



Department  
for Culture,  
Media & Sport



Department for Levelling Up,  
Housing & Communities

# **Technical Consultation on the design of a Community Wealth Fund in England: Response Sheet**

**September 2023**

## Introduction

The Department for Culture, Media & Sport (DCMS) and The Department for Levelling Up, Housing and Communities (DLUHC) are conducting a consultation to inform the design of a Community Wealth Fund (CWF), the fourth named cause for funding through the Dormant Assets Scheme in England, announced in March 2023. This consultation will inform the design of a CWF to ensure that it is fit for purpose and capable of delivering dormant assets funding effectively, while making the greatest impact possible in communities across England.

We recommend reading the consultation document in full before completing this questionnaire. For more information including the consultation document and privacy notice, please visit <https://www.gov.uk/government/consultations/technical-consultation-on-a-community-wealth-fund-in-england>.

The technical consultation seeks views on the following policy principles that we consider to be critical to the design of a CWF:

- whether a CWF should focus on supporting a smaller number of communities with larger pots of funding or a greater number of communities with smaller pots of funding;
- whether a low level of existing social infrastructure should be required for communities to be eligible;
- whether communities are allocated funding from a CWF or whether they competitively bid for funding;
- the selection of communities; and
- the nature of local decision-making.

**This technical consultation covers England only.** We welcome comments from all stakeholders who may be interested.

Please respond before **23:55 on Thursday 19 October 2023**

Once the consultation has closed, all responses will be reviewed and the government will publish its findings on GOV.UK.

## Respondent information

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

- Individual [skip to Q7]  
 Organisation  
 Joint response on behalf of multiple organisations

2. What is the name of your organisation? (*if representing multiple organisations, please list them here*)

The Investment Association - we represent 250 UK investment management firms, who range from smaller, specialist UK firms to European and global investment managers with a UK base. Collectively, they manage £8.8 trillion for savers and institutions. We have been involved in the development of scheme expansion over many years including via the Dormant Assets Expansion Board and in supporting the Industry Champion for the Investment and Wealth Management sector. As a result we are keen to see the dormant assets scheme succeed and become an attractive proposition for members to participate in.

3. Does your organisation manage or hold dormant assets that could be transferred into the Dormant Assets Scheme ([according to the 2022 Dormant Assets Act](#))?

- Yes  
 No [skip to Q5]

4. In which eligible sector(s) does your organisation operate? (*select all that apply*) [regardless of answer, continue to Q5]

- Banks and building societies  
 Insurance and pensions  
 Investment and wealth management  
 Securities (i.e. traded public companies)  
 Not applicable

5. Where does your organisation operate? (*select all that apply, or "UK-wide" if operating across the UK*)

**Please note that this consultation will help inform government decisions on the Dormant Assets Scheme in England only.**

- UK-wide [continue to Q6]  
 England [continue to Q6]  
 Scotland [skip to Q7]  
 Wales [skip to Q7]

Northern Ireland [skip to Q7]

6. Which English region does your organisation operate in? (*select all that apply or "All English regions" if operating across England*) [regardless of answer, skip to Q9]

- All English regions
- East Midlands
- East of England
- London
- North East
- North West
- South East
- South West
- West Midlands
- Yorkshire and the Humber

7. 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.**

- England [continue to Q8]
- Scotland [skip to Q9]
- Wales [skip to Q9]
- Northern Ireland [skip to Q9]

8. Which region do you live in? (*select only one*)

- East Midlands
- East of England
- London
- North East
- North West
- South East
- South West
- West Midlands
- Yorkshire and the Humber

9. Are you happy for your response to be quoted on an anonymous basis? (*select only one*)

- Yes - I am happy for my response to be quoted on an anonymous basis
- No - I do not want my response to be quoted

## Breadth versus depth of funding

This section seeks views on whether a CWF should prioritise breadth or depth – for example, whether it is preferable for one community to receive a £10 million pot to spend or ten communities to receive £1 million.

For more information please refer to Chapter 3.1 of the consultation document.

### Questions

10. Should a CWF focus on supporting a smaller number of communities with larger pots of funding or a greater number of communities with smaller pots of funding? (*select only one*)

- Option A - bigger pots of funding to a smaller number of communities
- Option B - a greater number of communities receive smaller pots of funding
- Other - please specify
- Don't know

11. Please explain your answer.

We do not feel strongly about this question, but, on balance, believe in the principle of maximising the benefits of funding. Therefore providing bigger pots of funding to a smaller number of communities would be the preferred next step. This route would likely make a bigger impact in a shorter period of time. It also avoids the risk of spending money developing delivery infrastructure in multiple areas only to realise a lower level of impact.

12. What do you regard as the optimum amount of funding that a community should be given in total through a CWF (over roughly a 10-year period)? (*select only one*)

- Less than £500,000
- £500,000 - £1,000,000
- £1,000,000 - £2,500,000
- £2,500,000 - £5,000,000
- £5,000,000 - £10,000,000
- More than £10,000,000
- Don't know

13. What do you regard as the minimum amount of funding that a community should be given in total through a CWF (over roughly a 10-year period)? (*select only one*)

- Less than £500,000
- £500,000 - £1,000,000
- £1,000,000 - £2,500,000
- £2,500,000 - £5,000,000

- £5,000,000 - £10,000,000
- More than £10,000,000
- Don't know

14. What do you regard as the maximum amount of funding that a community should be given in total through a CWF (over roughly a 10-year period)? (*select only one*)

- Less than £500,000
- £500,000 - £1,000,000
- £1,000,000 - £2,500,000
- £2,500,000 - £5,000,000
- £5,000,000 - £10,000,000
- More than £10,000,000
- Don't know

15. Please explain your answers.

Click or tap here to enter

## Existing social infrastructure

This section seeks views on whether small towns should be required to have a low, baseline level of social infrastructure or community assets present in order to be eligible for funding from a CWF.

For more information please refer to Chapter 3.2 of the consultation document.

### Questions

16. Should there be a baseline social infrastructure requirement for small towns to be eligible for a CWF? (*select only one*)

- X Option A – there should be a social infrastructure baseline requirement
- Option B – there should **not be** a social infrastructure baseline requirement
- Other (please specify) Click or tap here to enter text.
- Don't know

17. Please explain your answer. [if Option A selected on Q16, continue to Q18; if not, skip to Q19]

In seeking to maximise the benefit of funding, which is provided by industry but still belongs to investors, it should not be used on local delivery structures; rather the benefits for end users and beneficiaries should be pursued vigorously. It would follow that a baseline level of social infrastructure should already be in place in order to deliver funding effectively. However, we would be open to supporting the creation

of a thin infrastructure layer to allow for the delivery in areas of significant need where this could be delivered efficiently.

18. If Option A - What do you think should be the baseline level of social infrastructure and why?

## **Allocative or competitive distribution**

This section seeks views on how the funding from a CWF may be distributed.

For more information please refer to Chapter 3.3 of the consultation document.

### Questions

19. Should small towns be allocated funding from a CWF, or should there be a competitive bidding process to determine which small towns receive funding? (*select only one*)

- Option A – allocative
- Option B – competitive
- Other (please specify)
- Don't know

20. Please explain your answer.

We have a slight preference for competitive distribution as this would, again, maximise the benefit of the funding as the recipients would have a clear plan and objective for how to put the funding to best use. However, those in charge of allocating funding as a result of that process should be alert to the need for selecting the bid with the most compelling rationale rather than the one that is presented more professionally, or according to other inadvertent biases.

## **How beneficiaries are selected**

This section seeks views on how beneficiary communities of a CWF may be selected.

For more information please refer to Chapter 3.4 of the consultation document.

### Questions

21. How should beneficiaries be selected to receive funding from a CWF? (*select only one*)

- Option A - beneficiaries should be selected in order of priority
- Option B - beneficiaries should be selected in order of priority, while ensuring a geographic spread across the country
- Option C - a discretionary approach should be taken to select beneficiaries

- Other (please specify)
- Don't know

22. Please explain your answer.

In order to maximise the benefit of the funding, areas with the greatest need should be prioritised. Our decision between options A and B is a marginal one, but we favour A rather than seek to artificially adjust based upon geographic spread. We do not see the case for depriving funding from one area of need because a neighbouring area received funding. We place more weight on the approach of targeting communities with different typologies, but on balance feel a simple approach would ensure a bigger impact for the funding provided.

## Nature of local decision-making

This section seeks views on the nature of local decision-making for communities.

For more information please refer to Chapter 3.5 of the consultation document.

### Questions

23. What option do you agree with regarding the nature of local decision making? (*select only one*)

- Option A - communities are free to determine the best way(s) of meeting local priorities
- Option B - communities must choose from a menu of evidence-based interventions in order to meet local priorities
- Other – please specify
- Don't know

24. Please explain your answer, including whether any 'off-menu' interventions should be subject to additional scrutiny.

We were pleased that the government has added financial education within the existing financial inclusion beneficiary, as a result of the previous consultation. It is also welcome that government has signalled its intention to distribute the next phase of funding on an equal distribution basis across the recipient causes.

Potential participants in the scheme feel very strongly that funding made available by industry should be aligned to its aims and objectives. Financial education has the ability to make a very powerful contribution to UK society, and will likely have a material effect on the cause of societal problems that dormant asset scheme funding seeks to mitigate. It is



important, as a voluntary scheme, that industry is able to see the effect of the funding it provides on causes that it believes are important.

There is a risk through Option A that spending is allocated to inappropriate causes or those out of sync with industry's priorities. This, depending on the cause, could have a reputational impact on the government, the scheme itself and/or individual participant firms. Anything that reduces funding towards industry priorities will not encourage further industry participation.

## Further considerations

This section seeks views on the further considerations that will likely influence the delivery of a CWF.

For more information please refer to Chapter 4 of the consultation document.

## Questions

25. What do you regard as the key challenges, and mitigations to these, in how the wider public sector can support the delivery of a CWF? Please explain your answer.

[Click or tap here to enter text.](#)

26. What do you regard as the appropriate criteria to preserve the additionality principle? Please explain your answer.

The additionality principle is vital to the attractiveness and ongoing viability of the scheme. We support the definition of the principle as previously articulated. Investors' money should not be used to support the funding obligations of government.

It is important now, as we look at more localised funding, that the functions of local government should also not be subsidised by dormant assets funding. There is a risk that local initiatives, set up or funded by local government but that are delivered on a non-statutory basis, are substituted or supported by dormant assets funding. Every effort should be taken to avoid a situation where local government responsibilities are being fulfilled by the scheme - or even the impression that services have been provided by a government body.

27. How best can we ensure that governance and reporting of a CWF is appropriate? Please explain your answer.

Effective governance, accountability and transparency are vital to the ongoing viability and success of the scheme. We support TNLCF's involvement as they have well established frameworks in place to deliver

value for money in accordance with the additionality principle, and in avoiding creating new layers of bureaucracy. We want to avoid the dilution of dormant assets funding that could happen if too many entities are involved in the process of distributing money.

28. What do you regard as the key challenges, and mitigations to these, in the evaluation of a CWF? Please explain your answer.

Participant firms need to have visibility of where, how and when money they have provided has been spent. Regular reviews of the effectiveness of both the high-level measures outlined in this consultation document (breadth/depth, capacity/infrastructure; allocative/competitive distribution; beneficiary selection) and allocations to individual local areas should take place in partnership with industry, through the Expansion Board or successor organisation.

## Public Sector Equality Duty

This section seeks views on the potential positive and/or negative impacts of the design principles that will underpin a CWF.

For more information please refer to Chapter 4.4 of the consultation document.

### Questions

29. What potential impacts do you think the design of a CWF may have on individuals with a [protected characteristics under the Equality Act 2010](#)? (select only one)

- Positive  
 Negative  
 Mix of positive and negative  
 No impacts  
 Don't know

30. Please explain what you think these impacts would be with specific reference to any or all of the design principles described in Chapters 3.1, 3.2, 3.3, 3.4 and 3.5.

Click or tap here to enter text.

31. In your view, is there anything that could be done to mitigate any negative impacts? Please explain your answer.

Click or tap here to enter text.

32. Do you have any other comments, in scope of this technical consultation, that you wish for us to consider?

The priority of the investment and wealth management sector is to be able to participate in an expanded dormant assets scheme that helps to support the individuals with the greatest needs through well governed and effective specialist entities. It is our view that financial education can help mitigate some of the root causes of problems these individuals find themselves in, and as a voluntary scheme it is vital that industry' s priorities are shared objectives. Potential participants have been ambivalent on the inclusion of community wealth funds as a funding beneficiary, however on balance, providing local people with the means to make effective change suitable for their area is seen as a worthwhile endeavour.

We would like to see an alignment between the potential causes a CWF could support and the industry' s priorities. It is crucial that the potential effect of the funding is not diluted by unnecessary structural design features and instead is used to deliver real change for real people.

This is the end of the consultation. Please save your response and email it to [dormantassets@dcms.gov.uk](mailto:dormantassets@dcms.gov.uk) by 23:55 on Thursday 19 October 2023.