

Quote request

**To support the development of partnerships
between affordable lenders and social housing
providers**

September 2020

Quote request: To support the development of partnerships between affordable lenders and social housing providers

As part of its affordable credit scale-up programme, Fair4All Finance is seeking a provider to help develop partnerships between affordable lenders and social housing providers, in order to increase the use of affordable credit provision. The provider will explore the impact of these partnerships to tenants, identify the business case for the housing provider, and will develop resources to enable more effective partnerships to be delivered.

About Fair4All Finance

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

For customers struggling to access mainstream provision, fair and affordable lenders like credit unions and CDFIs provide a vital service. Responsible credit can help customers to meet unexpected costs, smooth incomes or make essential purchases that are otherwise unaffordable upfront, as well as saving hundreds or thousands of pounds a year compared with high-cost credit. Yet responsible lending makes up only a fraction of short-term lending in the UK - each year, affordable credit providers make just £250m of loans to this group, while over the same period, high-cost short-term credit providers lend £3bn. Fair4All Finance's first area of focus is to support the scaling of affordable providers and prove that this customer group can be served in a sustainable and ethical way. We will do this by providing support and funding for the affordable credit market as part of meeting the 10x challenge in ensuring that fair and affordable credit is available for all that need it.

Introduction

According to the English Housing Survey, in 2017-18 there were 4m social housing units in England, making up 17% of total households. The social rented sector tends to house more vulnerable groups than other sectors, with 72% of households renting from local authorities or housing associations being in the two lowest income quintiles.

This means there is significant overlap between the demographics of social tenants and of people who rely on non-mainstream finance. In 2018, over 50% of community development finance institution (CDFI) customers lived in social housing. Renters of all types are also overrepresented among users of high-cost credit. Developing partnerships with social housing providers can therefore be a critical route for credit unions and CDFIs to reach low-income households and provide financial inclusion services, such as affordable loans, financial capability support and savings and insurance products, at scale.

Social housing providers engage in a range of activities to support the wellbeing of their tenants and address social and financial issues in their communities. These could include employment and training services, community grants, financial capability support or programmes to tackle anti-social behaviour. A better understanding is needed of how financial inclusion services offered by affordable credit providers could complement the aims of these activities, as well as their impact on the finances of housing associations. For example, access to savings or affordable credit can grant tenants the resilience needed to weather income and expenditure shocks, leading to more financial stability, and a reduction in certain costs for landlords, such as debt write-off, reletting expenses or void periods.

There are examples of good working relationships between responsible lenders and social landlords, but overall these opportunities have not been fully utilised and where partnerships have taken place, uptake of financial inclusion services by tenants is often low.

The purpose of this work is to:

- Identify the rationale and business case for housing providers to invest in financial inclusion services and make partnerships with affordable credit providers, considering how this could support the aims of their existing activities, and the impact on issues such as tenant wellbeing, rent arrears and evictions
- Research existing partnerships between social housing providers and affordable lenders, and understand barriers to the development of further and more effective partnerships
- Develop an implementation plan for affordable credit providers that will enable them to make more effective partnerships with social housing providers
- Understand the financial wellbeing and resilience of low-income households in the social rented sector, and the factors that influence these

The specification

We welcome creative proposals from bidders on an approach that will achieve the aims described above, but we expect the work would include the following:

Identifying opportunities and business case for collaboration:

- Identify a representative range of housing providers who would be willing to partner to contribute to the research and/or to design solutions
- Identify interventions that are taking place or could be considered to promote better links between housing providers and affordable credit providers
- Identify existing activities and programmes run by housing providers to support tenant wellbeing or address social/financial issues in their communities and consider how affordable credit providers could support these
- Identify the rationale and business case for housing providers to support and invest in financial inclusion products and services, including considering impact on e.g. rent arrears, stability of tenancies, rate of evictions, crime, anti-social behaviour or other issues.
- Identify barriers to increasing partnerships between affordable credit and social housing providers, including public policy issues, and highlight other actions Fair4All Finance could take

Increasing and improving partnerships:

- Develop an implementation plan that will allow affordable credit providers to make effective partnerships with social housing providers
- Identify and set out the most effective messaging for affordable credit providers to use in order to develop partnerships with social housing providers

- Identify and develop/source tools and resources that will facilitate effective partnerships
- Identify and set out the most effective pathway to engagement of tenants once a partnership has been formed

Research on financial inclusion and social housing tenants:

- Include a synthesis of existing research and reports focused on financial wellbeing of people in social housing to highlight key data and principal conclusions that relate to financial inclusion and affordable credit provision. Any research gaps should be identified and noted.
- Conduct research into the current state of financial wellbeing within social housing tenants, including a primary survey if required

The work should take into account the different circumstances of rural and urban housing providers across a range of regions.

Outputs, assets and resources produced through this work will be owned by Fair4All Finance and will be used to support the wider affordable credit sector.

Outputs/deliverables

- Participation in project inception meeting
- Participation in regular progress meetings
- Drafts of report, implementation plan and findings for comment
- Close consultation with social housing providers and affordable credit providers from a representative range of different regions and geographies
- Final outputs of this work will be:
 - A report on the business case for collaboration between affordable lenders and social housing providers, also exploring the current state of partnerships between the sectors and relevant existing programmes run by social landlords.
 - An implementation plan to support affordable credit providers to expand their reach with social housing providers and tenants
 - Findings on the financial wellbeing of social housing tenants, exploring the link between access to financial products and services and tenant behaviour and outcomes

Timings

Timetable for quote requests:

Stage	Dates
Quote request published	w/c 7 September
Proposals due	23 September
Assessment	w/c 28 September
Interviews	w/c 28 September
Decisions made	w/c 5 October

Your response

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

We welcome joint responses where bidders believe they will be better able to fulfil requirements of the specification in partnership with other organisations. In these cases, one organisation should submit a quote and identify how work will be subcontracted to the other(s).

Clarification questions on this quote request may be addressed to fionn@fair4allfinance.org.uk

Any question responses which are relevant to all will be shared with all applying parties. If you intend to submit a quote, 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 available for the project is £30,000, excluding VAT, travel and all other expenses.
- 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.
- We would welcome proposals which identify a way to deliver the requirements for under the identified budget on a fixed price basis.
- 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 6 pages long to fionn@fair4allfinance.org.uk by Wednesday 23 September.

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

1 Understanding and engagement Please explain what you understand Fair4All finance is aiming to achieve in commissioning this work, and what your interest in being involved in this work is. To what extent does the proposal demonstrate understanding of and engagement with the issues related to this brief?	15%
2 Methodology Please set out your proposed methodology by stage. To what extent does the proposal set out a creative approach to the issues outlined in this brief? To what extent are the methodology and methods appropriate to the requirements set out in this brief?	20%
3 Relevant experience Please set out relevant experience of and expertise in: the social housing sector; business development; consumer research and insight (especially regarding financial wellbeing and inclusion); the affordable credit sector; and/or other relevant topics	30%

<p>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.</p> <p>If submitting a joint bid, please identify what experience will be brought by which organisation, and provide additional references.</p> <p>What degree of experience does the bidder demonstrate in order to successfully complete the work?</p>	
<p>4 Appropriate resourcing</p> <p>Please set out your resourcing plan and assumptions about the time commitments you plan to make by grade and resource type.</p> <p>Please make it explicitly clear who will be accountable for the work and who our day to day contact will be.</p> <p>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?</p>	20%
<p>5 Value for money</p> <p>To what extent does the proposal represent good value for money?</p>	15%

3 Notes

- Quote 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.