The Diocese of Gloucester Academies Trust

School: *<Insert School Name>*

Business Case for < Insert Business Case Title>

This is a template Business Case which can be used by schools in the Trust. Examples of things to consider are included. It is not however an exhaustive list.

Following completion of the Business Case and review by the Head Teacher and School Governors, please forward to the Head of Finance for inclusion at the next Audit and Finance Meeting.

Date Prepared: <date>

Date Reviewed by Head Teacher: <date>

Date Reviewed by Governors: <Insert Date and Meeting e.g. Full Board or Resources>

Contents

[1. Executive Summary 3](#_Toc115198457)

[2. Business Proposal 3](#_Toc115198458)

[3. Strategy and Execution 5](#_Toc115198459)

[4. Financials 5](#_Toc115198460)

[5. Exit Strategy 7](#_Toc115198461)

[6. Appendices 7](#_Toc115198462)

# Executive Summary

This section should be a summary of the proposal. It should include your aims and rationale for the proposal along with a summary of the financial information.

It is a summary – the detail is in the following sections, so should be concise, but also it is there to give people a preview of the plan and to encourage them to look further.

# Business Proposal

This should include a fuller explanation of the business case. It may be helpful to split this into sections as below, or at least include them in your description. Suggested things to respond to/include in responses have been identified. Please note this is not exhaustive.

## The Opportunity

What is the need for change?

What is the problem you are looking to solve or opportunity you are looking to expand?

How are you proposing to solve this problem/take advantage of the opportunity?

Why do you think your proposal will meet the opportunity that has been identified?

If you are looking to expand the opportunity further, why do you think it is needed?

Why is your proposal different to what is already in the market place?

## The Structure

What is the proposed structure?

Is it independent of the school?

## Market Research

Please outline any research you have done within the market place. This can be measurable or based on experiences/opinions. Please outline which it is and any rationale for that.

Would you be the only provider in the area?

Is there direct competition that could have an impact on numbers and/or the good will in the community?

Has the revenue potential been benchmarked in any way?

Who are your potential customers? How will you target them? How many do you think you will have and do you see that expanding over time?

What advantages can you offer over any competitor? And the disadvantages?

## SWOT Analysis (Situation Assessment)

This is to show you have considered your strengths, weaknesses, opportunities and threats. Typically this is completed within a grid, but you can complete as four subheadings.

For example:

“location” could be a strength as the users of your provision is on your “doorstep”

“staff” could be a threat as there are not enough qualified staff for the work, or you could be in direct competition with another resource pool that takes staff. Equally, “staff” could also be an opportunity for work for people that are looking or a “weakness” if there are not enough folk with the required skills

The following is an outline of our SWOT analysis for our proposal.

|  |  |
| --- | --- |
| **Strengths** | **Weakness** |
| **Opportunity** | **Threats** |

# Strategy and Execution

Use this section to outline how the business will be run. This can be split into sections to explain the different aspects of marketing, operations and the staffing structure.

## Marketing

How are you going to promote the business? How is pricing decided? If a service what are the hours/days that you intend to operate?

## Operations

Where will you be based? Is there a maximum capacity? Will you need a storage facility? Will it overlap/conflict with other activities in/around the location and if so how will you overcome them? Will people pay on booking or invoiced? If the later how so you propose to manage the debt?

## Staffing

What is the structure? Are staff permanent? Do staff have the experience/training? Is there sufficient cover for first aid, absence etc? Will staff from the school need to support? Will you cross charge for time?

# Financials

This is actual numbers. Narrative is good to explain, but you need actual/estimated numbers here and clear rationale as to what you are using/why you are using those numbers.

Numbers need to be realistic as possible, for example don’t assume the maximum is “sold”, the model needs to work even if there are spaces.

Ideally provide this is a chart over multiple years (at least 3 years, maximum 5 years). A separate chart setting out the first year further can be useful, particularly as this is likely to be the year with set up/start-up costs. The first year can be broken down further for example by month or term (3 or 6 terms).

The below is an example:

## Year 1

| **Area** | **Term 1** | **Term 2** | **Term 3** | **Term 4** | **Term 5** | **Term 6** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Income – Breakfast Club | £1,650 | £1,500 | £1,400 | £1,400 | £1,600 | £1,650 | £9,200 |
| Income – After School Club | £6,400 | £5,800 | £5,400 | £5,400 | £6,200 | £6,400 | £35,600 |
| **Total Income** | £8,050 | £7,300 | £6,800 | £6,800 | £7,800 | £8,050 | £44,800 |
|  |  |  |  |  |  |  |  |
| Staff Costs – Breakfast Club | £1,320 | £1,200 | £1,120 | £1,120 | £1,280 | £1,320 | £7,360 |
| Staff Costs – After School Club | £5,120 | £4,640 | £4,480 | £4,480 | £4,960 | £5,120 | £28,800 |
| Staff Costs – Admin | £250 | £250 | £250 | £250 | £250 | £250 | £1,500 |
| Staff Costs – Training | £450 |  |  | £200 |  |  | £650 |
| **Total Staff Costs** | £7,140 | £6,090 | £5,850 | £6,050 | £6,490 | £6,690 | £38,310 |
|  |  |  |  |  |  |  |  |
| Food/Snacks | £100 | £100 | £100 | £100 | £100 | £100 | £600 |
| Premises Costs | £500 | £800 | £800 | £600 | £500 | £300 | £3,500 |
| Initial Set up Costs | £450 |  |  |  |  |  | £450 |
| Other (Please specify) | £50 | £125 | £50 | £200 | £30 | £30 | £485 |
| **Total Other Costs** | £1,100 | £1,025 | £950 | £900 | £630 | £430 | £5,035 |
|  |  |  |  |  |  |  |  |
| Net Profit/(Loss) | (£190) | £185 | £0 | (£150) | £680 | £930 | £1,455 |
| Running Profit/(Loss) | (£190) | (£5) | (£5) | (£155) | £525 | £1,455 | £1,455 |

## Years 1 – 5

| **Area** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| --- | --- | --- | --- | --- | --- |
| Income – Breakfast Club | £9,200 | £9,200 | £9,200 | £11,040 | £11,040 |
| Income – After School Club | £35,600 | £35,600 | £37,380 | £37,380 | £39,160 |
| **Total Income** | £44,800 | £44,800 | £46,580 | £48,420 | £50,200 |
|  |  |  |  |  |  |
| Staff Costs – Breakfast Club | £7,360 | £7,581 | £7,808 | £8,043 | £8,284 |
| Staff Costs – After School Club | £28,800 | £29,664 | £30,554 | £31,471 | £32,415 |
| Staff Costs – Admin | £1,500 | £1,545 | £1,591 | £1,639 | £1,688 |
| Staff Costs – Training | £650 | £680 | £720 | £750 | £775 |
| **Total Staff Costs** | £38,310 | £39,470 | £40,673 | £41,903 | £43,162 |
|  |  |  |  |  |  |
| Food/Snacks | £600 | £630 | £670 | £710 | £750 |
| Premises Costs | £3,500 | £3,850 | £4,235 | £4,659 | £5,124 |
| Initial Set up Costs | £450 |  |  |  |  |
| Other (Please specify) | £485 | £485 | £485 | £485 | £485 |
| **Total Other Costs** | £5,035 | £4,965 | £5,390 | £5,854 | £6,359 |
|  |  |  |  |  |  |
| Net Profit/(Loss) | £1,455 | £365 | £517 | £663 | £679 |
| Running Profit/(Loss) | £1,455 | £1,820 | £2,337 | £3,000 | £3,679 |

## Rationale

Outline the rationale for the income/costs.

### Income

For example:

After school club numbers are based on 20 pupils (maximum spaces 25) at £10 per session. There would be a session each school day with the exception of the last day of term.

The number of days in each term/year are included in the approdix.

An extension change will be levied if parents/carers are late to collect their child/children. In our model it is presumed that this will not occur.

Breakfast sessions are assumed to increase to £6 in year 4.

After school club sessions are assumed to increase to £10.50 in year 3 and £11 in year 5.

Funding is based on parental/carer contributions. Where appropriate school pupil premium monies may be used to fund a child(ren).

### Staff Costs

For example:

With the exception of one member of staff, staff are paid on a claim only basis.

Breakfast club is staffed with 2 members of staff and after school club 4 members of staff. The grades and hours are detailed below.

A 3% pay increase has been assumed each year.

An outline of the staffing structure/grades could also be provided.

### Other Costs

For example:

Initial set up costs include games/equipment specifically for use by the club.

The club will use the school premises and pay a contribution to the use of the schools utility bills based on floor area.

There will be caretaking costs to lock up/open up.

Premises costs are assumed to have 10% each year.

# Exit Strategy

Should the business fail/make a loss what is the proposal for exit, with the potential costs, for example redundancy and how these will be paid.

# Appendices

The main body of the plan should be concise, however sometimes it is useful to make available further detail by way of an appendix. For example, detailed costs notes; full market analysis/surveys that you may have undertaken etc. If this is done, then reference the relevant appendix in the main body of the business case. For example:

## Income Projections

### Projection of Numbers: Year 1

| **Number of Places Taken** | **Term 1** | **Term 2** | **Term 3** | **Term 4** | **Term 5** | **Term 6** |
| --- | --- | --- | --- | --- | --- | --- |
| Breakfast Club | 10/12 | 10/12 | 10/12 | 10/12 | 10/12 | 10/12 |
| After School Club | 20/25 | 20/25 | 20/25 | 20/25 | 20/25 | 20/25 |

### Projection of Numbers: Year 2 - 5

| **Number of Places Taken** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| --- | --- | --- | --- | --- | --- |
| Breakfast Club | 10/12 | 10/12 | 10/12 | 10/12 | 10/12 |
| After School Club | 20/25 | 20/25 | 20/25 | 20/25 | 20/25 |