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Planning

## **The Lord Chancellor Investment Fund**

Ministry Of Justice

F01: Prior information notice

Reducing time limits for receipt of tenders

Notice identifier: 2022/S 000-020012

Procurement identifier (OCID): ocids-h6vhtk-0354d4

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### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Ministry Of Justice

5 Wellington Place

Leeds

LS1 4AP

#### **Contact**

Colette Mason

#### **Email**

[colette.mason@justice.gov.uk](mailto:colette.mason@justice.gov.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UKE - Yorkshire and the Humber

**Internet address(es)**

Main address

<https://ministryofjustice.gov.uk>

Buyer's address

<https://ministryofjusticecommercial.bravosolution.co.uk>

**I.3) Communication**

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://ministryofjusticecommercial.bravosolution.co.uk>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://ministryofjusticecommercial.bravosolution.co.uk>

**I.4) Type of the contracting authority**

Ministry or any other national or federal authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

The Lord Chancellor Investment Fund

#### **II.1.2) Main CPV code**

- 66000000 - Financial and insurance services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

The requirement is for the appointment of an investment manager to manage and control the Lord Chancellor's Investment Fund.

For the provision of and the management of suitable investment vehicles for funds held in court which are subject to the provision of the Lord Chancellor's Common Investment Fund (CIF)

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 66000000 - Financial and insurance services

#### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

#### **II.2.4) Description of the procurement**

The CIF currently contains one product, the Equity Index Tracker Fund, which is for higher value clients. It is based on three underlying funds: Future World UK Equity Index, Future World Developed Equities Index and Global Emerging Markets (L class). The total Fund is

split 55%, 35%, 10% among these three vehicles.

Total value of the Fund as at 31 March 2022, value circa £95.7m covering circa 4,820,051 units. The Lord Chancellor also manages a range of lower value or shorter term client deposits out with the CIF via deposit accounts currently paying 1.25% - see additional information for further details.

The Authority wishes to revisit the market in order to establish whether there may be other suitable investment products for a new arrangement covering both the current CIF funds and also some circa £100m - £200m of the other funds.

The aims of any future product within the CIF would be to provide relatively secure investment returns (medium to low risk) and capital growth for those with less to invest and/or a shorter term horizon. This might require more than one product to cover the differing needs in terms of shorter term and longer term clients, or providing for clients who may have a need for income as well as capital growth. Protection against capital loss might be achieved via risk mitigation or diversification measures. The risk profile means that passive/index-based approaches to asset classes are expected to be used.

The Authority requires that companies managing CIF funds are registered in the UK.

The estimated value of £350m is a forecast of future needs based on the amount of funds currently being managed inside and outside the existing CIF but which may become subject to a future CIF if suitable products are available.

It is envisaged that the term of the contract will be 5 years with provision to extend for a further 2 years (7 years in total).

### **II.3) Estimated date of publication of contract notice**

26 August 2022

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## **Section III. Legal, economic, financial and technical information**

### **III.1) Conditions for participation**

#### **III.1.2) Economic and financial standing**

Selection criteria as stated in the procurement documents

#### **III.1.3) Technical and professional ability**

Selection criteria as stated in the procurement documents

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

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## **Section VI. Complementary information**

### **VI.2) Information about electronic workflows**

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

### **VI.3) Additional information**

Under S42 of the Administration of Justice Act 1982 (the Act), the Lord Chancellor may make "common investment schemes" establishing common investment funds for the purpose of investing funds in court and money held by any person who is approved by the Lord Chancellor to hold shares in common investment funds.

The Equity Index Tracker Fund (EITF) is currently the only investment scheme under the Act. It was established in 2004 by Statutory Instrument (The Common Investment Scheme (SI 2004 No. 266)).

Access to the Fund Under the Act, shares in a common investment fund are allotted to and held by the Accountant General of the Senior Courts of England and Wales (on behalf of clients with funds in court); may be allotted to and held by the Accountant General of the Court of Judicature of Northern Ireland, and may be allotted to any other person authorised by the Lord Chancellor (i.e. held in their own name).

Funds in Court Under the provisions of S38 of the Act, all sums of money, securities and effects paid and deposited in, or under the custody of the High Court; the county court; or such other courts and tribunals as the Lord

Chancellor prescribes are vested in the Accountant General of the Senior Courts of England and Wales or, in Northern Ireland, the Accountant General of Northern Ireland. There is a wide variety of legislation and circumstances that can result in funds being paid

into court. Such funds fall into three main categories:

- (A) Damages awarded to children as a result of civil legal action in the county court in England or Wales or the High Court of Justice. These assets are held on their behalf until the child reaches majority (18 years of age);
- (B) Assets belonging to people who lack the capacity to manage their own financial affairs where the Court of Protection (CoP) has appointed someone else to manage their affairs;
- (C) Cases where money is held in court pending settlement of civil court action, or on behalf of dissenting shareholders, widows and other clients whose funds are held under a variety of different statutes.

Of the funds paid into court, those under (A) and (B) above, who meet the investment criteria, have access to the CIF, along with;

- Protected beneficiaries (i.e. those who do not require the appointment of a CoP deputy because of the lower value of their fund) ,or
- those who regain management of their own affairs, or
- ex- children after they reach 18 and attain their majority.

Children who reach majority and those who regain management of their own affairs may choose to transfer their CIF holdings into their own name; however, additional funds cannot be added to the Fund or paid back in if withdrawn.

### Purpose of the Fund

The CIF exists to provide an investment vehicle for funds in court. The Fund does not profile individual clients as it is not seeking to meet individual needs. Rather, it is seeking only to provide a reasonable return for all clients.

The Fund is not open to the general public.

### Lord Chancellor's Governance Arrangements

Responsibility for oversight of the Fund is managed by the Lord Chancellor's Strategic Investment Board which comprises two non-executive advisors plus senior representatives from the Official Solicitor, the Public Trustee, the Accountant General of the Senior Courts of England and Wales and the Accountant General of Northern Ireland all of whom are responsible for clients who can have their funds invested in the CIF

## **VI.4) Procedures for review**

### **VI.4.1) Review body**

Ministry of Justice

Leeds

Country

United Kingdom