

# Beyond Essentials: Community Responses to the Cost-of-Living Crisis

May 2024



## Foreword

The last few years have been dominated by what has been called permacrisis: Covid-19, a worsening climate crisis, armed conflict globally, the Cost-of-Living Crisis and further austerity closer to home. Directly and indirectly these factors have had devastating impacts on many Welsh communities, especially those facing the biggest challenges and this in turn has had major knock-on effects on local community groups and organisations, including almost all of those with which we work.

BCT has commissioned this research to determine how those community organisations are responding to the Cost-of-Living Crisis and identify the challenges it has thrown up for them as organisations, and the for the people who work and volunteer for them. We want to thank everyone who shared their experiences by responding to the survey or participating in a focus group or interview, especially given the pressures detailed in this report.

We also wanted to examine how they perceived the type of support they need to continue doing their vital work. The research shows starkly how that work really has become essential for many people – not only in terms of providing the essentials of life – such as food and fuel – but also increasingly stepping into shoes once worn by public sector organisations.

The phrase “heating or eating”, describing the stark choice faced by many people as living costs have risen, has become commonplace. The findings set out in this report demonstrate that community groups and organisations are responding to the Cost-of-Living Crisis in ways that go *beyond* meeting *essential* needs. The actions of community groups and organisations contribute significantly to peoples’ overall sense of wellbeing as well as supporting governmental policy ambitions, perhaps more implicitly than by deliberate design.

This research conclusively demonstrates the central role that community organisations are now playing in supporting more and more people, despite coming under growing pressure themselves.

To ensure that they are able to continue doing this work, the report identifies a list of tangible recommendations for the Welsh Government, funders, and commissioners which need to be heeded.

We hope these findings and recommendations serve as a rallying cry for a more supportive environment, for community organisations, and all those they support, throughout Wales- especially in our most disadvantaged communities.

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## Executive Summary

This report presents the findings of research seeking to gain a better understanding of responses to the Cost-of-Living Crisis by community organisations in Wales. The research was commissioned by Building Communities Trust and was undertaken by Funding Assist between December 2023 and March 2024. 134 survey responses were received from community organisations with a further 10 responses from umbrella organisations. In addition, further information was gathered through two focus groups and 12 interviews with key stakeholders from community organisations and umbrella organisations, such as County Voluntary Councils. The research also encompassed a desk-top review of research related to the Cost-of-Living Crisis.

While there are differing views on the precise start point of the Cost-of-Living Crisis, it is generally agreed that this was the end of 2021 in the UK. The research used a start point of September 2021 in order to aid consistency.

It quickly came apparent during the research that separating out the response of organisations to the Covid-19 pandemic and that of the Cost-of-Living Crisis was challenging as several initiatives were put in place during lockdown which have continued or expanded in response to the crisis.

84% of respondents agreed that the Cost-of-Living Crisis had affected the work of their organisation markedly, with 45% agreeing strongly that this was the case. Over 50% of respondents highlighted that demand on their services had increased, while at the same time many reported that income had decreased through general reductions in public funding, difficulties in securing grants and less income coming from their community members, who could no longer afford fees or to buy food and drink.

Organisations also highlighted the major challenges caused by the increase in costs of many items, particularly fuel and lighting but also salaries, food and transport. They felt that funders did not always recognise these as valid elements in funding bids.

For many organisations the Cost-of-Living Crisis has changed the focus of their work; to meet the needs of a new crisis immediately following the pandemic. In some cases, they feel this has led to a concerning drift away from their core values and objectives. It has also led to available funding typically being targeted towards meeting immediate essential needs rather than building community resilience for the long-term.

Organisations reported that people increasingly need support around benefits, housing, banking, online form filling and telephone calls, particularly older and disabled people. Closure of day centres, mental health drop-ins and other reductions in statutory support services means there is a greater number of people looking for practical support and community organisations, in many cases, are the only places people have left to go.

Just over half of respondents (51%) felt that their organisation was providing support which was previously the responsibility of the state; the Welsh Government, Local Authorities, Health Boards and other state funded public bodies. A slightly higher proportion felt this had increased since the start of the crisis (54%).



The challenges presented by the reduction in public services are accentuated by reduction in other facilities, particularly the closures of shops and the reduction in public transport. This was highlighted as a particular challenge in rural areas and led to concerns that members of the community are unable to buy essentials, such as clothing as well as risking isolation and loneliness, particularly affecting older people. This may lead to an increase in mental health issues first identified during the pandemic and exacerbated by the Cost-of-Living Crisis.

This research highlights the growth in working adults accessing support. 68% of survey respondents reported a disproportionate rise in working adults accessing services. The research supports findings from others that the crisis disproportionately affects rises in other groups, especially families with children under 18, disabled people, minority ethnic groups, young people and carers.

Close to 80% of respondents agreed that the Cost-of-Living Crisis has had a marked effect on staff and volunteers, in a sector which typically receives lower pay than those working in the public or private sectors. Almost two-thirds reported that staff and volunteers had financial worries and there were significant concerns over their mental health and the work pressures they were under.

Over half (54%) of community organisations said that they had set up new services. This included ten who said that they had been established in response to the crisis. In terms of the type of new services provided, perhaps not surprisingly, these were primarily related to the provision of essentials such as food and warmth, but there were also a wide range of other services including reuse and recycling initiatives, transport schemes, support and guidance services and community shops.

Respondents expected the demand for these new services to persist and a continuing need for support and assistance within the communities they work in. Consequently, most respondents expressed a desire for their services to continue indefinitely or for an extended period beyond the initial funding, but many also highlighted the insecurity in their long-term funding arrangements.

Positively, almost half of respondents (46%) said that additional opportunities had arisen for their organisation during the Cost-of-Living Crisis, with new funding sources and new partnerships featuring strongly.

When asked what they felt would lessen the impact of the cost-of living crisis on themselves as **organisations**, not surprisingly, the need for increased funding featured strongly in responses (over 50%). However, significantly more (75%) identified access to longer term funding as a key enabler to lessen the impact of the crisis on their organisations. This echoes concerns expressed throughout this research of the short-term nature of funding and the consequent insecurity this causes. The need for help and support to apply for grants and other fundraising sources also featured prominently as a key priority.

In terms of lessening the impact **on members of their community**, a relatively even response was given to the various priorities put forward. These included sustainable funding for local activities, greater help to access government support, better or cheaper public transport, ensuring free and low-cost activities locally and practical support such as food, clothing, heating and blankets.

This research highlights multiple persistent challenges faced by community organisations which have been compounded by the Cost-of-Living Crisis. We recommend that:

- **Long-term funding** - the Welsh Government should develop a flexible, long-term funding model to support community action using the expanded Dormant Assets Scheme.
- **Core costs** - funders and commissioners should recognise the extreme pressures and additional demands community groups are experiencing and build a contribution to core costs into funding awards.
- **The Real Living Wage** - funders and commissioners should ensure grant recipients and supplier pay their staff the real living wage.
- **Welsh Benefits System** - The Welsh Government should prioritise work on a Welsh Benefits System; recognising and investing in face-to-face provision of advice and assistance, ensuring people can access the support they are entitled to.
- **Support for energy costs and retrofitting community facilities** - the Welsh Government, funders and infrastructure bodies must support community organisations to meet rising energy costs, through a more expansive range of grant schemes including contributions to retrofit measures.
- **Venue hire** - publicly funded bodies must commit to paying venue hire fees when using community facilities, contributing to their sustainability.

## About this research

The primary purpose of this research was to get a better understanding of the response to the Cost-of-Living Crisis by community organisations in Wales. Five key areas of investigation were set out within that broader aim:

- To understand and explain the work that community organisations are doing to mitigate the impacts of the Cost-of-Living Crisis.
- To illustrate, as far as possible the impact of the Cost-of-Living Crisis on people who use community facilities.
- To understand how the work of community organisations is addressing the Cost-of-Living Crisis and complementing or to a degree replacing that of public sector organisations.
- To understand the impact of the Cost-of-Living Crisis on community organisations' own resources (including staff and volunteers)
- To identify the steps that community organisations feel might lessen the impact of the Cost-of-Living Crisis on a) their local communities and b) them as organisations.

And within those broader themes, the aim was to explore the following specific questions:

- How central is mitigating the Cost-of-Living Crisis to the work of community organisations?
- How has their work changed since the crisis began?
- What has been the impact of the crisis on how their facilities are used and what community members want from them?
- To what extent are community organisations providing support that would previously have been the responsibility of the state in its different forms?
- What additional pressures is the crisis placing on community organisations and those who work and volunteer within them?
- What additional opportunities have arisen for community organisations as a result of the Cost-of-Living Crisis?
- What are the key factors from the perspective of community organisations that would either reduce or worsen the challenges faced by community members?
- What are the key factors from the perspective of community organisations that would either reduce or worsen the challenges their organisations face responding to the crisis?



## Context and broad findings

‘UK Poverty 2024’, the recently published research by the Joseph Rowntree Foundation, finds that ‘very deep poverty’ has risen significantly in the last 20 years and that nearly four million people experienced destitution in 2022 – a 148 % increase over just five years.

Usage of foodbanks in the UK are at their highest peak, according to the Trussel Trust, with Helen Barnard, Director of Policy, Research & Impact, at the launch of the JRF report, describing how the community sector are applying a *“sticking plaster on the wound, but the wound is getting bigger”*.

In Wales, children are more likely to be living in poverty than any other age group, and the child poverty in Wales rate has consistently been higher than in Scotland and Northern Ireland over the last 20 years.<sup>1</sup>

The latest published Bevan Foundation research ‘*A snapshot of Poverty in Winter 2024*’<sup>2</sup> reported a significant rise in poverty between May 2021 and July 2022, first as a result of the pandemic, and then the Cost-of-Living Crisis. The report shows that although poverty levels have stabilised since then, the numbers of people that *sometimes, often or always* struggle to afford essentials is still 50 % higher than it was in May 2021, suggesting that financial hardship is the ‘new norm’ for families in Wales.

This is reflected by food bank co-ordinator Cath Evans, Development Manager of the Pontarddulais Partnership, who told us that previously their food bank was for emergencies, to help people get back on their feet - now over 50% are regular customers.

Inflation and global events including Brexit, Covid-19 and Russia’s invasion of Ukraine have all contributed to the economic storm of the Cost-of-Living Crisis, the politically coined term to describe the fall in ‘real’ disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021.

However, this term is unhelpful, focusing only on the rapidly increasing cost of basic essentials, whilst papering over the problems of squeezed incomes, grossly out-of-synch with inflation.

In 2022 the New Statesman argued that the phrase *“doesn’t lead to people thinking about long-term or systemic solutions – instead, it’s about getting us through the storm: short-term, immediate relief...Crisis language narrows people’s thinking and focuses attention on the here and now, and doesn’t point towards a “clear villain” or apportion blame towards a particular policy or structural problem.”*

This perspective chimes with the experiences of community groups across Wales, who, our research suggests, feel a strong sense of conflict between their commitment to helping meet people’s most basic needs, and a sense of frustration at being distracted from longer-term support and interventions that have the power to catalyse systemic change.

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<sup>1</sup> Department for Work & Pensions (DWP), released 23 March 2023, GOV.UK website, statistical release, Households below average income: for financial years ending 1995 to 2022.

<sup>2</sup> The Bevan Foundation, March 2024, A Snapshot of Poverty in Winter 2024

The Cost-of-Living Crisis has been a blow to many community organisations whose mission is to empower people to lift themselves out of poverty through developing confidence and skills and building on strengths and local solutions. In many ways, the enforced change of emphasis to helping people meet their basic needs, risks unravelling the progress that has been made in some communities.

*“It's somehow pulled us away from our mission of being that catalyst in convening lots of organisations to promote community development...we've got a really long-term vision of how we want our community to progress, and the Cost-of-Living Crisis has had the effect of focusing a lot of work and energy on providing quite a short-term kind of support.”* **Sam Froud Powell, Operational and Development Manager ACE, Cardiff**

Out of the 134 community organisations that responded to our survey, 54% had established new services in response to the Cost-of-Living Crisis, with ten organisations set up directly in response to it. 43 Warm Spaces and 84 new food-based services have been reported from the sample, demonstrating the extent to which the communities galvanised their efforts and resources into meeting need.

The reality is that poverty within the communities of Wales is nothing new. Most organisations we spoke to found it difficult to differentiate between ‘before’ the crisis and ‘after’ the crisis, in terms of how it has manifested itself. Strong community resilience, built on decades of dealing with severe poverty, has meant for many it is ‘business as usual’, with some organisations demonstrating extreme agility, foresight and skill in ‘insulating’ themselves from the threat that the Cost-of-Living Crisis poses.

## Covid-19 and other contributing factors

Respondents also spoke about other external issues that have compounded the Cost-of-Living Crisis, like the shrinking of public services and the reduced presence of support agencies and civic amenities in local areas. The legacy of Covid-19 continues to be felt, not only in terms of its impact on people’s mental health, but also in terms of how some public and third sector services and staff ‘*have never come back*’ as one participant told us. The move to hybrid working has meant the closure of local offices and premises across sectors, and this has meant community organisations are often the only port-of-call in local communities.

*“The majority of statutory services work from home - they never came back - we have a huge county hall- no-one works there - everyone works from home. All these support agency workers that were out in the field aren't present. It's contributed to the problem.”*

**Anonymous community group leader**

The closure of libraries, day centres, post offices, banks and shops has stripped many communities of these once key pillars of social and community life.

For many, Covid-19 had the effect of shining a light on pre-existing issues. **Hope Pantry manager, Heidi Jacobsen**, commented that: *“Without Covid we wouldn't exist, but people would still have been lonely and isolated, and they would still be in food poverty, we just wouldn't necessarily know about it. So, if there was a positive to come out of COVID, that would be one - it uncovered a lot of the stuff that was hidden.”*

One impact of Covid-19 was the effect that it had on businesses, with many closing down, particularly in rural areas, with this phenomenon continuing as the Cost-of-Living Crisis heightened.

‘The Hive’, a community hub in the centre of Llandrindod Wells, provides a well-used children’s clothes bank, with **Place Co-ordinator, Jane Powell**, telling us, that it’s not only about tackling poverty. Local people find it increasingly difficult to source clothes in the town as so many shops have closed. When combined with transport barriers, digital exclusion and poor broadband connections, travelling out of town or purchasing online is difficult for many. She says: *“Due to the Cost-of-Living Crisis so many local businesses have closed, there is nowhere people can buy things like wellies, coats, slippers, trainers etc. for school as nowhere sells them. If they can’t shop online, there’s very little public transport, and its expensive”*.

## Public funding cuts and the impact on community organisations

A wave of public funding cuts announced in December 2023 and finalised by the Welsh Government in February 2024 affects many areas which intersect with and help fund the third sector through grants and contracts, such as social care services, mental health, economic development, arts and culture and equalities. Cuts to these areas are likely to have a knock-on effect on the charity sector with fewer contracts and grants likely to be available than previously.

*“Groups we support are now really struggling with rising utility costs and the price of insurance. In the past, the local authority and local health board traditionally have supplied small pots of money to keep these groups going, but they are not forthcoming now.”* **Vanessa John, Third Sector Support Team Manager, Pembrokeshire Association of Voluntary Services**

*“There’s no money in the system - lots of places where groups would normally get money from, like the local authority and health board, have no money and so there is going to be a massive impact which hasn’t been felt yet.”* **Amanda Carr, Director, Swansea Council for Voluntary Service**

NPC ‘State of the Sector’ research into the views of charity leaders in the UK, published in February 2024, found that essential public services are also at risk due to underfunded contracts held by charities.

The NPC research found that only one quarter of contracts that charities hold have been uplifted in line with inflation, and 62 % of charities believe that they do not receive the full value it costs to deliver a public sector contract, with the average charity contributing 35 % of the value of a contract. The report estimates that charities prop-up state services by £2.4bn a year.

Echoing this, charities in Wales are reporting that contract funding levels in the current year have remained the same as last year, despite the high levels of inflation and rising costs. Neath Port Talbot’s Cost-of-Living and Poverty Partnership update report, from their Public Services Board, used the example of Thrive Women’s Aid, who said Welsh Government’s allocation for the Housing Support Grant has remained the same value as it was last year. This means that providers are needing to use reserves or seek match funding from other sources to meet the shortfall caused by the strain on their core costs caused by the Cost-of-Living Crisis and increases to organisational costs.

## The impact of pressure on organisations caused by the Cost-of-Living Crisis

The Cost-of-Living Crisis has created mounting pressures on organisations operationally, with 84 % of respondents to our survey saying there had been a marked effect on their organisation.

This has manifested itself in many different ways, and a key concern is the pressure being put on staff and volunteers. In their report into poverty within Neath Port Talbot, researchers found that recruitment and retention of paid staff and volunteers in the sector is increasingly difficult and that some organisations are giving their time and expertise to train new staff only to lose them to other sectors where there are higher paid jobs and better terms and conditions.

**Conwy Connects**, a learning disability organisation in North Wales, said that the minimum wage increase had been challenging for them, with lower tier workers, on virtually the same salaries as team leaders. **Deputy Chief Executive, Non Lederle**, feels they are constantly being expected to deliver more, and often outside working hours.

*“We should only work a 37-hour week but if someone calls us at 9 o clock at night and we know that might cause an adverse effect if we don’t respond, then we respond and the same at the weekend. We feel like people are wanting more from everybody for nothing...”*

Unlike statutory workers, community workers and volunteers are sometimes less likely to have received training and clinical support to help deal with some of the traumatic situations they are experiencing. Anecdotally, we have heard about the increasing pressure on both staff and volunteers, and infrastructure bodies such as Swansea Council for Voluntary Service, have experienced a sharp increase in safeguarding issues being reported.

With 93% of NSPCC survey responses by teachers in the UK reporting an increase in safeguarding referrals<sup>3</sup> it would seem reasonable to assume that this could spill over into the community sector, although no detailed research has been carried out.

### A new wave of partnership working

The emergency response to Covid-19 unleashed unprecedented levels of community action as local authorities worked with the third sector in recognition of their ability to galvanise community volunteers and reach members of the community who may have otherwise fallen through the cracks.

Whereas, previously, local authorities had worked in what one respondent called ‘silos’, there are now many examples of strong partnership working and trust between local authorities, voluntary sector umbrella organisations and the third sector, that have grown out of the pandemic. Many such partnerships have re-aligned themselves to meet the new set of needs presented by the Cost-of-Living Crisis.

These include groups such as the ‘Cost-of-Living Poverty Prevention Partnership’ in Neath Port Talbot, that grew out of the ‘Neath Port Talbot Safe and Well Partnership’ set

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<sup>3</sup> NSPCC survey with 8329 teachers in conjunction with NASUWT, published April 2023

up in September 2020 to co-ordinate the humanitarian response to the pandemic. Similar infrastructures exist in other counties, such as the ‘Poverty Working Group’ in Pembrokeshire, and the ‘Merthyr Tydfil Food Prosperity Network’ that brings together all local organisations working towards tackling food insecurity.

Pre-existing funding infrastructures and partnerships such as these, have helped to channel and distribute streams of funding directly into communities via a raft of cost-of-living themed grants by funders and government, who increasingly recognise the infrastructure, power of engagement, and volunteer capital that the sector has at its disposal.

## The unique position of the community sector to deliver support

The ability to collaborate, galvanise people, shrink, expand, adapt, innovate and create, are key features of the sector. **Mark Seymour, manager of ‘The Gap’** in Newport, says the pandemic was the catalyst for highlighting these unique and advantageous features to other sectors:

*“I think the pandemic has awoken many of our umbrella organisations to the fact that actually our local communities have a lot of strengths and have innovative and creative people within them who can bring solutions to our communities.”*

The capacity of the community sector to provide ‘crisis’ or emergency support is perhaps one of its stand-out features. The absence of bureaucratic processes, and their willingness to help people no matter what their financial status may be (nearly all the community groups we spoke to offer non-means tested support), means that community groups are often the only place left for people to turn to for help. **A trustee at Lee Gardens Pool, Penrhiwceiber, Rhondda Cynon Taf**, says: *“We are the last port of call when the Local Authority, Citizens Advice or wellbeing officers can’t get to support to people because it’s late on a Friday – that’s when they contact us. If someone is going to be without food over the weekend we are able to step in.”*

Similarly, **Hope Pantry, Merthyr**, told us about how they had purchased and installed a new washing machine for a single mum with three children who was struggling to replace it. At **The Gap, manager, Mark Seymour** says they recently paid someone’s escalating carparking fine as it would have plunged this family into long-term debt they would have struggled to get out of. Every organisation has stories such as this, providing ‘random’ acts of charity that are helping catch people when they fall.

*‘We had a referral recently of a person who had moved into social housing accommodation pre-pandemic. They have had no support from the housing supplier. They were in accommodation with little basic furnishing - sleeping in a chair as they had no bed! for 4 years! They had little access to basic supplies - food and warm clothing. We were able to provide an immediate response to ensure their quality of life was increased. Statutory provision would not have been able to react so quickly.’* **Survey respondent**

## Approach to the research

The main focus of the research was community organisations, which we defined as those embedded within a geographic community and which were not core funded public sector organisations, such as those operated by the NHS, local authorities or the Welsh Government and other governmental bodies. This definition included:

- Locally run charity organisations serving the community.
- Volunteer-led not-for-profit groups based in the community.
- Community or social enterprises serving the local community.
- Community spaces or buildings, led by the community on a charitable or not-for-profit or basis.
- Charitable or non-profit making services, operating within the local community.
- Local churches or religious institutions offering assistance/services to the wider community.

We were also interested in the views of ‘umbrella’ organisations, such as County Voluntary Councils (CVCs), which have a broader advisory and supportive role for community organisations either at a national or local / regional level.

While there are differing views on the precise start point of the Cost-of-Living Crisis, it is typically agreed that this was the end of 2021 in the UK. To aid consistency, for the purposes of this survey we used a start point of September 2021.

We were very mindful during the research of the challenges of separating out the response of organisations to the Covid-19 pandemic compared to their response to the Cost-of-Living Crisis. However, given that the pandemic could be seen as one contributory factor of the crisis, a complete separation would perhaps not be possible and defining the start date of the Cost-of-Living Crisis was a means of focusing on the key developments being researched.

The main research method involved an electronic survey of community organisations in Wales, focused on addressing the key questions highlighted above. CVCs provided crucial support in ensuring that the survey was widely distributed by emailing the link to their local organisations, including it in newsletters / e-bulletins and on their websites. The 450 community-led assets across Wales featured on BCT’s [Community Asset Map of Wales](#) were also approached.

The survey, (see Annex A) was live from December 14<sup>th</sup>, 2023 to February 13<sup>th</sup>, 2024. A total of 144 responses were received in total: 134 from community organisations and 10 from umbrella organisations. The community organisations ranged from those providing limited food distribution through to those operating wider scale development across a community.

The analysis in this report focuses on the response from community organisations but the responses from umbrella organisations are also included, where appropriate, as extra contextual information. Ten organisations provided responses from more than one individual, and these have been consolidated into one response for questions related to absolutes, such as which new services have been provided, and left as individual responses where questions sought opinions or additional information. This means that 120 community organisations and nine umbrella organisations are represented in the results.

We also interviewed a number of stakeholders to gain a more personal and in-depth account of the impact of the cost-of living crisis on our Welsh communities, and how their respective community asset has assisted them through these times. This included individual interviews with 12 people and two focus groups. One focus group involved umbrella organisations who were able to give a broader insight across the organisations which they supported and one involved community organisations who



provided additional insight into the practicalities and possibilities of delivering services in local communities.

The report also includes 8 case studies that aim to represent the broad range of community-led action that is currently being taking place in Wales to tackle the Cost-of-Living Crisis and the level of challenge that is faced by organisations.

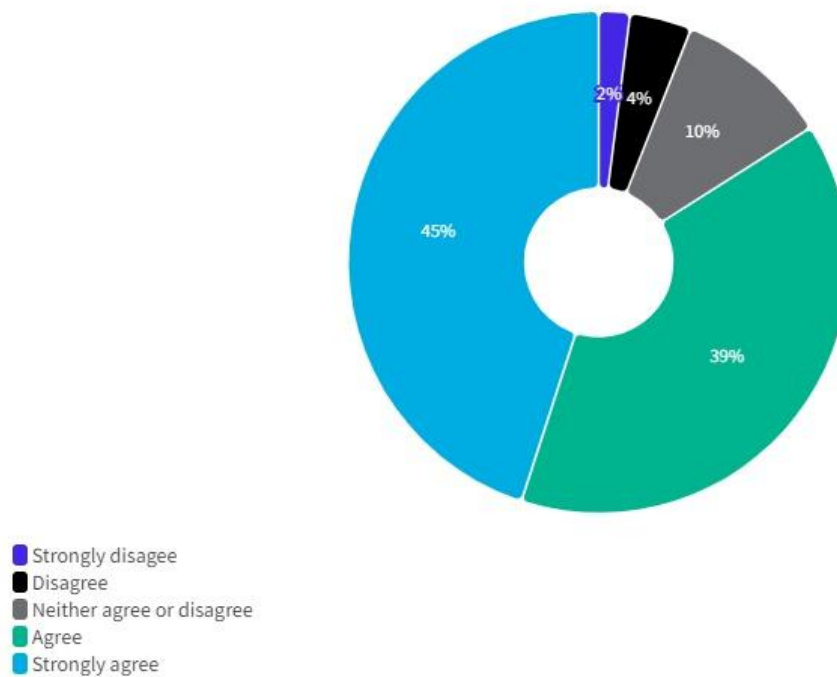
The report is further informed by desk-top research to identify ‘unreported’ cost-of living projects and services and draws on other UK and Welsh sectoral research reports that provide further context and insight.

## How the Cost-of-Living Crisis is affecting organisations

84% of respondents agreed with the statement that the Cost-of-Living Crisis had affected the work of their organisation markedly. 45% *agreed strongly* that this was the case.

Figure 1:

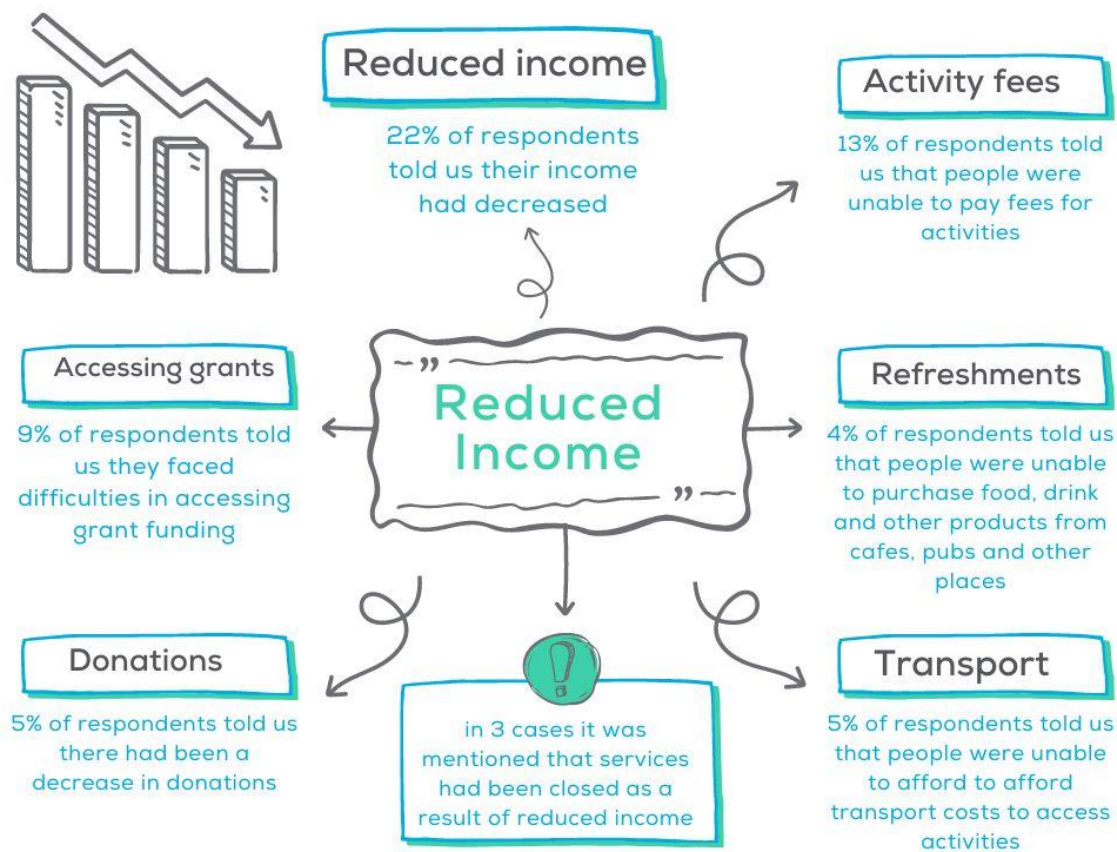
### Agreement with the statement: "The Cost-of-Living Crisis has had a marked effect on the work of our organisation."



Source: data gained from survey responses.

Respondents were asked how the crisis had affected user numbers and levels of income. 13% of respondents said that they had seen that members of their community were struggling financially and almost 50% told us that demand on their services had increased. Only three organisations reported that demand had remained stable.

It was a common theme that income had dropped but demand had risen. A number of reasons were given for the reduced income, as detailed below.



Three organisations commented, however, that new grant schemes had been useful.

Another strong theme running through respondents' responses was the challenges they faced in dealing with rising running costs particularly relating to heating and lighting costs, but also rising salaries and increasing transport and food costs.

*'Our user numbers have increased for accessing food, support etc but our trading income has dropped. We closed the cafe due to dwindling numbers but organised a series of subsidised lunch clubs etc.'*

*'We have a lot more service users who struggle to afford any sort of transportation, even for essential journeys (eg healthcare). We do not have enough vehicles or drivers throughout the county to help everyone who needs help, or get everyone to where they need to be.'*

*'The Cost-of-Living Crisis has led to an increase in demand for our services, resulting in higher user numbers. However, our organisation has also experienced challenges in maintaining income levels due to economic pressures on our community members.'*

*'As an agency the Cost-of-Living Crisis has impacted on our core costs to run the agency - heating bills, electricity, staff transport costs and so much more... Our referral rate and workload has increased significantly, especially post pandemic. Members are struggling with paying bills, budgeting and are reliant on food banks and charitable donations when looking for appliances for their accommodation. We are running workshops to help with budgeting, health and wellbeing.'*

Our interviews and round table discussions with community leaders and CVCs, echoed the findings of the survey results in most cases, and the following key themes were highlighted during discussions.

## Threat of mission drift

The Cost-of-Living Crisis has changed the focus of work for many organisations that have essentially ‘pivoted’ to meet the needs of a new crisis following the pandemic. For some this has meant a concerning drift away from their core values and objectives.

This is the case for both ‘ACE’ in Cardiff and ‘The Gap’ in Newport, both being grassroots community organisations that empower communities to find their own local solutions to problems, and advocate for systemic change through building on community strengths and opportunities.

Both organisations report a significant increase in demand for their advice and advocacy services since the Cost-of-Living Crisis began. **Mark Seymour from ‘The Gap’**, which works with asylum seekers and refugees in Newport, says this has meant being able to do far less of the ‘Social Wellbeing’ aspect of work that is so important in helping to address the root cause of many problems their community experience.

ACE, a community enterprise supporting the communities of Caerau and Ely, Cardiff, have also seen a big increase in demand for their ‘Crisis-hour’ and drop-in Community Support service, which provides holistic advice and advocacy as well as access to food.

However, the ‘sticking plaster’ approach of food parcels, goes against the grain for ACE Cardiff, whose ethos has always had its roots in empowering communities and individuals to create local sustainable solutions that build on strengths and assets, and create social capital to unlock more permanent social change.

**Sam Froud Powell, Operations and Development Manager at ACE Cardiff**, accepts that food distribution has been necessary, but now says they want to focus on a more innovative and empowering model of tackling food poverty in the area, through cookery classes that will supply low-cost ingredients and combine locally grown produce from their own allotment.

## Impact on income

As the survey results indicate, organisations have seen a downturn in income levels for several reasons. Our round table discussion with support agencies gave further insight into the situation, particularly around how Covid-19 funding had the result of distorting charitable income, as well as helping encourage the establishment of new but less resilient community groups:

*“In a recent mapping exercise looking at social enterprises and charities in numerous counties, I have seen a massive drop off in turnover between 2021-2022, perhaps this is a combination of the Cost-of-Living Crisis and where there was an abundance of covid grants at the time? This is an assumption but there has definitely been a drop off and a pattern emerging.”* **Paul Stepczak, Business Growth Consultant, Cwmpas**

*“During the Covid period the Covid funding drove development of a lot of new groups and lots of new start-ups, receiving money and being very new, but not being able to be sufficiently in control to be able to cope when that money falls of a cliff, leaving them very much at risk.”* **Amanda Carr, Director, Swansea Council for Voluntary Service**

Some organisations however, have shown a stronger level of resilience, managing to insulate themselves from the impact of the crisis, through tight fiscal controls, planning

and diversification of funding streams. Those organisations with healthy reserve levels have been able to call on those resources during this time of need, protecting them from the financial threat that the crisis poses.

*“We are fortunate that we have a good finance director that has been very careful and saw this coming and has made some good savings and investments - he manages the finances extremely tightly even cutting off plugs of small heaters that leak electricity in the building. He is also building a fruit and veg garden at the side of the premises so at least we will eat well!”* **Sarah Thomas, Managing Director, Sign, Sight, Sound, Conwy**

*“We have seen a dip in grant funding and currently are using our reserves to fund key posts. Luckily we have good reserves due to diversifying our income streams- we've got income from our supported housing and from our Service Level Agreement with social services. We also receive 10 to 15,000 pounds of donations every year which is about 10 % of our income.”* **Mark Seymour, Manager, The Gap, Newport**

### Energy efficient measures

For some organisations, energy saving measures have helped protect them from soaring costs. **Lee Gardens Pool** has been relatively protected from utility bill hikes, due to a newly installed eco-friendly air to water heat source pump that heats the pool, and their amenity building is powered through solar panels, all paid for from their National Lottery funding.

Similarly, **The Gap**, in Newport has benefitted from retrofitting their building:

*“We were a little fortunate in that just before the Cost-of-Living Crisis, we had funding from Welsh Government and we used it to replace our boilers and better insulate our building...”* **Mark Seymour, Manager, The Gap, Newport**

### Reduction in fees

Fees generated from the public in terms of visits, payment for activities and room hire has reduced, with many paid group activities needing to be cancelled as people can no longer afford to attend.

**Cath Evans, Development Manager at the Pontarddulais Partnership**, said,

*“We don't get as many participants where things have to be paid for. So unless it's free then people don't come.”*

Another example given during the round table discussion by the charitable trust, **Gwrych Castle** which experienced a 50 % reduction in visitor numbers in January 2024 compared with the previous year.

### Impact on core costs

Core costs are another challenge facing organisations. Many of the group talked about the difficulties in securing core funding and the reluctance of funders to accept rising core costs. There was a deep frustration about the pressure to create projects, and not be funded to do the main core work of the charity, which is what is really needed and which they are good at delivering.

*“when you put down your core costs, people will say they look high - it doesn't take into account that next month our heating costs will double, but funders don't recognise that. If we can't heat the building we can't run our services.”* **Sarah Thomas, Managing Director, Sign, Sight, Sound, Conwy**

*“We have a 5-year energy contract coming to an end this year - the cheapest deal we can get is £10 a day. We want it to be warm for older people if they can't afford to heat their home.”* **Cath Evans, Development Manager, Pontarddulais Partnership**

*“We rent out meeting rooms, spaces, but we are in a five storey Victorian building in a conservation area - Llandrindod is known for these buildings - large Victorian buildings. Huge heating costs, but we need to keep it warm with older people, parents with babies and services renting spaces, it has to be heated. £500 just for the gas bill in one month. I don't know where it's going to end. It feels like a no-win situation.”* **Jane Powell Place Co-ordinator, The Hive, Llandrindod Wells**

## Funding issues

The issue of funding was a key theme amongst participants, frustrated by the 'relentlessness' of applying for grants to cover costs, and the increasingly competitive and over-subscribed funding landscape.

One community group manager told us *“Prior to the Cost-of-Living Crisis I used to apply for 5 grants and get 3, now I might apply to 100 and get one - but we don't have time to do this - if I spent all my time doing this I would neglect my duties of helping people.”*

*“we've proved we can do these projects well - we spend so much time - days and days applying for grants, inbetween delivering our services and then you don't get the funding...the need for our services is going to continue to grow until we have a government that recognises that even with living wage, it's not enough for people to manage on.”* **Cath Evans, Development Manager, Pontarddulais Partnership**

*“The constant search for funding to keep our one member of staff in post is relentless. You go from one fund to the next to the next to the next.”* **Lee Gardens Pool, Rhondda Cynon Taf**

Another issue highlighted was the restrictive nature of many of the cost-of-living grants which have been available, with most generally directed at distributing basic supplies, warmth and food for people, but not at core management costs which are equally hard to find.

*“Cost-of-living grants are not always designed for core costs other than heating costs - which doesn't apply to us. Giving people energy packages or food is not what we do, because we are more focused on getting people to be self-sufficient. Bringing supplies in for people is not a priority for us.”* **Anonymous community group leader**

For many groups they say that they were already doing this work- as **Mark Seymour, from the Gap** commented, *“Warm Spaces are nothing new for us”*. It is interesting that many survey respondents say they are continuing cost-of-living services that were set up with cost-of-living grants, such as warm spaces, which suggests the adaption has been relatively manageable, partly as it was probably happening to some extent already.



The **Community Foundation in Wales**, is one funder of cost-of-living services in Wales, distributing a million pounds in its last round of funding. **Grants and Programmes Manager, Andrea Powell**, explains that their ambition is to support core costs, for organisations that are helping individuals to have ‘*more money in their pocket at the end of the week*’, but have balanced this with giving out longer, 3-year grants that cover core costs as they understand how crucial longer-term funding is for community groups to survive: *“When we established our cost-of-living fund it was quite hard to nail down what we wanted it to look like because it was affecting everyone - we wanted to ensure we could fund critical need, but also be more than a sticking plaster, so we wanted it to help groups to become a bit more sustainable in the longer term. One of the things we did was to offer three-year funding which we think is why we have seen less applications in this round. The tagline for the fund was to enable individuals to have more money in their pocket at the end of the week as a result of being engaged with their local community group. So we’ve been very focused on funding the core costs of community groups where they were delivering service to directly tackle the effects of the cost-of-living crisis on the ground”*

### Lack of understanding by funders

Some participants spoke about the frustration around the ‘hoops’ that funders ask you to jump through, and that sometimes, the process of applying for a small grant of £2,000 is as complicated as applying for £25,000, leading some charities to leave the funding on the table that could be available due to lack of time and capacity.

*“I have found that there are far more hoops to jump through when it comes to fundraising that seems a bit unrealistic – for one I had to go back to service users to ask them if they potentially had extra funding would they potentially want these services again - I felt like a right lemon going around having to ask these questions rather than looking at the impact and history of what we’ve achieved...Another funder won’t give us the funding until we’ve paid out the funds- so we are having to go into our reserves - it’s a huge amount of admin - if I’d known this would be the case I would not have applied.”*

### **Non Lederle, Deputy Chief Officer, Conwy Connects**

*“If the funders don’t change attitudes and what people need here and now, I am afraid some charities will disappear just like shops on the street - we will lose some of these valuable charities in the next couple of years. We’ve tried to diversify but are limited in what else we can do. The income is very limited from things like delivering training - we need funders to listen and respond to the needs of people who need our services - I can’t express it enough - Some funders don’t seem to be shifting their perspective fast enough.”* **Anonymous community group leader**

*“I’d love the funders to come and shadow us for a week and see Mr Jones coming in off the street saying ‘I haven’t had my money, it hasn’t gone into the bank, we’ve got no banks I can go to - I phone and I get through to someone but I can’t understand them speaking’ - for elderly people in particular they really struggle to understand what people are saying even if it’s a for example a Scottish accent- it causes so much anxiety.”* **Cath Evans, Manager, Pontarddulais Partnership**



## Increase in demand for services

The increase in demand for services reported by almost half of survey respondents was also echoed in our research groups. Neath Port Talbot CVC have described the demand as 'Unprecedented' in their recent report.

There has been a noticeable rise in working adults accessing services (reported by 69% of our respondents as an increase in either working families, individuals or single parents) and where once food banks were more often used for emergency situations, they are now used on a regular basis by a growing number of people.

*"We always try not to encourage dependency but 50 % of our client base we supply a parcel to every month and that is due to the cost of living... We put on free activities, knit and natter, soup twice a week in our warm space - we can take 40 people - yesterday I turned as many people away as I accommodated..."* **Cath Evans, Development Manager, Pontarddulais Partnership**

Neath Port Talbot's Public Services Board, in their recent cost-of-living update, reported that the local Citizen Advice services included a 37 % increase for clients being advised on general benefit entitlement, 20 % increase in debt assessments, and a 10 % increase in fuel debt advice, with demand for fuel vouchers increasing by 17 %.

Similarly, Age Connects Neath Port Talbot reports that queries and associated casework around welfare benefits has increased by 140 % and information and advice cases by 185 %. Its Local Energy Action Partnership Service (which provides energy efficiency checks and provision of equipment) experienced a 75% increase from quarter 3 to quarter 4 of 2022-2023.

*"There's been a huge increase in the number of people looking for support from the voluntary sector - food banks, mental health support, financial and debt support. But less funding is available to meet this surge in demand."* **Sophie Buckley, 3<sup>rd</sup> Sector Health and Wellbeing Facilitator, Pembrokeshire Association of Voluntary Services**

## Practical support and signposting

People are increasingly needing support around benefits, housing, banking, online form filling and telephone calls, particularly older people and those with disabilities. Closure of day centres and mental health drop-ins means that there is a greater number of people looking for practical support. Statutory support services have reduced - community organisations in many cases are the only place people have left to go.

*"more and more we are getting sent people from the job centre and government offices because there's no services or support for people to fill in forms or make a phone call. The number of older people we get coming in saying can you help me phone a bank or service - I've tried calling xyz and they have got confused about pressing different options or not understood what someone is saying. They have given up - none of our day centres are open anymore - who is supporting them?"* **Jane Powell, Place Co-ordinator The Hive, Llandrindod Wells**

Jane says that all but one high street bank have closed in Llandrindod, and two of the banks have now set up outreach facilities, twice a week at the Hive. These 'pop-up'

banks, Jane says, are inundated with customers, with 'long queues going down the hallway' for each session.

Organisations are also seeing increased complexity of support needs amongst service users, and the sector is seeing an increase in safeguarding issues being reported.

*"We are not experts - for people seeking support, their problems are getting more complex and specialist - as volunteers we are helping people as there is no one else."*

**Louise Goodman, Twyn Community Hub, Merthyr Tydfil**

*"People are also presenting with increasingly complex needs and challenges which means the voluntary sector are having to increase their offer, spend more time per person, more intense support. SCVS has a lot of projects, most of which involve volunteers. Before Covid, safeguarding issues were rare. Safeguarding has gone sky high - every day we have two or three incidents - everyone is saying the same thing - it takes time to work through that."* **Amanda Carr, Director, Swansea Council for Voluntary Service**

## Mental health

A May 2022 YouGov poll, commissioned by the Royal College of Physicians on behalf of the Health Inequalities Alliance, found that 60 % of people in the UK said that their mental health had been affected by the Cost-of-Living Crisis. This is reflected by the experience of Hope Pantry, Merthyr Tydfil. They say they see lots of people in their 30s and 40s who struggle with their mental health and believe that Covid triggered a lot of issues for people who had underlying poor mental health, and the repercussions are still being felt.

*"I would say it's those that had maybe underlying mental health issues before, but were functioning ok, until suddenly all that was stripped away and you only had your own thoughts for 12 weeks. I think Covid has left a real legacy."* **Heidi Jacobsen, Manager, Hope Pantry, Merthyr Tydfil**

## Increased loneliness and isolation of older people

Research for the Older People's Commissioner for Wales found that groups for older people are reporting attendance figures never returning to pre-pandemic levels, and the use of concessionary bus passes by older people are down by 50 %. This was reflected in discussions with participants who told us:

*"When we first started our target audience was children and families, but we soon realised we were a draw for older people who liked to come and reminisce about the pool but also because the loneliness and isolation is high, particularly within this age group."* **Trustee, Lee Gardens Pool, Rhondda Cynon Taf**

*"Vulnerable older people are very lonely and isolated since Covid."* **Cath Evans, Development Manager, Pontarddulais Partnership**

*"Our luncheon club figures are still hovering at 30 % below what they previously were - many of the previous attenders just haven't come back."* **Hayley Davies, Communities Project Manager, Llanhilleth Miners Institute**

## Case study – Letterston Café, Pembrokeshire

While the café has an important role in providing low-cost food to the local community every Friday, including full breakfasts, it sees itself also as a social hub for the area and particularly for older people who are a significant proportion of its clientele.

The village only has the local pub as an alternative gathering point, and this would not be a place where all members of the community may wish to go. The café therefore acts as an important meeting place once a week, to help stave off isolation for older people who may not get many other chances to meet up with people. The café also runs bus trips to local towns, such as Tenby and Carmarthen, providing further opportunity for socialising while also helping people get round the problem of limited public transport in the locality.

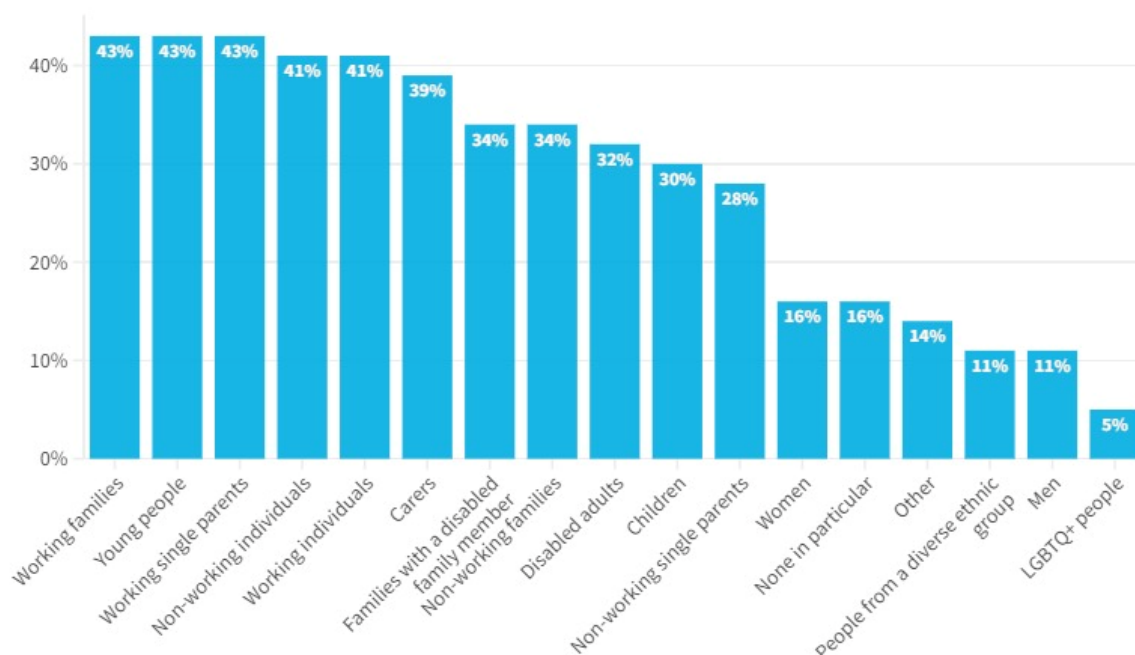
As well as providing low-cost meals the café has also provided a useful hub for people to share their concerns about their circumstances and get support from others. The café has arranged a number of drop-ins from experts and guest speakers who cover aspects such as keeping warm and energy efficiency, staying safe and helping people access benefits to which they may be entitled.

## Impact of shop closures

One potential reason for increased usage of clothes banks is reduced supply of clothing and household items in local areas, due to many local retailers closing. When combined with barriers for certain groups of people to shopping online, and transport costs to get to commercial centres, this can make getting hold of certain items such as clothing, school uniform and bedding increasingly challenging. Clothing and bric-a-brac type provisions (including ‘tabletop sales’) were reported as being very busy and popular at both the Twyn Community Hub in Merthyr, and at Lee Gardens Pool. This has been able to create a small income stream for organisations in some cases, with the potential to develop into more significant income streams.

Figure 2:

## Community organisations' perspectives on which demographic groups have been disproportionately affected by the Cost-of-Living Crisis



Source: data gained from survey responses.

### The Squeezed Middle

Our research highlights how the Cost-of-Living Crisis is pushing more people into poverty than ever before. One of the most noticeable changes has been the growth in working adults accessing support. 68% of our survey respondents reported that they had seen a disproportionate rise in working adults accessing services (reported either as an increase in working families (43%), working individuals (41%) or single parents (43%). This 'squeezed middle' whose mortgages or rent have often doubled, but whose salaries have stayed the same, are ineligible for government support, and increasingly likely to use a food bank for the first time.

**Heidi Jacobsen, manager of Hope Pantry Merthyr**, told us that 60% of their 231 members are working adults, and **Torfaen Victory Grocery Store** 70%, as this testimony from one Hope Pantry user demonstrates: *"I never thought I would need to use a food pantry. I've always worked, but now there's no money for shopping once the bills are paid. I was dead worried about coming, I knew I desperately needed loo roll, dog food and sanitary towels for my daughter. You saw my tears when I picked all the items up. To have these basic items from you, as well as food means the world. My daughter is not feeling shame when she's having her period, and I won't have to take squares of loo roll from public toilets."*

Heidi told us that it's the people who earn in the mid-£20,000s, who are the ones that have had to start using the food bank - the people who earn just slightly too much to be eligible for any kind of government support. Their members include workers such as teaching assistants that find it particularly difficult as they don't get paid through the holidays, and NHS staff such as porters and domestics.

## Disproportionately affected groups

Evidence from last year's report by the Wales Expert Group on the Cost-of-Living Crisis<sup>4</sup> shows that low-income households, such as those with disabled people, Black, Asian, and Minority Ethnic households, women, carers, and those with young children, are being disproportionately affected by the rising prices associated with the crisis. 15 organisations in our survey (11 %) reported seeing a disproportionate rise in this group.

### Families with children under 18

The Bevan Foundation Winter Snapshot of Poverty in Wales, 2024, finds that people living in households with children were far more likely to have gone without essentials in the last three months than people with no children under the age of 18. 40% had gone without heating their home, and 37% said they could not afford essential clothing. These families are also far more likely to be in debt with 4 % having borrowed money in the last three months.

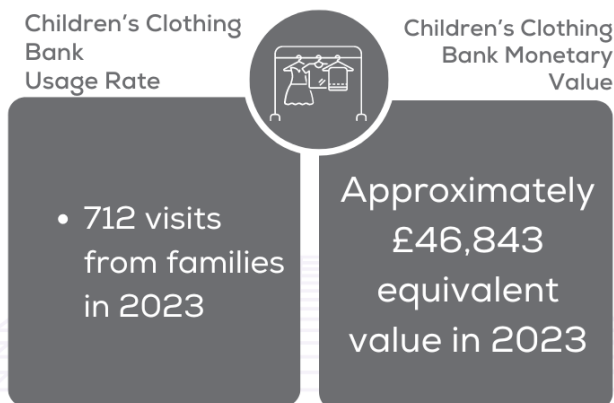
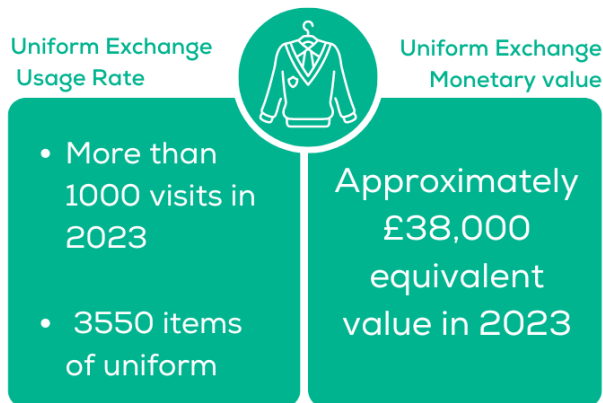
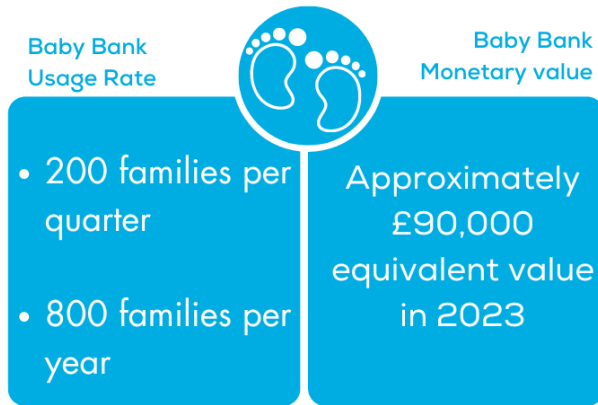
The report also found that children have been missing out on foundational activities such as music lessons, sports, school trips and socialising with friends, multiple times in most cases where this was reported.

Our research mirrors that with 40 organisations (30%) highlighting that children have been disproportionately affected and further anecdotal evidence from community groups, illustrating the nature of the challenges being faced by parents of school-aged children, as this example from 'The Hive' in Llandrindod demonstrates:

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<sup>4</sup> Wales Expert Group on the Cost of Living Crisis Summary Response and Recommendations for Action August 2023

The Hive supported **3145** families with its main projects in 2023, unlocking **£218,908** worth of clothing value for the local community and diverting approximately **8000 kg** from the waste stream.



*“This week, I had a single mum of 3 young children, who uses our projects at The Hive a lot, and who also donates her children’s items back to us, come to us for help, as her eldest son was desperate to go on the well-known Year 6 trip to the Urdd Llangrannog outdoor activity centre. She didn’t want him to be the only one not attending the trip, as he has been through a lot in his short life after witnessing severe domestic abuse.*”

*This trip is a rite of passage to all school children in Wales and has been taking place for over 60 years and is well loved and remembered by everyone who has attended over the years, but the cost is now £160 for the 3 days, plus having to provide all the correct clothing, snacks for 3 days, plus pocket money.*

*We helped the family by getting him outdoor waterproofs, walking boots, plus new clothing and she also hired his sleeping bag from Benthylg for £1 for the trip, but still the cost of everything required had left her penniless until her next benefit payment came in, so I completed a referral to the food bank to help the family out. She was really grateful for all our support and says she doesn’t know how she would manage without us, as he had returned yesterday and had said it had been a wonderful trip which he had loved every minute of.”*



## Disabled people

The recent Bevan Foundation Winter snapshot of Poverty in Wales, 2024, also evidenced that disabled people or those with a long-term health condition are most likely to experience deep financial hardship. 36% of disabled people said that they struggled to afford essentials, compared to 13% of non-disabled people. 68% of disabled people say that their financial position also negatively affects their mental health. Almost a third of our responses (40) highlighted a disproportionate rise in disabled adults accessing services and just over a third reported the same for families with a disabled child.

On a practical level, Hope Pantry in Merthyr, say that being able to provide sanitary items has helped support those needing care and they have an older demographic who have been very grateful for the incontinence pads and washable pants they provide.

One client told them: *“I care for my mum who is over 90 years of age. We get 3 incontinence pads a day on the NHS, and have to buy the rest. We can’t afford it. I cried when I saw the pads here. Mum has her dignity back now, and I’m not up in the night washing bedding. Diolch.”*

Another less obvious aspect is the impact on the non-hearing and blind community who are not able to access mainstream news and information resources and find it difficult to understand the Cost-of-Living Crisis. This is also exacerbated by not being able to hear or participate in conversations about the Cost-of-Living Crisis, so the context and discussions around it are not available to them. (Conwy Connects)

## Minority Ethnic groups and people seeking sanctuary

Poverty rates are very high for some minority ethnic groups. The Joseph Rowntree Foundation report that between 2019/20 and 2021/22, around half of people in Pakistani (51%) and Bangladeshi (53%) households lived in poverty, with even higher poverty levels for children in those households (61% and 62% respectively). Around four in ten people in households headed by someone from an Asian background other than Indian, Pakistani, Bangladeshi or Chinese (39%) or households from Black African backgrounds (42%) were in poverty, with around half of children in these households in poverty. All these groups were much more likely than people in households headed by someone of white ethnicity (19%) to be in poverty (25% of children in households headed by someone of white ethnicity were in poverty).

**Manager of ‘The Gap’ in Newport, Mark Seymour**, says asylum seekers and refugees experience complex barriers to accessing the types of cost-of-living support that are available. Language and cultural barriers, as well as a lack of confidence and ability to navigate support structures, means people often don’t know how to access the support potentially available to them. The Gap plays a significant role, helping to connect people with services, and providing the support they might need to communicate and engage with them. Mark says: *“We do signpost, but we also prepare the ground a little bit, as a lot of those other agencies don’t always understand all of the barriers that refugees face. Trauma, language, culture, dislocation, lack of support networks, lack of*

*cultural understanding about how things work, how to negotiate, how to express what you need.”*

## Young people

The responses from the survey highlighted young people as one of the groups most affected by the Cost-of-Living Crisis, with 43% of responses supporting this view. One respondent commented that they had set up their own youth club due to the statutory funded youth provision being withdrawn.

*‘We run and fund our own youth club - previously funded and staffed by the County Council. We are investigating community transport options due to lack of public transport.’*

**Case study - Ieuenctid Tysul Youth** is a voluntary youth organisation and registered charity based in Llandysul, West Wales. Their purpose has evolved to provide a wide range of education and support services to young people aged 11 to 25 years. The main focus of their work is to support young people through the transition to adulthood, from dependence to independence. They feel that they offer a valuable service in an under resourced part of Wales where they work towards improving the quality of life and range of opportunities available to young people in an area known for its rural isolation, deprivation, poor wages, low skills and high unemployment.

There is also a strong emphasis on growing and preparing healthy and nutritious food and the youth club is a partner in the local allotment project - yr Ardd CIC, to which it provides volunteers to help out and is one of its founding members. Established during the pandemic and in response to local need, the allotment provides food for a local food bank, opportunities for learning and self-help, a space to socialise and integrate with the community and horticultural courses for all ages.

The youth centre is partly maintained through a small charge of £2 per session, which includes a nutritious meal such as vegetable stew or pasta. However, it has been observed since winter 2021 that many young people couldn't afford even this modest amount and the youth club has had to subsidise the young people even further in these cases. This has been one indication of local families struggling as well as a reduction in young people who are able to afford the cost of £20-30 for holiday activity programmes. The charity has therefore had to draw on its reserves in recent times more so than previously and this causes concern over the long-term sustainability of the youth provision.

Ieuenctid Tysul Youth has also seen evidence of young people finding it increasingly difficult to attend the youth club due to the ongoing withdrawal of local transport services and the challenge of finding the funds to pay for alternative provision such as the local community minibus. In response they have put in place a service to pick young people up from the surrounding area in order to bring them to the club, however, this is costly and adds increasing pressures on an already over-stretched budget.

## Carers

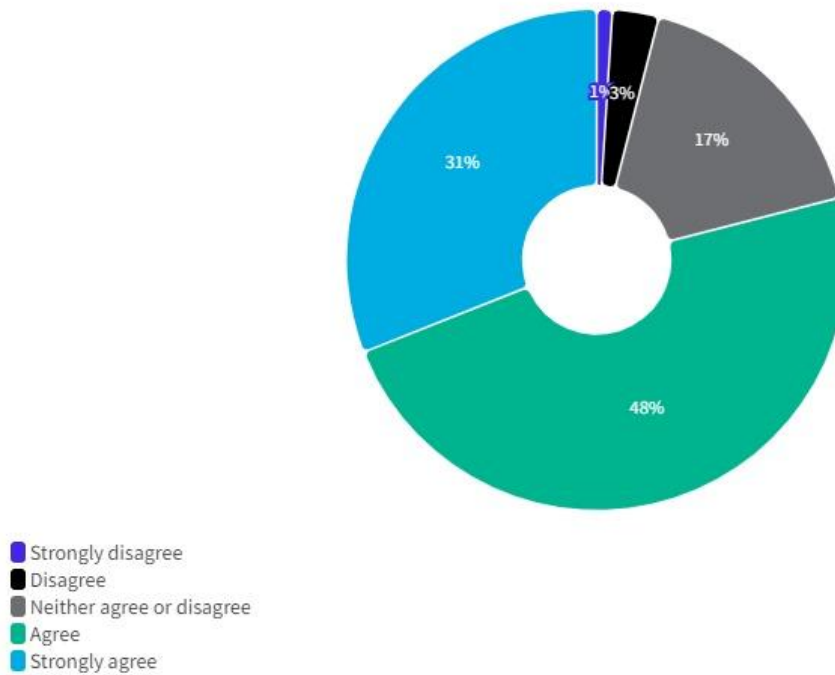
Another notable finding from the survey was the high proportion of organisations reporting that carers had also been disproportionately affected. This was reported by 52 organisations (39 %).

## The impact of the Cost-of-Living Crisis on staff and volunteers

The survey asked specifically about the effect of the Cost-of-Living Crisis on staff and volunteers in the organisations.

Figure 3:

### Agreement with the statement: "The Cost-of-Living Crisis has had a marked effect on the staff and volunteers in our organisation."

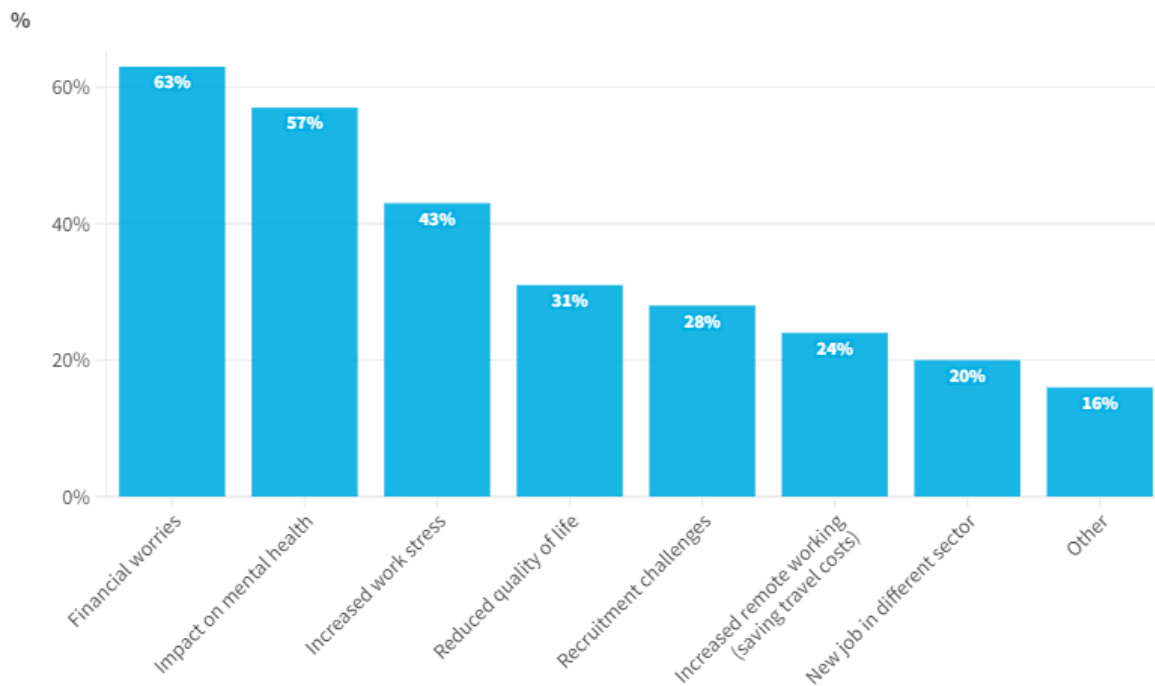


Source: data gained from survey responses.

There is overwhelmingly clear evidence of the pressures facing staff and volunteers with close to 80% of respondents agreeing with the statement that the Cost-of-Living Crisis has had a marked effect on them. Almost a third of organisations agreed *strongly* with this statement.

This was illustrated further through asking respondents to choose which they thought were the most relevant aspects of challenge faced by staff and volunteers from a list of 7. They also had the option of adding additional challenges.

### The Cost-of-Living Crisis and its effect on staff and volunteers



Source: data gained from survey responses.

Overall, the responses to this question highlight the significant stresses that staff and volunteers in community organisations are facing during the Cost-of-Living Crisis. Figure 4, above, shows that the financial worries of staff and volunteers themselves is a major challenge, reported by 85 individuals (63%), reflecting that many organisations are run by part-time or unpaid volunteers. It is also reflective of the lower overall pay levels in the Third Sector. Respondents highlighted that they had struggled to meet the costs of several elements, including running vehicles and fuel costs, road tax, servicing and repair costs, and food and heat poverty.

A high proportion of responses related to increased work stress (43%) and mental health problems (57%). Fewer responses mentioned recruitment challenges (28%) and reduced quality of life (31%) but these still represented around a third of responses and could be considered as significant challenges facing organisations. Respondents highlighted that recruiting volunteers was more difficult due to fewer people being able to take retirement or having to work more hours as they needed more money.

*“Volunteers are dropping off for lots of groups - there is fatigue and burnout - a lot of pressure on key people - it's also a cumulative effect from Covid.”* **Andrea Powell, Grants and Programmes Manager, Community Foundation in Wales**

Around a fifth of respondents mentioned people going to a new job in a different sector for more money (20%) or working from home more often to save on travel (24%) as being aspects that they had experienced.

*'I have struggled to meet basic needs of myself and my family on the money that I earn in my current position, and it has forced members of staff to look for other jobs that will meet their financial needs.'*

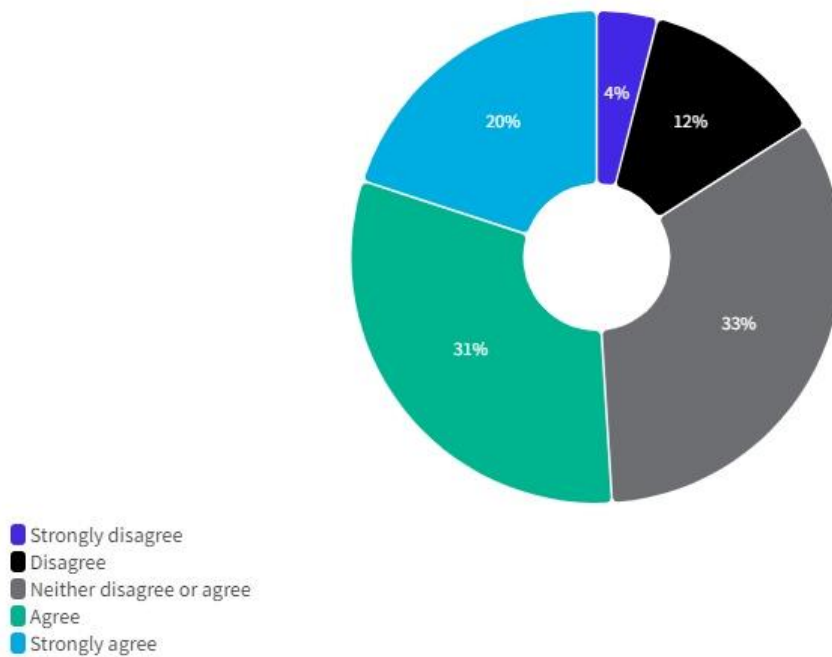
*'The need for volunteers has grown and it is difficult to find unpaid volunteers for organisations such as ours. We are all unpaid volunteers.'*

## Are community organisations replacing statutory/public services?

Just over half of respondents (51%) felt that their organisation was providing support which was previously the responsibility of the state i.e. Welsh Government, Local Authorities, Health Boards and other state funded public bodies. A slightly higher proportion felt this had increased since the start of the crisis (54%). A high proportion of responses to both questions (around one third) said that they neither agreed or disagreed with the statement, perhaps reflecting the grey area between what should be covered by statutory services and what the Third Sector provides.

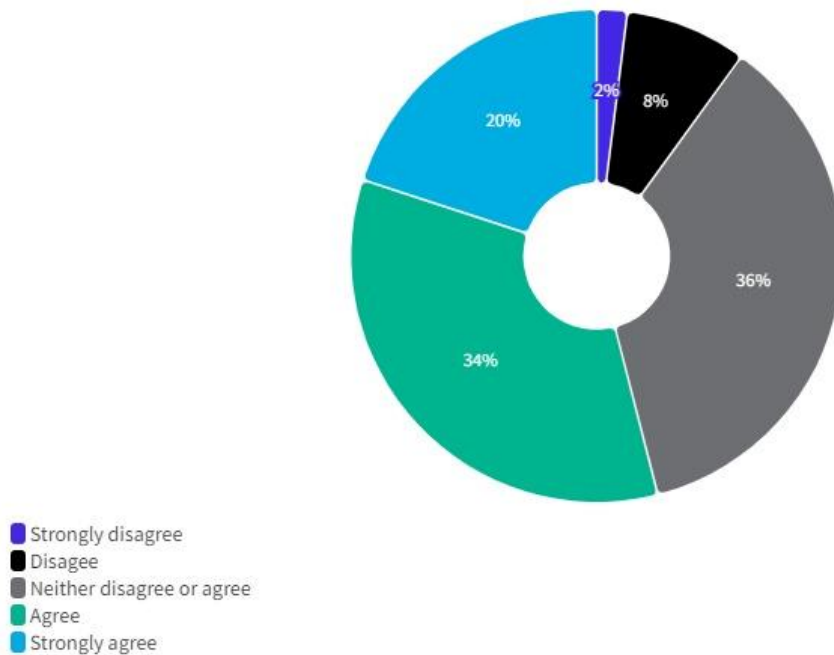
Figure 5:

### Level of agreement with the statement: "My organisation is providing support that would previously have been the responsibility of the state in its different forms (e.g. Welsh Government, Local Authorities and Health Boards)"



Source: data gained from survey responses.

**Agreement with the statement: “The extent to which my organisation provides support which was previously the responsibility of the state has grown markedly since the start of the Cost-of-Living Crisis (September 2021).”**



Source: data gained from survey responses.

Community groups highlighted how they are stepping in to fill the void by providing essential support to vulnerable individuals and families who are struggling with the Cost-of-Living Crisis. Frustration was expressed about the lack of intervention from government bodies to address the root causes of the Cost-of-Living Crisis and provide adequate support to vulnerable populations.

There was a significant focus on mental health and wellbeing support in responses, as the Cost-of-Living Crisis had exacerbated stress and anxiety among community members. Community groups felt that they were adapting to the changing needs of their communities by offering new services, such as warm hubs, counselling, and financial support.

However, organisations also reported experiencing financial strain due to increased demand for their services amid funding cuts from local authorities and health boards. They also reported struggling to maintain operations and provide essential services with limited resources and funding. They mentioned challenges in recruiting and retaining volunteers, which limits their capacity to deliver services or activities effectively.

Respondents particularly noted gaps in statutory services in areas such as housing support, mental health services, emergency assistance, accommodation assistance, warm spaces and youth activities. Long wait times, complex bureaucracy, and inadequate responses from statutory services were mentioned as significant challenges.



Some respondents commented that collaboration between community groups, local authorities, and health boards is crucial for addressing the needs of vulnerable populations.

Below are examples of responses provided in the free-text survey fields:



'We are seeing more people with mental health issues that would have previously come under health authorities' responsibility.'

'Having to subsidise Government childcare schemes due to underfunding. Real concern about April with additional wage costs.'

'debt support'

'increase wellbeing'

'no information on fee rises from Welsh Govt. '

'Lack of volunteers'

'more calling/emailing on behalf of residents to contact services - they are meant to be frontline workers and should be points of contact!'

'We historically have received £1,600 from the local authority under an SLA however this is a mere pittance in terms of our running costs and the associated importance of our provision. To make matters worse we have just been informed that this figure may be reduced or even withdrawn completely!'

'libraries have been closed.'

'our service offers a small window of support and respite not otherwise available.'

'The organisation provides services which would have previously been available through the NHS.'

'Community Councils are struggling to keep within their precept. Therefore, it seems they are unable to give financial support to community services.'



'We are seeing less statutory services in the community, they are working 'from home' or from 'central offices' and therefore not accessible or getting known to even still be operating by both ourselves and local residents, we are then having to provide the support, advice and guidance.'

'we get referrals to work with children who would not normally fall under our criteria.'

'We provide activities to bring people together.'

'council run places are very few and far between.'

'We have been able to support people through their financial crisis, meaning they have been able to pay rent etc, keep their families healthy, improved mental health, experience empathy and overcome shame. They have been able to access debt support, have help accessing benefits, stay in their own home - I am sure all of this has meant the pressure on the state has been eased.'

'the source of the issues are not being addressed.'

'We are seeing more people with mental health issues that would have previously come under health authorities' responsibility.'

'there are now less spaces on the local ambulance patient transport service so people are having to find different ways to attend hospital appointments.'

## Case study – Partneriaeth Ogwen – Hwb Ogwen

Partneriaeth Ogwen set up Hwb Ogwen, which serves the local community in Dyffryn Ogwen, Gwynedd and is funded by finance from the local authority and health board. The Hwb provides advice and support to individuals who are facing the Cost-of-Living Crisis and as well as having an online presence, has a drop-in-centre. Workers at the Hwb are able to provide advice quickly through being easily accessible and visible to members of the community as the following examples given by workers at the Hwb demonstrate:

**Case 1:** resolving confusion caused to residents in a new build from inaccurate energy bills, and allowing some of them to access energy bill support scheme payments.

*‘I was able to untangle the mess that had been created with the confusion with the new Builds. What helped was having the consistency of me being available and open to the Public, where my clients could see me and update me on the latest developments, and React as events unfolded.’*

**Case 2:** providing important advice and support to an individual on a range of financial aspects, while at the same time providing him with essential food and fuel support.

*‘this man knows that any sort of advice he needs, he can come to me, as well as collect his six items [of food]. If I can’t help him directly I can direct him to where he needs to go. This means that he never has to be lost when encountering tricky problems. Nor does he have to wait for a long time.’*

**Case 3:** supporting an individual with significant health problems to complete a form to get the personal independence payment to which he was entitled.

*‘I was able to help him with the form, a task that he had attempted previously but hadn’t had any success with. We had an office in the back to complete the form, which was private and quiet. This way he could concentrate on the form and allow me to help him fill it properly. His claim was successful, and he gets to live with much less financial worry.’*

## Actions taken by community organisations in response to the Cost-of-Living Crisis

Respondents highlighted a range of new services which had been set up in response to the Cost-of-Living Crisis. Over half (54%) of community organisations said that they had set up new services. This included ten who said that they had been established in response to the crisis. In terms of the type of new services provided, perhaps unsurprisingly, these were primarily related to essential needs such as food and warmth.

## Examples of new services developed as a response to the Cost-of-Living Crisis

Community Business Other Food Warmth & energy efficiency Re-use & repair Advice & Guidance



Source: data gained from survey responses.

Over a third of organisations (43) had put in place a warm space. This might reflect the £1m of Welsh Government funding announced in December 2022 to develop or expand and enhance existing warm hub initiatives. There were a further 37 new initiatives related to warmth and electrical efficiency in people’s homes. A more detailed breakdown can be seen in the table below.

### Breakdown of the 37 initiatives related to warmth and electrical efficiency reported

Initiative	Number reported
Hot water bottle distribution	12
Blanket distribution	7
Lightbulb distribution	6
Fuel poverty voucher distribution	5
Home insulation scheme	2
Draught excluder distribution	1
Hand warmer distribution	1
Warm pack distribution	1
Other warm provision	2
<b>Total</b>	<b>37</b>

84 new initiatives related to the provision of food. Additionally, there were 7 new food growing schemes with some of these providing food to be distributed. A more detailed breakdown can be seen in the table below.

### Breakdown of the 84 initiatives related to the provision of food reported

Initiative	Number reported
Donation-based cafés	10
Donation-based warm meals	17
FareShare food schemes	11
Food Pantries	15
Food banks	7
Community Fridges	9
Food Co-op	2
Other food provision	13
<b>Total</b>	<b>84</b>

34 new initiatives related to reuse and repair of items, which can be seen in the table below:

### Breakdown of the 31/34 initiatives related to reuse and repair

Initiative	Number reported
Clothes Banks	9
School Uniform donation	10
Repair cafés	6
Clothes swaps	4
Furniture reuse	3
Sports kit banks	2
<b>Total</b>	<b>34</b>

Other new services included two new carshare and free transport schemes, two baby banks, seven schemes providing free data or Sim cards and two schemes providing period products. While not large in number, given the scale of the undertaking it is notable that seven new community shops were reported.

11 new initiatives related to the provision of support, advice, guidance and information to members of the community. These included providing sessions on wellbeing and how to stay healthy through the winter, workshops and guidance on budgeting and use of fuel, drop-in sessions for information, introduction of extra role models, support



### **Case study – Victory Grocery Store, Torfaen**

The Victory Grocery Store in Cwmbran is leading the way in a new approach to tackling food poverty. Established by the Victory Church, it was created as a direct response to the cost-of-living crisis and aims to create a locally based solution to prevent local families from having to ‘choose between heating and eating’.

Embodying the principle of giving people a ‘hand up, not a handout’, the store operates a highly subsidised payment model enabling people to buy 15 staple food items for just £5, up to twice a week. Now with 1400 registered users and 150-200 customers per week, the store opens from Mon-sat from 10am-6pm and has a wide range of users from students, to working families and pensioners.

**The grocery store model** the concept of a ‘hand-up’ rather than a ‘hand-out’ is one that is championed by the Torfaen Victory Grocery Store, who radically changed their food pantry model to become a donation based ‘shop’ two years ago. Since that time, it has flourished, with a focus on providing a mixture of fresh and store cupboard staples for community members at low cost, with the aim of helping them stretch their weekly budget further.

Previously, during Covid-19, Victory Church had set up a foodbank. It opened every Friday morning for an hour, and people would bring their referral slip and have a bag put together for them. However, after covid, store manager, Matt says there was a very noticeable drop in availability of surplus food which made it difficult to provide what people needed.

They therefore decided to start a different model, a daily shop, where they would purchase basic food items at low cost, combined with donated goods where available, so customers could purchase what they need, and complement what they may already have in their store cupboard at home. The thinking was that this would help stretch budgets and give people autonomy in terms of buying what they need, rather than what was available at the time.

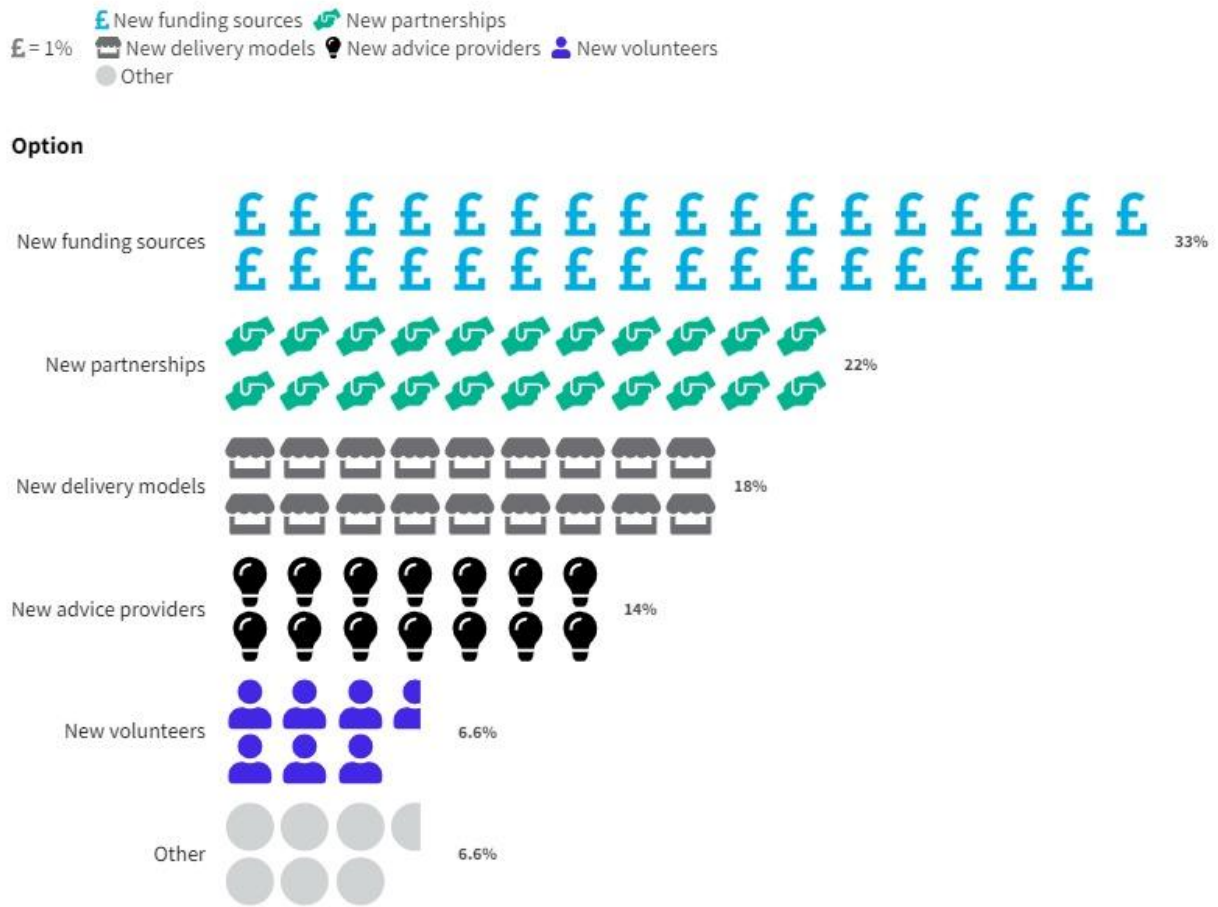
Having gone through a steep learning curve, Matt says they now have a really good tried and tested system - for £5, he says you can buy 15 items including 5 items of fruit and vegetables, 5 covered items, 2 dairy items (like eggs and milk) a frozen item, loaf of bread and personal care product. People can tailor what they need each week according to their circumstances, helping to slice a significant amount off their weekly food bill.

*“We are really trying to change the traditional model of what a food bank is, so that people can really have their own choices of what they get in terms of food. We didn’t want to just give people a bag of random items, but to enable them to think, well I have flour and sugar at home, so if I get some eggs and butter from the victory store I can make some cakes- so it really puts the power back into people’s hands and is a more dignified way of doing things- just like a normal shop really.”*

Positively, almost half of respondents (46%) said that additional opportunities had arisen for their organisation during the Cost-of-Living Crisis.

Figure 8:

### New opportunities for community groups as a result of the Cost-of-Living Crisis



Source: data gained from survey responses.

Unsurprisingly, given that new grant programmes were set up in response to the crisis, the largest number of respondents (50, 33%) highlighted that they were able to access new funding sources. The Cost-of-Living Crisis also resulted in a range of other activities and opportunities with the development of new partnerships reported (33, 22%), new delivery models such as hubs being adopted (27, 18%) and access to new advice providers (21, 14%). Perhaps surprisingly, given comments elsewhere on the difficulties in recruiting and retaining volunteers, 10 organisations (6.6%) reported an increase in the number of volunteers.

## **Cwtch Mawr (run by Faith in Families), Wales's first Multibank**

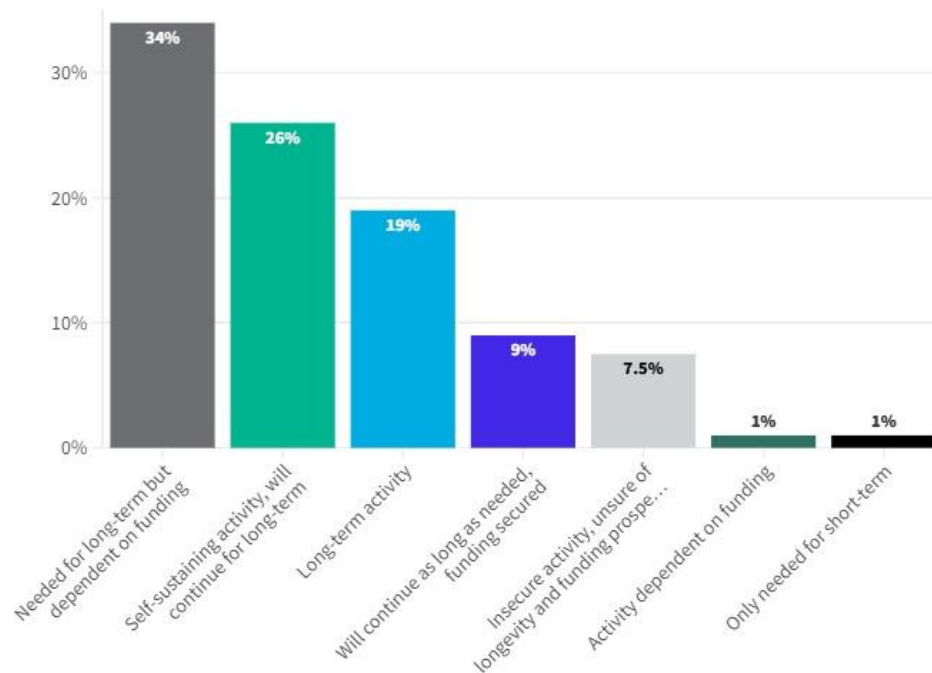
Swansea is the second location in the UK, after Wigan, to establish a 'multibank' with the hope it could spread across Wales. The concept is simple — a multibank is not just a food bank, but a baby bank, a bedding bank, a clothing bank, a toiletries bank and a furnishings bank. They secure products from about 30 companies, with about half supplied by Amazon out of defunct items and product returns and then work through partner charities to supply these essential goods to families in need — who in turn have been referred by social workers, health visitors, schools and food banks.

Multibanks are one example of the circular economy, reducing waste and reducing poverty. Instead of surplus goods being wasted or destroyed, they are being used for the benefit of those in greatest need. The multibank initiative has been established with £1 million of seed funding from Comic Relief and Amazon to fuel the start-up and sustainability of Multibanks across the UK. Managed by Comic Relief, the initiative will establish and grow a network of Multibanks, helping scale this vital service across different parts of the country.

## **The future of Cost-of-Living services**

Organisations were asked to choose from 6 statements as to how long they felt any new services they had developed to respond to the crisis would be needed and how these would be sustained. Respondents also had the option of adding their own statement, which was chosen by only one respondent ('we are dependent on funding').

### The future prospects of new services responding to Cost-of-Living Crisis.



Source: data gained from survey responses.

Only one respondent felt that the services would only be needed in the short-term with 56 respondents (42%) agreeing with at least one of the statements related to the long-term. Only 9% of respondents felt that their service was self-sustaining through income generated but a further 26% agreed with the statement that the service would continue as long as it is needed through their own efforts and fundraising activities. 19% of respondents also optimistically agreed that their service was here to stay for the long-term. 34% more cautiously agreed with the statement that the continuation of the service would be dependent on available funding. Perhaps surprisingly, given responses in free text elsewhere, only 7.5% of organisations agreed with the statement that ‘the service is insecure, and we are unsure how long it will be needed for and how it will be sustained or funded’.

Respondents expected the demand for services to persist and a continuing need for support and assistance within the communities where they work. Consequently, many respondents expressed a desire for their services to continue indefinitely or for longer than the initial funding period.

Some organisations secured funding for specific durations, ranging from 12 months to several years. However, there was often uncertainty about future funding beyond these periods and concerns over a reliance on project-based funding for many. The familiar challenges of sustainability and continuity beyond the initial funding period were reported by respondents.

The primary funding sources mentioned included grants, donations, fundraising activities, income generation, and support from local organisations. Some organisations also mentioned exploring alternative funding options such as crowdfunding or seeking support from major funders.

Several respondents highlighted efforts to achieve sustainability through various means, such as fundraising activities, charging for services, or seeking grants for continuation. However, the feasibility of achieving sustainability is acknowledged as challenging. Some services have implemented measures to ensure ongoing viability, such as developing income-generating activities or integrating services into existing provision where possible.

Despite efforts to secure funding and sustain services, there is uncertainty about future funding availability and challenges related to rising costs. Some respondents express concerns about the sustainability of operations in the absence of sufficient funding.

Collaborative efforts, innovative funding strategies, and advocacy for ongoing support were mentioned as critical factors in ensuring the long-term viability of newly established services.

Some organisations are trying to adapt to different ways of delivering support, evolving previous food pantry models into more sustainable approaches that take a more strength-based approach.

## Llanhilleth Miners Institute – evolution of the food bank

An innovative and arguably more sustainable approach to a food bank model, is one that has been developed by Llanhilleth Miners Institute over the last two years, where a focus on family cookery has replaced the food pantry model that had been set up during the pandemic.

Providing all the ingredients and equipment, the institute's 'food hub' provides cooking classes for adults, families and young people, and has created the 'slow cooker club' distributing over 150 slow cookers to the community over the last year. Additional budget saving workshops such as 'fill your freezer day'; and 'fakeaway Friday' provide opportunities to teach lifelong cookery skills whilst providing the ingredients for families to create a nutritious meal to take home.

This approach has now evolved one step further, with them recently launching their 'cook fresh' project, a model based on commercial food recipe boxes like 'gusto' and 'hello fresh', where families pay £3 for a box which has all the ingredients and instructions to cook a family meal from scratch.

The scheme has proved extremely popular with 50 families now signed up, with community project manager Hayley Davies, saying that a key aim was to make weekly budgets go further, whilst also supplying families with a starter pack of store cupboard ingredients like herbs and flavourings, as a foundation for cooking variety of meals which most would not have been able to afford.

The food hub is helping to tackle food poverty by interrupting generational cycles of food poverty, with many families and children learning how to cook from scratch for the first time.

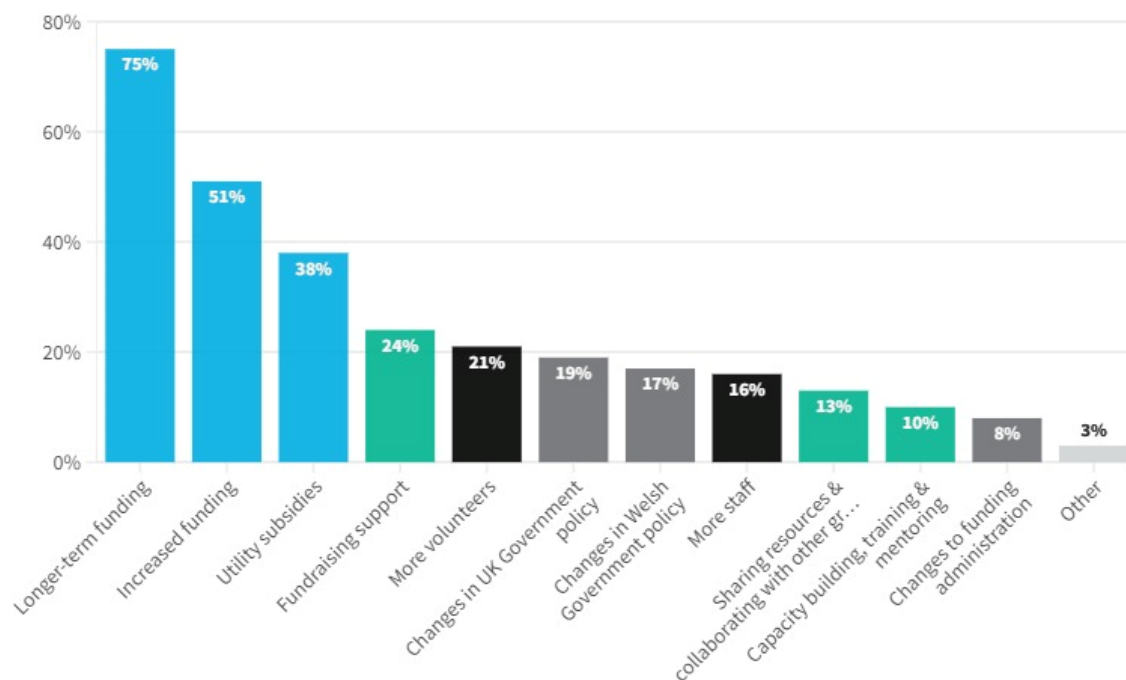
## The support required for community organisations to thrive

Respondents were asked to select from a list what they felt were the 3 most important factors which would help reduce the Cost-of-Living Crisis challenges faced by their organisation and others. They were also given the opportunity to explain their choices further in free text.

While the selection of only 3 factors doesn't reflect *all* the inter-connected complexities of the challenges facing community organisations, as respondents might perhaps like to see improvements in *all* areas, it does provide insight into what organisations regard as priorities.



### Factors which would make the most difference to the Cost-of-Living challenges faced by community organisations



Source: data gained from survey responses.

Unsurprisingly, the need for increased funding (68, 51% of respondents) featured strongly in responses, however, significantly fewer chose this as a factor as opposed to longer term funding which was chosen by the majority of respondents (100, 75%). This echoes concerns expressed throughout this research of the short-term nature of funding and the consequent insecurity this causes. In relation to this a high number of respondents chose the need for help and support to apply for grants and other fundraising sources (32, 24 %) as a key factor.

In comments, organisations stressed the importance of proper governance and sustainable funding to ensure effective service delivery and safety. They also sought funding that covered core operational costs, not just project-specific expenses. Given this, it is understandable that a considerable number chose the need for subsidies for utility costs (51, 38 %) as a key priority, with comments highlighting how high utility costs posed a significant challenge to organisations, impacting their ability to operate effectively.

The need for more staff and volunteers featured fairly low down the list of factors (21 and 28 respondents, 16 and 21 %). This might reflect the greater need to obtain additional funding before needing to decide whether this is spent on staff and volunteers as several organisations commented that they struggled with recruiting and retaining volunteers, especially for demanding roles and that longer-term funding could help stabilise staffing and volunteer efforts.

Changes to either UK or Welsh Government policy featured fairly lowly in the priority list (25 and 23, 16 and 21 %) but there were calls from some organisations for increased support from government bodies, including longer-term funding, fewer bureaucratic barriers, and policy changes to address the Cost-of-Living Crisis in free text responses.

Organisations also sought greater engagement between policymakers and community members, which they felt was crucial for understanding and addressing local needs effectively, with one respondent suggesting a priority should be: *‘More discussions with third sector community organisations from government and local authorities on the needs and issues affecting areas, also how best to support, and the commitment to invest in the third sector.’* **Community Centre Manager**

Opportunities to share and collaborate with other organisations, capacity building, training and mentoring, and changes to the administration of existing funding sources were lowest down the list of priorities, but some responses expressed a desire for more opportunities for collaboration and resource sharing among organisations in order to maximise impact and efficiency.

### Longer-term funding

Longer-term funding was a recurrent theme within discussions with community group leaders who spoke about the pressures of needing to apply for funding to support key posts. It is a key source of stress and frustration for groups who describe the experience as ‘relentless’.

*“You spend all your time and energy finding and applying for funding, spending funding, reporting on the funding. Rinse and repeat. So that it’s a never-ending treadmill, whereas if you know you’re going to have funding for 3 years or 5 years. You could get on with doing other things.”* **Heidi Jacobsen, Manager, Hope Pantry, Merthyr Tydfil**

### The need for good governance

The resilience of community groups was perceived to be closely connected to their governance and our conversations with the groups themselves appeared to confirm this. The ability to take a longer-term view, plan carefully, risk assess and diversify income streams are all aspects of governance that require experience, time and commitment which are not always readily available within charity boards. **Amanda Carr, Swansea Council for Voluntary Service**, says that organisations often need a good deal of handholding to get to that point: *“There’s something about good governance in all of this - you shouldn’t get to the point of falling off a cliff, people need that handholding much earlier on, and all along the journey. If things have been bad over the last couple of years, it’s only going to get worse over the next few years.”*

### The Real Living Wage

Salaries within the charity sector are notoriously low, and it was thought that funders could support better salaries by honouring the real living wage. In this way, funders can use their soft power to help drive up salaries in the sector and enable community organisations to protect their staff against rising costs, to some extent.

### Local funding

*“Local funding is key - smaller community groups don’t feel that a national funding scheme is for them - we need to have enough local funding and not always large amounts - a small amount can go a really long way... it’s the nod towards the fact that local organisations know what’s going on locally and they are best placed to deliver the*

## Alternative approaches to funding

Different approaches to funding were mentioned by **Grwp Resilience in Pembrokeshire**, with member **Vicky Moller** talking about how communities are increasingly working together to find local solutions, particularly around the mushrooming of Community Ownership models. She says: *“Community purchases of services, building and businesses are happening at an accelerating rate - it’s an idea worth exploring. In Pembrokeshire we are buying a hardware shop and healthcare shop, a library and museum - there is a lot of scope to use this model.”*

However, BCT’s programme experience and other research has found a variable success rate for community share models, which can vary according to region.

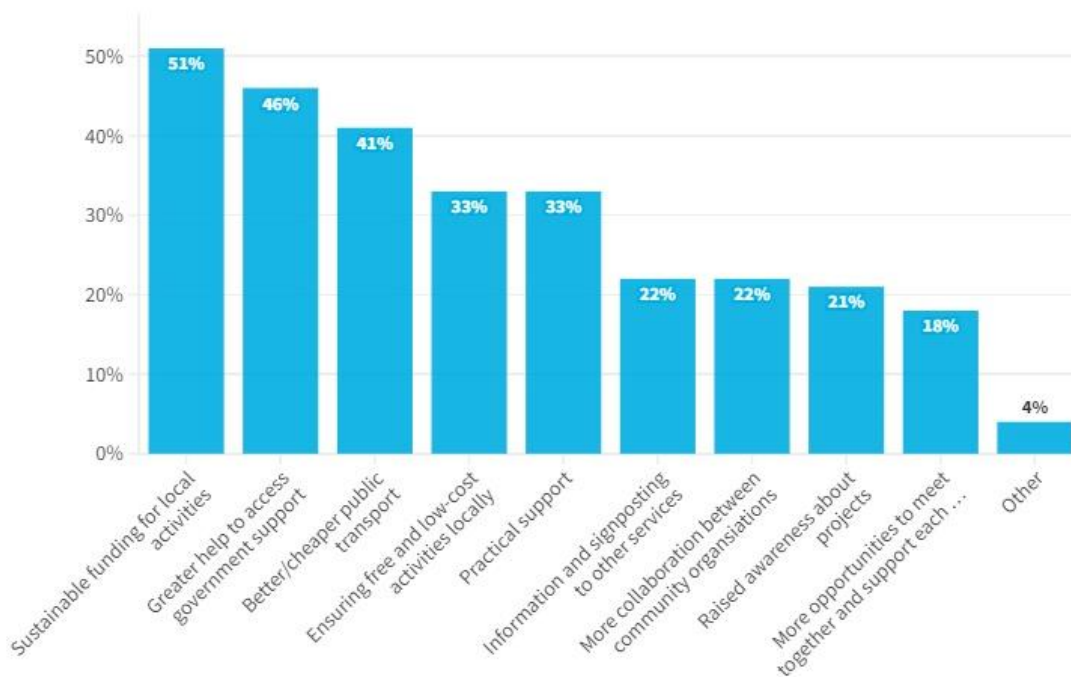
## The support community organisations want to see for their community members

Respondents were also asked to select from a list what they felt were the 3 most important factors which would make the most difference to the Cost-of-Living Crisis challenges faced by people in their community. A relatively even response was given to the various possible priorities put forward, which focused upon practical support as opposed to policy shifts. It is widely recognised that a permanent uplift to Universal Credit would be the single most effective policy shift in tackling poverty.<sup>5</sup> However, given the lack of belief that this policy change will occur, respondents tended to focus on practical support measures instead.

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<sup>5</sup> Institute of Fiscal Studies, *Recent changes to universal credit have much smaller effect on poverty than £20 uplift*, July 9 2023

### Factors which would make the most difference to the Cost-of-Living challenges faced by community members



Source: data gained from survey responses.

Given the precarious nature of funding already identified it was not surprising that the most popular priority identified was that of sustainable funding for local activities (51%). Organisations highlighted that they faced financial constraints and stressed the need for more funding to sustain their operations and expand services.

The need for direct support to individuals and families also featured strongly with 46% of responses to enable greater help to access government support. This was within the wider view that the need for debt advisory services was rising steadily, indicating a growing demand for support in financial management.

The creation of a simplified and accessible Welsh Benefits system is a key policy recommendation by the Bevan Foundation. Their research found that increasing access to benefits could put £70 million a year in the pockets of low-income Welsh households and that households are often missing out on £4,000 a year in support such as the Welsh Government Council Tax Reduction scheme. Lack of awareness, complex application processes, complex eligibility criteria and language barriers are all cited as issues. The Welsh Benefits Charter, launched in February 2024 and endorsed by all 22 local authorities is a step towards fulfilling that recommendation. However, its implementation and usefulness remains to be seen.

Throughout this research we were reminded of the importance of collaboration and partnership working, which ought to include community voice and lived experience, reflected in the 22% of responses supporting this view.

41% of responses were in favour of better or cheaper public transport. Access to good, reliable public transport was seen as crucial for accessing employment and social opportunities, particularly for those facing financial hardship.

There was also significant support for more direct forms of support for individuals and families in the shape of free and low-cost activities (33%) and food, clothing and heating (33%).

There was an almost equal level of support (21-22%) for 3 aspects; raised awareness about community projects to widen access; information and signposting to other services/ opportunities, and more collaboration between community organisations. However, concerns were expressed that while some organisations excelled in partnership and resource-sharing, others perceived collaboration as a threat. More opportunities to come together to meet and support each other was also reasonably well supported as a priority (18%).

As well as the above areas, respondents called for improvements in the quality of housing rented from private landlords, along with better access to affordable housing and social housing options.



### Case study – Partneriaeth Ogwen

A key focus of the work of Partneriaeth Ogwen in Dyffryn Ogwen is to develop environmentally sustainable approaches to address the challenges faced by the local community. In terms of tackling the limited public transport in rural areas, as part of their Dyffryn Gwyrdd and Dyffryn Caredig schemes, Partneriaeth Ogwen have introduced an electric community mini bus and are working with their local communities to provide a fleet of vehicles and electric bikes that will help their residents to get to appointments, events and socialise.

## Conclusions and recommendations

With over 80% of organisations reporting they are providing services that were once the responsibility of the state, and unprecedented demand on services, the community sector is playing a central role in supporting some of society's most vulnerable groups of people during the Cost-of-Living Crisis.

Where public services have withdrawn, and the cornerstones of community life such as pubs, shops, libraries and banks have closed, community organisations are frequently the 'last port of call' for those requiring support.

The provision of community social care is now the only provision for many who have serious and complex needs but for whom there are no professional services available either due to public funding cuts, staff shortages, waiting lists or eligibility criteria.

Community and wellbeing services such as youth clubs, drop-ins, friendship cafés, food banks, community meals, warm spaces, volunteering, befriending services and community transport are all filling the gaps left by shrinking public services.

Overall, there appeared to have been an increase in recognition by local authorities and the statutory sector, in terms of what the community brings to the table with cross-sector partnerships formed during Covid, helping to break down silos and increase mutual understanding, appreciation and trust.

Some local authorities have awoken to the power of community action in addressing some of the deepest and most stubborn aspects of poverty within our communities. Often community organisations are able to reach and support individuals that the statutory sector find harder to do.

Cost-of-living grant schemes have helped to keep community groups afloat, especially where they have helped to contribute to soaring utility costs. The short-term nature of so much available funding, however, creates a huge frustration for many community groups we spoke to, who talk about the relentlessness of applying for funds. A key emerging theme throughout the research was the desperate need for longer-term, core funding, without which it is getting increasingly hard for groups to survive.

The social capital catalysed by the community and charity sector is hard to quantify, although we know that unpaid volunteers are the backbone of sustaining and running community groups all over the country. The ability to mobilise swathes of volunteers during lockdown, and now during the Cost-of-Living Crisis is impossible to put a price on but is likely to have made huge savings to the public purse, by helping prevent people spiralling into greater need and accessing more formal (and costly) support.

The pressure however, on both staff and volunteers has noticeably increased following the pandemic and the Cost-of-Living Crisis, in the immediate aftermath. Community organisations are frequently being asked to do more, with less resource. The need for fair and equitable salaries within the sector was flagged as an issue by many, as organisations fed back that it has become harder to recruit and retain staff than ever before. A key recommendation, therefore, is that the sector commits to paying the Real Living Wage, and that funders should use their influence to support this through adequate increases to grants.

The pressure experienced by community groups in meeting unprecedented demand for support has impacted staff and volunteers, who are now frequently providing advice, advocacy and wellbeing support for people with increasingly complex needs. As public services have shrunk, community groups have stepped in, often providing vital help to people in navigating issues relating to finances, benefits, housing and healthcare. Many groups talked about the difficulties people experience in accessing benefits and entitlements, resulting in them missing out on sometimes thousands of pounds of possible support.

The community sector plays an increasingly vital role in providing advice, support and assistance to people with complex barriers, although much of this work is under-resourced, if resourced at all. We therefore recommend investment in face-to-face assistance and support, to ensure vulnerable groups are able to access the financial support they are entitled to.

During our research we came across numerous examples of good practice in relation to cost savings through retrofitting community buildings to increase their energy efficiency and reduce both the environmental and financial cost of heating spaces. Although energy efficiency is now a pre-requisite for new builds, many community organisations operate out of old, draughty buildings, which can be hard and expensive to heat.



Community groups told us that retrofitting had helped them to keep their energy costs down, and a key recommendation of this report is that the Welsh Government, funders and infrastructure organisations support community organisations to meet rising energy costs, through a more expansive range of grant schemes including contributions to retrofit measures.

Collaboration and partnership are key features of success and sustainability across the organisations we spoke to, although there are often many barriers that inhibit this within the sector. The grant funding landscape can often set-up a competitive environment which makes organisations guarded when it comes to true collaboration.

Although this research points to a blossoming of cross-sector working during Covid-19, other stakeholders have reported that this collaborative spirit has generally not been sustained, other than on a frontline basis within certain areas. According to one key stakeholder, there has been relatively little system change within public bodies to enable a supportive environment for cross-sectoral collaboration.

Where groups have managed to sustain themselves successively during the Cost-of-Living Crisis, there are common denominators that distinguish them. They are often supported by a 'host' such as the two food banks we interviewed, both of whom had their rent and utilities covered by the churches which hosted them. Lee Gardens Pool's partnership with Rhondda Cynon Taf County Borough Council, has helped strengthen their viability, as the council provide maintenance and other forms of money saving support, as well as helping to connect them to funders and professional services that they might otherwise have to pay for. The Hive in Llandrindod Wells is another good example, hosted by the Severn Wye Energy Agency, who provide administration and support to the charity as it finds its feet and moves towards becoming independent.

This research highlights multiple persistent challenges faced by community organisations which have been compounded by the Cost-of-Living Crisis. We recommend that:

- **Long-term funding** - the Welsh Government should develop a flexible, long-term funding model to support community action using the expanded Dormant Assets Scheme.
- **Core costs** - funders and commissioners should recognise the extreme pressures and additional demands community groups are experiencing and build a contribution to core costs into funding awards.
- **The Real Living Wage** - funders and commissioners should ensure grant recipients and supplier pay their staff the real living wage.
- **Welsh Benefits System** - The Welsh Government should prioritise work on a Welsh Benefits System; recognising and investing in face-to-face provision of advice and assistance, ensuring people can access the support they are entitled to.
- **Support for energy costs and retrofitting community facilities** - the Welsh Government, funders and infrastructure bodies must support community organisations to meet rising energy costs, through a more expansive range of grant schemes including contributions to retrofit measures.
- **Venue hire** - publicly funded bodies must commit to paying venue hire fees when using community facilities, contributing to their sustainability.

# Annex A

## Survey Form

[For brevity, the preamble to the questions, outlining the purpose of the survey and research, has been omitted from this annex.]

### Contact details

Name of organisation \_\_\_\_\_

Name of person completing the form \_\_\_\_\_

Role in the organisation \_\_\_\_\_

It would be useful if you could provide us with an email address and or phone number for any follow-up queries:

Email address \_\_\_\_\_

Contact phone number \_\_\_\_\_

### Nature of the organisation

Facilities and services provided by your organisation. Please tick all that apply:

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Allotment/growing space                           | <input type="checkbox"/> Art gallery/Arts centre | <input type="checkbox"/> Baby bank                    |
| <input type="checkbox"/> Café  | <input type="checkbox"/> Childcare               | <input type="checkbox"/> Community of interest        |
| <input type="checkbox"/> Energy  | <input type="checkbox"/> Farm                    | <input type="checkbox"/> Food Bank                    |
| <input type="checkbox"/> Food manufacture                                  | <input type="checkbox"/> Housing scheme          | <input type="checkbox"/> Industrial heritage building |
| <input type="checkbox"/> Lake  | <input type="checkbox"/> Library                 | <input type="checkbox"/> Library of things            |
| <input type="checkbox"/> Mixed-use community service                       | <input type="checkbox"/> Museum                  | <input type="checkbox"/> Orchard                      |
| <input type="checkbox"/> Park  | <input type="checkbox"/> Product manufacturing   | <input type="checkbox"/> Pub                          |
| <input type="checkbox"/> Public toilet                                     | <input type="checkbox"/> Recycling               | <input type="checkbox"/> Regeneration                 |
| <input type="checkbox"/> Religious services                                | <input type="checkbox"/> Repair café             | <input type="checkbox"/> Shared transport scheme      |
| <input type="checkbox"/> Shop  | <input type="checkbox"/> Social care             | <input type="checkbox"/> Sports club                  |
| <input type="checkbox"/> Swimming pool                                     | <input type="checkbox"/> Tourist facility        | <input type="checkbox"/> Training and employment      |
| <input type="checkbox"/> Woodland  | <input type="checkbox"/> Youth facility          |   |
| <input type="checkbox"/> Other – please describe <i>Free text response</i> |  |   |

### Structure of Organisation

select all that apply

- Constituted Voluntary Group
- Registered Charity / Charitable Incorporated Organisation
- Company Limited by Guarantee

### Sources of funding

select all that apply

- Fundraising / Donations from the public
- Giving from members
- Grants from public bodies

- Community Interest Company
- Co-operative Society / Community Benefit Society
- Community Amateur Sports Club
- Religious or Faith Organisation
- Social Landlord
- Town / Community Council
- Statutory Organisation
- Private Business
- Individual
- Other - please state *Free text response*
- Grants from the National Lottery
- Grants from private trusts
- Contracts / Service level agreements with public bodies
- Trading or selling things (charity shop, social enterprise)
- Other

### Response to cost-of-living crisis

Q1. Was your organisation established in response to the cost-of-living crisis?

- Yes  No

Q2. The cost-of-living crisis has had a marked effect on the work of our organisation.

- Disagree strongly     
 Disagree     
 Neither agree nor disagree     
 Agree     
 Agree strongly

Q3. How has the cost-of-living crisis affected your user numbers and levels of income?

*Free text response*

### New services in response to cost-of-living crisis

Q4. Have you set up new services as a result of the cost-of-living crisis?

- Yes (please answer questions 5 to 7)  
 No (please move on to question 8)

Q5. Please select any new services that you have put in place.

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Baby bank              | <input type="checkbox"/> Blanket distribution            | <input type="checkbox"/> Carshare scheme           |
| <input type="checkbox"/> Clothes bank           | <input type="checkbox"/> Clothes swaps                   | <input type="checkbox"/> Community fridge          |
| <input type="checkbox"/> Community shops        | <input type="checkbox"/> Donation-based café             | <input type="checkbox"/> Donation-based warm meals |
| <input type="checkbox"/> Electric items reuse   | <input type="checkbox"/> FareShare community food scheme |  |
| <input type="checkbox"/> Food bank              | <input type="checkbox"/> Food co-ops                     | <input type="checkbox"/> Food pantry               |
| <input type="checkbox"/> Free Data/Sim cards    | <input type="checkbox"/> Fuel poverty voucher scheme     | <input type="checkbox"/> Furniture reuse           |
| <input type="checkbox"/> Home insulation scheme | <input type="checkbox"/> Hot water bottle distribution   | <input type="checkbox"/> Lightbulb distribution    |

- Oil heater distribution
- Orchards
- Repair café
- School uniform donation
- Sport kits banks
- Trussell food bank
- Warm space initiative
- Other *Free text response*

Q6. In terms of the future of the newly established services, for how long do you envisage they will go on for and how will they be funded?

(answer only if you responded 'yes' to Q4.)

*Free text response*

Q7. In your opinion do you feel that the service?:

(answer only if you responded 'yes' to Q4. Tick all that apply)

- is here to stay for the long term
- will only be needed in the short term
- will be needed for the long term but will be dependent on availability of funding
- will continue as long as it is needed and sustained by our own efforts/fundraising/resources.
- is self-sustaining through income generated and will continue for the long-term
- is insecure and we are unsure how long it will be needed for and how it will be sustained or funded
- other? Please describe: *Free text response*

Q8. The cost-of-living crisis has had a marked effect on the staff and volunteers in our organisation.

*'Disagree strongly' though to 'agree strongly'*

Please select any effect on staff or volunteers which applies:

- reduced quality of life
- working from home more often to save on travel
- recruitment difficulties
- going to a new job in a different sector for more money
- increased work stress
- impact on mental health
- financial worries
- other (please describe) *Free text response*

Q9. My organisation is providing support that would previously have been the responsibility of the state in its different forms (e.g. Welsh Government, Local Authorities and Health Boards).

*'Disagree strongly' though to 'agree strongly'*

Q10. The extent to which my organisation provides support which was previously the responsibility of the state has grown markedly since the start of the cost-of-living crisis (September 2021).

*'Disagree strongly' though to 'agree strongly'*

Q11. In terms of the services that you provide do you think there has been a disproportionate effect on any particular group of individuals?

Please select all that apply:

- Men
- Women
- People who are LGBTQ+
- People from a Diverse Ethnic Group
- Disabled adults
- Families who have a disabled family member
- Children
- Young people
- Non-working individuals
- Working individuals
- Non-working families
- Working families
- Working single parents
- Non-working single parents
- Carers
- Other (please describe) *Free text response*

Q12. Have any additional opportunities arisen for community organisations as a result of the cost-of-living crisis?

- Yes  No

If response is 'yes' please select all those which have arisen:

- new funding sources
- new partnerships
- adopting different delivery models, such as hubs
- access to new advice providers
- expansion in the number of volunteers
- other (please describe) *Free text response*

Q13. Which of the following do you feel would make the most difference to the cost-of-living crisis challenges faced by **community members**?

Please select the **three** most important in your view

- better / cheaper public transport
- ensuring free and low-cost activities locally
- sustainable funding for local activities
- raised awareness about community projects to widen access
- more opportunities to come together to meet and support each other

- information and signposting to other services and opportunities
- practical support such as food, clothing, heaters, blankets
- greater help to access government support e.g. grants, benefits, council tax reductions etc.
- more collaboration between community organisations
- other *Free text response*

Please provide any other further information on key elements which would make the most difference to community members.

*Free text response*

Q14. Which of the following do you feel would make the most difference to the cost-of-living crisis challenges faced by **your organisation and other community organisations**?

Please select the **three** most important in your view

- increased funding
- longer term funding
- more staff
- more volunteers
- change in UK Government policy
- change in Welsh Government policy
- changes to administration of existing funding sources
- help and support to apply for grants and other fundraising opportunities
- capacity building, training and mentoring
- subsidies for utility costs
- opportunities to share resources/collaborate with other local groups.
- other *Free text response*

Please provide any other further information on key elements which would make the most difference to community organisations:

*Free text response*

Q15. Are there any other points you'd like to make in relation to your organisation's experience of the cost-of-living crisis?

*Free text response*

Q16. Do you have any publicly available case studies about the impact of your work on individuals that we could access for this study?

If you're answer is 'yes' we may be in touch in order to use it as an anonymised example in our research report.

- Yes  No