**EOI Title: Provision of independent investment advice on the 3rd National Lottery Trust Fund Investments**

**EOI Ref: 21-001**

**Service Overview**

Appointment of a Financial Advisor to provide independent advice on the operation of the 3rd National Lottery Preferred and Alternative trust funds in accordance with the latest Investment Guidelines.

**Contract Duration**

July 2021 – July 2023 (2 years) with an option to extend by a further 6 months.

**Budget**

c. £22k p.a. inc. VAT.

**Background**

The work involved is specialist in nature, requiring expert financial expertise and an understanding of the historical background to the Trust Deed arrangements associated with the National Lottery, together with the rationale for the current construct and how it has evolved over time.

The arrangements (*both the form and substance of the Trust arrangements*) are approved by the Commission under powers acquired under the Third Licence*.* Any changes to the Trust arrangements cannot be made by the operator without the consent of the Commission (including arrangements related to the Euromillions Framework and Lottery Operators Agreement).

Specifically, the Commission approves and agrees procedures regarding the transfer and use of monies taken from the Prize Reserve Trust Accounts. It also approves Trust Investment Guidelines (safeguards and restrictions) and associated financial vehicles for Trust Interest monies to be invested. At present, Law Debenture has an authorised investment vehicle agreement in place with two separate Government Liquidity Fund providers (*Blackrock and Insight)*.

As we near the end of the Third Licence period, it is likely the Commission will need to approve material amendments related to the Trust arrangements in order protect player funds and to safeguard assets.

We will also need Advice on the closure and/or transfer of funds from the Prize Reserve Trusts under the current Trust Deed.

**Contract Management**

The 3NL Licencing Team are responsibility for this contract.

For the purposes of this requirement, the Consultant should regard us as a Retail Client.

**Scope:**

The Advisor shall be required to provide Professional advice and monitoring as follows:

* on-going monitoring of the suitability of (1) the ‘Preferred Sterling Government Liquidity Fund’ and (2) the ‘Alternative Sterling Government Liquidity Fund as an NL investment in the form of twice yearly reports, with the report being followed up with a discussion/conversation to explain the implications within a 14 day period of being in receipt of that report;
* any ad hoc advice in respect of the Trust and associated arrangements, for example
  + on the Trust Investment Guidelines (safeguards and restrictions)
  + on any amendments to the form and substance of the Trust arrangements, including the EuroMillions Trust Deed and associated Framework
  + on end of Third Licence and the associated Trust management (transfer etc)

The objective of the Consultants activity is to support the Commission to meet its duties under the National Lottery Act to the highest standard in order to:

* protect (from the Commission’s perspective) reputational damage to the NL brand and to the Commission, as seeking professional financial advice on Trust Investment vehicles and/or material changes to the Trust Deed and the associated arrangements including the EuroMillions Framework would be in line with our Duties under the NL etc Act
* protect the interest of players, noting that such funds have originally been generated through NL players
* continue to maximise returns to good causes (noting that money held, if not used in line with priority of payments, is moved to NLDF – i.e. good causes).

Note: the current economic global downturn has resulted in negative interest rates which fundamentally means Investments are not performing.

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**EOI Instructions:**

If you wish to express and interest in this opportunity please could you respond to the following questions, completing the table below and return it by e-mail to:

[Procurement@gamblingcommission.gov.uk](mailto:Procurement@gamblingcommission.gov.uk)

The closing date for EOI’s is 16:00 hrs on Thursday 8th July 2021.

|  |  |  |
| --- | --- | --- |
| **No.** | **Question** | **Response (Yes/No)** |
| 1 | Are you registered with the FSA |  |
| 2 | Are you interested in this work |  |
| 3 | Do you have experience of this work? |  |
| 4 | Are you able to advise us as a retail client? |  |
| 5 | Can you work within our existing budget £22k p.a. |  |
|  |  |  |

In respect of Question 3, please could you supply two references:

|  |  |  |
| --- | --- | --- |
| **Reference** | **Brief Description of Service Provided** | **Contact Details for Reference (Name, Position, Company, Contact e-mail)** |
| 1 |  |  |
| 2 |  |  |

Name:

Position:

Company: