



Katherine Low Settlement, Wandsworth



Location
Wandsworth, London

Founded
1924

Legal structure
Registered Charity (1081248), Registered Company (3814833)

Description of activity
A multi-purpose charity that provides services to build stronger communities and to enable people to challenge and find ways out of poverty and isolation

Key assets
Freehold land with four buildings, the main building being a large Georgian house; and a minibus

Staff and volunteers
Katherine Low Settlement has 32 paid staff. There are eight people on the trustee board, and has around 230 volunteers involved in delivering services, driving the minibus or offering a befriending role.

Overview

Katherine Low Settlement (KLS) was established in 1924 in memory of Katherine Low – a suffragette and philanthropist who tackled issues around poverty in south east London. When she died, her friends bought the asset with philanthropic funds in an area with rising levels of poverty and social inequality from the era of industrialisation. The building, a private house and then vicarage for St Mary's Church since the 1880s, was well known in the local community for its charitable activities to support those living in deprivation. The Settlement intended to build on this value base and established reputation. *"Our history is wound up in the fabric of the building for nearly 200 years ... for those who use and love Katherine Low Settlement it is an important part of their lives."*

When the building was acquired, it initially housed students who would become future leaders as part of the Settlement movement that emerged in the 1960s to tackle the increasing poverty seen in London's East End. Over the years, whilst the purpose has remained the same, the approach has shifted and responded to meet local needs. "[Our values of] collaboration, participation, care and kindness are the same, but the services that we offer have changed to reflect the needs of the local communities we work with." Owning the freehold means that the Settlement has had full autonomy over the decision-making process and flexibility to adapt to changing needs as well as any opportunities that may arise. Over the years the asset has been used for renting



out office space to small charities; running a nursery; hiring out rooms to individuals and groups that serve a social purpose; delivering grant-funded projects; and capacity building for small groups and charities. Whilst the surrounding areas are becoming increasingly gentrified, this centre aims to be used as a central space within the area.

Owning the freehold of the asset has come with certain challenges over the years – KLS has full responsibility for the upkeep of the building to be fit for purpose, and all the difficulties of maintenance and repairs associated with an old building. That said, it has also brought opportunities, such as going into partnership with the local authority to build a Sure Start centre and nursery on the land; having full control over the use of the building and the services reflecting the needs of the community; and being able to obtain grant funding to invest in the future.

The asset has become a ‘pillar’ in the community by offering affordable rents and providing start-up support for local groups and agencies. This, in turn, has created a substantial staff and volunteer base that widens its social impact in the area. By having these roots in the community, it has established trusting relationships with the community and involved local people in the decision-making process, e.g. having trustees that reside in the local area, running consultations, etc.

“There is a lot of poverty still in the local community, our services are all full, there are waiting lists for all services. The need is out there, they are voting with their feet, they think we are doing things right and we are supporting them in ways in which they want and therefore it is our community, it has been for 90-odd years.”

Financial health

The current financial health of the organisation is stable and prosperous. Over the years, however, the organisation has faced periods of economic uncertainty due to dependency on funding sources; feeling the impact of austerity; having full responsibility for the maintenance and upkeep of the freehold; and not, until recently, utilising the space of the asset to maximise the unrestricted funds gained. Consequently, the organisation has faced difficult decisions in the past including having to sell off other assets (two buildings located nearby) that were previously part of the Settlement to keep the charity afloat. In recent years KLS has strived to turn this around and become financially sustainable by bringing in new leadership; reassessing the use of the asset and utilising the space; and developing a healthier financial model. Key aspects identified as being influential in developing the financial

health have been the diversification of income, profiting from owning the freehold, and reputation and values.

Three key factors that have affected its development and financial health:

1. Diversification of income

In the last six years there has been a conscious decision to reassess the Settlement’s financial model – to move away from being dependent on income revenue and to develop an effective contingency plan to fund building maintenance – by recognising the benefits of diversifying the range of income sources. KLS has developed a balanced funding model consisting of earned income and a portfolio of charitable trust grants. In particular, the new management was keen to assess how to maximise the use of the asset, resulting in a significant shift from 26% to 80% occupancy. The benefits of this shift have generated unrestricted income that can be “squirreled away” and used to invest back into the charity. In turn, this has heightened the Settlement’s independence and subsidised typically unfavourable aspects to fund, such as core costs, maintenance and repairs, and renovating the rooms to become multi-purpose, whilst also providing affordable rents for community groups. This new funding model has also influenced a shift in practice by implementing regular monitoring of the finances; a separate finance committee; a monthly finance report; and a director focused on fundraising.

2. Owning the freehold

By owning the freehold, it has enabled the Settlement to access charitable trust grants such as a Heritage Lottery grant which funded building renovations. However, owning the freehold has not only provided economic benefit but also had an emotional impact on KLS. Particularly striking was the sense of security, confidence and autonomy the Settlement had built by not operating in fear that a landlord might abruptly end its lease or increase rents. Instead, this sense of security enabled the staff to invest in the asset, both financially and emotionally, over the last 35 years.

“Freehold ownership became incredibly important – symbolically, emotionally, geographically ... it would have been different if it was leasehold because we would have felt less tied. Katherine Low Settlement is about the building, 100 years on the same site, we own our investment ... the charitable objectives are wrapped up in this vision in this site and we feel we want to keep on this legacy if it is still relevant in the area.”

3. Reputation and values



The original intention of the Settlement was, by bringing future leaders face-to-face with poverty, to develop practical solutions that would later inform decision-making processes and influence social change. The initial purpose of tackling issues around poverty and social inclusion continues to be a driving principle for how the asset is used, although the approach adopted depends on the needs and circumstances at the time. That said, KLS has always tried to use a place-based and community development approach, which has resulted in the Settlement becoming firmly rooted within the community.

The longevity of the Settlement has played an important role in surviving turbulent times by demonstrating a strong value base and commitment to supporting the local area. This has built long-lasting, trusting relationships and a positive reputation with the community and local organisations, who in turn have committed to, and invested in, the running of the Settlement.

“We are the pillar of the community that has been here donkeys’ years. Community work takes a lot of effort, a lot of trust, it takes a lot of time ... we have been [here] for 95 years, and charitable work for 135. We are that rock in the community, a community anchor. People know we are here, and people can decide when they want to use us. By having an asset, having a freehold, we can continue thinking like that and continue to be part of lives of local people because we have the asset.”

Future direction

A knock-on effect of having a historical asset is that over the years extensions have been added, and various renovations and repair work done – not always to a high standard. As a result, the asset has become “higgeldy piggeldy”, with different extensions and floors at different levels. Whilst the Settlement is in a healthy financial situation it is currently striving to renovate the asset to be of a consistent high standard and ensure there is accessibility for all to use the building. The weight of the task could, arguably, justify the Settlement looking to move to new premises. However, the longevity, embedded values, and relationships built up over years have encouraged KLS to invest in the current asset.

“We have had discussions with trustees when looking at redeveloping the building, one of the options was to sell up and move away, to buy something that was purpose built. That would suit our needs, our current needs, but no there was a unanimous decision our roots are here, the trust and reputation of KLS is here, and we would have to start all over again.”

Financial information

The following table provides an overview of Katherine Low Settlement income, expenditure and assets for the period 1st April 2017 to 31st March 2018.

Income	£669,189
Expenditure	£589,979
Difference between income and expenditure	£79,210
Surplus/deficit on ordinary activities before taxation	Not available
Annual income from grant or subsidy	£439,549
Fixed assets	£1,788,913
Current assets (Debtors; cash at bank and in hand)	Debtors £44,889 Cash at bank in hand £691,966
Total	£736,855
Net assets	£2,280,639

Source: Katherine Low Settlement Financial Accounts 2018, Charity Commission.