

Funding of services

Y Pwyllgor Deisebau | 15 Tachwedd 2016

Petitions Committee | 15 November 2016

Research Briefing

Petition number: P-05-719

Petition title: Welsh Assembly Funding of Services

Text of petition: We, the undersigned, call on the Assembly to fund critical services in Wales that receive no government funding (such as the Royal National Lifeboat Institution and Royal Society for the Prevention of Cruelty to Animals).

In 2015, the RNLI saved 9,763 people from the waters of the United Kingdom (of which 1,029 people were saved in the waters of Wales). The RSPCA received across the UK over a million calls to their helpline in 2015 and secured nearly 1,800 convictions for animal cruelty and yet receive no funding from the Westminster Government despite having to enforce Westminster Government laws.

I believe that in 2016 this is wrong and that the devolved institutions should fund the hard work that these organisations do for the people of Wales.

Background

Third sector organisations ('third sector' mainly refers to charities, but excludes trade unions, political parties, etc) receive funding from numerous sources, including fundraising, lottery funding, earned income, grants from charitable trusts, private sector, and government funding (either from local, Welsh Government, UK Government or the EU).

Currently around 33% of third sector income in Wales comes from public funding, but the First Minister has [indicated](#) that this is likely to decrease as the Welsh Government wants the sector to become less reliant on government funding.

[Figures from the Wales Council for Voluntary Action \(WCVA\)](#) show that the **estimated income of the third sector was £2 billion in 2013-14**, an increase of about £400 million on the estimate for 2012-13 (largely due to an increase of £350 million in the estimated rental income of housing associations).

The Welsh Government's [Third Sector Scheme Annual Report 2014-15](#) shows that **the third sector received £290 million in direct funding from the Welsh Government in 2014-15**. Welsh Government grant funding has decreased from £350 million in 2010-11 to £208 million in

2014–15, a decrease of more than 40% in five financial years. Part of this is due to a shift in the funding mechanism used, from grants to contracts.

Welsh Government funding

The Welsh Government published a revised version of its [Third Sector Scheme](#) in January 2014. This scheme is a statement of Welsh Ministers' intent in taking forward their relationship with the third sector. An annex to the Third Sector Scheme includes the Welsh Government's [Code of Practice for Funding the Third Sector](#). The **Code of Practice for Funding the Third Sector sets out the key principles that underpin Welsh Government funding for the third sector**, and what the Government expects from the third sector in return. The Welsh Government also publishes a [Third Sector Scheme Annual Report](#) which provides an overview of Welsh Government engagement with the third sector.

In a [letter to the Chair of the Committee for the Scrutiny of the First Minister](#) in April 2016, Carwyn Jones stated:

'With regard to the issues you raise in relation to funding for the Third Sector, I consider it important the sector is helped to diversify its funding base and reduce its reliance on public funding...

'Nevertheless, it is important to note that the sector is far from being wholly reliant on public funding... research indicates that approximately 33 per cent of Third Sector income in Wales is from public funding. This does not seem to have changed very much in recent years.

'Some organisations are, however, more reliant on government support than others and given the present economic climate, our present level of funding is unlikely to be sustainable going forward... It is unclear at present to what extent other sources of funding will be able to replace reductions in public money, but it is clearly important to maximise the likelihood of this happening...'

Royal National Lifeboat Institution (RNLI)

Similar petitions relating to the RNLI were submitted to the UK Parliament in 2012, [with 18 signatures](#) and March 2014 with [9 signatures](#). There is also an open petition calling for the RNLI to receive government funding, so far it has [22 signatures](#).

The [RNLI's website](#) states that one of the things it will not change is its independence of government, and that they **'do not seek funding from central government'**.

Royal Society for the Prevention of Cruelty to Animals (RSPCA)

The RSPCA's [Annual Review 2015](#) shows that it had an income of £124.4 million in 2015. This was made up of a legacy income of £63.1 million, contributions and donations of £46.2 million, charitable activities of £8.7 million, other income of £5.1 million, investment income of £0.8 million and membership subscriptions worth £0.5 million.

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