advice or mental health support
 - Ensuring all products available under IAPs are based on individual need rather than purely the size of a household.
- 4. Improve the consistency of response to applications to ensure that people receive the help they need in a timely manner by:**
 - Ensuring systems that are in place to prevent fraud don't act as a barrier to those in genuine hardship
 - Providing more information on why applications are declined to facilitate the appeals process when needed.
- 5. Undertake a full review of the Discretionary Assistance Fund design, eligibility criteria and the value of awards to assess whether it is still**

meeting the needs of people in crisis and/or experiencing particular financial hardship. The review should include:

- Considering how a more preventative approach could be incorporated into the Fund's design through an adequately resourced integrated partner system.

Other types of support:

The Welsh Government should:

- 6. Protect emergency style support for prepayment meter users who are at risk of disconnection from an energy supply, and for households living off-grid, as it is an essential part of the support structure in Wales.**

The Welsh Government, local authorities, Money and Pension Service, the NHS and the third sector should:

- 7. Work together to improve data-sharing between organisations, building on and learning from referral systems already in place, so people in need receive the right help at the right time, and don't have to tell their story repeatedly.** This should include:

- Providing training to frontline NHS practitioners on money and financial issues so they feel more confident talking to people about any financial difficulties they may be experiencing, and refer people to the right support
- Ensuring discussions about finances are routinely built into mental health care so appropriate referrals can be made, as financial well-being plays a key role in overall well-being²⁰.

Local authorities should:

- 8. Raise awareness of other charitable support/re-use shops** where white goods/furniture is available, to help relieve pressure on the IAP element of the Discretionary Assistance Fund.

Addressing medium to longer term needs:

The Welsh Government should:

- 9. Speed up progress on retrofitting poorly insulated homes in Wales.**

²⁰ Money and Pension Service, [What is financial well-being?](#)

10. Increase the supply of affordable housing across Wales.

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We provide free, confidential and independent advice to help people overcome their problems. We are a voice for our clients and consumers on the issues that matter to them.

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