

# Funding for Day Centres

## Business Plan Guidance

### About this document

This guidance provides guidance for day centres in writing a business plan. It should also be noted, however, that this is not the only possible format for a business plan – there are many alternative ways of presenting your work and your vision, and, while this may provide some guidance and some good ideas to start from, you should make sure that your final business plan suits the needs of your organisation and accurately reflects what you do and what you plan to do. If you would like any further guidance, please contact [tasmin.maitland@homelesslink.org.uk](mailto:tasmin.maitland@homelesslink.org.uk) or 020 7840 4451.

The guidance is structured to follow the sections of a business plan, giving details under each of what should be considered for each. The sections are:

- Summary
- Overview
- The Work You Do
- Vision for the Future
- Environmental Analysis
- SWOT Analysis
- PEST Analysis
- Risk Analysis
- Putting the Vision into Practice
- Finances

### Summary

In this section you will need to present the key points of your business plan. You should try to answer the below questions in one or two sentences only. This is best written after you have finished the full business plan.

- Who you are
- What you aim to achieve and how
- Where you see yourself in 3 years
- How much it will cost
- How it will be financially viable
- Benefits to your community and your service users.

### Overview

In this section you should clearly present the overall objectives of your service, and these should be consistent in all the information you distribute about your centre. Your objectives should represent the change you want to achieve with the people using your services. You will also need to give an idea of who you are, who your clients are and what you do, as well as some basic background information about your service and the area you work in.

## **The Work You Do**

Basically, this will be your core 'case for support' and it should also be consistent throughout all funding applications and other materials about your organisation. It is necessary to have a coherent, concise message telling potential funders who you work with, what change you aim to achieve with them, and how you deliver that change. To this end, we have developed an example case for support in a separate document which can be found at [www.homeless.org.uk/grants-funding](http://www.homeless.org.uk/grants-funding). You can use the models and information in that document to help you to write this section of your business plan. For the business plan, you may want to make the more general arguments more concise, and focus on the practical details of how you deliver change.

The main things you want to address are:

- Present your service delivery model i.e. explain the theory of why the combination of services you provide are effective in bringing about the changes you aim to achieve with your service users.
- Details of the individual services i.e. what is provided and for whom, how do service users get involved, what are the outputs and outcomes.
- Explain how you evaluate your success i.e. what information do you collect to show you are successful (e.g. hard and soft outcomes monitoring, service user consultations, feedback forms or sessions).

For this section, it may be useful to use the diagram provided in the 'case for support' document, filled in to reflect your service delivery.

## **Vision for the Future**

This section should describe your plans for the development of your service over the next three years – for example to become an accredited training centre and to start a social enterprise. Depending on your plans, you can answer the questions for them all together, or answer each question separately for each piece of work.

Questions you will need to answer are:

- What do you propose to do?
- Why do you want to do this?
- How will it work?
- How will you deliver the service?
- What will the end product look like?

## **Environmental Analysis**

You will have to complete an environmental analysis of your organisation's current and future position. The suggested models to use in your analysis are the strengths, weaknesses, opportunities and threats (SWOT) model, and the political, economic, social and technological (PEST) model.

**SWOT analysis:** this analysis looks inward at your centre and the local community.

- Strengths: e.g. merits of approach to work and service delivery model, merits of policies and procedures, relationships with community, council and other organisations, strengths of staff team and volunteers, long-term funding relationships (e.g. patron) etc.
- Weaknesses: e.g. unstable funding, poor layout, small staff team, difficult to show outcomes, poor partnership working, bad reputation etc. Try to frame these in a solution-focused manner.
- Opportunities: e.g. new funding opportunities, gaps in service delivery that can be filled, relationships to be developed, training and events to be attended, new projects to be started (e.g. social enterprise) etc. This section will really depend on your individual centre and the opportunities that you perceive.
- Threats: e.g. grants coming to an end and not being replaced, staff culture that is resistant to change, competition from other services, opposition in council or community etc.

**PEST analysis:** this will focus more on factors outside of the centre itself, and is more about the environment in which it operates.

- Political: What developments in the political sphere, both locally and nationally, could affect your centre? Some things to think about are local and national government agenda (e.g. places of change agenda, devolution and localism), the drive for affordable housing, the lack of move on accommodation, the current focus on outcomes etc.
- Economic: What are the economic risks to your centre, what are the economic opportunities, both on a micro and a macro level?
- Social: Social factors to consider could be changing social backgrounds of your clients, changes in the society in which you are based (e.g. redevelopment), social barriers for clients and for the centre etc.
- Technological: Technological factors to consider would include the design of the day centre and what new innovations could be included, access to online databases and online assessment tools (for example, the Outcomes Star), new equipment for activities, security technology etc.

Remember that you don't have to separate these into distinct categories. For example, you could choose to talk about your environmental weaknesses in the same section as your internal weaknesses. The important thing is to think about your future and ensure that you have considered all the necessary elements that are likely to effect your development in the life of the plan.

### **Risk Analysis**

In this section you must identify the major risks to your organisation's operation and expansion and explain your strategy to mitigate these risks. Your trustees should be doing this as part of their duties for your organisation as it stands, but you will need to carefully consider the added risks of any plans you are incorporating into your business plan (e.g. moving to new premises, starting a social enterprise). You will also have to cover financial risks, for example how you will ensure that your project does not go over budget, and legal risks, for example ensuring that you have proper planning permission etc. It will be important to demonstrate that you have thought through the practical obstacles of your project and that you have a plan in place to deal with them. For further guidance on risk analysis, see [www.charity-commission.gov.uk/investigations/charrisk.asp](http://www.charity-commission.gov.uk/investigations/charrisk.asp).

### **Putting the Vision into Practice**

For this Section you will need a detailed timeline of key tasks and activities, as well as a work plan for the first year. You should also explain how you plan to monitor and evaluate your progress, and put in places procedures for reviewing the plan in case of change.

### **Finances**

In this section you will need to lay out cashflow and budget information for the centre, as well as information about how you intend to fund the service and the build. While difficult to formulate, this section is crucial. In order to make your vision happen, you will have to carefully plan your finances – not only for your own benefit, but so that potential funders can see where their money will go.