

## Creating a Business Plan for Church Projects

### Introduction

#### What Is a Project Business Plan?

A Project Business Plan (also known as a Project Plan) sets out how your church will turn its vision for its buildings and their use by you, and the wider community, into reality. It summarises the activities, systems and resources needed to achieve this.

The Project Business Plan is separate to your organisations General Business Plan, though the two should feed into each other. You must consider the delivery of any new activities that will take place after the building project is complete – your General Business Plan will need to be updated to account for these.



#### Why Prepare a Project Business Plan?

- To help plan the future management of your church and the use of its resources which include its clergy and volunteers, buildings and finances.
- To provide a plan for a specific project and demonstrate that your plans are feasible and realistic.
- The process of creating it will enable your project team to examine every aspect of your plans and be sure of their viability.
- The plan will be required when applying for funding and more generally the information in it will facilitate completing application forms.
- To show how you will monitor success and manage setbacks.

#### Preparing Your Plan

There is no set formula for writing a business plan and the level of detail is determined by the complexity of the project. Some funders include elements of a plan in their grant application form, and provide guidance on how to write separate plans for large projects.

The template in this document sets out a basic structure for a business plan which can easily be adapted to suit most church development projects.

You will need to decide who will be involved in developing the plan – ideally, it should reflect the views of the project team but be written by the project co-ordinator.

Much of the information can be taken from your Statements of Significance and Need.

## PROJECT BUSINESS PLAN TEMPLATE

A **Contents** page will make the document easier to use.

### 1) Executive Summary

This section should sum up all the key points in the plan. It will be the part that funders and other readers refer to first, so it should whet their appetite to find out more about the project. This is a very important part of the document and is best done when all the other sections are completed.

### 2) Your Church

Briefly describe who you are and where you are, include the history of your church, your aims and the demographics of the community you serve. Your Statement of Significance should help here.

### 3) Aims and Objectives

Explain what you want to do and why. How will the church use the new facilities if it is a re-ordering project and who will benefit?

Demonstrate how the project fits in with your Mission Action Plan and Parish Plan if you have one. Ask members of your project team to come up with their own answer to contribute to the discussion. If it is a major repair project, include your maintenance management plan and future opening arrangements.

Photographs and diagrams will help to make the plan easy to read and understand.

### 4) Current Status

Describe the current situation - how the church is used now, its current problems and issues (e.g. the church is used for worship and by the community for events but it is very cold in winter).

Include a SWOT analysis (Strengths/Weaknesses/Opportunities and Threats) for the church (see section below). Explain what will happen if this project does not take place - the “do nothing” alternative!

### 5) The Need

Explain the current ‘Need’ for the project and the potential future demand. Most of the information in this section should be in your Statement of Need.

- How will the plan fit into other activities that go on in your community? If you are considering making a separate room within the church, who will use it, when, and how often? (e.g. community activities, schools, business, service providers etc...).
- Community Consultation. Who has been involved in developing the project? - provide evidence of support from the community for your project and the ‘demand’ for the changes you want to make. Demonstrate that you are not duplicating existing facilities.
- Sustainability is about the long-term future of a project. It is important that any alterations you make to your building continue to work for your community long into the future. Funders will expect to see evidence that you have thought about all of these aspects, taken action and set in place appropriate mechanisms for the long term.

## 6) Project Management

Key Questions:

- How are you planning to do it?
  - How will your project be managed?
  - What systems will you have in place?
  - What resources and equipment do you already have and what will you need to make the project happen?
- Set out how the project will be run: make sure your plan is SMART (Specific, Measureable, Achievable, Relevant and Timetabled).
  - Identify the project team: who is co-ordinating the project, how often the team meets. Include a schedule of work and milestones – an Action Plan will keep all involved on track and help potential funders see you have a clear strategy (see example below).
  - Sustainability: develop the right structures for managing any new activities in the long term. There is a difference between project management and ongoing facility management.
  - Planning for succession: make sure that knowledge is passed on and that arrangements are in place if a key person moves on. Encourage people to take on new responsibilities so that experience and the necessary skills are not concentrated in only one or two people.
  - Keep your volunteers on board and inspired over the long term. Volunteers need good leadership and management.
  - Introduce a system that allows you to continue consulting the community about its needs in the future.

## 7) Risk Assessment

The purpose of assessing risk is to see if there are any weaknesses in your organisation and to consider any threats to it and your project from outside sources, and to set out contingency plans.

A project risk assessment is different to a standard risk assessment. It is about identifying risks which might arise in your project, how you will mitigate those risks and what actions will be taken if things do happen. These could include the loss of a key member of your project team, the ability to raise the necessary funds, the timescale of the building work and how a delay in one task might impact on others.

## 8) Financial information

How much will it cost?

- **Capital Costs** - these will be your start-up costs, which will include professional advice, building costs, and marketing. Capital funding refers to money paid for one-off items.
- **Revenue costs\*** - revenue funding relates to the day-to-day running costs incurred by new activities. Don't forget ongoing maintenance and the replacement of equipment.
- **Budgeting** - a budget should include an overall figure for the cost of the project and any income that has been secured to cover these costs.

Estimate the costs of each task; this will be difficult for most of the building work during the early stages of the project, but as things progress you will be able to update the costs with greater certainty.

Once you have costs of each task, plan your cash flow. Consider at what stage contractors and other people will require payments. Will you have sufficient funds to cover these until you begin receiving grant money?

How are you going to fund it?

You need to show funders that your financial planning is sound and how you will manage short falls in finance. You need to include all the different sources of income and expenditure – e.g. trusts, local fundraising, public funding, legacies. Some funders allow you to use non-cash contributions such as volunteer

time as partner funding and you need to show these sources of income as well. If you do not have all the money, you will need to show a fundraising plan.

Include a spreadsheet or summary of the following:

- Current financial year end
- Budget for project, include cash flow projection during project
- Evidence of the tendering process
- Contingency reserve

\*Sustainability - many funders give financial support for 'capital' projects – those that require refurbishments or structural changes to buildings, or the purchase of specialised equipment. They may even pay for some other setup costs such as marketing and training. They may not help with the day-to-day running costs such as utility bills – and if they do, it will be for a limited period of time – or for longer-term costs such as maintenance and the replacement of equipment. To support your capital project, a section of your plan needs to look at this day-to-day financial future. You'll need to demonstrate that once your project is up and running, you can estimate what the regular running costs will be and what steps you will take to generate enough income to cover them.

Value For Money - the cheapest quotes may not necessarily offer the best value for money. So while a local firm of builders may not be the cheapest, they may be the best choice because they won't be travelling so far to do the job. They'll also be on hand to undertake any future repairs.

## 9) Marketing

Set out how you plan to publicise your new facilities – church monthly newsletter, village magazine, local paper, word of mouth, an 'A' Board, website, social media.

## 10) Environmental Impact

Outline what steps you have taken to ensure your project is environmentally sustainable.

If you are about to undertake any building works, make sure you have looked at the most energy efficient option and thought about sustainability.

Consider these aspects:

- The materials and products you use to refurbish buildings.
- BREEAM (BRE Environmental Assessment Method) sets the standard for best practice in the environmental performance of buildings.
- Consider the life expectancy of the proposed new facilities.
- Where are you sourcing the materials for your project? Can they be sourced locally?
- Can you re-use any existing materials or equipment? If not is there anywhere you can recycle them locally, perhaps via Freecycle?
- Where will your contractors come from?
- Using LED bulbs is one of the easiest ways to improve the energy efficiency of a project.
- Decisions on heating. Look at efficiency, greenness, meeting conservation requirements and how to determine the most effective heating systems depending on different uses within a church building.
- Do you want to think about generating your own renewable energy?
- What steps will you take to reduce noise pollution while builders are carrying out your refurbishment? Will the noise affect those in the church and neighbouring properties too?
- Think about the environment around your building, improving the biodiversity of any church land or local growing projects are great ways to engage the community.

Also consider if you are using recyclable cups and plates at events, if food is from local suppliers, if rubbish is recycled where possible etc...

### 11) Monitoring & Evaluation

Describe how you will ensure your project keeps to its timetable and achieves its objectives. What actions have been set up to monitor the progress of the project? You should produce details of the costs of your project for each year of its duration and how you will manage and assess its benefits once it is complete.

### 12) Summary

Concluding statement.

*Consider putting extra information in Appendices at the end to avoid the main document becoming too unwieldy.*

## ADDITIONAL INFORMATION

### 1) SWOT ANALYSIS

This can help you focus on both the problems and potential of your church. It is a good way of setting out the issues in an easily read table – funders like them!

Example of a SWOT analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Historic Place of Worship</li> <li>Only large building in village</li> <li>Central location in village</li> <li>Peaceful churchyard</li> <li>Much-loved building</li> <li>Heritage of the church and its contents</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Cold and uncomfortable in winter</li> <li>Insufficient funds</li> <li>Absence of long-term strategy</li> <li>Small, ageing congregation</li> <li>Restrictions on making changes</li> <li>Lack of project management experience</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Installation of modern facilities, including broadband</li> <li>Potential to become a rural community space</li> <li>Partnership with local schools</li> <li>New Friends Group</li> <li>Open the church for visitors</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Theft of lead and vandalism</li> <li>Deterioration of fabric due to lack of funds</li> <li>Closure due to small congregation</li> <li>Redundancy – followed by sale or demolition</li> </ul>

### 2) ACTION PLAN

Draw a simple table setting out the timetable for the project. Put the Actions in the first column; who is responsible for each one in the second column; the date when each will be done in the third column and

finally comments. This can be adapted for recording funding applications or the schedule for any part of the project.

#### Example of an Action Plan

Actions	Responsibility	Date due	Commentary
Agree on dates for project meetings	All	1.12.2020	Important to keep these dates clear
Develop fund-raising strategy	Funding team	31.12.2020	3 applications each – report to SP
Select architect	All	30.1.2021	Interviewed 3 on 15.1.2021
Agree on final version of brief/plan	All	25.2.2021	As per meeting with RB in church on 12.1.2021
Send brief to architect	PW	7.3.2021	Sent hard copy plus emailed
Update of project in parish news	JY	16.3.2021	Monthly from now

### 3) RISK ASSESSMENT

An example of a Project Risk Assessment Table

Nature of Risk	Description	Probability of risk	What effect could this have?	Level of effect	Overall effect	How you would deal with risk
Technical	Repairs more extensive than thought	Medium	Project costs and timescales would increase	High	Project delayed or only partially completed	Include in projects contingency costs
Financial	Unsuccessful with Grant	Medium	Insufficient funds to proceed		Project delayed or only partially completed	Apply to several funders; continue local fundraising
Management	Project Manager leaves	Low	Management of project would suffer; time delays and cost implications		Project would be delayed or only partially completed	Recruit and train other volunteers who can support PM and take over if needed

#### **4) Learning from others**

Visit other churches that have made changes similar to what you are planning.

Talk to the project leader there to find out how they ran the project and ask for advice – it is much better to learn from someone with experience than just to hope you get it right!

#### **5) General Business Plan**

As you write your Project Business Plan you will need to update your General Business Plan. Some key things that are often overlooked when writing the latter are:

- Costs to complete outstanding QI items
- Boiler servicing
- PAT Testing
- QI items to come
- Maintaining gutters
- Electricity
- Insurance