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Opportunity

No Interest Loan Scheme Pilot Evaluation and other financial inclusion project evaluation support

FAIR4ALL FINANCE LIMITED

F02: Contract notice

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Section I: Contracting authority

I.1) Name and addresses

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London

E16LS

Contact

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Country

United Kingdom

NUTS code

UKI42 - Tower Hamlets

Internet address(es)

Main address

<https://fair4allfinance.org.uk/>

I.3) Communication

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

<https://fair4allfinance.org.uk/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://fair4allfinance.marketdojo.com/>

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Economic and financial affairs

Section II: Object**II.1) Scope of the procurement****II.1.1) Title**

No Interest Loan Scheme Pilot Evaluation and other financial inclusion project evaluation support

II.1.2) Main CPV code

- 79419000 - Evaluation consultancy services

II.1.3) Type of contract

Services

II.1.4) Short description

The procurement documents will be available on Friday 29th July (or early w/c 1 August, subject to sign off).

Fair4All Finance is looking to appoint a provider (or a prime contractor with consortium partners - i.e. two or more organisations working together) to deliver a process and impact evaluation of the core No Interest Loan Scheme (NILS) pilot which is aimed at supporting people in vulnerable circumstances who are financially excluded or underserved- please refer to the additional information pack for background which can be obtained from Georgia Kewley at email address: georgia@fair4allfinance.org.uk

There may also be additional budget available to cover a subsequent evaluation of the ramping up of scale for NILS and the piloting of other products in response to the cost of living crisis, and /or additional evaluations required for other unrelated Fair4All Finance programmes and so we are also seeking some flexibility during this procurement to commission additional work through the appointed partner(s) in a framework type model. The budget range for this tender could therefore be between £200k to £880k.

Our experience would suggest that delivering the three core NILS core pilot evaluation components (1. Process, 2. Social impact & 3. Economic impact including the cost / benefit analysis of distinct delivery models) will require a wide range of experience and expertise, and therefore that a consortium approach may be the most likely outcome of this tender.

We envisage that the three evaluation components will collate into an overall assessment of the effectiveness of the NILS delivery. This assessment will balance the cost and efficiency elements - per the process evaluation - with the social impact and economic impact elements, to assess the overall viability of the no-interest loan construct.

Our core hypothesis is that the positive impact exceeds the cost element; we would like the overall evaluation to robustly test this.

The evaluations should also assess whether NILS works for, and what its value and impacts are on the key audiences: the borrowers (people in vulnerable circumstances some of whom are underserved or financially excluded, lenders (community lenders including Credit Unions and Community Development Finance Institutions (CDFIs) as well as commercial lenders, funders (including HMT, devolved administrations and JP Morgan), referral partners (including local authorities and Housing Associations) and wider society.

We are open to providers proposing the methodology they plan to use to meet the aims and objectives of this work, but we anticipate that it will comprise the following principles:

Continued under 11.2.4

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 79419000 - Evaluation consultancy services

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

Continued from 11.1.4

We are open to providers proposing the methodology they plan to use to meet the aims and objectives of this work, but we anticipate that it will comprise the following principles:

Process evaluation

The process evaluation should analyse the efficiency, effectiveness and suitability of the NILS pilot processes (including design, set up, delivery, referrals and performance) in order to identify improvements that can be made during the pilot, and test whether there is way to build a long-term, sustainable, permanent solution. Financial services evaluation work specific on loan or other relevant financial services products will be essential. Borrower perspectives on the NILS experience will be crucial and therefore bidders will need to

demonstrate strong qualitative techniques engaging with people in vulnerable circumstances.

Impact evaluation

We expect the impact evaluation to have two key elements - a social impact review and an economic impact review.

Social impact evaluation

The social impact evaluation should assess if there are positive customer benefits resulting from the NILS loans, as delivered by the 5-7 lenders involved in the pilot. We would expect this to consider both qualitative and quantitative evidence and seek to answer at least the following questions:

What impact - if any - does access to a NILS product have on financial wellbeing and resilience for low-income households currently excluded from access to mainstream or affordable credit?

What is the short and long term impact?

What are customers able to do having accessed a NILS loan which they wouldn't otherwise be able to; has it enabled them to access more mainstream financial products and services?

What are the impacts outside of a customer's initial financial position - on their wider life, mental health, physical health, their children's wellbeing, their employment/education/training situation, their housing situation?

Economic impact evaluation

The economic impact evaluation should assess whether there are wider societal benefits generated as a result of the NILS scheme, such as changes in employability and economic activity, income, physical and mental health, and ability to engage in society, eg avoiding benefit uptake, and may result in findings that the NILS scheme generated a £X cost saving for society.

To support this evaluation we will have data about the actual cost of delivery through the open book accounting arrangements we have with lenders and require a cost benefit analysis to examine the optimal delivery model reflecting on the range of models we are testing in this pilot with varying degrees of automation and borrower support.

NILS core pilot evaluation timelines

The evaluation will run alongside three proposed waves of lending. The pauses between each

wave will allow for a review of learnings through an interim report, which will inform any changes to the pilot ahead of the subsequent wave.

We expect evaluation and outcome data to be captured in to 2025/26 after the lending ceases in order to assess bad debt rates and the commercial lifetime value of the NILS customers who may transition to longer-term, interest-paying customers with the lender.

The final evaluation is needed in early 2026.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

42

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: Yes

II.2.11) Information about options

Options: No

II.2.14) Additional information

Background information on this requirement is available from Georgia Kewley at georgia@fair4allfinance.org.uk

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.3) Technical and professional ability

Minimum level(s) of standards possibly required

To go through to the ITT stage bidders (e.g. consortia) will need to go through a Pass/Fail selection stage, which is included within the Supplier Questionnaire. The selection stage will require each bidder to undertake the following:

- a) Confirm they have relevant experience of comparable work (as set out below) and
- b) Provide examples (e.g. case study) which has been undertaken in the past 3 years.

Social Impact

Have you completed a social impact evaluation focused on financial services or financial wellbeing, where the evaluation involved assessing multiple providers' and delivery models covering a multimillion pound delivery budget and considered qualitative and quantitative evidence?

Economic Impact

Have you completed an economic impact evaluation focused on the societal benefits of a particular service including changes in employability and economic activity, income, physical and mental health, and ability to engage in society, eg avoiding benefit uptake, where the budget of the scheme evaluated exceeded £3m? You will need to be explicit about the scale of the budget of the scheme / service.

Delivery Models

Have you completed an evaluation of delivery models, including learnings about costs based on open book accounting, to substantiate the viability of ongoing implementation?

If you would like to discuss with Fair4All Finance whether you (or the consortia you are planning to represent) will Pass this selection stage please contact Georgia Kewley at georgia@fair4allfinance.org.uk

III.2) Conditions related to the contract

III.2.3) Information about staff responsible for the performance of the contract

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

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

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

12 September 2022

Local time

10:00am

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.7) Conditions for opening of tenders

Date

13 September 2022

Local time

12:00pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.4) Procedures for review

VI.4.1) Review body

The High Court, Royal Court of Justice

The Strand

London

WC2A 2LL

Country

United Kingdom