

## Property needs of charitable organisations : minimise or optimise?

For some in the charitable sector, cutting operational costs has become a matter of survival, and the regrettable shedding of staff has meant that many organisations have more office space than they currently need. Property now features higher on the Managing Trustees' agenda than in better-funded times, but less to review its purpose as an integral resource for the charity than to seek ways to reduce its cost.

If this all sounds familiar to you, would you also recognise some of these scenarios?

- ✚ We are a charitable tenant occupying 7,500 sq ft (700 sq m) of cellular office space in an old building whose location suited us at the outset of the Lease and where the rent is reasonable, but where per capita operating costs are increasing with repairing obligations and reduced numbers of staff. We have a 15-year Lease, but with break options
- ✚ We are an independent charity providing specific frontline services to very low income families but have common back office needs that we could contract out, thereby making staff cost savings, but we would still be in premises already too big for our remaining in-house needs. We have a flexible Lease but location is critical to our service provision
- ✚ We are an age-related charity requiring a significant degree of public access to our office-based services, some of which could be better provided by complementary charities or, off-site, by our own peripatetic staff. We think that additional space in our building could be offered on temporary letting terms to the charitable sector but our marketing capacity is limited

If you said “yes” or even “maybe” to the above then you have reviewed the *key purposes* of the charity, you have recognised the importance of occupying the *right premises* from which to deliver your services, and you have asked whether the first can be served by a critical assessment and adjustment of the second. Reaffirming the purposes of the charity will inform a view of current and expected space requirements; a thorough knowledge of the existing premises, opportunities for moving (lease expiry date, break options), lease obligations, and the bargaining strengths and weaknesses of landlords and tenants in this market will frame an action plan.

We advise charitable and private sector businesses on just such operational property issues and help to develop a property strategy and action plan which reflects what those organisations say are their key objectives and constraints. Whilst a focus on securing immediate “property savings” may hold attractions for hard-pressed Trustees, the charity will be best served by defining a property strategy in the context of a proper re-assessment of its aims and purposes.