



Llywodraeth Cymru  
Welsh Government

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Welsh Government  
Consultation – summary of responses

# Consultation on the future spending purposes for dormant assets funding in Wales

24<sup>th</sup> May 2024

Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

## **Overview**

The National Lottery Community Fund undertook a consultation on proposed spending purposes for dormant assets funding in Wales on behalf of the Welsh Government. It proposed four potential options to consider: children and young people, the climate and nature emergencies, financial inclusion and community action. It also offered the opportunity to suggest alternative suggestions. As it is unlikely to be able to fund all four options, the consultation will help the Welsh Government to prioritise.

## **Action required**

This document is for information only.

## **Further information and related documents**

Large print, Braille and alternative language versions of this document are available on request.

## **Contact details**

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## **Additional copies**

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation: <https://www.gov.wales/future-spending-purposes-dormant-assets-funding-wales-html>

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## 1. Introduction

### 1.1 About the consultation

This consultation sought views on the future spending purposes for dormant assets funding in Wales. The Dormant Assets Scheme (DAS) supports financial companies to voluntarily direct funds from dormant assets to good causes, while making sure that owners can be reunited with their funds at any time. It enables large sums of money that would otherwise sit untouched in forgotten accounts to be spent on social and environmental causes.

1.2 The National Lottery Community Fund (TNLCF) is responsible for distributing any proceeds from the DAS to good causes across the UK while the Welsh Government directs TNLCF on how to spend the Welsh portion through policy directions. A review of the current spending purposes is under way and the TNLCF carried out this consultation on behalf of the Welsh Government, which invited specific views on four potential spending purposes for DAS funding in Wales:

- children and young people;
- climate and nature emergencies;
- financial inclusion; and
- community action.

1.3 The responses we have received will inform the Welsh Government's decision on what purposes should be prescribed in the future policy directions that it issues to TNLCF. Further information on the DAS and the consultation can be found here: <https://www.gov.wales/future-spending-purposes-dormant-assets-funding-wales>

1.4 The consultation ran from 6 December 2023 until 28 February 2024.

### 1.5 Consultation engagement events

Throughout January and February 2024, TNLCF ran a series of virtual consultation events that allowed participants to find out more about the consultation and to share their views on the future spending purposes for the DAS in Wales. Three general events were held alongside four that specifically considered each of the proposed spending purposes in more depth. A total of 142 participants took part in the virtual events. The views expressed at these events were captured and have been considered alongside the written responses that have been received.

### 1.6 Response to the consultation

We received a total of 357 responses to the consultation. 321 of these were submitted via the online portal and a further 35 were submitted by email. One was received by post. Responses received via the online portal are anonymous, although the overwhelming majority of these appear to be from third sector organisations.

1.7 Not every respondent answered every question with many focusing their contributions on their particular interest areas. The questions relating to children and young people attracted the most responses, considerably more than the questions relating to the other three proposed spending purposes. This was then followed by the questions relating to the climate and nature emergencies and community action (both of which received a similar number of responses), with the questions relating to financial inclusion attracting the least number of responses.

1.8 Analysing the responses

Responses to the consultation were in response to a mixture of open and closed questions. Open questions were analysed using qualitative research methods and each answer was coded against recurring themes within the responses provided to give an overall picture of the content of the responses provided in each instance. This was then used to prepare the narrative report in respect of each question, and these reports are presented below.

## **2. Executive summary**

2.1 When asked to rank potential spending purposes in order of preference (question 9), respondents overwhelmingly identified children and young people as the most popular potential spending purpose for the DAS in Wales. This was then followed by community action and the climate and nature emergencies, with financial inclusion attracting the least support.

2.2 The cross-cutting nature of the four proposed spending purposes was heavily referenced by respondents across all the proposed spending purposes and it was stressed that they are not mutually exclusive. Community action was frequently referred to as a potential way of delivering against the other three proposed spending areas.

### 2.3 Children and young people

- Barriers to play and leisure activities, learning disabilities, and mental health were the main areas of concern highlighted by respondents, and they highlighted the way in which each of these links to one another in terms of both issues and solutions.
- Leisure and play activities were seen as important in developing social skills, good physical and mental health and wellbeing. Respondents felt that there were not enough of these activities available.
- In addition to learning disabilities, respondents also highlighted the needs associated with disability and neurodiversity and suggested that more support was needed for these groups.
- A quarter of respondents agreed that mental health was an important issue affecting children and young people. They called for more therapeutic support services and highlighted the preventative role that access to play and leisure opportunities could fulfil.
- Poverty, education, isolation and rurality, employment and training, additional support for children and young people in the care system and from ethnic minoritised backgrounds were also highlighted as focus areas in relation to this spending purpose.

### 2.4 Climate and nature emergencies

- Respondents welcomed the emphasis upon the nature emergency alongside the climate emergency. They acknowledged that protecting nature and biodiversity is beneficial in many ways and also offers wider opportunities and benefits for communities.
- Raising awareness around the climate and nature emergencies and solutions and changes needed is a crucial aspect of work in this area.
- Community-based climate action should be embedded within any spending purpose associated with this theme and subsequent projects should reflect what the community needs to be most impactful.
- Equity and diversity needs to be considered more within the environmental sector.

## 2.5 Financial inclusion

- Respondents significantly highlighted the need to increase the provision of financial education and advice services.
- Many called for increased support for credit unions and community development financial institutions (CDFIs), particularly in light of the DAS support for this sector in England.
- Accessibility needs to improve across the financial sector, particularly for vulnerable and marginalised groups.

## 2.6 Community action

- Empowering communities by giving them a role in decision-making and helping them to find solutions to their own problems was a strong focus of responses.
- Community cohesion is a priority for many and some feel that bringing communities together makes them stronger and reduces social isolation.
- Several respondents highlighted groups that they feel need additional support within communities, particularly young people, older people and those from ethnically minoritised communities across Wales. A number of respondents argued that additional support was needed for asylum seekers and refugees.
- The specific needs of rural communities were highlighted, including access to services, isolation, connectivity, and difficulty in sourcing volunteers.
- Several felt a need for community development support and dedicated funding to build community.
- Community assets are seen as essential to the resilience of a community and a way of contributing to improved socio-economic outcomes. Inequality in community infrastructure and social capital can inhibit community action and prevent people acting on the things that matter to them.
- Many highlighted a need for sustainable funding for a wide array of organisations and activities that are predominantly third sector-led, established interventions that are struggling in the face of rising demand, higher costs and a reducing volunteer base. The responses imply that revenue funding is especially challenging.
- Climate and nature, health promotion, social isolation, children's play activities and community transport were referenced as potential focus areas for community action.

### 3. Children and young people

**Current spending purpose:** Supporting children and young people to reach their full potential by working through the third sector to promote social inclusion and eliminate barriers to personal development and employment.

**Question 1: To what extent do you agree that money from the Dormant Assets Scheme in Wales should continue to be spent on supporting children and young people?**

Total responses: 338

Strongly agree	190
Agree	83
Disagree	17
Strongly disagree	8
No opinion	40

**Question 2: Are there any specific issues affecting children and young people that you think it is particularly important for dormant assets funds in Wales to address?**

Total responses: 246

Responses were diverse in nature and most highlighted multiple issues relating to children and young people. The top three issues highlighted by respondents mirrored those cited in the consultation document: barriers to play and leisure activities; learning disabilities; and mental health (in order of popularity). A significant number of the respondents pointed to the way in which the four proposed spending purposes were not mutually exclusive.

#### Play and leisure activities

Barriers to play and leisure activities were occasionally referenced alongside access to extracurricular activities. Some of the more specific issues highlighted by respondents included open access play work, outdoor activities, sports, youth work, youth groups, and creative activities like art, music and literacy. Respondents stressed the importance of such activities in relation to developing social skills, their positive impact on physical and mental health and their value in promoting the general wellbeing of children and young people.

For children themselves, playing is one of the most important aspects of their lives. They value time, freedom and quality places to play. When asked what is important to them, children consistently mention playing and gathering with their friends [...] When they play, children contribute to their immediate wellbeing and to their own development. (Play Wales)



The affordability, accessibility and lack of services and community facilities, particularly in relation to deprived and/or rural areas – were highlighted by many respondents as barriers to accessing leisure and play activities. Some respondents attributed a lack of facilities to the presence of antisocial behaviour and drug use. Covid-19, the cost-of-living crisis and austerity were also mentioned as having an impact on what is available with one respondent saying that “There has been a marked decline in the services provided by schools and LAs due to significant periods of austerity.”

### Additional needs

As well as referencing the needs of disabled children and young people, other respondents were keen to acknowledge additional needs like neurodivergence, and its associated communication differences. A number of these responses also emphasised the need to consider these additional and often complex needs in relation to childcare as well as leisure and play provision:

Children with complex needs are often disadvantaged, and have been more disadvantaged due to COVID. There is strong evidence that CYP with complex needs are discriminated against with regards to the offer of leisure and social activities. They are excluded from mainstream clubs due to the nature of their difficulties. (Respondent)

Many respondents requested greater provision of accessible local activities, as well as wider support for the families of children and young people who are affected by disability and additional needs. A small, but noticeable, number of responses specifically referenced the services provided by Sparkle and Serrenu. One respondent captured the broader sentiment that “families with additional needs are really struggling” and that there is a lack of funding to meet their support needs:

Children with disabilities are not adequately funded in Wales. The only leisure facilities available to many of these children are provided by charities and these are being scaled back or cancelled completely due to cost of living, increased costs and lack of donations. (Respondent)

Several respondents called for more trained practitioners to support children with disabilities and additional needs in schools, childcare facilities, and health settings, especially in relation to diagnostic services for neurodevelopmental conditions. A perceived need for ongoing support for young people with additional needs to enter employment was also highlighted.

Some responses highlighted other groups that they felt needed additional support. These included those from deprived backgrounds, ethnically minoritised backgrounds and those in the care system.

### Mental health

Nearly a quarter of respondents agreed that mental health and wellbeing was a specific issue affecting children and young people. Some argued that this should be a spending purpose in its own right, while others referenced large waiting lists, a lack of support at schools, its perceived relationship with increased school absences, and concerns about the climate crisis impacting on mental wellbeing. Some called for more therapeutic support services while others also highlighted the preventive benefits that access to leisure and play opportunities could have:

Mental health issues amongst young people have increased significantly and early interventions need to be put in place – this includes wellbeing activities, sports, therapy and more. (Respondent)

### Poverty and disadvantage

About a fifth of respondents referenced poverty and disadvantage as an increasing issue that impacts children and young people in multiple ways. One respondent argued that tackling poverty is a major concern as it impacts on educational attainment, exacerbates other social problems and impacts negatively on health.

The importance of financial inclusion to children and their families was also highlighted, with one respondent arguing that you can't put money into supporting young people and children without ensuring that their families have enough to live on. Others stressed the importance of financial education for children and young people as well as their families.

### Other areas

Other respondents called for environmental education, digital safety education and career advice. Education was mentioned in its own right, but often without any further detail. Other responses called for support that focussed on health (especially tackling obesity), gender, rent and housing, the Welsh language and addressing school holiday hunger.

## **Consultation event**

The consultation event reinforced many of the points expressed by respondents to Question 2, but several additional key points were made that are outlined below.

Both transport and rurality were highlighted as barriers that prevented children and young people from accessing opportunities. Those with multiple disadvantages and the compounding effects of poverty were highlighted, as were the needs of children experiencing the asylum system.

The discussions reinforced the way in which the issues explored in the consultation document interlinked with each other and should not be considered in isolation. For example, several participants acknowledged the link between accessing leisure and play as being preventative and their benefits to mental health and wellbeing. For one participant, mental health isn't just about a medical diagnosis, it is also about being

able to connect with others in the community, which is why youth clubs, safe spaces to go to and opportunities to meet up are so important. Others pointed to the fact that many young people do not feel confident with money, highlighting the importance of financial wellbeing and the link with financial inclusion.

Suggestions to take a community-focussed approach to the delivery of services for children and young people clearly linked to the proposed spending purpose relating to community action. Third sector organisations, sports clubs and community groups could be used to deliver activities supporting this theme. Collaboration between organisations and sectors could provide better services, make referral easier and support the transfer of knowledge. The need for long-term sustainable funding for existing community services for children and young people was highlighted with some claiming that organisations had reached a funding 'cliff edge'. More complex support needs and the impact of the Covid-19 and the rising cost-of-living had increased demand at a time when funding was increasingly hard to obtain. This makes it difficult for organisations to focus on the type of preventative work that they were arguably set up to carry out. As the responses to the other spending purposes covered by this consultation will show, this perceived challenge is not exclusive to organisations supporting children and young people.

## 4. Climate and nature emergencies

**Current spending purpose:** Tackling climate change and promoting wider sustainable development through focused community-based activity.

**Proposed spending purpose:** Tackling the climate and nature emergencies through focused community-based activity.

**Question 3: To what extent do you agree that money from the Dormant Assets Scheme in Wales should continue to be spent on tackling climate change and also used to tackle the nature emergency?**

Total responses: 323

Strongly agree	84
Agree	79
Disagree	55
Strongly disagree	42
No opinion	63

**Question 4: Are there any other specific environmental issues that you think it is particularly important for dormant assets funds in Wales to address?**

Total responses:176

Respondents overwhelmingly welcomed the focus on, and recognition of, the nature emergency within the proposed spending purpose. About a quarter of the responses related to nature or biodiversity in some way. Within the broad area covered by the proposed spending purpose several issues raised including access to green spaces, nature-based solutions to climate change, pollution and land management.

### Nature and biodiversity

Many respondents recognised the potential for nature-based solutions to help mitigate and adapt to climate change. There was a clear link between nature and biodiversity and adaptation through nature-based solutions, such as peat bog and wetland restorations. Within this, several respondents felt that river and sea flood risk management should be a priority for the DAS in Wales to address. This was not solely about building infrastructure to protect from extreme weather events, but also about building resilience and supporting communities to adapt to climate change threats and effects in the future.

Respondents expressed a need to protect and preserve nature and biodiversity, as well as improving air, water and river quality. Some respondents mentioned pollution and the potential impacts on human health and biodiversity.

A few respondents made the connection between protecting nature and ensuring that communities have access to green spaces. There were also specific comments about the wider benefit of connecting people to nature.

A few answers specifically mentioned opportunities associated with maintaining and protecting Sites of Special Scientific Interest (SSSIs) - those areas of land and water that we consider best represent our natural heritage in terms of their flora and fauna. A few other respondents felt that farmers have been excluded from previous funding and argued that there is a need to support farmers to adapt to sustainable land management and sustainable farming techniques.

Two other clear themes emerged around raising awareness and community action and it was apparent that many of the other themes raised connected and related to these broader headings in many ways.

#### Community-focused climate action

As with other proposed spending purposes, links to community action in its broadest sense were made by most respondents as an important and impactful focus area for DAS in Wales more generally.

Respondents felt that mobilising local people to take action in their local community to protect nature and mitigate climate change was important. Respondents recognised both the social and environmental needs that could be addressed through community based climate action and pointed to the wider benefits it could bring such as increased community cohesion. They highlighted that community support and buy-in to projects is crucial as seeing the difference they make creates hope for the future. Some highlighted the crucial role for volunteers in delivering successful projects and suggested the DAS in Wales needs to support them.

In relation to the specifics of climate action, several respondents referred to numerous areas where community climate action could make a difference such as: tackling pollution; food waste; reduce, reuse and upcycling schemes; and community litter picking. Local regenerative food growing was also referred to by some respondents, particularly specifically supporting people to grow their own food at home or in the community.

#### Renewable energy

Many respondents saw a need for investment in renewable and sustainable energy. Over half of those addressing this point specifically mentioned the need for, or opportunities related to, community ownership of renewable assets such as solar, wind or hydro. There was also a clear link to social enterprises and re-investing profits in the local community. Respondents also recognised the need for better infrastructure to support renewable energy across the UK.

### Energy efficiency

Unsurprisingly, many respondents referenced renovating, upgrading and insulating buildings, with many voicing concerns around the need to reduce energy bills for both individual homes and organisations. Others expressed a need for funding or advice to help people to access sustainable energy solutions such as solar panels. This included helping people to access funded energy efficiency measures and sustainable energy solutions for homes with some claiming that current support is not available or accessible to most people.

### Transport

A few respondents wanted to see public transport that was affordable and better connected that makes it easier for people to reduce their emissions through improving infrastructure for active travel or public/community transport options.

### Raising awareness

Respondents felt that more people needed to understand the changes needed and the urgency of the climate and nature emergencies. Reference was made to raising awareness through education. Some had ideas around using tools such as Climate Fresk, but generally respondents referred to the need to improve education on this issue within communities, businesses, third sector organisations and charities. Children and young people were specifically mentioned in relation to being aware and being engaged in finding solutions.

### Green economy

There were clear connections with providing training and skills for young people to get into green jobs. Similarly, investment in green businesses, increasing green skills and training, and green job opportunities were mentioned. The respondents felt that funding opportunities within the green economy could also lead to more resilient and thriving communities, by boosting local economies, providing jobs for young people and re-investing profits into the community.

Some respondents wanted to see more support and long-term funding to help organisations and businesses understand their environmental impact, reduce their emissions and work towards net zero. A few asked for the funding to provide expertise that could support community groups to implement the advice given. Enabling communities and individuals to be sustainable leaders in communities was also mentioned, including having sustainable development goals for third sector organisations and social businesses.

### Alternative views

While environment and climate change are important, a minority of respondents felt that issues other than the climate and nature emergencies needed more support at this time. There was a general consensus among this minority that other funding is available for the environment, or that some of the other spending purposes could also enable actions to address environment and climate change to take place. Others suggested that it was too big an issue for individuals or even communities to

address, and that the DAS would be too small to have an impact. A small number felt it to be the responsibility of big businesses with the largest emissions to take action rather than communities. Others felt that rather than be a priority for the DAS, the climate and nature emergencies should be addressed through Welsh Government legislation to protect the environment, prosecute polluters and enforce behaviour change.

A few respondents referred to a just and equal transition to net zero and ensuring that any changes take into account those who are more vulnerable or disadvantaged; older people, people with learning disabilities and ethnically marginalised communities were mentioned.

### **Consultation event**

The consultation event reinforced many of the points expressed by respondents to Question 9, but several additional key points were made that are outlined below.

The environment and nature sector needs long-term core funding to ensure it has the resource and capacity to tackle the nature and climate emergencies. Some felt that there is an over-reliance on volunteers and there is a need to fund expertise and technical capacity. The funding available for the environment is stretched and competitive, yet the climate and nature emergencies are worsening. Participants argued that more specific funding is needed to tackle the nature emergency and offer more nature-based solutions. There was a sense that collaboration and coordination between existing funds is needed, and that the DAS should complement existing work and funding if this spending purpose was chosen.

As was common across all the responses, a significant number of participants pointed to the way in which the four proposed spending purposes were not mutually exclusive. There was clear recognition of the overlap with the other proposed priorities. Addressing the nature and climate emergencies is not a standalone issue, and it cuts through the issues of children and young people, financial inclusion and connecting communities. The example of fuel poverty was highlighted as an important issue for many economically disadvantaged communities, especially rural ones, and there is a direct connection to the climate emergency. Similarly, projects that benefit climate and nature often have wider community benefits in terms of community wellbeing and community resilience, particularly local food and energy sources and green skills, expertise and confidence. Co-creating local responses to the climate and nature emergencies encourages communities and organisations to work together, build community capacity and create cohesion.

Other issues raised at the event included the need for equity and diversity within the climate and environmental sectors and an acknowledgement that the modest number of people present at the event may point towards fading interest in this critical issue.

## 5. Financial inclusion

**Proposed spending purpose:** Promote financial inclusion to reduce financial exclusion, improve financial wellbeing and help create a more equal society.

**Question 5: Do you believe that money from the Dormant Assets Scheme in Wales should also be used to support measures to promote financial inclusion?**

Total responses: 330

Strongly agree	74
Agree	89
Disagree	47
Strongly disagree	28
No opinion	93

**Question 6: Are there any specific issues relating to financial inclusion that you think it is particularly important for dormant assets funds in Wales to address?**

Total responses: 106

Over a quarter of respondents discussed the need for better education and advice around financial planning, budgeting, and the dangers of credit traps. This included a particular emphasis on the need for improved education for children and young people. In addition to education, debt advice services were also referenced by about a quarter of respondents, especially in relation to the rise in use of high-credit pay day loans. Support to maximise income from welfare benefits was also mentioned several times.

Specific and accessible support was highlighted in several responses as being needed for vulnerable and discriminated-against groups, namely: refugees, ethnically minoritised people, young single parents and care leavers. Accessibility of services for these groups, and others, was discussed, such as language barriers and lack of affordable and accessible transport. Digital inclusion, especially with the decline of accessible physical banking and advice spaces, was highlighted as an accessibility issue for older people, but solutions must not be limited to improving digital education – for some people, digital platforms will never be accessible.

Almost a fifth of responses, including those from Coalfields Regeneration Trust and Community Development Financial Institutions (CDFIs), made calls for investment in credit unions and other CDFIs, including the creation and use of physical hubs. A big issue they reported was a lack of capacity and funding to market themselves to their communities. Financial input is also needed to allow them to continue to provide affordable credit and banking services. There has been consistent reference to the



Fair 4 All Finance in England which received funding through dormant assets in England; there was a sense that the work happening in this sector in Wales is successful and necessary, but needs further funding to continue.

Several respondents suggested that affordable credit needs to be made more readily available. As credit unions and CDFIs already provide this service, it was suggested that supporting these organisations is a way of improving the availability of affordable credit and reducing the use of high-cost credit.

We had several responses referencing disabled children. Respondents report additional strains being put on these charities and families with disabled children. Financial inclusion barriers discussed include additional household costs, and parent carers being unable to work due to limitations of statutory childcare.

The cost of living crisis and poverty were mentioned repeatedly as general issues affecting financial inclusion, as well as transport barriers limiting people's access to work, training and in-person banking services. Calls relating to this theme were generally for funding to cover essentials such as food and food banks, and to tackle fuel poverty. Support to set up small businesses from home was highlighted as a potential solution to help people out of poverty and debt.

### **Additional responses in relation to this theme**

We received several detailed responses from credit unions and financial institutions that did not follow the format of the questions that we posed. These responses largely provided detailed suggestions about how financial inclusion can be combined with other funding priorities to provide cross-cutting programmes tackling multiple issues.

Some of the suggestions made in these responses include the following:

- collaboration between organisations working in the financial inclusion space, including credit unions and schools, to improve financial capability of children and young people and encourage savings;
- working with young people as they transition into adulthood to help them with financial education, access to affordable credit, and savings support;
- support to establish co-location of services including banking, credit unions, and financial advice services to retain face-to-face services in communities;
- with regard to the climate change and nature emergencies, there was a suggestion to combine this with community action, and to work with energy efficiency information providers, credit unions, contractors and landlords to support people to reduce the cost of household energy;
- support for credit unions to continue work with vulnerable groups such as ex-prisoners, and women fleeing domestic abuse and violence;
- a financial inclusion and community action initiative to support credit unions and CDFIs to support community groups to fund their work.

### **Consultation event**

The discussions held during the consultation event relating to financial inclusion largely reflected the themes shared in formal responses. There is a general sentiment that all the ideas discussed under financial inclusion are important and inter-related, and that there is crossover with other priorities, in particular children and young people. The social model of poverty was discussed, alongside calls to help people overcome social barriers involved with poverty and debt. The voices of people with lived experience of financial exclusion were highlighted as important to be involved in the design of programmes targeted at financial inclusion.

Financial education was seen as particularly important for children, young people and adults. It was suggested that education services need to be integrated with banking and other services. Education should cover minimising the risk of borrowing from unethical, high interest lenders. There is also a perceived need to support people to maximise their income through welfare benefits.

In terms of advice, education and banking services, accessibility needs to be improved. For example, refugee and asylum seekers experience barriers in terms of language – these and other people experiencing multiple disadvantage are more likely to present as homeless, in part as a result of being unable to access services. Accessibility needs to be improved in terms of moving away from complicated financial language to simple, plain language, and making support available in multiple languages. Within this, it is essential to ensure services have the capacity and capability to support the people coming to them. Digital inclusion was also discussed as an issue for older people. Whilst digital inclusion needs to be improved, it was also pointed out that face-to-face services need to be maintained.

There were calls for infrastructure improvements to be made alongside improving accessibility. A referrals system was suggested, integrating services such as food banks and mental health services with financial services such as advice services and credit unions. This could act as a preventative measure, particularly to help people with multiple and complex needs that may lead to, or result from, financial difficulties. There were suggestions of a 'one stop shop' for financial advice and support, and banking services, to help with integration and accessibility.

Several representatives from credit unions and Community Development Finance Institutions (CDFIs) contributed to discussions. They voiced that they are already doing great work, including contributing to community action, and are intertwined within their communities. There is a need for financial input to the sector in Wales, as there has been through dormant assets funding in England. In particular, funding is needed to free up capacity for marketing their services so they can reach more people (currently this is largely done by word of mouth), as well as funding to continue to provide affordable credit and banking services.

## 6. Community action

**Proposed purpose:** Develop social capital to encourage a Wales of cohesive communities where people can take action and do the things that matter to them.

**Question 7: Do you believe that money from the Dormant Assets Scheme in Wales should also be used to support measures to promote community action?**

Total responses: 333

Strongly agree	127
Agree	111
Disagree	27
Strongly disagree	13
No opinion	33

**Question 8: Are there any specific issues relating to community action that you think it is particularly important for dormant assets funds in Wales to address?**

Total responses: 166

A significant number of the respondents pointed out that the four proposed spending purposes are not mutually exclusive. Community action was cited as a way in which action could be taken in respect of climate and nature, financial inclusion and children and young people. Many of the responses to this question took the opportunity to reinforce points that they had made in relation to the other spending purposes, and this was most noticeable in relation to children and young people and the climate and nature emergencies.

The breadth of this potential spending purpose was reflected in the diverse nature of the responses received, but there was some clear commonality in relation to the key areas that are discussed below.

### Community empowerment

A perceived need to empower communities resonated strongly with respondents, and this presented itself in several ways. Giving communities a voice in decision-making came through strongly, as did a desire to support communities to find solutions to their own problems through approaches like co-production. This sentiment was captured by one respondent as “the power of bottom-up community-led action.” There were several references to needing to trust communities, with some arguing that funders should allow communities themselves to decide how funding should be spent. A few also highlighted young people and older people as needing specific support to empower them.

CRT sees community action as a top priority for DAS and would like to see more communities and individuals, particularly those with lived experience of inequality and inequity, becoming engaged in community action and policy development. (Coalfields Regeneration Trust)

While not as widely referenced as other considerations, the role of volunteering in empowering communities was noted by several respondents, as was a need to fund volunteering initiatives. One respondent suggested a volunteering peer support network while another spoke of the need for greater coordination of the available volunteer resource. The difficulty of recruiting volunteers was also reflected in responses.

### Community cohesion

Building community cohesion is a priority for many. The Covid-19 pandemic and recent cost-of-living challenges have been cited as having had a negative impact, and some feel that bringing communities together makes them stronger and reduces social isolation. This is essential for what one respondent refers to as 'social good', while Business in the Community argues that bringing together residents, local businesses and leaders can ensure that the right people are working together to drive change. This need to collaborate is picked up by another respondent who says that there is a need for 'better collaborative practice' between third sector organisations to run projects that offer 'better results'. Others pointed to the benefits of intergenerational activities as a way of building relationships and transferring skills, and some highlighted the cohesive benefits of local opportunities for children and families to come together as a way of building informal support networks.

### Equitable and diverse communities

Several respondents highlighted that some groups need additional support within a community setting, particularly young people with learning disabilities and young people more generally. The specific needs of older people, particularly with an eye on inclusion, was also referenced, and Ethnic Minorities Youth Support Team Wales (EYST) highlighted the importance of support for ethnic minority communities across Wales. According to several, community action is important in addressing the root causes of poverty and inequality.

A small but significant number of respondents argued that additional community-based support was needed for asylum seekers and refugees, suggesting that third sector organisations operating in this space receive little or no government funding. One cites the perceived impact of the Nationality and Borders Act (NBA) that allows for a wider dispersal of refugees and asylum seekers across Wales and argues that this is amplifying demand for stretched services.

The specific needs of rural communities were singled out by several respondents who highlighted the way in which some of the challenges faced were amplified in a rural context. This included access to services, isolation, connectivity, and difficulty in

sourcing volunteers. A small number talked about the impact that second homes were having in rural communities on community cohesion and the Welsh language.

#### Community development support

Several respondents highlighted the need to provide communities with support to empower them to act. At a basic level, this is concerned with ensuring that communities know how to access the funds that are available to them, and for funders to ensure that grant processes are not difficult. Some go further and argue that dedicated funding is needed to build community capacity through the provision of information, advice, training, networking and asset mapping. Several argued that less resilient communities are particularly in need of such support to allow them to build on their strengths and assets, and that such communities who would not normally apply for funding should be a priority.

#### Facilities, services and activities

Many of the responses highlighted a perceived need to support services and projects with funding from the DAS, while many others also highlighted the need to invest in the buildings and community hubs where community action happens.

Several refer to community facilities that are central to the fabric of their local communities as 'go to' places' for support. Respondents use terms such as community centres, community hubs and anchor organisations to refer to such facilities. Some responses point to community assets as being essential to the resilience of a community and a way of contributing to improved socio-economic outcomes. They can often be a focus for activities led by residents, and some suggested that these facilities need a more sustainable funding model.

Building Communities Trust argues that an inequality in community infrastructure and social capital can inhibit community action and undermine a vision for cohesive communities where people can act on the things that matter to them.

Our research demonstrates that communities with fewer places to meet, that are less engaged and have poorer connectivity, experience significantly different socio-economic outcomes compared to communities that possess more of these assets. (Building Communities Trust)

Many respondents took the opportunity to highlight the need for sustainable funding for a wide array of organisations and activities. These can generally be summarised as being third sector-led, established interventions that are often struggling in the face of rising demand, higher costs and a reducing volunteer base. The responses imply that revenue funding is especially challenging. While the nature of these activities and organisations was understandably broad, there are several areas around which some responses coalesce:

- **climate and nature** – community-based approaches to addressing the climate and nature emergencies linked to climate mitigation and nature conservation, sustainable energy generation and awareness raising;

- **health promotion** – activities that have a preventative focus on wellbeing through things like healthy eating, exercise and, significantly, improving mental health;
- **social isolation** – particularly in relation to older people, and, to a lesser extent, young people;
- **children’s play activities** – community action that supports the ability of children to play in their communities through the provision of playworkers, playschemes and play spaces, and the wellbeing benefits that they bring;
- **community transport** - the provision of community transport initiatives, which the Community Transport Association argues is an integral part of building social capital.

## Consultation event

The consultation event reinforced many of the points expressed by respondents to Question 9, but several additional key points were made that are outlined below.

Community action should be a way in which social challenges are addressed to avoid silo-working and ensure a holistic approach. Communities should be offered the power to develop their full potential, but funders need to trust them to do so. Long-term funding and support is needed to build capacity and ensure that third sector organisations continue to play a key role in supporting communities by providing essential services. The importance of community mapping exercises was highlighted as a way of identifying strengths, weaknesses, opportunities and threats, coupled with the need for local action plans that are co-produced with collaboration and a bottom-up approach at their core.

Communities should be better supported to acquire and run community assets in their own interests, and, where appropriate, set up social businesses. This needs start-up funding and dedicated support, it was argued.

Some at the event highlighted a perceived growing reliance on community facilities and services delivered by the third sector. They argued that, as public services are cut back, community organisations are stepping in to take over often offering essential support, particularly in times of crisis like Covid-19 or the rising cost-of-living. Community organisations need additional support to be able to fulfil these roles.

Volunteering was referenced in the discussion, particularly a perceived reduction in volunteer numbers since the Covid-19 pandemic. While a lot of people showed a desire to volunteer during the crisis, people went back to their jobs once it had passed. Not only was this momentum lost, many of the people who would have otherwise volunteered are hesitant to do so as they need to take extra precautions to avoid contracting Covid-19 themselves. How to encourage and enable more people to volunteer is a pressing challenge, particularly in relation to organisational governance. People with specific skills are needed to manage community assets and exploring potential opportunities with the private sector, where these skills can be found, may be a way of addressing this.

## 7. Preferences and suggestions for other spending purposes

**Question 9: Please rank the four proposed spending purposes in order of importance and relevance to you**

Total responses: 316

Spending Purpose	Total Score <sup>1</sup>	Overall Rank
Children and Young People	1084	1
Community Action	850	2
Climate Change/Nature Emergency	731	3
Financial Inclusion	656	4

<sup>1</sup>Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is a sum of all weighted rank counts.

**Question 10: If you would like to suggest other potential spending purposes for the Dormant Assets Scheme in Wales, please outline them here in line with the criteria specified in paragraph 7.3**

Total responses: 117

The criteria alternative suggestions were asked to meet are:

- evidence based;
- able to measure impact;
- resilient to uncertain funding flows;
- additional to government funding; and
- aligned to government priorities.

Many responses to this question relate to the four spending priorities suggested, and either reiterate their support for certain priorities, or highlight that the priorities are interconnected and should not be treated as standalone issues.

References to children and young people were made in over a quarter of responses to this question. Topics within this varied but included mental health support, outdoor activities, and children's play services and youth groups. In particular, around a fifth of overall responses call for more support for children and young people with disabilities. Priorities mentioned include: specialist childcare and respite services, facilities that encourage personal development and social inclusion, and general support for children and their families. Particular mention is made of the charity Sparkle, which provides wraparound, holistic support to disabled children and their families across Gwent, and the financial struggles that organisations such as

themselves are facing. Several responses mention the specific needs of neurodivergent children and perceived current gaps in support.

Another common theme was community action, and how funding in this area can benefit other spending purposes as well. For example, funding for community hubs was suggested as a community action that could create spaces for children and young people to play and socialise, as well as acting as a hub for the wider community. Other suggestions in this vein included promotion of healthy active lifestyles, community transport and community energy schemes which could benefit both community action and climate change. It was highlighted several times that community action will vary from community to community and therefore funding should not be too prescriptive.

Other topics touched upon include mental health, climate change and the crossover with other priorities, support for the third sector (mainly for core running costs), and public ownership of land and assets.

### **Consultation event**

The interconnectedness of all four spending purposes came out strongly at the event, and the need to consider how funding could benefit these connections going forward. Within this, there is a need to understand that each community's needs will be different, and communities will be best placed to know what their needs are and to decide how money is spent.

Transport was highlighted as a means to improve financial inclusion, community action and help children and young people. Transport needs to be accessible, in that it is available and affordable to all.

Digital accessibility issues were also raised, and the need to improve digital inclusion for access to services. There were calls for funding to support third sector organisations' website development, as this is an area which organisations struggle to resource.



## 8. Welsh language

**Question 11: What, in your opinion, would be the likely effects of the dormant assets spending purposes on the Welsh language? The Welsh Government is particularly interested in any likely effects on opportunities to use the Welsh language and on not treating Welsh less favourably than English.**

- **Do you think that there are opportunities to promote any positive effects?**
- **Do you think that there are opportunities to mitigate any adverse effects?**

Total responses: 182

A large number of respondents did not have an opinion or did not think that the DAS would have an effect on the Welsh language.

Of those who responded, most expressed the view that if the DAS spending purposes prioritised funding bilingual projects then this would benefit the Welsh language. There was also recognition that the National Lottery Community Fund's own Welsh Language Standards would ensure that Welsh is not treated less favourably than English.

Many felt that the DAS could be an opportunity to promote positive effects for the Welsh language through funding community-based projects. Respondents referred to boosting local economies, community cohesion and connection, supporting rural communities and providing job opportunities for young people as ways that community-based projects could have an impact.

A few others also felt that specific funding to support and help promote the Welsh language would be beneficial. Examples included funding translation costs, free Welsh lessons and courses for parents, projects specifically working to teach Welsh to refugees and asylum seekers and supporting organisations to deliver the required standard of bilingualism.

A large number of respondents expressed that the DAS should be used for other priorities such as the environment, poverty or young people and this would be more impactful than promoting the Welsh language. Some of the responses expressed a recognition of the importance of the Welsh language but commented that other priorities were more important for the DAS. Others described the Welsh language as a 'nice to have', but an expense that we can't afford at this time. A small number of respondents expressed that there is already sufficient funding available for the Welsh language. Several others conveyed the idea that prioritising the Welsh language could disadvantage some communities, particularly disadvantaged areas with few Welsh speakers, or people that do not speak Welsh as their first language.

**Question 12: In your opinion, could the dormant assets spending purposes be formulated or changed so as to:**

- **have positive effects or more positive effects on using the Welsh language and on not treating Welsh less favourably than English; or**
- **mitigate any negative effects on using the Welsh language and on not treating Welsh less favourably than English?**

Total responses: 138

Most of the respondents did not have an opinion or did not think that the dormant assets spending purposes could be changed so as to have positive effects on using the Welsh language, or to mitigate any negative effects on using the Welsh language and on not treating Welsh less favourably than English.

Again, many respondents expressed that there is sufficient funding for the Welsh language and that the DAS should prioritise other important issues. Some argued that the proposed spending purposes should not favour the Welsh language to the detriment of essential services.

Others felt that the spending purposes could be used to ensure that areas where the Welsh language is predominantly used are protected and encouraged. Some suggested that projects should be required to use a portion of the funds for promoting and benefitting the Welsh language, or at the very least ensure that the Welsh language is treated equally.

A few respondents suggested utilising the funding to cover costs such as Welsh language training for staff, funding for translation costs and other costs associated with promoting and using the Welsh language.

Others wanted to see that Welsh and English were treated equally, but not that Welsh should be treated favourably. This was linked with the idea that the spending purposes affect Welsh and English speakers equally. It was felt that if projects are required to deliver bilingually, that would have a positive effect on the Welsh language without disadvantaging anyone.

## 9. Other issues

### Question 13: Do you have any other comments on our proposals or any related issues which we have not specifically addressed?

Total responses: 73

Several respondents again took the opportunity to use this question to state their favoured purpose for DAS funding, with children and young people, climate and nature emergencies, financial inclusion and community action all being referenced. Many again took the opportunity to highlight the connectivity across the four proposed spending purposes:

It's key that support for communities, young people, the climate crisis, financial inclusion, the economy, housing and culture is provided in tandem whilst also remembering that the different elements go together and influence each other. (Respondent)

Community action was cited as a way of delivering against the other three spending purposes with particular benefits for children and young people, particularly mental health and wellbeing.

Accessibility and Equality, Diversity and Inclusion (EDI) were also mentioned. The Community Transport Association argued that transport should be considered across all of the proposed spending purposes to ensure that funded schemes are accessible to all.

The importance of listening to communities about what they want and need was highlighted, with an emphasis on how this could help ensure that the DAS in Wales has more impact. Some suggested that the National Lottery Community Fund's role as the DAS distributor may make it more daunting for smaller community projects to apply once programmes are developed to deliver against the chosen spending purposes.

Respondents highlighted that DAS funding should be distributed based on evidence of effectiveness, with measurable impact and transparent monitoring and evaluation processes in place.

Some respondents highlighted the perceived benefits of using DAS funds to core fund established services:

Core funding is urgently needed. There is too much emphasis on project funding which forces organisations to reinvent the wheel. (Respondent)

Also vital to recognise and sustain existing projects that deliver positive actions rather than funding new initiatives alone. (Respondent)

Respondents also highlighted the need for DAS funding to support both capital and revenue funding, and some argued that applicants to subsequent programmes should be encouraged to collaborate.

## **10. Recommendations and next steps**

The purpose of this consultation was to inform the Welsh Government's decision on the future policy directions for spending purposes for dormant assets funding in Wales.

To develop recommendations, we analysed the consultation responses and looked at the context provided by the Well-being of Future Generations Act (2015), the Programme for Government, the wider policy and operating environment and the likely trajectory of Dormant Assets Scheme funding and.

It was agreed that the recommendation for future policy directions should be on children and young people. This spending purpose had the most support among the people who responded to the consultation.

As noted by many of the respondents, this spending purpose does not preclude the other three which were consulted on, but provides an opportunity to combine them, as many of these issues are cross-cutting.

We therefore propose to recommend the issue of new policy directions to the National Lottery Community Fund stating that they must allocate dormant assets funding in Wales according to the following themes:

Supporting children and young people to reach their full potential by:

- enabling them to take action on the climate and nature emergencies;
- supporting them to participate in community action;
- providing them with the knowledge, skills and confidence to manage money well throughout their lives.

### **Next steps**

Welsh Ministers will now consider this recommendation.