



THE NATIONAL PROGRAMME FOR
PROPERTY EDUCATION 2017-2019

Successful Premises Management Cardiff

21st March 2019

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Delighted to be at GOFOD3



the
Tudortrust




Garfield Weston
FOUNDATION

A menu for the session

- Agreement on the main issues
- Skills and experience in the room
- Always take advice
- Save hard earned money
- Case study
- Q&A



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
- Property education workshops
- www.ethicalproperty.org.uk



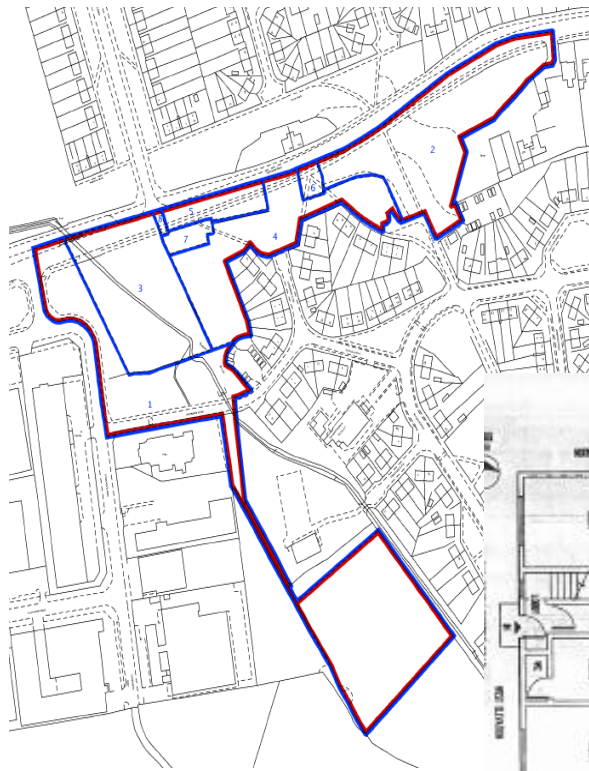
Viability not Liability

When you acquire a property ask yourself how easy will it be to get rid of?



Viability not Liability

What do you know about your property?



Role of Trustees?

- make sure the charity's assets are only used to support or carry out its purposes
- not take inappropriate risks with the charity's assets or reputation
- make sure you are sufficiently informed,
- ensure accountability, particularly where you delegate responsibility
- If in doubt, seek professional advice

[www.gov.uk/.../the-essential-trustee-new-guidance-on-trustees-responsibilities\(CC3\)](http://www.gov.uk/.../the-essential-trustee-new-guidance-on-trustees-responsibilities(CC3))



Saving money at the start?

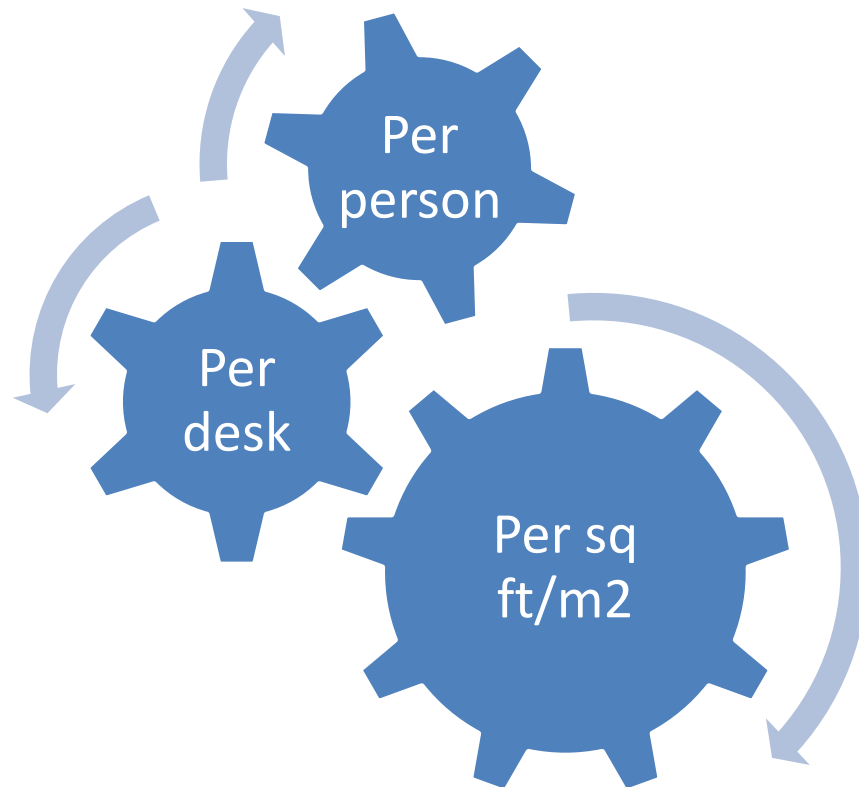
- What effects cost?
 - Location
 - Condition
 - Size
 - Tenure
 - Operational costs

*If you don't know the cost
how do you know you can
afford it?*



How much space do you really need?

There is a cost to occupation £££



www.ethicalproperty.org.uk/spacecalculator

Low cost buildings – tenure

Lease

- Less flexible
- Usually longer term
- Offers 'security of tenure' (unless agreed otherwise)
- Complex legal document therefore takes longer and is more expensive to agree

Licence

- Less formal, more flexible
- Usually shorter – typically 1 year
- Licence to occupy an amount of space, not a fixed space
- Not exclusive use of a space
- No security of tenure
- Usually shorter, quicker and cheaper to agree



Low cost buildings – how to save (always live within your lease)

- Amount of **space**
- Ensure **length of lease** meets your needs and budget
- Negotiate for a lower **rent** – or rent free period
- Minimise the frequency of **rent review** dates and agree the basis on which the rent will be reviewed
- Minimise your obligations to **maintain and repair the property**
- Ensure a **schedule of condition** is attached to the lease
- Ensure you have options to **sublet** or **assign** (transfer) the lease
- Include **break clauses**
- Seek **security of tenure**
- Agree that each party will pay their own **legal costs**
- Get a figure for the **service charge and what is included**



www.rics.org

*Code for Leasing Business Premises in England and Wales 2007
Service Charges in Commercial Property: RICS Code of Practice*

Low cost buildings – sharing

- **Colocation**

- Offers reduced outgoings
- Spreads responsibility and risk
- Better use of facilities
- Can be complex in governance terms – leasehold joint ownership
- Can lead to conflicting aims
- Risk of parties failing

- **Letting out**

- Maximises income potential
- Burden of responsibility and risk as landlord
- Important to check your own lease obligations - subletting
- Important to define lettable area
- Important to agree tenancy type and use



Letting and sub letting

- Do:
 - be professional (get advice/EPF website)
 - manage and protect your investment
 - understand and carry out your obligations and statutory responsibilities as a landlord
 - be visible and communicative
 - have clearly written letting agreements
 - regularly review your charges and rents
- Do not:
 - underlet
 - let to your friends
 - allow payment defaults (arrears)
 - waive charges
 - accept brown behaviour
 - be absent



Low cost buildings – if possible avoid

- Listed buildings if not part of your aims (heritage, conservation)
- Restrictive use (hours, users, service specific – library, health)
- Need for planning change of use
- Periodic tenancy agreements (unless specifically agreed)
- Tenancy at will (similar to a licence with no notice)
- Service level agreements (tied to a lease)
- Formula funding on charges (utilities, maintenance)



Saving money by managing effectively

- 3 areas:
 - building performance , building use (space) and occupation (behaviour)
- Cost savings:
 - Quality and performance of the building fabric (EPC) -
 - Measured, monitored and targeted utilities (your energy/water bills)
 - How much space you actually need
 - Behaviour
- Plus,
 - Service charges
 - Maintenance services - do it yourself or contract out
- Improving the building (if you own the property)
 - Impact on value, services and experience of users



Benefits of Planned Maintenance

- Know your obligations
- Enables better financial planning
- Minimises occasions when maintenance has to be carried out at short notice
- Reduces wastage e.g. dripping taps, inefficient lighting
- Maintain equipment in line with the manufacturer's guidelines
- Ensure 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



Sources of information on effective building management

www.ethicalproperty.org.uk

www.mycommunity.org.uk

www.village-hall.org/manageyourcommunitybuilding

www.rics.org

www.bfim.org.uk



Building Management Processes for

Mechanical and electrical installation

Utilities – water, heating and lighting

Cleaning

Waste management

Furniture, fittings and equipment

Repair and replacement

Security

Business Continuity

Condition monitoring

H&S



Building Management Strategy

Sound building management processes save money

- Identify who has responsibility
- Common repair is common sense
- Simple defects reporting system
- Budgeting
- Healthcheck every 2 years
- Building log book
- Instruction leaflets
- Tenant/employee/user handbook
- www.ethicalproperty.org.uk
- www.manageyourbuilding.org.uk



Health and Safety – managing risks and costs

- Policy
- Safety of others
- Organisational and financial responsibility – a fire / emergency / accident
- could cause staff absence, disrupt work of your organisation, destroy valuable records, destroy morale, harm clients / delivery of service
- Assessments: whole risk, asbestos, fire, electrics
- Legal compliance:
 - for yourself
 - if you employ people
 - if members of the public use your premises
- www.hse.gov.uk
- www.communities.org.uk/fire



Insurance Cover

- Reinstatement and building repair (valuation)
- Contents (value of)
- Public liability (cost of compensation)
- Employee liability (cost of compensation)
- Loss of business (cost of loss of service/occupation)
- Definition of negligence



Low cost behaviours: buildings and facilities

- Green buildings, brown behaviour
- Sustainability is more than just energy efficiency and carbon emissions
- ISO14001 environmental management system
- Only 42% of private sector business
- 36% have nothing (BIFM Sustainability Survey)



Sources of information

- Energy efficiency management

www.carbontrust.com

www.energysavingstrust.org.uk

- Waste and resources management

www.wrap.org.uk



Q&A





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Thank you!

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