

NICVA RESPONSE TO HM TREASURY CONSULTATION UNCLAIMED ASSETS DISTRIBUTION MECHANISM

NICVA (the Northern Ireland Council for Voluntary Action) welcomes the opportunity to respond to the HM Treasury document 'Unclaimed assets distribution mechanism: a consultation'.

NICVA is the umbrella body for the voluntary and community sector in Northern Ireland. It provides over 1,000 members with information, advice and training on a wide range of issues from management consultancy and finance, through to policy development and lobbying. NICVA adopts a community development approach, attempting to empower local communities to pursue their own needs and agendas.

NICVA's response is based on its role as the representative body for the voluntary and community sector in Northern Ireland. The response is also informed by earlier work carried out by NICVA in related policy areas.

This response is complemented by our response to the first phase consultation on the Assets Recovery scheme.

Are the principles underpinning the distribution of the available surplus assets the right ones?

2.1 Principles for Distribution – NICVA welcomes the proposal for the devolved administration to set priorities for assets distribution in Northern Ireland.

We agree that the priorities identified for England should not simply be rolled across to Northern Ireland. However we believe this could simply happen by default unless there is a full engagement with initiative by the Assembly, the Department of Finance and Personnel and a full consultation on the priorities for Northern Ireland. This should happen at the earliest possible opportunity and in partnership with the voluntary and community sector.

We agree with government's view that a proportion of the available assets could be used for the purposes of social investment and improving the third sector's access to sustainable funding streams as consulted upon in the proposals for a Social Investment Bank, but that this will depend upon resources being available to deliver this and other priorities in relation to the priorities yet to be identified and agreed for Northern Ireland.

We welcome the intention for a 'light touch' approach to distribution, which maximises efficiency, minimises bureaucracy and ensures as much money as possible is directed to good causes in a co-ordinated and transparent way. We also endorse the intention that these assets must be additional to those which are provided by the state and subject to open competition from third sector organisations.

We propose that there should be an annual report on the additionality of distribution of assets in a similar way to the commitment from the Big Lottery Fund to report on additionality of distribution of National Lottery funds.

We agree that the principles underpinning the distribution of funds are the right ones with the above points noted.

Is the proposal to use the Big Lottery Fund as the primary UK-wide distribution vehicle for the surplus assets the right one, based on the principles for distribution outlined in this document?

We agree that the Big Lottery Fund (BIG) is an appropriate organisation to distribute unclaimed assets on a UK-wide basis. We believe that prioritisation and distribution must be handled at a country level by the Northern Ireland BIG committee and office.

What are the different approaches that the Big Lottery Fund could take to the distribution of available assets to ensure they deliver maximum benefits to communities? How should BIG best work with other intermediaries and delivery partners to ensure the best outcomes?

The current practice of BIG to develop a portfolio of programmes using different distribution models should be continued. In particular we highlight the Building Change Trust programme as a funding model which seeks to achieve long-term outcomes through a ten year funding programme. The following range of programme models currently operated by BIG could be chosen to best deliver the identified priorities for recovered assets:

- An open small grants programme, eg Awards for All.
- An open demand-led programme for up to five years' funding, eg Reaching Communities.
- Award Partners programmes, eg Change Ur Future.
- Strategic Programmes, eg Live and Learn.
- Long-term investment programmes, eg Building Change Trust.

We support the proposal to have a separate funding stream and branding for recovered assets distribution.

Do you agree with the proposals for how legislation will work in relation to the distribution of these assets?

6.3 Powers to distribute unclaimed assets – NICVA does not agree with the proposal that ministers in each of the four countries should be given powers to direct BIG with regard to distribution similar to the powers vested in ministers through the National Lottery Bill. We disagree on the same point as we had issue with the National Lottery Bill, namely that BIG should only be required to “take account of” directions from ministers as opposed to “comply with” directions of ministers as is written into the Bill. If it is the intention in this proposal to have BIG “take into account” and it does not compel them to follow the direction of ministers in relation to specific priorities, then we could

support the proposal. The intention of this proposal needs to be further clarified. Is it the intention to empower ministers to set the specific priorities or simply to empower them to influence the choice of these priorities? If it is the first, we disagree, if the second, NICVA supports it.

The power for ministers to direct BIG on specific priority spending erodes the independence of funding and is a conflict of interest in ensuring funds are additional to government spending.

6.5 Dividing the Assets – we accept that the Barnett formula should be the base model for allocation of funds across the UK but that government should consider weighting distribution by region according to deprivation – so that more funding is targeted at areas of greater need.

6.8 Spending in devolved administrations – NICVA welcomes the fact that specific priority areas for Northern Ireland will not be included in the legislation but argue that it is for the distribution body to decide these priorities and not for these to be set by ministers.

‘Positive Steps’, the Taskforce Report into the Resourcing of the Voluntary and Community Sector, is likely to be a key document informing how to fund priorities in Northern Ireland.

The reclaimed assets have the potential to make an impact on funding priorities where no resources are currently identified. The recovered assets funding can provide an opportunity to compensate for loss of funding to the sector due to diminishing resources from the European Union, the diversion of National Lottery funding to the London Olympics in 2012, and from government to the sector in light of the Comprehensive Spending Review.

On all other substantive issues in relation to how the legislation will work and which are relevant to Northern Ireland, NICVA supports the proposals.