

Unclaimed Assets Consultation
Payments and Inclusion Team
HM Treasury
1 Horse Guards Road
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12 May 2009

Dear colleague

A UK dormant accounts scheme: a consultation on secondary legislation

The National Council for Voluntary Youth Services (NCVYS) is the independent voice of the voluntary youth sector in England. A diverse network of over 170 national voluntary youth organisations and regional and local youth networks, NCVYS has been working since 1936 to raise the profile of youth work, share good practice and influence policy that has an impact on young people and the organisations that support them.

NCVYS facilitates a Youth Policy Exchange (YPE) group comprising of member organisations who discuss current policy issues surrounding young people. This joint letter has been supported by the following NCVYS members contributing to that group and is submitted on behalf of the wider NCVYS network:

- British Youth Council
- National Youth Agency
- The Foyer Federation
- YMCA England
- YouthNet

We are pleased to have this opportunity to respond to this consultation as it poses key questions relevant for the voluntary and community sector during a time of economic challenge.

We support the transfer of unclaimed assets for reinvestment into communities and strongly support the case for young people remaining a top priority for the reallocation of funds from dormant accounts.

This provision is considered particularly important as we know that young people are most likely to be adversely affected by the negative impacts of the recession. We know that young people are being directly, and indirectly, affected by the recession; through issues such as housing, unemployment, crime, health and well-being. For example around one in five young people in the UK are not in



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work, education or training and youth unemployment costs the UK economy £10 million a day in lost productivity (The Prince's Trust, 2009¹). In October 2008, the UK rate of youth unemployment (16 to 24 year olds) rose to more than 800,000 or 16.1% of the total youth population (CIPD, 2009²). Furthermore, statistics issued by the Trades Union Congress in November 2008³, show that the numbers of young people aged 18-24 unemployed for up to 6 months, and for over 6 and up to 12 months are rising more sharply than for the general population of working people. There was a 12.8% quarterly increase in the number of young people unemployed for up to 6 months (390,000 young workers), and a 6% increase in the number of young people unemployed for 6-12 months (80,000 young workers). The demand for volunteering opportunities by young people is also evident; at the end of April 2009, 178,749 young people (between the ages of 15 and 25) registered their interest to volunteer through do-it.org.uk, with 4,971 registrations alone in the month of April. Therefore, it is vitally important that the dormant accounts scheme continues to focus on youth services, facilities or opportunities that meet the needs of young people.

We urge the Government to proceed with the implementation of the legislation through parliamentary processes in order to ensure that there is sufficient participation in the scheme by banks that are currently not compelled to participate in this scheme. To this end we also support the review of a voluntary scheme.

The consultation sets out that the scheme will allow for small banks and building societies to transfer money from dormant accounts to local organisations. We stress that these processes need to be transparent to ensure voluntary and community youth sector confidence in the scheme. This needs to apply to the whole scheme, not just around smaller building societies participating in the small and locally-based option, to ensure that the sector and young people can understand how it works and who is benefiting from it. Government should use established links through the Office of the Third Sector and infrastructure organisations to ensure effective communication of how the scheme will work with the sector.

Yours sincerely



Faiza Chaudary
Head of Policy and Communications

¹ Figures taken from The Prince's Trust website, available via: http://www.princes-trust.org.uk/about_the_trust.aspx

² CIPD (2009) *Further signs of difficulty facing young job seekers as UK youth unemployment rate rises above Euro area average*. Available via: <http://www.cipd.co.uk/pressoffice/articles/300109Responsetoeurostat.htm>

³ Trades Union Congress press release available via: http://www.tuc.org.uk/em_research/tuc-15589-f0.cfm