

East Birmingham Coalition for Impact Programme –Community Asset Support

**Workshop 5: Business Planning – 27th February
2025**



**Funded by
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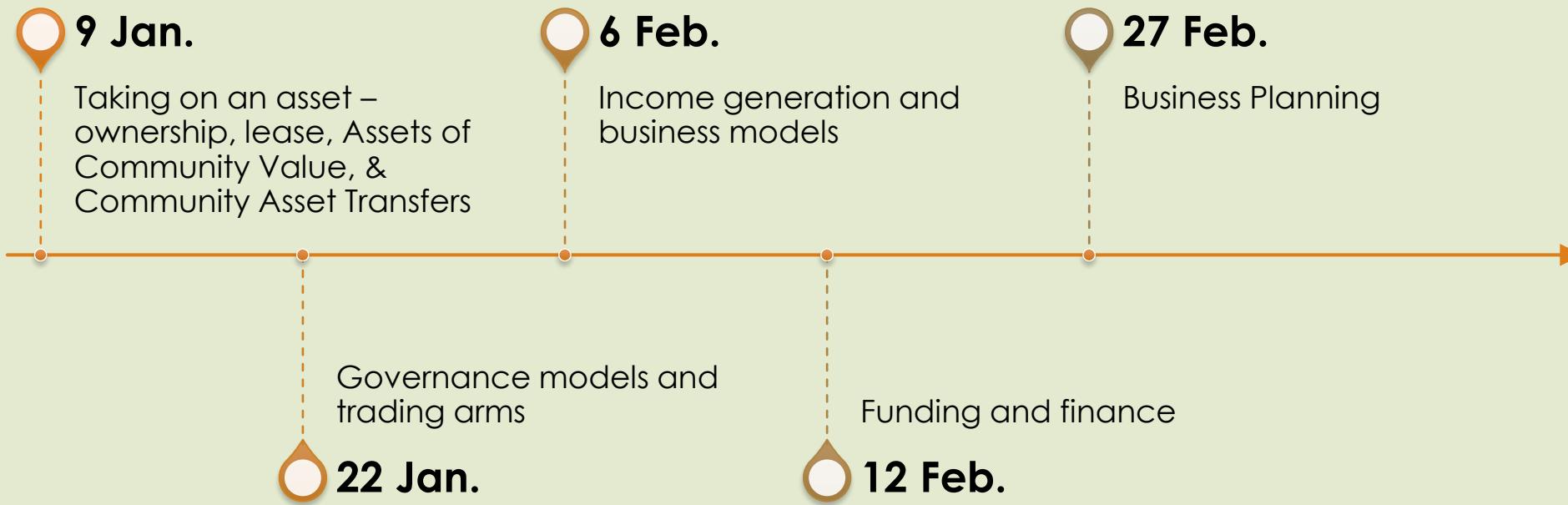
**West Midlands
Combined Authority**



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What is a Business Plan?

A business plan is an essential written document that provides a description and overview of your organisation's future. All organisations should have a business plan. The plan should explain your strategy and your key goals to get from where you are now to where you want to be in the future.

Strategic Plan or Business Plan

Strategy

A set of high-level decisions that set priorities and purpose. These decisions are based on what you believe are the best way of achieving your mission, and where you believe your organisation is best placed to make a difference.

Business Plan

A much more detailed description of how you'll achieve your aims, the market in which you're operating and the resources you'll need.

It should include an operational plan that describes your main activities or outputs, and important milestones, timescales and performance indicators.

A business plan is



a live document that you refer to regularly and which can be changed and updated



a great way to showcase your organisation, passion and creativity



a way of showing how you achieve social impact



a tool to help guide your actions and steer you towards your aims



an opportunity to work out your finances and demonstrate your financial sustainability



a statement of where you are now and where you want to be.



Why are you writing a business plan?

	Who will read it?	What should you focus on?
You're an existing charity that wants to start trading	Board, existing partners or funders, bank manager	Robust financial planning and realistic forecasts, thorough market research and marketing strategy
You're applying for social investment for a new building	Social investment provider, bank manager	Strong financial planning and forecasts, social impact, a clear ask
You're applying for a major grant from a new funder	Funding officer, funding committee	Impact and outcomes, value for money
You're about to launch a big push for new donors	General public, existing donors, press and media	Being easy to read, accessible – perhaps publish on your website Being visual, with key social impact statements drawn out Clear aims and objectives with a roadmap of how you'll use donations to get you there

What should
be in your
business
plan?

Executive Summary

- ▶ Opportunity to make a good first impression.
- ▶ A snapshot of what the organisation does
- ▶ Where you are now.
- ▶ Where you want to go.
- ▶ How you will get there.



About your organisation

Details of your organisation

- Name of organisation
- Address of organisation including postcode
- Contact name and details
- Legal form – e.g. charitable company, community interest company, community benefit society and registration numbers
- Give details if the organisation is part of a group structure, has trading subsidiaries, is a subsidiary of a parent organisation or there are any other complexities relating to legal structure.

Mission and objectives

- A mission - usually a general statement about your purpose
- Objectives - specific actions to achieve a goal

Background to your organisation

- How you were founded
- What your organisation currently does
- Social Impact
- Financial track record

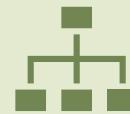
Governance



A description of your legal structure



Details of your membership system if you have one, including who can be a member, any fees, etc



Information on how the board/management committee is elected/recruited, including succession plans.



Information on current members of the board/management committee with a pen portrait of each



Examples of how the organisation is accountable to its members and to the wider community



Management

Details of experience in managing a community project

Details of current staffing and volunteers

Details of policies in place to manage the organisation and the asset – no need to include the actual policies

Details of systems to manage the organisation and asset – HR, accounting, customer relationship management, etc.

Evidence of how you manage finances and details of your fraud prevention measures to help protect you from fraudulent activities.

Explanation of how you manage the performance of the organisation and the staff and/or volunteers of the organisation

About the building

- ▶ Description of the asset you plan to purchase, lease or refurbish
- ▶ Where it is and its current ownership
- ▶ Details of how the asset is currently used and/or will be used in the future
- ▶ Information on any feasibility work undertaken on the asset
- ▶ Details of any valuation and/or condition survey on the asset
- ▶ If relevant, details of the purchase process e.g. bidding at the end of the Asset of Community Value moratorium period, in private negotiations, sale price agreed with the owner
- ▶ Any restrictions on the freehold
- ▶ If leasehold, details of the freeholder
- ▶ Length and terms of the leasehold (e.g. fully repairing and insuring)



Products and services

Detailed description of what you are going to do to generate an income, for example

- Room hire – what sort of rooms, when will they be available, what facilities will they have, will catering be an option, etc
- Community cinema – what sort of films, when will they be shown, etc

Description of day-to-day operations which will make these activities happen

- Opening hours, staffing required, volunteers required, etc.

Details of any roles you need to recruit to run the asset

- Job title and main responsibilities
- Work you have done to test the local recruitment market

The Market / Customers

- ▶ Who will buy your goods/services?
- ▶ What does your ideal customer look like? Remember your customers are not necessarily your current users or beneficiaries
- ▶ Why will customers buy from you? What is your USP?
- ▶ Market research including trends such as change in age group, people moving in, features such as the seasonal effects of tourism
- ▶ What have you done to test demand? How do you know people want what you are offering? Is it the right product?
- ▶ How much will they pay?

Marketing and sales



Who are the
customers?



What do we want
to tell them?



How am I going
to tell them?

Competitors

Venue	Location	Facilities	Pricing	Capacity	Outdoor space
The Old Bath House & Community Centre	Community Centre Road	4 main rooms for hire plus additional office space.	£2ph to £30ph depending on the size of room and booking organisation.	Booked mornings, lunchtime and evenings, by long-term and repeat bookings.	No
Greenleys Community Centre	Greenleys Road	Several spaces to hire including a large main hall, room with pool table and a small meeting room.		The core of use (and income) comes from a 5 day a week playschool. There is also a youth club two evenings a week.	No
York House, Stony Stratford	Located 3 miles from	Six rooms to hire, including a Main Hall with bar area and kitchen, Ground-floor meeting room and meeting room.	Hire rates vary and range from £9 to £20 per hour for the main hall.		Yes
Who	Where	What type of films	Price		
Cineworld	City Centre	First release Blockbusters	£16 Adult £10 Child		



Financial Projections

What capital you need to raise and where it is going to come from

Detailed assumptions that sit behind the financial projections

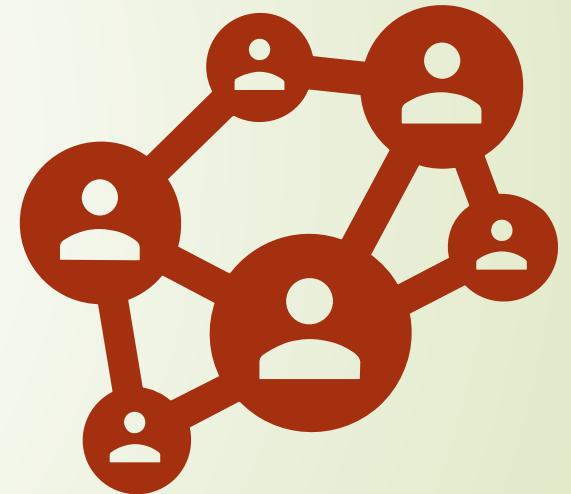
Five-year profit and loss projections

Cashflow – monthly for first few years, then annually

Five-year balance sheet projections

Social Impact

- ▶ The benefits of the project (social, economic, environmental, etc)
- ▶ Information on social impact – e.g. theory of change, logic model.
- ▶ What tools you will use to measure social impact
- ▶ Details of how benefits fit with community priorities established through community consultation and involvement.



Action Plan



KEY MILESTONES/TIMELINES
AND ASSOCIATED ACTIVITIES



COSTS AND PERSONNEL
REQUIREMENTS

Category	Description of risk	Impact	Probability	Score before mitigation	Responsibility	Actions to Mitigate	Impact after actions	Probability after actions	Revised score
Governance	Failure to recruit and retain sufficient board members	4	3	12	Chair	Succession plan in place Annual recruitment drive Trustee training opportunities	4	1	4
Governance	Unmanaged conflicts of interest	3	2	6	Chair	Conflict of interest policy in place Regular training for board and staff Charity governance code adopted	3	1	3
Financial	Income more than 10% below budget	5	3	15	CEO	Regular management accounts reviewed by board Implementation of remedial actions identified by board has very high priority Overdraft facility in place to deal with short term cashflow issues	3	2	6
Financial	Expenditure more than 10% above budget	5	3	15	CEO	Regular management accounts reviewed by board Procurement policy in place Seek good value contracts which give price security for a number of years Implementation of remedial actions identified by board has very high priority	3	2	6
Operational	Serious accident on premises	5	3	15	CEO	Health and safety policy in place and regularly reviewed Significant hazards identified and safety works undertaken Regular staff training on health and safety Insurance policy in place	3	1	3
Operational	Failure to recruit to essential posts	4	2	8	CEO	Recruitment process in place including advertising strategy Staff training in place to ensure cover for essential delivery Regular board review of salary levels, terms and conditions	3	1	3
Compliance	Failure to make required returns to Companies house, Charity commission, FCA, etc.	3	3	9	Finance Manager	Clear process in place including alerts Oversight by CEO	3	1	3
Compliance	Failure to submit required documentation to funders	5	3	15	CEO	Transparent information on terms and conditions of grants and contracts provided to board and senior staff including reporting requirements Oversight by board	5	1	5
External	Changes in government policy affecting service delivery	4	2	8	CEO	Monitor proposed changes to give as long as possible to take mitigating action	4	2	8
External	Changes in personnel in partner organisations	3	4	12	CEO	Build multiple links within partner organisations Keep in regular contact	2	1	2
Asset	Cost of refurbishment works comes in above estimate	5	3	15	CEO	Project costs based on professional assessment Include significant contingency at planning stage	3	2	6
Asset	Contractor goes out of business during the build	5	3	15	CEO	Research potential contractors prior to award of contract	5	2	10
Specific	Young person is bullied while attending a youth session	4	4	16	CEO	Safeguarding policy in place Safeguarding training for staff and volunteers Anti-bullying message part of all youth work	4	2	8
Specific	Staff member threatened or injured during one-to-one advice session	4	4	16	CEO	Health and safety and lone worker policies in place Training on managing difficult situations for all advice workers Triage to identify risky situations Second staff member present during advice session if triage identifies a risk	4	2	8



Appendices!

My favourite bit

What makes a good business plan?



IT'S CLEAR AND READABLE



IT'S REALISTIC



IT INSPIRES CONFIDENCE THAT
YOU CAN DO WHAT YOU SAY
YOU ARE GOING TO



Resources

- ▶ Cashflow Forecast - <https://mycommunity.org.uk/how-to-create-a-cashflow-forecast>
- ▶ Project plan and risk register template - <https://www.heritagefund.org.uk/funding/national-lottery-heritage-grants-10k-250k/project-plan-risks-template-0>
- ▶ [A business planning guide to developing a social enterprise](#)
- ▶ myCommunity - <https://mycommunity.org.uk/>
- ▶ Financial Forecasting - <https://mycommunity.org.uk/how-to-forecast-financial-information>