

## Consultation response: Dormant Assets Fund (England)

September 2022

Our response to a [government consultation](#) that sought views on what the broad purposes of the Dormant Assets Scheme in England should be. This Scheme currently enables responsible businesses to voluntarily channel funds from dormant financial assets to good causes, while ensuring owners' rights are protected.

The consultation invited views and suggestions on:

1. The current three causes supported by the Scheme and whether they should continue to benefit from its support. These causes are the provision of services, facilities, or opportunities to meet the needs of young people, the development of individuals' ability to manage their finances or the improvement of access to personal financial services, funding for social investment wholesalers to support civil society organisations.
2. Community wealth funds and whether they should start benefiting from the Scheme's support. Community wealth funds are defined as funds which give long term financial support (whether directly or indirectly) for the provision of local amenities or other community infrastructure.
3. Any other social or environmental causes that should be considered for the English portion of the Scheme.

The consultation closed Sunday 9 October 2022.

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### **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"**

Strongly agree - We take a broad view of the term 'social investment wholesalers'. We believe that investment in community owned assets are a very important means by which communities in rural areas could take increased ownership of the provision of services and support to people at risk of disadvantage in rural areas. One of the defining characteristics of rural areas is the increasing unwillingness of the market to deliver social goods due to its inability to capture sufficient 'economies of scale' from which profits can be driven. Social investment can help communities to overcome these market shortcomings for themselves and wholesale providers of investment to support these initiatives are essential. Examples include multi-use community buildings, facilities to provide health and well-being support, shops, affordable housing, community owned (and low carbon) energy generation and many other locally driven initiatives. Whilst this is an existing use of the Dormant Assets scheme in England, those currently involved seldom reach out to rural communities where community led initiatives are required. With more finance available in the scheme,

or through Community Wealth Funds, the initiative will need to be taken to reach rural areas that face this kind of ‘market failure’.

**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”**

Agree - We believe that investment in community owned assets are a very important means by which communities in rural areas could take increased ownership of the provision of services and support to people at risk of disadvantage in rural areas. One of the defining characteristics of rural areas is the increasing unwillingness of the market to deliver social goods due to its inability to capture sufficient ‘economies of scale’ from which profits can be driven. Social investment can help communities to overcome these market shortcomings for themselves and wholesale providers of investment to support these initiatives are essential. Examples include multi-use community buildings, facilities to provide health and well-being support, shops, affordable housing, community owned (and low carbon) energy generation and many other locally driven initiatives. Whilst this is an existing use of the Dormant Assets scheme in England, those currently involved seldom reach out to rural communities where community led initiatives are required. With more finance available in the scheme, or through Community Wealth Funds, the initiative will need to be taken to reach rural areas that face this kind of ‘market failure’.

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

Yes - Whilst we have agreed with the definition, it should be noted that we have done so due to it being defined in this way, as opposed to the way in which some promoters of Community Wealth Funds have defined it. The definition here gives no requirement for these funds to be made available only to specific ‘disadvantaged’ or ‘left behind’ urban communities through use of a definition of ‘disadvantaged’ or ‘left behind’ that intrinsically excludes communities disadvantaged in the market by their rurality. (See our response re Social Investment)

**Suggestions of other broad social or environmental cause(s) that could be considered in the Dormant Assets Scheme in England, apart from the four causes presented in previous sections (youth, financial inclusion, social investment, and community wealth funds).**

<p>Essential criteria</p>	<p>Being a social or environmental initiative <b>On the face of it this seems to exclude initiatives – required in rural areas – to apply community ownership to meeting needs that result from market failure using a social enterprise model of delivery</b></p> <p>Having sufficient scope to fund initiatives that would not otherwise be funded by government (the additionality principle)</p> <p>Ensuring that a portion of the £738 million must have a meaningful impact</p> <p>Targeting sustained, high impact change <b>Not if this implies tight, urban focused, targeting.</b></p> <p>Having the ability to attribute and measure the impact achieved</p> <p>Being able to align with key government policy priorities, including securing industry support <b>Not if this implies tight, urban focused, targeting.</b></p> <p>Having nationwide impact across England, particularly in disadvantaged areas <b>Not if the second half of this statement implies tight, urban focused, targeting.</b></p>
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	Being capable of weathering uncertain funding flows
Desirable criteria	Contributing positively to good community relations and integration Having the ability to leverage in other sources of funding Using existing organisations and/or systems of delivery, governance and accountability <b>Not if this implies continuing only with systems that tend not to reach communities disadvantaged by their rurality.</b>

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

Yes - If it is not already explicit above, we would welcome DAF being able, through the channels already discussed, to support communities investing in community-wide initiatives to reduce their carbon footprint and resilience to energy shocks.

**Please rank the causes below by order of importance – 1 being the most important to you**

- Youth **4**
- Financial inclusion **5**
- Social investment wholesalers **1**
- Community wealth funds **2**
- Community led decarbonisation and resilience **3**

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

We do not consider investing in communities to take collective action to become more energy resilient and reduce their carbon footprint to be a different priority, simply an essential one that can be pursued through social investment or CWF.

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

Yes, this will reduce, but not eliminate, the risk of short-term politicisation of the Fund

**Do you have any comments about the potential positive and/or negative impacts that the options on the broad purposes of the Dormant Assets Scheme in England outlined in this consultation may have on individuals with a protected characteristic under the Equality Act 2010?**

Yes - We would like to see the fund operated in a way that treats the rural proofing of its management and administration with the same seriousness and rigour as the application of the Public Sector Equality Duty