



Department for  
Digital, Culture,  
Media & Sport

# **THE DORMANT ASSETS SCHEME**

**Consultation on the English  
portion of dormant assets funding**



Department for  
Digital, Culture  
Media & Sport

Since 2011, the Dormant Assets Scheme has released **over £800 million** to social and environmental causes across the UK. This includes £44 million that was allocated in England last year to help tackle youth unemployment, support communities in deprived areas, and give people in need access to finance.

## OVERVIEW: THE DORMANT ASSETS SCHEME



The Scheme was established by the **2008 Dormant Bank and Building Societies Act**. It has now been expanded through the **2022 Dormant Assets Act**, bringing assets in the insurance and pensions, investment and wealth management, and securities sectors into scope.



**The Dormant Assets Act 2022** received Royal Assent on 24th February 2022. This expansion has the potential to unlock around a further £880m for social and environmental initiatives over the coming years.



Led by industry and backed by government, the Scheme is UK-wide and has **consumer protection** at its heart, with the priority of reuniting people with their assets. When this is not possible, participants can voluntarily transfer proceeds from dormant assets to Reclaim Fund Ltd (the Scheme's administrator).



Reclaim Fund Ltd. retains enough to meet any customer reclaims and distributes the rest to **social and environmental initiatives** across the UK via **The National Lottery Community Fund**. Distribution must meet the **additionality principle**, meaning that money cannot be used as a substitute for government funds.



In England, funding is currently restricted to **youth, financial inclusion, and social investment**. It goes to four independent organisations (Big Society Capital, Access, Fair4All Finance, and Youth Futures Foundation), whose governance is overseen by an independent body called The Oversight Trust. **We are consulting on the future social and/or environmental purposes of the England portion.**



## The consultation is on the high-level causes for distribution in England, not on specific funding delivery mechanisms

### SCOPE OF THE CONSULTATION

#### In scope:



The **broad social or environmental purposes** for dormant assets funding in England (e.g. “the development of individuals’ ability to manage their finances or the improvement of access to personal financial services”)

#### Out of scope:



Specific **models or mechanisms** to deliver the funding



**Organisations** who should receive the funding



**Quantum** of funding to be released for specific causes



A **bidding process** for organisations to access funding

**No decisions have been made on any specific delivery models or delivery partners - these decisions can only be taken once we have determined, following the consultation, what overarching purposes the English portion will have.**

- (4) In carrying out the first public consultation under subsection (3)(a) the Secretary of State must invite views as to whether the permitted distributions should be, or include, any one or more of the following—
- (a) distributions for the purpose of the provision of services, facilities or opportunities to meet the needs of young people;
  - (b) distributions for the purpose of the development of individuals’ ability to manage their finances or the improvement of access to personal financial services;
  - (c) distributions to social investment wholesalers (within the meaning of section 18);
  - (d) distributions to community wealth funds.

The 2022 Act requires us to consult on the current three causes (**youth, financial inclusion & social investment**) as well as **community wealth funds**.



## OPTIONS

### YOUTH

- **Impact to date on youth unemployment** and implications if removed
- **Opportunities for further impact:** amplify current impact local clubs and activities, youth partnerships, outward bounds sector.

### FINANCIAL INCLUSION

- **Impact to date on increasing access to affordable credit** and alternatives and implications if removed
- **Opportunities for further impact:** scale up affordable credit, tackling appliance poverty, accessible insurance

### SOCIAL INVESTMENT

- **Impact to date in growing the UK's social investment sector** and implications if removed
- **Opportunities to further develop blended finance market** to support civil society organisations in more deprived communities

### COMMUNITY WEALTH FUNDS

- **Long-term, patient pots of funding to hyper-local areas** with high levels of deprivation and low social capital.
- **Local decision-making** on how to spend funding awards in order to build capacity

### ANY OTHER SOCIAL AND/OR ENVIRONMENTAL CAUSES

- **Open response** for other social and/or environmental causes
- **An overarching set of principles** provides parameters for responses, including the principle of additionality
- **Out of scope** includes political activism, activities of an exclusively religious nature, paid for lobbying, gifts, etc.