

Financial Capability Innovation Fund



JUNE 2005



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The Financial Services Authority and Financial Capability

The FSA is an independent non-governmental body, given statutory powers by the Financial Services and Markets Act 2000 to regulate the financial services industry in the UK. If you want to know more about who we are and what we do, see: www.fsa.gov.uk.

One of our objectives is to promote public understanding of the financial system. The FSA has taken the lead in the launch of the National Strategy for Financial Capability. This is a collaborative project; the best way to maximise the impact of the efforts of ourselves and other organisations – such as government, voluntary bodies, employers, employee and consumer groups, and financial services firms – is to work together and towards similar objectives.

The Strategy aims to give people the skills and knowledge they need to make sensible decisions about money, so they can take control of their finances and demand better services from the industry. It plans to do this in a way that people will understand, at a time and place when it's most useful to them. Examples of subjects covered by the strategy include budgeting, the need for basic financial products – for instance bank accounts and home insurance – right through to making decisions on pensions and other financial safeguards.

For more information on financial capability see: www.fsa.gov.uk/financial_capability



The Financial Capability Innovation Fund

As part of our contribution towards the National Strategy, we have established an innovation fund for the voluntary sector to support new ideas for, and ways of, increasing financial capability. We are now inviting voluntary organisations to apply for funding for new projects which assist in improving financial capability. We will make awards to those organisations whose projects best fit our criteria and seek to distribute the awards across a range of areas and communities. We expect to allocate and distribute a minimum of £100,000 for projects running up to 31 March 2007.



Criteria

Activities

Awards will be considered for those activities that:

- involve the giving of information or advice which is consistent with our objective to promote public understanding of the financial system;
- provide people with the skills to make the best of such information and advice, e.g.:
 - money management (being able to live within one's means);
 - forward planning (to cope with unexpected events and to make provision for the long term);
 - financial products (being able to select those products that are most appropriate to an individual's needs); and
 - knowing where and when to turn for advice.

This also includes assisting those groups of people who may be excluded from obtaining services from mainstream financial organisations;

- are a fixed-term project, based in the UK, which will be complete by 31 March 2007;
- are either a genuinely new initiative or are a request for assistance in developing or extending a previously successful pilot;
- have measurable outputs;
- could be easily expanded or replicated; and
- could be shown to be sustainable once the initial project has been completed.

Applicants

Potential applicants must be a self-governing body of people who have joined together voluntarily to take action for the benefit of the community, and established otherwise than for financial gain. Your organisation does not have to be a registered charity – but if it is not, the aims, objectives and methods of working of your organisation must be written down in a publicly available document.

We will also give consideration to the length of time that your organisation has been functioning and its financial situation. Your organisation should be properly constituted.

What we will not fund

Activities that:

- are not projects (e.g. core or ‘business as usual’ activities);
- have been tried before without success, unless they have since been significantly modified;
- are not based in the UK; or
- do not meet the criteria under ‘activities’ above.

Applicants who:

- are not organisations meeting the criteria above; or
- collect funding to distribute to others.

The Application Process

1) Complete the application form and send it to us

This can be found at Annex B. Notes to help you complete the form can be found at Annex C. If you have any questions about the form, please email us at innovation.fund@fsa.gov.uk or give us a call (020 7066 0084). Once the form is completed and signed, you should post it to us, enclosing all the relevant documentation requested, so it gets to us by 15 September 2005.

2) Assessment


We will acknowledge receipt of your application form either by email to the main contact or by post. We will undertake an initial filter of all the applications we receive against the criteria we have set. For those applications that pass the initial filter, we may contact the applicants and ask further questions about the project and the applicants in general. The assessment process may also include a visit by us at a mutually convenient time.

3) Offering an award

We will take the final decision on who is to be offered an award. The successful organisations will receive a letter setting out the terms and conditions on which the award will be made. They will need to accept the offer in writing before any funding can be released. We will publish the names of the award winners and details of the projects on our website and elsewhere as appropriate.

4) Unsuccessful applications

We will tell applicants that they have been unsuccessful as soon as we can but the actual timing of this will differ according to which stage of the process the application reached (i.e. the initial filter or later in process). However, we expect that all unsuccessful applicants will be notified by 31 December 2005. There is no appeals process against the decisions that we take regarding the Innovation Fund.



Making an award

Once the offer letter has been signed and returned, funding will be made available in line with the terms and conditions set out in the letter (for instance in larger projects, some portions of the funding may only be made available if the project has met some interim objectives).

Monitoring and evaluation of your project

Award winners will be required to submit, on at least a quarterly basis, a short report on the progress of the project to date, including performance against projected expenditure and milestones. We may visit you during the life of the project to discuss progress and any other issues the award winner wishes to raise.

Once the funding has been used up, award winners will be required to submit a final evaluation of the project for which funding was supplied. This should focus on:

- the expenditure incurred during the project;
- whether the objectives and outcomes of the project have been achieved;
- the scope for the project's continuation and its wider application. This should include the identification of any potential sources of funds that could support this wider roll out; and
- any best practice that could be rolled out elsewhere.

We may wish to discuss the evaluation with you and others connected to the project (for instance some of the people the project may have benefited). We will collate the lessons that have been learned by all award winners in running their projects and publish this on our web site and elsewhere as appropriate.



Contact details

Innovation Fund
Financial Capability
The Financial Services Authority
25 The North Colonnade
London
E14 5HS

Direct telephone: 020 7066 0084

Fax: 020 7066 9719

Email: innovation.fund@fsa.gov.uk

Website: www.fsa.gov.uk/financial_capability/

Annex A - Frequently asked questions

What sort of things do you fund?

- In short, any project that complies with our criteria. The Fund's aim is to encourage ways of improving financial capability that are new and innovative and that, if successful, are sustainable and can be rolled out elsewhere. By 'sustainable', we mean projects that could continue beyond their initial life with funding from elsewhere. We will evaluate applications against the criteria for making an award.

Do you part fund a project?

- We are happy to consider applications to fund a project that also attracts funding from other sources. We do not formally 'match' the amount of funds that can be raised elsewhere.

Who is eligible to apply?

- Any voluntary organisation that is formally constituted and financially sound, for instance, charitable organisations or local community groups. We may give preference to applications from organisations we have not worked with before on financial capability issues.
- Other organisations may still want to become involved in a project. However, the bid itself would need to put forward in partnership with a local voluntary organisation that would have formal responsibility for running and reporting on the project.

Do we need to have experience in running projects?

- While experience is not a pre-requisite for getting an award, we will need to feel confident that applicants can run the project for which they are seeking an award. We are therefore asking for a summary of any appropriate experience applicants or their staff have in running projects (or piloting a similar project).

How big is the Fund?

- A minimum of £100,000 is available for funding projects running up until 31 March 2007. A further sum of money may be available for new projects starting after this date but a decision on this has not yet been taken.

How much can I apply for?

- We expect the majority of awards to be between £5,000 and £20,000 but we are willing to consider larger awards.

Can I make more than one application?

- No. We want to see a range of organisations making use of the Fund. Where an organisation has more than one project in the pipeline, it needs to decide which one best fits the criteria for the Innovation Fund.

Can I apply for funding for a project lasting beyond 31 March 2007?

- No. The project must be concluded by 31 March 2007.

Is any part of the Fund reserved for certain purposes?

- No, but we would ideally want to spread the awards across a number of different projects, geographic areas and communities.

Where do I send the completed application form?

- To the:

Innovation Fund
Financial Capability
Financial Services Authority
25 The North Colonnade
London
E14 5HS

When is the deadline for applications?

- So we have sufficient time to assess the applications, including contacting and/or visiting some applicants (see below), completed application forms, together with all supporting documents, must arrive at our office by 15 September 2005. Application forms received after this date will not be accepted.

How will my application be assessed?

- All applications will need to pass an initial filter which will be based on the criteria for making an award.
- We will then shortlist those applications that best meet the criteria, while also considering geographic and community spread. This process will be based on the application form and other information, for instance we may want to talk to applicants about their proposals by phone or by visiting them.
- Finally, the applications that have been short listed will be reviewed and the award winners selected. This may involve further discussions or a site visit.

Who will evaluate the applications?

- The FSA will initially filter application forms in line with the criteria for the Fund. An evaluation panel will recommend which applications should be short listed and who should receive an award. The ultimate decision to make an award will rest with the FSA.

How long before I hear a decision?

- We expect to name all the award winners before 31 December 2005. Those applicants whose projects do not pass the initial filter will be informed by the end of October 2005 at the latest.

How will the award be paid?

- Funding will only be made on the basis of the terms and conditions set out in the letter which formally offers you an award. These terms and conditions are generally standard for project awards (e.g. the award only being used for specified purpose), but will also include some conditions tailored to the details of the particular project (e.g. staged payments for larger projects).

What will you ask for in return for making an award for a project?

- During the course of the project you will be required to keep us advised of progress, using a simple quarterly return form (a template will be sent to you with the offer of an award and will also be available on our website). We may wish to visit you at least once during the life of the project to discuss progress.
- Once the project has finished, we will require you to submit a final evaluation of all the work funded by the award. We may speak to others to verify this evaluation.
- You may also be asked to help us publicise the fund from time to time.

Where can I find up to date information on the status of the Fund?

- On our website: www.fsa.gov.uk/financial_capability/

The Financial Services Authority
June 2005

Annex B - Application Form

PLEASE READ THE NOTES IN ANNEX C BEFORE ATTEMPTING TO COMPLETE THIS FORM.

Part 1 – About your organisation

Name of organisation:.....

Address:.....

.....

.....

Website address (if your organisation has one):.....

Year of establishment:.....

Legal status:.....

(please include a copy of the organisation’s most recent annual report if there was one)

Reference number(s) if applicable (charity/company number, etc.):.....

Names of board members (or equivalent):

-
-
-
-

Does the organisation have a UK bank account?.....

Is the organisation financially secure? Please confirm or give details of any circumstances which may make it not secure – see Annex C (you should also include a copy of the organisation’s most recent set of financial statements signed by an external auditor where appropriate):.....

.....

Part 5 - Consent

By signing and returning this form, you consent to the FSA publishing the name of the organisation and a summary of your proposal on our website and otherwise as we see fit.

You should also be aware that the FSA was designated as a Public Authority for the purposes of The Freedom of Information Act 2000. Therefore, this application form and any other information you have provided with this application or that we obtain from you during the assessment of your application, could potentially be disclosed to anyone who makes a request in writing to us.

Main contact for this application named in part 1:

Signature:.....

Name in block capitals:.....

Position:.....

Date:.....

Member of board or management committee listed in part 1 and duly authorised to enter into agreements on behalf of the organisation:

Signature:.....

Name in block capitals:.....

Position:.....

Date:.....

Before returning this form, please tick to confirm that you have included the following:

Most recent annual report (where there is one):

Most recent Financial Statements:

THE DEADLINE FOR APPLICATIONS IS 15 SEPTEMBER 2005

Annex C – Notes to help you complete the application form

Part 1 – About your organisation

This section of the application form should be used to provide details of the organisation applying for an award.

You should provide the full name and address of the organisation, including a website address if the organisation has one.

Please tell us when your organisation was established. You should also specify the legal status of the organisation i.e. whether it is a charity, company or other type of organisation. Please include a copy of the most recent annual report or similar. In addition, please give the organisation's reference number(s) (e.g. charity number, company number, etc.).

List the names of the board or management committee (or equivalent members of the organisation – these will be the people who are responsible for the direction of the organisation).

Please confirm that the organisation has a bank account in the UK. You should also confirm that the organisation is financially secure. When answering this question please consider the following.

- Does the organisation have difficulty meeting its financial commitments?
- Has it any substantive outstanding legal actions against it?
- Are there any other circumstances which may cause it financial difficulties now or in the foreseeable future?

If any of these apply you should supply summary details.

A copy of the most recent financial statements should be included with the application (signed by an external auditor where appropriate).

You should tell us the geographical area and/or community the organisation operates in. Examples might be:

- a town, city, or region;

- other such as a ‘inner cities in [region of the UK]’; or
- ‘[a specified] community in London’ or ‘those with learning disabilities in [town]’.

Please also give the details of the person we should contact about the application if we need to and how you heard about the Financial Capability Innovation Fund.

Part 2 – About your project

Please tell us about your project and how it meets the criteria for the Innovation Fund (no more than one side of A4 please). You should also outline:

- when the project would be run and for how long;
- the amount of funding required, with details of how the budget has been arrived at;
- when the funding would be required (for larger projects this might including details of where staged payments could be linked to interim objectives); and
- about any plans for monitoring and evaluating the project.

Part 3 – About your experience in running projects

Please provide a summary of any relevant experience (no more than one side of A4 paper please). You should highlight any previous projects undertaken by the organisation, if any, which were similar to the one for which you are seeking an award, and what the outcomes of such projects were. You should also outline relevant experience of the key staff to be involved in the project and whether there has been any previous piloting or testing of the approach.


Part 4 - Other relevant information

Please briefly tell us about anything else that you think is relevant to your application but has not been mentioned elsewhere. Examples might be:

- brief details of any other organisations that will be involved in the project, whether they are financial partners (i.e. helping to finance the project) or involved in delivering the project; and
- you have some short relevant material you think it would be useful for us to see.

Part 5 - Consent

The application form must be signed by the main contact for the application and by a member of the board or management committee.



Financial Services Authority

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