

12 SEPTEMBER 2022

PR 8-22 | ENGLISH PORTION OF DORMANT ASSETS FUND

The National Association of Local Councils (NALC) is the nationally recognised organisation representing and campaigning for the interests of the 10,000 parish and town councils and many parish meetings in England. Local councils are the backbone of our democracy and closest to local people, providing our villages, towns, small cities and urban neighbourhoods with a democratic voice and structure, now contributing in excess of £2 billion of community investment to support and improve local communities and deliver neighbourhood level services. There are 100,000 local councillors from all walks of life who are committed to public service. They also provide a pool of talent that provides benefits well beyond their own communities.

NALC would like to draw the attention of the Department for Culture, Media and Sport and to the following:

- NALC believes that the government should extend the Dormant Asset Scheme so that more environmental and social schemes can benefit across England in the future.
- As far as who can access the funding is concerned, we believe this should be universally available, on application, to all local (parish and town) councils - to then farm back into their communities (and to that end we believe in the full parishing of all un-parished areas of England) - to ensure that recipients of funds are fully accountable and are transparent local government bodies. The government makes it clear that it is not looking for lots of small-scale schemes to sponsor, rather bigger ones that would make a substantial difference, particularly in deprived areas. It is more important than ever if large sums of money are involved, that they are handled by institutions which have proper controls.
- The publication of the consultation is timely. It is entirely appropriate that, at a time of rampant inflation and a cost of living crisis, the government is examining ways of accessing new funding for communities. But we would like to emphasise the need for very careful controls over any third sector funding which is not via principal authorities or local councils or overseen by them.
- In principle we think that young people (or suitable organisations connected with them) - should benefit from the Dormant Assets Scheme in England.

- We also consider that in addition to the government being rightly wedded to the notion of planting of new trees – some monies from the Dormant Assets Scheme should be channelled into the care of existing trees. In the current drought conditions, many of the newly planted trees will be dying unless they are being properly looked after. Even at the best of times, there is always an issue around new tree plantations not being properly cared for. And, of course, trees make a major contribution to air quality and to health.
- We suggest that community wealth funds might be treated like a permanent endowment, where only the interest / dividend is made available for spending each year. Perhaps this should be a matter for local discretion. Such funds should be made available to a wide variety of disadvantaged urban and rural areas, with a significant level of community involvement in how they are managed, invested and disbursed.

NALC's responses to the specific consultation questions are as below:

1. Are you responding as an individual or on behalf of an organisation? (select only one)

Organisation [continue to Q2]

2. What is the name of your organisation?

The National Association of Local Councils (NALC).

3. What type of organisation do you work for? (select only one)

Public sector body.

4. Is your organisation a current or prospective participant of the Dormant Assets Scheme? (select only one)

No.

5. In which sector(s) does your organisation operate? [Regardless of the answer, then skip to Q7]

N/A.

6. Please select the primary sector in which your organisation operates. (select only one) [Regardless of the answer, then continue to Q7]

Other – local government.

7. Does your organisation operate in England? (select only one)

Yes.

8. Where does your organisation operate? (*select only one*)

[Regardless of the answer, then skip to Q13]

Multiple English regions.

9. Where does your organisation operate? (*select only one*)

Please note that this consultation will help inform government decisions on the Dormant Assets Scheme in England only. [Regardless of the answer, then skip to Q13]

N/A

10. Do you live in England? (*select only one*)

N/A

11. Where do you live? (*select only one*)

[Regardless of the answer, then skip to Q13]

N/A

12. Where do you live? (*select only one*)

Please note that this consultation will help inform government decisions on the Dormant Assets Scheme in England only. [Regardless of the answer, then continue to Q13]

N/A

13. Do you want your response to be treated as confidential or do you agree for your answers to be quoted on an anonymised basis? (*select only one*)

I agree for my answers to be quoted on an anonymised basis.

Section 1 - Youth

This section seeks views on one of the three causes currently supported by the Dormant Assets Scheme in England: the provision of services, facilities, or

opportunities to meet the needs of young people (referred to as “youth” for simplicity).

For more information, please refer to [chapter 3 of the consultation document](#).

Questions

14. To what extent do you agree or disagree with the following statement?

“Youth should continue to remain a cause of the Dormant Assets Scheme in England”. *(select only one)*

Strongly agree.

15. Please explain the reasons for the answer you have given.

NALC is a fervent advocate of the needs and democratic participation of young people in all parished areas of England. We strongly encourage young people to stand for election to local councils (if of age) (please see our Make A Change campaign web page [here](#) . We also have a youth web page [here](#) . Young people are our future and it is right they should be allowed to continue to be a cause funded by the fund.

Section 2 - Financial inclusion

This section seeks views on one of the three causes currently supported by the Dormant Assets Scheme in England: the development of individuals’ ability to manage their finances or the improvement of access to personal financial services (referred to as “financial inclusion” for simplicity).

For more information, please refer to [chapter 4 of the consultation document](#).

16. To what extent do you agree or disagree with the following statement?

“Financial inclusion should remain a cause of the Dormant Assets Scheme in England”. *(select only one)*

Agree.

17. Please explain the reasons for the answer you have given.

Whilst it is right that the fund should continue to fund financial inclusion (i.e. the improvement of access to financial services) especially during a cost of living

crisis we do not think it is as important a cause as say young people of local (parish and town) councils being funded by the scheme.

Section 3 - Social investment

This section seeks views on one of the three causes currently supported by the Dormant Assets Scheme in England: funding for social investment wholesalers to support civil society organisations (referred to as “social investment” for simplicity).

Social investment wholesalers are defined as bodies that exist to assist or enable other bodies to give financial support to third sector organisations. Third sector organisations are defined as organisations that exist wholly or mainly to provide benefits for society or the environment.

For more information, please refer to [chapter 5 of the consultation document](#).

Questions

**18. To what extent do you agree or disagree with the following statement?
“Social investment wholesalers should remain a cause of the Dormant Assets Scheme in England”. (select only one)**

Agree.

19. Please explain the reasons for the answer you have given.

We agree in principle that social investment wholesalers should continue to be a cause funded by the scheme providing that they are then enabled to directly fund local councils monies from the scheme which will then allow local councils to impart relevant monies to local third sector organisations in their areas to deliver community projects.

Section 4 - Community wealth funds

This section seeks views on the proposal that community wealth funds start receiving support from the Dormant Assets Scheme in England.

Community wealth funds are defined in the Dormant Assets Act 2022 as funds which give long term financial support (whether directly or indirectly) for the provision of local amenities or other social infrastructure.

For more information, please refer to [chapter 6 of the consultation document](#).

20. To what extent do you agree or disagree with the following statement?

“Community wealth funds should become a cause of the Dormant Assets Scheme in England”. (select only one)

Agree.

21. Please explain the reasons for the answer you have given.

We think that community wealth funds should become a cause of the Dormant Assets Scheme in England provided they are empowered to also directly fund local councils to help them deliver longer term community projects in their areas.

We suggest that community wealth funds might be treated like a permanent endowment, where only the interest / dividend is made available for spending each year. Perhaps this should be a matter for local discretion. Such funds should be made available to a wide variety of disadvantaged urban and rural areas, with a significant level of community involvement in how they are managed, invested and disbursed.

22. Community wealth funds are defined in the Dormant Assets Act 2022 as funds which give long-term financial support (whether directly or indirectly) for the provision of local amenities or other social infrastructure.

Do you agree with the definition of community wealth funds as being suitable for the Dormant Assets Scheme?

Yes.

23. Please explain the reasons for the answer you have given.

As above – we believe that the current definition of community wealth funds is suitable for the Dormant Assets Scheme as it contains an indirect element which would allow for local councils’ longer term provision of amenities for their residents to be so funded.

Section 5 - Alternative causes

Questions

24. Would you like to suggest other cause(s) you think should receive funds from the Dormant Assets Scheme?

(We welcome suggestions of broad causes not currently considered by the Scheme. Please note that any suggestions will be assessed according to the essential and desirable criteria.)

Yes.

25. Please specify the alternative cause that you consider to be most important.

Local councils being directly funded by the Scheme to care for existing trees in their areas. Some monies from the Dormant Assets Scheme should be channelled into the care of existing trees, ideally through local councils who often care for their local trees but sometimes lack the funds to do so. In the current drought conditions, many of the newly planted trees will be dying unless they are being properly looked after. Even at the best of times, there is always an issue around new tree plantations not being properly cared for. And, of course, trees make a major contribution to air quality and to health. Local councils also satisfy the essential and desirable criteria here of having recourse to their own parish precepts (a form of council tax) – the problem is they often are unable to apply for direct funding in their own right.

26. Please rank the causes below by order of importance – 1 being the most important to you. (options showing in randomised rows to avoid response bias)

- **2 - Youth**
- **5 - Financial inclusion**
- **3 - Social investment wholesalers**
- **4 - Community wealth funds**

- **1 - local councils being directly funded to care for existing trees.**

27. Please explain why the alternative cause that you consider to be most important should receive funds from the Dormant Assets Scheme.

Precisely because local councils often want to be able to deliver more for their environments after having declared climate emergencies and are often barred from access to direct funding to help them have a real impact in their areas (e.g. being able to access funding to care for existing trees).

28. Please suggest any other cause you think should receive funds from the Dormant Assets Scheme.

N/A

29. Please rank the causes below by order of importance – 1 being the most important to you (*options showing in randomised rows to avoid response bias*)

- **1 - Youth**
- **4 - Financial inclusion**
- **2 - Social investment wholesalers**
- **3 - Community wealth funds**

30. Do you have any comments on whether secondary legislation should prescribe specific purposes?

Yes – the government should legislate to make it mandatory for new local councils to be set up (or community governance reviews to be triggered to set them up) – when local government reorganisation happens in areas without local councils. And the government should legislate to give local councils the power to plant new trees and care for existing ones within and beyond their own boundaries.

Should you require any further information on this response please do not hesitate to contact Chris Borg, policy manager, on 07714 771049 or via email at chris.borg@nalc.gov.uk . © NALC 2022