

4 September 2026

Dear

ATISN 27304 – Discretionary Assistance Fund

Information requested

Thank you for your correspondence which I received on 4 August.

The Freedom of Information Act 2000 (FOIA) provides a right to recorded information held by a public authority. We believe that the following parts of your correspondence are requests for recorded information and will be treated as FOI requests in accordance with obligations under the FOIA.

1. The annual budget allocated to the DAF for each financial year from 2022/23 to 2025/26.
2. The total amount awarded from the DAF in each of those financial years.
3. Any unspent balance remaining at the end of each financial year, and how any unspent funds were subsequently dealt with.
4. The total number of EAP applications received, approved and refused in each financial year from 2022/23 to 2025/26.
5. A breakdown of refusal reasons by category for EAP applications during those financial years.
6. The number of EAP applications refused solely on the basis that “lost or stolen money is not covered by the Fund” during each of the last four financial years.
7. Copies of any current recorded information provided to decision-makers when assessing EAP applications.
8. Any recorded information explaining how decision-makers assess applications where an applicant is not seeking reimbursement for lost or stolen money, but where the loss or theft has caused immediate financial hardship and an inability to meet essential living costs.
9. Any recorded information explaining the distinction between:
 - an application seeking reimbursement for lost or stolen money; and
 - an application seeking emergency assistance because the loss or theft has caused an immediate financial crisis.

10. Recorded information establishing that lost or stolen money is not covered by the DAF.
11. The date on which the lost/stolen money exclusion was introduced.
12. Information that shows whether the lost/stolen money exclusion is mandatory, or whether decision-makers retain discretion to award assistance where the applicant otherwise meets the published criteria for extreme financial hardship, unexpected crisis and immediate need.
13. Information showing where prospective applicants are informed of the lost/stolen money exclusion before providing personal and financial information and completing an application.
14. A complete list of all substantive categories of circumstance, expenditure, crisis or cause of financial hardship that are excluded from EAP support, including where an applicant otherwise satisfies the published requirements of extreme financial hardship, unexpected crisis, immediate need and absence of other resources.
15. Information showing where each exclusion category is communicated publicly to prospective applicants before they submit an application.
16. A complete list of standard EAP refusal reasons, decision codes or outcome categories available within the DAF system.
17. For each EAP refusal reason/code, the wording of that reason and the number of applications refused under that reason during 2024/25 and 2025/26.
18. What information the computer system displays to a decision-maker when they assess an application.
19. Any current information provided to NEC staff that describe how DAF applications are assessed by the computer system or how the system interacts with human decision-makers.
20. Approximately what proportion of EAP applications during 2023/24, 2024/25 and 2025/26:
 - were approved;
 - were refused;
 - were referred for additional human consideration;
 - received an initial system-generated outcome or recommendation; and
 - were manually overridden by a decision-maker.
21. Information showing whether the current DAF privacy notice is considered to provide applicants with information about automated decision-making and

profiling; if no such processing takes place, confirmation of this; and if such processing does take place, where applicants are informed of it.

22. Information showing whether funding allocated to the Discretionary Assistance Fund is formally ring-fenced, hypothecated, protected or otherwise restricted to DAF purposes.

Please provide any recorded information governing whether DAF funding may be transferred or used for another purpose.

23. For each financial year from 2022/23 to 2025/26:

- the original DAF budget;
- any revised/final budget;
- the final outturn;
- expenditure on EAP awards;
- expenditure on IAP awards;
- administration and contractor costs;
- contingency amounts;
- and the final underspend or overspend.

24. Details of every recorded in-year budget transfer into or out of the DAF budget during those years, including the amount, date and originating or receiving budget line/BEL where recorded.

For any year-end DAF underspend, please provide information showing whether it was carried forward, transferred/reallocated, surrendered, absorbed into a wider departmental/MEG underspend, or otherwise dealt with.

25. Please provide recorded information showing the subsequent financial treatment of that £2 million contingency saving in 2023-24. In particular:

- Was the £2 million transferred or reallocated to another budget, BEL, programme or purpose?
- If so, please identify the amount, destination, date and purpose of each transfer.
- If it was not transferred, how was the £2 million treated in the final Welsh Government accounts/outturn?
- Did any of it remain available for DAF expenditure before the end of 2023–24?
- Please provide any budget movement records, finance records, approval documents or other recorded information identifying its final treatment.

26. Recorded information showing how NEC Software Solutions, and any other contractor involved in administering DAF, is remunerated together with the annual administration/contract cost attributable to DAF for each of the above financial years.

27. Recorded information communicated to DAF managers or decision-makers which could affect the number or value of awards made. This includes any recorded information concerning approval rates, refusal rates, expenditure levels, remaining budget, monthly/quarterly spending profiles or measures to manage demand.

Our response

A copy of the information I have decided to release is enclosed at Annex B and C.

I have decided that **some of the information** is exempt from disclosure under section(s) **s29(1)(b) and s31(1)(a)** of the **Freedom of Information Act** and is therefore withheld. The reasons for applying these exemptions are set out in full at Annex A to this letter.

We have also identified the following information which engages the s43(2) 'commercial interests' exemption:

Information being withheld	Section number and exemption name
23. Administration and contractor costs	Section 43 Commercial Interests (2)
26. Information showing how NEC Software Solutions, and any other contractor involved in administering DAF, is remunerated together with the annual administration/contract cost attributable to DAF for each of the above financial years.	Section 43 Commercial Interests (2)

The Welsh Government has not yet reached a decision on the balance of the public interest. Due to the need to consider all the circumstances of the case, to identify where the balance of the public interest lies in relation to this information caught by your request, we require further time to complete these deliberations.

I will write to you again by **2 October 2026**.

Next steps

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,
Cathays Park,
Cardiff,
CF10 3NQ

or Email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire,
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

The following questions are not requests for recorded information and therefore fall outside of the scope for the Freedom of Information response; however, I am happy to provide responses, which are attached at Annex D.

28. Whether the DAF application-processing system uses any automated or computerised process to assess whether an applicant meets any eligibility criterion.
29. Whether the system automatically recommends, generates or determines whether an application should be approved or refused.
30. Whether any circumstances are capable of producing an automatic refusal or approval without a DAF decision-maker substantively reviewing the applicant's individual circumstances.
31. Each eligibility criterion or decision rule that is automatically checked by the system, including where applicable:
 - number of previous DAF awards;
 - dates of previous awards;
 - repeat-application restrictions;

- benefit status;
 - household composition;
 - income, savings or available resources;
 - reason for application;
 - crisis category;
 - requested amount;
 - previous applications or refusals;
 - information held by DWP or other government bodies.
32. Whether the system uses any form of risk scoring, fraud scoring, profiling, anomaly detection, data matching, predictive analytics, machine learning or artificial intelligence.
33. If any of those processes are used, the purpose of each process and what effect its output can have on an application.
34. Whether DAF decision-makers are shown a computer-generated recommendation, eligibility result, score, flag, classification or suggested outcome before making their decision.
35. Whether a DAF decision-maker can override an outcome, recommendation or rule produced by the system and, if so:
- in what circumstances;
 - whether a reason for the override must be recorded; and
 - whether override rates are monitored.
36. Whether Welsh Government or NEC audits DAF outcomes for:
- false positives or false refusals;
 - systematic errors;
 - discriminatory or disparate outcomes;
 - inappropriate application of automated rules; and
 - differences between computer-generated recommendations and final human decisions.
37. Any reports, equality assessments, data protection impact assessments, algorithmic impact assessments or audits addressing those issues.
38. Whether a Data Protection Impact Assessment has been completed concerning the DAF application and decision-making system and, if so, a copy subject to appropriate redaction.

39. Whether Welsh Government has considered whether any part of DAF processing constitutes automated decision-making or profiling within the meaning of UK GDPR Articles 4(4) and/or 22, and any recorded assessment or determination.

40. The respective roles of Welsh Government and NEC Software Solutions in:

- designing the DAF decision process;
- establishing decision rules;
- configuring the software;
- changing eligibility rules;
- making individual decisions; and
- auditing decisions.

I hope this information proves helpful.

Yours sincerely

Annex A

Application of exemptions/exceptions

The Freedom of information Act/Environmental Information Regulations provide a right for anyone to ask a public authority to make requested information available to the wider public. As the release of requested information is to the world, not just the requester, public authorities need to consider the effects of making the information freely available to everybody. Any personal interest the requester has for accessing the information cannot override those wider considerations.

I have decided to withhold the following information:

Discretionary Assistance Fund – Decision Maker’s Guide

This Annex sets out the reasons for the engagement of section(s) **s29(1)(b)** and **s31(1)(a)** of the **Freedom of Information Act** and our subsequent consideration of the Public Interest Test.

Engagement of section 29 (1)(b) The Economy of the Freedom of Information Act

This exemption states:

s29 The economy.

(1) Information is exempt information if its disclosure under this Act would, or would be likely to, prejudice—

(b) the financial interests of any administration in the United Kingdom

The Welsh Government believes that **the Decisions Maker’s Guide** should be exempt from disclosure. The Decision Maker’s Guide (DMG) is a document that is shared between Welsh Government and NEC Software Solutions, the contractor who delivers the DAF on behalf of Welsh Government. We believe that releasing the DMG would be likely to prejudice to the financial interests of Welsh Government and protection of public funds. Should the guidance become publicly available, this would be likely to result in an increase of applications to the DAF, by individuals who may not be in financial crisis, but by seeing the DMG, would know precisely what information to include in an application in order to receive a cash award. This would therefore result in Welsh Government funds being distributed to individuals for whom the fund was not established to support and would not, before seeing the detailed criteria in the DMG, have been able to provide eligible applications to the DAF as they did not meet the criteria.

For this reason, we believe disclosure would be likely to prejudice the financial interest of the Welsh Government.

Engagement of section 31 (1)(a) Law Enforcement of the Freedom of Information Act

This exemption states:

s31 Law enforcement.

(1) Information which is not exempt information by virtue of section 30 is exempt information if its disclosure under this Act would, or would be likely to, prejudice—

(a) the prevention or detection of crime,

We also believe that releasing the DMG would be likely to prejudice the prevention of crime. As the DAF provides direct to the individual cash grants, it is attractive to fraudulent claims and protecting the DMG allows us to mitigate against this. Disclosure of the DMG would be likely to assist individuals to falsely submit applications that were in line with the guidance to receive cash payments. In order to protect the fund from fraudulent applications, rigorous counter fraud controls are put in place. Making this document publicly available could undermine these controls and potentially make the DAF vulnerable to an increase in fraudulent activity.

For this reason, we believe disclosure would be likely to prejudice the prevention of crime.

Public Interest Test

In order to satisfy the public interest test in relation to the exemption(s), it is necessary to conclude that the public interest arguments in favour of withholding the information are sufficient to *outweigh* the public interest arguments in favour of release.

Public interest arguments in favour of disclosure

The FoIA act provides a presumption in favour of disclosure on the view that disclosure of recorded information held by public authorities, where appropriate, increases trust and public engagement.

There is a strong public interest in showing how the Welsh Government works to assist the most vulnerable members of society. The DAF is a demand led scheme, which provides crisis support to the most financially vulnerable individuals as a last resort and where no other means of support is available. This is in the form of cash grants to help with essential living costs, and goods in kind such as white goods and furniture.

There is also a strong public interest in the public seeing and thus having faith that support is provided fairly. Releasing the detailed DMG would allow the public to see the full criteria for the DAF and how decisions on individual claims are considered and decisions reached. However high-level criteria for the fund is already published on the DAF website [Discretionary Assistance Fund \(DAF\): Eligibility | GOV.WALES](#).

Public interest arguments in favour of withholding

It is of considerable public interest that the Welsh Government are seen to be good, responsible, stewards of public money and that they work to ensure that such public money is used for the purposes directed by the elected government. The Welsh Government should be seen as ensuring that they are not releasing information that would be likely to allow any form of a 'free for all' access to public money. This is especially the case where, like all public authorities, finances are currently restricted.

The aim of the DAF is to support those with the highest financial barriers in Wales, experiencing unexpected financial crisis with no other means of support. The budget for the DAF is finite. Any increase in fraudulent applications as a result of the DMG being made publicly available, as a result of disclosure in response to this Fol request, would limit the funds available for the people for whom the fund was established to support and this prevents us from supporting the most vulnerable members of society.

Balance of public interest test

We believe that the public interest in ensuring that the funds that are available to support the most disadvantaged individuals in a time of severe financial crisis are protected outweighs any public interest in release.

Similarly, we believe that the public interest is best served by ensuring that checks and safeguards are not compromised in order to protect the financial interests of the Welsh Government.