

Bath & North East Somerset Council

## Future of Modern Libraries



# A guide to writing a Business Plan

## For Community Asset Transfers

For organisations interested in managing a Community Run Library



## **Bath & North East Somerset Council**

### **A guide to writing a Business Plan**

This guide has been prepared by Bath & North East Somerset Council to provide support for organisations wishing to develop a Community Run Library. While every effort has been made to ensure the accuracy of the information given in the guide, the Council does not accept liability for loss of any kind resulting from the use made by any person of such information.

#### **What should you include in a Business Plan?**

This should be submitted with your stage two application form and should include the following sections:

1. Executive summary
2. Organisation summary
3. Project background
4. The Market
5. Project delivery
6. Project resources
7. Project costs
8. Marketing, communications and sales
9. Monitoring and evaluation frameworks
10. Risk analysis
11. Useful references

#### **1. Executive summary**

This should be a concise summary of your business plan highlighting the most important features of your project. No more than one page. Included in the summary should be:-

- A short description about your project, what it will achieve and who will benefit
- About your organisation, and your aims and objectives
- Project timescales and how it will be funded initially and on-going.
- Key stakeholders and partners and how you will work with them.

#### **2. Organisation summary**

This section should include 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.
- How you would develop any community activities?
- How you would operate the asset and service?
- Details of current policies and procedures including those you will put in place.
- Provide support evidence such as accounts, minutes, annual reports and constitutions.
- You may also wish to also include a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats analysis)

### **3. Project background**

This section should describe the project and how it has been developed including:

- a description of the project, what you are trying to achieve, what have you achieved so far, what services you intend to deliver, any relevant research, studies or other data that has been collected.

### **4. The Market**

In this section you should include details about your beneficiaries as well as:

- The community (whether a geographical one or community of interest) your project is seeking to serve
- Who are the existing and target beneficiaries?
- What community support do you have for your proposal? 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
- 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.

### **5. 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. Include:

- where the project will be 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.

You should demonstrate how you will address any difficulties people may have in finding out about or getting involved in your project. For example, they might need to care for someone, have communication needs, have values or traditions that are different from

others, or they may find it difficult to access because of where it is or when it happens.

## **6. Project resources**

To deliver your project you will need a range of resources. These will include:

### **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.
- Are there skills relating to safeguarding, health and safety, duties as an employer and equalities. Trustees in particular should demonstrate that they are aware of their responsibilities.
- 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 project 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 (for example, health and safety, finance, safeguarding, GDPR) the organisation already has and what policies the organisation will have to develop to deliver this project.

### **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.

## **7. Project costs**

Your project costs should be set out in detail. Use the income and expenditure template in appendix 1 to provide 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 two year period
- project funding requirements
- sources of income, (such as grants, donations, 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.

## **8. 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.

## **9. Marketing, communications and sales**

This section should describe your target audience and the communication methods used to publicise your project and its achievements.

## **10. Monitoring and evaluation frameworks**

This section should provide a detailed description of how the project will be monitored 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.

## **11. 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
- 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.

## **12. Useful references**

- Community Managed Libraries Network – [Business Plan Template](#)
- Community Managed Libraries Network - [Sample Library Business Plan](#)

For more information about Community Asset Transfer:-

- [My Community Asset Transfers](#)
- [Understanding the community ownership/management options relating to public assets](#)

**Appendix 1 - Income and Expenditure Template**

<b>Income</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>
Start-up funding					
Grants					
Rental/ room hire					
Other income: Vending, Café, Shop					
Volunteer time in kind					
Fundraising					
<b>Total Income</b>					
<b>Expenditure</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>	<b>Yr 4</b>	<b>Yr 5</b>
Salaries including on-costs of NI, Pensions, Management, Staff, volunteer time in kind					
Training and development					
Caretaking/ cleaning costs: Cleaning materials, Refuse collection, Security					
Utilities: Water, Electricity, Gas					
Rent / Mortgage					
Building 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 insurance, Public liability & Employers insurance, Performing rights, Accountancy and legal fees, Architects fees, Consultancy fees					
Other					
<b>Total Expenditure</b>					