

Future of the WACC Office

31.10.2019

Background

In the process of drawing up budgets for 2020 and 2021, staff looked again at the cost of maintaining the current office space in Toronto and explored alternative models and their cost implications.

When the General Secretariat moved from London, UK, to Toronto, Canada, one of the considerations was that it would be less costly overall; another was that the political environment was conducive to WACC's mandate.

With regard to the costs, at first this seemed to be the case. However, in the longer term it was noted that, had WACC bought a premises outright in 2006, it would not now be facing annual rental charges – although other costs would have remained comparative.

With regard to the political situation, under the Harper government, not-for-profits that were suspected of having a political agenda were subject to government and Canada Revenue Agency scrutiny. Fortunately, as far as we know, WACC did not attract attention. The subsequent government has shown itself to be more liberal-minded. In any case, being based in Canada, WACC did not have to face the political strictures imposed in other countries.

Over the years, there has been some discussion around the notion that WACC might have received a “better deal” had it applied to register as an international non-governmental organization in Ottawa, with possible tax breaks and other incentives. As that did not happen, it is difficult to comment even with hindsight.

Over the past two years, staff have worked to reduce operational overheads to a minimum, with what might almost be called a skeleton staff compared to the London days and the current burden of work. To offset the ongoing cost of renting the current office, staff have tried to sub-let the ground floor – at the time of writing without success. One drawback is that we are obliged to find a not-for-profit to occupy the space. If we were able cover 100% of our own rent in that way, or even 50%, that would help the financial situation.

Nevertheless, the fact remains that core budget costs have to be met from designated funding. At the moment, in that respect WACC is almost entirely dependent on Bread for the World to meet its core budget costs.

Considerations for the future

- * Staff currently function in relation to WACC Canada.
- * WACC makes short-term arrangements with interns and students who contribute to programme work across the year.
- * WACC library and archives are in Toronto in the current office space and need to be figured into the calculations (long-term storage and judicious disposal of the rest).
- * 3 of 8 staff members currently decentralised (Northwest England, Nairobi, Jamaica)
- * The office in Toronto, while in an area that has easy transport links and will eventually be part of the expanding Toronto city environment, is not

- necessarily a networking “hub” with like-minded organisations.
- * We sublet office to ACT Alliance and its two staff members are currently WACC staff; ACT has not signed an updated lease, which indicates they are keeping their options open to move elsewhere.
 - * In the UK, registered office is the Anglican Communion office, which forwards post to Sara Speicher. The WACC seal is located in the registered office (Michaela Southworth’s office to be precise.) There are approx. 15 boxes still in a storage facility in the UK.
 - * There are increasing opportunities to link with organisations in London, but are dependent on staff traveling there or being resident there.
 - * Both Canada and the UK have strict visa restrictions in terms of hiring non-resident staff, but the employment pools are large and diversified.
 - * The physical and psychological impact on staff of any new model needs to be assessed.
 - * A further consideration is the impression/impact on donor partners in terms of WACC’s long-term viability.
 - * The “disruption factor”. With a small staff, can WACC cope with/survive the inevitable disruption. How do we mitigate?

Assumptions:

- * As an international organisation, WACC might wish to pursue a staffing strategy that can draw on expertise and experience from around the world as well as have the flexibility to contract for WACC representation in key geographical centres (e.g. New York for the UN).
- * As an international organisation, WACC is likely to benefit from a physical presence in a significant location, one that facilitates visits and meetings.
- * The ability to work with students and interns should be encouraged but a productive work experience requires some physical supervision.
- * As a communications organisation, WACC needs a robust digital communications infrastructure.

Options for the future

WACC must either leave its current premises by the end of August 2020, or negotiate a new agreement on whatever terms it can. Under the terms of the Lease Extension, we have given notice that we wish to negotiate a Renewal, although our options are still open. The alternative is to find a different model of working.

1. Smaller office

Renting a smaller office long-term. We would need to address:

- * Specific locations and options for a smaller office that would hold 3-5 staff plus meeting area/library with access to kitchen and storage. Location should be discussed with current staff especially for transport links. Would ACT Alliance move with us? There are moving and storage costs to be considered. Some staff time would be required to prepare and move. Excess equipment and furniture would have to be sold or disposed of.

2. Flexible office space

Renting flexible office space short-term as required. Considerations similar to Option 1. For both Options 1 & 2, we would need to ascertain the implications for having a “registered office”.

3. Decentralization

No fixed office but staff working remotely. Need to cover rental costs for storing archives and library and determine a registered address as well as the location of official WACC documents be. Cost factor of staff to set up home office; require an additional “working conditions” agreement. Travel budget and agreement on staff meetings online and face to face.

Some considerations: could free up staff placement so that additional staff/consultants could be located in strategic areas, or allow WACC to tap into expertise not found nationally. However, would be difficult to provide regular supervision if required of staff, interns, students, etc. Also problem of legal framework, liability, and lack of commitment.

4. Hosted by partner organization

Rent space with partner organization (University, Presbyterian Church in Canada, United Church of Canada, Kairos). Unlikely to the extent that most are already in small spaces and facing budget stringencies of their own. No specific offers or conversations to date.

5. Hybrid solution

Small offices in both Toronto and London: Maintain collective flexible space in Toronto for 3-5 staff, including ACT Alliance and Thyroid Canada.

Rent space (one person office) with partner organisation in London (would accompany a reconfiguration of staff so there is more staff presence in London). Move files to office instead of in storage. Initial enquiries with Anglican Communion, Friends House and Christian Aid however have indicated space is not available. A small office rental in greater London would be the alternative.

Con: not as much savings on office space; Pro: improved connections and visibility in London and with partner organisations; stronger European base; more valid registered office presence in the UK

6. Status quo

Renegotiate lease with Hope on a more favourable basis (i.e. 50% of current or less). The cost would need to be comparable with the small office cost + cost of moving (including staff time). In the longer term, we might face a re-run of the same questions/issues.

Implications

We need to take into consideration the potential loss of income from the ACT Alliance and Thyroid Canada hosting fees. However, we could still host them working in a smaller space; the flexible office space is an option if they are willing to move with us. They would still need payroll management. In any event, ACT Alliance has not renewed and could decide to move away from WACC at any time.

The way any move is perceived by our funding partners – chiefly Bread for the World (BftW) – is of the highest concern. BftW currently gives WACC a core budget grant (for overheads, including staffing) and a separate small projects grant (formerly DIP; now CAP).

In this respect, WACC must carry on business as usual and be seen to be doing so. We cannot argue that savings in overheads would be spent on programme, since that would not reduce overall expenditure. We would need to argue that efficiency and effectiveness remain constant.

As an ethical employer, WACC needs to consider what home-based employment means for staff (especially if they are compelled to work from home) - not just that they may not have a desk or office space, or that it does not fit in with family routines, but there may be health implications (isolation, lack of exercise – sedentary position and associated risks of embolisms etc., de facto unsocial hours because of partner expectations which have mental wellbeing or relationship implications).