# Dormant Bank and Building Society Accounts Act 2008

**2008 CHAPTER 31**

## PART 2

DISTRIBUTION OF MONEY UNDER THE GENERAL SCHEME

*The distribution system: general*

### 16 Distribution of dormant account money by Big Lottery Fund

(1) Subject to the provisions of this Part, the Big Lottery Fund shall distribute dormant account money for meeting expenditure that has a social or environmental purpose.

(2) In this Part "dormant account money" means money transferred to the Big Lottery Fund by a reclaim fund in pursuance of the object mentioned in section 5(1)(c), and also includes the proceeds of such money invested under—

(a) paragraph 20(1) of Schedule 4A to the National Lottery etc. Act 1993 (c. 39), or

(b) arrangements made under section 25(1).

(3) The Fund may make grants or loans, or make or enter into other arrangements, for the purpose of complying with subsection (1).

(4) A grant or loan may be subject to conditions (which may, in particular, include conditions as to repayment with interest).

(5) For the purposes of this Part, distributing money for meeting expenditure of a particular description includes distributing money for the purpose of establishing, or contributing to, endowments (including permanent endowments) in connection with expenditure of that description.

(6) Schedule 3 makes further provision about the functions of the Fund in relation to dormant account money.

## 17 Apportionment of dormant account money

(1) The apportionable income of the Big Lottery Fund in each financial year is to be apportioned as follows and distributed accordingly—

(a) a prescribed percentage for meeting expenditure in relation to England;

(b) a prescribed percentage for meeting expenditure in relation to Wales;

(c) a prescribed percentage for meeting expenditure in relation to Scotland;

(d) a prescribed percentage for meeting expenditure in relation to Northern Ireland.

The four percentages must add up to 100%.

(2) Expenditure within paragraphs (a), (b), (c) and (d) of subsection (1) is referred to in this Part as English expenditure, Welsh expenditure, Scottish expenditure and Northern Ireland expenditure respectively.

(3) For the purposes of this section, the apportionable income of the Big Lottery Fund for a given financial year is—

$$A - B - C$$

where—

A is the amount of dormant account money received by the Fund in the year;

B is the amount of the expenses defrayed in the year under subsections (1) and (2) of section 26;

C is the amount paid in the year under subsection (3)(b) of that section.

(4) In this section "prescribed" means prescribed by an order made by the Secretary of State.

(5) Before making an order under this section the Secretary of State shall consult—

(a) the Welsh Ministers;

(b) the Scottish Ministers;

(c) the Department of Finance and Personnel in Northern Ireland;

(d) the Big Lottery Fund;

(e) such other persons (if any) as the Secretary of State thinks appropriate.

(6) An order under this section may not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.

*Distribution for England, Wales, Scotland and Northern Ireland*

## 18 Distribution of money for meeting English expenditure

(1) A distribution of dormant account money for meeting English expenditure must be—

(a) made for meeting expenditure on or connected with the provision of services, facilities or opportunities to meet the needs of young people,

(b) made for meeting expenditure on or connected with—

(i) the development of individuals' ability to manage their finances, or

(ii) the improvement of access to personal financial services,or

(c) made to a social investment wholesaler.

(2) In this section—

"social investment wholesaler" means a body that exists to assist or enable other bodies to give financial or other support to third sector organisations;

"third sector organisation" means an organisation that exists wholly or mainly to provide benefits for society or the environment.

**19 Distribution of money for meeting Welsh expenditure**

(1) The Welsh Ministers may by order made by statutory instrument make provision restricting the purposes for which, or the kinds of person to which, a distribution of dormant account money for meeting Welsh expenditure may be made.

(2) Before making an order under this section the Welsh Ministers shall consult the Big Lottery Fund and such other persons (if any) as they think appropriate.

(3) An order under this section may not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the National Assembly for Wales.

**20 Distribution of money for meeting Scottish expenditure**

(1) The Scottish Ministers may by order made by statutory instrument make provision restricting the purposes for which, or the kinds of person to which, a distribution of dormant account money for meeting Scottish expenditure may be made.

(2) Before making an order under this section the Scottish Ministers shall consult the Big Lottery Fund and such other persons (if any) as they think appropriate.

(3) An order under this section may not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the Scottish Parliament.

**21 Distribution of money for meeting Northern Ireland expenditure**

(1) The Department of Finance and Personnel in Northern Ireland may by order make provision restricting the purposes for which, or the kinds of person to which, a distribution of dormant account money for meeting Northern Ireland expenditure may be made.

(2) Before making an order under this section the Department of Finance and Personnel shall consult the Big Lottery Fund and such other persons (if any) as the Department thinks appropriate.

(3) The power to make an order under this section is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)).

(4) An order under this section may not be made unless a draft of it has been laid before, and approved by a resolution of, the Northern Ireland Assembly.

*Powers of Secretary of State or appropriate national authority*

## 22 Directions to Big Lottery Fund

(1) In exercising any of its functions under this Act the Big Lottery Fund shall comply with any direction given to it under this section.

(2) Subject to subsection (5), the power to give a direction under this section is exercisable by the Secretary of State.

(3) A direction under this section may, in particular—
- (a) specify matters to be taken into account in determining the persons to whom the Fund distributes money;
- (b) specify purposes for which (or matters to be taken into account in determining the purposes for which) the Fund may or may not distribute money;
- (c) relate to the process used to determine what payments to make;
- (d) relate to—
  - (i) the terms and conditions on which the Fund makes grants or loans, or
  - (ii) other arrangements under section 16(3).

(4) A direction under this section may, in particular—
- (a) relate to arrangements under section 25;
- (b) relate to the management and control of money received by the Fund;
- (c) relate to the employment of staff;
- (d) relate to the form of accounts or methods and principles for the preparation of accounts;
- (e) in so far as it relates to a matter specified in paragraphs (a) to (d)—
  - (i) relate to the persons to whom or the terms on which the Fund delegates functions;
  - (ii) require the Fund to obtain the Secretary of State's consent before taking action of a specified kind;
  - (iii) require the Fund to provide information to the Secretary of State.

(5) A direction under this section may not be given by the Secretary of State in relation to Welsh, Scottish or Northern Ireland expenditure, but—
- (a) may be given by the Welsh Ministers in relation to Welsh expenditure;
- (b) may be given by the Scottish Ministers in relation to Scottish expenditure;
- (c) may be given by the Department of Finance and Personnel in Northern Ireland in relation to Northern Ireland expenditure.

This subsection does not apply to a direction given by virtue only of subsection (4).

(6) A direction under this section may not be inconsistent with —
- (a) section 16(1), or
- (b) section 18 or an order under section 19, 20 or 21 (whichever is applicable).

(7) Any minister, ministers or department proposing to give a direction under this section must consult the Big Lottery Fund before doing so.

(8) The power of the Fund to appoint staff under paragraph 6 of Schedule 4A to the National Lottery etc. Act 1993 (c. 39), or to make payments under paragraph 18 of that

Schedule (remuneration etc), has effect subject to any directions under subsection (4)(c).

## 23 Power to prohibit distribution in certain cases

(1) The Secretary of State may by order prohibit the Big Lottery Fund from distributing dormant account money to a person specified in the order if the Secretary of State considers that the Fund is able (whether directly or indirectly) to control or materially to influence the policy of that person in carrying on any undertaking or performing any functions.

(2) Before making an order under this section that—
  (a) relates to Welsh expenditure, Scottish expenditure or Northern Ireland expenditure, or
  (b) would otherwise be likely, in the opinion of the Secretary of State, to affect persons in Wales, Scotland or Northern Ireland,

the Secretary of State shall consult the Welsh Ministers, the Scottish Ministers or the Department of Finance and Personnel in Northern Ireland (as appropriate).

(3) An order under this section is subject to annulment in pursuance of a resolution of either House of Parliament.

(4) The Secretary of State may require the Fund to provide such information as is needed for the purpose of exercising his or her powers under this section.

## 24 Power to add or remove distributors

(1) The Secretary of State may by order amend this Act so that functions exercisable by the body or bodies currently specified in section 16(1) are exercisable instead by the body or bodies specified there as a result of the order.

(2) The Secretary of State may exercise the power conferred by subsection (1) so as to remove from section 16(1) a body that has contravened or failed to comply with a requirement or prohibition imposed on it by or under section 22 or 23.

This is not to be read as limiting subsection (1).

(3) An order under this section may—
  (a) make consequential amendments to this Act;
  (b) make transitional or supplemental provision (including provision amending this Act).

(4) Where two or more bodies are specified in section 16(1) as a result of an order under this section, the order must provide that any amount transferred by a reclaim fund in pursuance of the object mentioned in section 5(1)(c) is to be apportioned between those bodies in the percentages specified in the order.

(5) Functions conferred on a body as a result of an order under this section are exercisable notwithstanding anything to the contrary in any enactment or instrument relating to the functions of the body.

(6) Before making an order under this section the Secretary of State shall consult—
  (a) the Welsh Ministers;
  (b) the Scottish Ministers;

(c) the Department of Finance and Personnel in Northern Ireland.

(7) An order under this section may not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.

*Supplemental*

**25 Power of Big Lottery Fund to enter into arrangements**

(1) The Big Lottery Fund may enter into arrangements with a body or person (including a reclaim fund) for money that may be or has been paid to the Big Lottery Fund to be held or invested, on its behalf, by that body or person.

(2) The Big Lottery Fund may enter into arrangements with a reclaim fund for payments that the Big Lottery Fund is required to make under section 26(3), (6), (8) or (10) to be made on its behalf by the reclaim fund.

**26 Expenses**

(1) The Big Lottery Fund may defray out of dormant account money any expenses incurred by it in consequence of this Act.

(2) Where the Fund makes an appointment under paragraph 5 of Schedule 3 it may defray out of dormant account money any expenses incurred by the appointee in consequence of the appointment.

(3) At such times as the Secretary of State determines to be appropriate, the Big Lottery Fund shall pay into the Consolidated Fund, out of dormant account money received by it, such amounts as the Secretary of State determines to be appropriate for defraying—

(a) expenses incurred or to be incurred by the Secretary of State in respect of the giving of directions under section 22 in relation to English expenditure, and

(b) any other expenses incurred or to be incurred by the Secretary of State under this Act.

(4) Amounts paid under subsection (3)(a) are to be paid out of money apportioned under section 17 for meeting English expenditure.

(5) For the purposes of this section, a direction under section 22 is not to be regarded as a direction given in relation to English expenditure if it is given by virtue only of subsection (4) of that section.

(6) At such times as the Welsh Ministers determine to be appropriate, the Big Lottery Fund shall pay to those ministers, out of money apportioned under section 17 for meeting Welsh expenditure, such amounts as they determine to be appropriate for defraying expenses incurred or to be incurred by them under this Act.

(7) The power of the Treasury under section 120(3) of the Government of Wales Act 2006 (c. 32) to designate descriptions of sums received by the Welsh Ministers (with the result that they become payable to the Secretary of State) is not exercisable in relation to amounts payable to those Ministers under subsection (6) above.

(8) At such times as the Scottish Ministers determine to be appropriate, the Big Lottery Fund shall pay into the Scottish Consolidated Fund, out of money apportioned

under section 17 for meeting Scottish expenditure, such amounts as those ministers determine to be appropriate for defraying expenses incurred or to be incurred by them under this Act.

(9) The power of the Treasury under section 64(5) of the Scotland Act 1998 (c. 46) to designate descriptions of receipts payable into the Scottish Consolidated Fund (with the result that they become payable to the Secretary of State) is not exercisable in relation to amounts payable into that Fund under subsection (8) above.

(10) At such times as the Department of Finance and Personnel in Northern Ireland determines to be appropriate, the Big Lottery Fund shall pay into the Consolidated Fund of Northern Ireland, out of money apportioned under section 17 for meeting Northern Ireland expenditure, such amounts as that Department determines to be appropriate for defraying expenses incurred or to be incurred by that Department under this Act.

*Interpretation*

**27 Interpretation of Part 2**

(1) In this Part—

"dormant account money" has the meaning given by section 16(2);

"English expenditure", "Welsh expenditure", "Scottish expenditure" and "Northern Ireland expenditure" have the meaning given by section 17(2);

"financial year" means a period of 12 months ending with 31 March;

"reclaim fund" has the meaning given by section 5(1).

(2) A reference in this Part to the distribution of money is to be read as including a reference to making or entering into arrangements in accordance with section 16(3), and related expressions are to be read accordingly.

See also section 16(5).