

# The Dormant Accounts Scheme

## Consultation on Spending Priorities for Northern Ireland

Return to: **Dormant Accounts Scheme Consultation**  
**Department of Finance and Personnel**  
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By **Thursday 29 October 2009**

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# **Foreword**

**Foreword by Sammy Wilson, Minister for Finance and Personnel**

**I am pleased to launch the public consultation of the Northern Ireland spending priorities on the Dormant Account Scheme. The Dormant Account Scheme presents us with a real opportunity in Northern Ireland. It represents a new and innovative concept for the setting of local priorities for distribution of funds currently locked in dormant bank and building society accounts. The expenditure will benefit the local community under the broad headings of social and environment purposes.**

**The Consultation period will run for 12 weeks from 6 August to 29 October 2009 and we are seeking your views in deciding how this money is spent. Following the consultation period, DFP will, following endorsement by OFMDFM, bring the Northern Ireland spending priorities to the Executive for approval before obtaining Assembly agreement.**

**I hope you will take this unique opportunity to contribute to the establishment of the spending priorities for this scheme and I look forward to hearing your views.**

**Thank you**

**Sammy Wilson MP MLA  
Minister for Finance and Personnel**

## **Background and Context**

### **Dormant Accounts Scheme – What is being introduced?**

A dormant account is defined by the legislation as a bank or building society account in which there has been no customer-initiated activity for a period of at least 15 years. In the 2005 Pre-Budget Report, the Government recognised the potential to reinvest these dormant funds in a scheme which identified priorities for the benefit of society whilst ensuring the rights of the account holders to reclaim their money remains protected. At a local level the 2005 paper “Positive Steps The Government’s Response to *Investing Together*. Report of the Task Force on Resourcing the Voluntary and Community Sector” also highlighted this issue as a potential source of funding.

### **Why do we need to Consult?**

An allocation of available funds will be earmarked specifically for Northern Ireland. Within Northern Ireland, the Executive may set its own priorities for using the funds available. The Bill provides that dormant account funds must be spent on “**social or environmental purposes**”. During spring 2008, DFP undertook a preliminary consultation exercise with Departments and other interested parties. Following an overview of the responses received, the Minister for the Department of Finance and Personnel has decided not to narrow down options at this early stage but to pursue a full and open public consultation in order to raise awareness of and to encourage wider debate about the uses of Dormant Account funds.

### **How much money is available across the UK?**

It is difficult to estimate the overall level of unclaimed assets in dormant accounts but banks and building societies estimate that a stock of several hundred million pounds may currently lie unclaimed across the UK. The amount available will be apportioned by the Secretary of State for spend

between England, Scotland, Wales and Northern Ireland on the basis of population share.

### **How much money is available within Northern Ireland?**

It is unclear at present exactly how much money is available for Northern Ireland, although previous estimation suggests it is likely to be in the region of £10-£20m in the first year followed by hundreds of thousands of pounds each year thereafter. Obviously the priorities for Northern Ireland will need to reflect the level of resources available.

### **How is the money transferred into the Dormant Accounts Scheme?**

Following an extensive reunification exercise any funds remaining in dormant bank and building society accounts will be transferred to a central Reclaim Fund, which will be independent from Government, the banking industry and the distribution vehicle. The Reclaim Fund will be required to invest and manage this money prudently to meet any further repayment claims from account holders. Only money that is not needed to meet this reclaim risk or meet running costs will be released for distribution. It is anticipated that funds will begin to be transferred from dormant accounts to the Reclaim Fund later this year and it is anticipated that it will be early 2010 before the funds are transferred from the Reclaim Fund to BIG Lottery Fund for distribution through the Dormant Accounts Scheme.

### **What is the role of the Big Lottery?**

In light of the Big Lottery Fund experience of UK-wide distribution and the efficiency benefits this brings, the legislation makes provision for the Big Lottery Fund to distribute the assets transferred into the Dormant Account Scheme. Following the consultation period, DFP will, following endorsement by OFMDFM, bring the Northern Ireland spending priorities to the Executive for approval before obtaining Assembly agreement – by Order laid in draft subject to affirmative resolution, together with an assessment of Section 75 implications.

Importantly, the Dormant Accounts Scheme will be a separate and distinct funding stream from lottery funding with its own unique branding. The Executive thought this particularly important for Northern Ireland because of significant ethical concerns raised, particularly on the part of faith-based organisations, regarding the use of the Big Lottery Fund and its association with resources generated by gambling. Big Lottery Fund are aware of the importance of this issue and are fully committed to these arrangements.

### **When will the Scheme be launched?**

It is anticipated that the Scheme will be launched during 2010.

### **Are Dormant Accounts Scheme just another source of public expenditure?**

A key principle of the scheme is that disbursements from the Fund will be for purposes that are additional to and not a substitute for mainstream government spending. Therefore these funds will **not** form part of public spending. Big Lottery Fund has an obligation to set out its policy and practice on additionality in its annual report and Big Lottery Fund as the ultimate decision maker on the destination of funds has the primary role in making sure that funding is additional.

### **How to find and claim bank balances from dormant accounts?**

The Government and the banking industry have undertaken a targeted campaign to trace the owners of dormant accounts before funds are officially released for distribution. This campaign includes the establishment of the [www.mylostaccount.org.uk](http://www.mylostaccount.org.uk) a website which allows customers to conduct a free search for their money through a single cross-industry web portal. It is important to note that the establishment of the Dormant Accounts Scheme does not, at any stage, remove the rights of account holders to reclaim their assets.

Individual banks and building societies have also processes in place to reunite customers with their dormant accounts.

**When does this consultation close?**

The closing date for consultation responses is **Thursday 29 October 2009**.

## I. Spending Priorities

As outlined above, the Bill provides a general definition of “**social or environmental purposes**” on which unclaimed assets may be spent. Under the UK Government proposals provision is made for the devolved administrations to set their own priorities for spend (which are set out in the Order passed by the Assembly) within this over-arching theme and for the Department of Finance and Personnel to give directions to the Big Lottery Fund.

The Dormant Accounts Scheme is an excellent opportunity to provide real benefits to communities across Northern Ireland. Therefore, consultation with the voluntary and community sector and with other interested organisations and individuals is considered to be very important in order to ensure a focused set of priorities for the Dormant Accounts Scheme which optimises their effectiveness within Northern Ireland.

To that end, we would greatly appreciate your views in relation to the following questions:-

- Within the general definition of social and environmental purposes are there particular areas/issues that would benefit from these funds?
- Are there particular groups of individuals/organisations that should be specifically targeted?
- Do you think disadvantaged areas\* in particular should be targeted?
- A particular issue in Northern Ireland since the inception of the National Lottery has been the ethical difficulties that some groups have had with seeking access to funds generated by gambling. How best could we accommodate organisations that on moral or ethical grounds did not secure funding from the lottery?

- Do you have any views on how the funds should be delivered? e.g. should the scheme be used for revenue and/or capital purposes; loans to promote social enterprise; should the funding be delivered over a short or longer time frame; do you have any views on the size of grants; should an endowment, be created, or endowments supported.
- Could the Dormant Accounts Scheme be used as an opportunity to promote partnership working with others in government or the larger community?
- We would welcome your comments as to why you think that your identified spending priorities/areas merit support.

\* for the purposes of this Consultation “Disadvantaged Areas” are defined as the 36 Neighbourhood Renewal Areas

### **III. How to respond to this consultation**

The Department would welcome your comments by **5pm on Thursday 29 October 2009**, we cannot guarantee to consider your response if it arrives after this date.

Responses should be clearly marked with the words “**Dormant Accounts Scheme Consultation**” on the title page, or in the subject box of emails.

Written responses should be sent to:

**Post :**           **Dormant Accounts Scheme Consultation**  
                  **Department of Finance and Personnel**  
                  **Room S.8, Rathgael House**  
                  **Balloo Road**  
                  **BANGOR BT19 7NA**

**E-mail :**        [dormantaccounts@dfpni.gov.uk](mailto:dormantaccounts@dfpni.gov.uk)

**Telephone queries:** Supply on telephone number **028 91 277656**

When responding, please state whether you are responding on behalf of an individual or representing the views of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were gathered. A template for responses is provided at Annex A.

Additional copies of this document can be obtained from the above address or contact Supply on telephone number 028 91 277656. The document is also available in alternative formats. Electronic copies are available from the Department’s website at: [www.dfpni.gov.uk](http://www.dfpni.gov.uk).

The Department will publish a summary of responses following completion of the consultation process on our website: [www.dfpni.gov.uk](http://www.dfpni.gov.uk). If you do not wish information about your identity to be made public please include an explanation in your response. For further information about confidentiality of responses please contact the Information Commissioner’s Office (or see web site at: <http://www.informationcommissioner.gov.uk/>).

## **IV. Impact Assessments**

Section 75 of the Northern Ireland Act 1988 requires the Department for Finance and Personnel, in carrying out its functions to have **due regard to the need to promote equality of opportunity between:**

- persons of different religious belief, political opinion, race, age, marital status or sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependents and persons without.

In addition, without prejudice to the above obligations, the Department is also required to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

As part of this consultation the Department is inviting views on any future potential Section 75 impacts.

All views will be taken into account in future Section 75 equality screening and, if appropriate, full Equality Impact Assessment.

**Dormant Accounts Scheme  
Return Form and Consultation Questions**

Name
Address
Postcode
email
Company Name or Organisation (if applicable)
Please tick one box from the list below that best describes you/your company or organisation
Member of the public
Representative Organisation
Voluntary or Community Group
Local Government
Central Government
Financial Institution
Other (please describe):
If you are responding on behalf of an organisation/interest group how many members do you have and how did you obtain the views of your members:
If you would like your response or personal details to be treated confidentially please explain why:

## **DORMANT ACCOUNTS SCHEME: PUBLIC CONSULTATION QUESTIONS**

- Within the general definition of social and environmental purposes are there particular areas/issues that would benefit from these funds?
- Are there particular groups of individuals/organisations that should be specifically targeted?
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- Do you have any views on how the funds should be delivered? e.g. should the scheme be used for revenue and/or capital purposes; loans to promote social enterprise; should the funding be delivered over a short or longer time frame; do you have any views on the size of grants; should an endowment, be created, or endowments supported.
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- We would welcome your comments as to why you think that your identified spending priorities/areas merit support.

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