

Request for Proposals

Co-design consultant support

Community Finance Resilience Fund

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Contents

Overview	3
About Fair4All Finance	4
Introduction	5
The specification	5
Additional information	6
Outputs/deliverables	7
Notes	9

Proposal request

Overview

Fair4All Finance is seeking a consultant to lead a collaborative consultation and 'co-design' process for our **new Community Finance Resilience Fund**.

Fair4All Finance has recently been allocated further dormant asset funding, including additional funds allocated for scaling and preserving the provision of affordable credit. Through our new £5m+ Community Finance Resilience Fund our intention is to provide grant and some investment funding for community finance lenders (credit unions, CDFIs) to support them and their borrowers through the cost of living crisis.

We are seeking a consultant to lead the consultation for this Fund – this is an exciting opportunity to work collaboratively and at pace on an important source of funding for lenders supporting customers in vulnerable financial circumstances. The following context is important to note:

- We know that community finance lenders and their borrowers continue to face huge challenges in from the cost of living crisis – some lenders have reduced income and higher costs which adversely impacts their financial sustainability, and may impact the support they can provide to borrowers
- Other sources of grant funding for community finance lenders are currently limited
- Many community finance lenders have stretched staff teams. We are keen for the successful consultant to respect this limited capacity in all aspects of the collaboration and co-design process, including:
 - Gathering insight and feedback as part of the consultation process
 - Recommending a Community Finance Resilience Fund with clear and fair criteria, ensuring suitable applications are received and time is not spent on applications that will be unsuccessful
 - Reporting and monitoring by community finance lenders is proportionate to the funding received

The co-design process for the Fund is Phase 1. This will involve in-person (England-wide) and video meetings with a range of community finance organisations and stakeholders, which Fair4All Finance will support. The timeframe is to have **phase 1 completed by end Q2 2023**, enabling expressions of interest from community finance lenders from early Q3 (phase 2).

Depending on the outcomes and recommendations the **consultant may be offered to stay supporting the**

Fund beyond the phase 1 period (beyond phase 1 will be costed and agreed separately in addition to the budget detailed on page 8).

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.

Working to make the financial system fairer for everyone

The current financial services system isn't working for everyone. Millions of people are excluded, unable to turn to safety nets others rely on like credit, savings, and insurance.

We're here to transform the system so that everyone has access to the right products and services, whenever they need them.

Our strategic priorities

There are 17.5m people in financially vulnerable circumstances in the UK

Anyone can find themselves in this situation. Ill health, low or unstable incomes and a lack of savings can all cause financial vulnerability. And life events like losing a job, separation or bereavement can strain finances and affect wellbeing.

We're focused on three key areas to make sure the sector provides what people need to manage their finances, build resilience, and lead richer lives:

- **Increase the availability of affordable credit** to sustainably meet customer needs
- **Partner with banks and financial services providers** to increase access to products and services
- **Develop the market to consistently provide products** that meet the needs of all customers

How we make a difference

- We **invest in organisations already doing a good job of serving this customer group** to help them grow and share best practice
- We **research and gather evidence to show what works well** when serving people in vulnerable circumstances
- We **partner with others to develop, test and fund new products, services and technologies** that meet gaps in the market
- We **bring people together to tackle the policy and regulation change needed** to create a sustainable financial services market that works for everyone in the country

Introduction

As detailed on page 3, we are seeking a consultant to support the 'co-design' and launch of the Community Finance Resilience Fund - in a way which actively and visibly invites feedback from community finance sector stakeholders on what funding could be most useful for and how we could deploy the funds. We want to incorporate feedback and learning from both our successful Covid-19 Resilience Fund (which was independently reviewed) and our recent Quadrennial Review.

Our initial thinking is the funding could be used to:

- Support lending to customers most impacted by the cost of living, for example but not limited to bad debt, forbearance including zero interest options and maybe customer grants
- Co-fund lender costs for in-house upgrades that improve the service to financially vulnerable customers
- Support the resilience of lending businesses - staff retention, recruitment, pay and reward and operational costs as examples

By deploying £5m+ (up to £10m) the measures that allow us to demonstrate and report that at least £50m of affordable credit to customers in financially vulnerable circumstances has been preserved.

We believe the following are the fundamental building blocks of the process and will deliver the right outcomes:

- 1 Evident consultative process with the community finance sector - gathering information that enables objective decisions to be made on the overall fund design and structure. We expect this to involve in-person meetings across England, and video meetings with a range of community finance organisations and stakeholders, which Fair4All Finance will support
- 2 All parts of the process and structure are efficient, transparent and follow current best practice
- 3 Learning from our previous grant funding and investments is taken and included as appropriate

The specification

We expect the outcome to be a presentation/report that storyboards how the research and discovery findings led to the final design and operating proposal. We believe the outcome should include the following as a minimum, but additional elements as deemed relevant to the outcome are welcomed.

- 1 (Initial deliverable) The overall plan for engagement with the community finance sector, the milestones and the gating governance within the plan
- 2 The consultative feedback gathered, who participated and the detailed feedback from them
- 3 Recommendations on the specific purposes of the fund - where is funding most needed, and the likely social impact

- 4 Recommendations on clear and fair eligibility criteria: the lenders who can apply for to the fund, consider but not limited to
 - a Their social purpose and pathway to financial sustainability
 - b Their size – should there be a minimum and maximum size?
 - c Whether they have access to other funding sources
 - d Whether alternative forms of investment are more appropriate and when that could be appropriate
- 5 Evidence-backed recommendation on the operations of the fund (whether run in-house, partially outsourced, wholly outsourced), external operating costs, governance (including recommendations on streamlined governance processes)
- 6 Recommendations on proportionate evaluation methodology

We are looking to appoint a consultant (either single consultant, or a small team) who is passionate about supporting social organisations, has deep experience of designing and successfully managing grant funds in the UK, has a collaborative and consultative working style, strong verbal, and written communication skills. The consultant will work with a small team from Fair4All Finance.

Additional information

Any funds allocated to Fair4All Finance can only be used in England.

We would expect the following to all have a level of input into the co-design:

Primary stakeholders

- The Credit Union Trade bodies and representative groups that make up the National Liaison Group.
- The Community Development Finance Institution (CDFI) Trade body – Responsible Finance
- A range of small, medium, and larger community finance lenders.

Secondary stakeholders

- Regulatory bodies – FCA and PRA
- Other funders that may be considering financial support to the sector
- Other funders to learn from including: Access (our sister dormant asset organization), Social Investment Business (SIB), Social Investment Scotland (SIS)

Fair4All Finance leadership team and members of the Board

Useful resources

The following documents will provide useful context and background.

- 1 [Covid-19 Evaluation report](#)
- 2 [Quadrennial Review](#) and our [Response](#) to this review
- 3 [Dormant Asset Cost of Living announcement](#)

Outputs/deliverables

The work is expected to start late May/early June, with the following outputs delivered by the end of June 2023:

- All the evidential feedback and research – a mix of MS Word, Powerpoint or Excel as deemed suitable
- A final report summarised in MS Powerpoint and backed by the detail in a comprehensive MS Word based report
- A clear project plan with all milestones, gating points and deliverables included
- Fortnightly progress reports covering activity and tracking costs

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

Timetable for proposal requests

Stage	Dates
Request for proposals published	Tuesday 2 May
Proposals due	Friday 19 May
Assessment	w/c 22 May
Interviews	w/c 22 May (depending on response volume)
Decisions made	As soon after interviews as possible

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 Vince Cox, Community Finance Engagement manager, vince@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 estimated spend for this work is £30,000 plus reasonable expenses for travelling to in-person meetings around England. We will consider bids for a slightly higher amount on an exceptional 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
- 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 10 pages long to Vince Cox vince@fair4allfinance.org.uk by **close of business on the 19 May 2023**

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

<p>1 Understanding of requirements.</p> <p>Please explain what you understand Fair4All finance is aiming to achieve in commissioning this work.</p> <p>To what extent does the proposal demonstrate an understanding of the issues related to this brief?</p>	20%
<p>2 Please set out your proposed methodology by stage</p> <p>To what extent are the methodology and methods appropriate to the requirements set out in this brief?</p>	20%
<p>3 Relevant experience</p> <p>Please set out your experience of delivering [details of previous experience required]</p> <p>Please provide the name of two references we can contact in confidence, and at our sole</p>	30%

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?

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