

Sunderland CAP Debt Centre Partnership Business Plan

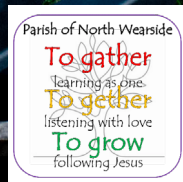
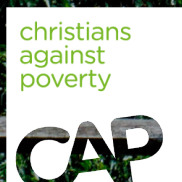


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Aims

1. To continue to provide a CAP Sunderland Debt Centre to lift individuals (and / or families) out of the cycle of debt.
2. To utilise the CAP debt service, offering sound financial support and advice, with a possibility in the future to open a further debt centre.
3. To set people free and introduce them to Jesus.

Overview of the Need in Sunderland for a Debt Centre

Research demonstrates that debt is particularly high in Sunderland and follows the trend of the national picture where the North East has the highest level of regional indebtedness.

The headline statistics reveal the following trends:

1. Sunderland has a high borrowing rate against its income rate; people are borrowing on average 20% of their income per person. (Median income in Sunderland is significantly below the national average £450 pw vs national average of £520 pw).
2. Sunderland has a high rate of unsecured personal loan debt against national measures.
3. Sunderland has the highest national category of CCJs (County Court Judgements) per 100,000 people.

You can read the whole report here (it was published in Apr 2020):

<https://www.centreforcities.org/wp-content/uploads/2020/04/Household-debt-and-problem-debt-in-British-cities-1.pdf>

Couple this with the fact that 39% of children grow up in poverty, many young people grow up without an understanding of finance, debt management and aspiration towards skilled work and this cycle looks set to continue. One report has said that child poverty decreased from 2000 - 2010 but has increased from 2011 - 2020. Coronavirus will only further adversely affects these statistics.

From the point of view of clients, this will also mean those in need of help and support is only going to increase over the next five years.

The Partnership

The need is clear. A partnership between churches in Sunderland has been formed.

The agreement is to adopt a partnership model, whereby the FIVE lead churches who are pioneering the project, are committing to it long term.

The partner churches are:

- North Wearside Parish
- Redeemed Christian Church of God, Living Praise Sunderland
- Hope City Church, Sunderland
- Oxclose Resource Church
- Catalyst

The partnership means that the five churches are committed to £100 per calendar month (the platinum level) over the next three years.

These members would form the executive team for the project and meet where required to ensure the long term success and growth of the project.

Monitoring and Tracking (incl. KPIs)

Based on the figures provided by CAP, here's the targets:

	Year 1	Year 2	Year 3
Annual client appointments	30	40	50
Percentage who become active CAP clients	86% (based on 18/19 figures)	87%	88%
Percentage of debt free by following year	-	45%	47%
Percentage who respond to the gospel	22%	23%	24%

These KPIs equate to meeting **2-4 clients every month in the first year.**

Finances

In the table below, there is a simple table showing what we expect the annual budget to be for the next three years. These costings are based on an increasing need (something the most up to date forecastings are suggesting) for the debt service following the economic impact from coronavirus.

TABLE 1 - Annual budget over three years

	Year 1	Year 2	Year 3
Overall annual budget	£20,040	£25,000	£30,000
Contributions from supporters	£10,020	£12,500	£15,000
Shortfall requiring external funding	£10,020	£12,500	£15,000

A more detailed breakdown for Year 1 based on a salary of £20,220 at a pro-rata rate of 16 hours for the first year, can be found in Appendix 1.

It is expected that in Year 2, this would rise to 22.5 hours a week and in Year 3 to 26 hours.

Another consideration is a potential increased contribution to CAP. CAP's banding for up to 5 clients per month requires a £600 contribution per month. Even in the increased KPIs in the previous section an annual number of 50 equals just over 4 per month, meaning the contribution should remain the same.

Funding Model / Strategy - subscription based, local giving

Below is a table which shows subscribers needed per month to balance the budget. The table details exactly how many contributors we need, to balance the WHOLE contributor budget for each year.

	Platinum	Gold	Silver	Bronze
Cost ppm	£100	£75	£50	£25
Number of subscribers required	9	12	18	34
Y1				
Y2	11	14	21	42
Y3	13	17	25	50

It is important to note for Year 1 we already have commitment from the partner churches to contribute £100 per month, meaning we have assured income of £500 per month. This means that we only require a further £335.

We would, furthermore, encourage ONE-OFF Giving.

We would be initially seeking a THREE year commitment from all subscribers.

Funding Strategy Part 2 - External Funding

External funding will be required, as there is a clear shortfall.

Based on the above figures this would need to be a £10,000 per annum for the first year and then increasing as detailed in Table 1.

The overall sum for the three years is £37,500 (10,000 [Y1] + 12,500 [Y2] + 15,000 [Y3]).

With set up costs £38,760.

I would expect us to aim for £39,000.

Management and Oversight

Julia (the area manager) will meet with the centre manager of the Debt Centre once a month initially to ensure oversight and then quarterly thereafter.

To ensure training is up to date, the centre manager will be expected to attend training days and cluster meetings with CAP. These are currently online due to COVID-19 restrictions.

There is also a buddy system so the new centre manager is 'buddied' with a more experienced one.

Appendix 1 - Breakdown of Annual Budget for Y1

Sunderland CAP Debt Centre			
Costs	Monthly		Annually
Salary (based on part time)	£808.80		£9705.60
Employer NI	£12.52		£150.24
Pension contribution	£8.66		£103.92
CAP contribution	£600		£7,200
Travel expenses	£100		£1,200
Mobile phone expenses	£30		£360
Welfare / crisis fund	£30		£360
Management / HR incidental costs	£80		£960
Total costings	£1,669.96		£20,039.76
Income			
Contributions from supporters	£835		£10,020
Shortfall	£835		£10,020

* Set up costs

Printer / photocopier: £327.60

Laptop: £399

Office chair / desk: £93.60 / £238.80

Filing cabinet: £136.80

Coffee machine: £65

Total: £1260.80

Appendix 2 - Timeline

The proposed timeline for the launch in April 2021

- **November 2020** - Sign partnership agreement with CAP (completed)
- **November / December 2020** - Advertise and identify Debt Centre manager.
- **December 2020** - Share our nomination with CAP. Agreement in principle.
- **January 2021** - Send out letter, announcing then launch of the Debt Centre, and link with Sunderland Connect.
- **January 2021** - Meet at Partnership Executive Team to update on funding and recruitment. Create any action plans as required.
- **January 2021** - Meet with Theresa Finch and ask for introduction to Gentoo contact, outlining the service we will be offering and begin that relationship. Reconnect in March too, following Debt Centre manager training.
- **January - March 2021** - Announce plans to our congregations and begin canvassing for support and subscriptions.
- **March 2021** - Application for Debt Centre Manager deadline Friday 5th March. Interviews for post Friday 5th March.
- **17 May 2021** - Stage 1 Training of Debt Centre Manager begins.
- **May 2021** - Set up CAP debt centre office in lead church premises, North Wearside Parish.
- **May 2021** - Run a series of services which highlight the future work of CAP (optional depending on how you feel this best works in your church context). Use this as an opportunity to inspire volunteer helpers to become involved. Contact local media outlets and do a press release in advance of Centre launch.
- **June 2021** - Launch services in all partner churches.
- **June 2021** - Launch Sunderland Cap Debt Centre.

Thank you for reading.