

Age Concern's response to HM Treasury's consultation: Unclaimed assets distribution mechanism

Ref: 2607

1. Introduction

1.1 Age Concern England (the National Council on Ageing) brings together Age Concern organisations working at a local level and 100 national bodies, including charities, professional bodies and representational groups with an interest in older people and ageing issues. Through our national information line, which receives 170,000 telephone and postal enquiries a year, and the information services offered by local Age Concern organisations, we are in day to day contact with older people and their concerns.

2. Summary

- The principles underpinning the distribution of surplus assets should be expanded to be inclusive for a wider age group, which incorporates older people. They should not focus solely on younger people.
- To ensure transparency, criteria for distribution between the priority groups should be developed. The criteria should include age diversity.
- Adequate funding should go towards reducing the social and financial inclusion of older people.
- An intergenerational approach is likely to improve community cohesion and bring benefits for social inclusion and financial capability.
- Major unmet funding needs are: information and advice; unrestricted funding to cover core costs; and funding to support longer-term projects.

- Age Concern agrees that the Big Lottery Fund (BIG) would be an effective distribution vehicle for the available surplus assets.
- Any funding from the unclaimed assets fund must be additional to existing government funding.
- Project delivery should be flexible, for example as regards the length of a project, whilst taking an outcomes- rather than outputs-related approach.
- BIG should take a strategic approach and continue to deliver in partnership with the public and with local communities.

3. The principles for distribution

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

- 2.1 We welcome the proposal to invest in youth services, but this should be balanced by an investment in financial capability and inclusion work, and social investment, that will benefit all age groups. The fear of youth crime, even if based on no real evidence, can have a big impact on older people's quality of life, for example by deterring them from going out and increasing their social isolation. So, addressing the needs of younger people is in the interests of us all. However, the principles for distribution should also reflect the fact that many of the individuals whose unclaimed assets will be used are likely to be older people. It is important that the scheme does not simply become a means whereby older people, particularly vulnerable older people, unknowingly cross-subsidise younger people. Aside from this, currently £220 million is being invested solely in young people by the Big Lottery Fund. Young people are the only age group across major funding streams who receive ring-fenced funding of significant amounts.
- 2.2 We are concerned to note that there are no criteria for how the money is to be distributed between priority areas, or the amount that would need to be raised before anything goes to support 'social investment'. Clear criteria are needed so that decisions are made on a transparent basis. A guaranteed minimum share of the funds available for distribution should go to 'age-neutral' activities, and age diversity should be built into the criteria. Fundable projects should be flexible, and less project-oriented, to achieve maximum benefit and support a wider range of beneficiaries.
- 2.3 We believe that there are strong economic arguments for investing in excluded older people. There are currently 20 million people in the UK over the age of 50 and by 2021 this will rise to 25 million with people aged over 50 making up 40% of the population, compared with 34% in

2005. Work by the Social Exclusion Unit found that 10% of older people are financially excluded, and 7% face multiple exclusion. A reduction in exclusion through low level preventative services will not only benefit individuals, but also offers the possibility of savings to public spending.

- 2.4 We strongly support the statement, in paragraph 3.5, that 'Unclaimed assets are, in effect, community resources....It is right that they should be used and be seen to be used to develop and strengthen communities'. Funds from the unclaimed assets scheme could present a golden opportunity to promote community cohesion through intergenerational work such as volunteering, and through widening the use of facilities such as buildings. Too much focus on the needs of one age group risks building up an artificial separation and fuelling tension, prejudice and mistrust between generations.
- 2.5 An intergenerational approach could also improve the financial capability of both young and old. For example, intergenerational work carried out by various local Age Concern organisations includes older people going into schools to help with literacy and numeracy, and younger people helping older people get to grips with technological change. This benefits all age groups and develops community citizenship across these age groups.

3. Distribution in England: promoting social investment

Where is the greatest need for finance and funding for third sector organisations that is not currently being met in the market?

- 3.1 Strengthening the voluntary sector in the provision of information and advice has historically been extremely difficult to fund, but it is essential if the aim of increasing financial inclusion is to be achieved. In addition, funding needs to support un-restricted core costs are not currently being met. It is relatively straightforward to influence funders to support direct project costs, but a lot more challenging to win funding in support of other costs involved with running a project, such as administrators, fundraisers, head office costs, heating lighting etc. In addition, while there is funding in the sector for regional and local capacity building there is little funding for national infrastructure development.
- 3.2 It can also prove difficult to seek funding to support long-running projects that have proven successful but are not 'innovative' enough for funders. The importance of longer-term funding is shown in an evaluation of the Pension Service Partnership Fund, which provided one or 2 year grants to organisations to help older people access benefits and services. One of conclusions in the evaluation was: 'The time-limited nature of funding can mean that organisations invest continuous effort in supporting these much-needed services, effort that

could go into the development and delivery of more innovative and joined-up services for older people.'

4. Distribution through the Big Lottery Fund

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

- 4.1 Age Concern agrees that the Big Lottery Fund (BIG) would be an effective distribution vehicle for the available surplus assets. BIG is an instantly recognised 'brand' which offers a UK wide infrastructure and which operates funding schemes on a national, regional and local level. BIG and its predecessor bodies the New Opportunities Fund and the Community Fund were successful in taking a flexible approach to projects with a strong community focus and interest. The range of funding available - national (providing specific work for a number of regions or countries), medium size grants (regional) and small scale grants (one particular area or project) - has successfully allowed the fund to offer an inclusive and diverse approach. Additionally, BIG has developed a good working relationship with the sector.

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

- 4.2 It is imperative that any available asset distribution remains additional to the funding which the Government currently provides, in order to ensure that there is a net benefit.
- 4.2 It is also important that delivery of projects remains flexible, for example as regards the length of a project, whilst taking an outcomes- rather than outputs-related approach. Adaptability not only provides a more realistic method of delivery, but will also lead to stronger outcomes and more definitive work which will have a positive impact on communities.
- 4.2 BIG should continue to deliver in partnership with the public and local communities across its work, and offer a strategic approach, joining up with local, regional and national strategies where appropriate. The voluntary and community sector must continue to be consulted to ensure that work is meeting the needs of the sector, to ensure effective joined-up delivery and thinking.

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