

# Written Evidence For The Equality and Social Justice Committee On Debt and The Impact Of The Rising Cost Of Living - Jan 2023

## 1. FareShare Cymru

1.1. This response is made on behalf of FareShare Cymru.

1.2. FareShare Cymru is a charity based in Cardiff that works with charities and community organisations (we call these community food members - CFMs) throughout Wales. We currently support over 213 organisations (180 in South Wales and 33 through our partners in North Wales). We take good quality surplus edible food from the food industry and redistribute this to organisations that help feed people in need. We work with a range of organisations including homeless hostels, women's refuges, youth charities, lunch clubs for the elderly, food pantry's, community cafes and many more. Our members are organisations that are doing 'more than food'. This means that they are doing more than handing out food parcels but are offering other services to their clients and customers - this may be offering e.g. advice, activities, training, skills development or other services.

1.3. In the last calendar year, we have saved over 829 tonnes of food and drink from being wasted and contributed to over 3.4 million meals. We have supported between 21,360 and 25,920 beneficiaries each week and have saved the Third Sector in excess of an estimated £1.5 million that can be reinvested in their front line services.

## 2. Overview

2.1. During the COVID 19 pandemic and the cost-of-living crisis that we are now seeing the Third Sector in Wales stood up and made a difference to people lives. In many cases the Third Sector changed what they were doing and became an emergency source of aid. The transition back to providing the services that were there before is slower. Some of the reasons behind that are due to the fact that that provision is still being needed.

2.2. Hardship and poverty are solved by ensuring everyone has access to adequate and stable incomes, not food aid. Food aid is a temporary patch to be used in crisis situations only, and is not the answer to resolving hardship in a dignified or effective way; this is solved by adequate and reliable income.

2.3. The priorities for the Welsh Governments draft budget relating to the cost of living, including preventing and relieving debt need to find a balance between making a difference to people lives now and making changes for the future that prevent hardship in the longer term. It is tempting to respond with quick fixes. In order to build a food secure Wales, we need to build the structural foundations for change - so that everyone can live without hunger and hardship.

2.4.Charities and community groups are responding to the urgent need that we have now, but they also recognise the need to work to address the underlying issues that are leading to this need. The huge role that third sector does and will continue to play needs to be recognised. Over the last few years many organisations have been pushed incredibly hard and are still being asked to do a lot with very little. There is a need to recognise the contribution that these organisations make, the difference they make to people lives and the fact that Wales would be a much poorer place without them. Many are being asked to do more and more there is a need for them to keep finding funding. There is a need to look at support for third sector long term and look at their sustainability and resilience.

### 3. What Are We Experiencing?

3.1.Demand for our service is continuing to grow. We currently have a total of 75 organisations on a waiting list and a further 42 existing Community Food Members (CFMs) on a separate waiting list for increases to their weekly food allocation. We have limited space and resources and are investing heavily in our ability to take and process more food. In addition to this rising costs are also impacting on our ability to source food.

### 4. What Are Charities and Community Groups Experiencing?

4.1.FareShare UK conducted a survey of the charity and community groups that we work with (CFMs) in January and September/October of 2022 to assess the impact of the cost of living crisis on the charities and community groups receiving food from FareShare. In the latest of these surveys respondents were asked to reflect on the effects of the cost of living crisis on their organisation since January 22 and what they anticipated the impact going forward would be. Over two weeks (26/09/22-9/10/22) 184 organisations across South Wales were contacted with 68 responding (37%) response rate. The key findings were that:

4.1.1. 96% of organisations have been affected by the cost of living crisis since January, with 31% severely affected. The main ways in which charities have been affected include: 88% Higher demand for services; 69% Rising food costs; 65% Rising running costs; 55% Rising fuel and transport costs; 37% income reduction; 25% Securing and managing volunteers; 3% Other (please note these were multi select options and do not add up to 100%).

4.1.2. 97% (9.7 in 10) of organisations have seen an increase in demand with 34% (3 in 10) reporting that their demand has more than doubled. The main reasons for demand were: 88% increase in the cost of food; 74% increase in energy bills; 54% unemployment; 50% other cost of living issues; 50% low pay; 46% mental health issues; 38% benefit changes; 24% physical health issues (please note these were multi select options and do not add up to 100%).

4.1.3. 88% (8 in 10) of charities see people accessing support for the first time and (51%) requiring increased support. Looking at who is accessing support for the first time, the split is fairly even across all groups by employment type, from people in full time employment to retired people.

4.1.4. From the groups new to these services, the majority of charities (62%) report an increase in families with children.

- 4.1.5. Additional services are being requested from charities and community groups to help with the cost of living crisis, these include: non-food items e.g. sanitary (72%), more food to take away (68%), advice re debt/ bills management (47%), help with electricity meter top up cards/fuel cards (40%), additional opening hours e.g. weekends or after school (29%).
- 4.1.6. In the run-up to Christmas, 100% of charities anticipated an increase in demand, with 84% anticipating a significant increase.
- 4.1.7. As a result of the cost of living crisis some charities are planning to change/adapt their services going forward. The changes that they are planning include: Increase frequency of food service (39%); Opening or working in collaboration with new/emergency initiatives responding to the crises, i.e., warm banks (34%) increase frequency of support services (30%); start new support services (27%).
- 4.1.8. Charities were also asked if they worry that the impact of the cost-of-living crisis on those they support will be bigger than the corona virus pandemic. The response was an overwhelming yes (85%).

## 5. What Charities Are Saying Their Clients Are Experiencing?

5.1. We asked some of our CFMs (charities and community groups) for any information or comments that they were willing to share. Organisation 1, sent us the results of a survey that they had conducted on the cost of living crisis. This was conducted with a random sample of 10 residents in their area and is approximately 10% of their regular pantry visitors. Organisation 2, 3 & 4 run a projects in a different local authority areas and sent in comments and quotes from their clients and/or their experiences.

### 5.2. Effectiveness of Welsh Government support

5.2.1. The effectiveness of support schemes in reaching the intended recipients appears to be variable:

5.2.1.1. Organisation 1 reported that the majority of clients have received their Cost of Living payments (£650 in instalments), so this supply of funds seems to be working.

5.2.1.2. There was a running theme with issues for those on pre-payment meters. Organisation 1 reported that 'less than half of people they asked have received the Energy Bills Support scheme funds. This scheme does not seem to be working, especially for those on prepayment who do not have smart meters'. They also commented that 'support schemes do not seem to adequately take account of the reliance of the poorest households on pre-payment accounts'. At organisation 2 a volunteer stated that clients were saying that 'For those of us on pre-payment meters there is a very fine balancing act. You have that sickening feeling of knowing that you pay a higher rate for your energy, PLUS you have to pay for the privilege of having a meter in the first place. If this was capped or there was free rent on meters for a few months, this would give a bit of extra money that could go towards gas and electric, allowing the option of heating and eating in these trying times.' Organisation 4 reported that 'the rise in energy costs (gas & electric) has had the biggest impact for those who are on pre-payment meters. They pay more for the energy, get cut off quicker & are much more disadvantaged. Addressing this disparity would help to lessen the risk of debt.'

- 5.2.1.3. Organisation 1 reported that ‘only a third of the respondents received a Warm Home Discount. Given that all participants in this study were either pensioners and / or on low income, of our case group this scheme does not seem to be reaching enough people in need.’
- 5.2.1.4. Organisation 1 reported that ‘just over half of the respondents received the Welsh Fuel Support payments. Given the likelihood that all members of the case group are eligible and in great need of support now, it seems that this scheme is not effective enough’.
- 5.2.1.5. Organisation 2 commented that ‘access to support needs to be made easier and accessible for all’. This includes providing access to support through non-digital methods. They also commented that funding needs to be better publicised and advertised widely including posting through the door.
- 5.2.1.6. Organisation 3 said ‘I can feedback that from pantry members we have heard that extra payments to UC claimants have been vital. People are cutting back on food expenditure and prioritising essential bills, they are not using the heating whenever possible, going to bed early, wearing warm clothes, cutting back on any shopping/expenditure.’
- 5.2.1.7. Organisation 4 - stated that there needed to be ‘a recognition that the cost of living crisis has hit the squeezed middle. People who work, budget really well, but struggle with rising costs. These are often people who do not claim any benefits, and miss out on additional finances.’

## 5.2.2. The effectiveness of these support schemes in helping people cope with cost of living pressures also appears to be variable:

- 5.2.2.1. Organisation 1 reported that ‘just as many respondents felt that the support schemes were helping them cope with the cost of living crisis as didn’t. For those saying yes or maybe, a common view was that the payments have helped not just with fuel costs, but with other needs, especially Christmas. (It is not clear whether the money was spent on non-fuel costs, but on other costs, thereby freeing up income for fuel.). For those who said no and commented, either the payments didn’t make much difference given such a rise in the cost of living, or payments were not received’.
- 5.2.2.2. Organisation 1 also commented that ‘the extent and level of payments is simply not enough to make a real and lasting difference to residents that are already in poverty, given the considerable and continued rise in fuel and living costs.’
- 5.2.2.3. Organisation 3 said ‘I can feedback that from pantry members we have heard that extra payments to UC claimants have been vital. People are cutting back on food expenditure and prioritising essential bills, they are not using the heating whenever possible, going to bed early, wearing warm clothes, cutting back on any shopping/expenditure.’

## 5.2.3. The effectiveness of the schemes in helping to manage or prevent debt also seems to be variable:

- 5.2.3.1. Organisation 1 reported that twice as many said that the schemes were not helping to manage or prevent debt as said that they were helping. Although it helped one person take some debt off fuel, there was a strong view that these payments are not large enough to make a real difference to debt.

5.2.3.2. There is also a recurring theme that third sector organisations are playing a vital role in this area. Organisation 3 stated that ‘The pantry has become a life line for many - as most people are cutting back on food/cleaning/toiletry expenditure, the pantry is an essential way of accessing these products. Demand for membership has grown month on month, particularly from September 2022 onwards. One member supports a household - we have 120 members and a waiting list of 30. .... support for pantries is essential. We are seeing people across the board affected by the cost of living crisis - in particular lone parents, often on part time or low income jobs, tenants in private rental, families in work whose wages are not meeting expenditure.’ Organisation 4 similarly stated that they are ‘just one way of supporting people to prevent getting into debt, whilst promoting dignity, choice & hope.... we have more than doubled our membership in a year, and hold a waiting list. The cost of living crisis is not going away, with the rise in energy prices due in April 2023, and government support reducing we anticipate that our numbers would triple this year- and we are unable to meet this need.’

#### 5.2.4. Other comments:

5.2.4.1. Organisation 1 included additional comments from our volunteer working closely with those in most need:

- ‘A major hurdle for those on traditional prepayment meters who are digitally disconnected is the inability, IF they are aware of the Government energy support scheme and can read their letter, to either physically reach a Council hub, or mentally or financially be unable to phone the Council.
- The well-publicised delay in posting the vouchers, plus some people’s extreme reluctance to open post, has left the most vulnerable at risk in cold homes.
- In addition, there is one Council Advice Line for all enquiries resulting in expensive long telephone waits on hold.
- One person in the pantry and another since said they’re not topping up gas anymore because it’s hopeless.’

5.2.4.2. Organisation 2 suggested that there is no one ‘go to’ place for information that supports people in this cost of living crisis. It would be useful to have a website and telephone number (possibly attached to local government services) where the public can access information about services in their area. This should include Food and Fuel banks, Community Pantries, Baby Banks, Community Fridges, accessing DAF, Credit Unions, how to access illegal money lending support (loan sharks), local third sector mental health support, carer support.