In its first quarter of a century, the National Lottery has raised more than £41 billion for 565,000 good causes, transforming lives through its contribution to the arts, sport, heritage and communities up and down the UK. Building on this success, today the competition to award the fourth National Lottery licence begins.

There have been three competitions for the licence to run the National Lottery and the current licence is due to expire in 2023. The role of the Gambling Commission is to run the National Lottery licence competition and, subsequently, regulate the next licence.

Since launching the fourth licence programme in November 2018, we have conducted an extensive programme of global market engagement through which we have spoken to many interested parties to help us develop our thinking on policy issues.

This document provides an overview of the programme to-date, while also setting out the next steps as we progress through the competition. You will also find a summary of the most significant changes that will be introduced for the next licence.

These changes will enable the next licensee to continually develop and adapt its operations in a safe and responsible way, to meet the needs of players in 2023 and beyond.

We have a strong track record of safeguarding the National Lottery and ensuring that it is run with integrity, protects players and maximises contributions to good causes.

We want to build on the tremendous success of the National Lottery and we are determined to run a fair and transparent competition process that provides opportunities for innovation and creativity while protecting the unique status of the National Lottery.

Throughout our market engagement, we have been encouraged by a healthy level of interest from a range of different parties and we look forward to running a competitive process.

If you would like to find out more about the competition or want to speak to our team, please find our contact details in this document.

Neil McArthur
Chief Executive
The competition to award the fourth National Lottery licence is now underway. The next licence will begin in 2023.

The context for the National Lottery has changed since 2009, when the third licence was awarded. For example, technology-based products and services have been widely introduced and continue to change rapidly.

Since 2018, we have been carrying out an extensive programme of global market engagement to help inform the design of the next licence. We appointed Rothschild & Co as lead adviser, responsible for engaging interested parties ahead of the launch of the competition. Through these conversations, we have gained invaluable insight that has helped us design a licence to maximise contributions to good causes.

In addition to potential licensees, we have been engaging with key stakeholders, including the organisations responsible for distributing National Lottery funds, to keep them informed of progress and ensure their views are incorporated into the next licence.

We are seeking to create a level playing field for all potential applicants and will run a fair, open and robust competition to help us meet our statutory duties with regard to propriety, player protection and contributions to good causes.

This document sets out the most significant changes in the fourth licence, all of which will build on the National Lottery’s amazing legacy, towards a sustainable and successful future.

DESIGNING A LICENCE THAT FOCUSES ON PERFORMANCE

Since 2018, we have been carrying out an extensive programme of global market engagement to help inform the design of the next licence. We appointed Rothschild & Co as lead adviser, responsible for engaging interested parties ahead of the launch of the competition. Through these conversations, we have gained invaluable insight that has helped us design a licence to maximise contributions to good causes.

In addition to potential licensees, we have been engaging with key stakeholders, including the organisations responsible for distributing National Lottery funds, to keep them informed of progress and ensure their views are incorporated into the next licence.

We are seeking to create a level playing field for all potential applicants and will run a fair, open and robust competition to help us meet our statutory duties with regard to propriety, player protection and contributions to good causes.

This document sets out the most significant changes in the fourth licence, all of which will build on the National Lottery’s amazing legacy, towards a sustainable and successful future.

Since 2018, we have been carrying out an extensive programme of global market engagement to help inform the design of the next licence. We appointed Rothschild & Co as lead adviser, responsible for engaging interested parties ahead of the launch of the competition. Through these conversations, we have gained valuable insight that has helped us design a licence to maximise contributions to good causes.

In addition to potential licensees, we have been engaging with key stakeholders, including the organisations responsible for distributing National Lottery funds, to keep them informed of progress and ensure their views are incorporated into the next licence.

We are seeking to create a level playing field for all potential applicants and will run a fair, open and robust competition to help us meet our statutory duties with regard to propriety, player protection and contributions to good causes.

This document sets out the most significant changes in the fourth licence, all of which will build on the National Lottery’s amazing legacy, towards a sustainable and successful future.

Since 2018, we have been carrying out an extensive programme of global market engagement to help inform the design of the next licence. We appointed Rothschild & Co as lead adviser, responsible for engaging interested parties ahead of the launch of the competition. Through these conversations, we have gained valuable insight that has helped us design a licence to maximise contributions to good causes.

In addition to potential licensees, we have been engaging with key stakeholders, including the organisations responsible for distributing National Lottery funds, to keep them informed of progress and ensure their views are incorporated into the next licence.

We are seeking to create a level playing field for all potential applicants and will run a fair, open and robust competition to help us meet our statutory duties with regard to propriety, player protection and contributions to good causes.

This document sets out the most significant changes in the fourth licence, all of which will build on the National Lottery’s amazing legacy, towards a sustainable and successful future.

The next licence will begin in 2023. Building on the National Lottery’s success to-date, we will ensure the licensee’s incentives are closely aligned with contributions to good causes. We will also provide it with the flexibility it needs to continually develop and adapt its operations in a safe and responsible way, to meet the needs of players and maximise contributions to good causes in 2023 and beyond.

Recognising that the world is likely to be very different by the time the fourth licence concludes in 2033, the next licence will enable and incentivise the licensee to adapt, in a safe and responsible way, according to technological advancements, new opportunities, and changes in consumer preferences.

Our approach to regulation will ensure there is clear accountability for the National Lottery’s performance. This will enable the licensee to focus on delivering agreed outcomes by providing the flexibility needed to maximise contributions to good causes, while ensuring that objectives are achieved hand in hand with safe and fair play.

The following is a summary of the most significant changes that will be introduced for the fourth National Lottery licence.
The licensee will be held fully accountable for protecting players. Through the competition process, the successful applicant will have demonstrated high standards of player protection, commensurate to its games offering, including on prevention of underage or excessive play, and will hold them accountable for their commitments during the licence period. We will retain strong enforcement powers and will use them if necessary.

The licence will run for a fixed 10-year period. There is no provision for the licensee to request an extension.

This means that the licensee will have a clear period for investment planning. A ten-year fixed term will also create a competitive environment which will benefit the long-term interests of the National Lottery.

This fixed period will incentivise the licensee to adapt—in a safe and responsible way—to meet technological advancements, new opportunities, and changes in consumer preferences.

The licence will incentivise the licensee to adapt—in a safe and responsible way—to meet technological advancements, new opportunities, and changes in consumer preferences.

Since the National Lottery’s inception more than a quarter of a century ago, more than £41bn has been raised for good causes.

We will build on that success through a restructured incentive mechanism which will ensure the licensee’s incentives are closely aligned with contributions to good causes. The licensee will, therefore, be incentivised to develop and grow National Lottery sales and, thereby, its own returns and the contribution to good causes.

The outcome-based approach in the fourth licence will provide the licensee with flexibility to innovate, whilst ensuring they continue to meet high standards of player protection and propriety.

The licensee must ensure players can easily enjoy games through a range of sales channels. For example, they will need to maintain a physical point of sale in postcode districts with more than 2,000 residents.

YouGov Ratings data collected from a sample of 8,823 panellists between June 2018 and June 2019.
**COMPETITION TIMELINE**

This timetable is provided for general guidance. All dates are indicative and subject to change.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection Questionnaire (SQ)</td>
<td>August 2020 to October 2020</td>
</tr>
<tr>
<td>Invitation to Apply (ITA)</td>
<td>October 2020 to July 2021</td>
</tr>
<tr>
<td>Announcement of preferred applicant</td>
<td>September 2021</td>
</tr>
<tr>
<td>Fourth licence award</td>
<td>October 2021</td>
</tr>
<tr>
<td>Transition period</td>
<td>October 2021 to July 2023</td>
</tr>
<tr>
<td>Fourth licence begins</td>
<td>August 2023</td>
</tr>
</tbody>
</table>

---

**GET IN TOUCH**

If you would like to hear more about the competition, please contact the team at 4NLCinfo@gamblingcommission.gov.uk.

[www.4nlc.com](http://www.4nlc.com)