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# Discretionary Assistance Fund: Analysis report

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## **Discretionary Assistance Fund:**

### Analysis report

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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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## 1. Introduction

- 1.1 The Discretionary Assistance Fund (DAF) offers two types of grant. Individual Assistance Payments (IAPs) help people live independently in their home or a property that they are moving into. Emergency Assistance Payments (EAPs) help pay for essential costs, such as food, gas, electricity, clothing or emergency travel.
- 1.2 This report has two aims. The first is to present an analysis of the recipients of DAF in terms of their age, ways individuals access DAF payments and the number of times the DAF is used per individual. The second is to examine the DAF awards in the 22 local authorities in Wales to see if there are any emerging patterns in specific economic indicators that might explain the number of awards in each local authority.
- 1.3 DAF data is supplied to the Welsh Government by our service provider NEC Software Solutions UK. This management information has not undergone the same level of quality assurance as official statistics and the data may be revised in future<sup>1</sup>. Furthermore, the data for this ad-hoc analysis report was received in stages and therefore some of the tables have dates referring to slightly different periods. The analysis is carried out in absolute values per capita. This means that absolute numbers have been divided by the number of individuals or the number of households, or the number of children according to the different indicators used.
- 1.4 It is important to note that the explanation behind the number of awards in a local authority is given not by one single factor but a combination of many different indicators. Some of these indicators are captured here, such as “individuals not in employment in receipt of Universal Credit”, “economic inactivity rate”, and “pupils eligible for free school meals”. There are other economic indicators reflecting the increase in inflation and cost of living that, while relevant to this analysis data, could not be found at local authority level.

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<sup>1</sup> For regular high level data on DAF payments, please refer to [StatsWales](#).

## 2. EAP awards received by individuals by age<sup>2</sup>

2.1 Between May 2022 and May 2023, individuals aged between 30-39 years received the highest number of EAP awards. Moreover, 59% of EAP awards were given to individuals in the age bracket of 16- 29 and 30-39 years. In comparison, individuals 70 years of age and over accounted for 2% of EAP awards (Table 1).

**Table 1: EAP awards by age (May 2022 to May 2023)**

<b>Age (years)</b>	<b>Number of individuals</b>	<b>Proportion of individuals receiving EAP awards by age (%)</b>
16-29	39,777	26
30-39	49,693	33
40-49	30,596	20
50-59	19,878	13
60-69	8,810	6
70+	2,437	2

Source: NEC Data on DAF awards from May 2022 to May 2023.

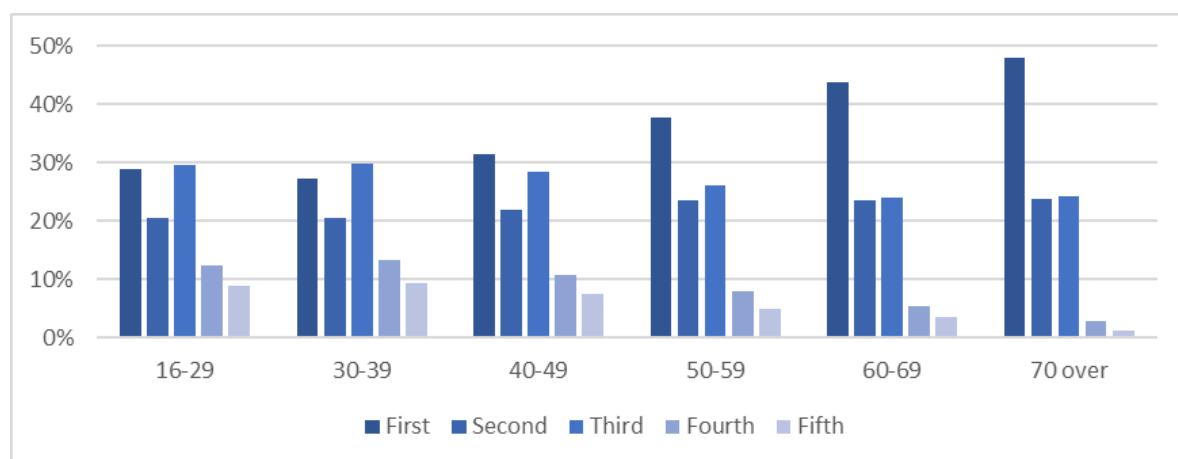
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<sup>2</sup> The analysis of age is done with a database that only includes EAP. Some applicants have been removed from the dataset. This includes applications with no national insurance number (NINo), applications with a “Dummy NINO” (refugee and asylum seeker applicants), applications with invalid or missing date of birth and any pending applications i.e. only decisioned applications were included. From 1 April 2023 all applicants have become eligible for 3 payments in a 12-month rolling period instead of 5 payments. So, it is important to note that the dataset includes two months when the new criteria of three maximum awards applies (April 2023 and May 2023).

2.2 In terms of how many payments individuals received (from a maximum of five payments until March 2023)<sup>3</sup>, it is again the youngest age groups that claimed an EAP the highest number of times. In fact, the average number of payments falls as age increases. This is illustrated in the Figures 1 and 2 below showing the proportion of EAP payments paid to individuals.

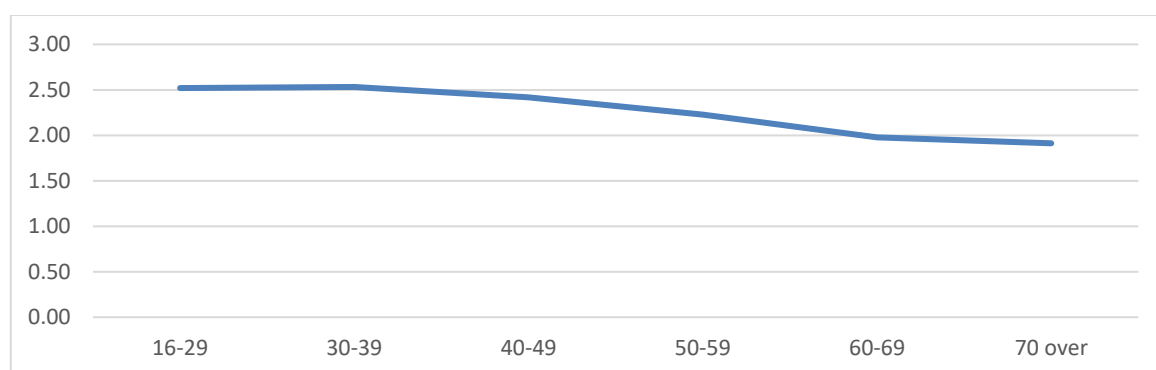
2.3 Among those aged 40 years and above DAF payments were on average made two times, in comparison to three payments made on average to individuals in the age brackets 16-29 and 30-39 years.

**Figure 1: Distribution of number of EAP payments received by EAP recipients, by age (May 2022 to May 2023)**



Source: NEC Data on DAF awards from May 2022 to May 2023.

**Figure 2: Average number of EAP payments by age**



Source: NEC Data on DAF awards from May 2022 to May 2023.

<sup>3</sup> As mentioned in footnote 1, the criteria has now changed and from April 2023 there is a maximum of three payments instead of five.

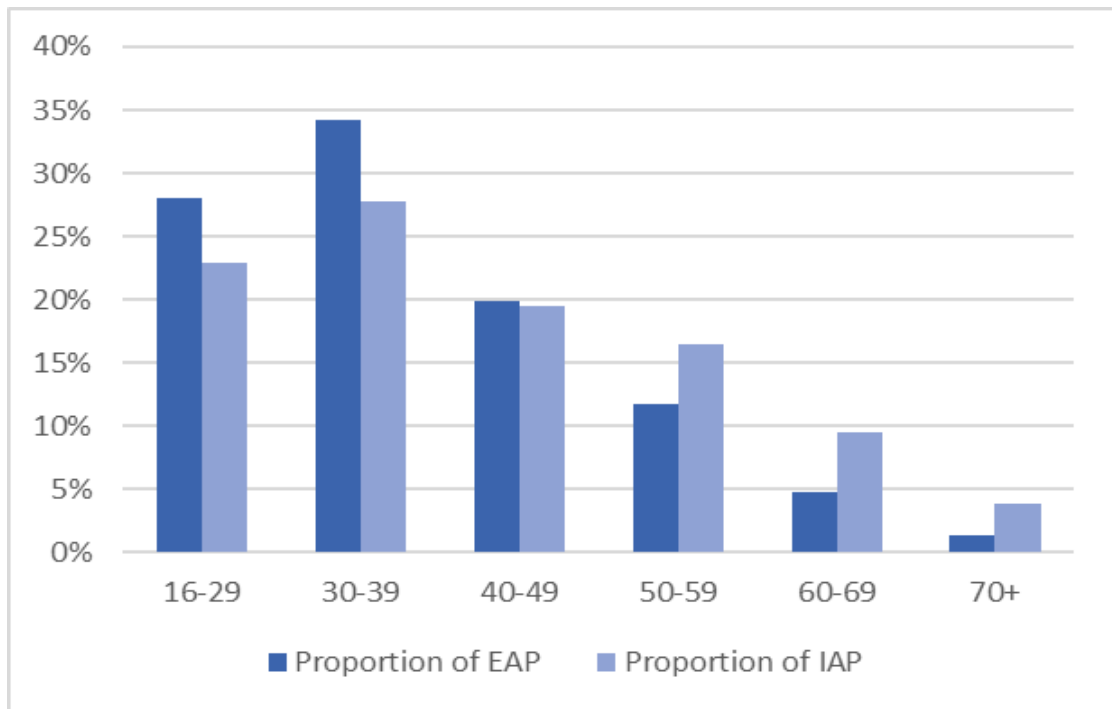


### 3. Differences between EAP and IAP

3.1 Although 97% of DAF awards are EAP and the remaining 3% are IAP within each age group, the distribution of awards by age is not the same for EAP and IAP awards.

3.2 Individuals within the age brackets of 16-29 and 30-39 years have more EAP awards, whereas there is a greater proportion of older individuals claiming IAP awards<sup>4</sup> (Figure 3).

**Figure 3: Distribution of EAP and IAP awards by age group**



Source: NEC Data on DAF awards from May 2022 to May 2023.

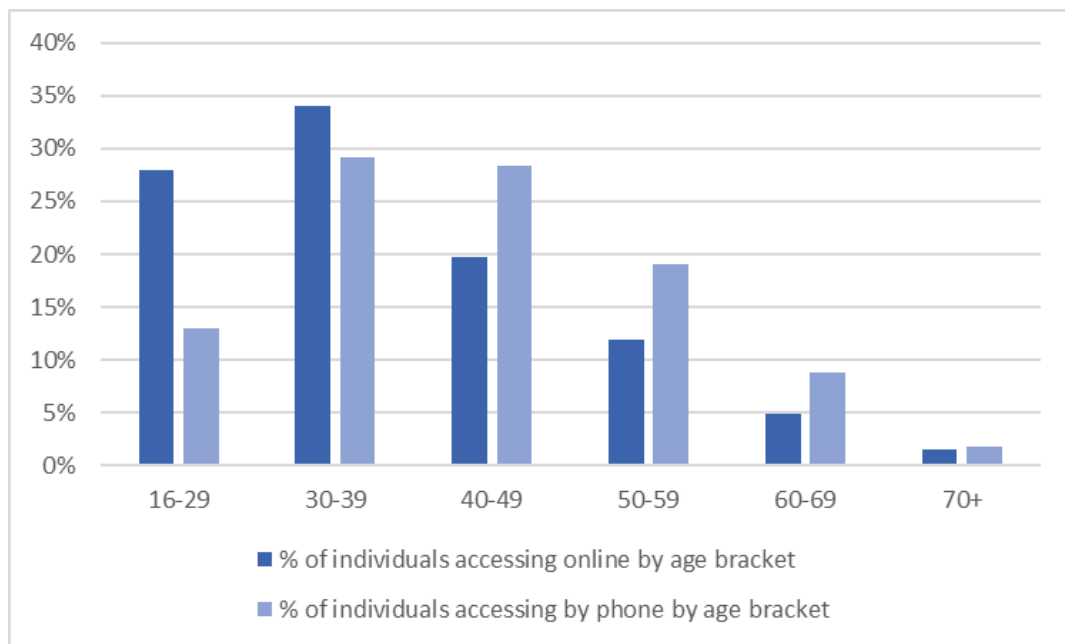
3.3 Examining the distribution of DAF awards by local authorities and age category shows that the mean for each local authority does not differ from the overall mean of all the local authorities combined i.e. there is no local authority that is singled out

<sup>4</sup> This was based on a sample with a slightly different time span of March 2022 to March 2023 containing both EAP and IAP applications.

as an outlier. In other words, the distribution of total DAF awards by age is similar overall as for each local authority individually.

- 3.4 Similarly, within each age group, the average number of payments received by recipients within each local authority is similar (no more than 1 different) than the average across all local authorities.
- 3.5 In terms of the accessibility, 99% of individuals across age brackets access DAF online. However, when we look at all those that access online versus those that access by the telephone, proportionally, older age groups access via phone more than those in younger age groups.<sup>5</sup>

**Figure 4: Distribution of different ways of accessing DAF by age**



Source: NEC Data on DAF awards from May 2022 to May 2023.

<sup>5</sup> DAF applications can also be made in writing but less than 0.01% of applications are received in writing.

3.6 To examine the DAF awards, the rest of the report is divided into four different areas:

- Benefits,
- Economic indicators,
- Indicators of child poverty, and
- the Welsh Index of Multiple Deprivation (WIMD).

3.7 The local authorities with the highest levels of EAP and IAP awards are identified for the period of April 2022 to January 2023. Following these figures, it will be examined if these local authorities also have high levels of other indicators such as individuals receiving benefits, high economic inactivity rates, or food parcel delivery to children. Highlighted cells correspond to a proportion above the average of all the local authorities combined. In the discussion following each table, the focus will be on the three or four local authorities that had the highest numbers of EAP and IAP awards per capita.

## 4. Benefits: Universal Credit (UC) and legacy benefits

4.1 The following table (Table 2) shows the number of EAP and IAP awards as a proportion of the population in each local authority, alongside the proportion of the population receiving Universal Credit (UC) not in employment; receiving Income Support; and receiving Employment and Support Allowance.

**Table 2: Proportion of the population in receipt of DAF awards or certain benefits, by local authority**

Local Authority	Awards EAP	UC individuals not in employment	Income support	Employment Seekers Allowance	Awards IAP
Isle of Anglesey	7%	6%	0.4%	5%	0.4%
Gwynedd	8%	6%	0.4%	4%	0.6%
Conwy	8%	6%	0.3%	4%	0.3%
Denbighshire	11%	7%	0.5%	5%	0.5%
Flintshire	8%	6%	0.2%	3%	0.3%
Wrexham	14%	7%	0.4%	4%	0.6%
Powys	3%	4%	0.2%	3%	0.2%
Ceredigion	3%	5%	0.2%	4%	0.2%
Pembrokeshire	6%	6%	0.4%	4%	0.2%
Carmarthenshire	8%	6%	0.4%	5%	0.5%
Swansea	11%	8%	0.4%	5%	0.4%
Neath Port Talbot	13%	8%	0.6%	6%	0.6%
Bridgend	11%	7%	0.5%	5%	0.4%
Vale of Glamorgan	9%	6%	0.4%	4%	0.4%
Cardiff	12%	8%	0.4%	4%	0.7%
Rhondda Cynon Taff	15%	8%	0.6%	6%	0.4%
Merthyr Tydfil	23%	9%	0.6%	7%	0.5%
Caerphilly	13%	8%	0.5%	6%	0.4%
Blaenau Gwent	21%	10%	0.6%	7%	0.5%
Torfaen	14%	9%	0.4%	5%	0.7%
Monmouthshire	4%	4%	0.2%	3%	0.3%
Newport	17%	9%	0.4%	4%	0.8%

Source: NEC data on DAF awards from April 2022 to January 2023; Individuals on UC not in employment: DWP benefit statistics (Stat-Xplore) January 2023; Income support: DWP benefit statistics (Stat-Xplore) August 2022; Employment & Support Allowance: DWP benefit statistics (Stat-Xplore) November 2022.

- 4.2 The four local authorities with the highest number of EAP awards per capita were Merthyr Tydfil, Blaenau Gwent, Newport and Rhondda Cynon Taf. Blaenau Gwent, Merthyr Tydfil, Newport, and Rhondda Cynon Taf were also four of the local authorities with the highest proportion of individuals on UC not in employment. Moreover, Blaenau Gwent, Merthyr Tydfil and Rhondda Cynon Taf also had the highest proportion of people receiving Income Support and Employment and Support Allowance.
- 4.3 Cardiff, Torfaen and Newport were among the local authorities with the highest number of IAP awards per capita. Torfaen also had the highest levels of Employment and Support Allowance and of Individuals on UC not in employment. While Newport had an above average proportion of individuals on UC not in employment.

## **5. Economic indicators: food parcels to adults and economic inactivity**

- 5.1 The following table (Table 3) shows the number of EAP and IAP awards as a proportion of the population in each local authority, alongside the number of food parcels distributed to adults per capita and the economic inactivity rate in the local authority.

**Table 3: Proportion of the population in receipt of DAF Awards, and other economic indicators by local authority**

Local Authority	Awards EAP	Food parcels given to adults	Economic inactivity rate	Awards IAP
Isle of Anglesey	7%	5%	19%	0.4%
Gwynedd	8%	3%	18%	0.6%
Conwy	8%	1%	19%	0.3%
Denbighshire	11%	4%	24%	0.5%
Flintshire	8%	3%	16%	0.3%
Wrexham	14%	4%	21%	0.6%
Powys	3%	2%	15%	0.2%
Ceredigion	3%	2%	20%	0.2%
Pembrokeshire	6%	2%	21%	0.2%
Carmarthenshire	8%	3%	23%	0.5%
Swansea	11%	4%	18%	0.4%
Neath Port Talbot	13%	3%	26%	0.6%
Bridgend	11%	3%	23%	0.4%
Vale of Glamorgan	9%	2%	14%	0.4%
Cardiff	12%	3%	18%	0.7%
Rhondda Cynon Taff	15%	5%	22%	0.4%
Merthyr Tydfil	23%	7%	24%	0.5%
Caerphilly	13%	4%	21%	0.4%
Blaenau Gwent	21%	5%	21%	0.5%
Torfaen	14%	4%	24%	0.7%
Monmouthshire	4%	3%	19%	0.3%
Newport	17%	2%	22%	0.8%

Source: NEC data on DAF awards from April 2022 to January 2023; Number of food parcels distributed to adults: [End of Year Stats - The Trussell Trust](#) (raw data) April 2021 to March 2022; Population estimates to derive estimations per capita: [National level population estimates by year, age and UK country \(gov.wales\)](#) December 2022; Economic inactivity rate: Economic inactivity rates (excluding students) by Welsh local area and year (gov.wales) September 2022; Population estimates to derive estimations per capita: [National level population estimates by year, age and UK country \(gov.wales\)](#) December 2022.

- 5.2 Three of the local authorities with the highest number of EAP and IAP awards per capita: Merthyr Tydfil, Blaenau Gwent and Rhondda Cynon Taf were the local authorities where most food parcels were distributed to adults per capita. It is important to highlight that these figures refer to food parcels and not to adults receiving food parcels. So, there could be repeat parcels per adult<sup>6</sup>.
- 5.3 These three local authorities also had a higher than average rate of economic inactivity.
- 5.4 Economic inactivity is a term to designate individuals that are out of the labour market, have not looked for work in the last four weeks and are not available to start work. It includes students, pensioners, people looking after family or home , those with illnesses and those classified as discouraged workers. The economic inactivity rate is estimated by dividing the inactivity level for those aged from 16 to 64 by the population for that age group. For comparison, the economic inactivity rate in Wales was 20% in the year ending 30 Sep 2022.
- 5.5 Newport and Torfaen were among the local authorities with the highest number of IAP awards per capita, and simultaneously where there is a greater rate of economic inactivity.

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<sup>6</sup> Moreover, the Trussell Trust figures should be used as an indicator only; these figures relate only to food banks in the Trussell Trust network, and therefore cannot be used to fully explain the scale of food bank use in Wales, or within individual local authorities.

## 6. Children in poverty indicators

6.1 The following table (Table 4) shows the number of EAP awards as a proportion of the population in each local authority, alongside the number of food parcels distributed to children per capita, the proportion of households on UC with child entitlement, the proportion of pupils eligible for Free School Meals<sup>7</sup> (FSM) and the proportion of children living in relative low income families.

**Table 4: Proportion of the population in receipt of DAF Awards, and indicators of child poverty, by local authority**

Local Authority	Awards EAP	Food parcels given to children	Households on UC with child entitlement	Children living in relative low income families	Pupils eligible FSM	Awards IAP
Isle of Anglesey	7%	3%	7%	24%	3%	0.4%
Gwynedd	8%	4%	6%	24%	6%	0.6%
Conwy	8%	4%	7%	23%	11%	0.3%
Denbighshire	11%	15%	8%	23%	23%	0.5%
Flintshire	8%	13%	8%	19%	18%	0.3%
Wrexham	14%	6%	9%	21%	10%	0.6%
Powys	3%	13%	5%	23%	21%	0.2%
Ceredigion	3%	2%	5%	26%	5%	0.2%
Pembrokeshire	6%	4%	7%	25%	5%	0.2%
Carmarthenshire	8%	9%	7%	23%	18%	0.5%
Swansea	11%	26%	8%	21%	52%	0.4%
Neath Port Talbot	13%	7%	9%	21%	18%	0.6%
Bridgend	11%	7%	8%	20%	22%	0.4%
Vale of Glamorgan	9%	10%	7%	16%	19%	0.4%
Cardiff	12%	23%	8%	22%	73%	0.7%
Rhondda Cynon Taff	15%	12%	8%	24%	21%	0.4%
Merthyr Tydfil	23%	5%	11%	25%	7%	0.5%
Caerphilly	13%	13%	9%	23%	30%	0.4%
Blaenau Gwent	21%	9%	10%	27%	20%	0.5%
Torfaen	14%	8%	10%	22%	17%	0.7%
Monmouthshire	4%	4%	5%	16%	6%	0.3%
Newport	17%	2%	11%	24%	6%	0.8%

Source: NEC data on DAF awards from April 2022 to January 2023; Households on UC with Child entitlement: DWP benefit statistics (Stat-Xplore) January 2023; Pupils eligible FSM: Pupil Level Annual School Census (PLASC). [Pupils eligible for free school meals by local authority, region and year \(gov.wales\)](#) 2021/2022; Population estimates to derive estimations per capita: [National level population estimates by year, age and UK country \(gov.wales\)](#) December 2022; Households estimations to derive estimations by households: [Households by Local Authority and Year \(gov.wales\)](#) September 2021; Number of food parcels distributed to children: [End of Year Stats - The Trussell Trust](#) (raw data) April 2021 to March 2022. Proportion of Children (aged under 16) in low-income families: Children in low-income families: local area statistics 2014 to 2022 - GOV.UK ([www.gov.uk](#)).

<sup>7</sup> These figures refer to a period before the rollout of university free school meals.



- 6.2 Three of the local authorities with the highest number of EAP awards: Blaenau Gwent, Merthyr Tydfil and Newport were also the local authorities with the highest proportion of households receiving UC with child entitlement, the highest proportion of children living in relative low-income families<sup>8</sup> and the highest proportion of pupils eligible for Free School Meals. Showing that the DAF assistance fund is indeed providing relief to low-income families with children.
- 6.3 Of the local authorities with the highest number of IAP awards per capita, Newport, and Torfaen and Cardiff, Cardiff was also one of the local authorities with the highest number of food parcels distributed to children per capita and the highest proportion of children eligible for Free School Meals. Torfaen also had the highest levels of pupils eligible for Free School Meals and the highest proportion of households on UC with child entitlement.

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<sup>8</sup> Households earning below 60% of the median income for the current year (in this case 2022).

## **7. Welsh Index of Multiple Deprivation**

7.1 The local authorities with the highest number of EAP awards per capita (Merthyr Tydfil, Blaenau Gwent, Newport and Rhondda Cynon Taf) were among the local authorities with the highest proportion of small areas belonging to the 10% most deprived small areas in Wales (Table 5):

- 22% of the Lower Super Output Areas (LSOAs)<sup>9</sup> of Merthyr Tydfil belong to the 10% most deprived LSOAs in Wales.
- 18% of the LSOAs of Rhondda Cynon Taf belong to the 10% most deprived LSOAs in Wales.
- 24% of the LSOAs of Newport belong to the 10% most deprived LSOAs (small areas) in Wales.
- 13% of the LSOAs of Blaenau Gwent belong to the 10% most deprived LSOAs in Wales.

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<sup>9</sup> LSOAs are a statistical geography which represents a small area with a population of around 1,600 people.

**Table 5: Percentage of small areas in the most deprived 10% across Wales, by local authority**

	Percentage
Isle of Anglesey	2
Gwynedd	3
Conwy	6
Denbighshire	12
Flintshire	3
Wrexham	7
Powys	1
Ceredigion	2
Pembrokeshire	6
Carmarthenshire	4
Swansea	11
Neath Port Talbot	15
Bridgend	7
Vale of Glamorgan	4
Cardiff	18
Rhondda Cynon Taf	18
Merthyr Tydfil	22
Caerphilly	10
Blaenau Gwent	13
Torfaen	5
Monmouthshire	0
Newport	24

Source: [Welsh Index of Multiple Deprivation \(gov.wales\)](http://gov.wales) November 2019.

## 8. Conclusions

- 8.1 97% of DAF awards are EAP and the remaining 3% are IAP within each age group. However, the distribution of awards by age is not the same for EAP and IAP awards: individuals within the age brackets of 16-29 and 30-39 years have more EAP awards, whereas there is a greater proportion of older individuals claiming IAP awards.
- 8.2 In terms of the accessibility, 99% of individuals across age brackets access DAF online. However, comparing online access versus telephone, older age groups access via phone more than those in younger age groups.
- 8.3 Between May 2022 and May 2023, individuals aged between 30-39 years received the highest number of EAP awards. Moreover, 59% of EAP awards were given to individuals in the age bracket of 16- 29 and 30-39 years. In comparison, individuals 70 years of age and over accounted for 2% of EAP awards.
- 8.4 Regarding the number payments individuals received (from a maximum of five payments until March 2023), it is the youngest age groups that claimed an EAP the highest number of times (on average 3 times) and the average number of payments falls as age increases.
- 8.5 The second part of this report considers the local authorities recipients of the DAF Awards. This analysis has shown that the DAF awards for Emergency Assistance Payments (EAPs) – which help to pay for essential costs, such as food, gas, electricity, clothing or emergency travel – tend to be concentrated in local authorities with:
- the highest proportion of people not in employment receiving UC;
  - the highest proportion of people receiving legacy benefits such as income support and Employment and Support Allowance;
  - the highest economic inactivity rate;
  - the highest level of food parcels distributed to adults per capita;
  - the highest proportion of pupils eligible for Free School Meals;
  - the highest proportion of children living in relative low-income families;

- the highest proportion of people receiving UC with a child entitlement;
- the highest level of food parcels delivered to children per capita; and
- the largest percentage of small areas among the 10% most deprived small areas in Wales.