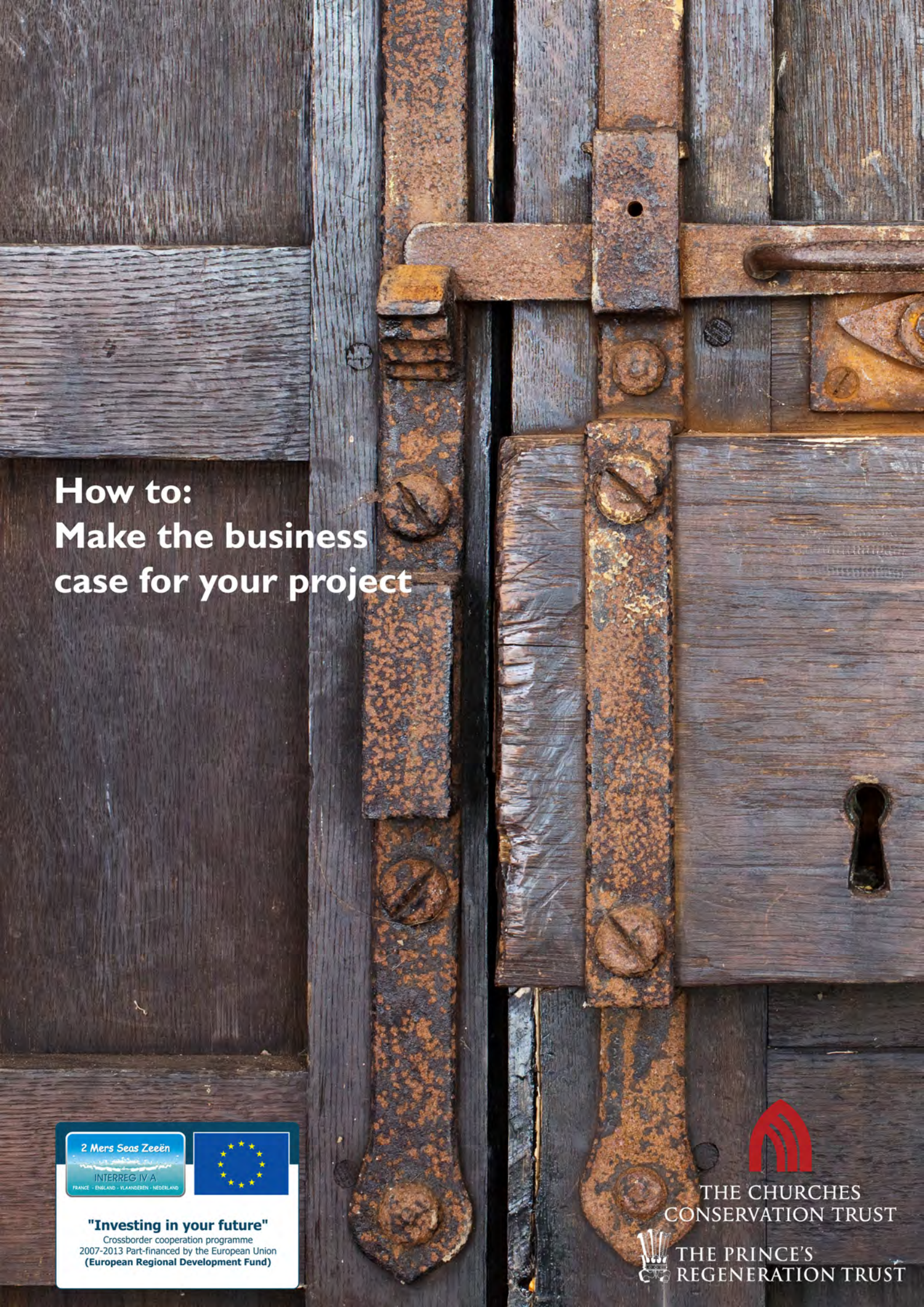
How to: Make the business case for your project



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THE CHURCHES CONSERVATION TRUST

THE PRINCE'S REGENERATION TRUST

Cover Image: Bolton All Souls by Andy Marshall

How to:
Make the business case for your project

This guide explains how to make a strong business case for your heritage regeneration project. Understanding and setting out exactly how you are going to regenerate your historic building, how much this work will cost and how the building will be used when the work is finished, is key to the success of any project. This guide covers the areas which everyone involved in a heritage regeneration project should consider in order to ensure that their project is sustainable in the long-term and therefore able to access financial support.

If you've got an aspiration, if you've got an idea – stick to it. Exhaust it, explore all avenues, all opportunities, don't let the first door that shuts on you keep shut, open another door, keep opening it, until you find a way of getting that support.

- Inayat Omarji, All Souls, Bolton

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THE CHURCHES
CONSERVATION TRUST

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Introduction

This guide has been written for community groups, organisations and local trusts involved in projects to conserve, repair and regenerate a redundant historic building or buildings to accommodate new uses. While it is intended for the non-professional and informed amateur, we hope it will also be useful to architectural and other professionals involved in the heritage regeneration sector.

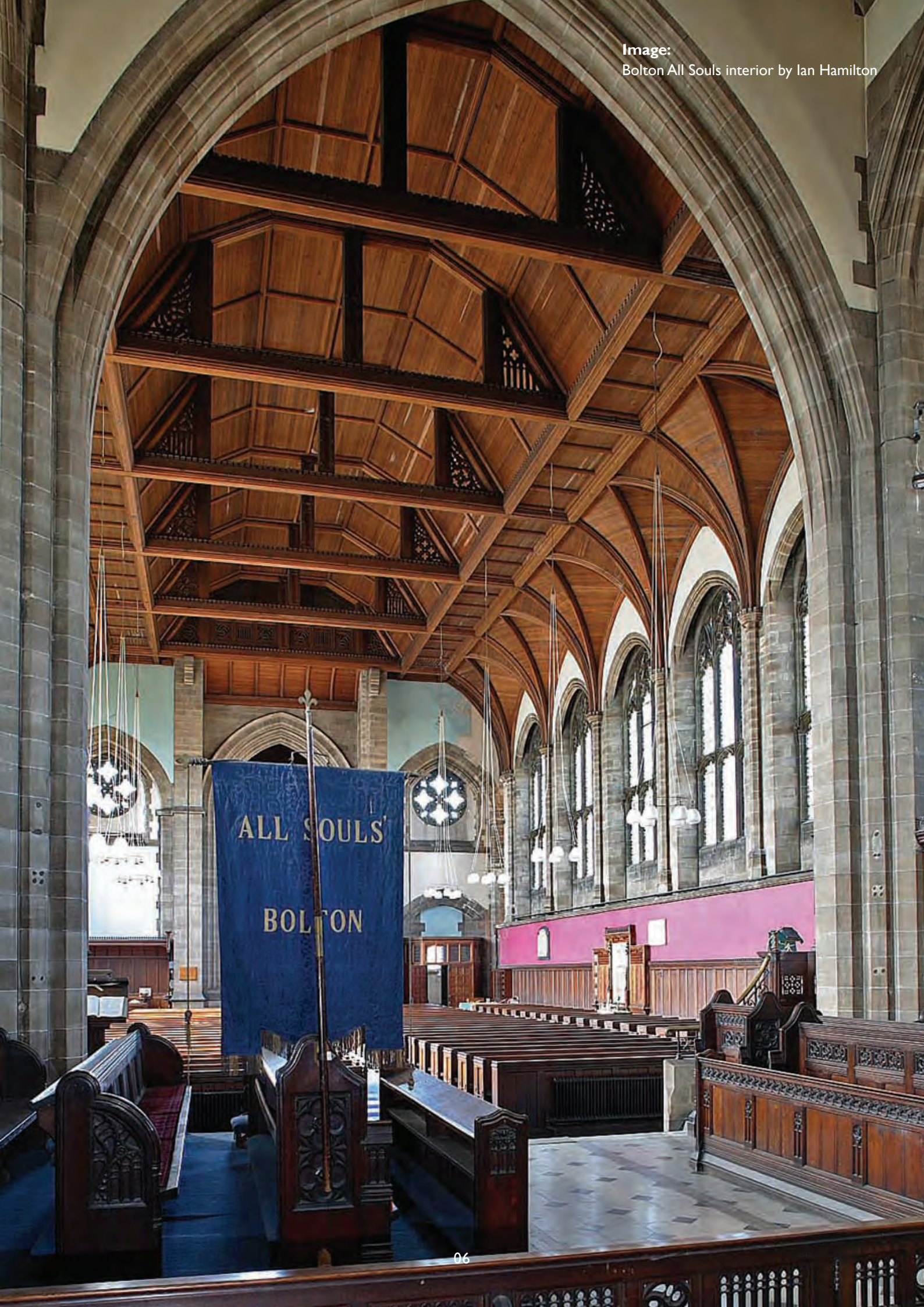


Image:
Bolton All Souls interior by Ian Hamilton

Europe has a magnificent legacy of historic buildings which adds grace and elegance to our townscapes and built environment. The buildings often have a real resonance with the community within which they sit and provide a valued link to the past. However, with their original purpose gone many beautiful historic buildings now stand derelict or underused whilst others are being lost through redevelopment or vandalism, putting at risk hundreds of buildings that have helped define local history and identity.

As a result of this communities are coming together to form action groups, local campaigns and charitable bodies to try and reverse this worrying trend and bring these redundant buildings back into use. Local people are well placed to develop suitable ideas for new uses for a redundant historic building but they can be new to some or all of the technical processes involved in translating these ideas into a workable proposal that will both suit the space and ensure a viable future.

The Prince's Regeneration Trust and The Churches Conservation Trust have for many years advised and supported community groups and other organisations through the steps to rescue a historic building, develop a deliverable Business Plan and apply successfully to funding or planning bodies. This guide draws on that experience and knowledge to set out what you will need to think about and research, what to include in your Plan and how it should be presented, providing interactive financial templates and example case studies.

Case studies

We've used a number of different case studies throughout the guide; sharing the experiences of groups who have developed Business Plans and including direct extracts from those same Plans.

The case studies include:

- All Souls Bolton, Greater Manchester
- Ursuline Convent, Belgium
- Fort Duffel, Belgium
- Middleport Pottery Burslem, Stoke on Trent
- Moat Brae House Dumfries, Scotland
- Old Duchy Palace Lostwithiel, Cornwall
- St Mary at the Quay Ipswich, Suffolk
- St Nicholas' Chapel King's Lynn, Norfolk

These extracts are unchanged from the original documents, so they reflect the projects as they were at the time of writing and refer to individual Plan appendices which have not been reproduced here. You can find out more about these projects at the end of this guide.

Although this guide sets out what we believe to be best practice it should be seen as a set of flexible guidelines rather than a set formula – every project is different and the structure and content of your Business Plan will need to reflect this.

We are aware that sometimes this process can appear complex and lengthy but we are confident that at the end of it, when you have a successful project, it will all seem worthwhile. We hope that you find this guide of use in helping you along the way to successfully regenerating your heritage building and wish you luck with your project!

Note

Throughout this guide the Business Plan will be referred to as 'the Plan', not to be confused with the other types of plans detailed in the guide, for example Audience Development Plans, which will always be referred to in full.

Making the business case for your project

In this section we will explain what a Business Plan is, why you should write one and what you should consider before starting to write your Plan.

Image:
King's Lynn St Nicholas' Chapel

What is a Business Plan?

Put simply a Business Plan is a summary of a given project's aims and objectives and how these can be achieved.

Why write a Business Plan?

Putting together the business case, that is the justification for why you are doing this project, is arguably the most important stage of any regeneration scheme. Making a business case means proving how your project is worthwhile and viable, how it will develop and be managed and how it will be sustainable in the long-term. Or put another way it is also showing potential funders why they should give you money and proving that their money won't be wasted.

If you start by thinking we have this lovely Georgian house that's completely derelict and falling down but we must save it, it's so wonderful, you must stop and think why. What's the point? What are we going to do with it? I'm well aware that you simply cannot save a building just for the sake of it, there's got to be a real future for it with a viable and sustainable long-term plan.

- Cathy Agnew, Moat Brae

It's like selling anything to any investor. They've got to be able to see what's in it for them.

- Georgie McLaren, Old Duchy Palace

You may know why regenerating your heritage building will benefit the community and why your project should be done, but not everyone else does. This is why you need a Business Plan to spell out the future benefits, prove that these benefits are achievable and demonstrate how your proposals provide the best solution for the building when compared with alternative options. Only when you are able to convincingly show that your project is likely to be sustainable in the long-term will you be able to access financial support.

I think it's absolutely essential that there is a clear plan and that everyone can see that the whole thing's going to hang together. You can then use it for other partners, whether they're partners who are going to put money in or going to be partners who are going to be important to just support you … so when somebody says, 'what's the turnover?', you've got it in hand – you can quickly show them what's planned. So it's absolutely key to have it all thought through, once you have it you can pull out information that's relevant to any particular question.

- Sue Gray, St Mary at the Quay

Equally writing a Business Plan will ensure that everyone involved in the project is on the same page with a shared vision and understanding of your Plan. The more complex the governance arrangements of a project, the more difficult this process can be, however a shared understanding of the project is essential in order to achieve succtessful delivery. Most likely that you will be writing a Plan for a combination of reasons.

A number of our projects are partner projects whereby we are working with a local organisation who wish to regenerate one of our churches. The business plan for the building helps create our shared vision, quantifies our joint contributions and sets our plan from project start up and into project delivery. All our regeneration projects – whether large or small – must have a business plan so that there is clarity between the partners.

- Matthew McKeague, The Churches Conservation Trust

Example: Middleport Pottery

This Business Plan extract shows how the Plan had a number of different audiences, used both as an internal document to assess the viability of proposals, achieve buy in from Trustees and from external funders.

The purpose of the business plan is to:

- Assess the viability and deliverability of PRT managing the Site, with four major uses:
  - PRT operation as a heritage site;
  - A working Pottery (owned and operated by Denby Potteries Ltd);
  - Refurbished ceramic/craft workspace; and
  - A vibrant visitor attraction including a gallery, education room, factory tours and café.
- Help obtain UKHBPT Trustee approval for the project; and
- To submit as supporting evidence as part of an application to English Heritage (EH) for grants funding, Department for Communities and Local Government (DCLG) for European Regional Development Fund (ERDF) funding, to the Heritage Lottery Fund (HLF) for HLF funding, and to the Department for Business, Innovation and Skills (BIS) for Regional Growth Fund (RGF) funding.

There's no doubt that at various stages, when there's a partnership, there's a need to sit down and write some sort of summary, vision, our targets over the next year or two, how we're going to get there, how we're going to work together – this is absolutely essential because we're very polite in our language, and very subtle, and you end up with people not entirely on the same track.

- Adrian Parker, Friends of St Nicholas' Chapel

Hints and tips

Writing a Plan is often a stepping stone to securing funding to enable a project to proceed. However, funding applicants should always be careful to ensure that they also comply with any specific requirements and guidance relating to the particular sources of funding they are seeking. We would therefore recommend that you contact potential funders early in the process to check specific requirements.

One thing we had to do for the European Regional Development Fund (ERDF) was a Building Research Establishment Environmental Assessment Method (BREEAM) assessment. This hadn't figured in our thinking at the beginning, but it's an essential requirement. It's a good thing, but it certainly involved a lot of extra work and employing a consultant, which we hadn't planned to do.

- Georgie McLaren, Old Duchy Palace

Writing a Business Plan

Hopefully by now you will be convinced of the merits, and in fact necessity, of having a Plan for your project. But before you start writing your Plan, there are a number of things to consider.

Who should write the Plan

The first thing you should consider is who is going to write your Business Plan. Although there may be some areas on which you may need to seek external, professional help we would recommend trying to write the majority of the Business Plan yourself. This is a prime opportunity for you to properly get to grips with your project whilst also making the most of your experience and local knowledge. Even if you employ external consultants to do your entire Business Plan, once it is completed you will still be the one in charge of it and who will have to implement it when the consultants are gone. However, this doesn't mean that you should struggle alone, particularly if there are obvious areas where your group doesn't have specific expertise.

It is important to have the expertise you need to do a good job, find a way to buy it in if you do not have it – also around marketing, or evaluation – if you need to get advice, there's quite a lot of free advice if you ask about. Don't be frightened if you don't understand something or if it seems a bit weird, or you don't follow it or if you think it's not relevant, ask the questions and do ask for help. Because in the long run if you don't get it right you'll spend a lot of time on something that's not going to work out for you.

- Sue Gray, St Mary at the Quay

In particular the process of writing the Business Plan yourself will help you to:

- Satisfy yourself that your proposals are practical and that your stated objectives are the ones you really want;
- Identify the most important elements in the business and prioritise others;

- Undertake detailed analysis and research of the financial implications of each aspect of your project;
- Challenge assumptions of whether you are, or are not, meeting the project's aims and objectives;
- Spot new opportunities;
- Identify an area of financial or organisational weakness;
- Think creatively by including different interest groups and consulting widely; and
- Develop a structure to help you in evaluating progress and whether you are achieving your goals.

Areas where you may want to consider sourcing external help could be when you are investigating proposals for running your project as a business, carrying out market research, conducting financial analysis or perhaps if you need initial design sketches or specialist advice on the proposed use of the building. In these instances you may wish to consider sourcing the advice and expertise of respectively, business consultants, property consultants, accountants, architects or industry experts. You may already have some or all of these professional skills available within your existing project team.

The consultant we brought in was experienced in business planning for heritage projects which was an additional benefit. She developed the first one, and then was involved to give advice when we refreshed it... she started us off and then we took that on and carried that on ourselves – because we needed to make it our own.

- Sue Gray, St Mary at the Quay

Overall though it is crucial for your group, who will be committed to the Plan if funding is received, to have ownership of all the ideas in it. Potential funders may want to speak to your group about the Plan and so all members of the group will need to understand it. This is obviously easier if you have prepared and written the Plan yourselves and we would urge you to bear this in mind when deciding who should write which parts of the Plan.

Purpose

While writing your Business Plan you should always have your purpose firmly in mind. A Business Plan is a blueprint for a successful commercial, social or not-for-profit enterprise. It sets out exactly how you are going to run the activities that will be located in your building and how much these will cost.

You may not be used to thinking of your project as a 'business', especially if you are motivated more by the desire to contribute something of value to your local area than to make a profit. However, it is useful to think of your project in business terms because in order to be successful and have a positive impact on the community you need to be certain that the project's sustainability is assured. In addition, if your project has social objectives then any profit is a surplus that can be re-invested to strengthen your project or improve the activities on offer.

Example: All Souls

In 2009, during the development of the original business plan, an initial vision was established to guide the development: "To develop community programmes to meet community needs, enhance the quality of life and community involvement by regenerating the All Souls Church into a community facility for ALL SOULS." During 2011 the ASCCC Board was building its capacity and in November that year Board members and TCCT staff attended a visioning day at the Monastery in Gorton during which these key words and phrases emerged to describe the Centre: 'sharing'; 'community'; 'space'; 'hub'; 'spirit'; 'openness'; 'aspiration'; 'culture'; 'viable'; 'centre'; 'meeting place'.

Leading on from that work and in preparation for the development of the brand the Board developed the following outline of the All Soul's offer:

"All Souls is, quite simply, a special place to meet. Established by the Greenhalgh brothers in 1881 for the wellbeing of the Crompton community in Bolton, All Souls now extends this welcome, offering a beautiful community and meetings space that combines the latest facilities with the warm professionalism of its team. All Souls' place at the heart of the Crompton community makes it the ideal base for crucial local services. Its unique beauty makes it a fitting place to learn heritage craft and traditional building skills. And its history as a haven makes it a special place where people come together to talk and be inspired. Why not be one of them?"

All Souls will be:

- "A creative space, inspiring people"
- "A special place to meet"
- "Meet, reflect, create"

Funding towards preparing a Business Plan

One of the few sources of funding for Business Plan development is the Architectural Heritage Fund, who offer 'Refundable Project Development Grants'. In addition The Heritage Lottery Fund launched their 'Start-up grants' in 2013 and English Heritage gives top up grants to assess financial viability and is due to open other schemes within the next year to support groups in preparing a Business Plan. Depending on your project, other funding may be available, which you can look for through the online Heritage Alliance Funding Directory at:
www.theheritagealliance.org.uk/fundingdirectory/main/search.php

You may also be able to get some free professional help with writing your Plan, either through organisations such as Business in the Community, or from professionals with whom your organisation has links. Depending on your project, you could approach an accountancy firm or the local museum to ask for support. Professionals are often keen to offer their time at this stage in your project as it may be of benefit to them further down the line, for example it may put them in a stronger position if you tender for work; although this will not mean they should automatically be awarded the contract and you must look to ensure that people have the right skills and experience for your particular project.

I'd made friends with the council, and someone there had said, 'I've got ten spare days of consultancy, would it be of any use to you?' And it just starts to trigger other things. One thing inevitably leads to another. You have to be a bit opportunistic about it, there's no doubt about that! If anybody offered me anything my first reaction was (and still is) always to say yes, before thinking about it and possibly saying no.
- Cathy Agnew, Moat Brae

Outline vs. full Business Plan

You may want to decide whether you wish to write an outline Business Plan or a full Business Plan. Both an outline Plan and a full Plan should have the same scope with the key difference being the level of detail. An outline Plan will usually be shorter and less detailed than a full Business Plan, and will have less supporting evidence, for example less financial information. A full Business Plan will carry through into the project delivery phase and will constantly be under review.

The type of Plan you write will depend on the stage you are at with your project. If you are using the document as evidence that you have a good proposal as part of a grant application, then an outline is more than sufficient. A full Plan would be appropriate when grant funding has been awarded to enable you to seek specialist advice and input to supplement your own work. Cathy Agnew describes below how the Moat Brae trust need to develop their outline plan and get into a greater degree of detail in order to secure funding:

We've put in various applications… and some have come back saying yes we like it in principle, we can see the potential and your vision. Now, go away and tease out what you're really going to do. You say you're going to work with A, B and C partners and you say you're going to do X, Y and Z. But what is that actually going to mean? How much will people pay? Why will they want to come, why would they want to come back again? What will there be for people to do? Who will benefit? What they're really saying is, what's the point of it all? Is it a good use of our money?

- Cathy Agnew, Moat Brae

Presentation

A Business Plan can be the first, and possibly the only, opportunity you have to communicate the merits of your project to a potential funder. Therefore, a Plan must impress funders sufficiently to engage their interest. Funders who are used to reading Business Plans will expect certain standards:

- A Plan of 25-30 pages should be enough to describe the project in sufficient detail in the first instance. Further information should be given in appendices. A reader who is engaged by a concise Plan can always ask for more information and undoubtedly will;
- The Plan should be written in a professional tone and kept concise and to the point
- All assumptions backing up financial appraisals should be clearly stated;
- It should be typewritten and you should avoid excessive design and illustration;
- It should be bound (spiral or loose-leaf);
- Sections should be clearly marked and new sections should start on a new page; and
- Finally it goes without saying that Plans should be free of any grammatical errors or spelling mistakes!

Developing and presenting your plan is far easier in an electronic format, as you can easily share and edit your Plan and keep track of changes and versions over time.

Structure

Business Plans are usually structured in a certain way in order to make sure all the key information is included and presented clearly. This guide will take you through a recommended Plan structure in 'The Business Plan – what to cover', but of course every project is different and therefore no two Plans look the same. The important thing is to avoid repetition and to make sure that your readers know where to find the information they need. You should not assume that readers have any prior knowledge of the project so getting a third party to read your draft plan is a good idea in order to identify any gaps or areas of confusion.

Before you start

Before you start to write your Business Plan there are a number of documents and processes that you should have already completed. Following the steps below will ensure that you have everything prepared to start writing your Business Plan.

Image:
King's Lynn St Nicholas' Chapel

Options appraisal

An options appraisal outlines all the potential uses you have thought up for your building (including doing nothing), examines the achievability and likelihood of success for each use and then states the preferred option with justification. Even if your building is already in use, an options appraisal is a good exercise in assessing the value of existing activities and spotting opportunities for additional or alternative uses that could strengthen your project. Options may include proposals for a single use, for example space for community hire, or proposals for mixed usage, such as offices and visitor centres. A thorough options appraisal will ensure that you have explored all the possible options and enable you to make an evidence-based decision about the future of your building. In addition, evidence of an options appraisal is often a requirement of funders. Full guidance on preparing an options appraisal is provided by the Architectural Heritage Fund at: www.ahfund.org.uk/advice.php.

In order to appraise your options you will need to gather the following information:

- Background research on local area
- Market research
- Competitor analysis
- Consultation
- Conservation reports
- Architect design drawings

We have a very mixed bag of potential uses here that we'd want to keep going. This can't just become a site to be visited for museum type use - because we have a vibrant music scene that positively wants to be in the Chapel. On the other hand, the music scene alone doesn't make for twelve months of the year use or even nine months of the year's activities.

- Adrian Parker, Friends of St Nicholas' Chapel

Doing an options appraisal for an historic building presents both challenges and exciting opportunities for a variety of uses. Whilst any use must be feasible within the limits of the building fabric and character, historic buildings often have a background that lends itself to a particular use or can provide opportunities to engage the community through education or interest groups, although these are unlikely to provide sufficient income as a single use.

This conference in Madrid was celebrating '100 years of Peter Pan and Wendy'… When I got there they welcomed me with open arms and they said but you're from Dumfries! And that's amazing, because that is the birthplace of Peter Pan. So that was a defining moment for me, and I realised therefore that whatever we do at Moat Brae has got to be Peter Pan focused and orientated on JM Barrie, and then I suddenly realised the importance and the international cultural and literary significance of the site that would be the key to the future of Moat Brae.

- Cathy Agnew, Moat Brae

In order to generate ideas and gather evidence to inform your decision you will need to do the following preliminary investigations:

Background research

In order to understand the viability of any proposed options you will need first to research the area in which your project sits in order to provide a base for the rest of your appraisal. Even if you are a local resident and therefore know the area very well, gathering this information is still important as it will help others to understand the project's context and therefore the need for your project.

- Find out what the average income for the area is and other demographic information such as population, age distribution and level of education.
- Research how your area's economy and jobs market compares to the national average using a site such as the Neighbourhood Statistics website at www.neighbourhood.statistics.gov.uk.
- Identify the main employers of each type of employee – are there one or two large employers or are there several small companies?
- Use census information to find out which sectors members of the local population are employed in – you can then say what percentage of the population is engaged in unskilled labour, semi-skilled or professional occupations.

Market research

Market research is an excellent way to see to what extent the potential uses, and the income you expect to generate from each one, is realistic within the context of the local area. This is essential in order to test the viability of each option.

Below are some ways in which you can carry out market research, but this is by no means a complete list. Be imaginative when considering how you can find out information about your area; this will help provide a strong evidence base to back up your proposals later on in your Plan.

- Speak to the local council and to local business leaders - they will be able to give you a good idea of the socio-economic profile of the local area.
- Find out the going rate for commercial space in the area - is there demand for more or is there already a surplus of offices, workshops, studios or serviced space? Local councils or agents should be able to help you with typical local rent and take up rates.
- Consider how local and national trends may have the potential to affect your target market. For instance, does the area have the potential for the creation of small, high-tech enterprises, craft industries or tourism and leisure facilities?
- Look into the needs of the local community
  - there may be a requirement for educational facilities, health care or training centres.

Once you have conducted your market research and have a good understanding of

the local factors relevant to your project, you should then be able to examine your proposed uses and eliminate any which will not work in your local context, for example luxury flats in a deprived area. As you refine your options you may find it helpful to carry out additional, more focused market research.

One option was just leave it as it is, let it sit there. The second option was to turn it into flats. But there's large family housing in the area, would the flats serve the needs of individuals that want to stay in the community there. The third is, could that vast space be used as a warehouse or storage, and the fourth option was around, well the idea I pitched was, can we use it as a community facility?

- Inayat Omarji, All Souls

In terms of the market research we did, a lot of it was taken from research the council had done for the wider area so without their understanding of the issues of their region we would to have had to do a huge amount of work to try and collate all that information and data. So that's extremely important, using the council as a resource for establishing the need for your project.

- Rosie Fraser, Middleport

The demand analysis is something that probably requires either a good deal of knowledge of the local scene or professional help and preferably that professional help needs to be not just a local estate agent but someone who understands the planning and economic development issues of the locality.

- Georgie McLaren, Old Duchy Palace

Hints and tips

Many community groups propose heritage centres and local interest exhibitions. These are often appropriate uses for a historic building, but it is important to remember they are unlikely to generate any significant surplus. When considering a mix of uses you should ensure that there will be sufficient income to cover costs and make the project financially viable.

Competitor analysis

As well as examining whether your proposed uses are suited to the general characteristics of the local market and the needs of the local community, you also need to examine how exactly each use would interact with its particular market sector and how it would cope with competition within that sector. In other words you need to look at other facilities in your area that are aimed at the same market as you, see how your proposed use compares with them and assess if it would be able to successfully compete or whether in fact some form of collaboration would be possible.

Things that you will need to consider include:

- What other facilities are there and where are they in relation to yours?
- What type of service do they offer? Are there reasons why people would choose to visit or use your facility over those already available? What is your Unique Selling Point?
- How do transport links with your facility (including parking) compare with those to existing facilities?
- How much do other facilities charge? Do they provide better or worse value for money?
- Will your facility aim to attract the same people who currently use existing facilities? Alternatively, will your facility meet demand from people who are not provided for by existing facilities?
- Are there attractions (such as green space or popular pubs) that could help draw people to your facility? Are there factors that might put people off?
- Will you be offering something new?

After conducting a competitor analysis you should be able to conclude whether or not your option is sufficiently attractive to compete successfully or whether there are opportunities to collaborate.

In a town with good community life there are other sites that other people are used to using, you don't want to do any of them down, you don't want to set yourself up to be knocked back by a commercial operation like the Corn Exchange arts and leisure centre. Theatre, shows, dance and music and so on can happen in the Corn Exchange, what we offer is a different atmosphere and a cheaper price - even after these works it will be a different level of comfort but fabulous acoustics.

- Adrian Parker, Friends of St Nicholas' Chapel

Example: St Mary at the Quay – this example is taken from the first Business Case, it was later updated as things moved on which shows the importance of really up to date market research.

Competition

Although there are 45 alternative or complementary therapists based in Ipswich (see appendix 3), only 3 of these centres provide a range of different therapies. The St Mary at the Quay centre will have 8 therapy rooms, and will be able to provide a variety of therapies. On this basis, we anticipate that the only real competition will come from the 3 Ipswich centres. Detailed case studies for the 3 centres are attached at appendix 4. A closer look at these centres shows that although there will be some competition, there will not be direct competition.

Comparison one is currently branded away from the serious, towards the spiritual. Chiropractic and osteopath for instance are not provided, while tarot readings/clearings/angelic healings and reiki/kinesiology are. It is anticipated that it should be fairly easy for the St Mary at the Quay centre to compete with this centre through positioning at the slightly more serious end of complementary therapy (see the operations section for more information).

Comparison two only offers a very small number of therapies, again along the more spiritual site. As such, it is not an anticipated that the centre will contribute significant competition to the St Mary at the Quay centre, particularly if St Mary at the Quay brands itself towards the more serious complementary therapies.

Comparison three undertake very serious complementary therapy, with no 'soft' therapies provided. As such, the centre is orientated towards only those who want remedial treatment from sports or other injuries. Again, with the brand proposed for the St Mary at the Quay centre, we do not anticipate that it will be particularly difficult for the centre to compete as the offer provided will be different, with a mix of both serious and 'soft' therapies provided.

Consultation

Throughout your project it is vital to engage key stakeholders to bring them on board and ensure that your impressions of what they want and need are accurate. Your stakeholder pool should include anyone that will be affected by or has an interest in your project, whether or not they are supportive.

Things you should consider are:

- Engaging the local community and other potential users or people affected by the development of your project through brainstorming sessions, community events and workshops. If the project is to be successful it is vital that the views of the community and potential users of the buildings are listened to and taken on board.

- Talking to different interest groups and statutory bodies who may be involved in the development of your project - such as national amenity societies, Local Authorities, statutory bodies – English Heritage, Cadw, Department of Environment Northern Ireland, Historic Scotland – and local MPs or business leaders.

- Keeping a record of any report of community consultation events and letters expressing community support for the project – these should be included in your Business Plan as appendices and can be used to support funding applications.

- Communicating regularly with stakeholders (it will be up to you to decide which stakeholders you need to communicate with the most frequently) and keeping an up to date stakeholder list.

You may wish to include a section in your Business Plan on how you consulted key stakeholders and should include notes of meetings in the appendices. This will provide a snapshot of your stakeholder engagement to date and demonstrate the relationships you have built, whether it's with a potential customer or local residents. Future plans for stakeholder engagement should be incorporated in the project plan section of your Business Plan to show how you plan to maintain these relationships, particularly when there is uncertainty around the project's future.

90% had never been in there before, we opened the doors and we tested the market – if we had to do something with this building, what would you like us to do? …they came back and said, let's have a swimming pool in there, let's have a five a side football pitch in there; we took at all that on board. We looked at what the LA was planning around community engagement… we started thinking strategically about how we could align ourselves with the bigger picture around Bolton.

- Inayat Omarji, All Souls

When people heard our exciting vision for the church they were very keen on when it was going to happen, and we said we didn't know if it's going ahead until we get the money. So we had that balance between wanting to get people interested and also being honest about where we were with the project - so that's quite a difficult balance.

- Sue Gray, St Mary at the Quay

The museum have been very important because they're part of the consultation group for the heritage interpretation aspects of the project and they'll help do guided tours of the building, so we always said we needed to work closely with them. Our Chairman has given a number of presentations to the local town council, for example when the planning application was going in – it's a small place so if you talk to any of the councillors, it filters out fairly extensively. It's not been big scale efforts, our project officer organised a pre-Christmas consultation in the Palace with mince pies and mulled wine, and that was a great success.

- Georgie McLaren, Old Duchy Palace

Conservation reports

A conservation statement or assessment of significance sets out a concise history of the building, details which characteristics of the building are of significance and why, and explores the current condition of the building within the context of its location. This includes everything from architecture, archaeology and collections to ecology, gardens and parkland in addition to any historic associations a building may have. The statement then sets out what changes to the building would be acceptable and what action is needed to keep the building in good condition. The statement will provide a firm starting point for your options appraisal, as it will ensure that you are easily able to make a quick assessment as to the appropriateness of each option in terms of the adaptation of the building. It may also bring to light features or history that will provide inspiration for innovative options closely linked to the building. To complete the statement you can get advice from an architect historian, conservation officer, or equally someone who's been involved in a similar project.

My idea was, let's just get the pews out and put a floor in the middle …I never thought about, oh the roof needs doing, because I don't come from a conservation background. We visited a number of places in London which had changed churches into community facilities and we found, when we talked to people who built this building and concepts, they said you can't meet the old with the new - what they meant was that you can't put a partition, and just put it against the heritage building wall. You have to have a gap, where some of the buildings have a piece of glass. So we started learning more about what we can't do and what we can do.

- Inayat Omarji, All Souls

A lot of attention is given to the nature aspect of the fort. Particular efforts go towards the preservation of the listed species of bats that house in the fort. A special bat tunnel is dug underneath the fort and the new doors in the fort are specially designed to let the bats through. A part of the museum is dedicated to the natural environment, including the bats.

- Johan Van Den Mooter, Fort Duffel

The conservation management plan builds on the information gathered in the conservation statement and sits alongside the Business Plan to set out how the building's key characteristics will be preserved and incorporated within the project, both during any renovation work and once up and running. All heritage projects require a conservation statement and a conservation management plan, although the latter does not necessarily need to be included in an early or outline Business Plan. It is a good idea to refer to these reports throughout your Plan, as it will demonstrate that you have properly taken the conservation of the building into consideration, above all where there are compromises to be made.

A balance has to be found between the preservation of the current trees and bushes on top of the fort and the clean view it had earlier. The proposal is to create a patchwork of open and wooded areas, both managed in an ecological way. This is a winning solution for nature and the public, who will be able to explore the surroundings.

- Johan Van Den Mooter, Fort Duffel

For more information on how to write these please see The Prince's Regeneration Trust's Guide, How To: Write Conservation Reports, which can be downloaded at: www.princes-regeneration.org/sites/default/files/how-to-write-conservation-reports_0.pdf

Architect design drawings

An architect's input can be helpful to inform your options appraisal as they can conduct feasibility studies and suggest which options will be the cheapest or easiest to implement in your building by looking at factors such as lighting or ventilation. As you refine your options the architect will go on to produce design drawings with reference to the conservation statement, which will inform the development of your chosen option in your Plan. It is often best to have done some initial business planning first so that an informed brief can be given to an architect even at an early stage. This then helps reduce the production (and associated costs) of unnecessary design work.

Making a decision

Once you have completed the steps above you should have a thorough understanding of your building and the community in which it sits, putting you in an informed position to assess the options and decide which use or combination of use is most likely to succeed and achieve your objectives. If no one option is the obvious choice then it may help to use a decision technique such as multi criteria analysis, where you score each option against your project objectives. This allows you to balance a range of financial and non-financial factors, which are each weighted according to their importance. Alternatively, SWOT analysis provides an easy to use framework, drawing out the Strengths, Weaknesses, Opportunities and Threats of each option.

You need to get an idea of viability pretty early on, and that's part of the initial options appraisal. Be thoroughly pessimistic! It's very important when you commission the initial options appraisal to choose a consultancy that's tailored to your size and preferably has experience of working with similar organisations to your own.

- Georgie McLaren, Old Duchy Palace

Example: Old Duchy Palace

Options	Advantages	Disadvantages
Do nothing	None apparent	Building would remain at risk, and would decline further to the detriment of Lostwithiel Town Centre and Conservation Area.
Residential conversion/ holiday let	Commercial solution not requiring grant funding	Unacceptable level of intervention to historic fabric and subdivision of large historically important spaces. No on-site parking or amenity/garden area. Unpopular with local community. Change of use likely to be objected to by English Heritage. Commercially unviable (tested with Vivat Trust)
Bar/restaurant	Commercial solution not requiring grant funding	Would displace existing businesses. Would require major interventions to historic fabric to accommodate commercial kitchen. Likely to be unpopular with residential neighbours. High risk venture, especially in current climate.
Education outreach centre	Would fit town centre location	Lack of sponsoring organisation.
Council One Stop Shop	Would fit town centre location	Fowey was eventually chosen as One Stop Shop for this Community Network Area.
Drop In/Family Centre	Would fit town centre location	Facilities already available at Community Centre, do not wish to relocate.
Arts/Craft Centre	Would fit town centre location. Could complement existing local uses.	Lack of sponsoring organisation. High risk venture, especially in current climate.
Museum/Heritage Centre	Would fit town centre location	Lostwithiel Museum is close by and does not plan to relocate. Not viable on its own.
High quality venue for hire by both commerical and community organisations with heritage centre in undercroft	Would fit town centre location In line with community wishes Offers imaginative opportunities for heritage interpretation Commensurate with historic high status of building	Expensive to develop and manage. High levels of footfall moving upstairs and in main first floor hall putting pressure on building fabric and services Viability diminished by Heritage Lottery funding rejection

Audience development plan and activity plan

If your proposals include a use that depends upon attracting local people to use facilities, such as a restaurant or visitor centre, it is useful to carry out a separate audience development plan. This will build on the findings of your market research and competitor analysis to develop an understanding of your target market, from which you can explore how to increase existing and new audiences. You should include your audience development plan in the appendices of your Plan and refer to it throughout, for example to back up visitor number assumptions or in relation to stakeholder engagement and marketing. An audience development plan is required by some funders, either on its own or as part of an activity plan.

Activity plans set out in detail all the activities that a project aims to deliver in order to engage people, other than any building work. Depending on the project this could include educational activities, open days and engaging volunteers. This closely relates (or can be combined with) an audience development Plan, as the activity plan will be developed with specific audiences in mind.

For more information, the Heritage Lottery Fund has produced guidance on both activity plans and audience development plans, which are freely available on their website.

So it's vital that we raise our presence on Facebook and Twitter, keep the website up to date and find ways of involving local people and encouraging a sense of ownership. People need to know what's going on… it's crucial that there are some activities going on long in advance of the building opening so that you can start to develop and build up your audiences.

- Cathy Agnew, Moat Brae

Since the fort was property of the ministry of Defence and later in private ownership, the public is not yet familiar with the site. In addition the site was not visible from the public road for decades. This will be resolved (restoration of the fort entrance, square…) so that the public will be visually attracted to visit the site. We are also recruiting volunteers from the local community to escort visitors and get the neighbourhood involved in the project, as well as setting up a website so they can follow the restoration works.

- Johan Van Den Mooter, Fort Duffel

Example: All Souls

This section of the business plan focuses on who our target markets are and how we will communicate with and engage them. In 2012/13 All Souls has commenced a process of creating a brand and strap line to communicate a clear message to a wide range of audiences. Our audiences are:

- The local community who have a wholerange of differing expectations/ needs;
- Partners and new potential partners who will deliver services for the community at the Centre;
- Private, public and voluntary sector organisations who wish to hold events, course, conference and meetings at the centre;
- Private, public and voluntary sector organisations who may wish to take space at the centre;
- Stakeholders: funders, partners, sponsors and company members who wish to see a sustainable business being delivered, benefiting the local community and preserving the heritage of the Church; and
- Media audiences: press, web and social media can be routes for enlarging All Souls market.

The current action plan identifies some key activities for marketing and communications leading up to opening the centre. In spring 2013 the brand will be agreed, a marketing brochure for potential tenants produced and website development will be well under way ready to go live in mid-2013. An edition of the newsletter and press releases will be produced to coincide with a start being made on the regeneration work. Further newsletters will be generated throughout the capital works process. Contacts with potential tenants are being made. Informal discussions have been held with a media based social enterprise, drug companies to run events and rent space, a theatre company, a local community group/charity. A list of other potential organisations and companies is developing and is attached as an Appendix.

Building management plan

As well as stating how you are going to renovate your building and what activities are going to go on inside it when complete, you also need to consider how the building will be managed when it is finished. For example, who will take bookings for venue hire, how will the building get cleaned or who will be called upon to make repairs? All of these issues should be addressed in the building management plan (also called an operational plan) to demonstrate that you have carefully thought through the practical aspects of the day-to-day running of your project. Depending on your project you should either outline your building management plan in the body of your Plan or include it in the appendices, referring to it during the Plan when you feel that you should provide evidence that you have considered the day-to-day running of your project. The costs of maintaining your building will feed into your financial appraisal.

Example: St Mary at the Quay

The nave will be available for the exhibition of artwork. Largely this will include exhibits on the walls and also smaller sculptures. (The exhibition of sound based art will not be possible, as this might be detrimental to the ambience of the centre, in particular the quiet space, café and complementary therapy use).

Although many of the other exhibition spaces in Ipswich exhibit work on a commission basis, the St Mary at the Quay centre will have a simple hire basis as a fully managed service would probably require additional staff, increasing costs. The artist would be responsible for promotion of the exhibition, although outline information on the exhibition would be included on the centre's website. The nave could also be hired by the artists for private views, although invites would need to be administered by the artist. (Catering for private views would be provided by the café). Access to art exhibitions will be possible at all times when the centre is open for other purposes (generally 9am to 9pm Monday to Friday, 10am to 6pm on Saturdays and 11am to 5pm Sundays, and for private viewings). Access will not be possible when the nave is hired out for events. The cost of hiring the nave for an art exhibition would be £25 for 1-2 weeks (similar to that at the Ancient House). This is very reasonable and is likely to provide an important venue for artists Development Manager at the Council we have identified the following requirements for artists: white walls, good lighting and a secure venue.

The venue will be manned at all times when the building is open to the public. Insurance cover will be in place (it will be necessary to ensure that the contents insurance obtained will cover the artwork). The Centre Manager will be responsible for art exhibition hire at the centre, and both they and their staff will take bookings for use.

One small part of the fort will be a museum that the public can visit free of charge. A second part, the underground tunnel, can only be visited with a guide. The third part will be used for catering with a small café for cyclists and other tourists. When the fort is closed in winter (when the bats hibernate) the public will only be able to visit the outer ramparts. The café will be operated by an external company or maybe social economy workers.

- Johan Van Den Mooter, Fort Duffel

Community rights

As a result of the Localism Act (2011) there are a suite of new community rights that may help community groups to progress a project. Full information on each of these initiatives is available at: www.mycommunityrights.org.uk.

Community right to bid

Local Authorities in England and Wales now have the duty to maintain a register of land in their area that has been nominated by local community or voluntary groups as land of community value. Should this land then be put up for sale, eligible community groups can trigger a full moratorium, preventing the sale of the land for up to six months in order to give the group time to prepare a bid.

Community asset transfer

Asset transfer is a long-term leasehold or freehold transfer arrangement entered into by the Council with a community group, Parish or Town Council. The transfer can be done at or below market price, with obligations such as maintenance and insurance passing to the new owner. Any group seeking to apply for an asset transfer must submit a full business case and supporting documentation. The process varies between Councils and takes just over a year.

Community right to challenge

If a community group or social enterprise believes that they could run a Council-managed service better or differently (and can back this up with a strong business case), they can trigger the community right to challenge. Once triggered, an open procurement process begins, where the community group may have to compete against other organisations or companies.

Community rights grants

These grants are designed to support community groups hoping to trigger a community right by enabling them to build their capacity and develop a business case. There are two types; a pre-feasibility grant of up to £10,000 and a follow-up feasibility grant of up to £100,000. These grants are delivered in partnership by Locality and Social Investment Business.

This is the end of the section on what you need to have done before you start writing your Business Plan. By this stage you will have gathered a strong evidence-base to back up your preferred option; the Business Plan is then your opportunity to work through that option in detail and show how it will work in practice. The work you have done in this section will be referred to throughout your Plan and, depending on your project, you may wish to summarise some sections in the main body of the Plan in addition to including preparatory work in the appendices.

We realise that this seems a lot of information and work but once you have completed everything outlined here you will have the evidence and knowledge you need to demonstrate your project's viability. Below is a short checklist of all these documents which you may wish to use to make sure you have covered everything.

Document/process	**Completed**
Options Appraisal	
Background Research	
Market Research	
Competitior Analysis	
Consultations	
Conservation Reports	
Architect Design Drawings	
Audience Development Plan/Activity Plan	
Building Management Plan	

The Business Plan – what to cover

In this section we will go through the core elements found in a typical heritage regeneration Business Plan step by step, from writing an executive summary through to making recommendations. Every Business Plan is different; what you choose to include will depend on the nature of your project and how far you are along the road to completion. What you include may also depend on your intended audience, although it is a good idea to complete a comprehensive plan for your own use that you can then tailor where necessary to suit each potential partner or funder; however the key principles remain the same.

Image:
Ursulines Convent

There is no difference in writing a Business Plan for a small or large project. In order to ensure a plan is viable you need to do a financial assessment - whether it's one nought or six noughts – it's the same process; you need to consider the same issues. You need to understand the impact of all the things you're trying to achieve and so the key points of writing a Business Plan, understanding who your market is, who would come and use your building, why they would do that, what they'd be prepared to pay, what they'd get out of it – it's the same, for every project, no matter what.

- Rosie Fraser, Middleport

Recommended Business Plan contents

1. Executive summary
2. Introduction
3. Options summary
4. Market research
5. Governance and management
6. Financial appraisal
7. Impact assessment
8. Risk register
9. Project plan
10. Monitoring and evaluation
11. Conclusions and recommendations
12. Appendices

Executive summary

The executive summary is the Business Plan in miniature. It is not an introduction, despite coming at the beginning of the plan, but a summary and should in fact be the last part of the Plan that you write. Ideally it should highlight all the key points of the Plan in just one page.

The executive summary is extremely important as it sets the tone and engages the interest of the reader while explaining your vision and objectives, what you are proposing and how it will be funded. It needs to be as concise and eye-catching as possible so that your key points are communicated easily – particularly since for many potential partners and funders who have limited time this could be the only part of the Business Plan that they read! Much like the first page of a CV, the executive summary is your chance to present your project and make the reader want to find out more.

Things that you should remember to include are:

- Describe your vision, who you are as a group or organisation, what you want to do, your project objectives and what you need.
- State how important the project will be in preserving the building and in contributing to the development and enrichment of the community.
- Briefly describe what your project will provide and explain why this is special.
- Briefly describe why your project, and the uses you are proposing, is suited to the particular building and area.
- Briefly describe your group's experience and say why this is relevant to your project.
- Describe other assets, strengths, competencies and advantages of your project.
- State your strategy for success.
- Present key financial data, including the total project cost, the funding you require and how it will be spent, the contributions (capital and revenue) of funding partners, details of grant applications and to what extent the project will pay its way after completion.
- Briefly state how you can guarantee that your project will still be operating a few years down the line and the wider community benefits the project will generate.
- End with a short conclusion and summary of the recommendations for taking the project forward.

There should be nothing in the executive summary that is not in the main report and equally all the key points in the Plan should be summarised in the executive summary.

Example: St Nicholas' Chapel

The 'New Life for St Nicholas' Chapel' project aims to breathe new life into an internationally significant heritage building and sustain its significance by:

- Encouraging new and existing audiences by delivering a range of events and activities;
- Developing and exploring the story of St Nicholas and King's Lynn through enhanced interpretation;
- Creating a community-led experience which is both diverse and inclusive; and
- Inspiring people through their interaction with this important building.

The project will achieve this through architecturally creative and archaeologically sensitive repair and improvement to the building, and a new approach to its use which is community focused, demand-driven and which will in turn facilitate the long-term sustainability of the Chapel. Critically it will open up new opportunities for learning and engagement with the heritage, create wide-ranging volunteering activities and actively encourage an innovative model for the governance and management of an internationally significant heritage resource.

The project will run over three years. Year 1 will focus primarily on the repair and improvement of the building. Years 2 and 3 will see a step change in the range of the building and increases in visitor numbers, in part due to significantly enhanced and contemporary interpretation. This business plan extends the project over a ten year strategic period and demonstrates its potential for growth, further innovation and financial sustainability.

The project has been brought together through a strong and committed partnership between the Churches Conservation Trust (CCT) and the Friends of St Nicholas' Chapel. This is reflected in the separately presented Partnership Agreement which offers a potential national model of good and interesting practice.

Example: Moat Brae

Moat Brae House is an elegant Category B Listed Georgian mansion lying in the commercial heart of Dumfries. It has an historic enchanted garden where J M Barrie played as a child and which was the genesis for his Peter Pan, the greatest children's story ever told. The Peter Pan Moat Brae Trust (PPMBT), which successfully saved the building from demolition, is a company limited by guarantee with charitable status. Its mission is to respond to JM Barrie's original inspiration and deliver a visitor centre of international appeal by becoming Scotland's first Centre for Children's Literature.

Benefits include educational outcomes for children and families, the preservation of the building and its architectural and cultural heritage, general environmental improvement, a significant contribution to the economic development of Dumfries and the creation of employment and attraction of additional visitors and spend in the town.

Aims include:

1. To raise approximately £4m to restore the house;
2. To establish a national centre for the development of literacy for all ages especially children;
3. To provide space for educational activities, a Peter Pan and heritage exhibition, literary residences and functions, to let as offices and to provide a café and shop selling Peter Pan memorabilia and children's books;
4. To redevelop the riverside garden, reflecting its cultural heritage as J M Barrie's original "Neverland", to provide a learning garden, a play area particularly for pre-school and primary children and space for educational and arts activities.

Restoration A Condition Survey and Options Appraisal Study has been completed and sets out the project objectives, the project spaces, the activities that could take place and the potential educational opportunities.

Business Plan and Financial Projections
Financial projections set out how the estimated £4m of capital and revenue funding will be raised. The sources of funding are listed together with an explanation of cash flow management. The building will have facilities to generate income streams making the project economically sustainable.

Introduction (i) The project

This section should summarise the project, why it is needed and the expected benefits. The outputs or benefits required by different funding organisations will vary so you need to give consideration at this stage as to who is likely to be reading the Plan. Overall this should be about defining your group's vision for your regeneration project.

You need to be really clear what your idea is and why you're doing it, and if there are partners involved, why they're doing it, and make sure that it all lines up. And not to leave it too fluffy! Have a really clear objective about what it's for, who's benefiting, why are we doing it and so on.

- Sue Gray, St Mary at the Quay

It may be useful to start by giving a brief introduction to the area in which the building is located and a description of its essential characteristics and qualities. You can then go on to give a brief description of the building itself, its importance and significance, both historically and to the local area, and its condition. You may like to consider including maps and photos to help make the context clear to the reader.

Things to consider covering are:

- Explain what your project is and what you propose to do with your building and site.
- Explain the location and how access is gained to the site, including parking provision. Describe how your project will benefit the historic building and contribute to the preservation of its specific importance.
- Set out briefly the social and economic characteristics of the area where the building is located, drawing on the market research carried out as part of your Options Appraisal.
- Explain how the project was established and how it is progressing.
- Explain what the situation is regarding statutory consents i.e. whether Listed Building Consent, Conservation Area Consent and any other planning permissions are needed or have been already granted – you may find it useful to refer to your Conservation Reports in the appendices for further details.

Hints and tips

If your area has particular social or economic difficulties don't be afraid to state them. Often they can help you secure priority for funding.

Introduction (ii) The organisation

In this section you should set out information about your group. The length, and detail, of this section will evidently vary considerably depending on whether your organisation or partnership has been newly set up specifically to undertake the project or if it has been established for some time.

Hints and tips

Funders often look at the past history of an enterprise or an organisation as an indicator of how it will perform in the future. So even though your group may be in a start-up situation it is important to put your proposal in the context of what has already happened or been achieved.

Below is a list of things that you may want to include in this section:

- Give a brief history of your group, when it was established and why. Explain what prompted you to embark on the project.
- State your long-term objectives, your mission, aims and purpose and how these have evolved.
- Describe what you have achieved so far in relation to this project.
- Give details of any work that has been commissioned or undertaken by your group.
- Describe your group's achievements in recent years (if any) and how these are relevant to your proposed project.
- Declare how many people there are in your group and briefly state who they are; further details will be given later in the Plan.
- Briefly state the legal structure of your group. If you do not yet have one, say when you will attain a legal structure and what it will be.
- State where you operate from.
- Describe how, if at all, your group is currently funded, including details of any regular revenue grants. Include any key details relating to the need to renew any funding agreements that are due to expire.
- If your group is planning any similar projects elsewhere provide a brief description and say how they are to be funded.
- Describe any links with/support from other organisations.

After reading this section you want people to come away with a good understanding of who you are, why you are involved in this project and why you are suited to run it.

These three varied excerpts from Business Plan introductions summarise the entire Moat Brae project to date, the historical significance and conservation of St Nicholas' Chapel and finally the social and economic context of Middleport pottery.

Example: Moat Brae

Moat Brae House is, currently, a Category B Listed elegant Georgian mansion with an historic enchanted garden in the commercial heart of Dumfries, in south-west Scotland. This garden is where J M Barrie played as a child whilst a pupil at the neighbouring Dumfries Academy and was the genesis for his global character Peter Pan, arguably the greatest children's story ever told. The house and garden were in private ownership from 1823 -1914; it then became a nursing home which was closed in 1997 after which it fell into disrepair and was subsequently purchased by Loreburn Housing Association. In August 2009 Moat Brae was due to be demolished to make way for new social housing. The loss of such an iconic building and historic garden would have been a tragedy. In response, an action group of local individuals was formed and a successful campaign was launched to save the building and garden from demolition, beating the bulldozers by just three days. The Peter Pan Moat Brae Trust (PPMBT), a company limited by guarantee with charitable status, is registered as a Building Preservation Trust and is a member of the UK Association of Preservation Trusts. The Trust has acquired the site and plans to restore and transform the use of the building and garden for life in the 21st Century.

Example: St Nicholas' Chapel

St Nicholas' Chapel in King's Lynn, Norfolk, is generally held to be the largest Chapel of ease in England. It is of comparable size to St George's Chapel, Windsor and some of the smaller cathedrals and is regarded as one of the finest ecclesiastical buildings of East Anglia. A superb 'textbook' example of Perpendicular architecture, it is a Grade I listed building.

St Nicholas' was founded in 1146 as a Chapel of ease to the Priory church of St Margaret. The current building is largely a product of a rebuilding in the fourteenth century – with the exception of the tower, parts of which survive from around 1225. Major interior restoration during the 19th century saw the loss of most of the mediaeval furnishings, fragments of which survive in the Victoria & Albert Museum. The Chapel served the northern part of the medieval town of King's Lynn and from the 19th century the 'North End' – the area that historically housed fishermen. Treasures of the Chapel include the angel roof, incorporating a range of musical instruments, the consistory court furniture at the west end of the building, and the memorials to local merchants and their families.

St Nicholas's Chapel offers high levels of heritage significance based on communal values. Specifically:

- The Chapel's architectural presence in the centre of Kings Lynn is of high heritage significance;
- The sanctuary area is of high heritage value for the spiritual significance it represents;
- The interior has high heritage significance for the social role it plays and can continue to play as a vibrant community resource. More specifically, the wide space, superb acoustics and complexity of history and detail make the Chapel an ideal venue for concerts and public events;
- The Chapel's bells and organ retain strong communal value.

Declared redundant by the Diocese of Norwich in 1992, the Chapel has seen substantial investment and repair since then by the CCT. This has included repairs to stonework and leading, conservation of historic fixtures and fittings and the replacement of electrical installations.

Example: Middleport Pottery

- Middleport and Burslem experience high levels of unemployment and income deprivation;
- Middleport suffers from low level of educational attainment and as a consequence personal aspirations are considerably lower than regional and national averages. The current employment offer is also dominated by and over concentration of secondary sector employment opportunities, which is often associated with lower wage jobs.
- The decline in manufacturing over the last two decades has led to depopulation and economic decline. Those residents who are in employment either work from home or travel less than 2km to work. It will therefore be important to improve links to the wider area to enable residents to secure new work;
- Middleport and Burslem suffer from poor public realm, which impacts negatively upon the perception of the area and investor confidence; and
- There is conflict between residential and employment uses in terms of noise, dust and odour pollution from increased heavy traffic generation.

Options appraisal summary

Including a summary of your options appraisal will allow whoever is reading your business plan to understand why your proposals have been selected and demonstrate that you have considered a full range of options, including the 'do nothing' option. A brief description of each option, setting out the strengths and weaknesses, and the rationale for your decision should be sufficient. It should also be clear what criteria or factors have been taken into account in making a decision, whether or not you have used a formal appraisal technique such as multi-criteria analysis. You may wish to refer to the full options appraisal or a more extensive summary in the Plan appendices.

Example: Old Duchy Palace

In Autumn 2010 a further review was carried out in house by PRT and CBPT, drawing upon the experience and testing carried out since the original appraisal. Current options are:

Option 1 - Do Nothing

This has almost nothing to recommend it, other than the fact that the current short term low value tenancies might be able to continue for a year or so until the building deteriorated into an uninhabitable state. The building would remain at risk, and would decline further to the detriment of Lostwithiel Town Centre and Conservation Area. It would destroy the good will and partnership working built up over the last three years, and severely damage the reputation of the Prince's Regeneration Trust. It would not provide any new employment space of economic value or public heritage interpretation facilities. It is very doubtful that the building could be sold on to a benevolent developer. PRT would be obliged to keep the building secure and 'mothball' it to avoid deterioration due to its Grade 1 listed status.

Option 2 - No ERDF funding (reference case)

Without ERDF funding it would not be possible to carry out the internal upgrading works to enable office space to be provided. This would also put other promised match funding at risk. In this ase PRT would endeavour to seek these funders' agreement to carry out essential external and structural repairs as a priority. PRT would then have to mothball and/or endeavour to sell the building with no guarantee of fitting out or any resultant community benefit.

Option 3 – (Preferred Option)

This option offers a practical and viable solution of mixed use with the majority of floorspace converted to offices, as described in this Business Plan. It conserves all of the principal heritage features of the building.

Option 4 – Full Restoration

This is an enhanced version of the current proposal with greater emphasis on the restoration, enhancement and understanding of the historical features of the building. This would involve works such as reinstatement of a scantle slate roof, full excavation of the undercroft floor to provide hidden underfloor heating with associated archaeological investigation, restoration of additional decorative features in the first floor hall, more expensive bespoke furniture and hangings, paint analysis etc. However, this would involve considerable extra costs of up to £200,000. Whilst this would present the building to a higher standard, the practical benefits in terms of economic and social outcomes would be much the same as the preferred option.

Example: Old Duchy Palace - continued

The Selection of the Preferred Option
Option 3 has been chosen as the preferred option for the following reasons:

- Mixed use offers sustainable income stream as well as free public access.
- Less invasive use of building than some other options due to lower footfall and no need to irreversibly subdivide spaces.
- Suitable town centre use acceptable in planning terms.
- Good fit with current strategies and programmes ensures mixed private / public funding package can be assembled for capital works and some revenue activities.
- Needs analysis demonstrates local shortage of quality office accommodation.
- Re-use will generate new supply chains as well as providing a useful resource for businesses, thus assisting economic development and recession recovery.
- Fits with aims and objectives of the Prince's Regeneration Trust and Cornwall Buildings Preservation Trust.
- Fits with feedback from community consultations.
- Provides substantial opportunities to access heritage unique to this building and opportunities for partnership working with Museum.
- Opportunities for local community to be involved in long term management.
- Significant cost savings compared with Option 4.

Market research

You will have already completed market research prior to starting your Plan as part of your options appraisal; however, your findings should be included in the Plan to provide a strong rationale and evidence base for any assumptions underpinning your financial appraisal later in the Plan. In order to bring your research up to date or explore your proposals in greater depth you may like to carry out additional research, for example focussing specifically on your target audiences or demand for one particular activity, such as events. Testing your proposals on the local community and target audiences is a vital part of stakeholder engagement, which should be on-going throughout the development of your Plan.

We realised that the market research and investigation that had been done a year or so back in early drafts was a bit out of date and not local to Suffollk ….We then found a similar business running the way we would want to run ours in the Church, in another local town to us (far enough away not to be a competitor!), and so the owner of that centre became an informal partner and shared a lot of her information with us that was more current and therefore useful to inform our plans. …

- Sue Gray, St Mary at the Quay

Example: All Souls

Asian Wedding Receptions
Bob Allen, Development Manager for All Souls conducted a small survey with a local community group regarding the suitability of All Souls as a venue for wedding receptions.

In carrying out this body of work World Class Service also discovered that Bolton has just seen the opening of a new 'mega-venue' for weddings. The venue is called Excellency, and is located on Carlton Street in the town centre. It has a capacity to hold up to 1500 people for a seated dining events, and is owned and managed by local businessman Bipin Patel.

It is clear that the vast majority of Asian weddings have a guest list of well over the capacity that All Souls can offer. The minimum number that would is typical for an event such as this is 300, ranging up to over 2000 on some occasions. It has been suggested that there may be a market for the smaller events that surround Asian weddings, and that these could take place on Thursday and Friday evenings, when the centre is available for such activity. Further thought would need to be given at the operational planning stages as to the use of the kitchen to service these events, to ensure a high quality output at all times. At the time of writing the proposal for a larger kitchen servery on the first floor would be suitable. Other requirements outlined were toilets, and women – both of which All Souls should be well placed to do. The local community

women – both of which All Souls should be well placed to do. The local community appear to be generally less concerned with the lack of onsite parking suggesting that the use of road parking in the neighbouring streets would be sufficient for such an event.

Example: Old Duchy Palace

The Cornwall economy is broadly characterised by few large employers and a high proportion of small and micro businesses. This means that commercial workspace demand as reported to agents often tends to be relatively local and the requirements fairly small-scale in nature. Demand for office space is higher in the west due to the larger centres of population there, and Truro has by far the strongest market. The vast majority of local office needs are for small-scale space up to around 100 m² in size, with few requirements above this threshold. Whilst smaller settlements and their immediate rural hinterlands are unlikely to be a major driver of the County's future growth, they represent an important component of Cornwall's local economy. Accommodating this type of economic growth not only helps to meet local business needs and support entrepreneurship, but it also supports a wider sustainability objective of providing more accessible employment opportunities that can help reduce commuting to Cornwall's larger settlements.

There is a reasonable level of demand for very small-scale managed office units on flexible terms. This demand is not catered for in a number of areas of the county and is exacerbated by the absence of national providers of this type of managed workspace. A successful recent example is at Dowren House in Hayle which provides flexible micro office units

Governance and management structure

No matter how good any Business Plan is, success hinges on the ability of the individual or team leading the project to bring proposals to fruition. Whether the team is made up of unpaid Trustees, paid staff, or a combination of the two, this part of your Plan will need to show that the team is well-rounded with the right mix of managerial, financial, marketing and production skills and experience. It must also show that, ideally, the individuals have experience and skills in the relevant business sector or are undertaking training to acquire the skills needed. Other staff and volunteers should also be detailed and broken down according to their key functions.

Details that you should cover in this section are:

- Management arrangements including details of all managers (paid and voluntary) and their experience of projects of similar size and cost.
- Senior staff arrangements, current and proposed roles and responsibilities, their track records and achievements related to the needs of the project (you may wish to provide their CVs as an appendix). Note the number of people for whom each manager is responsible
- A recruitment plan and job or role descriptions for all new paid and unpaid posts, including a detailed programme, method statement and details of costs.
- Your approach to training and development, to demonstrate that people are being developed to meet your objectives.
- Clear explanation of any partnership or shared governance arrangements.
- Details of external advisers – names, experience and methods of appointment/ relationship with your organisation.
- Current and proposed roles of volunteers and your experience of managing and organising a volunteer workforce.
- Organisation charts, showing the position at present and that proposed after the project's completion. This should include the relationship between trustees, management, volunteers and any other committees, steering groups or partners.
- Details of any weaknesses in the team and what is planned to address these, whether by staff development, employment or short-term staff to provide skills specific to the project, or by other means.

We will have an agreement between CCT and us which will be a legal document - however the most important thing is the trust and the relationship that the two organisations have built together over the development of the project so far… So we have our on-going good working relationship and practice with them and trust backed up by a very clear agreement, which sets out how it's going to work, for instance who is responsible for what and when, if Suffolk Mind or CCT fold, what will happen, what will happen if the business case doesn't stack up, and all sorts of things right down to that level of detail.

- Sue Gray, St Mary at the Quay

We are a trust and a registered company. That's very helpful, because you can apply as a charity to some funders, like the lottery, or, as a company, to ERDF or Business Link because you get concessions as a Small or Medium-sized Enterprise (SME). The organisation has got to be in the right sort of format before it can embark on a project properly.

- Georgie McLaren, Old Duchy Palace

Example: All Souls

Attached as Appendix J are the details of the current 11 board members and their background. The board will on an annual basis review governance procedures using NCVO guidelines or similar. The board meets on a quarterly basis or more frequently as required. We have a substantial skill-base in finance, marketing and communication, legal matters, business development, youth and community engagement and IT as well as local community representatives.

The training and development needs for Board members include:

- NCVO good governance - Spring 2013 with a review of our progress against the established principles of good governance.
- Business planning - detailed review of current business plan autumn 2012 and then quarterly updates.
- External visits; to gain understanding of how similar centres are operated, looking at risks, management issues, finance, community engagement and marketing.

Visits to be arranged e.g. The Florrie, Inspire.

There is currently a gap in knowledge and experience in building surveying/general building skills and we are seeking to fill this gap through the recruitment of a new Board member. We will link this to the start on site to assist with publicity.

Some key areas of responsibility have been allocated to Board members already, including finance, communications and legal. We will allocate further lead roles in interpretation and heritage activities, fundraising, staffing, ICT and health and safety as a matter of priority in autumn 2012. The whole Board is currently responsible for overseeing the entire project but we have established some sub-groups to assist with more detailed Board analysis of priority areas, including in communications and for the value engineering exercise. These groups then make recommendations. We will also use corporate health checks like those developed by Locality for community enterprises back to the full Board. We expect to establish more sub-groups as we move towards opening and operation. Two or three Board members will be designated to work closely with the interpretation and activity planning consultants and in developing the work programme of the Community Projects Officer: this work will include development activities such as site visits, best practice seminars etc. as with the other sub-groups, they will guide and report back to the wider Board on heritage and engagement.

The nuns have leased most parts of the site to a secondary school and a retirement home. The non-profit organisation vzw Wintertuin (wintergarden) takes care of the parts of the site that are no longer in use and give tours on a voluntary basis. Only a new structure will make it possible for all partners to stay on site and give the nuns the stability they need. They have played an important role over the last 100 years and their (in)tangible heritage has to be preserved. The most important issue for the site is the transfer of property when the congregation of nuns disappears in around 10-20 years' time. We bring together all the partners and try to mediate between them to resolve issues around finance, maintenance and the future care of the site's heritage, supported by a law firm.

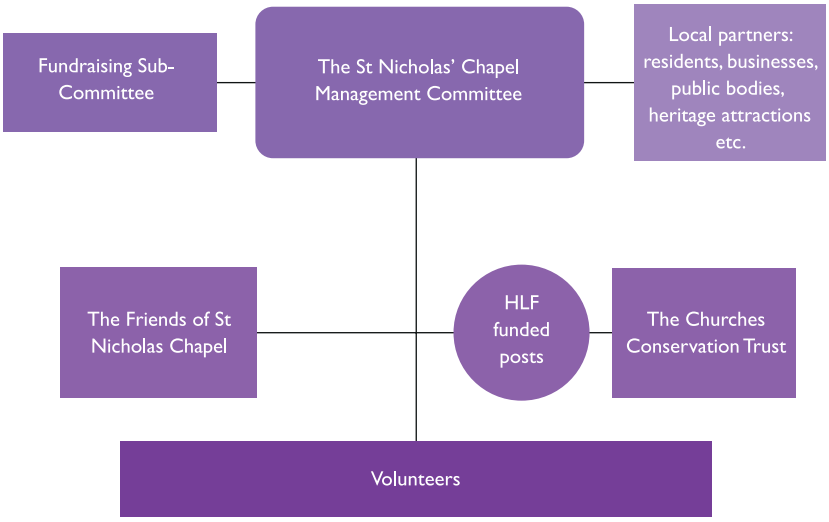
- Johan Van Den Mooter, Ursuline Convent

St Nicholas' Chapel will be operated by volunteers, with a limited number of paid staff in the first few years to build volunteer capacity. The Friends of St Nicholas' Chapel and The Churches Conservation Trust will come together to form the St Nicholas' Management Committee and this 'management team' will agree an annual plan for the Chapel which will include the year's repair and maintenance schedule, income targets and activity programme.

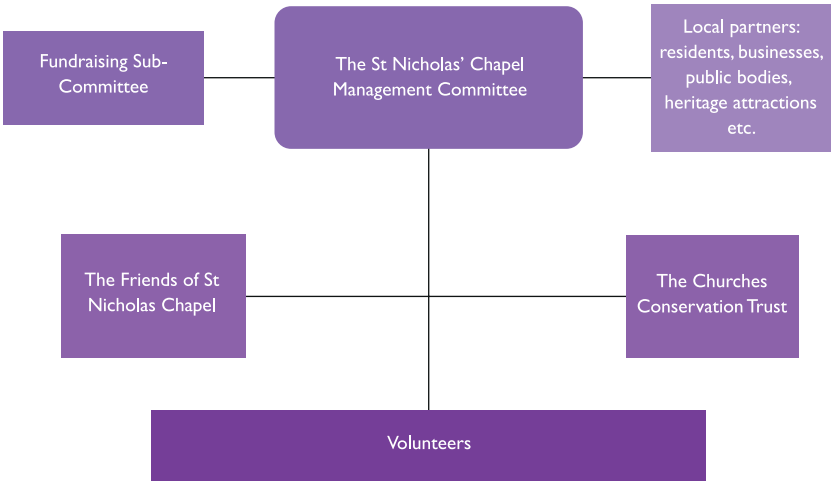
- Matthew McKeague, St Nicholas' Chapel

Example: St Nicholas' Chapel

These organograms show how the the management structure will evolve over time.



(Above) *St Nicholas' Chapel - Management Structure 'Years 1-4'*



(Above) *St Nicholas' Chapel - Management Structure 'Years 4+'*

Financial appraisal

The aim of your financial appraisal is to show how your project is financially viable. This involves gathering information on your expected income and expenditure, both during any construction or renovation work and whilst up and running, usually over a minimum of five years. Ideally when you take this information and bring it together it will show that your project is viable, with sufficient income to cover all expenditure. However, if this isn't the case, completing the appraisal will give you the chance to re-think your plans and test various ways to resolve the shortfall.

There are a number of financial statements that are conventionally used in financial appraisal to present all the financial information associated with your project:

- Statement of cash flow
- Balance sheet
- Income and expenditure account
- Capital income and expenditure
- Sensitivity analysis – this isn't a financial statement but an exercise to test the impact of any changes in your assumptions, for example a 10% reduction in visitor numbers.

Each one of these statements is explained below, although the precise accounting rules will depend on the type of organisation due to the varying requirements of charities and companies. In addition there are interactive spread sheets used in financial appraisal attached to this guide, which will enable you to easily produce basic financial statements by inserting information specific to your project.

However, the accuracy of these statements, and in fact the credibility of your financial appraisal, is entirely dependent on the accuracy of the information you use, such as estimates of staff costs or income from fundraising.

Hints and tips

Do include an explanation of the assumptions that you have made to produce your income and expenditure figures as potential funders will look at this to ensure that their money is needed and won't be wasted. For example, you should state the expected rate of inflation over the period in question as well as other factors affecting your figures, such as assumptions about the state of the rental market. It's quite common to over-estimate income and under-estimate expenditure. This is called optimism bias – one way to reverse this is to include a contingency percentage to your costs.

Capital income and expenditure

Capital spending is spending on fixed assets such as buildings and equipment, or in other words spending on goods or services from which benefit will flow for over one year. This expenditure and the funds used to pay for it are kept separate from the revenue income and expenditure that will occur on an on-going basis, such as income from entrance fees or expenditure on bills.

In the case of regeneration projects, the majority of capital spend is likely to take place in one distinct phase and will include acquiring land and buildings, professional fees and paying for construction work to preserve the building and bring it back into use. Aside from the building itself it is likely that you will need to invest in other assets to support the building's use, for example kitchen fixtures, vehicles and office furniture, or intangible assets such as an alcohol license or internet domain name rights.

Once you know how much capital is required for your project to function in the way you have planned you will need to work out where this investment will come from. Capital income can come from a variety of sources:

- Capital income from the sale of land, buildings or other assets;
- Grants from European, National or local funding bodies;
- Community shares – see: www.uk.coop/resources/documents/practitioners-guide-community-shares;
- Donations;
- Fundraising; and
- Loans.

Accurately estimating the capital expenditure required for your project is not covered in this guide, however you will need this information in order to complete your financial appraisal as it will impact on the project Balance Sheet and cash flow, particularly if the project is using loans to finance capital expenditure.

Example: St Nicholas' Chapel

This financial analysis uses the visitor numbers to the Chapel as the basis for some of the income estimates. The visitor numbers used reflect those presented in section 6.5.1.3 above. Based on CCT records the current donation income from visitors has been estimated at an average 15p per visitor which is above the average for CCT facilities. In line with emerging CCT tourism strategy the intention is to act to increase donation income through robust and effective promotion and volunteer training to the equivalent of £1 over the life of this plan. This is acknowledged to be an analysis of the average income per visitor from donations – currently 30p per visitor. Whilst the attractions included in the sample vary in terms of size and type, and therefore are not be directly comparable with St Nicholas' Chapel this does provide an indication of the work required to reach target income levels.

To support this, the following elements will be included within the new visitor offer:

- Newly designed and sensitively located Donation Boxes;
- Accessible information on interpretation and tours about how the Chapel is free to access but dependent on the support of people who use it;
- A highly visible suggested donation of £2 per person.

In addition co-ordinated actions will be taken to encourage donations during other times, most specifically during or after exhibitions, College graduation ceremonies, concerts and events. Planning for this has been based on current known and planned increased use of the Chapel as articulated in the Activity Plan and assumptions regarding the propensity to donate within these groups of users.

Year	Visitor numbers	Average Visitor donation (pence)	Total income (£)
0	3968	15	595
1	0	0 (ie. closed for conversion works)	0
2	4365	20	873
3	4801	25	1200
4	5281	30	1584
5	5809	35	2033
6	6389	40	2555
7	6708	50	3354
8	7043	65	4578
9	7395	80	5916
10	7764	100	7764

Table 19 Donations: Heritage Appreciator Day visitors

Revenue expenditure

This will include the costs of providing the services for your building. The capital expenditure on building acquisition and construction work should be kept separate from revenue costs, which would normally include:

- Staff costs – identify full and part time staff costs as well as expenses for volunteers.
- Maintenance and repair costs – you should not underestimate the amount of money that it will take to keep your building maintained. See guidance from English Heritage on creating a Maintenance Plan at www.english-heritage.org.uk/content/imported-docs/f-j/hbmdl-maintenance-plan. It's good practice to set up a 'sinking fund' and put aside money each year to save up for more extensive (and costly) maintenance work in future years.
- Maintenance of interpretation equipment
  - upkeep and refresh of any materials and equipment used by visitors.
- Bills - for example gas, electricity and business rates (if applicable).
- Marketing – advertising, design and promotional materials.
- Insurance premiums – building and contents insurance in addition to insurance specific to your project, such as employers or public liability insurance.
- Reserves – most organisations try and keep enough money aside to cover running costs for 3 months.
- Cost of sales – the expenses relating directly to revenue generating activities, for example in the case of a café this would be the costs of the food, or if there is a shop, the purchase of the goods.
- Finance costs – bank charges and interest payable on any debt from loans or cards.

Example: Middleport Pottery

Staff Costs

It is anticipated that three members of staff will be required to oversee Trust activities. This will include a Middleport Manager who will have responsibility for the day-to-day management of Trust operation and who will report directly to the Chief Executive. This post will be paid c.£30,000 per annum. There will be a Visitor Services Manager who will be paid c.£26,000 per annum and a Receptionist who will be paid c.£14,000 per annum. An On- Site Manager will be appointed on a 2 year fixed term contract who will act as PRT's on-site liaison with the building contractor and BDL. This post is estimated to cost c.£30,000 per annum. An allowance of25% on costs for NI and pension contributions, on all salaries, has been included. The Project Manager will be appointed during 2012 with the Middleport Manager being appointed at the beginning of 2014 and Visitor Services Manager being appointed halfway through 2013. The Receptionist will become full-time once the commercial units are available to rent to provide support services to these new businesses. PRT project management, staff and support costs during the construction phase peak at £280,000 per annum. Once the site has re-opened these are expected to reduce to c. £140,000 per annum.

Overheads

These have been established on benchmarked costs from other similar projects and therefore a degree of reliance can be placed upon them. An allowance for sundry items of c.£10,000 per annum has also been included to allow for any shortfall in forecasting. These items also include utilities, post/stationery/phones, insurance, cleaning, security, maintenance, legal and audit and IT equipment and support. Once the project is established the overheads are estimated to cost c. £90-95,000 per annum.

Statutory

These costs include an allowance for non-recoverable VAT and depreciation. They are nominal costs only.

Value Added Tax

Value Added Tax (VAT) cannot be ignored when carrying out your financial appraisal. It should be clear throughout the financial appraisal whether the organisation managing the project will be VAT registered and whether income and expenditure is inclusive of VAT, taking care to select the correct rate (standard rate, reduced rate or zero rate).

If you are registered for VAT, you will charge VAT and collect tax on behalf of HMRC. Equally you can claim back some VAT on purchases. Every three months you will send HMRC a VAT Return. If the organisation collects more VAT than the amount that can be reclaimed from HMRC, then the difference is payable to HMRC, or if the value of the VAT to be reclaimed is greater than the amount collected, then HMRC will refund the difference.

If you are not registered for VAT then you will still have to pay VAT on purchases, although there are a number of exemptions and reductions that apply to charities.

Registration for VAT is required when a business meets certain criteria and thresholds, although it is possible to register voluntarily. The current criteria and information on VAT rates is available at: www.hmrc.gov.uk/charities/vat/intro.htm.

Statement of cash flow

It is essential that your project breaks even, that is projected costs are either met or exceeded by the income the project can expect to generate. This will ensure your project's financial viability on a day-to-day basis and is needed to build up reserves and invest in a sinking fund, a pot of money built up to pay for future on-going repairs. The statement of cash flow is the easiest to understand for anyone without experience in finance. Logically, this statement takes the opening balance at the start of each year (what you have in your bank account and cash tin), adds expected income and takes away the expected expenditure to provide a closing balance, which then carries forward to the next year.

A cash flow should cover at least five years, with the first year or two broken down by month or quarter. The Heritage Lottery Fund requires cash flows to cover the period over which grants are paid plus five years; this is good practice as it will show how your project will be financially viable once grant funding ceases. Due to the nature of regeneration projects, your cash flow may show little or no surplus in the first couple of years, but should show a surplus thereafter. If your statement shows you to be operating with a deficit then you will need to review your Plan and consider how you can reduce costs, increase your income or secure revenue grants in the interim until the Plan is viable. We recommend that you don't anticipate relying on revenue funding as a source of income in your cash flow as a long term solution as you are unlikely to prove you can secure funds after that period. The revenue funding included in your Plan must be committed by a funder and any letters of support included as evidence in the appendices.

One of the things the Council have given us in terms of project support is a £1.8m cash flow loan over the capital works stage. Without that we would have had to have taken on a loan from either the Architectural Heritage Fund (AHF) or a bank and then we would have been hit with interest charges which would have had an impact on the Plan.

- Rosie Fraser, Middleport

Balance sheet

A balance sheet lists all of the project's assets and shows how they are financed – or in other words it shows what is owned (assets, cash etc) and what is owed to the organisation, and on the other hand how this is funded, whether through liabilities (debt such as loans or credit from suppliers) or capital (from grants, shares or surpluses). Unlike the statement of cash flow, balance sheets are completed using accruals accounting, meaning that income is recorded when earned rather than when payment is received, (even if the cash is not yet received) and expenses are counted when goods or services are received, even if the business hasn't yet been paid for the goods or services. The balance sheet provides a snapshot of the project at one point in time; whilst this provides a more realistic picture of how the project is doing, preparing a statement of cash flow is vital as without sufficient liquidity a project will not be able to continue.

Examples of accruals accounting

A room is hired out for an event and payment is received one month in advance.

These costs include an allowance for non-recoverable VAT and depreciation. They are nominal costs only.

The income isn't recorded as income till the event, till then it will show in the balance sheet in the liabilities section.

A room is hired out for an event and payment is received one month after.

Income is recorded as income on the day of the event, although until the payment is received the amount will be show within receivables on the balance sheet. When the income is received the payment will be moved from receivables to cash.

Assets can be either current or fixed. Fixed assets are assets owned by the organisation (or held on a finance lease) from which the benefit will be felt for more than one year. Fixed assets will be valued at regular intervals and be depreciated, or in other words the cost of the asset will be spread over its useful life (excluding land, which is not depreciated).

Fixed assets will typically include:

- Land and buildings;
- Heritage assets (for example collections; these are not depreciated but re-valued at regular intervals);
- Vehicles;
- Fixtures and fittings (IT, kitchens etc);
- Equipment; and
- Licenses or copyrights (these are intangible as they are not physical objects).

Current assets will include cash and bank balances, money owed to the organisation, prepayments (for example for water bills or IT service costs) and inventory – assets held for less than one year such as stationary or kitchen stores.

Liabilities are also split into current and long-term. Current liabilities, due to be repaid within twelve months, typically consist of overdrafts, trade payables (money owed to suppliers), tax and national insurance. Long-term liabilities will include loans and other finance agreements lasting over one year.

Capital and reserves are typically made up of:

- Restricted funds: money that has been given for something in particular must be shown in the accounts as restricted. This can include donations, grants and endowments.
- Unrestricted funds/general reserve: funds that can be spent on anything to further the organisation's purpose. This can include donations, grants and endowments.
- Designated funds: money that Trustees or Directors have formally decided to put 'on one side' for a specific purpose. These funds will have originated either from the unrestricted funds or the accumulated funds.
- Accumulated funds: funds gained by the

organisation through their activities.

- Revaluation reserve: reserves built up where the valuation of an asset is higher than its carrying value on the balance sheet. Equally if the valuation of the asset is lower than their value on the balance sheet then the asset is 'impaired' and the different will appear as an expense within the income and expenditure account. These will funds will not become cash unless the asset is sold at the same price as the valuation.
- Increasingly capital and reserves may include more innovative equity models, such as community shares.

For more information on community shares see The Practitioners' Guide to Community Shares at: www.uk.coop/resources/documents/practitioners-guide-community-shares.

The total assets will always be equal to the combined liabilities, capital and reserves. For the purposes of the Plan you should produce a balance sheet forecast for each year of your cash flow.

Income and expenditure account

The income and expenditure account, sometimes called the statement of profit and loss looks very similar to the cash flow, as the format is almost identical, starting with income, less expenditure, ending with surplus/deficit. However, like the balance sheet, the income and expenditure account is not purely based on movement of cash but records income and expenditure at the point where it occurs and includes non-cash items such as depreciation to show the overall performance over a given period.

Sensitivity analysis

Once you have produced your financial statements it is good practice to test your project in a variety of conditions, e.g. if visitor numbers were 10% less than anticipated. Even national organisations have great difficulty predicting visitor numbers, for example the Eden Project, where visitor numbers were almost double those predicted or the Earth Project where they were significantly below estimates. Each variation in conditions is likely to have a number of impacts; in the example above the reduction in visitor income would have a corresponding reduction in staff and printing costs.

In addition to testing variations in income, each line of expenditure may fluctuate or change unexpectedly and affect your appraisal. It is possible to reduce the risks associated with changing costs by gathering robust quotes and estimates and ensuring that these are kept up to date, however there will always be some costs that are challenging to anticipate, such as energy costs. All costs will be affected

by inflation and may also change as a result of government policy, for example changes in VAT.

The cumulative effect of these impacts on the financial statements will show how 'sensitive' your project is to each variable and what your project is capable of coping with. If the slightest change would risk the viability of your project, you may wish to adjust your plans to create a contingency buffer, or gather more information to give you confidence in your project's projected financial performance.

We have really drilled down with local providers, so for example, how much does it cost for to have an annual service of your fire and electrical appliances, we didn't just go with an internet search, we went to a specific provider in Bolton and said we've got this building here's our plans, how much would it cost? They gave us a very realistic figure.

- Inayat Omarji, All Souls

Year	Income (£)	10% income reduction (£)	20% income reduction (£)
1	25,000	22,500	20,000
2	29,000	26,100	23,200
3	35,000	31,500	28,000
4	38,000	34,200	30,400
5	40,000	36,000	32,000

Year	Expenditure (£)	10% expenditure increase (£)	20% income reduction (£)
1	28,000	30,800	33,600
2	29,500	32,450	35,400
3	30,000	33,000	36,000
4	31,000	34,100	37,200
5	32,000	35,200	38,400

Example sensitivity analysis

In this example income has been reduced by 10% and 20%; if there are a number of different income streams then it may be appropriate to choose a percentage that reflects the level of confidence you have in each estimate.

As in the example above, expenditure could be detailed by type of cost to recognise the sensitivity of different costs. For example, maintenance could be very difficult to estimate with certainty whereas business rates or insurance are likely to be fairly steady.

Year	Surplus/ deficit (£)	Income (£)		Expenditure (£)	
		10% reduction	20% reduction	10% reduction	20% reduction
1	-3,000	-5,500	-8,000	-5,800	-8,600
2	-500	-3,400	-6,300	-3,450	-6,400
3	5,000	1,500	-2,000	2000	-1,000
4	7,000	3,200	-600	3,900	800
5	8,000	4,000	0	4,800	1,600

Finally, the adjusted estimates for income and expenditure can be combined to show the overall sensitivity of the project to changes in income and expenditure. In this example, the project can just about withstand reductions in income or increases in expenditure.

If both a reduction in income and an increase in expenditure were realised, the impact on the project would be substantial and damaging.

Year	Surplus/ deficit (£)	10% change in income and expenditure (£)	20% change in income and expenditure (£)
1	-3,000	-8,300	-13,600
2	-500	-6,350	-12,200
3	5,000	-1,500	-8,000
4	7,000	100	-6,800
5	8,000	800	-6,400

Preparing for change

Whilst you are developing your project, there are any number of factors that may lead you to re-evaluate your plans and their viability. These could include:

- Not meeting capital funding targets;
- New competition reduces demand for one or more proposed activities;
- Changes in legislation and regulation; or
- Unknown building or structural issues.

You will have thought these through in your risk assessment, however by working through these scenarios before they become reality you will be able to assess what this would mean for your project with regards to financial viability. Any one of these eventualities could mean that you are only able to restore part of your building, or deliver fewer of your end uses.

It is therefore a good exercise to pare back plans to the minimum, stripping away layers of complexity. At the most basic level, you may only be able to deliver a construction project that repairs the building and makes it weather tight, but not to have the funds to fully fit it out to a high spec, in which case you may be able to occasionally open the building to the public but not run planned activities. This would be the worst case scenario, but from this point you can then prioritise which parts of your Plan or activities you most want to deliver. It's worth bearing in mind that low spec building work is not only far cheaper but is often far more sympathetic to the historic building, allowing future users to gain greater enjoyment from the building.

This should not be seen as a negative exercise as although you're paring down your activities, and therefore reducing the benefits, you are also reducing your costs and creating a simpler and more manageable project. A simple way to continue a range of activities whilst reducing the financial risk to your organisation could be to use a franchise model, particularly if you do not have direct experience of running a given activity.

The financial templates provide an easy way to work through the impact of any substantial changes to your project but if you would like to look at the costs and revenue of each element of your Plan in more detail and identify the activities that generate the most surplus, you could apply zero-based budgeting. This is an accounting technique used to prioritise activities or potential activities by individually assessing the costs and benefits of each activity and then ranking them in order of profitability.

If you cannot carry out all elements of your plan, don't be discouraged. You will always have the opportunity to revisit your Plan in future years. Some of the best projects take place in phases, allowing each part of the Plan to be tested and refined.

When you put together a bid for somebody, you don't show it going from nothing to a wonderful figure, you show something that's already running along, but needs an injection to take this quantum jump into a serviced facility. Visitors bump along at say 3.5 maybe 4 or 5,000 a year. We're estimating over 10 years there'd be at least a 50 % change in that… Some of the other uses are more straightforward – we're not offering to put up the stage and lighting, we're enabling them to hire a space… But on the other side of the coin, there's something like after school activities, which would have to be let out to somebody to organise. I don't see that as volunteer managers we are likely to find people with the time and skills to become full time providers.

- Adrian Parker, Friends of St Nicholas' Chapel

Summary

Your full financial appraisal of your chosen proposed use should be included in your Business Plan in the appendices, whilst summary points should be included in the main body of the Plan to show how your project will be financially sustainable.

Key points that you need to cover are:

- Grants and funding secured.
- Sources of income and predicted level of income, and the assumptions used to underpin those forecasts.
- Predicted levels of expenditure and break down of main areas of expenditure with underlying assumptions, highlighting any unusual elements.
- Cash flow statements for the first five years for capital and revenue.
- Summary of your sensitivity analysis to show that you are aware of, and prepared for, possible variations on your predictions.

We have a building in the centre of Ipswich that we're not fully using so we're planning to set up the café and therapy centre based on our existing counselling service (HMC) so there will be SMAQ 'business' and 'brand' up and running to move into the church. This will enable us to increase the interest in what we will be doing in the church ahead of it opening – and have our business model to support the project well on the way to the break-even point from set-up. That's about thinking ahead about - we need this building to wash its own face and become financially viable as fast as possible…

- Sue Gray, St Mary at the Quay

Example: Old Duchy Palace

Construction Costs

The construction costs above are based on the updated cost plan (April 2011). The costs have been prepared by the Project Architect and Quantity Surveyor, both very experienced in historic building repair and conversion works, including experience of Convergence funded projects. They are based on a measured survey and detailed on site inspections by the Project Architect and Structural Engineer. The detailed cost plan is included as Appendix 4 and forms the basis for the commentary below.

There are a number of abnormal costs. Examples include:

- High preliminary costs (20% allowed) are due to the site constraints. Materials will have to be stored off site in a separate compound. The building will be fully scaffolded with an over-roof to allow re-roofing work to be carried out over the winter and to avoid debris falling into the street.
- Some provisional sums have been allowed for, as some costs cannot be verified until opening up has taken place – for example the cost of repairs to the floor structure of the main first floor room.
- There is a known flood risk associated with the undercroft which requires electrical circuitry to be positioned above flood levels (as at present) and the introduction of non-return valves in the drainage systems.
- Drainage systems need to be re-routed to avoid neighbouring properties.
- The Grade 1 listing means that locally distinctive/traditional materials are required to meet Listed Building Consent conditions e.g. Cornish slate roof covering, lime mortar repointing, cast iron rainwater goods, oak structural timber and floorboards, breathable lime wash paint, lath and plaster ceiling repairs etc.
- Structural repairs are required to the porch.

Operational Revenue Plan

An Operational Revenue Plan has been developed to ensure that the building can be self-sustaining after the capital works have been completed, and that CBPT can be confident in taking on the head lease. No grant assistance is being sought from any source towards the base revenue plan which assumes that income will be generated at current market rates from the retail and office elements in the building.

The Demand Study and Valuation suggests that, together, the letting of the two parts of the building is expected to generate an annual income of around £20,000. Expenditure takes into account the proposed annual rental of £2,000 to be paid by CBPT to PRT, the establishment of a sinking fund to cover the costs of cyclical maintenance, plus utilities and insurance. Maintenance costs have been

estimated by the project architect in the Maintenance and Management Plan. The cash flow indicates that CBPT can expect the project to be self-sustaining by the end of Year 2. CBPT has sufficient reserves to cover the projected initial loss.

Appendix 9 includes the full cash flow projections and the Maintenance and Management Plan. The Demand Study and Valuation is in Appendix 12.

Full impact assessment

As part of the Plan you will need to carry out an impact assessment looking at the economic, social and environmental impact that your project will have on the local and wider area. Completing an impact assessment will help you identify areas where you may want to try and reduce a negative impact and clarify even further the benefits that your project will deliver. A thorough impact assessment will also help in the monitoring and evaluation of your project by acting as a point of comparison.

When assessing the impact of your project, it can be helpful to break your project down into a series of inputs, outputs and outcomes. As shown using an example in the diagram below, the inputs are the resources that enter a process in order to achieve an output, normally the delivery of a particular service or action. Outputs by themselves are far less interesting and important than outcomes, which demonstrate the value of the output and the impact that this has had/will have. As outputs are often far easier to measure, it is important to keep aware of the distinction and remain focused on identifying the true outcomes of your project whilst writing your impact assessment and carrying out monitoring and evaluation. This will ensure that you deliver your objectives, rather than a set of measurable actions.

The full assessment should be included in the appendices; however it is worth including a summary in the body of your Plan to quickly cover the main benefits of the project. Below we have explained in more detail the different types of impact assessment, along with some

INPUTS	OUTPUTS	OUTCOMES
Resources such as time or money	Activities resulting from inputs	Changes as a consequence of the output, whether intended or unintended.
The project recruits two volunteers, who each give a day a week	Volunteers show round four school groups a week and staff monthly community open days. They attended a half day course in tourism and community engagement	25% increase in community awareness with 500 people attending open days over one year. Volunteers develop skills and gain paid employment.
Donations from Friends to renovate church tower	Stonework is sured up, steps safety tested and a hand rail inserted.	Visitor income and satisfaction ratings increase
PA system purchased by project	Capcity for concerts and community events increased	Events revenue increases, new community groups flourish.

examples of typical details you may want to include to kick-start your thinking. However, please note that these are by no means complete lists; we would encourage you to carefully think about how your project will impact economically, environmentally and socially on the surrounding area and seek specialist advice where necessary.

Economic impact assessment

This is an assessment of the economic impact of your project, which is likely to include:

- Number of jobs that will be created both during the construction phase and once up and running, broken down into full time, part time and volunteer posts.
- Number of businesses that will be supported.
- Project turnover - this is the same as the total income in the income and expenditure account.
- Income generated from jobs created.

- Additional revenue to Treasury from tax and national insurance.
- Gross Value Added (GVA) for the region - the expected return per pound of investment Data for each region and guidance on how to use GVA can be found on the website of the Office for National Statistics.

How extensive this assessment is will depend on the size and stage of development of your project. A comprehensive analysis that quantifies the impacts and produces a GVA would only be appropriate when the project is reasonably well developed, as only then will you have a high enough level of detail to be able to use more sophisticated techniques and produce credible figures.

Example: Moat Brae

The benefits of investment in this project include a range of educational outcomes for children and families who are the primary audience for activities. Added value is achieved from the preservation of the building and promotion of it architectural cultural heritage. Additional outcomes include environmental improvement and a significant contribution to the economic development of Dumfries, the creation of employment and attraction of additional visitors and spend in the town.

Example: Old Duchy Palace

Beneficiaries:

The principal beneficiary will be UKHBPT, as freeholder. CBPT also anticipates a stable revenue stream from this building to enable it to become more self-sustaining and lessen its dependence on public sector grants. In addition the project will provide high quality space for businesses, and access for the local community generally and tourists. It will lift the environmental quality of this part of central Lostwithiel.

Business benefits:

- Provision of quality workspace in line with identified local needs.
- It will provide a focus for specialist building skills and conservation training working with CITB, Cornwall and Plymouth Colleges, Scottish and Cornish Lime Centres and other training organisations. The Prince's Foundation for the Built Environment will sponsor apprenticeships.

Local Community benefits:

- Enhanced educational opportunities aimed at a range of age groups through a programme of learning activities. This will interpret the Old Duchy Palace and its significance to the development of Cornwall's medieval tin or stannary industry and its administration and the County's social history. It will complement the Cornwall World Heritage Site in presenting a key element of its medieval industrial history and development.
- It will provide regular public access to the major part of the building for the first time in over 150 years with disabled access via the undercroft, which will also house the main permanent heritage exhibition area.
- It will provide a major opportunity for volunteers to engage in a project of national and regional historic interest and an on-going focus for continued volunteering in the fields of heritage attraction and visitor management through activities such as leading guided walks, historic research and space invigilation etc. Most volunteers are expected to be older people (50+), and young unemployed people (under 25).
- Conservation and reuse of the building will make a significant improvement to the visual environment of Lostwithiel and the Conservation Area.
- It will re-establish the Old Duchy Palace as a prominent building and source of pride at the heart of the community.
- Local organisations will be involved in the day to day management of the building.

Tourists:

- It will provide a high quality, attractive

and informative resource for tourists, encouraging more visits and longer stays in Lostwithiel.

- It will contribute positively to the visitor profile of the town and Cornwall as a whole and the extension of the visitor season through year round operation.

Other impact assessments

Depending on the nature and scale of your project you may also wish to carry out environmental and social impact assessments. An environmental impact assessment looks at the project's impact on the surrounding area and environment, including elements such as the carbon saved by regenerating a historic building rather than building from scratch, use of sustainable or recycled materials in the building work and any biodiversity protected or promoted as through your project.
To minimise the energy usage and carbon emissions resulting from your project refer to the Green Guide for Historic Buildings, published by the Prince's Regeneration Trust.

During the options development we undertook a carbon retrofit study to assess what sustainable technologies were possible at St Nicholas' Chapel. As we are planning an extensive programme of repairs to the roof we saw that the cost benefit of installing PV panels now was very persuasive, particularly because the scaffold costs are so high. Installing the PV cells will have a significant environmental impact (and is apparently the first PV installation on a Grade I listed ecclesiastical building) and also a social/community benefit as it will help keep running costs and therefore hire costs lower than if we were using an entirely fossil fuelled system.

- Matthew McKeague, St Nicholas' Chapel.

A social impact assessment aims to capture the effect of your project on the local area in terms of the community and the impact on society. Things that you could include are the number of unemployed people who will gain employment, creation of community facilities and volunteering opportunities and changes in people's perception of their local area.

Note

A more advanced method of assessing impact is Social Return on Investment Analysis. More information about this is available in the Cabinet Office Guidance Document 'A Guide To Social Return on Investment' which can be downloaded from www.thesroinetwork.org.

Risk register

Potential funders will want to be sure that you are prepared for all eventualities and that you have adequately thought about potential risks which could prevent your project from delivering its intended outcomes. They will also want to know how you intend to identify, assess, allocate, manage and monitor risks, in order to reduce all risks to a minimum. One easy way to show readers of your Plan, that you have thought about, and are prepared for risks, is to prepare a Risk Register.

In a Risk Register you start by listing each risk relating to your project and deciding how likely each scenario is, for example how likely it is that unexpected repairs will be required during construction, or the likelihood of visitor numbers dropping below predicted numbers. The next step is to decide how serious the risk would be if it were to become reality, and then think about how you could mitigate that risk, or otherwise prevent it from occurring. Finally, more advanced registers will also include a 'contingency' column, which will list the action to be taken if the mitigation measures are unsuccessful and the risk becomes an issue. Each risk should be given an 'owner' to spread the responsibility for monitoring the risk and taking action where appropriate. Risk likelihood and impact can be rated in three ways, using ratings of High, Medium and Low, scores, 1 being low and 3 high, or percentages. If using scores or percentages, the likelihood and impact can be multiplied to produce an overall risk rating. Risk registers usually rank risks by score and use traffic light colour coding to draw attention to the risks with the higher scores.

One risk in producing a risk register is that it is produced and then filed – the register should be a living document that is reviewed on a regular basis by your group to adjust, add or remove risks. An example template below gives some examples of common risks, although every project is different.

Example Risk Register

Risk	Likelihood	Impact	Score	Mitigation	Risk Owner
Restoration costs are higher than expected	85%	2.5	2.125	Detailed appraisal of restoration options, contingency in budget.	Head of Trust
Key costs rise substantially as a result of market conditions	55%	2	1.1	Include a contingency allowance and monitor budgets closely.	Head of Trust
Not able to fill residential/business/ retail units and/or the rental income achieved is lower than expected.	55%	2	1.1	Options to break down units into smaller pods and sensitivity analysis shows that a reduction in demand would still allow for viability.	Head of Trust
There is a lack of relevant experience of Trust staff to manage the project	50%	1	0.5	Conduct a skills audit and seek new members to fill the gaps.	HR Manager
Planning consent is not granted	20%	1	0.2	Consult planning bodies in advance and include a Conservation Statement to show compliance.	Conservation Architect
Insufficient volunteers can be recruited	15%	1	0.15	Open days, advertise for specific roles.	Volunteer manager

St Nicholas' Chapel

ID no.	Risk	Risk owner	Likelihood	Consequence	Priority	Actions/mitigation/contingency	Actions owner	Review date
1	Failure to develop St Nicholas' Chapel and associated offer in ways that engage and inspire visitors and audiences	CCT/ Friends	2	5	M	Clear and robust processes of consultation and active engagement in all aspects of the development of the Chapel and its offer. Regular reporting on all aspects of user engagement, participation and service take-up to the management and governance structures.	St Nicholas' Management Committee	Monthly reporting
2	Failure to generate visitor numbers and participation in events, activities and services	CCT/ Friends	2	4	M	Develop and implementation of robust marketing and communications plans to include: detailed work with partners during the development phase; consultation and engagement with potential new markets and audiences and effective promotioal activities.	St Nicholas' Management Committee	Monthly reporting
3	Failure to meet business plan income targets	CCT/ Friends	3	5	H	Development of robust arrangements for the service delivery and monitoring including, where appropriate contract negotiations and supply chain arrangements.	St Nicholas' Management Committee	Monthly reporting
4	Increase in operational costs beyond budget	CCT/ Friends	3	5	H	Coordinated and robust monitoring and management of operational costs through Friends' management supported by the CCT.	St Nicholas' Management Committee	Monthly reporting
5	Failure to engage the wider community	CCT/ Friends	3	3	M	Robust process of community engagement. Development of effective media relationships and the indentification and support of Friends and other local people acting as champions and advocates.	St Nicholas' Management Committee	Monthly reporting
6	Failure to establish effective and collaborative goveranance arrangements.	CCT/ Friends	2	5	M	Creation of robust governance mechanisms to coordinate actions and address issues. Regular communications through established governance networks.	St Nicholas' Management Committee	Monthly reporting
7	Failure to appoint core staff team	CCT/ Friends	3	4	M	Robust recruitment arrangements linked to explicity role descriptions and appropriate reward structures.	St Nicholas' Management Committee	Monthly reporting

The project plan

So far in the Business Plan you have stated what you are aiming to achieve with your project, how you're going to fund it, who is going to run it, what the impacts of the project will be and how you are going to address any risks.

In this section you are going to state how exactly you are going to achieve your objectives and deliver the project by writing down a list of activities or "tasks" and milestones, including for example: production of detailed design drawings, submitting and drawing down funding applications, stages of construction, marketing and recruitment. You will need to work out how to sequence these activities and how long each one is likely to take. Some activities, such as gaining planning consent or a consideration of an HLF funding application, have set timescales which can be found out from the Local Authority and funder. The Project Plan should also contain key project milestones and decision dates, such as planning permission and grant decision timetables. By working out which activity or milestone should precede another, for example securing capital funding before starting construction, you can identify the critical path – the longest chain of dependent activities in a project plan where any delay to individual activities will impact on the project timescale as a whole. Understanding which milestones and activities are on /the critical path will help you to focus resource and prevent delays in your project.

It's been slower than anticipated and has cost more, but it's always like that! It's very rare, unless it's the Olympics of course, to come in on time and on budget. If you have to deliver to a set time, you have to accept the budget will probably go up. Delays also cost money. One of the frustrations of partnership working is that it has taken more time to make decisions.

- Georgie McLaren, Old Duchy Palace

If you are dealing with a listed building, if you are taking public money and if you want to try to be green and environmentally friendly, it will cost more. But it will be worth it in the long-term. There is no short cut to quality.

- Cathy Agnew, Moat Brae

The overall project plan should run from the point where you are now right through to the completion of all project elements and objectives (the end of the project). Since this is a long timescale and incorporates complex information, it is often helpful to display the project plan as a Gantt chart, rather than just a list of tasks and dates. A Gantt chart is a type of bar chart illustrating a project schedule. It helps you to visualise the length of activities as well as relationships between them. Software packages, such as Microsoft Project, are available to help you construct your project plan, but, with a bit of graphic creativity, it is possible to draw up a Gantt Chart plan in more standard software packages such as Microsoft Excel.

Note

You don't need to include all the detailed breakdown of tasks on every chart. You should start with a simple and clear "top level" project plan, showing the principal activities and these can be then broken down into more detail as separate or sub-plans.

You've always got three things going on that you need to look out for with the project. You've got physically what's happening with the building itself, you've got the money side of how you're raising funds and what you're going to do and you've got the public awareness and community engagement. All those three things have to go hand in hand and keep pace with each other.

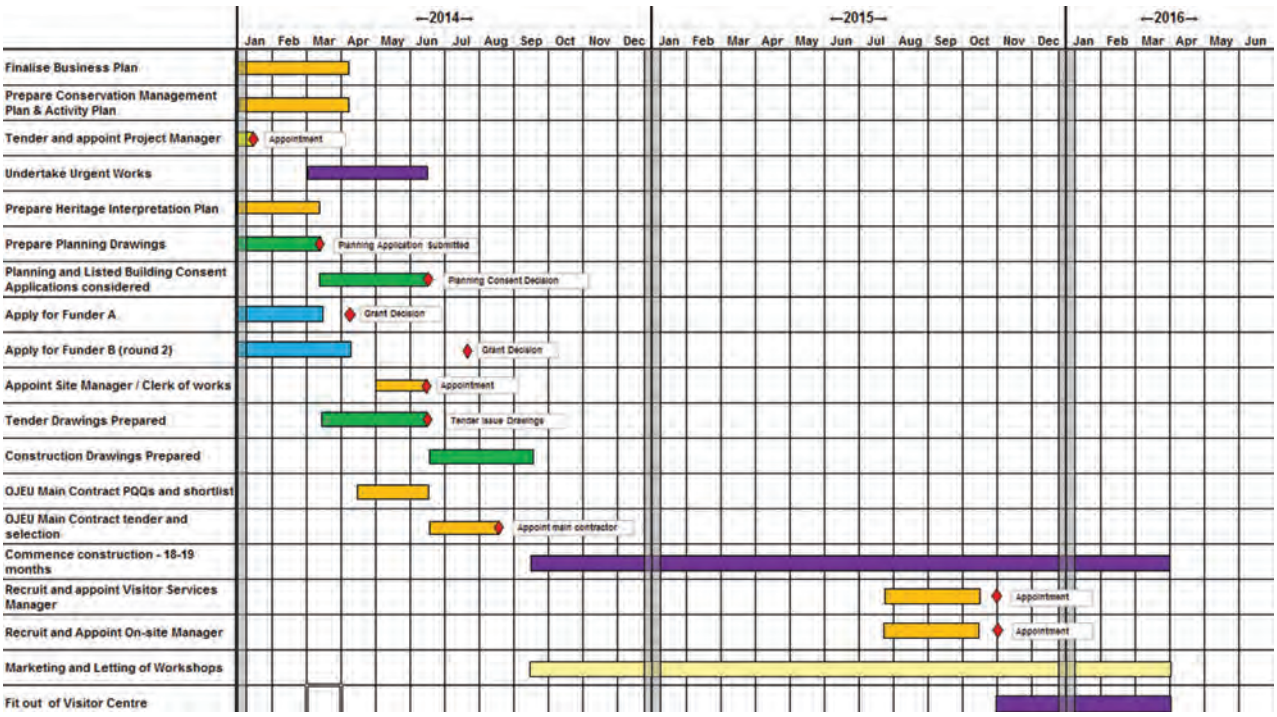
- Cathy Agnew, Moat Brae

…possibly that should have been thought through a bit more resources in the post award and pre start up part of the project…keeping the momentum going – who's going to be doing that - we didn't allocate quite enough money, or attention to detail to that in between stage. Once we're six months off opening the grant kicks in. So I think that's one of the areas for learning, thinking about the whole transition and what's going to happen month by month pre the project actually being on site - and who can practically do that and have the time to do it rather than it being squeezed in …another is VAT!

- Sue Gray, St Mary at the Quay

Example project plans

This project plan shows all the stages of a typical heritage regeneration project, although they may not all be necessary, for example if the building has pre-existing planning permission. Timings are approximate and may extend significantly where contracts are of a high enough value to require inclusion in the Official Journal of the European Union (OJEU).



Years (Minimum)	Year One			Year Two		Year Three				Year Four		
Time (Months)	3-4	6-9	6	2-3	6-12	3	1-2	3-4	6-8	6-24	3	
RIBA Stage					A-D	E	F	G-H	J	K	K	L
New RIBA Stage					1	2	3	4/5	4/5	6	6	7
Activities	Preparatory work and consultation	Options appraisal/ Feasibility study	1st round funding application	Business plan Activity plan Heritage interpretation plan	Planning & other permissions	2nd round funding application	Permission to start	Develop tender pack	Appoint build contractor	Works onsite	Fit out/ recruit staff	Open
	Site Aquisition			Apply for match funding								
	Community Engagement											

Example: Middleport Pottery

	Planning Phase RIBA (A-D) *04/11 - 05/12*	**By Whom**	**Development Phase RIBA (E-H)** *01/12 - 09/12*	**By Whom**	**Contract & Fit-out Phase RIBA (J-K)** *10/12 - 06/14*	**By Whom**	**Ramp-Up Phase RIBA (L-M)** *01/14 - 12/14*	**By Whom**
Book-end landmarks	*From aquisition to Planning Consent*		*Working Drawings to Signature of Building Contract*		*Start on Site to Practical Completion*		*To end of first year of commercial occupation*	
Governance	Complete business plan	PRT	On-going business plan and risk register review	PRT	Monitor performance of new staff Develop site specific management Policies	PRT New staff	On-going	PRT trustees
Human resources	Appoint Architects Recruit new staff	PRT PRT			Recruit archivist	PRT		
Project Management	Scheme design to planning RIBA D Commission studies to support planning application	Architect PRT	Scheme detailed design to stage H Oversee Pottery rationalisation	Architect PRT	Control capital costs Change control mechanism	Architect/ Project Manager New staff	Snagging and defects Capital works final account	Architect Architect
Contractors			Tender and procurement of contractor	Architect	Implement change control mechanism Fit-out contracts	Architect/ Project Manager	Reconfigure units if necessary	Contractor
Financial	Submit applications toAWM and HLF Undertake private donor fundraising campaign Secure short-term tenants for rental space	PRT PRT Local agent	Follow through applications/grant draw down Agree contract cost control mechanisms	PRT PRT	Monitor capital costs Grant accountabilities AHF loan Draw-downs (if applicable)	New staff/Architect	Capital final account Final grant draw down AHF loan repayments	Architect PRT PRT

Monitoring and evaluation

Sometimes when you are planning your project and trying to get funding it can be easy to forget about how things will work when the project is underway. An important thing to remember is that you should constantly monitor how the project is going to check that you are on target and sticking to (or bringing up to date) the timetable outlined in your project plan. As part of your Business Plan you should therefore state how you will monitor progress on the project and how you will report on this, ensuring that you meet the requirements of any funders.

An evaluation plan should also be developed for when your project is complete. This should establish the criteria you plan to use to assess the success of the project and also explain how and when each evaluation phase will take place. Only by evaluating the project will you be able to show whether or not you have met your objectives and if your project is a success. Your evaluation plan should aim to identify all the intended outcomes and benefits of the project and set out how the project's success will be measured against these. Evaluation is likely to focus on the economic impact of your project, however, you may also like to evaluate against other areas explored in your impact assessment, such as social or environmental benefits. Whilst evaluation can easily slip down

the priority list you will need to perform the first phase of your evaluation just before or shortly after you begin your project in order to get a baseline, or in other words the first set of data against which you will be able to measure all future evaluation.

Often funders will require that evaluation is carried out as a condition for awarding a grant. This is particularly the case for statutory funding, for example, all funding granted by the Heritage Lottery Fund, requires an evaluation plan to be in place and will only release the last 10% of the total grant once they have seen the evaluation report.

Hints and tips

It's a good idea to link your monitoring plans into your evaluation at the end of the project. For example, if designed correctly you could use your monitoring reports to collect data which can then be used for evaluation.

Many grant funders will ask, how much space have you converted, how many jobs have you created, those are fairly standard outputs. What I'm hoping to do at Middleport is go a step further, and say of the 12 kids we had in training, how many have gone on to secure a job, and not least how many are still in a job 12 months later. It's actually measuring the depth of your impact. Not just how many volunteers have you used and what have they done, but what is their measure of satisfaction? Have they enjoyed themselves? Have they been able to use their skills that they're learning to go on and do other things? Because then you really start to get some meaningful data that will show your impact on the wider community.

- Rosie Fraser, Middleport

Example: St Nicholas' Chapel

Monitoring will be against transparent targets, benchmarks and milestones agreed by the CCT and the Friends of St Nicholas' Chapel and designed to achieve the high quality activity articulated in this business plan.

Targets will be reviewed and if appropriate reset on a quarterly basis. These will include targets for:

- Heritage appreciator visits and donations;
- Other donations;
- Attendance at events and activities;
- Volume of lettings
- Community and stakeholder engagement
- Income
- Expenditure

To support this work activity within St Nicholas' Chapel will be benchmarked on a collaborative basis alongside three CCT churches in England with similar characteristics. In addition to providing a valuable basis for comparison these relationships will support shared learning from good and interesting practice. The details of these reporting and benchmarking arrangements will be worked through by the Friends and the and the staff group during year 1.

Example: St Mary at the Quay

Alongside the activities at the centre, New Economics Foundation will conduct a three year research study to determine the success of the project and, in particular, the impact of heritage on people's wellbeing. The first phase of this work will involve consultation with local schools, community groups, local authorities, local business owners, local service providers and other stakeholders.

Outcomes of the consultation will be set against a baseline; including measuring mental wellbeing outcomes in the short and long term, but also measuring 'softer' areas such as engagement, fulfilment, a sense of place, civic pride, new skills and knowledge, cultural development and heritage enjoyment.

Findings from this will be used to inform future planning, programming and investment decisions.

In particular, this study will determine the contribution of heritage in terms of:

1. Wellbeing outcomes
2. Change measurement/distance travelled of individuals/end beneficiaries
3. The wider socio-economic and wellbeing value created for the local community and economy.

It will also determine value for money over the economic bottom line.

Conclusions and recommendations

This section is straightforward and does not need to be long. It should simply summarise the Plan's findings and draw out key points, such as why the proposed use for your project is a good choice, how it will be funded, what the return on the project is likely to be, key risks, benefits and expected outcomes.

Provided your financial appraisal indicates that your project is viable, the conclusion section should recommend that the project goes ahead as described in the Plan and suggest what the immediate next steps are in order to get the project up and running.

Additional Information: appendices and supporting documents

As you have probably been able to tell as you've gone through this Guide there is usually a considerable amount of information stored in the appendices. Perhaps the easiest way to think about it is that the Plan itself contains the most important information on each topic and the appendices are used to provide additional details and information to support the Plan and for the information of the reader.

We have listed below some documents and information which you could include in the appendices, although this list is by no means exhaustive:

About the building	Photographs showing the building's significance
	Location maps
	Site plan
About the organisation	Constitution and partnership agreements
	Memorandum and Articles of Association
	Detailed CVs of project staff
	Job descriptions of any new project posts
	Detailed organisation charts
	Letters of support regarding your organisation of project
Finance	Detailed financial projections of income and expenditure
	Statement of cash flow
	Balance sheet
	Income and expenditure account/profit and loss
	Capital income and expenditure
	Sensitivity analysis
	Letters of commitment from grant-giving organisations or offers of other financial support
Supporting documents for chosen option	Detailed descriptions of services/facilities to be provided
	Detailed market surveys/competitor analysis
	Copies of consultations
	Preferred option design drawings
	Impact assessment
	Building management plan
	Conservation management plan
	Audience development plan
	Options appraisal
	Risk register
	Project plan

The working document

You will hopefully by now have a better understanding of how to put together a Business Plan for your project that explains why it is important, how it is sustainable and outlines exactly how you are going to achieve your aims. However, once you have pulled all of this together and written it up this is not the end for your Business Plan!

You should think of your Plan as a 'working document', there to be altered and added to as your project progresses and to help keep you on track to meet your final objectives. There will be sections of the business plan that are more likely to change – budget sections should be updated regularly - and it is worth having these sections in a format that makes it easy to change. Maintaining version control is important so have an agreed method between the project team.

You should also be prepared to alter your Plan when you want to use it for different things. For example, if you are submitting your Business Plan to try and get funding for your project always check what each funding body requires in a Business Plan before making each application – you may need to find some extra information. However, if you follow the advice in this Guide and produce a thorough Plan, any extra requirements shouldn't require much additional work.

The Business Plan evolved, and it's still evolving… When we've got the green light to go ahead, in six months we'll be going again to refresh the business plan, get those quotes again, to say you gave us a quote a year ago, is that still ok? Has it gone down or up? But I think we're in a position where basically we're ready to run, but it's keeping on top of the business plan as it evolves.

- Inayat Omarji, All Souls

We'll have to print it off and use it as a manual, at the moment it's just a jolly big document on my screen!

- Adrian Parker, Friends of St Nicholas' Chapel

The Plan at Middleport has been revised at least three times now. So the first document said the purpose of this document is to secure Trustee approval and outline funding. Version two said the purpose (amongst other things like determining if the project is viable), is to secure final funding from grant funders. Then once we'd secured our full consent we did another version, because the project has moved on again. Sometimes costs have gone up, or things have changed… mostly it's because your thinking has developed so you want to do different things or new things or – a lot of it is simply updating it, updating the figures… there should be many iterations of it.

- Rosie Fraser, Middleport

You will find that over the course of your project your Plan will alter and change as new information comes up. However, don't think of this as a problem, but rather just your Plan responding to new opportunities. This brings us to the end of this Guide.

We hope that you have found the information in here useful and wish you the best of luck with your project.

Image:
King's Lynn St Nicholas' Chapel by John Salmon

Further Information

These links should help you should you wish to seek additional advice for any specific element of your Plan. These are all freely available unless otherwise stated.

General

- Statutory bodies are a good place to start for guidance, particularly on planning, designation and conservation issues. These bodies are English Heritage - www.english-heritage.org.uk, Cadw - www.cadw.wales.gov.uk, Historic Scotland - www.historic-scotland.gov.uk and the Northern Ireland Environment Agency - www.doeni.gov.uk/niea.
- The UK Association of Building Preservation Trusts has some resources on their website at www.ukapt.org.uk. They also publish Guidance Notes for Building Preservation Trusts, which is free to members of APT and £65 plus p&p to non-members.
- The Regeneration Through Heritage Handbook, published by The Prince's Regeneration Trust, explores how to use a redundant historic building as a catalyst for change in communities. This is available to order from www.princes-regeneration.org.
- National Council for Voluntary Organisations (NCVO) has an extensive amount of advice, resources and information aimed at the voluntary sector freely available on their website at www.ncvo-vol.org.uk.
- Locality provides a variety of resources on their website at www.locality.org.uk including Fit for purpose, a tool to help community enterprises in assessing their strengths and areas for improvement and To Have and To Hold: The DTA Guide to Asset Development for Community and Social Enterprises.
- HM Treasury provides comprehensive guidance on appraisal, including options appraisal and impact assessments, in the Green Book, available online at www.hm-treasury.gov.uk/data_greenbook_index.htm. Whist this aimed at Central Government officials, it is an excellent resource for anyone looking for detailed guidance on analysis.
- The Heritage Lottery Fund (HLF) has developed a range of resources, which are primarily aimed at helping HLF applicants but are a good source of advice and information. All HLF resources and guidance, including good practice on business planning, are available at www.hlf.org.uk/HowToApply/goodpractice/.
- European organisations such as Europa Nostra at www.europanostra.org and Future for Religious Heritage at www.futurereligiousheritage.eu provide helpful networks for heritage projects within Europe.

Specific guidance

Activity plans

- Planning activities in heritage projects, available from the HLF (see above).

Audience development

- Thinking about Audience Development, available from the HLF (see above).

Asset transfer

Image:
Bolton All Souls by Ian Hamilton

- The Asset Transfer Unit, part of Locality, offers direct support and advice in addition to guidance and case studies at www.locality.org.uk/asset-transfer-unit.

Conservation

- How to write conservation reports, available from The Prince's Regeneration Trust at www.princes-regeneration.org/publications.
- Conservation management planning, available from the HLF (see above).

Evaluation and impact

- Proving and improving: a quality and impact toolkit for social enterprise, produced by the New Economics Foundation and available at www.proveandimprove.org/index.php.
- Guide to Evaluating regeneration projects and programmes, produced by the Centre for Local Economic Strategies and available at www.cles.org.uk/wp-content/uploads/2011/01/Evaluating-regeneration-projects-and-programmes.pdf
- Evaluating your HLF project, available from the HLF (see above).
- Guide to Social Return on Investment, co-produced by the Cabinet Office and Nef Consulting, available at www.thesroinetwork.org/publications/doc_details/241-a-guide-to-social-return-on-investment-2012.

Finance and funding

- The practitioner's guide to community shares, available to download or order from the Community Shares Programme at www.communityshares.org.uk/resources.
- Search for financial and non-financial support using The Heritage Alliance Funding Directory at www.theheritagealliance.org.uk/fundingdirectory/main/fundinghome.php.
- Explore sources of European funding using the EU grants index at www.europa.eu/policies-activities/funding-grants/index_en.htm, including the Interreg North Sea Region Programme, North West Europe Programme and the Two Seas Programme at www.northsearegion.eu/ivb/home/, www.nweurope.eu/ and www.interreg4a-2mers.eu/en respectively.

Governance

- The Charity Commission provides governance advice for charities at www.charitycommission.gov.uk/Charity_requirements_guidance/Charity_governance/default.aspx

Maintenance plans

- English Heritage provides extensive guidance on creating maintenance plans at www.english-heritage.org.uk/content/imported-docs/f-j/hbmdl-maintenance-plan

Options appraisal

- The Architectural Heritage Fund has developed useful guidance for options appraisal grant applicants at www.ahfund.org.uk/advice.php.

RIBA stages

- The Royal Institute of British Architects provides guidance on working with

Architects including a short overview of RIBA stages at: www.architecture.com/UseAnArchitect/GuidanceAndPublications/WorkWithAnArchitect.aspx

Sustainability

- The Green Guide for Historic Buildings, available from The Prince's Regeneration Trust at www.princes-regeneration.org/publications.
- Planning greener heritage projects, available from the HLF (see above).

VAT

Guidance from HMRC available at www.hmrc.gov.uk/charities/vat/intro.htm.

Case studies background

All Souls
Bolton, Greater Manchester

All Souls was built in 1880-81 under the patronage of local mill-owning brothers who were making their wealth in Bolton's 19th century cotton boom, when Bolton was a success story of the Industrial Revolution and one of the major textile manufacturing centres of the UK. The church served the residents of the terraced streets around, mostly mill-workers.

By 1987 the locality was home to a high proportion of residents with Asian and Islamic heritage. Such a large church was no longer required by locals for regular worship, and the Grade II* listed All Souls was closed and put into the care of The Churches Conservation Trust. Whilst open to visit, it was rarely used, and remained this way for nearly 20 years.

In 2004 CCT was approached by local volunteer with an idea for community centre. The vision was that this could again be a place for "All Souls", a shared space where everyone was welcome, where all backgrounds could meet, explore their history and share what it meant to be a modern Boltonian. Crucially it also envisaged generating local income and employment opportunities in what is a relatively deprived area of the country.

CCT secured an HLF Project Development grant in 2006 of £50,000 to undertake initial feasibility work, and a further HLF Stage 1 grant of £265,000 in 2008. A local board of trustees, the All Souls Crompton Community Centre (ASCCC), was constituted and registered as a charity the same year. Working

alongside the CCT in developing proposals, the ASCCC co-created a Business Plan and Activity & Interpretation Plan, and went on to achieve an HLF Stage 2 grant of £3,330,000 in late 2009. This has been partnered with funding from Bolton Council, CCT and several charitable trusts and foundations. In 2012 contractor procurement began with the aim of being on site by 2013 and open by 2015.

Further information can be found at www.allsoulsbolton.org.uk, www.facebook.com/Allsoulsbolton and at www.visitchurches.org.uk

Image: Andy Marshall (above)

Fort Duffel
Antwerp, Belgium

Fort van Duffel dates back to the end of the nineteenth century and is a part of the outer defences of Antwerp. This city was the 'reduit national' since the birth of Belgium in 1830. This means that whenever Belgium was under attack, Antwerp was the most important stronghold (with harbour) to defend. The specific purpose of the fort was to defend the crucial railway between Brussels and Antwerp. Hence the fort's common nickname "spoorwegfortje/little railwayfort". Architecturally, it's an important link between brick and concrete constructions for fortresses, since it's a mixture of both.

Kempens Landschap (KL) bought the fort in December 2009, prior to which the fort was privately owned for more than 30 years. Up until the 1970's the fort had been the property of the Belgian Ministry of Defence.

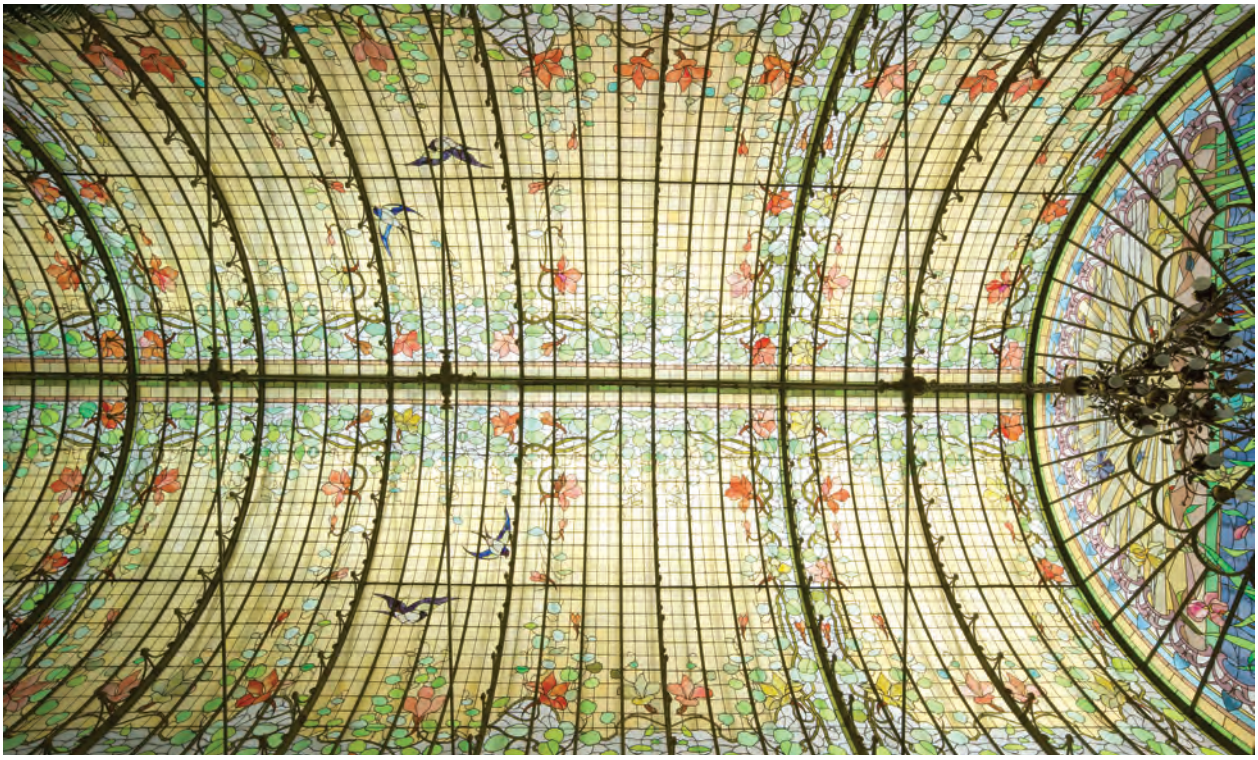
The first steps KL took were to draw up a restoration and green management plan and source European funding, both to restore some parts of the fort and to enhance the fort as place of hibernation for bats. KL then prioritised getting the fort listed as a national monument (there is no listing or grading system for buildings in Belgium). Having done this, KL was then able to apply for restoration grants from the different (Flemish/provincial/local) governments to cover 60% of the project costs. The rest of the funding comes from Europe through projects as Heritage Recycled HERE (accessibility measures), PDPO (bridge) and the Walls & Gardens (bat tunnel).

In 2014, 100 years after it served during WWI, the fort will open to the public with a small

café and museum on the history of the fort and its natural surroundings. The fort will serve as the southern tourist gateway to the two defensive rings around Antwerp.

You can find out more about the fort at www.fortengordels.be/. Although the site is in Dutch, it is still possible to see the location of the fort and how it relates to the defence of Antwerp.

Image: Vilda, Yves Adams



Ursuline convent
Belgium

The Ursuline nuns came to Onze-Lieve-Vrouw Waver in the province of Antwerp in 1841. The 19th century Ursuline institute in Onze-Lieve-Vrouw Waver was built in the spirit of the Gothic revival, but was combined with libertine art nouveau elements. These art nouveau elements demonstrate the progressiveness of the Ursuline nuns and their pupils, who were all young girls originating from the upper classes from all over Europe. The school suffered severely during the First World War, but was rebuilt afterwards. It was not long before their 'Pensionnat de demoiselles', a boarding school for the education of young ladies, won international acclaim. Today the site consists of a mixed day school with around 1,700 pupils, a retirement home and a convent.

Kempens Landschap acknowledges that with the decreasing number of nuns, monks and others a problem arises for the congregation as they want to preserve their legacy. For the Ursuline convent, a new legal structure has to be created so that once the nuns have gone their legacy can be continued. This new entity will take over the responsibilities of the congregation and make sure that the Ursuline tradition is honoured. This challenge is closely connected to a lot of other legal, financial and practical issues, not least the reuse of the church, which is not currently in use. With the Heritage Recyled project KL is supporting the Ursulines through this transfer period whilst trying to learn lessons from similar examples across Belgium and Europe.

Middleport Pottery
Burslem, Stoke on Trent

Middleport Pottery is a Grade II* listed Pottery in Burslem, Stoke-on-Trent. Built as a model factory in 1888, the buildings, machinery and techniques used have survived intact since Victorian times. The pottery has an extensive historic collection including its paper archive, tools, ceramics and, most importantly, a collection of 19,000 master moulds.

Denby acquired the business in July 2010. The site was in need of substantial public investment to save the buildings and ensure that the pottery could continue to safely operate as a workplace in the 21st century. The Prince's Regeneration Trust acquired the site and the buildings in 2011. The proposal for the building is to retain the existing Burleigh business, which will use just over 50% of the site, leaving space for the creation of workshops, a visitor centre with shop, café and activity room.

The Middleport Business Plan is very much an evolving document. It was first written in 2009, when there were a number of options for saving the site, such as setting up a new Trust. As the project develops (different ownership, different project approach) the Plan has been amended and updated. Construction began in the autumn of 2012 and is due to be completed in 2014, with the Burleigh business continuing to operate throughout.

You can find out more about Middleport and see how work is going at www.middleportpottery.co.uk/.

Moat Brae House
Dumfries, Scotland

Moat Brae is a category B listed elegant Georgian Mansion with a historic garden in Dumfries, south-west Scotland. JM Barrie played in the garden as a child, when he was a pupil at neighbouring Dumfries Academy. The garden was the genesis for his character of Peter Pan, arguably the greatest children's story ever told.

The building's latest use as a Nursing Home closed in 1997, after which it fell into disrepair and was threatened with demolition to make way for social housing. A group quickly formed and successfully campaigned to prevent the demolition, later becoming the Peter Pan Moat Brae Trust and acquiring the building in 2009.

Taking inspiration from JM Barrie, the Trust plans to create Scotland's First Centre of Children's Literature, with a multi-use proposal including permanent exhibitions on Peter Pan and Dumfries architect, Walter Newall, a public library of children's literature, temporary exhibition space for outreach activities, accommodation for artists/writers in residence, a learning garden and outdoor education space in addition to a café, shop and rooms for hire.

Urgent works have been completed on site and the Trust is now planning for the rest of the works, which will include the refurbishment of the house, creation of an extension and restoration of the gardens.

Find out more about Moat Brae at http://www.peterpanmoatbrae.org/.

Old Duchy Palace
Lostwithiel, Cornwall

This Grade I listed secular medieval building was built as the administrative centre for the Duchy of Cornwall at the end of the 13th century. The palace included an Exchequer Hall, where the taxes due on smelted tin where collected. In the 17th century the palace fell into ruin before becoming a Freemason's temple in 1878. The Palace is the oldest secular building in Cornwall and is unique due to the combination of medieval architecture and Masonic features.

When vacated by the Freemasons in 2008, the building became at risk. In 2009 The Prince's Regeneration Trust purchased The Old Duchy Palace and began working in partnership with the Cornwall Building Preservation Trust to develop a viable Business Plan that would both meet the needs of Lostwithiel and make best use of the Palace. Having been closed to the wider community for so long, it was important to develop a Plan that opened up the Palace and allowed people to enjoy their local heritage.

The Business Plan for Old Duchy Palace is combined with an Options Appraisal. The preferred scheme described in the Plan was not fully implemented due to the need to change the funding sources. The adapted Plan is for a combination of uses in different parts of the building: a space for community hire and training on the upper floor, open-plan office space at "Middle Level", and a retail outlet with heritage interpretation in the basement.

Work commenced in early 2012 and is due to finish in early 2013. To find out more visit the websites of the Cornwall Building Preservation

Trust or The Prince's Regeneration Trust at
www.cornwallbpt.org.uk and
www.princes-regeneration.org

St Mary at the Quay
Ipswich, Suffolk

Built in the 1450's, St Mary at Quay is one of twelve medieval churches in Ipswich. It is also one of three mariners' churches in the old dockland area, once the home of Ipswich's thriving merchant community, a source of wealth and prosperity for the city - as the carving in the magnificent double hammerbeam roof inside the church was intended to reflect.

Repeated flooding in the 19th century, and finally aerial bomb damage during World War II saw the church closed in 1948. Fittings removed, it was used as headquarters for the Boys Brigade in the 1960's, and put into the care of the Churches Conservation Trust in 1973.

From 2000 industrial sites were being redeveloped around the docks – what had been the largest wet dock in Europe was becoming the East of England's largest regeneration area. University Campus Suffolk opened on the waterfront in 2008 and warehousing was cleared adjacent to the church for student accommodation. DanceEast opened their £8.9m Jerwood Dance House close by in 2009, bringing new audiences and town centre footfall. St Mary's was gaining prominence as one of the few sites remaining constant and it was envisaged that it could provide a new role for the emerging communities in the area, linking town and waterfront, and offering a unique heritage space. At the time, it was used by an Ipswich-based arts group as studio space and for their small exhibitions during the summer. Whilst open, it continued to suffer from water ingress from the marshland soil. Serious investment

was needed to halt the erosion of its stone columns from salts migrating from the ground.

In 2008 CCT advertised publicly for partners with proposals for the use of the building. Suffolk MIND, a charity working to improve the mental health of people across the region, proposed a tranquil city oasis where locals could take pro-active steps to promote their mental health well-being. People could engage in activities across the healthcare spectrum from complementary therapies such as acupuncture through to simple life-affirming activities like group conversation. Space for learning about the waterfront heritage was also included.

An HLF Stage 1 pass of £2,775,600 including a development grant of £68,500 was secured in 2010. Suffolk MIND invested in the development of the project to progress planning permissions and jointly with CCT put together a business plan and activity plan, which enabled a Stage 2 pass of £3.6m to be secured in 2012. Partner funding for capital works was secured from a variety of sources including the EU ERDF INTERREG programme, English Heritage, local fundraising and S106 contributions from adjacent development.

Further information can be found at CCT's website here
www.visitchurches.org.uk/ipswich/

Image: Molyneux Kerr Architects

St Nicholas' Chapel
King's Lynn, Norfolk

Dating principally from 1419, but with parts dating back to 1200, this is a building on a grand scale, reflecting Lynn as one of the main port towns of medieval England. Wonderful carved roof angels, dazzling stained glass and spectacular monuments, some with startlingly life-like painted figures, celebrate King's Lynn's seamen, merchants, mayors and shopkeepers and illustrate the town's long history as a busy commercial centre and port. The carved woodwork is of such quality that some of it is now in the V&A Museum in London.

Grade I listed, it is the largest "chapel-of-ease" in England and contains a rare surviving consistory court dating from 1617. The building remains consecrated, used for occasional services, but due to dwindling congregations it was closed for regular worship in 1992, coming into the care of The Churches Conservation Trust. The FSNC (Friends of St Nicholas Chapel) are a local charity that since 2002 has managed the building in partnership with the CCT.

The chapel is currently used for music events and cultural festivals, particularly in the summer months. The regeneration business plan is an example of where a national and a local organisation have increased what they are able to achieve and offer together. CCT and FSNC worked jointly through an Options Appraisal and developed a preferred option into an attractive Activity & Interpretation Plan and Business Plan to secure a Heritage Lottery Fund grant of £2.3m, as well as raising match funding of £125,000 through joint fundraising. The funding allows the creation of a high quality cultural venue through installation

of supporting facilities (heating, toilets, kitchenette and disabled access) alongside building conservation repairs. Greater community management and engagement is planned through increased support for volunteering, focused activity and good interpretation proposals. St Nicholas' will also provide a model for local community groups managing historic churches on how they can improve the environmental performance of sites through sympathetic retrofit, including PV (Photovoltaic) arrays on the roof and radiant chandeliers.

Find out more about the Churches Conservation Trust at www.visitchurches.org.uk, and the Friends of St Nicholas Chapel at www.stnicholaskingslynn.org.uk/

Image:
Ursulines Convent

Glossary

Below is a list of commonly used terms in relation to Business Plans and business planning. It is useful to note that there is often more than one name for the same concept.

Activity plan

An activity plan is a document that sets out all activities not related to capital works that will engage people and communities and help them to enjoy their heritage.

Assessment of significance

A statement identifying the key, significant features of a building, whether architectural or historical, within the context of the local area.

Asset

An asset is something owned by the organisation that will be used to generate income. If assets will be held for less than one year, or are easily convertible into cash (for example cash, perishable goods, money owed by suppliers) then they are called current assets. Assets held for over one year are called fixed assets and are sometimes subject to depreciation.

Audience development plan

Closely related to activity plans, audience development plans focus on the end users of your project and set out widen your audience, enrich the audience experience or simply retain existing audiences.

Balance sheet

This is a financial statement that takes a snapshot of an organisation at a given point in time, what assets they hold, what liabilities they have and the breakdown of capital and reserves.

Baseline

A collection of information gathered at an early stage to record the original position of a project (this could include project data such as numbers of visitors in addition to broader information such as unemployment or heritage awareness). The baseline is then used as a point of comparison over time to show the impact of the project.

Building Research Establishment Environmental Assessment Method (BREEAM)

BREEAM is an environmental assessment method and rating system for buildings, taking into account factors including ecology, energy usage and waste management.

Building management plan

A practical document looking at how each proposed use will be delivered by staff or volunteers on a daily basis. This is sometimes called an operational plan.

Capital income

Any income that is designated for use on capital expenditure.

Capital investment

Use of capital income to either increase the value or extend the useful life of assets, such as significant construction works or restoration of heritage assets. This does not include day to day maintenance.

Capital expenditure

Any spending on assets, including acquisition and capital investment.

Cash flow statement

This statement shows when cash will be entering and leaving the organisation, predicting when there will be a need to borrow in order to keep operating.

Competitor analysis

Investigation carried out to assess how your proposed end use will fit in alongside other existing providers of similar services. When information on competitors has been gathered, it should be possible to see how your proposed service compares using factors such as price, quality and accessibility, and whether you are seeking to attract the same audiences (see audience development plan).

Contingency

A percentage of total costs added to the project budget to meet unforeseen costs.

Conservation management plan

Once you have decided on your future use you will write a conservation management plan which sets out the proposed guidelines for the implementation of the project and the future management of the building. For more information on how to prepare a conservation management plan please see The Prince's Regeneration Trust's guide on How To: Write Conservation Report, No. 1 in the series of How to: guides.

Conservation statement

A conservation statement sets out a concise history of the building. It details which characteristics of the building are of significant and why, and explores the current condition of the building. It also sets out what changes to the building would be acceptable and what action is needed to keep the building in good condition. All of these details will help to underpin an informed decision about the future use of the building plan.

Critical path

The critical path is the longest (by duration) sequence of dependent activities and milestones from the project plan. Any delays in activities and milestones on the critical path will affect your ability to deliver your project on time.

Deficit

The shortfall or gap created where expenditure is greater than income.

Depreciation

The spreading of an asset's value over its

Depreciation only applies to fixed assets and excludes land and heritage assets, as they do not normally decrease in value with use. There are two ways to calculate depreciation.

• Straight line – the value of the asset is divided equally between the years of its useful life.
• Reducing balance – the value of the asset is calculated using a percentage, with the effect of decreasing the value less and less each year.

Disposal costs

Any costs associated with getting rid of an asset at the end of its useful life.

European Regional Development Fund

A European funding scheme aimed at stimulating growth in disadvantaged areas.

Executive summary

This briefly covers all the principal points of the Business Plan at a high level.

Gantt chart (project plan)

A project management tool used to set out diagrammatically the activities within the project plan over time, show how they relate to each other, their duration and the resource required.

Heritage interpretation plan

A plan used to set out how a heritage site will be explained and brought to life so that the public can both understand and enjoy their experience.

Impairment

The reduction of an asset's value due to damage or external factors such as the economy.

Income and expenditure account

Similar to a profit and loss statement, this account shows all the income and expenditure over a given period and the resulting surplus or deficit.

Liabilities

Money owed by an organisation. Liabilities are either current (to be paid back within one year, for example credit cards) or long-term (lasting longer than one year, such as loans).

Maintenance plan

A plan showing how routine maintenance work on your building will be carried out and paid for, including inspections, specific tasks such as clearing gutters and minor repairs such as replacement roof slates or broken glass.

Net book value

The value of a fixed asset at a set point in time, calculated by taking the historic cost or valuation and adjusting for depreciation, impairments and revaluations.

Operational plan

See 'building management plan'.

Options appraisal

This is a consideration of the options that could be possible for a building or site. It is also called a feasibility study if it contains an appraisal of the viability of the options.

Organogram

Also known as an organisation chart, this is a diagram which shows the management structure of the organisation running the project.

Outline Business Plan

This has the same scope as a full business plan but with less detail.

Profit and loss

A statement showing all the income and expenditure over a given period and the resulting surplus or deficit.

Residual value

The estimated amount that can be recovered at the end of an asset's useful life, for example by selling a car to another user or for scrap.

Revaluation

An assessment of an asset's value by a suitable, independent valuer. If the revaluation shows the value of the asset to be lower than Net Book Value then the asset should be impaired, if the revaluation shows an increase in value, the asset will be shown at that new value and the difference will be added to the revaluation reserve.

Revaluation reserve

A line within the capital section of the balance sheet used to show the total value of revaluations of fixed assets (where Net Book Value has been lower than the revaluation).

RIBA stages

The Royal Institute of British Architects publishes an Outline Plan of Work, which organises the process of managing and designing building projects and administering building contracts into a number of key work stages from A to L, known as RIBA stages.

Risk register

Contains all the information about risks to the project, the likelihood of them occurring, the impact they might have and actions that could be taken to prevent the risk from occurring and/or to mitigate the risk if it occurs. The register also assigns an owner to each risk.

Sensitivity analysis

This is an analysis of the effect that changes in the assumed values of key variables, for example visitor levels and labour costs, have on project income and expenditure. Variables are changed one at a time to see what impact

they have. It could be considered to be a 'what-if analysis' as it is really designed to answer questions such as 'what if visitor number are 20% lower than expected?'.

Surplus

The amount of money left over from income when all items of expenditure are paid for.

Turnover

The total revenue income, usually given as an annual figure.

Unique selling point

Feature of a product or service that makes it stand out against competitors.

Useful life

The amount of time over which an asset will be used by an entity in order to generate income.

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