

Making the case for a Welsh Benefits System – people's experiences

SEFYDLIAD
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FOUNDATION

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About the Bevan Foundation

The Bevan Foundation is Wales' most influential think-tank. We create insights, ideas and impact that help to end poverty, inequality and injustice. We are independent, informed, inspiring and inclusive in everything we do.

As an independent, registered charity, the Bevan Foundation relies on the generosity of individuals and organisations for its work.

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- Barnado's Cymru
- Carmarthen Food Bank Community Money Advice, Carmarthen Foodbank and outreach team at Carmarthen Salvation Army Drop-In
- Citizens Advice Cymru
- Home Start Cymru
- National Education Union Cymru
- Save the Children
- Trussell Trust



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1. Introduction

For the past five years the Bevan Foundation has been working to improve access to “Welsh benefits”. Our work has demonstrated how the various grants and allowances administered by the Welsh Government and local authorities provide a vital lifeline to low income families, being worth as much as £4,000 for each eligible household.¹ From the Council Tax Reduction Scheme to Free School Meals, Welsh benefits complement the financial support provided by the UK Government through the broader social security system and help plug the gaps in a system that is often inadequate.

Our work has demonstrated that despite providing a welcome lifeline to Welsh families, there is significant scope for improvement. Be this the need to make it easier for people to access the grants and allowances they are entitled to, or the need to increase their value.

Change is possible. The Bevan Foundation have long called on the Welsh Government to establish a Welsh Benefits System. Such a system would see the various grants and allowances pulled together into one coherent system, making it easier for people to access the benefits they are entitled to. Our calls have won support from all quarters, including political support,² support from the third sector³ and from Welsh Government Ministers.⁴

The time has come to convert this good will into something that will make a meaningful difference. In spring 2023, the Bevan Foundation, along with a range of partners, commissioned external experts Policy in Practice to undertake a review of whether it would be possible to establish a Welsh Benefits System from a data perspective, and if so, what action should be taken next.⁵ Their comprehensive report not only demonstrated that establishing a Welsh Benefits System would be possible, but it also showed that establishing such a system could put an extra £73m to £75m in the pockets of some of Wales’ poorest people.

In concluding their report, Policy in Practice outlined a series of short and medium-term measures that should be taken to establish a Welsh Benefits System. Whilst we are pleased that the Welsh Government has accepted the idea in principle and has started work on making arrangements to roll out such a system, we believe that it is vital that the experiences of people who regularly use the system are listened to as this work progresses. With this in mind, we have been working with partner organisations to gather people’s views on Welsh benefits. The findings of this work, as set out in this report reinforce the need to progress with the formation of a fully comprehensive Welsh Benefits System with urgency.

This report will explore people’s experiences across three sections, each exploring a different theme that has emerged from people’s testimonies:

- Awareness of Welsh benefits.
- The process of applying for Welsh benefits.
- Eligibility criteria and value of Welsh benefits.

The report will conclude by reflecting on our key findings and by setting out the next steps that should be taken to make an effective Welsh Benefits System a reality.

1.1 What we did

The Bevan Foundation has used a number of different methods to capture people's experiences of Welsh benefits over the course of 2023.

In July 2023 the Bevan Foundation commissioned YouGov to undertake a survey on its behalf as part of its *Snapshot of Poverty* series. As part of the survey, we inserted questions looking at people's awareness of "Welsh benefits." This data is statistically robust and provides a reliable, population level overview of people's awareness of Welsh benefits. The data is analysed in section 2.1 and all figures quoted in this section are from YouGov Plc. The total sample size for the survey was 1,055 adults. Fieldwork was undertaken between the 21st and 26th of July 2023. The survey was carried out online. The figures have been weighted (unless specified otherwise) and are representative of all Welsh adults (aged 16+).

To complement the survey data, the Foundation worked closely with various partner organisations over the summer of 2023 to capture people's experiences of Welsh benefits. Through this work we gathered both the experiences of people who have directly accessed various Welsh benefits themselves and staff and volunteers who work and volunteer in frontline roles. The insights gathered through this work, whilst not statistically representative, enables us to gather a more rounded view of how Welsh benefits operate and with illustrative examples of how the system could be improved.

Many of the organisations that the Bevan Foundation worked with over the summer of 2023 had previously worked closely with the Foundation on our work on Welsh benefits, with most having contributed financially to fund Policy in Practice's work. To facilitate the work the Bevan Foundation shared a short questionnaire with organisations which outlined the areas we were especially interested in hearing people's experiences. Organisations were given the freedom to capture people's experiences in a way that worked best for them. Among the techniques used were:

- Interviews
- Focus group discussions
- Open ended surveys
- Sharing insights based on their general experiences of supporting people

The Bevan Foundation collated and analysed these responses, identifying key themes and messages. Where quoted directly, the report will set out how the insights were gathered by partner organisations. The organisations that shared experiences with the Bevan Foundation were:

- Barnado's Cymru
- Carmarthen Community Money Advice, Carmarthen Foodbank and outreach team at Carmarthen Salvation Army Drop-In
- Citizens Advice Cymru
- Home Start Cymru
- National Education Union Cymru
- Save the Children
- Trussell Trust

To complement the experiences shared by partner organisations the Bevan Foundation undertook its own one to one interviews with people on low-incomes at various food banks, food pantries, and warm spaces through the autumn of 2023. The locations visited by the Foundation were:

- Two separate visits to Hope Food Pantry, Merthyr
- A visit to Merthyr Tydfil Housing Association's Cosy and Warm Session at Treharris Boys and Girls Club
- A visit to Merthyr Tydfil Housing Association Cosy and Warm Session at Hope Church, Merthyr
- Two separate visits to the Trussell Trust Foodbank in Pontypridd.

This report has also drawn on work undertaken by the Bevan Foundation's Access to Justice team. During 2023 the team have been exploring whether people with no recourse to public funds (NRPF) are being provided with access to various Welsh benefits as part of a broader project. Throughout the year they have been in contact with each Welsh local authority and have interviewed both people with NRPF and people who work or volunteer in roles that support people with NRPF. Their findings will be available in greater detail in a report published in February 2024.

1.2 What are Welsh Benefits

The Bevan Foundation have identified 12 different devolved schemes that should be viewed as part of a Welsh Benefits System.⁶ They were selected based on three criteria:

1. They are administered by a devolved body or by a Welsh local authority.
2. They provide households with cash or reduce their costs.
3. They are means-tested, rather than being targeted on specific groups of people or places.

This report focuses on seven of these 12 benefits. These are the rights based Welsh benefits where a claimant is deemed eligible for support if they meet a series of eligibility criteria, rather than based on discretion. This means that schemes such as the Discretionary Assistance Fund and Discretionary Housing Payments are not included. This approach mirrors the approach taken by Policy in Practice in their recent report. An overview of the seven grants and allowances is provided in table 1 below.

Table 1: Welsh Benefits Overview

Scheme	Purpose
Council Tax Reduction Scheme	Exempts low income household from having to pay Council Tax or provides them with a discount. NB this is distinct from the Single Person Discount.
Free School Meals (Secondary School)	Provides children from low income households with a free lunch in school. Provision is means tested in secondary schools.
Education Maintenance Allowance	A cash payment that supports a young person from a low income household to continue their education after the age of 16.

Welsh Government Learning Grant Further Education	A grant to enable someone aged 19 or over, who is on a low income to enter further education.
School Essentials Grant	An annual cash grant of £120 for children from low income families in maintained schools (£200 for children entering Year 7) to cover the cost of school uniform.
Healthy Start Vouchers	Vouchers to enable low income families to purchase fruit and vegetables, or milk formula during pregnancy and a child's early years.
Help with Health Costs (NHS Low income scheme)	Support for people on low income to cover the costs of services that are not provided free through the NHS.

2. Awareness

One of the key weaknesses with the current approach to Welsh benefits is that people are simply not aware of what grants and allowances they are entitled to. This leads to people missing out on a financial lifeline that could make a real difference to their lives.

This section will be divided into three parts. The first will explore insights gathered by YouGov on behalf of the Bevan Foundation on people's awareness of Welsh benefits. The second will explore the reasons as to why people are unaware of their entitlements via various Welsh grants and allowances. The final part will outline why this lack of awareness matters, drawing on the experiences of people who have missed out on benefits directly and on the experiences of people who work in the advice sector.

2.1 How aware are people of Welsh benefits?

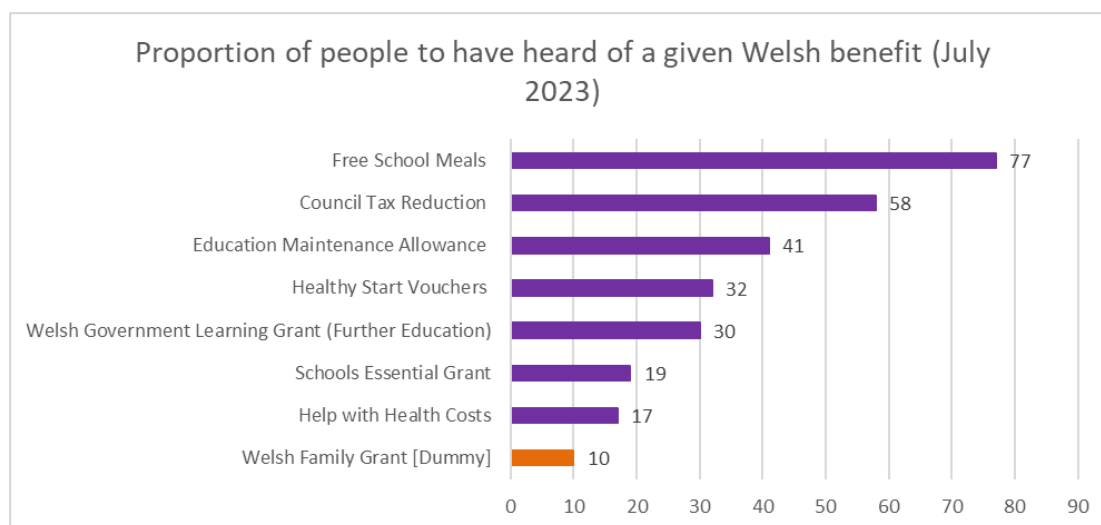
In July 2023 the Bevan Foundation commissioned YouGov to undertake a survey on its behalf as part of its *Snapshot of Poverty* series.⁷ The survey included a range of questions exploring the impact of the cost-of-living crisis on people in Wales, including questions on people's ability to afford essentials, on personal debt and on housing precarity. The survey also included questions looking at people's awareness of Welsh benefits.

In the survey people were asked whether they had heard of seven Welsh grants and allowances. In addition to these seven, people were asked about their awareness of a fictitious "benefit", the "Welsh Family Grant". The "Welsh Family Grant" was a dummy scheme inserted into the survey to see whether people were genuinely aware of each Welsh benefit or whether they were guessing. In total, one in ten people claimed that they had heard of our dummy scheme.

Of the seven Welsh benefits, there were only two that a majority of people reported being aware of. The scheme that people had the greatest awareness of by far was Free School Meals. Over three quarters of people (77 per cent) were aware of Free School Meals in Wales as of July 2023. The only other benefit where more than half of people reported being aware of it was the Council Tax Reduction Scheme (58 per cent). It should be noted that given that 10 per cent of people claimed awareness of our decoy scheme, the proportion of the Welsh population that were actually aware of the Council Tax Reduction scheme could be less than half.

There were two Welsh benefits that fewer than one in five people reported being aware of. In total, only 19 per cent of people reported being aware of the Schools Essential Grant (or its predecessor, the Pupil Development Grant (Access)) with 17 per cent reporting that they were aware of Help with Health Costs. The true level of awareness for these schemes could be less than 10 per cent given the levels of people reporting that they were "aware" of our fictitious scheme.

Chart 1 – Proportion of people to have heard of a given Welsh benefit (July 2023)

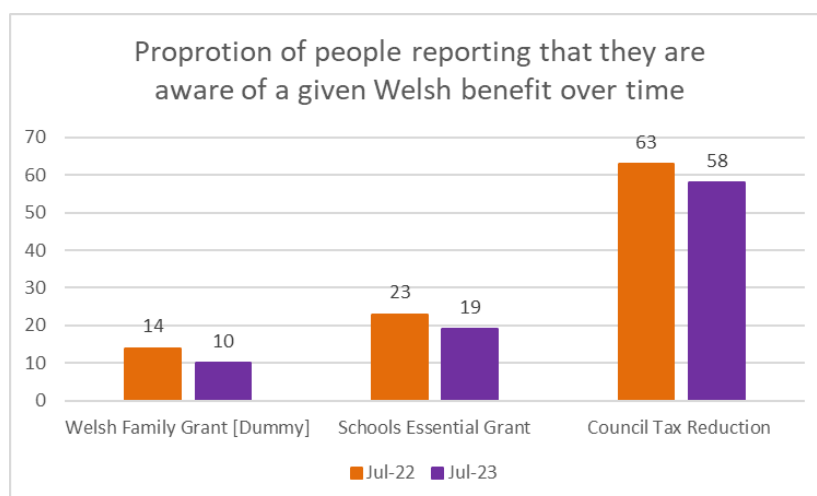


Source: YouGov survey undertaken on behalf of the Bevan Foundation, July 2023

July 2023 is not the first time we have asked people about their awareness of various grants and allowances. We asked a similar question in July 2022. Three of the grants and allowances we asked people about in July 2023 were among those that people were asked about in 2022, including our dummy scheme, the Welsh Family Grant.

Despite various Welsh Government awareness raising campaigns, the proportion of people reporting that they were aware of the Council Tax Reduction Scheme and the Schools Essentials Grant actually reduced slightly between 2022 and 2023. The fact that the falls in awareness are modest and that there has also been a reduction in the number of people reporting awareness of our dummy scheme over the same time suggests that we should be cautious about over interpreting this fall. One thing that is clear however is that there has been no major improvement in awareness of two key Welsh benefits.

Chart 2 – Proportion of people reporting that they are aware of a given Welsh benefit over time

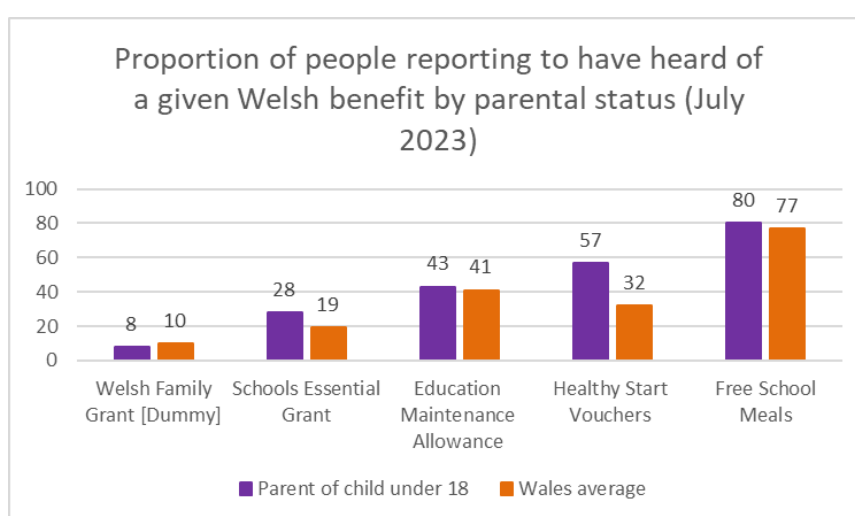


Source: YouGov survey undertaken on behalf of the Bevan Foundation, July 2022 and July 2023

One potential explanation for the relatively low levels of public awareness of these schemes is that many are means tested and restricted to people with certain characteristics. For example, only low-income families with school aged children are entitled to the School Essentials Grant. It might therefore be expected that awareness of the scheme is greater among people on low-income or people with children.

When looking at the data this appears to be, at least in part, true. Parents of children under 18 are nearly 50 per cent more likely to have heard of the Schools Essential Grant and nearly 80 per cent more likely to have heard of Healthy Start Vouchers than the average Welsh person. Even allowing for this, awareness still remains extremely low. The fact that more than seven in ten parents have not heard of the School Essentials Grant suggests that there is no general awareness among parents of the scheme.

Chart 3 – Proportion of people reporting to have heard of a given Welsh benefit by parental status (July 2023)

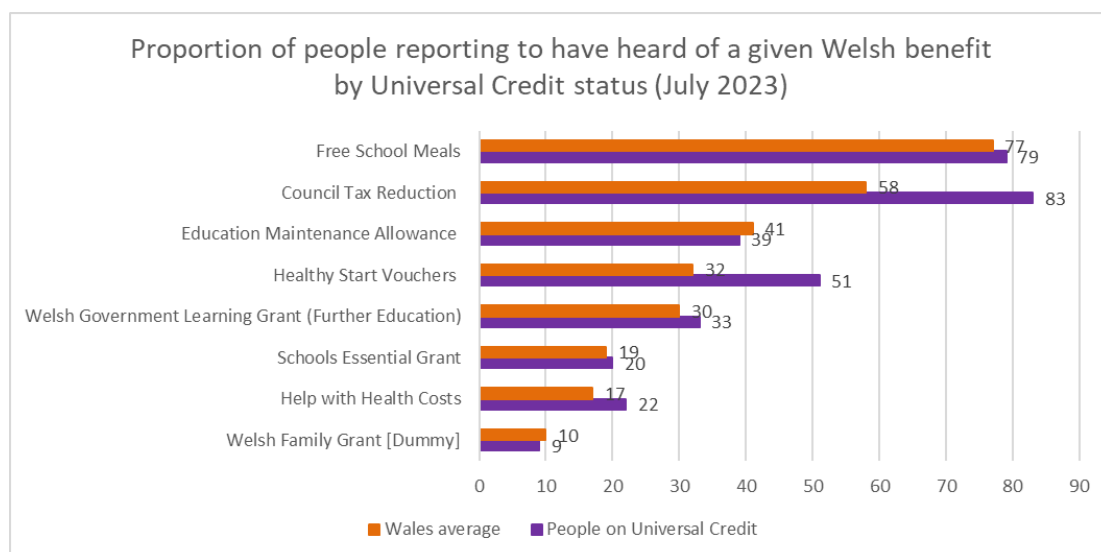


Source: YouGov survey undertaken on behalf of the Bevan Foundation, July 2023

A similar picture emerges when looking at levels of awareness among people who receive Universal Credit. People who receive Universal Credit are not automatically eligible for all Welsh benefits. Free School Meals, the Schools Essential Grant and the Council Tax Reduction Scheme for instance all have income-based eligibility criteria that people on Universal Credit must satisfy. Despite this, we would expect to see relatively high awareness of Welsh benefits among people who are on Universal Credit given that a person being in receipt of Universal Credit is a good indicator that they are living in a low-income household.

People on Universal Credit are much more aware of some Welsh benefits. More than four in five people (83 per cent) who are on Universal Credit reported being aware of the Council Tax Reduction Scheme, with more than half also reporting that they were aware of Healthy Start Vouchers. Awareness of the School's Essential Grant and Help with Health Costs remains incredibly low, however, even among a segment of the population that are much more likely to be entitled to such support.

Chart 4 – Proportion of people reporting to have heard of a given Welsh benefit by Universal Credit status (July 2023)



Source: YouGov survey undertaken on behalf of the Bevan Foundation, July 2023

2.2 Why are people unaware of their entitlements?

In order to boost awareness of Welsh benefits it is vital that we understand why people are unaware of the benefits that they are entitled to. There appear to be two linked reasons for people's lack of awareness: the lack of readily available information about each grant and allowance, and the complexity of the current system.

A message that emerged is that there is a lack of easily accessible information as to what financial support people can access via each Welsh benefit, who can access each grant and allowance and how people should go about applying for their entitlements:

I didn't have a clue what I could access. Without Hazell (a Home Start Support Cymru Co-ordinator), I wouldn't of known about most of the schemes I'm on now. I didn't know about the support I could get for uniform and free school meals for a while until the school told me...

Natasha, mother of six children from Blackwood, supported by Home Start Cymru

There was agreement among the people who shared their experiences with us that a failure to learn from the experiences of people who access Welsh benefits is a key reason as to why such information is not easily accessible. Some felt that policy makers' misconceptions of people on low-incomes meant that not enough work was being undertaken to promote Welsh Benefits:

People don't know what they can access and what they are eligible for. I think it is assumed people know, but we don't.

Alice, mother supported by Home Start Cymru

Others felt that a lack of understanding of people's circumstances meant that awareness-raising campaigns did not always reach all the people who are entitled to Welsh benefits. For instance, a message we heard often is that efforts to promote Welsh benefits is overly

reliant on digital techniques. For people who are digitally excluded, who have poor literacy skills, or for whom English or Welsh is not their first language, such campaigns are of limited value:

Our families are mostly English second language and have little internet access and understanding of the system.

Teacher A, responding to a National Education Union Cymru (NEU) survey of teachers in Wales

Not only is there a need to promote Welsh benefits by using the right channels, but there is also a need to ensure that promotional activity is undertaken at the right time. For example, a number of people told us that there were missed opportunities to better promote Welsh benefits at the time people apply for Universal Credit:

Clients are not made aware when claiming Universal Credit/other income-based benefits that they may be eligible for reduction and that they need to apply to the local authority and not DWP.

Insights shared by a representative of a foodbank

The task of making information easily available to people on Welsh benefits is made harder by the complexity of the current system. This was a message shared with us by all stakeholders. The testimony of one mother we spoke with at a Food Pantry in Merthyr encapsulated many people's feelings about the current system:

Nobody knows what's out there for them. There's all these things with all these names and it's just too much bloody hassle.

Catherine, mother. Works full time as a carer – Interviewed at Hope Pantry, Merthyr

Another woman we spoke with stated that any information about the various grants and allowances is:

hidden behind walls and walls of admin.

Becky, disabled person who lives alone. Lives in a home she owns with a mortgage.

It is not just people trying to apply for Welsh benefits that get confused by the current system. We were provided with numerous examples of where unclear and inaccurate information was being shared via official channels. This made people more, not less confused as to what they are entitled to:

People are not always aware that they are then eligible for the Schools Essentials Grant. The council information is not clear – it does not include information about whether to include child maintenance in the income section.

Insights shared by a representative of a foodbank

We heard of other examples of people contacting their local authority to check whether they were eligible for a particular benefit and being given conflicting advice:

They (parents) talked of not being entitled to them or confusion over whether entitled to them. For example, one mum was told she was entitled to them, then two months later that she wasn't, even though her situation hadn't changed.

Findings from a roundtable discussion held by Save the Children

There are some concerns that the system is actually becoming more complex for people to navigate. A concern that was shared with us over and over again is that the way that universal Free School Meals is being rolled out in primary schools is leading to parents missing out on the Schools Essentials Grant. We were provided numerous examples by teachers, of parents not realising that they would need to submit an application for the School Essentials Grant, or even an application for Free School Meals itself if their school was to receive its full Pupil Development Grant funding. There is clearly a desire to address the fact that many parents don't even realise they are missing out on their entitlements:

Previously, we had very few issues with parents receiving their benefits. I've already spoken to a parent this week as I noticed on my tracking that only one out of two siblings were eFSM. As a small school and knowing the family well, this was an easy spot. This would not be so easy to do in a multi-form entry school. On approaching the parent, they only applied for the older pupil due to the younger already accessing universal provision for free meals and didn't think she'd need to. After explaining that she would possibly be eligible for the uniform too if she applied, the parent recognised that she'd received uniform for the older and hadn't made the connections.

Teacher responding to a NEU survey of teachers in Wales

Whilst there are challenges for all people in Wales around awareness of Welsh benefits, we heard concerns that these challenges are particularly acute for people with no recourse to public funds (NRPF). People with NRPF are subject to immigration controls which mean that they cannot claim public funds (most benefits, tax credits and housing support). Many Welsh benefits are not deemed as public funds. For example, the Welsh Government have published guidance that states that the provision of free school meals is not a public fund.⁸ A child in a low-income family with NRPF should therefore be entitled to Free School Meals. However, the Welsh Government's guidance also states that the ultimate decision on whether a child from a NRPF family can receive Free School Meals is at the discretion of the local authority. This guidance has created significant confusion. Local authorities are taking different approaches with some providing children from NRPF families with Free School Meals with others refusing to do so. It is therefore not surprising that many families with NRPF have little awareness of whether their child can receive Free School Meals.

2.3 Why this lack of awareness matters?

Through our work we have been provided with a number of examples of why the lack of awareness of the various Welsh grants and allowances matters. These examples have

related to the impact of missing out on benefits on people and to the impact a lack of awareness has on various stakeholders.

The most direct impact a lack of awareness of various grants and allowances has on people is that they miss out on financial assistance that they are entitled to. The value of the benefits that people miss out on can often be significant. A vivid example of this was shared with us by Citizens Advice:

John came to Citizens Advice for help to see what benefits he and his wife may be entitled to as they were struggling with the cost of living. They live in a 2-bedroom council property in north Wales and are reliant on pension income (both state pension and some private pension). Even though they are council tenants, and also receive some home care support, no one at the council had proactively advised that they may be entitled to additional financial support. Following a full benefit entitlement check, undertaken by one of our advisers, a number of benefits were identified which they were eligible for but weren't currently claiming. This included Pension Credit, Housing Benefit and a Council Tax reduction. Our adviser helped John with their benefit applications. If all are successful it will mean their monthly income should increase by nearly £1,200.

John, north Wales resident, supported by Citizens Advice

Not only did we hear about several people who had missed out on significant levels of benefits, we were provided with examples of where people had been pushed into debt as a direct result of them not being aware of grants and allowances that may have been available to them:

A number of clients have been unaware that they are entitled to the council tax reduction benefit and have arrears due to being unable to pay.

Insights shared by a representative of a foodbank

To add insult to injury, we were told that some local authorities will only allow people to backdate any Council Tax Reduction Scheme applications by three months. This means that people can still be left in debt even if they have been found to be eligible for CTRS and their circumstances mean they would have been eligible for it at the time that the debt accrued.

People's general lack of awareness of the grants and allowances they are entitled to places significant pressure on many public services and Wales' third sector. The insights shared with us provide numerous examples of great work being undertaken by support workers, by teachers, by health visitors, by volunteers and others to ensure that everyone gets the benefits they need and that they are entitled to. However, this takes up precious resources that could be being used to support people in other, more effective ways. People's sentiments about the best way forward were neatly captured by one teacher who responded to the NEU's survey:

The onus should not be on families, the onus should be on Government and LAs pushing these entitlements out. Linking eligibility for FSM to eligibility for council tax relief and then automatically pushing out linked

entitlements such as School Essentials Grant takes pressure off schools to chase parents and parents to apply.

Teacher B responding to the NEU's survey of teachers in Wales

2.4 Conclusion

There is a lack of awareness of Welsh benefits. As this section has demonstrated, this matters, people can be pushed into significant financial hardship by missing out on the grants and allowances they are entitled to. Traditionally the reactions to such findings may have been to call for an awareness raising campaign. As this section has highlighted however, whilst such campaigns do have a role to play, there are inherent limitations to how much they can achieve without broader system reform. The complexity of the current system both makes it more difficult to run an effective awareness raising campaign and makes it more difficult for people to use on any information that they've learned through such a campaign to claim their entitlements.

Developing a unified, coherent Welsh Benefits System is therefore vital if we are to boost awareness of Welsh benefits. It will reduce the number of individual grants and allowances people need to be aware of to receive their full entitlement and increase the possibility of people being given the right information at the right time with regards to their entitlements.

3. Accessing Welsh benefits

Being aware of what grants and allowances are available via Welsh benefits is just the first hurdle that people living in low-income households have to clear to access their entitlements. The need to complete and submit several application forms can be a barrier that prevents people from accessing benefits that they are entitled to. This section will explore these challenges in greater detail.

3.1 The process of applying for Welsh benefits

The process of submitting applications for Welsh benefits is complex. Each grant and allowance have their own application processes with people having to submit multiple applications to multiple departments or public bodies to get the grants and allowances they are entitled to.

The process of submitting a single application, can be incredibly time consuming:

Trying to sort council tax reduction was an absolute nightmare. I was bounced around by so many people.

Alice, mother supported by Home Start Cymru

Having to do this multiple times can be exhausting and leads to some people simply giving up:

I'm on my phone like, all the time...

Karen, single mother of 4. Works part time – Interviewed at Hope Pantry, Merthyr

The information people are required to share is often difficult to locate, a problem that is made worse by application processes being overly prescriptive in terms of how that information should be shared:

Working out eligibility is difficult as this required the ability to work out how much your income is. For example, knowing how to work out your yearly income if you are paid 4 weekly, monthly, fortnightly. Or if you work two jobs and need to work out eligibility.

Insights shared by a representative of a foodbank

People are also often not able to share the required information in a format that works for their personal circumstances:

I have had one client who has approached a number of people for support with little success. Her adult child with a disability was in hospital long term, and she was put under extreme financial pressure. She found the information confusing, and the practicalities of applying for help extremely difficult. She was away from her local area, and accessing the forms was difficult – no printing facilities and access to computer. She did not want to speak on the phone in public areas and talk about her finances etc.

Insights shared by a representative of a foodbank.

These challenges can be even greater for people who are digitally excluded or who have additional learning needs:

I'm dyslexic so I really struggle with the online form system. My broadband is very unreliable too. I have to keep logging in and out a lot of the time as my signal just cuts.

Alice, mother supported by Home Start Cymru

We were provided with a number of examples where people had opted against applying for a Welsh benefit because their literacy skills meant that they struggled with filling out forms:

I can think of several parents who, despite the offer of help, won't complete the form due to their poor literacy skills.

Teacher C responding to NEU's survey of teachers in Wales.

These issues are compounded by the fact that some people find it difficult to access in person support to overcome such challenges:

Even if there is a system that tells me clearly what I am eligible for, I may not be able to access it anyway as I don't drive and can't afford the bus. Refugees can access free transport, but not asylum seekers.

Nadia, 69-year-old mother and grandmother from Newport. Nadia is an asylum seeker from Kuwait and supported by Home Start Cymru.

We heard from others who had submitted applications for the various grants and allowances they were eligible for, but who told us that they were having trouble in getting all the support they are entitled to due to issues with their application forms:

We've had a lot of trouble getting EMA for my eldest son – he's 17 and he's in college and he's only had 3 payments so far.

Karen, single mother of 4. Works part time – Interviewed at Hope Pantry, Merthyr

People's poor experiences of accessing Welsh benefits in the past was also flagged as a barrier that prevented people from applying for their entitlements:

Parents find the application difficult. Some parents are reluctant to provide bank details for a number of reasons including fears about debt collection.

Teacher D responding to NEU's survey of teachers in Wales

Our own experiences suggest that this is likely to be an especially pertinent problem for people with NRPF. In early summer 2023 the Bevan Foundation undertook a mapping exercise to see what approach local authorities were taking to providing Free School Meals and Schools Essentials Grant to people on low income who have NRPF. During the course of our research, we called several local authorities to seek greater clarification on the support that they offer. We found that many local authority call centre staff lacked information as to what NRPF was, let alone information about whether people with NRPF

could get Free School Meals or the School Essentials Grant. These findings will be set out in full in our forthcoming report.

Addressing the complexity of the application process for each Welsh benefit and taking action to improve people's experiences of accessing their entitlements is vital if Welsh benefits are to provide a more effective lifeline for people on low-incomes.

3.2 Why challenges around accessing Welsh benefits matter?

Complicated application process sees thousands of people in Wales miss out on vital financial support each year. The impact on people that miss out on Welsh benefits can be profound. The experience of one person supported by Citizens Advice that was shared with us illustrates this clearly:

Sarah is a single parent living with her 12 year old child. They live in a 3-bedroomed privately rented property. Sarah is unable to work due to a long-term mental health condition and is reliant on Universal Credit and Personal Independence Payment for her income. She turned to Citizens Advice for help as she'd received a court summons for over £1,400 worth of council tax arrears. She had previously been told that she should be eligible for a full council tax reduction (CTR). In spite of requesting CTR application forms several times she never received them and subsequently fell into arrears. Her local Council is no longer providing face-to-face support to residents, instead people are being encouraged to go online or contact them by phone. Sarah doesn't have an online account with the Council and prefers to do things by post. She has tried to contact them by phone but due to high demand it's hard to get through. Our adviser helped her set up a repayment plan with the Council to cover her Council Tax arrears. They also sent out a CTR application form in the post. Sarah returned to our local Citizens Advice office about 10 days later and our adviser helped her to complete the form.

Sarah, south Wales resident supported by Citizens Advice

Missing out on Welsh benefits does not only have an impact on people's financial position. The strain that comes as a result of failing to submit a successful application can have significant effects on a person's mental health and their broader wellbeing. One mother illustrated this vividly:

He won't ask me for money – he knows I'm struggling too and it's degrading for someone who's 17 or around that age.'

Karen, single mother of 4. Works part time – Interviewed at Hope Pantry, Merthyr

It is not just people who miss out on grants and allowances that are negatively affected by the current approach to administering Welsh benefits, however. We heard from people who had successfully accessed the various grants and allowances that they were entitled to, that the process had taken an emotional and physical toll. Some described the process as dehumanising:

'It's (the benefits system) got to see us working class people as people. It doesn't see us as people it doesn't recognise our circumstances or what makes us us.

Karen, single mother of 4. Works part time – Interviewed at Hope Pantry, Merthyr

Others described how they felt they had to fight for what they were entitled to. The word "battle" was used by many people to sum up their experiences of getting the Welsh benefit they are entitled to:

You have to keep applying to get it - it's just another battle.

Findings from a roundtable discussion held by Save the Children.

Faced with such difficulties it is no surprise that many people look for assistance when seeking to navigate the system. We heard from a number of advice providers however, that even they sometimes struggled to find their way around the various grants and allowances in a timely manner, especially when the evidence required for a successful application is extensive:

For the form to be completed they needed their income and outgoings, so had to work out the maths by looking at their bank statements. They needed to provide the bank statements, so had to go to the branch as they do not know how to do online banking.

They needed support to screenshot their benefits award and the arrears owed for utility bills. They then needed to be supported to email the screenshots. These then had to be uploaded to the application form online. They also needed support to contact the letting agent for evidence of rent increase and arrears, which was then uploaded.

This took two appointments to complete, as they did not have the correct information for the application during the first appointment.

Insights shared by a representative of a foodbank

The fact that it can take significant time for advice providers to support a single person to get the benefits they are entitled to has knock on implications. It reduces their ability to support other people. This can lead to delays in terms of when people are provided with Welsh benefits, leading to their financial position worsening further and increasing their risk of falling through the cracks. It can also reduce the time that support workers have available to provide more rounded assistance to people. This means that other important activities such as parental support for new parents or the provision of mental health treatment is rushed or don't take place at all.

A further consequence of this pressure is that an increasing range of public and third sector bodies are regularly providing assistance to families to access the grants and allowances they are entitled to. All the teachers that responded to the NEU's survey said that their schools, at least to some extent, assisted parents in applying for Welsh benefits:

They have no idea how to do this. They are reliant on schools, make it easy to access via schools.

Teacher E, responding to the NEU's survey of teachers in Wales.

The increasing range of organisations assisting people to access the benefits they are entitled to is, in one way, a positive development. It reduces the risk of people being passed from one agency to another as people try and navigate the system. However, this is no replacement for developing a coherent Welsh benefits system that makes it easy for people to access their entitlements.

3.3 Conclusion

People should not feel like they have to battle to get access to Welsh benefits. People should be able to access their entitlements in an easy and timely manner, through a channel that best meets their needs. As this section has demonstrated, the fact that people are currently unable to do so has a negative impact on both their financial position and on their wellbeing.

The complexity of the current system does not only have an impact on people who directly miss out on benefits. Services that are already stretched are facing increasing pressures as more and more people seek assistance to access their entitlements. Developing a coherent Welsh Benefits System that is easier to navigate could therefore ease pressures on the public and third sectors, freeing up staff and resources to support people in other ways.

4. Eligibility and value

Having navigated their way through a complex system, people on low incomes continue to face challenges. This section will explore two distinct but connected challenges, inadequate eligibility criteria and the inadequate value of the support provided by Welsh benefits.

4.1 Eligibility

A concern that the Bevan Foundation has raised since the outset of our work on Welsh Benefits is that the eligibility criteria for each grant and allowance can often mean that people on low income are not eligible.⁹ The experiences shared with us over recent months show that these concerns are as prevalent as ever:

Current support often has strict eligibility criteria i.e. only those in receipt of certain benefits. This can mean that people who are on a low income but not receiving these benefits, slip through the net and are not getting the help they need.

Insights shared by a national charity that provides direct support to people on low incomes.

In some circumstances even people who are in receipt of benefits are not eligible for Welsh grants and allowances as their incomes are too high. The two benefits that demonstrate this best are the Schools Essentials Grant and Free School Meals (in secondary school). A child whose family receives Universal Credit would only be eligible under either scheme if their annual household earnings is less than £7,400 a year.¹⁰ Such an incredibly low threshold sees thousands of families who are living in poverty miss out on assistance each year:

The parents talked about not being entitled to it (Schools Essentials Grant) if not on FSM so if you work a little bit, you don't get the extra support.

Findings from a roundtable discussion held by Save the Children.

The number of families missing out on the lifeline offered by these schemes is likely to have increased since the Bevan Foundation first drew attention to the challenges caused by these eligibility criteria. The £7,400 income threshold was first introduced in April 2019 and has not been revisited since. Had the threshold increased in line with inflation it would be standing at £9,059 a year as of September 2023.¹¹ This means that to be eligible for the Schools Essentials Grant or Free School Meals families must be £1,659 a year worse off than they were in 2019:

Another way to illustrate the significance of the decision to not uprate the income threshold for either scheme is to look at how many hours a week someone could work at the National Living Wage before ceasing to be eligible. In 2019, a single parent aged 25 and over could work just over 17 hours a week on average and still qualify for Free School Meals and the School Essentials Grant.¹² In 2023 the same parent could only work an average of 13.5 hours a week at the National Living Wage to still be eligible for the same schemes.¹³ A parent working 13.5 hours a week would not be deemed to be working sufficient hours to qualify for the Welsh Government's Childcare Offer, meaning the

income cap is now so low as to lock out all “working parents” as defined by the Welsh Government itself.

Concerns about working parents missing out on Welsh benefits kept appearing over and over again in the experiences shared with us:

The threshold for eligibility is low. Families with a parent working part time are not eligible but also lose eligibility to the Council Tax Reduction Scheme.

Insights shared by a national charity that provides direct support to people on low incomes.

Working parents and low paid workers more generally are not the only people missing out on Welsh benefits due to restrictive eligibility criteria, however. We heard from one mature student at a Further Education College about the challenges she’s facing:

Ffion is a full-time student at a Further Education College. She lives alone and told us that she is ineligible to receive any Universal Credit as she is a full-time student. She is also ineligible to receive the Education Maintenance Allowance as she is too old. She reported being familiar with all of the schemes available and being aware of what support would be available to her if she was not a student and felt she was missing out on much needed support.

The experience of Ffion, single adult, lives alone. Full time student in further education – Interviewed at Hope Pantry, Merthyr

Another mature student told us:

I think it’s a shame that so many people who are trying to better themselves are having to use places like this (a foodbank) because they’re just not getting any help. It’s like you’re punished for trying to do better, but there’s no jobs otherwise.

Delyth, mature student – interviewed at a Foodbank in Pontypridd

People with no recourse to public funds are another group that miss out on Welsh Benefits due to current eligibility criteria. As set out in section 2.2 many local authorities do not provide Free School Meals to children from low-income households who have NRPF despite Welsh Government guidance stating that they should receive it. This has further knock on implications.

Perhaps the most obvious of these implications is that many local authorities use eligibility for means tested Free School Meals as a proxy for eligibility for the Schools Essentials Grant. Families who miss out on Free School Meals therefore also miss out on the Schools Essentials Grant.

A secondary implication is that for some people who have NRPF or who are asylum seekers, even accessing community support can be difficult, pushing people into extreme hardship:

When I go to get support from community organisations for things like, clothes and food, sometimes I feel I am treated differently than others

that look different to me. I notice they won't give me the same things or they brush me off.

Nadia, 69 year old mother and grandmother from Newport. Nadia is an asylum seeker from Kuwait and supported by Home Start Cymru.

4.2 Value

A message that we often heard through our work was that the value of the financial support provided by the benefits system is simply insufficient to meet people's needs.

Much of this criticism was pointed at the UK Government. This is not a surprise. The Joseph Rowntree Foundation and the Trussell Trust have recently highlighted that the standard Universal Credit allowance for a single adult over 25 needs to be £35 a week higher to be sufficient meet essential costs with the standard allowance for a couple over 25 needing to be £66 a week higher.¹⁴ The Bevan Foundation's own research has highlighted the devastating impact that the UK Government's decision to freeze Local Housing Allowance has had on low-income renters.¹⁵ However, Welsh benefits were not immune from criticism. Many people's views on whether Welsh benefits provided sufficient levels of support were neatly captured by Andrew:

...it does help, but with the rest of what I get being what it is I barely notice it because I'm still struggling to keep up with prices.

Andrew, recently retired, lives alone – interviewed at Foodbank in Pontypridd

The value of the School Essentials Grant was raised as a particular concern. Parents were especially critical of decisions that are being taken by schools that are, in their view, undermining the value of the support provided through the Grant:

I'm getting school uniform grant which has been a big help, but the school has changed its PE kit recently... it feels like wasted help.

Llinos, single parent. Works part time – Interviewed at Hope Pantry, Merthyr

A related concern is that several Welsh grants and allowances are given a fixed financial value. EMA, the School Essentials Grant, Healthy Start Vouchers and Welsh Government Learning Grant (Further Education) all provide receipts with cash. None of these schemes are automatically uprated meaning that their values can remain unchanged for a number of years. Healthy Start Vouchers, for example, were not uprated between 2009 and 2021 (and nor have they been uprated since).¹⁶ Meanwhile, the Bevan Foundation had been campaigning since 2020 for an uplift in EMA with its cash value having not been increased since 2004/05.¹⁷ The campaign has ultimately proven successful with the value of EMA increased in 2023.¹⁸

The fact that action has been taken to increase the value of some of the grants and allowances people are entitled to over recent years is to be welcomed. To safeguard their value, however, there is a need to establish mechanisms to ensure that their values are reviewed annually. The risk otherwise is that the value of support is eroded over time, with action to uprate a benefit only being taken when the value of a grant or allowance has fallen so dramatically in real terms as to enable a headline grabbing campaign.

The real-world impact of the inadequacy of the benefits system was painfully obvious in some of the testimony we heard:

'I'm trying not to think about Christmas to be honest, I'll cry. I'll think about it when December comes.'

Llinos, single parent. Works part time – Interviewed at Hope Pantry, Merthyr

Perhaps the most concerning emotion of all that people shared with us was a sense of hopelessness:

Things are so bad now I just don't see a way out.

Karen, single mother of 4. Works part time – Interviewed at Hope Pantry, Merthyr

This was not just related to people's inability to put food on the table and to heat their homes but also related to people's inability to enjoy a decent living standard. As one mother put it:

Things like the Healthy Start Vouchers do help; being able to get milk and vegetables, but, the truth is I'm struggling at the minute. We can't go on any holidays, or even do activities with all the kids. Even going to a family cinema I can't afford.

Natasha, mother of six children from Blackwood, supported by Home Start Cymru

These broader quality of life factors matter. The Bevan Foundation's *Snapshot of poverty in winter 2023* report found that people's inability to participate in hobbies and leisure activities was the primary reason why people's physical and mental health had deteriorated as a result of their financial position.¹⁹ Investing in Welsh benefits so that people in Wales have enough money to enjoy a decent living standard is not only the right thing to do for the people of Wales, it is also preventive investment that will reduce pressure on Welsh public services and put money back into the Welsh economy.

4.3 Conclusion

Welsh benefits provide a lifeline for people across Wales. It is clear, however, that the system, as currently designed, leaves people facing real hardship.

There is a clear need to review eligibility for Welsh benefits. The fact that no working parents, as per the Welsh Government's own definition, can claim the School Essentials Grant or Free School Meals in secondary school highlights how far removed from reality many of the eligibility criteria have become. For Welsh benefits to effectively support low-income households then they must be available as of right to all low-income households.

It is also vital to have systems in place to automatically uplift the cash value of the various grants and allowances that are in operation in Wales. Without such a system Welsh benefit offers less and less to people with every passing year, undermining their effectiveness as a lifeline.

5. Conclusion and next steps

Welsh benefits are of critical importance to the people of Wales. There is little doubt that were it not for the support provided by Welsh benefits that the number of people living in hardship would be even higher than it is today. By ensuring that a system of support is in place that complements the support available through the UK social security system, the Welsh Government and local authorities are not only protecting people in Wales from poverty, but they are also reducing demand on public services that are increasingly stretched.

There is clearly a desire from everyone with a stake in Welsh benefits to make them work better for the people of Wales. There is a consensus among claimants, support workers, officials and politicians that there are ways to make the various grants and allowances that are currently in place be more effective. As set out in the introduction to this report, the Bevan Foundation believes that the means through which to achieve this is to establish a Welsh Benefits System. This would see the various grants and allowances pulled together into one coherent system, making it easier for people to access the support they are entitled to. As one organisation that shared its views with the Foundation over 2023 stated:

A Welsh Benefits System would prevent people from missing out on the benefits and grants that they are entitled to. Many of the most vulnerable and financially excluded people are missing out on what they are entitled to.

A huge amount of time and money is spent supporting people to apply for grants and benefits. This could be minimised by having a Welsh Benefits System. It would make life easier for those already struggling in their lives.

Insights shared by a representative of a foodbank

Policy in Practice's report *A common approach to Welsh Benefits: Feasibility study* provides a roadmap for how a Welsh Benefits System could be established.²⁰ We are pleased to hear that arrangements are in place to start the process of making this a reality. The findings of this report reiterate, however the need for the Welsh Government to begin the process of implementing Policy in Practice's recommendations at pace, the importance of placing a Welsh Benefits System on a stronger basis than "guidance" and the need for a Welsh Benefits System to include all Welsh benefits, not only parts of the system that are administered by local authorities.

Furthermore, as this report has demonstrated, awareness of and the process of applying for Welsh benefits are not the only weaknesses of the current approach in Wales to topping up the support that people receive via the UK's social security system. There are two other important issues that has emerged through our work that has received less attention in recent conversations about establishing a Welsh Benefits System; eligibility criteria, and the value of the various grants and allowances.

The eligibility criteria of some Welsh benefits are so restrictive as to mean that thousands of people living in poverty do not qualify for support. As this report has highlighted, no "working parent" as defined by the Welsh Government with regards to accessing its Childcare Offer is eligible to receive Free School Meals (secondary school) or the Schools

Essentials Grant for their child. This, combined with the fact that many Welsh benefits have lost value in real terms mean that they offer a less effective lifeline with every year that passes.

Based on the findings of this report we believe that there are three actions that should be taken to address community concerns.

First, there is a need to review the eligibility criteria of existing grants and allowances to explore whether Welsh benefits are actually accessible for all people living in poverty. Second, there is a need to establish mechanisms to ensure that any income-based eligibility criteria and the cash value of Welsh benefits are reviewed annually to take the impact of inflation into account. These measures already exist with regards to other parts of the public sector in Wales and could be easy to roll out across Welsh benefits. Three, given the importance of the Welsh Benefits System in reducing poverty we urge the Welsh Government to make rapid progress in putting a system into place and to ensure all means-tested grants and allowances are included within it. To achieve this, we call on the Welsh Government to set out a clear route map for comprehensive delivery.

References

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- ³ As evidenced through their involvement in this report
- ⁴ The Minister for Social Justice and Chief Whip, Jane Hutt MS has reiterated the Welsh Government's support to establishing a Welsh Benefits System a number of times in plenary, including recently on 26 September 2023.
- ⁵ Policy in Practice n(1)
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- ⁷ All figures quoted in this section unless otherwise stated are from YouGov Plc. The total sample size was 1,055 adults. Fieldwork was undertaken between the 21st and 26th of July 2023. The survey was carried out online. The figures have been weighted (unless specified otherwise) and are representative of all Welsh adults (aged 16+).
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- ²⁰ Policy in Practice n(1)