

Request for Proposals

Proposal request: We invite proposals to scope and deliver an independent impact evaluation of our Community Finance Resilience Fund

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Overview

Fair4All Finance is seeking a provider to:

1. Scope an independent impact evaluation of the Community Finance Resilience Fund (the 'Fund'), including refining the existing monitoring framework
2. Deliver an independent impact evaluation of the Fund
3. Review how the Fund has been delivered, if it was delivered as intended and to capture any lessons learned around the efficiency and effectiveness of its delivery.

The Fund, offering over £5 million in grant and investment funding, supports community finance organisations (such as credit unions, community development finance institutions (CDFIs), and related entities) with the goals to:

- Strengthen the resilience of the community finance sector during the cost of living crisis.
- Preserve and expand access to affordable credit for individuals in financially vulnerable circumstances.

Due to funding restrictions, the Fund's remit is limited to supporting borrowers in England only.

Background

About Fair4All Finance

Fair4All Finance is a not for profit organisation founded in 2019 to increase the financial wellbeing of people in financially vulnerable circumstances. This will enable individuals to overcome shocks, enrich their lives and enable them to pursue opportunities.

We have three main priority areas:

- Expanding provision of affordable credit through a scaled community finance sector
- Partnering with banks and financial service providers to support the delivery of products and services for customers in vulnerable circumstances
- Developing and scaling products and services to address market gaps

You can find out more about our strategy and impact so far [here](#). You can also find our Theory of Change for the affordable credit sector [here](#).

We have made significant investments in the community finance sector to date – committing over £45m so far, primarily through our Affordable Credit Scale Up programme, Covid-19 Resilience Fund (and now the Community Finance Resilience Fund).

We published an independent evaluation of the Covid-19 Resilience Fund – found [here](#).

Please note that, as well as the impact evaluation of this specific Fund, Fair4All Finance will also, separately, be commissioning research to evidence the social and economic value of affordable credit. As part of this work, some organisations funded through the Fund may be asked to provide similar data. To minimise the burden on funded organisations, we will need to work closely with the providers of both evaluations to coordinate data-sharing expectations across the two initiatives. We are currently in scoping phase for this broader report focusing on social and economic value of affordable credit and anticipate having clearer data requirements for this project by Q1 2025.

About the Community Finance Resilience Fund

In March 2023, Fair4All Finance was allocated additional dormant assets funding in recognition of the cost of living challenges for people living in vulnerable financial circumstances. Part of this additional funding was allocated to preserving and scaling the provision of affordable credit in England via the Fund.

In order to deploy the Fund as effectively as possible, we appointed an independent, external consultant (New Philanthropy Capital, 'NPC') to lead a collaborative consultation and co-design process with the community finance sector.

This began in June 2023 and involved engaging with a range of community finance organisations and wider stakeholders via roundtables, interviews, and a survey. Engagement levels were positive with NPC speaking to over 20 individual credit unions and trade bodies, personal-lending CDFIs and other

stakeholders (including the Prudential Regulatory Authority), and 69 out of a possible 149 community finance sector recipients responding to the survey.

The consultation highlighted how the cost of living crisis was impacting borrowers, in turn affecting the financial and operational resilience of community finance providers and threatening the future availability of affordable credit. It also offered valuable insights into the types and amounts of funding these organisations needed. Notably, the findings demonstrated a strong demand for grant support to cover rising operational and technology costs, as well as to fund business development and support.

Accordingly, the Fund was designed to have two key objectives:

- **To improve the resilience of community finance sector** (during the cost of living crisis)
- **To preserve and scale the provision of affordable credit** for customers in vulnerable financial circumstances

As noted above, restrictions on the dormant asset funding allocation meant that the Fund's remit was limited to supporting borrowers in England only.

The types, amounts, and purpose of funding available were as follows:

Further details around the types of funding and investment available under the Fund and the application process (including the questions asked as part of the application form) can be found [here](#).

Type of funding and Amount	Who can apply?	Purpose
Small grants £10k - £50k	<ul style="list-style-type: none"> • Credit unions • Personal-lending CDFIs (not-for-profit only) • Associated community finance organisations / 'Other' (not-for-profit only) 	<ul style="list-style-type: none"> • To support current organisational resilience by contributing to increased and unplanned operational costs as a result of the cost of living crisis
Large grants £50k - £250k		<ul style="list-style-type: none"> • To support future organisational resilience by contributing to infrastructure costs
Capital adequacy investment for credit unions £200k - £500k	<ul style="list-style-type: none"> • Credit unions 	<ul style="list-style-type: none"> • Subordinated debt (sub-debt) to support credit unions to maintain compliance with capital asset ratios and/or support liquidity
Other Cost of Living Resilience Funding (through initial Expression of Interest (EOI)) £50k - £500k	<ul style="list-style-type: none"> • Credit unions • Personal-lending CDFIs (including for-profit) • Associated community finance organisations 	<ul style="list-style-type: none"> • Opportunity to express interest in other funding (grant, debt, or other funding) for a new or existing project that meets the Fund's objectives of improving the resilience of community finance organisations, and preserving and/or scaling affordable credit provision for customers in vulnerable financial circumstances

We received a total of 71 unique applications to the Fund, with more than £15m requested in funding. An external consultant (Sagana) completed initial eligibility checks on all applicants to the Fund. The Sagana team then conducted financial due diligence on all grant applications.

At the time of writing we have made decisions on the majority of grant applications, with a total of 40 grants approved to date. We expect to have made decisions on all grant applications by the end of 2024. Decisions on sub-debt and EOLs are ongoing and are likely to be made by end March 2025. There have been 4 approvals to date, with a further 15 applications under consideration.

The scope

Given the Fund's staggered timelines and varied funding types (outlined above), we welcome suggestions from the provider on how best to evaluate both the individual types of funding and the Fund as a whole. It's possible that the different funding types would be best served by different evaluation methods.

We anticipate that **the first stage of this project** will involve refining the Fund's existing monitoring framework (included as an appendix). Grant holders have been asked to submit quarterly reporting metrics, which the Fair4All team will collect and analyse starting in early Q2 2025. The first return will cover the 18-month period from September 2023 to March 2025. The provider should therefore be prepared to support this aspect of the project from early 2025.

For most Fund grant holders, the monitoring framework will be the primary component of their reporting requirements. The **monitoring framework needs to be clear, straightforward, and practical for community finance organisations** to implement, many of whom are small organisations with limited resources and capacity. While a £2,000 reporting grant has been offered to all grant holders in recognition of this, the framework must be designed to minimise administrative burden while still capturing essential data. Not all grant holders accepted the reporting grant.

For sub-debt and EOL grant holders, additional tailored reporting may be needed to better capture the specific impact of their funding against its intended outcomes, and the duration of some of this funding.

- Sub-debt will typically be on a term of up to 8 years, at low interest rate to reflect the social impact
- EOLs are expected to primarily be approved as grants to support specific projects, typically over 1-3 years. These projects, whilst all meeting the purpose of the Fund, are very varied.

The existing specific metrics are integral to Fair4All's overall success measures and have already been communicated to the funded organisations. Our focus is on refining these metrics (rather than substantial changes) and potentially complementing them with qualitative reporting. As Fair4All will

be collecting the impact data, we see your role as partnering with us while we refine and enhance our existing approach and being alongside us while we implement this.

The **second stage of this project** is to scope and deliver an overall impact and process evaluation of the Fund. This part clearly relies on collecting appropriate data as above and has two key aims:

- 1) **Impact:** understanding the extent to which the Fund met its original aims of improving the resilience of the community finance sector and preserving and scaling affordable credit provision
- 2) **Process:** to review how the Fund has been delivered, if it was delivered as intended and to capture any lessons learned around the efficiency and effectiveness of its delivery.

Please note that impact evaluation is a primary focus of this project – we anticipate approximately 70% of the evaluator’s time would be allocated to impact assessment and 30% to process evaluation.

Impact research questions may include:

- Did the Fund support the community finance sector to continue to provide affordable credit? In what ways did it achieve this and what is the strength of the evidence?
- Did the Fund succeed in reaching communities which are particularly underserved by mainstream financial services?
- What other outcomes and/or impacts did the Fund support? (eg was there evidence of improved resilience, profitability, retained staff posts, helping customers in vulnerable financial circumstances). In what ways did it achieve this and what is the strength of the evidence?
- What external factors influenced the extent to which the Fund could achieve its intended aims?

Process Research questions may include:

- Who applied to the Fund, what funding was given and to whom? What was the overall quality of applications?
- Were grants disbursed in a timely manner and as expected? Were grantees satisfied with the disbursement?
- To what extent did applicants feel that communication throughout the process was sufficiently clear and frequent? What were the lessons learned about the delivery overall?

The final output will be an independent, published report of findings and recommendations.

We expect this work to continue until Q1 2026. There may be an opportunity for additional phases in the future to help us understand the longer-term impact of the Fund.

The specification

We expect that this evaluation should be linked to Fair4All Finance's theory of change and our current impact reporting framework (found on page 10 of the impact report)

We would like to work with a provider who has **direct experience of conducting social impact and process evaluations** to conduct this impartial assessment of the Fund.

We expect that the work will include:

1. Research and discovery

- **Review of the Fund's implementation processes:** this will include the entire process from application through to regular monitoring after funds have been deployed. Note: initial eligibility checks and financial due diligence on all grant applications were conducted by an external consultant, Sagana
- **Stakeholder engagement:** including discussions with relevant members of the Fair4All Finance team, certain Fair4All Finance contractors, and a selection of grantee / investee organisations
- Familiarisation with existing Fair4All Finance reports and impact methodology – including Covid-19 Resilience Fund report (2021), Fair4All Finance impact report (2023), affordable credit theory of change, affordable credit code of good practice, existing monitoring framework.

2. Development of reporting and monitoring framework

Collaborate with relevant Fair4All Finance team members, certain Fair4All Finance contractors and a selection of grantee / investee organisations in order to develop a clear and robust reporting and monitoring framework

The reporting and monitoring framework will need to be:

- **Proportionate** to the quantum of funding/investment provided;
- **Aligned** with to Fair4All Finance's theory of change for the affordable credit sector, and our current impact reporting framework;
- **User-friendly** for grant recipients and the Fair4All team, considering the often limited resources of community finance organisations, as well as the data available to them. The framework should balance user capacity with data quality and accuracy.
- **Timely: in place by end Q1 2025**, to enable quarterly reporting

- **Clear:** with good user instructions and consideration given to how data can be robustly collected by community finance organisations and spot-checked, uploaded and analysed by Fair4All Finance

The framework may vary for the different forms of funding (grants, sub-debt, EOLs)

Note: Fair4All Finance currently collects quarterly data from its investees and certain grantees from its previous funding programmes. Ideally, any future reporting and monitoring framework should be compatible (at a high level) with existing metrics used to allow for comparison of data across various time periods. Examples of the existing data request templates are included as appendices.

3. Evaluation and report preparation

Support during Q2 2025 to implement and test the reporting framework, including spot-checks on data accuracy. This phase may also include further engagement with community finance organisations.

The report should cover:

- Impact evaluation of the Fund for organisations that received funding and the overall provision of affordable credit
- A review of the effectiveness of the Fund, the appropriateness of its objectives, eligibility criteria and desired outcomes, and its decision-making processes and value for money. The report should capture specific examples of where the Fund was at its most effective in achieving its purpose and contributing to Fair4All Finance's longer-term strategy
- Development of findings and recommendations into a brief, independent report, to be published in Q1 2026. While we would provide input on the findings for accuracy, editorial control will remain with the provider.

Outputs/deliverables

The successful proposal will be expected to deliver the following outputs:

- A clear project plan with all milestones, gating points, engagement plan and deliverables included
- Monthly progress reports covering activity, and monthly updates tracking costs
- Main deliverables will include:
 - **Development of reporting and monitoring framework** (point 2 above)
 - **An interim report linked to end of grant periods** – timing on this to be agreed, grants run to end of Q3 2024
 - **In Q1 2026, a final independent, published report of findings and recommendations covering** (point 3 above)

- All the evidential feedback and research in a readily accessible format. This could include a mix of MS Word, PowerPoint or Excel as deemed suitable. A summary of the final report in MS PowerPoint.
- We may require presentation of the report to key stakeholders (Department for Culture, Media and Sport, HM Treasury, Fair4All Finance board) and possibly a webinar for the sector to present the findings

Contracts

All successful suppliers will be contracted under our standard Terms and Conditions which can be found on our [website](#). By submitting your bid, you are agreeing to be contracted under these T&Cs.

Timings

We will endeavour to work to the below timeline with decisions communicated before the end of the calendar year. It is possible, however, that decisions may need to be communicated in January 2025.

Stage	Dates
Request for proposals published	06/11/2024
Proposals due	9am 2/12/2024
Assessment	02/12/2024 – 11/12/2024
Interviews (for shortlisted applicants)	12/12/2024 – 13/12/2024
Decisions made and communicated	w/c 16/12/2024

Your response

To respond to this proposal request, please provide a proposal for how you would deliver the required specification for the scope of services as outlined above. The proposal assessment criteria and requirements are set out below.

Clarification questions on this proposal request may be addressed to
Jennifer.oatley@fair4allfinance.org.uk

Any question responses which are relevant to all will be shared with all applying parties. If you intend to submit a proposal please advise us at your earliest convenience so that question responses can be shared. Questions will be anonymised before responses are shared with respondents.

1. Budget and Pricing

- The total budget for the piece is £75,000 (inclusive of all expenses) plus VAT.
- Given the long timeframe of this project **please outline day rates** and how you anticipate splitting your time across the project. We would welcome proposals which identify a way to deliver the requirements for **under the identified budget on a fixed price basis**.
- Given the not for profit nature of Fair4All Finance, and our founding and funding through government, please indicate where you have given a discount on commercial rates.
- Please outline any VAT and/or expenses which may be payable clearly and separately.

2. Proposal submission and scoring criteria

Please email a proposal (of no more than 8 pages) to Grants Manager Jen Oatley at Jennifer.oatley@fair4allfinance.org.uk by 9am on Monday 2nd December .

Please note that shortlisted applicants will be invited to an interview (conducted online) on either 12th or 13th December. **Please let us know if these dates don't work for you when sending your proposal so that we can factor this in to planning.**

Proposals submitted will be assessed by Fair4All Finance against the following questions:

1 Understanding of requirements.	20%
Please explain what you understand Fair4All finance is aiming to achieve in commissioning this work.	
To what extent does the proposal demonstrate an understanding of the issues related to this brief?	
2 Please set out your proposed methodology by stage	20%
To what extent are the methodology and methods appropriate to the requirements set out in this brief?	
3 Relevant experience	30%
Please set out your experience of delivering evaluation projects	
Please provide the name of two references we can contact in confidence, and at our sole discretion to confirm the work you undertook and its relevance.	
What degree of experience does the bidder demonstrate in order to successfully complete the work?	
4 Appropriate resourcing	10%
Please set out your resourcing plan and assumptions about the time commitments you plan to make by grade and resource type.	

Please make it explicitly clear who will be accountable for the work and who our day to day contact will be.

How well has the bidder structured a team in order to successfully manage the contract and deliver the required work to the budget and timetable required?

5 Value for money

20%

To what extent does the proposal represent good value for money?

3. Notes

- Proposal request responses not received by the deadline will not be considered.
- Quotations shall be valid for 90 days.
- All bidders are solely responsible for all their costs and expenses incurred in connection with this procurement process at all stages.
- Fair4All Finance reserves the right to amend or cancel the procurement exercise at any point. Fair4All Finance will accept no liability for any losses caused by any change or cancellation of this procurement exercise nor any decision not to award a Contract.
- Any information submitted to Fair4All Finance may need to be disclosed and/or published by Fair4All Finance. Fair4All Finance may disclose information in compliance with the Freedom of Information Act 2000, any other law, or, as a consequence of judicial order, or order by any court or tribunal with Fair4All Finance to order disclosure.
- Data Protection Act 2018 – Any awarded Contract will be subject to the Data Protection Act (DPA) 2018. Fair4All Finance reserve the right to request additional evidence to undertake sufficient due diligence of any Tenderer to ensure they have implemented the appropriate technical and organisational measures to comply with the act.
- Fair4All Finance is committed to greater transparency and may publish its tender documents, contracts and data from invoices received and may at its discretion redact all or part of such information prior to publication.
- Bidders shall not (and shall procure that their subcontractors and representatives do not) do any of the following without obtaining the prior written consent of Fair4All Finance:
 - make a public statement or communicate in any form with the media in connection with this procurement
 - use any trademarks, logos or other intellectual property rights associated with Fair4All Finance and/or its stakeholders

- represent that the Bidder is directly or indirectly associated in any way with Fair4All Finance and/or its stakeholders or that its or their respective products and/or services are in any way endorsed by Fair4All Finance and/or its stakeholders
- do anything or refrain from doing anything which would have an adverse effect on or embarrass Fair4All Finance and/or its stakeholders.
- Tenders with abnormally low prices may be rejected by Fair4All Finance. Prices that are suspiciously low in the opinion of Fair4All Finance will be considered further before a decision is taken as to whether the price is abnormally low. This will include clarification with the relevant bidder.
- Fair4All Finance will award the Contract to the bidder submitting the offer that best meets scoring criteria from the point of view of Fair4All Finance.
- Fair4All Finance will notify all bidders of its contract award decision.

Appendices

Appendix 1: Portfolio Reporting Template

Appendix 2: Sector Reporting Template

Appendix 3: Sector Reporting Survey Questions