

# Quote request

**Fair4All Finance Impact Framework**

**23 February 2021**

# Fair4All Finance Impact Framework

## Overview

Fair4All Finance is seeking a provider to advise on our organisational impact framework.

Following the finalisation of our strategy last year, we are looking to fully define the impact framework which we will use to measure progress on our strategy over the next five years. Our mission is to improve the whole financial services sector so that it works better for customers in vulnerable circumstances.

A specific area of this is to increase access to affordable credit. We have also developed a theory of change for the affordable credit sector in collaboration with lots of sector stakeholders, which should be used as one of the key inputs for this work. Credit is one of the key areas with which we hope to generate customer impact.

We are seeking a provider who will advise us on a balanced approach between measuring impact at a customer level, an enterprise level (of the organisations that we invest in), and a macro level on our effectiveness in achieving systems change as envisaged in our mission: to increase financial wellbeing of people in vulnerable circumstances through access to financial services.

We seek to make an impact at all three of these levels, for example:

- Customer - improved financial wellbeing among focus customer demographics
- Enterprise – effectiveness and impact of the organisations that we have invested in
- Macro – increase in overall customer financial wellbeing

The scope of the initial project is to define a framework which appropriately measures the impact of our strategy. This should use our existing work on impact as a basis for the work, reworking where appropriate but using existing measures when more appropriate too. It should give consideration to:

- The ultimate objects and mission of Fair4All Finance to increase the financial resilience and wellbeing of people in vulnerable circumstances through improving availability of fair and accessible financial products and services.
- The overall outcomes defined in the strategy, on product and service: availability, appropriateness, access, awareness and accessibility along with our overall systems change objectives
- An appropriate use of qualitative and quantitative measurement, which is proportional to the benefits of having particular impact data
- Embedding a discipline and culture of appropriate impact measurement across Fair4All Finance
- Incorporation of our objectives of promoting equity across our work, including through the financial inclusion of diverse communities across the country

## About Fair4All Finance

Fair4All Finance is a not-for-profit organisation founded in early 2019 to increase the financial resilience and wellbeing of people in vulnerable circumstances through improving availability of fair and accessible financial products and services. This will enable individuals to overcome life shocks, enrich their lives and enable them to pursue opportunities.

There are three core beliefs that underpin our work:

- Financial services can and should serve customers in vulnerable circumstances – resulting in customer bases which are truly inclusive of the population and which cater for vulnerable customers differing needs
- Fair products and services improve people’s wellbeing – we are gathering evidence on which product and service configurations improve wellbeing as we look to scale these models
- Financial inclusion is the responsibility of the whole financial services sector – we want to work with all financial services organisations to ensure that all customers are well served

All of our work will develop out based on these beliefs. Our strategy has three priority areas:

- Expanding provision of affordable credit through a scaled community finance sector
- Partnering with banks and financial services providers to support the delivery of products and services for customer in vulnerable circumstances
- New product and market development – developing and scaling products and services to address market gaps

You can find our full strategy [here](#). You can find our theory of change for the affordable credit sector on page 11 of this [report](#). Please note that affordable credit is only one part of our work and this theory of change doesn’t represent our whole strategy.

We have made significant investments in the community finance so far, including two large early investments into Fair for You and Moneyline, along with grant funding commitments in our Affordable Credit Scale-Up Pilot and Covid-19 Resilience Fund. An important part of our impact measurement is the impact of these organisations.

Delivering sustainable change to the consumer financial services market so that it fully serves people in vulnerable circumstances and increases financial resilience is fundamental to our existence. As a leading organisation in the financial inclusion space we must play a strategic role in evidencing the benefit of fair financial products and services to customers and communicating this benefit to government, regulators, the wider financial services sector and civil society and influencing and catalysing systemic change. A fundamental part of our work is also working with mainstream banks to partner to make sure that product and service provision across the financial services sector is in place.

## Introduction

Since being set-up in 2019 we have worked across the financial inclusion sector to start creating change for customers in vulnerable circumstances. We ultimately exist to improve financial wellbeing.

We have measured the impact of our work so far through the impact reports and data from our investees, which show their impact on customers. Alongside this we track shifts in the provision of affordable credit and high-cost credit markets, along with wider macro-economic factors which impact our work such as employment and debt levels. This data currently goes into a quarterly report to our board.

However, as we are still relatively new as an organisation and as we have just set our strategy, we see now as an opportune time to look holistically at the most appropriate way for us to measure our impact, and to put a framework in place to carry out this measurement over the next 5 years.

Alongside our impact framework, we would also like advice on the way we should most appropriately evidence the benefit of affordable credit to our stakeholders. This will build on the work done in [this](#) report to evidence and evaluate the socio-economic cost savings of affordable credit. We would like the provider to critique this model and advise us on a robust methodology appropriate to a broad range of community finance providers. This insight will then be used to inform an impacted return approach for our investments.

## The Specification

### Impact Framework (85%)

The key part of the project is our internal impact framework. We appreciate that there are many ways of going about this, so we are seeking advice on the best way to measure our organisational effectiveness in delivering our mission. The framework should use the existing impact framework that we have been using, building on this and altering it as appropriate. We would like a provider to:

- Define appropriate impact metrics for Fair4All Finance to report to its board and close stakeholders on impact on a quarterly basis
  - The metrics should be robust, practical and based on data which is accurate and appropriately available. They should include qualitative and quantitative measures
  - The metrics need to be appropriate by our strategic objective; for example our investment work will naturally focus more on enterprise level impact than our systems change work
  - Build on best practice from within the sectors that we operate (including social investment, affordable credit and financial services)
- Define baselines for these metrics with us
- Define a robust measurement approach for each metric, particularly considering causality where appropriate
- Report to the team and the board (a subset of the report), in a powerpoint format, on the defined impact approach

Depending on the outcomes of the project, it may be appropriate for us to continue working together on ongoing measurement and implementation following the initial work.

### Socio-Economic Value of Affordable Credit (15%)

Assessment of our current defined approach to calculating the economic value of affordable credit as an input to our 'impact weighted/adjusted return' methodology. The current approach is based on assigning economic cost savings to areas of impact of affordable credit (such as health, mental health, employment).

The review of the approach should critique this methodology in terms of its social grounding and balance between measurement and actual impact. It should advise on appropriate methodologies for achieving an economic value assessment of affordable credit.

### Overall Approach

On both pieces, a consultative approach with Fair4All Finance will be critical to ensuring that we have a framework that can be embedded in the organisation. In particular, the Systems Change and Impact and Investment teams should be consulted in detail. This engagement might include (as appropriate):

- Workshops with the team
- Attending team meetings
- Interviews with members of the team, including the CEO, Chair and Senior Independent Non-Executive Director
- Consultation with any external stakeholders as appropriate (eg investees)
- Presentations back to the team on findings to embed the approach

Per the overview, it's important that the project is cognisant of the following:

- The ultimate objects and mission of Fair4All Finance to increase the financial resilience and wellbeing of people in vulnerable circumstances through improving availability of fair and accessible financial products and services.
- The overall outcomes defined in the strategy, on product and service: availability, appropriateness, access, awareness and accessibility along with our overall systems change objectives
- An appropriate use of qualitative and quantitative measurement, which is proportional to the benefits of having particular impact data
- Embedding a discipline and culture of appropriate impact measurement across Fair4All Finance
- Incorporation of our objectives of promoting equity across our work, including through the financial inclusion of diverse communities across the country

## Outputs

- Draft and final report (including verbal presentations) to Fair4All Finance and the board on the impact framework proposed
- Draft and final findings on the impact adjusted return approach

Delivery timelines:

- We expect that the project will take roughly 6 weeks in total, and we hope it can commence as soon as possible after the appointment of the provider
- The presentation to the board is scheduled for our board meeting on April 21

## Timings

Stage	Dates
EOI published	23 February 2021
Proposals due	4 March 2021
Assessment	From 5 March 2021
Decisions made	By 10 March 2021
Other stages as required	Possible interviews during assessment period

## Your response

To respond to this EOI, 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.

Clarification questions on this quote request may be addressed to [tom@fair4allfinance.org.uk](mailto:tom@fair4allfinance.org.uk) by 4 March 2021.

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.

## Budget and pricing

- The total budget available for the project is £17,500, **including 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.

## Proposal submission and scoring criteria

Please email a proposal of no more than 4-5 pages long to [tom@fair4allfinance.org.uk](mailto:tom@fair4allfinance.org.uk) by 4 March at 6pm. Proposals submitted will be assessed by Fair4All Finance against the following questions:

<p><b>1 Understanding of requirements.</b></p> <p>Please explain what you understand Fair4All Finance is aiming to achieve in commissioning this work.</p> <p><b>To what extent does the proposal demonstrate an understanding of the issues related to this brief?</b></p>	10%
<p><b>2 Proposed methodology</b></p> <p>Please set out your proposed methodology</p> <p><b>To what extent are the methodology and methods appropriate to the requirements set out in this brief?</b></p>	30%
<p><b>3 Relevant experience</b></p> <p>Please set out your experience relevant to this project, particularly in similar or adjacent sectors. Please provide details of two previous examples of your impact measurement work.</p> <p>Please also provide details of two references we can contact in confidence to discuss your previous work in this area</p> <p><b>What degree of experience does the bidder demonstrate in order to successfully complete the work?</b></p>	30%
<p><b>4 Appropriate resourcing and delivery timelines</b></p> <p>Please set out your resourcing plan and assumptions about the time commitments you plan to make.</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><b>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?</b></p>	10%
<p><b>5 Value for money</b></p> <p><b>To what extent does the proposal represent good value for money?</b></p>	20%

## 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.
- Bidders with abnormally low prices may be rejected by Fair4All Finance. Prices that are suspiciously low in the opinion of the organisation 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.