



Making the Most from your Premises

Gordon Ludlow – Ethical Property Foundation



Who are we?

- Nationwide property advice for charities and community groups - providing free and paid for solutions
- Input via in-house property advice team and Register of Property Professionals
- Free property resource guide via our website
- www.ethicalproperty.org.uk

What do we offer?

Bespoke services, such as:

- Estate, Property, FM, sustainability, continuity strategy
- Pre-feasibility, feasibility
- Business and financial planning
- Options appraisals / business case
- Social audit
- Training
- Mentoring
- Review of contracted services

Charity Property Matters Survey 2014

- Bi-annual survey carried out in partnership with Charity Commission
- Highlights key issues the sector faces regarding commercial and public sector property

Key findings

- 45% of charities think property is the greatest risk to their long term survival - up 4% on 2012.
- Only a third of charities paid for commercial property advice in the last three years.
- A further 40% rely on informal advice from friends and contacts.
- Over 40% experience difficulty in obtaining core funding to cover premises costs.
- 47% would consider sharing space to reduce costs.
- Half the charities surveyed felt their local authority was broadly supportive of the role of the voluntary sector. However over 80% felt there was insufficient opportunity to be involved in strategic planning on provision of premises.

A menu for this session

- Finding the right premises
- How to approach your negotiations
- A brief introduction to property management: why manage your building well?
- Finance and saving money
- Q&A

Finding the right premises

Think about....

- your aims
- your users
- your services
- your staff
- your trustees



Putting together a brief

- Authority
- Spend/budget
- Timing
- Location
- Size and facilities
- Staff and user requirements
- Accessibility
- Other orgs
- Office quality



How to find a space?

- How to search
 - Word of mouth
 - Walk the streets
 - Use an agent
 - CVS
 - www.mycommunityspace.org.uk
 - Local authorities
 - Specialist providers

Negotiating the deal

- No such thing as a standard lease
- Offer in the form of a “Heads of Terms of Agreement”
- Not contractual at this point
- Should have the total extent and duration of the cost and liabilities on you as tenant
- Should not hamper the sound running of your service
- Heads of Terms used as instruction to solicitor to draft lease

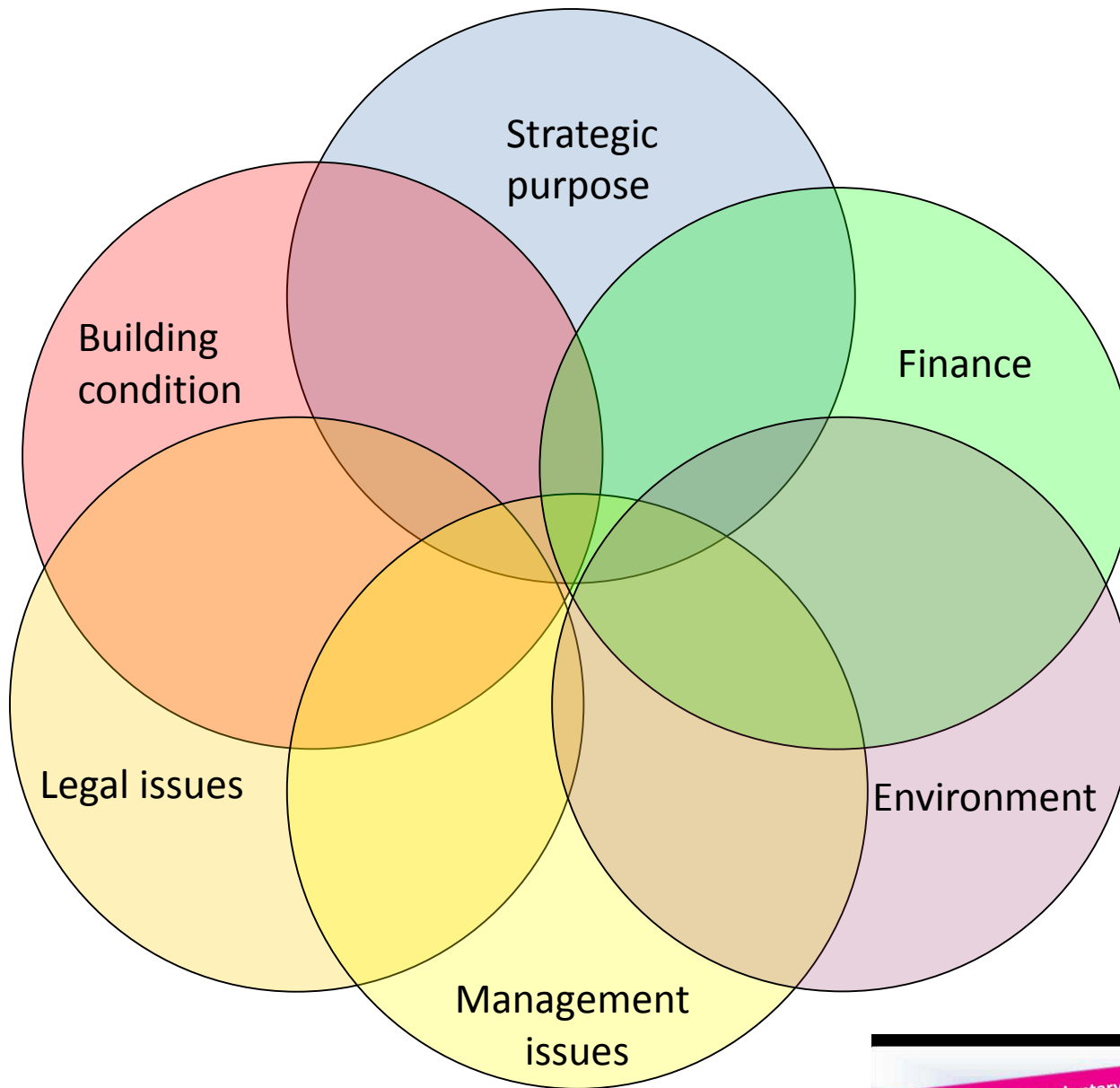
The main elements

- Demise
- Costs
- Service charges
- Repairs
- Insurance
- Lease length, break clauses, renewals
- Security
- Rent reviews
- Subletting and assignment
- Alterations and change of use
- Defaults

Managing Property

Why manage your building well?





Finance – can you save money?

- At the beginning:
 - Purchase outright
 - Terms of the lease
 - Liabilities: repair and service charge
 - Rents and rent reviews
 - Assignment/underleases
- At the end:
 - Dilapidations
- Shared buildings
- Ensuring you are within your budget and charitable aims

Saving more money?

- 3 areas:
 - building performance, building use and occupation
- Cost savings:
 - Quality and performance of the building fabric (EPC)
 - Measured, monitored and targeted utilities (your bills)
 - Behaviour
- And,
 - Service charges
 - Being prepared – “sinking fund”
 - Maintenance services - contract in or out
- Improving the building (if you own the property)
 - Impact on value, services and experience of users

Benefits of Planned Maintenance

- enabling better financial planning
- minimising occasions when maintenance has to be carried out at short notice
- reducing wastage e.g. dripping taps, inefficient lighting
- maintaining equipment in line with the manufacturer's guidelines
- ensuring compliance with the law e.g. servicing of gas boilers, lifts, fire alarms etc.
- safer working environment, projecting a positive, professional image for the organisation

Building management processes

Identify who has responsibility

Common repair is common sense – simple defects reporting system

Budgeting

Building log book

Instruction leaflets

Tenant/employee/user handbook

www.ethicalproperty.co.uk



Building management processes for....

Mechanical and electrical installation

- + Energy consumption – water, heating and lighting
- + Cleaning
- + Waste removal - waste hierarchy and charges
- + Furniture, fittings and equipment
- + Repair and replacement

= Annual Maintenance Plan

www.hse.gov.uk

www.gov.uk (DECC)

Community Asset Transfer

- Acquisition of public assets by way of:
 - Service Level Agreements
 - Meanwhile or temporary licence
 - Short term lease
 - Long term lease
 - Outright purchase



“The greater the stake, the greater the financial and legal responsibility the organisation takes on, but also the greater the freedom to exploit the asset’s potential” (Quirk Review, 2007)

Community Asset Transfer?

- Right to Bid (Assets of Community Value)
- www.mycommunityrights.org.uk
- Heritage assets: www.hlf.org.uk/www.ahfund.org.uk



How have you saved money?

Group discussion – share your tips!

Q&A



Thank you!

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