



## More than Just Pretty Pictures

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**Involved in delivering a masterplan?  
Do you have a delivery plan that looks a bit thin?  
James Watson sets out some practical ideas on  
developing business plans for masterplans.**

Ever since the IRA Bomb in 1996 when master-planning helped create a vision of a better future for a part of Manchester City Centre, the public sector's love of commissioning master plans for our towns and cities has continued unabated.

At their best, Master Plans provide images that 'paint a thousand words' and express a vision that landowners, property investors, planners and other local stakeholders can 'buy into'. Conversely, they can represent no more than 'pretty pictures' that raise unrealistic expectations and make delivery more difficult.

To avoid the risk of 'pretty picture syndrome' clients appoint multi-disciplinary teams to develop and market test their ideas and prepare detailed funding and delivery plans. However, the financial voice in the team is often lost as the assignment comes to an end and the work is handed over to a delivery vehicle. Below I set out what a business plan for a masterplan delivery organisation should contain and how it can contribute to more effective delivery of capital build projects.

### 1. Decide what you want the Business Plan to achieve

The business plan must provide a clear plan for the delivery of a project, the funding required and the benefits that will accrue from it (in terms of 'outputs'). Funding partners must be able to see immediately what they are being asked to fund and in some cases actually do (for example, use their CPO powers or modify the land-use planning policies that govern an area).

Furthermore, the process of preparing the plan is important so that the time taken in preparing the plan has been used to convince key stakeholders of the following:

- The need for intervention in the first place?
- That intervention will deliver outputs that will contribute to the achievement of their objectives.
- That the timing of any requirement for financial or technical assistance is realistic and avoids any tendency towards 'optimism bias'.

To achieve this the person developing the business plan should produce a 'plan for a plan' that describes what the plan will cover, who the audience is and how they will be consulted during its development to gain the support of public and private sector investors.

### 2. Decide when to plan

For 'start-up' delivery organisations, it probably doesn't matter when to start a plan as winning support from funding bodies takes time. However, as a general rule the sooner something is produced the better.

For the rest though it is important that the plan is received by the funder when they are looking to 'pencil in' projects to their own plans. To do this, delivery organisations with their own Boards need to have their own approvals in place. Typically this means that Business Plans need to be prepared in July and August for approval by their Board in September ready for submission in early October when public sector budgeting tends to be focused.

### 3. Focus on the delivery of physical projects and work outwards

For start-up delivery organisations the Business Planner needs to assess whether there is information in the delivery section of the masterplan that answers the following questions:

- 'Are the proposals for each site likely to be viable (and therefore deliverable by the market without intervention)?
- 'If not why not? If viability is the problem what is needed to bridge the viability gap?'

Most Masterplanners do address these questions, but rarely with the clarity required to present a project to funders. Whomever is developing the Business Plan is often faced with having to re-package existing information on viability or in some cases commission further cost and value advice.

For start-up business plans it is often useful to make some standard assumptions for projects. For example, where viability is a problem, assuming that the public sector is the 'land assembler of last resort' who buys up sites, clears them and markets them for sale to the private sector subject to a suitable development brief is a useful one as it provides a 'default' delivery strategy from which to develop more sophisticated approaches once more is known about the appetite of the market to invest in a site.

#### 4. Linking projects to Funders

Once the individual projects have been compiled the next step is to assess whether anyone in the public sector can and wants to fund them. It is at this point that the 12-18 months of excitement around the masterplanning exercise can come down to earth with a bump - particularly when consolidating the figures for all the projects reveals the full enormity of the funding task to be revealed.

#### 5. Involving the Board

At this stage, the involvement of a delivery organisation's non-Executive Board can be crucial. The project leader needs to initiate a strategic discussion with their Board so that issues of project prioritisation and tactics to be adopted with respect to approaches to funding partners are discussed.

Good Boards help boil down the wish-list to a series of 'must-do' projects. This allows the Chief Executive and Business Planner to focus on refining a number of key projects and developing the detailed case for public sector funding.

Early Board involvement is particularly important for masterplan delivery organisations where they usually comprise senior officers from probable future public sector funders and in some cases potential private sector investors too.

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#### 6. What goes in the plan

The plan needs to act as a reminder to volunteer Board Members and partner officers what the Masterplan vision is and the rationale for public sector intervention. In addition, these people often move on and their successors need to be able to understand what is happening and how they and their organisation play a part in delivery.

Other useful elements include:

Action Plans for partners that list project and non-project related items that require resolution. This helps in setting out what needs to be done by providing clarity on roles and responsibilities, timescales and highlighting inter-dependencies on issues.

A project funding strategy that lists project related costs for each funding partner – initially to get a project to the point at where it can be appraised for funding and secondly, (assuming receipt of funding approval) the full cost of site assembly and/or gap funding of a developer.

A staffing plan should be clear on the link between the challenges behind the delivery of the masterplan projects and the qualifications and experience of the existing Management Team. For URCS this will be the most costly area of non-project related costs. This needs to be linked to an operating cost plan that covers staff, external assistance and on-costs such as premises and office consumables.

A risk management plan provides an ideal opportunity to focus funding partners on practical delivery issues and how they can be mitigated through effective management including the creation of improved methods of joint working between partner organisations.

A summary of any marketing plan that has been prepared covering both the marketing of the organisation and the area that it oversees.

A Monitoring and Evaluation Framework is something that funders - particularly English Partnerships and the RDAs - will want to see as part of 'start-up' Business Plans as well as the more mature delivery organisations.

#### 7. and finally...

Three small tips:

Firstly, a business plan must continue to live after it has been completed. To do this the Board and Management should use it to monitor progress against agreed actions. Keeping it fresh also allows for a swift response to any partner requests for information – particularly useful if there are prospects for exploiting partner underspend opportunities.

Secondly, use the business plan to ensure 'joined-up working' and to celebrate individual partner activity where it contributes to the achievement of the shared vision.

Thirdly, business plans for masterplans will always have to leave certain things unresolved – projects will always exist that do not have a funder identified and they will always have an air of being 'work in progress'.

What is important though is that a business plan for a masterplan must be market-based and focused on the 'what?', 'when?', 'who?' and (roughly) 'how much?' of delivery.

Former Edinburgh Waterfront Plan



Current Edinburgh Waterfront Plan



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