

Culture and community



Is working in FM for charities and other third sector bodies fundamentally different from the role in commercial organisations? Richard Byatt reports

These are challenging times for the third sector and particularly for charities. The prolonged economic dip has squeezed finances at the same time as demand for services has increased. According to a survey of over 1,200 charity professionals in The Guardian's voluntary sector network, nearly one charity in 10 thinks it will not exist in five years. Yet more than 85 per cent expect demand for their services to increase and 35 per cent predict a dramatic rise in demand.

Other research, by the New Philanthropy Capital think-tank, found that 90 per cent of charities faced a riskier future, with more than half reporting that they were using or planned to use their reserves to keep going.

It's against this background that third sector facilities managers must do their job. On the face of it, the job of charity FMs and those working in similar roles, is the same as their colleagues in the for-profit sector. They need to ensure their organisations have the right facilities, resources and services in place to support their people.

Charity facilities managers would certainly not accept the idea that they should be seen as any less "professional" than their commercial counterparts. They are responsible for compliance with the same legislation and regulation as any other FM and seek to implement best practice.

Aileen Peverell, facilities manager with Oxfam, is well-placed to comment on FM in the third and other sectors. She worked in both the automotive and steel industries as

well as the NHS. Previously an outsourced FM she joined Oxfam in 2004 and worked on the charity's consolidation from nine buildings to one in 2006. The 85,000 sq ft Cowley headquarters accommodates 800 people.

"The main differences are culture and people," says Peverell, "There's a sense of community in the charities sector that I haven't felt elsewhere."

Charity FMs have to be frugal and any decision to spend money on anything other than the core mission is scrutinised for value but it's not about lowering standards, says Peverell. "It's still important to provide a good, beautiful environment for our staff. That's as important, in terms of productivity, for charities as for commercial organisations."

Lucy Black worked in facilities and risk management with Save The Children for nine years. She now runs Big Pond Consulting and is on the Ethical Property Foundation's Register of Consultants. "FM in the third sector is not fundamentally different from the public or for-profit sectors," she says, "You need to meet the organisation's objectives. But there are certainly financial pressures and it's important that the building or workplace doesn't look flash."

"That said, as in any organisation it's important that the workplace is effective. Many of those working in the third sector are doing stressful jobs, frontline counselling for example. They need a supportive workplace."

Is there pressure to provide lower standard (and therefore cheaper) facilities or services

in the third sector? "Cheaper yes, lower standard no," says Liz Adams, a consultant on sustainable practices who has worked with a number of charities and was previously property manager with the National Trust. "That said, a charity has a broader mix of workers than other sectors. For example, finance, IT, legal etc. may well have worked in large organisations where standards are high. The 'activist' positions tend to be the more earnest characters who push for a 'make do and mend' approach so there can be conflict.

"The pressure to maintain a high standard comes from managerial levels who know that the attractiveness of the workplace plays a part in recruiting and keeping high end staff when wages aren't necessarily competitive."

The third sector is as wide and varied as the commercial sector. The largest national charities, such as Cancer Research UK, NSPCC, Oxfam and the RSPCA have annual incomes of more than £10 million but these make up less than 1 per cent of the total. The majority of charities (54 per cent) are very small, local volunteer-run organisations with annual incomes of under £10,000.

Annette McGill runs Charity Facilities Management, a resource for people who look after property and facilities management issues in the voluntary sector. She has noticed that FM in the voluntary sector has been cut back in the last few years. "People have lost their jobs or had their hours cut," she says. "The argument is that it's not really a profession and can be dispensed with."



It's not unusual in smaller organisations for people to double (or even treble) up on roles. The "FM" may be someone who also does a shift on reception.

Black, McGill and Adams all agree that the relationship with volunteers and donors can make it more difficult to justify expenditure on facilities. "Donors give money to work on the organisation's mission, rather than "nice" environments," says McGill, "so a £600 office chair is probably a no no."

Adams says charities have an accountability to givers "which is far more deeply felt" than say shareholders. "As a budget holder, you have to be seen to be spending wisely and be prepared to take the time to involve your team (paid and unpaid) in decisions and to explore all the options. This can be time-consuming and there is an art to managing these situations so that work doesn't grind to a halt!

The third sector ethos has negatives as well as positives says Adams: "The volunteer culture is fantastic when it's correctly managed but there is often a question about whether a volunteer could fill certain roles in a team, which can be a tricky one to manage."

For McGill it's all about understanding the mission and what an FM needs to do to support it: "If, through smarter procurement, the FM saves money on energy, for example, then that's valuable and needs to be communicated."

"For every spending decision there are two questions," says Oxfam's Aileen Peverell, "How much does it cost and what's the value?" She acknowledges that there is a real moral pressure on facilities managers in the third sector. "I've had to develop my communication skills, particularly around managing expectations."

Specialised procurement networks such as the Charities Buying Group or discounts available through organisations such as the National Council of Voluntary Organisations (NCVO) can help FMs save money. Charities may also benefit from pro bono work and contributions in kind but procurement needs to be professional. "You can't exploit your status as a charity but suppliers might go the extra mile once they get involved. It's a valuable contribution to their CSR agenda," says Lucy Black. Annette McGill agrees: "You can't waltz into lawyers or accountants and expect free advice but advisors and suppliers will help."

The employment practices of service contractors are in the spotlight just now with zero hours contracts hitting the headlines and the pros and cons of the Living Wage generating heated debate.

Charities tend to push harder on the ethical dimensions of procurement, says Aileen Peverell, including working conditions and the living wage. She was an ethical purchasing manager with Oxfam, even visiting China as part of her research: "Finding suppliers with the right

culture is difficult. The supply side don't really get it and many suppliers won't move unless pushed." She gives credit to Catermasters though who she says have been very supportive, including helping with fundraising.

At the National Council for Voluntary Organisations (NCVO), facilities manager Tracy Kiernan says she's had a "mixed experience" with the London Living Wage: "A cleaning company approached us directly about it, whereas we had to instigate it with our catering supplier." The NCVO's ethical and environmental policy includes specifying eco cleaning products, purchasing "green" electricity and installing PV panels on the roof of the Society Building.

Third sector facilities managers become adept at getting the most out of space and equipment. Dave West, building services and facilities manager at Cancer Research UK, is responsible for the two sites at Potters Bar and Lincolns Inn Fields that make up the London Research Institute. "Every penny we don't spend goes to research," he says. "We're cost-focused but we do what we have to. It's all about managing lifecycle costs and we've got 1963 plant that is still running."

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West started with the charity as a technician 25 years ago and continuity certainly helps to prolong the life of building assets: "We use external consultants as we need to but we have a broad base of knowledge within the team. There's certainly no lowering of standards because we're a charity and that's evidenced by the research output."

The tax treatment of charities creates some perverse outcomes. For example, Oxfam pays just 5 per cent VAT on its energy. This extended the payback period for some energy saving measures to the point where they became uneconomic.

Annette McGill warns of questionable practice by some landlords which could get charities into trouble. In June the Charity Commission opened an inquiry into a charity following a court case over business rates. The Commission has issued a warning to charities about the risks of getting involved in arrangements with landlords to enter into tenancy agreements and take advantage of business rates relief.

The inquiry follows a ruling by the High Court against a charity which installs technology in properties to transmit public safety text messages to mobile users in the vicinity. The charity claimed business rate

relief, which is normally given at 80 per cent provided that the premises is used wholly or mainly for charitable purposes.

The Charity Commission says it is aware of cases where charities are being approached by retailers and landlords of hard to let property to enter into tenancy agreements that would relieve the landlords of the requirement to pay full business rates. It can be advantageous for charities to enter such agreements and provide good opportunities for them to lease accommodation for charitable uses, for low or nominal rents.

They may also sometimes receive charitable donations from landlords that reflect a percentage of the business rates that they would otherwise be liable for. However, these arrangements can represent a significant risk for charities and trustees, concludes the Commission. As the recent court case demonstrates, if the charity does not make sufficient use of the premises for charitable purposes, it may become liable for full business rates.

The Commission says that before entering into any tenancy agreements to occupy empty properties, charity trustees must be assured that the tenancy agreement is for the exclusive benefit of the charity, that it will further the charity's purposes and is in its best interests.

It's common for charities with an HQ outside London to use shared space in the capital for meetings, says McGill. She believes there's a "burgeoning market" for shared buildings. One example is Ethical Property which owns 15 centres across the UK (a total of 161,000 sq ft) providing office, event and retail space to charities, social enterprises, voluntary and campaign groups.

Development House in the City of London provides office space over seven floors for more than 20 organisations with a particular focus on international development issues. All together some 320 people work in the building. Office and services manager Edith Allan, always keen to try new ideas for staff and tenants, recently hosted a trial of free fruit in the workplace provided by Fruitful Office.

The culture of third sector FM is characterised by commitment to the missions of organisations that have a moral imperative to spend money wisely. Despite financial pressures, third sector FMs are determined to do no less a professional job than their commercial counterparts. There's also a real sense of community which, at its best, encourages sharing of both knowledge and resources.

Links

Charity Facilities Management

www.charity-fm.org.uk

FM Charity Network Forum

www.fmcharitynetworkforum.co.uk

Charities Buying Group

www.charitiesbuyinggroup.com