

Tips for a good sleep

Antonia Swinson gives the answers to ten questions that keep charity staff up at night.

IF RUNNING the Ethical Property Foundation has taught me anything, it is that charity finance directors are vital for good property management – even though when it comes to the terms of the trade, they wouldn't know a mortar gun from a knee kicker. The bottom line is that without property-savvy FDs, black holes can explode on balance sheets at speed. So given that property costs usually represent the second-biggest budget item, here are ten questions for FDs to ask themselves in the wee small hours – designed to promote lots of shut-eye long term.

1. Do we need an office?

Silly question? With technology, hot-desking and high commuter costs, many of our consultancy clients are looking this one in the eye. One has just decided that it can manage with just a serviced meeting room once a week.

2. Is our office fit for purpose and in the right place?

Helping FDs answer this one is possibly the biggest growth area for our property advice consultancy – helping them develop property strategies for long-term success and attractive workplaces to motivate staff, volunteers and service users.

4. Are we users of buildings or are we collectors?

Particularly pertinent for older charities with legacy property holdings or with hands-on founders who can't let go. If you want to be a collector – stick to stamps. Property is an asset, so sweat it.

5. Do we own our property?

Not necessarily. One charity only discovered it did not when it put

its property on the market, and the local family which had gifted it – on the understanding the charity used the building to deliver its mission – wanted it back. This is a particular hazard for faith groups and cottage hospitals.

6. Do the trustees care or know anything about property?

Sadly many trustees – even the gimlet-eyed commercial sort – go squidgy at the edges the moment they cross a charity's threshold. Yet a charity is ever only as effective in delivering its mission as its premises. I'm thinking about the charity which had to close its homeless shelter because our intrepid surveyor found electric wires trailing along the flooded basement.

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7. How sentimental are you, your CEO and trustees about your property?

Properties can be very emotive, but however beautiful or special, they are no different from cars, laptops and furniture. They are assets with costs attached – so time for tough love: sell or exploit.

8. What is our landlord planning to do with the building once we leave?

A really hot topic for many charities, including mine, as landlords cash in on a booming property market. If the building is going to be knocked down, wait till the bitter end and save

on dilapidations (the need to pay for or remedy issues with the condition of the property).

9. Are we budgeting sufficiently for ongoing property maintenance, and is the money being spent?

A two-part question which reminds me of the trustees who only realised that the premises maintenance budget should allow for spending real money when a piece of stucco parapet crashed into the street below. What a waste of money clearing the gutters every year! The building, which should have been worth £3m, had to be sold for demolition to pay the trustees' legal costs for negligence. The charity was subsequently forced to close. Sadly, our building surveyor said an annual spend of just £2,000 would have avoided this.

10. Along a sliding scale of 1-10, where do you see the value of property maintenance as opposed to the cost (be honest)?

FDs can be prone to see the costs rather than value of property expenditure. It's just the way you think and it doesn't help that many funders apparently trust the tooth fairy to provide money for core costs.

Nodding off yet? Just remember that small as well as large non-profits face property problems. Want to hear about the community group which paid £5 to the local council for a Georgian house that was falling into a river? No, on reflection that's one nightmare you don't need! ■



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