

DIRECTIONS TO BIG LOTTERY FUND

DIRECTIONS GIVEN TO THE BIG LOTTERY FUND UNDER SECTION 22(3) OF THE DORMANT BANK AND BUILDING SOCIETIES ACCOUNTS ACT 2008 AS AMENDED

The Minister for the Cabinet Office in exercise of the powers conferred on him by section 22(3) of the Dormant Accounts etc Act 2008 ("the Act") and having consulted the Big Lottery Fund ("the Fund"), pursuant to section 22(7) of that Act, hereby gives the following directions to the Fund:

1. The Fund should establish an Investment Committee (IC) that :
 - Has a mission to provide support, using dormant accounts money, to social investment intermediaries¹ through:
 - i. Co-investment in socially-focussed funds managed by social investment intermediaries;
 - ii. Provision of subordinated capital to social investment intermediaries and funds;
 - iii. Investment in existing social investment intermediaries;
 - iv. Investment in infrastructure organisations;
 - v. Investment and underwriting for innovative financial products.
 - Makes, in compliance with s.18(1)(c) of the 2008 Act, investments that are in line with the type of investments that the Big Society Bank (BSB) will make;
 - Does not invest directly in frontline, social sector organisations;
 - Does not invest more than a total of £5million of dormant accounts money;
 - Makes a first phase of initial investments of up to £1million once dormant accounts money becomes available;
 - Announces the first phase of investments in July, in accordance with the milestone in the Cabinet Office business plan;
 - Satisfies itself that all investments fall within existing State Aid exemptions; and
 - Is made up of at least six members, including the two Independent Advisers to Government on the Big Society Bank and at least two members with significant social investment or social sector experience.

¹ 'Social investment intermediary' means a body that gives financial or other support to social sector organisations; and 'social sector organisation' means an organisation that exists wholly or mainly to provide benefits for society or the environment'.