



## **A Submission by WRVS to the Scottish Government's Consultation on the Dormant Bank and Building Society Accounts Bill**

**August 2008**

### **About WRVS**

WRVS wants every older person to have the opportunity and choice to get more out of life. We enable older people to do so by delivering practical support through the power of volunteering and working to publicise and address the issues that affect older people.

WRVS is a major service provider and we are entirely reliant on our 56,000 local volunteers, 11,500 of whom volunteer in Scotland. These dedicated men and women of all ages and backgrounds deliver the full range of our services with support from a small number of paid staff.

We are grateful to the Scottish Government for the opportunity to make a submission on the approach it might take to setting the priorities for the Scottish share of the funds released from dormant bank and building society accounts.

### **Our Submission**

#### **1. What should be the governing principles of the Fund?**

In order to answer this question we wish to make the following points:

Firstly; the estimated size of this fund (£40 million) makes it significant. We understand that, once the initial trawl of dormant bank accounts has thrown up this sum; accounts that will become dormant in subsequent years will release an estimated £4 million pa. This will give the fund an effective income and make it a continuing source of third sector funding.

Secondly; there has been a recent move to 'focus' public funds available to the third sector in Scotland, particularly as regards social enterprise. The *Scottish Investment Fund* (worth £30 million) looks to build capacity in those organisations deemed 'investment ready' to deliver services and to increase trading activity. The *Enterprising Third Sector: Action Plan 2008-2011* (worth £12 million) is also given over in the main (although not exclusively) to capacity issues: opening markets, intelligent investment, skills, business growth and so on. These are important areas and we understand there is a degree of necessity in targeting scarce resources. However, the diversity of the third sector means that these areas will never be the *only* areas that require financial support.

#### **◇ Seventy Years of Service: 1938-2008 ◇**

WRVS is a practical charity focusing on helping older people live independently and get more out of life. One of the largest voluntary organisations in Britain, it has nearly 60,000 men and women helping older people to stay independent at home and active in their community; supporting patients and visitors in hospital; and helping people caught up in disasters. [www.wrvs.org.uk](http://www.wrvs.org.uk)

Thirdly; like most third sector organisations; WRVS has a very diverse funding base. We utilise different types of income for different purposes. We make our own judgements about where we need to go to seek the type of funding that will enable us to operate our services most effectively and efficiently for the benefit of our service users.

Fourthly; WRVS may well be a large charity but it exists in an extremely competitive environment. Our total UK income appears high but this is, as anyone with a passing knowledge of charity income and accounting would anticipate, made up of numerous smaller subtotals, covering our extensive network of grass-roots projects run by local volunteers. These projects need to break even at the very least and do not necessarily enjoy some sort of 'head office subsidy'. Much of our income is restricted to specific purposes, often stipulated by a funder or donator. Some other funders do not appear to understand such restrictions and have a policy of not funding organisations whose income is already above a certain level. Of course it is their right to distribute their funds as they see fit but by limiting the range of organisations that can access funds such an approach can end up limiting community activity rather than expanding it.

Finally, the 15 National Outcomes and 45 National Indicators set out by the Scottish Government are clearly intended to take Scotland forward as a whole country, across all geographical areas and social groups. While particular areas are highlighted, it does not appear to us that any one outcome or indicator is to be considered to take natural precedence over another or for any to be mutually exclusive. For example, we believe (as we imagine the Scottish Government to believe) that in order to have "strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others" it is necessary that "our young people are successful learners, confident individuals, effective contributors and responsible citizens"; that "we live longer, healthier lives" and that "we have tackled the significant inequalities in Scottish society". Given that one of the 45 indicators is to "increase the social economy turnover" we are confident that Government recognises the role of the third sector in achieving the national outcomes.

In this context, we note there have been calls for the monies that may become available from dormant accounts to be spent exclusively on 'community endowments' and also that several voluntary organisations that work with children and/or young people wish the money to be directed to their locus of activity.

We do not doubt the need for support to defined geographical communities or for effective and properly funded youth and children's services and it is perfectly proper for colleagues in the third sector to make representations on these issues. However, as WRVS, together with Help the Aged and Age Concern Scotland, stated in a letter to all MSPs earlier in 2008: financial support is needed for voluntary sector services of all types for people of all ages and circumstances; daily; in every constituency and region of Scotland. We do not think it is appropriate to spend such a huge sum of money on any one area alone, especially when specific areas of work already have designated funding streams to draw on. For example, in the case of community regeneration and development, from the Scottish Government's £435 million *Fairer Scotland Fund* via Community Planning Partnerships and; with respect to work with young people and children, the £3 million *CashBack for Communities* fund, which

will, presumably, grow as more of the recovered proceeds of crime are deposited into it.

The needs of older people in Scotland have been catalogued in innumerable research papers, government documents, voluntary sector briefings and press reports in recent years and we do not feel it necessary to rehearse in detail here the arguments for adequate funding for older people's services and for the organisations that work with and for older people. We know that the Scottish Government is already aware of the importance of older people's issue as evidenced by, for example, its position on Free Personal Care, its pursuit of the strategy *All Our Futures: Planning for a Scotland with an Ageing Population* and the work being developed as a result of such publications as *The Future Care of Older People in Scotland* (2006) by the Range and Strategy Review Group within the Health Department.

It is clear that many groups in Scotland have a valid claim to effective resourcing and WRVS does not wish to engage in a fruitless, internecine 'tug-o-war' over the resources potentially available to the third sector. Instead we would rather suggest the following principles should apply to the fund:

- that the fund is open to all comers from the third sector and applications judged on their merits, enabling WRVS and all other voluntary organisations working for social and/or environmental benefit to apply
- that the money is exclusively for the third sector operating in Scotland, whether for the benefit of people or causes in Scotland and/or for people or causes elsewhere in the world (as we understand it, this is already the Scottish Government's intention)
- that there is no income-related bar on application.

## **2. Which of the funding models set out in the BIG paper would be most valuable for the third sector?**

- **Grants,**
- **Trust Fund**
- **Loans,**
- **Contracts**
- **Other**

WRVS is extremely diverse in terms of activity as well as in its funding base. The individual projects that we run can make use of a range of funding sources at once and so they do not necessarily each fit into one model (eg 100 per cent grant funded). For that reason we suggest that BIG should offer a range of funding models and let the third sector decide which it feels it needs and therefore which type it chooses to apply for. Any initial division by BIG of the eventual sum (ie the possible £40 million) into different funding models (eg £20 million worth of grants, £10 million worth of loans, £10 million worth of contracts) should be set up so as to be simple to change if a different pattern of third sector need subsequently emerges. It should also be possible for one organisation to make a 'mixed application' (eg WRVS might wish to apply for £100,000 split between an £50,000 grant and a £50,000 loan).

**3. Should the Fund be used for a particular type or mix of funding? .**

- **Capital and/or revenue**
- **Short or longer term investments**
- **A particular size/range of investments**
- **Particularly innovative uses ... or for use beyond innovation funding**
- **Community development endowments for the most disadvantaged areas or groups**

Definitely not, it should encompass all types and mixtures and be responsive and flexible to third sector need, not bound by only one type or mix. See our answers to Q1 & Q2.

**4. What sorts of timescales should be set for the release of the estimated £40m?**

- **£40m over two years or £10m per year for four years**
- **Smaller amounts into perpetuity - eg, an endowment release of £2m per year could offer £100,000 for 20 organisations, or £50,000 for 40 organisations**

The nature of our projects means that, provided there is no income-related bar to application (as noted in answer to Q.1), we would be able to confidently apply to the fund however it was released.

**5. Should the Fund be used for a particular purpose that would apply across the sector?**

- **Capacity building**
- **Governance training**
- **Public policy research**
- **Organisational growth**
- **Modernisation**
- **Improvement**

No. The particular purposes suggested above are akin to those towards which the two major Government funds noted in answer to Q1 are already directed. The dormant bank accounts fund should be a flexible, open, fairly criteria-free complement to such funds, not merely an extension of them.

**6. Are there particular priority areas where the Fund could make the most impact?**

In accordance with our answers to Q1 & Q5 we do not believe that it is best use of the fund to lock it into priority areas from the outset.

**For more information contact:**

**Andrew Jackson**  
**Media and Public Affairs Manager for Scotland**  
**WRVS**  
**andrew.jackson@wrvs.org.uk**  
**Mobile: 07714 898 623**

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