

Scotland
Your project business plan



Scotland – Your project business plan

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Accessibility

Also available upon request in other formats including large print.

Our equality principles

Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion. Please visit our website for more information.

We care about the environment

The Big Lottery Fund in Scotland is working towards sustainable development and the use of sustainable resources.

Our mission

We are committed to bringing real improvements to communities and the lives of people most in need.

Our values

We have identified seven values that underpin our work: fairness; accessibility; strategic focus; involving people; innovation; enabling; additional to government.

The Big Lottery Fund is committed to valuing diversity and promoting equality of opportunity, both as a grantmaker and employer. The Big Lottery Fund will aim to adopt an inclusive approach to ensure grant applicants and recipients, stakeholders, job applicants and employees are treated fairly.

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Your project business plan

If you have received this guidance you must send us a business plan for your project with your completed application form. We will use your business plan to assess your project and make a decision on whether to award you a grant. If you already have a business plan for your project, then there is no need for you to produce another. However, you must make sure that the information we ask for below is contained within your business plan and that it is up-to-date and relevant to your project.

Your business plan should cover the full period of the length of the grant you are applying to us for. The business plan you submit with your completed application should be specifically related and only include reference to the project that you are applying to us for. Please do not submit a general business plan for your organisation, as we will not be able to assess your application without a full project business plan.

The business plan should be typed and the pages numbered. It should include the following information:

- executive summary
- organisation summary
- project background
- strategic context
- project delivery
- project resources
- project costs
- financial appraisal
- marketing and communications strategy
- monitoring/ evaluation plan
- risk analysis
- supporting information.

Executive summary

This should be a concise summary of the overall business plan which highlights the most important features of your project including:

- a short description of the scope of your project, including what it will do, what it will achieve and who will benefit from it
- a summary of how you are going to deliver the project, including timetable, budget and resources
- who the key stakeholders and partners are and how you will work them.

Organisation summary (department in the case of Local Authorities)

This section should include an outline of your organisation's aims, objectives and legal status.

Describe the:

- services and/or activities your organisation currently provides, how these are delivered and who benefits from your work
- organisation's management structure, decision making processes and key lines of communication or reporting
- roles and responsibilities of the board members or trustees and senior management team, with reference to their relevant skills, experience and expertise and their current and future involvement in this project.

Identify other organisations and stakeholders you work with, including details of any partnership arrangements you might have with them.

Provide details of other projects you have delivered that were similar to this project, how successful they were and what you learnt from them.

Project background

This section should describe how the project has been developed to date and why you are the best organisation to deliver the project. Give a clear summary of the history of your project, with reference to any relevant studies, research and consultation that has been carried out.

You may include details of any costs incurred in bringing your project to this stage and identify what has been achieved as a result. In particular, this should reflect project development work carried out as a result of any development funding received from us and include any findings.

Strategic context

This section should describe the aim and outcomes of your project including:

- the need that your project aims to address
- the outcomes and benefits your project aims to achieve
- how your project will achieve the outcomes.

this section should also describe or make reference to:

- the different ways that you have researched the need for this work
- specific evidence of the level of need that exists in the area that you intend to benefit
- any work that other organisations or individuals have done that supports your evidence of need
- the organisations that the project targets, how many organisations are affected by the needs your project addresses, what their needs are and how you have consulted and involved them
- the options that were considered for meeting the identified need and delivering the proposed outcomes and the reasons for choosing the option proposed
- existing complementary or competing services or projects which already address the needs of the project beneficiaries and how this project adds value to these services or projects. you must demonstrate that your project does not duplicate existing provision

- any relevant links with other projects locally, regionally or nationally, how your project complements these and, if applicable, how your project benefits from being part of a larger initiative
- the relationship between your project and relevant local, regional or national plans.

Project delivery

This section should include detailed information about the project and describe the services, activities and facilities it will provide. In describing these, detailed consideration should be given to the strategic context for the project and how it will deliver the option you have chosen for meeting the need you have identified.

Other areas that are addressed in this section may include:

- where the project will be delivered
- the target users for the project, making reference to relevant market research and your needs analysis
- the total number of people or organisations that experience the need that this project addresses and what percentage the project will reach
- how you will reach the proposed beneficiaries of your project
- a description of how the project will be open and accessible and how any barriers to using the services, activities or facilities will be addressed
- tell us how your project meets our equality principles, listed in the guidance notes.

This section should also include a project plan or timetable. This should include all the relevant activities or services of the project, stating when they are due to happen and how long they are likely to take.

This information may be presented in a Gantt or PERT chart format. All projects have a critical path, which is the order in which events must take place for the project to run on schedule. You should ensure the outcome milestones detailed in your application reflect the timetable and critical path included within the business plan.

Project resources

You will need a range of resources to deliver your project. In this section, describe how the project will be managed, the staff and volunteer resources required and include:

Staff resources

- ▶ Details of the staff who will lead on delivering this project and their roles.
- ▶ Details and justification of all the staff posts that will be created for this project, including a staffing structure diagram that clearly shows existing and new posts, as well as where the project staff will fit into your organisation and the reporting lines for the project.
- ▶ Any recruitment or training plans, including timescales and costs.

Management and supervision resources

- ▶ How staff, volunteers, freelance workers and consultants within the project will be managed.
- ▶ Who will manage the project finances and what experience they have.
- ▶ The existing arrangements you have for managing your current work and any new arrangements that will be put in place for this project.
- ▶ What policies your organisation already has and what policies you will have to develop in order to deliver this project.

Partnership working and stakeholders

If partner organisations will be involved in the delivery of your project, describe what their role will be, what the advantages of involving them will be, how you will manage the partnership and what commitment to the project they have provided. We may ask you to provide a partnership or service level agreement if the success of the project requires a high level of partnership work.

Volunteer resources

Describe the role of volunteers in the delivery of the project (give the number of regular volunteers and the amount of time that they will commit, and explain the tasks that they will do within the project). Provide information of how many (if any) new volunteers will be required and how they will be recruited and supported.

Project costs

The project costs should be well developed and based on a detailed cost plan. This section should include a breakdown of the capital, revenue and overhead costs for the project. The basis of these costs should be clear and based on evidence from a relevant source. Any assumptions about the costs should be clearly stated, for example concerning contingency, inflation and VAT and any deliberate omissions.

Any grant we make is inclusive of VAT. If you are registered for VAT, you can apply to us for the cost of non-recoverable VAT only. Organisations not registered for VAT should include VAT costs in their budget. If you later find that the costs of your project increase because you have made an error about your organisation's ability to recover VAT, we will not increase our grant to cover this.

You should also provide information on all in kind donations that you have secured or are proposing to secure, for example, land and volunteer labour, with an explanation of how you decided on the attached value. We will need to agree these with you and may require an independent valuation.

In some cases you may not want us to fund the whole project. In these cases you will need to tell us where the other funds will come from and whether this money is secured. Where this money is unsecured please provide details as to when you expect a decision to be made and what action you propose to take should this decision be unfavourable. These other courses of funding may come from another grant maker, a contract, from money you hold in reserve or from income that your project will generate. If your project will generate an income you should explain how you have calculated this in your business plan.

Financial appraisal

The financial appraisal sets out all the financial implications of the proposed project including the income and expenditure requirements. The level of detail that is included within this section will vary according to the type and scale of the project.

Key considerations that should be addressed in this section are:

- the sources of income which may be earned (such as charges to your users) or unearned (such as grants or donations)
- details of the assumptions behind the projections for both expenditure and income
- details explaining how money borrowed to fund your project will be paid back, if applicable.

You should provide financial forecasts for at least the duration of your project. The level of detail should reflect the complexity of your project but should generally be monthly for the first year and quarterly from then on. The financial forecasts should include a cash flow statement that forecasts the project's income and expenditure requirements.

If the project is a capital project, the financial projections 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, overheads and other specific items of expenditure.

Your financial projections for your business plan should show whether your project is financially viable or not. To ensure that they are realistic it is important to assess how sensitive your projections are to external factors and consider the best and worst-case scenarios. For example, if the number of users falls 10 percent, how much of an impact would this have on the viability of your project? If the impact of a small change is significant, this may suggest your proposition is not financially robust.

You should test the sensitivity of the assumptions used in your cash flow projections by making changes to the items that will have the greatest impact. These are most likely to be the key factors affecting the success of the business. For example, room occupancy, percentage of market share, number of organisations using the project each year and other key factors.

Marketing and communications strategy

This section should explain:

- what methods will be used to publicise your work and achievements and who the target audience is for each communication method
- for projects that seek to influence policy or procedures within other organisations or statutory services, how and when you intend to do this and any plans you have to disseminate the learning of this work. Possible targets of influence may include the media, local, regional or national government, network meetings and discussions with MPs or parliamentary working groups. (If this work is a main aim of your project you should include dates in your project plan.)

Monitoring and evaluation

This section should describe in detail how the project will be monitored and evaluated including:

- any baselines you have gathered for this work
- how you will gather evidence to show that you are meeting your milestones and outcomes
- 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
- any further evaluation plans you have for the project, including whether you will carry out the evaluation internally or appoint a consultant (tell us how you calculated any costs associated with this in the project costs section)
- whether you plan to monitor the broader and/or longer-term impact of the project and if so, how you will do this.

Risk analysis

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

- a risk register that identifies the potential risks to your project, the probability of them occurring, the likely impact on your project if the risk occurred and the ownership and management of the risks identified
- an analysis of your project's strengths, weaknesses, opportunities and threats (swot analysis)
- an analysis of the political, economic, social and technological factors which may impact on the environment in which your project operates (pest analysis).
- risk analysis is most useful when the key stakeholders of a project participate in its production. 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.
- include a table that lists the main risks that may affect the success of your project. This will help you plan ahead and be better prepared.

Supporting information

Throughout the business plan you should refer to any supporting information which provides key details in support of the business plan. These can be appended to the business plan and may include:

- written financial procedures for your organisation
- the latest set of annual accounts for your organisation
- organisational policies such as equal opportunities and child protection
- service level agreements with third parties
- an options appraisal
- feasibility studies.

Example

Description	Impact	Probability	Existing controls	Action required	Lead responsibility
Describe the risk – for example, policy changes or loss of key staff.	Say what the impact would be and rate it as high, medium or low.	Say how likely it is that the risk will happen – high, medium or low.	Explain what controls you already have in place to manage this risk.	Explain what you will need to do to put controls in place or enhance existing controls and include a timeframe.	Say who is responsible for managing the risk.