

## **Sports Facilities Development**

### **Setting out a Business Plan**

#### What is a business plan?

Managing a sports club or sports facility usually involves the organisation and management of resources in order to satisfy the playing and financial requirements of the club. A business plan is a useful tool to manage these activities and most grant aid organisations will expect to see a business plan in support of your grant application especially when applying for funding to support new sports facilities.

A business plan is a document which sets out exactly what you are trying to do, why you need it, what resources you need to use and how you are going to manage and organise them.

There are a number of different ways in which to compile a business plan to support your grant application. While there are no wrong ways to assemble a business plan there is also no single right way. The following outline represents an approach that has been tried and tested successfully by a number of sports clubs in securing funds to support building projects.

It is always best to keep it simple and to remember that it must fit your organisation and project. Some funders may provide specific formats and key headings to include and so you will need to look carefully at the guidance provided to ensure that you address all the key headings and satisfy the grant criteria.

#### Benefits of a business plan

A business plan will give you greater focus to secure funding to deliver your project. Not only will you have to write down what you are trying to achieve, why it is needed, how it will be managed and how much funding is required, you can also use the plan to award responsibility to people. Everyone can understand, agree and be involved in the project including:

- Where you are now
- Where you want to be
- How you are going to get there

Funding bodies can understand:

- Why you need funding
- How you will use it
- What it will help you achieve (both at the club and in the community)

Your business plan:

- Provides focus
- Improves project coordination
- Clarifies roles
- Spreads workload
- Raises the importance of business planning

#### What to include in a business plan

A business plan in support of a grant application should generally be set out into 5 main areas including;

- Background information
- Evidence of need
- Financial budget
- Project management
- Supporting material

### Background information

This section should include a general overview of your organisation including number of members, sections, facilities and leagues in which you participate. It should also include your aims and objectives from your club development plan and begin to introduce your project and project requirements. Key headings within this section could include:

- Background
- Aims and Objectives
- Project requirements

### Evidence of need

This section should develop a case for the project identifying real needs and links to relevant material such as strategies, statistics, surveys, consultation and current provision to evidence need. It should also demonstrate that the project will deliver sports development outcomes and outputs and how these will be measured and evaluated. Key headings within this section could include:

- Strategic Need
- Project Outcomes
- Project Outputs or Key performance indicators
- Monitoring and Evaluation

### Financials

This section should include the construction cost (capital), consequent costs of running and managing the facility (revenue) and sources of funding to cover capital costs for constructing the project and sources of funds to cover revenue costs for running the finished project including maintenance and repairs.

In assembling costs most funders will expect to see a minimum of three competitive like for like quotations or a single written estimate produced by a qualified Quantity Surveyor for larger building projects. You should also include costs for professional fees, VAT and a contingency fund within your overall costs. Professional fees are normally between 10 – 15% of the contract value. It is also good practice to include an element for contingency within all building contracts and this is normally around 10% of the contract value. Your VAT liability should also be fully investigated and any non recoverable VAT should also be included in your costs. Depending on timescales inflation should also be considered depending on when quotations have been obtained and when the building work is likely to commence. Key headings within this section could include:

- Project costs
- Sources of funding
- VAT status
- 5 year cash flow projection showing ongoing income and expenditure

### Project management

This section should summarise general project management including the names, contact details and qualifications for the full professional team including Architect, Quantity Surveyor and Structural Engineer (as appropriate) etc and different roles and responsibilities ie managing the procurement process and building phases. It should also outline the timetable of activities from consultation, collation and submission of grant applications to building work completion and launch. Key headings within this section could include:

- Project Delivery
- Delivery Team

### Supporting material

When applying for large or small amounts of funding you are usually required to submit other supporting material with your application. How much of the supporting material is normally determined by the amount of funding being applied for, you will normally be expected to submit a signed and dated copy of your governing document (normally your constitution), a signed and dated copy of your most recent accounts and copies of your bank statements over the last 3 months as a minimum requirement. You might also be expected to submit a copy of your child protection policy, health and safety policy and equity policy in support of a small grant application form and you will need to clearly check the grant criteria.

A building project will normally require additional information such as drawings and plans, evidence of planning permission and a full breakdown of costs. The following list provides you with a summary of what to expect when applying for funding to support a building project. As follows:

1. Constitution
2. Accounts
3. Child and Vulnerable Adult Protection Policy
4. Equity Policy Statement
5. Health and Safety Policy
6. Coaches, Players, Parents and Guardians and Spectators Guide and Code of Conduct
7. List of Club Officers, Committee Members and Employed Staff
8. VAT Registration Number Certificate (if appropriate)
9. Community Amateur Sports Club Certificate (if appropriate)
10. Insurance Certificate (Building and Contents)
11. Primary Public and Products Liability Insurance Certificate
12. Club Development Plan
13. Club Lease
14. Project Plan
15. Project Brief
16. Professional Drawings
17. Planning Permission
18. Project Costs
19. Quotations
20. Letters of Support
21. Confirmation of all Partnership Funding