

## The UK National Leadership Team wants to change how we use our properties

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The national leadership team wants to consult the membership regarding some bold proposals regarding the strategies of our Unificationist community and the management of our financial resources. Please browse through the information outlining some of the proposals developed so far. There you will be given a snapshot of our current financial circumstances as well as some ideas about how to improve our finances, which would enable us to create healthier communities that make a bigger impact in society.

It's important to note that no final decisions have been made; the National Council, Finance Committee and Trustees have been working together to look into all possibilities, and now we are ready to perform a wider consultation of the general membership to inform the decision-making process. The Europe and Middle East chair couple, Mike and Fumiko Balcomb, and North Europe chair couple, David and Kyung Ja Hanna, have been kept abreast of information thus far and will be consulted before any final decisions are made, which will include reporting to True Mother for her approval.

If you have any feedback, please post a message in the comments section.

[PROPERTIES CONSULTATION INFO](#)

## PROPERTIES CONSULTATION



## Current view of the national FFWPU goals

We want to focus on **developing successful Home Groups** to nurture newcomers and raise up members, we also want to **bleed and raise up new blessed families**. Both of these activities require **good educational programmes, staff and materials**. Our community includes a talented pool of young adults who love God and True Parents very much, and who also want to offer their skills and abilities in a meaningful way to the community. One of the current barriers we face is **funds for training, education and development**, as well as for **meaningful wages that can attract the best people** into the employed positions at HQ and in the communities.

We want to **invest into our providential organisations** that exist to reach out and serve society. Nationally and internationally, our organisations – such as the Universal Peace Federation (**UPF**) and the Women's Federation for World Peace (**WFWP**) – carry respectable reputations that are able to influence policy makers. The reality is that these organisations have been operating on shoe-string budgets in recent years, and yet still deliver meaningful results. Their impact can increase significantly with **better facilities**, funds to **recruit capable staff** and funds to **sponsor their ambitious activities**.

We want HQ to have a **multimedia team** who is able to create audio and video content which is available online which is entertaining and attractive as well as meaningful and educational. This in turn will support our community's members, who will be equipped to create better communities and have a bigger impact on society.

## Basic long term financial goal

We need a sustainable financial base – with balanced sources giving a higher return than we have currently, and in line with what other charities have.

## Overall summary of finances

HQ is where national level activities are organised beyond what any community can do.

Funding for these comes from various sources:

- › Communities tithing 10% of their income to HQ
- › Properties such as Stanton Fitzwarren (land as well as dwellings), Lancaster Gate, Cleeve House, and Wontner Road donate what they can to HQ
- › Gift Aid is also claimed and that adds to the income

Of the total income to HQ in 2018 of £468,000, £400,400 was spent on many necessary cost centres at HQ (i.e. departments and salaries, Youth, insurance, property repairs, UPF, WFWP, loan repayments, archiving, local initiative fund, EU tithing etc). This was £36,000 less than departments at HQ requested for 2018. £36,000 was also taken to maintain the Repair & Renewal fund (see below).

The rest: £31,600, is used to build reserves, but it was not enough and has not been enough for some years. Due to various effects the amount in the bank only increased by £17,800.

The current 2019 planning is similar to this, as were 2016 and 2017.

What we need:

- › To quickly increase the operating reserve from £0 to £80,000, as decided by the trustees, to meet any unforeseen losses in income. Also to do this while also increasing spending as outlined in "Current view of national FFWPU goals" above.
- › To quickly increase the Repair & Renewal fund from its current £100k or so to at least £150k and to maintain it at that level while more work is done on: the Livingstone House roof in 2019; a big repair job at Lancaster Gate; more targeted repairs at Cleeve House in 2020/2021; and new investments at Cleeve House in 2020

Estimates of increases include:

- › £3,000 – £5,000 p.m. in 2020/2021 for more spending at Lancaster Gate, even after optimising on costs as has been suggested elsewhere.
- › £82,000 to pay off an old loan to release a further £1,723 p.m. to spend at HQ
- › £50,000 to increase the Repair & Renewal fund at HQ to £150k. and £100,000s in 2020/2021 on property repairs and investment

## How (in relation to our finances) to achieve our goals

- › Need to diversify out of over-reliance on property and especially properties with low yield, high maintenance and difficult to use for charitable purposes
- › Need to reduce the staff needed to maintain and run properties
- › Need to reduce costs of maintaining and running properties.
- › Need to increase staff supporting the main aims of the charity: Youth activities, charitable activities and projects, Blessing, education,



# The National Council Request on property use

The National Council considered which properties should be required for our future activities. They imagined 2 main properties:

1. A residential retreat centre with suitable accommodation for 70 people, 40 either with en-suite or shared bathroom close by (not bunk bed style) and 30 bunk bed style. A main meeting room should have capacity for 100 people, plus other breakout rooms. There should be catering facilities and function rooms to host at least 100 people in a beautiful and comfortable environment, for workshops, retreats and large gatherings.
2. A London property which can serve as a headquarters for our organisations and departments, with offices and a multimedia studio.
3. A hall for 200 or 300 people, with a kitchen and catering area and function rooms of a variety of sizes upon which there would be no noise restrictions or similar limitations. This property could also have a caretaker's flat with 2 bedrooms, a kitchen for catering at events and it would be near an underground station.

## Review of our main properties:

To review each property and see how it fits in with our mission statement and long term vision, we need to ask:

1. To what extent does this asset currently contribute to the Charity's aims and objectives?
2. To what extent does this asset currently contribute to the Charity's income yields?
3. To what extent does this asset currently consume so much of our time, money and energy as to distract us from focusing on how better to achieve the Charity's aims and objectives?
4. To what extent does this asset retain historical significance to our movement that it is worth keeping no matter if it falls down on one, two or all three of the other criteria (above)?

Properties	Value (31/12/2018) (£)	Annual Net Income to HQ (£)	Annual maintenance/upkeep, insurance and running costs	Return on Investment (Average. UK returns 3-5%)	Percentage of FFWPU's Net Income (Jan -Dec 2018)	Days use for FFWPU events
Lancaster Gate	20,000,000	180,000 in 2019	Normally 0.5% of value spent p.a or a £100k. reserve held for it	0.90%	33%	Sunday service, meetings and Office use
Livingstone House	6,000,000	0	Normally 0.5% of value spent p.a or a £30k. reserve held for it	0%	0	30 (2017)
Cleeve House	3,000,000	10,000 in 2019	Normally 0.5% of value spent p.a or a £15k. reserve held for it	0.33%	5%	70 (2017)

It should be noted that as well as providing a third of our net income, Lancaster Gate is also providing free use of HQ space as well as meeting all utility costs for HQ. It would cost £145,000 per year if rented elsewhere (based on 2,900 ft<sup>2</sup> of charity used space at £50 per ft<sup>2</sup>).

## Strengths of our properties

- › Consistent rental incomes from year to year allow for financial planning and budgeting
- › Strong financial stewardship now mean we live within our means and produce surpluses (albeit modest)
- › Good constitutional framework that allows for transparency and checks & balances
- › Strongly committed membership base with many volunteers 'time tithing' + employees also often working beyond contractual hours

## Weaknesses of our properties

- › Weak surplus incomes mean little investment possible into any large-scale Renovation & Repair work
- › Many properties now looking tired and dated
- › Return on investment producing only an overall 1%
- › Over-reliance on property income at 94% of net income
- › Property management issues consume too much committee discussion time (sometimes heated)
- › Issues with effectiveness of some of our property management staff, organisational skills and work ethic
- › High running costs result in relatively small net returns
- › Dual use of some properties result in smaller net returns

## Opportunities of our properties:

- › Opportunity to gain purpose built properties with larger/various meeting rooms, better locations.
- › Opportunity to provide more funding for projects and activities of the FFWPU
- › Need to diversify our income streams (like other charities) to gain better returns, such as the Equities & Bonds market that produce a minimum of 3% (even up to 5%) Return on investment.
- › Current high property valuations allow us to sell any non-productive assets for reinvestment
- › Opportunity to build our new houses at the Farm at roughly £140K for a modest 100 sq metre property, producing an additional £700 per month net income for each home we build there
- › Opportunity to enhance Cleeve House with investment to create a purpose-built education centre, as well as buy neighbouring land to build more homes for BCFs
- › Opportunity to bring FFWPU and other providential organisations' staff salaries up to parity with market rates (currently 80%), enabling future employment of younger generation, more attractive prospects
- › Opportunity to bring in an Executive Management team, consisting of a Business Manager, Ministerial Manager (+ future Finance Manager and possible HR Manager) to line manage staff, conduct appraisals and disciplinaries, and provide greater support to the National Director and governing bodies

## Threats of our properties:

- › Economic uncertainty in 2019 may lower property valuations, thus diminishing returns on any agreed sale
- › High cost repair and renewal projects at Cleeve House, Livingstone House and Lancaster Gate (likely to be from £600K to £800K combined over the next couple of years)
- › Staff lacking a direct line management organisational structure to perform better and achieve measurable targets
- › Some cultural changes are needed within our workforce to achieve greater productivity
- › Current difficulties to recruit a Business Manager would likely also happen when trying to recruit other Executive-Management Team members

## Properties overview:

### Cleeve House

1. Seen by many as our main education centre, with special fondness from 2<sup>nd</sup> Generation members who attended HARP workshops in

- their early years
- 2. Planned 6 year lease arrangement with Miriam Zaccarelli now aborted. Agreement was for dual purpose – she runs a B&B and wedding business, while allowing the charity (which includes FFWPU & related Unificationist groups) up to 90 days of workshop use per year **(2017 = 70 days charitable use)**
- 3. Initial agreement to pay HQ £3000 per month has now been revised down to £1000 per month because of disruptive Repair &Renewal work
- 4. Richard Sherwood structural survey report in Sept 2018 indicated major Repair &Renewal work needed – initially put at £1.2m but now being drastically scaled down because of Terry Linden-Fermor and Mervyn Claxton working as a project manager and electrical specialist – likely to be £400-600K at the end?
- 5. If £3.0m were invested in Financial markets, a 3% net return would produce £90,000 pa for operational purposes
- 6. After the structural survey in 2018 Miriam was asked to stop trading. She asked to continue at least till the end of October in order to fulfil wedding commitments.
- 7. Has potential for a number of workshop or residential uses (it can't be both workshop and residential at the same time- this won't work)
- 8. Do we have a long-term plan for Cleeve House?

## Livingstone House


- › Occasional use as an education centre (2017 = 30 days use)
- › Used for Sunday services, FFWPU meetings and rented to locals for community activities.
- › Though located in London, transport links are not good
- › Not suited for 2<sup>nd</sup> generation member workshops because of lack of playing space and likely noise issues with neighbours
- › Largely unfriendly neighbourhood environment
- › While self-sufficient, no surplus income ever paid to HQ
- › Philip Brouard survey indicates major external Repair & Renewal work needed – estimated to be in the region of £200K
- › Likely high expensive costs for internal Repair & Renewal work if plans for Livingstone House to become a dual-use asset i.e. run as B&B and wedding function as well as workshop centre
- › Layout of Livingstone House may not be conducive for commercial operations, apart from leasing as a whole for around £325K pa
- › Likely hostility from local Council and neighbours if commercial operations take place or if building a large extension on grounds
- › Note: If £6m were invested in Financial markets, a 3% net return would produce £180,000 or £15,000 pcm for outreach purposes
- › Do we have a long-term plan for Livingstone House?

## Lancaster Gate

- › One room used daily for office space, the Kent Room (medium sized meeting room) and the coffee room on average used 34 times a month, the Ballroom used for Sunday services and occasional large meetings.
- › 30 rooms rented out as down-market bedsit accommodation
- › Well located in up-market area
- › Not suited for Sunday service due to noise limitation issues
- › Produces 33% of FFWPU HQ's net income
- › Recently found that more extensive repair work is needed due to cracks appearing in rear walls.
- › Layout of Lancaster Gate would need altering for more up-market rental at considerable cost (> £2-3M approx).
- › Office space and other rooms could be bought/rented or purpose built elsewhere
- › Leasing as a whole for £900K pa might be possible, but we do not know how much we might get.
- › Do we have a long-term plan for Lancaster Gate?

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