

Appendix 3

Preparing the Business Plan

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This guide has been prepared by Bath & North East Somerset Council to provide support for organisations wishing to apply for a Community Asset Transfer. It focusses on the areas where the business plan will be assessed. This is only intended as a guide and the applicant must ensure that it has demonstrated it has met the criteria for the Community Asset Transfer as detailed above in 8.

1. About the organisation

An outline of your organisation's aims, objectives, track record and legal status. You should also describe:

- the services and activities your organisation currently provides, how these are run and who benefits from your work.
- the organisation's management structure, decision making process, committees and other governance arrangements
- The roles and responsibilities of trustees, staff, volunteers and their involvement in the project with reference to their relevant skills, experience and expertise, and their current and future involvement in this project.
- Evidence of track record of effective governance through open and accountable processes, with adequate monitoring, evaluation and financial management systems.

Supporting documents / information

- *Legal Status/ Details of Charity Number / Company Registration Number/ Date of registration*
- *Copy of the Governing documents*
- *Copies of insurance documents Public Liability Insurance = £5m, Employer's (Compulsory) Liability Insurance = £5m and any other relevant insurances.*
- *Other supporting documentation such as annual reports, minutes of meetings*

2. The vision for the future use of the building or land

This section should describe how the Community Asset Transfer will help deliver your objectives including:

- A description of what you are trying to achieve.
- About the asset, its location, size and capacity.
- How you would operate the asset and service?
- What have you achieved so far?
- What services you intend to deliver?
- How you would develop any community activities?
- Details of the type of Community Asset Transfer required including the length of lease sought and the reasons why.
- How you are contributing towards the Council's Corporate priorities
- Any relevant research, studies or other data that has been collected.
- You may also wish to also include a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats analysis)

3. The need and benefits

The organisation will need to identify the needs that will be met by the Community Asset Transfer as well as demonstrating how you will benefit as wide and diverse range of local people as possible. Including details about:

- The community (whether a geographical one or community of interest) your project is seeking to serve
- Who are the existing and target beneficiaries?
- Details of the anticipated benefits that the Community Asset Transfer will produce and how these will be measured
- What community support do you have for your proposal?
- Knowledge of other relevant existing community services and facilities
- What partnerships have been put in place or what opportunities are you exploring to work collaboratively and build partnerships

Supporting documents

- *Include results from any community consultation exercises you have undertaken (including the methodology used, the results and the conclusions you are drawing from this) and plans for further consultation*
- *Evidence of support from key partners, stakeholders and potential funders*

4. Impact of the activities

Include in this section details of the activities, the outputs and outcomes of your project and what the longer term impact will be. Below is an example of how you can assess the impact.

| What did you do? | What happened as a direct result of the activity? | What longer term change occurred as a result | What big picture change has happened? |
|--|--|--|---|
| Social impacts | | | |
| <ul style="list-style-type: none"> • Community lunch club for older residents | <ul style="list-style-type: none"> • 40 individuals attended the lunch club weekly | <ul style="list-style-type: none"> • Provided nutritious meals for older residents • Used surplus food from local supermarkets | <ul style="list-style-type: none"> • Reduced isolation and loneliness in older residents • Improved the wellbeing of older people |
| Economic impacts | | | |
| <ul style="list-style-type: none"> • Jobs creation/support for existing jobs and training | <ul style="list-style-type: none"> • 2 jobs created • 10 training courses held | <ul style="list-style-type: none"> • Opportunities for local employment • Improving the skills of local people | <ul style="list-style-type: none"> • Reduced unemployment |
| Environmental impacts | | | |
| <ul style="list-style-type: none"> • Local activities for older residents | <ul style="list-style-type: none"> • 10 out of town journeys saved | <ul style="list-style-type: none"> • Extending the services and facilities for local residents | <ul style="list-style-type: none"> • Reduction in carbon emissions reducing the need to travel |

5. Project resources

The organisation will need a range of resources. You will need demonstrate that the you have a proven track record of successfully managing a community building or land or that

you have board members that have community and voluntary sector experience. Include in this section details regarding:

Staffing and volunteer resources

- the staff and volunteers who will deliver this project and their roles.
- the number of staff and volunteer roles that will be created for this project including a structure diagram and the reporting lines for the project.
- How do you ensure that staff and volunteers have skills/knowledge relating to safeguarding, equalities and health and safety duties? Trustees in particular should demonstrate that they are aware of their legal responsibilities and have undertaken relevant training where required.
- any recruitment or training plans including timescales and costs.

Management and supervision resources (organisation structure and project structure)

- how staff, volunteers, consultants and other human resources within the project will be managed.
- who will manage the finances and what experience they have.
- the arrangements you have for managing your current work and any new arrangements that will be put in place for this project.
- what policies the organisation already has and what policies the organisation will have to develop to deliver this project.
- who will be responsible for ensuring regulatory compliance with health and safety, food safety and licensing legislation etc, where applicable.
- what training and experience do key staff have to enable them to carry out their roles effectively.

Partnership working and stakeholders

- who are your partners.
- what their role will be.
- what the advantage of involving them is how you will manage the partnership.
- what commitment to the project they have provided their relevant experience.

Supporting documents

- *Copies of the all the organisations policies and procedures such as HR policies, volunteer management, GDPR etc.*
- *Copies of insurance policies including employers liability, trustees insurance etc.*

6. Managing the building or land

The organisation will need to demonstrate how it will effectively manage the building or land, taking account of health and safety, licences and permits, ongoing maintenance as well as demonstrating the practical skill and knowledge needed to run the building. In this section you will need to consider, not all questions will relate to your building or land:-

- How energy efficient is the building? Do you have plans to reduce our utility bills?
- What recycling and waste collections have you put in place?
- Do you have a Health and Safety policy? Have you undertaken a risk assessment?
- Have you produced a fire evacuation plan? Do you have a fire marshal?
- What first aid provision do you have in place?
- What do you need to do to run a café or bar in the building?
- What insurance do you need to run the building or land?
- What hire policies do you need for your building?

- What licences will you need to play music / radio in your building?
- What training have you considered for your staff, volunteers?
- Where can you get training in building or land management?
- Are there roles that will need to have a Disclosure and Barring check?
- Who is responsible if things go wrong?
- What kind of regular maintenance do you need to do?
- What kinds of repairs or improvements need building regulation approval, planning application or listed building consent?
- What arrangements are in place to manage and maintain the land?
- Do you need a change of use permission to incorporate all your uses?

Supporting documents

- *Copies of all the organisations policies and procedures including the Health and Safety Policy, Risk assessment*
- *Copies of insurance policy*

7. Equalities, accessibility and diversity

The organisation will need to demonstrate how it will make sure the premises operates in a non-discriminatory way: how the plans ensure that all sections of the community are included and potential barriers to access are identified and addressed. Consideration should be given to employees, volunteers and service users. The organisation's equalities policy should ensure it addresses all of the nine protected characteristics of the Equality Act 2010.

Your organisation will need to demonstrate :-

- How it will proactively work to promote equality, eliminate discrimination, and foster good relations?
- How it will encourage new groups to form to meet community needs?
- How it will offer a neutral and accessible space that is welcoming to all sections of the community?
- What are your legal obligations for working with children, young people or vulnerable adults?

Below are a number of scenarios which may help you consider how you will respond to the different needs of the community

- The management committee wants to ban the youth group from using the hall because they broke a window last time they used it. What should you do?
- The building or land is not very accessible for people with mobility impairments or wheelchair users. What can you do?
- A women's group wants to stop men coming into the building when they are there. What should we do?

Supporting documents

- *A copy of the Equality and Diversity policy*

8. Project delivery

This section should include detailed information about the project, the jobs it will create (if relevant); volunteering opportunities; and describe any services or activities it will provide. Also include issues such as planning and licencing permissions that you will need.

Include:

- activities and services delivered
- how many jobs will be created, including whether they will be full-time, part time, temporary, seasonal or permanent (if applicable)
- a project timetable which includes all the relevant activities or services of the project, stating when they are due to happen and how long they are likely to take after the project is launched.
- You should also include key milestones as part of the Community Asset Transfer including details of the first two/three years of operation and on-going strategy for maintaining the asset/service.
- Planning or licencing applications may be required and may affect your timescale and budget

9. Monitoring and evaluation frameworks

This section should provide a detailed description of how monitor activity including:

- how you will measure and track the progress
- the methods you will use to monitor the progress of your project
- how you plan to monitor the long-term impact of the project
- how you will use the information that you gather to improve the delivery of your project
- how you will involve the project beneficiaries in monitoring the project.

10. Risk analysis

The business plan must include an assessment of the risks associated with the project to see if there are any weaknesses or threats to the viability of your project. There are many ways of assessing the risks to a project such as completing:

- a risk register that identifies risks to your project, the likely impact if the risk occurred and how the risk will be managed. Consider the key legal, planning, insurance and health and safety matters associated with project (see above in 6)
- an analysis of your project's strengths, weaknesses, opportunities and threats (SWOT analysis)
- a PEST (political, economic, social and technological) analysis of the factors which may impact on the environment in which your project operates.
- Risk analysis is most useful when the key stakeholders of a project take part in doing it. This allows for wider stakeholder considerations to be taken into account. Once the key risks have been identified your plan should explain how these would be managed.

11. Project costs

The organisation will need to show how the project is financially sustainable over the life of the business plan and how you have addressed any financial liabilities. The income and expenditure template below may assist in providing a detailed breakdown of the budget. The level of detail that is included within this section will vary according to the type and scale of the project. In this section you should address:

- project expenditure requirements for at least a five year period
- project funding requirements
- sources of income, (such as grants, donations, rental/room hire, sales etc)

- including details of any assumptions behind your projections, funding, reserves)
- In-kind donations, such as volunteer hours
- details explaining how you will repay any money you have borrowed to fund your project

If the project includes capital expenditure, any financial projections provided should account for the periods of development, construction and operation of the project. Accordingly the business plan should account for the costs of developing and building your project as well as the costs of recruiting and employing staff and volunteers, operation and maintenance, and other specific items of expenditure.

Note - Calculating Volunteer in-kind costs

The easiest and simplest way to calculate the economic value of volunteers' contribution is to use the formula below:-

Total Volunteer Cost = the number of volunteers x average number of hours x national minimum wage hourly rate.

The current rate (25s and over) for 2018 is £7.83.

Supporting documents

- *Copies of Audited End of Year Accounts*

Five Year Income and Expenditure Template

| Income | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 |
|--|------|------|------|------|------|
| Start-up funding | | | | | |
| Grants | | | | | |
| Rental/ room hire | | | | | |
| Other income eg: Café, Shop | | | | | |
| Volunteer time in kind | | | | | |
| Fundraising | | | | | |
| Total Income | | | | | |
| Expenditure | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 |
| Salaries including on-costs of NI, Pensions, management, Staff, volunteer time in kind | | | | | |
| Training and development | | | | | |
| Caretaking/ cleaning costs: materials, Refuse collection, Security | | | | | |
| Utilities: Water, Electricity, Gas | | | | | |
| Rent / Mortgage | | | | | |
| Building / land management fees | | | | | |
| Business Rates | | | | | |
| Repairs and Maintenance | | | | | |
| Transport and Travel | | | | | |
| Centre Supplies: Furniture, IT, clothing, equipment | | | | | |
| Telephones and Internet | | | | | |
| Promotion and publicity | | | | | |
| Insurances and Professional Fees: Property, Public liability & Employers insurance, Performing rights, Accountancy and legal fees, Architects fees, Consultancy fees | | | | | |
| Other | | | | | |
| Total Expenditure | | | | | |