

# Voluntary sector – Property and space needs

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# 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
- Quick & easy guide to most common issues
- [www.ethicalproperty.org.uk](http://www.ethicalproperty.org.uk)

# Charity Property Survey 2013

- Survey carried out in partnership with Charity Commission
- Mix of online responses, telephone interviews and in-depth meeting with individual organisations from a range of charities (size, location, beneficiary type etc)
- Results highlighted various issues experienced by sector

# 1 - Ownership

- 60% said they owned their premises
- Figure not consistent with NCVO Almanac figures and those of Charity Commission itself
- Further investigation revealed issue of charities' lack of knowledge on premises ownership
- Great sense of 'ownership' within sector – can be a barrier to flexible solutions when needed

## 2 - Inefficiencies in use of property assets

- 40% considered their property the greatest risk to their organisation
- 44% of sector had issue with unforeseen maintenance costs
- Large proportion of sector unable to employ in-house property advisors / FM
- Problems tend to be dealt with in reactive, unplanned way which tends to mean higher costs
- Lack of strategic awareness, resource to plan

# 3 - Changing circumstances

- 40% anticipate changes to property position within next three years
- Smaller charities hit by cuts, focus on bringing down overheads
- Larger charities taking advantage of rise in property market
- Many feel their 'hand is being forced' by variety of factors – economic downturn, local authority practices etc

# 4 - Constraints on services

- 17% fear they will fail to deliver services due to property constraints
- 27% experience compliance costs and difficulties due to health and safety, environmental, other regulations

# 5 - Funding / economic environment

- 10% had experienced unreasonable rent rises in last 3 years
- 52% had difficulty finding funding for core premises costs
- 25% have difficulty raising funding due to insecurity of property tenure
- Many charities find short leases and frequent landlord break clauses a problem



# 6 - Changes to reliefs and benefits

- 80% currently benefit from discretionary rates relief
- 10% do not know whether they do
- Rates relief is now subject to policy changes allowing local authorities to retain more payments
- Lack of awareness of this issue and need to budget for rises
- 30% benefit from reduced rent – at risk as local authorities seek to overhaul assets

# 7 - Co-location / sharing space

- 60% agreed they would be happy to share premises
- But – many fewer (11%) were actively exploring or had actually shared space
- Perceived lack of resources and help / guidance around sharing space
- Feeling that agenda was / is a 'top down' pressure from local authorities, funders etc rather than guided by sector itself

# 8 - Need for support

- Large unmet need for property related support, advice and training
- 40% stated lack of access to affordable help is a problem
- Interviews indicated this had impacted asset management decisions and lead to additional costs – greatest impact on smallest charities
- 45% had taken informal advice. While this can be useful, no guarantee of quality or expertise. No recourse to resolution if leads to problems.
- Many reported lack of support and understanding from local authority – only 15% said they felt their local authority had necessary policies in place to support them

# In summary

- Property second highest cost after staff
- Good property management can be the difference between a charity surviving or sinking
- Strategically very important – but not always treated as such
- Current piecemeal, reactive handling of issues by staff without expertise / support leads to operational problems and diversion of funds from charity's purpose
- Well managed premises can deliver financial security and benefits, effective services, happy staff and service users, and well planned futures

# Q&A



# Thank you!

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