

**WRITTEN STATEMENT**

**BY**

**THE WELSH GOVERNMENT**

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| **TITLE** | **Changes to the Discretionary Assistance Fund from 1st April 2023** |
| **DATE** | **28 February 2023** |
| **BY** | **Jane Hutt MS, Minister for Social Justice** |

The Discretionary Assistance Fund (DAF) has changed over recent years, with unprecedented levels of demand in response to the Covid-19 pandemic and subsequently providing additional support to those impacted by the loss of the £20 Universal Credit uplift.

The Welsh Government acted quickly and flexibly to ensure those who lost their jobs or were impacted in other ways financially by the pandemic were able to access the support they needed. These changes resulted in two different sets of arrangements relating to access to emergency cash payments which now need simplifying as we navigate the cost-of-living crisis and the further financial pressure being faced by individuals and families across Wales.

Based on the evidence of need and demand I was able to secure an extra £18.8m in the draft budget, increasing the total DAF budget for 23/24 to £38.5m. This increase will bring the budget for 23/24 in line with the existing levels of demand on the fund, allowing us to continue to support financially vulnerable people in Wales at a time when some individuals are struggling to meet the most basic of living costs such as food and fuel.

Since September 2022 the evolving nature of the cost-of-living crisis and the positive impact of the Welsh Government’s awareness raising campaigns has filtered through to demand on the fund, with more and more individuals turning to the DAF for financial support each month. In January 2023 alone, more than 60,000 applications were received into the fund, resulting in £4 million in grants, the highest monthly spend since the fund was established by Welsh Government in 2013.

I have been considering how we can best support as many financially vulnerable individuals in crisis as possible as we move into a new financial year, during a time when demand is continuing to increase.

Feedback from key stakeholders is that having two sets of rules for emergency cash payments through the DAF is unhelpful for individuals and supporting organisations, therefore the priority moving forward is to simplify the rules. Stakeholders have also called for an increase to the value of DAF payments in line with inflation.

I am pleased that from 1st April 2023, I can announce a move to one set of rules for all Emergency Assistance Payments (EAP), allowing equity of access to the DAF. We will also be uplifting each EAP award by 11%. This will mean that all individuals can apply for an EAP up to three times in a rolling twelve-month period, with just a seven day gap between applications. This will enable us to provide higher value payments to individuals over a shorter period of time in order to support them during a time of crisis if, for example, someone has lost their job and is waiting for the first UC payment to come through. For families, this could mean a maximum payment of £111 up to three times a year. Anyone over the age of 16, in a crisis situation, can be considered for these payments.

The Individual Assistance Payment (IAP) element of the fund remains available to support vulnerable citizens to establish themselves or remain living independently in the community. To be eligible applicants must be in receipt of income related welfare benefits. This grant is provided in the form of white goods and/or furniture which are delivered directly to the applicant. All applications for an IAP must be supported by a DAF registered partner. Arrangements for IAP grants will remain unchanged.

Over the coming days, officials will ensure that individuals are aware that the DAF will be moving to three payments for all and ensure that those who have already reached three payments and are eligible for five under the current rules due to the specific qualifying categories, have sufficient time to apply for their fourth and fifth payment before 31st March, should they need to.

Officials will engage with partners and key stakeholders to explain these changes and enable support organisations to inform their clients, as well as ensuring the changes are clearly set out on the DAF webpages as soon as possible. I’d like to thank the Bevan Foundation for organising a stakeholder event in March on these changes.

To assist with the identification of any gaps or accessibility issues to DAF provision, WG will also begin to publish application and award numbers by Local Authority on a quarterly basis from 1st April 2023. Any gaps identified will be addressed through our extensive DAF partner network of more than 600 registered partners.

We know that over the last few difficult years, the DAF has proved to be an absolute lifeline, and at times literally a life-saver, for people in a time of crisis. Moving forward, I believe that providing an enhanced level of support over a shorter period of time, will help individuals and families to put food on the table and heat their homes at a time when they are most vulnerable.