

## **Research Report IX:**

### **Emmaus UK: Building on Success An economic evaluation of an Emmaus Community**

#### **Technical Report**

**By**

**Roland Lovatt, Rebecca Foreman, Dawn Marshall and  
Christine Whitehead.**

**Cambridge Centre for Housing and Planning Research,  
Cambridge University.**

**Department of Land Economy  
University of Cambridge  
19 Silver Street  
Cambridge  
CB3 9EP**

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# Chapter One

## Introduction

In 2003, the Centre for Housing and Planning Research at the University of Cambridge was approached by Emmaus UK and the East of England Development Agency (EEDA) to undertake an economic evaluation of an Emmaus Community as a social enterprise. As such, this report summarises the context to and the findings from the investigation into the costs and benefits of running a social enterprise as part of a unique organisation working with homeless people. In the case of this study, specifically the Emmaus Cambridge Community.

This chapter provides a background to the research and the report. It introduces the Emmaus Movement, discusses the aims and objectives of the research and the methodology adopted. Finally, it provides a summary of the structure of the report and its constituent chapters.

### 1.1. Background: The Emmaus Movement

The Emmaus Movement is currently a global organisation with more than four hundred self supporting Emmaus Communities in forty-four countries. The Movement aims to alleviate poverty and homelessness in line with its “Universal Manifesto” through a network of self-financing Communities within which residents (known as Companions) feel free and respected and where they meet their own needs and help each other.

Emmaus Communities offer an alternative approach to homelessness using a social enterprise model. Emmaus is a distinctive homeless organisation for a number of reasons but three features stand out particularly. These are:

- The concept of work is essential to an Emmaus Community. All individuals or Companions who join agree to give up all state support in terms of income related benefits and to work in the Community to the best of their ability;
- The concept of Solidarity is considered to be at the heart of the Emmaus Movement. This is about sharing and recognising the first principle of the Emmaus Universal Manifesto, “**Serve those worse off than yourself before yourself. Serve the most needy first**”. Communities show solidarity by sharing their surplus with others that have less; and,
- Emmaus Companions, unlike other residents of homeless organisations, have the option to remain in any Community for their whole life. The Emmaus principle is not housing provision but a way of life in itself.

## **The Beginning**

The Emmaus Movement began in France in 1949 when Abbé Pierre welcomed his first permanent guest 'Bastien', an ex-convict, into his home. He had named his house Emmaus, after the account in the Bible when two disciples were given renewed hope after they met the resurrected Christ at Emmaus. It soon became filled with individuals suffering from poverty and exclusion and thus the first Community had started (Boris, 1955). Over the next twenty years new Groups were set up around the world but with little deliberate organisation and communication between them. The first international meeting of Emmaus was held in Berne, Switzerland in May 1969 and there the Universal Manifesto was adopted. Then in November 1971, ninety-five associations from twenty different countries, and five continents, met in Montreal, Canada, and founded Emmaus International.

## **Emmaus International**

Emmaus International is an international non-profit making and non-governmental organisation. It aims to act as a means of liaison and mutual aid between its members world-wide, whilst respecting their individuality and independence, as well as strengthening and protecting the Emmaus identity and ensuring that its members act in accordance with the Manifesto.

## **Communities Around the World**

Each Emmaus Community exists in a specific and differentiated economic and political context. For this reason, it is true to say that the structure and work of each is also very differentiated. However, at the same time, there are some key concepts that underlie all Communities. In particular, they always work against all forms of exclusion, undertaking a range of activities aimed at combating its causes. For example, Emmaus activities will often include supporting basic literacy, training, health, accommodation, defence of human rights and the protection of the environment. Communities are open to everyone over the age of 18, from all walks of life, whatever their past. They provide a framework for leisure, work and a purpose to life through Solidarity. Work is an essential element to any Community as the Emmaus Movement considers that working restores dignity to the socially excluded as well as providing the Community with the means to exist and be self-sufficient.

Many Communities utilise the recycling of goods to provide income. This includes collecting paper, old iron and other metals as well as reconditioning furniture and other discarded items to then sell on. However, the fact that different Communities operate in very different environments means that Communities will undertake work appropriate for local conditions and needs: agriculture (various countries), stock-raising, fish-farming, forestry (USA), compost from household waste (Benin), inshore fishing and boat-building (Columbia), removals (Belgium), carpentry (USA), weaving (India, USA), knitting (Bolivia) and many more. Communities that illustrate the variety of activities undertaken include Emmaus Agua Viva (Brazil), Emmaus Tohoue (Benin, Africa) and the Village Community Development Society (Tamil Nadu, India).

*Emmaus Agua Viva (Brazil)* is one of the two agricultural Communities in Brazil. It is made up of fifty people. Eighteen Community members raise animals there and do

market garden farming. A project to develop activities is underway which includes the building of a chicken run and the creation of an orchard. Purchase of a water pump and of a vehicle for production transport is also planned (Emmaus International Newsletter, April 2002). The *Emmaus Tohoue Community (Benin, Africa)* is made up of the CTOM (household waste treatment centre for compost, soil and vegetable production) and the CABI (training centre for integrated organic farming), providing training on making and using compost instead of chemical products. It rents buildings for seminars and training seminars and manages a bric-a-brac shop and farm (poultry, cattle, pigs). It has four employees and thirty Companions (Emmaus International Newsletter, January 2003). Finally, *Village Community Development Society (Tamil Nadu, India)* works with the poor, politically marginalized and the socially excluded. This includes abandoned or neglected children, the 'untouchables' or Dalits, women and young people. They also work with peasants in order to promote sustainable agriculture through organic farming, to assure food security. In Vellakulam they have a model organic farm, sewing training for girls, a women's movement to raise awareness of saving and micro credit, a similar movement for organic farmers, an informal school and an international youth exchange movement (Emmaus International Newsletter, June 2003).

### **Emmaus in the United Kingdom**

The first Emmaus Community in the United Kingdom opened near Cambridge in 1992 and since then Communities have been opened in a further ten locations around the country (see Chapter Two). In addition to the eleven Communities, the UK Federation has affiliate members - 'Groups' at different stages of development.

The Emmaus Movement in the UK has a federated structure, which means that while each Community and Group is legally independent it must be a member of the Federation in order to utilise the Emmaus name and represent itself as part of the Emmaus Movement. Emmaus UK ("the Federation") is the administrative arm of the Federation. Amongst its many roles, Emmaus UK is actively involved in supporting interest in the creation of further Groups in other towns and cities in the UK (Randall & Brown, 2002).

## **1.2. The Research: Aims and Objectives**

Originally, the research team were briefed with three key aims<sup>1</sup> that reflected Emmaus UK's interest in an independent economic evaluation of Emmaus Communities that would sit alongside the non-economic evaluation of Communities and Companions undertaken in 2001/2002 (Randall & Brown, 2002). These aims were developed and then were broadened in the context of EEDA's support.

The overall fundamental aims and objectives of the project were five-fold:

---

<sup>1</sup> 1. To determine the cost effectiveness of Emmaus Communities including the economic value of their outputs and outcomes to their participants, the local communities within which they operate and to society at large. 2. To develop a framework within which successful outcomes can be evaluated for all stakeholders. 3. To contribute to the development of a strategy for sustainable growth for Emmaus in the East of England and across the UK.

1. To assist EEDA in its own strategic aim to map and evaluate social enterprise in the East of England.
2. Using Emmaus Cambridge as a case study Community, to evaluate the economic worth of an Emmaus Community's outputs and outcomes to their participants, the local communities within which they operate and to society at large.
3. To produce a framework for the economic evaluation of other Communities (new Communities will be based on the successful Cambridge model).
4. To generate a fundraising tool for use by Emmaus UK when seeking to raise capital investment to support the development of new Emmaus Communities both in the East of England and the United Kingdom more widely.
5. To contribute to the policy making process.

### **1.3. The Research: Methodology**

The main area of work was a quantitative four-level economic evaluation of an Emmaus Community to identify its social investment value. Emmaus Cambridge was selected as the case study Community because it was the first Community established in England and is currently viewed as a successful model to which other Communities aspire. What is more, Cambridge City is recognised as having significant numbers of households presenting as homeless in government policy, resulting in additional funding under the Rough Sleepers' Initiative.

Following a review of economic evaluation techniques, a cost-benefit analysis approach was adopted. This involved examination of the Community on the basis of the input costs relative to the benefits generated. As such this included valuing all inputs, outputs and outcomes. Thus, all costs and benefits are expressed in monetary terms and the difference measures the net benefit/cost, i.e.

- a review of all inputs into the initiative and a costing for each;
- a review of all benefits and a costing for each;
- a measurement of the differences in the above two lists, a re-evaluation of costs and benefits where appropriate and a final result figure.

The four levels of evaluation are reflected in the structure of this report and were:

*i. Pure business costs and income:*

The first tranche of the evaluation focused on the internal financing of the business aspect of the Community. Community accounts data was used to determine a final figure for its actual business income, expenditure and end of year surplus.

*ii. Imputed business costs:*

The second tranche of the evaluation identified those costs that would normally be borne by a Community's enterprise but did not feature in the accounts of Emmaus Cambridge, such as the costs of owning/renting property and the replacement costs of voluntary input.

*iii. Analysis of accommodation costs for Companions combined with business costs:*  
The accommodation of Companions is an important aspect of the overall study, because the provision of a home for homeless people is a central reason for the existence of the Emmaus Communities. It was obviously important to work out a cost of accommodating Companions, both as an end in itself and also to see how this cost relates to the business activities undertaken. As in tranches one and two, this analysis was based on actual accounts data with the addition of imputed values.

*iv. Full cost/ benefit analysis of Emmaus Cambridge:*

The fourth tranche of the economic evaluation is represented by a full cost/benefit analysis of the Community. This takes income and expenditure into account, but also considers private sector economics and the economic value of wider hard outcomes such as the value of the Community in terms of, for example, recycling activities, health savings and social order savings.

The economic analysis was informed and contextualised by background information acquired via qualitative research approaches such as a desk-based policy and literature review and interviews with a range of stakeholders.

The qualitative stages included:

1. Review of literature on economic evaluation techniques, the social enterprise agenda and joined up approaches to sustaining vulnerable individuals.
2. Interviews with Emmaus UK to discuss policy and practice in the context of social and economic aims, strategies and goals for growth in the UK.
3. The case study: Emmaus Cambridge and the Cambridge City catchment area. The case study included interviews with Companions, staff and other local voluntary and statutory agencies working with homeless people. Qualitative information was important in terms of identifying outputs and benefits generally and the intangibles that do not have a value in £s in terms of quantitative economic approaches to analysis, but nevertheless are important to the overall cost-benefit evaluation, for example, increased self worth.
4. Interviews with the two other Emmaus Communities located in the East of England; at St Albans and Bedford.
5. Quantitative cost/benefit analysis of Emmaus Cambridge (see above).
  - Cost/benefit to individual participant.
  - Cost/benefit to wider community.
  - Cost/benefit to environment.
  - Cost/benefit to Exchequer.

## **1.4. The Report**

The evolution and status of the Emmaus Movement in the UK is discussed in **Chapter Two**.

Emmaus, while fitting more appropriately into a model of social enterprise, does present itself as an organisation that works with individuals who have been socially

excluded, generally the homeless. It is therefore important to understand Emmaus in terms of the relevant policy context in the UK. **Chapter Three** provides this context.

The Emmaus ethos is not that of a mainstream homeless provider and success of the project is difficult to measure at the individual level, in terms of both a 'joined up' approach to homelessness provision, currently promoted by Government, and the value of the Communities themselves in the wider context. Emmaus Communities appear to fit more appropriately into the model of social enterprise than the model of a homelessness project - which could be expected to provide accommodation first and foremost. Social enterprise is discussed in **Chapter Four**.

The rationale for using a cost benefit analysis approach to identifying the social investment value of a Community is discussed in **Chapter Five**.

It was decided to use Emmaus Cambridge as the case study Community, on which to perform the four levels of evaluation. **Chapter Six** provides a profile of the Community based largely on the results of interviews with its staff and Companions.

**Chapter Seven** gives in detail the results of the four level economic evaluations, focusing on the tangible inputs, outputs and benefits of the Community.

The qualitative benefits and costs, determined via the interviews, are discussed in greater detail in **Chapter Eight**. These are brought together with the quantitative outcomes from Chapter Seven to provide a total evaluation of the Emmaus Community in Cambridge.

**Chapter Nine** summarises the findings of the research and its implications for Emmaus in the UK.

## Chapter Two

### Emmaus in the UK

The Emmaus Movement in the UK started in 1990 and has grown into a national network of Communities and Groups over the thirteen years since. Emmaus in the UK has a federated structure comprising full members (established Communities) and affiliate members (newly-formed Communities, and Groups). The Eastern Region has five Emmaus Communities and Groups at different stages of development.

This chapter provides a guide to existing Communities and Groups in the UK, how the Federation operates via Emmaus UK and then goes on to provide a basic account of the three Communities operating in the East of England at the time of the research. In doing so, it provides a context to the case study evaluation.

#### 2.1. Emmaus in the UK: The Beginning

Emmaus came to the UK in 1990 and the first Community was opened at a small farm in Landbeach, seven miles north of Cambridge in 1992. The motivation for this Community came from a Group of local people working in the area and from Emmaus France. A substantial grant of £30,000 from the Abbé Pierre Foundation, together with trust fund and other donations, enabled the Group to purchase the disused farm in Landbeach and also some surrounding land for access.

The Community started with two caravans on site and four people and from there, over the last ten years, it has developed into a project providing twenty-four Companion bedspaces in a specially designed residential building with communal kitchen/dining room and several other communal spaces. Also contained on site are a three bedroom house for the Community Leader/co-ordinator, a two-bed flat for the Deputy Leader, a warehouse, coffee shop, large second hand furniture shop, woodworking workshop and chicken runs.

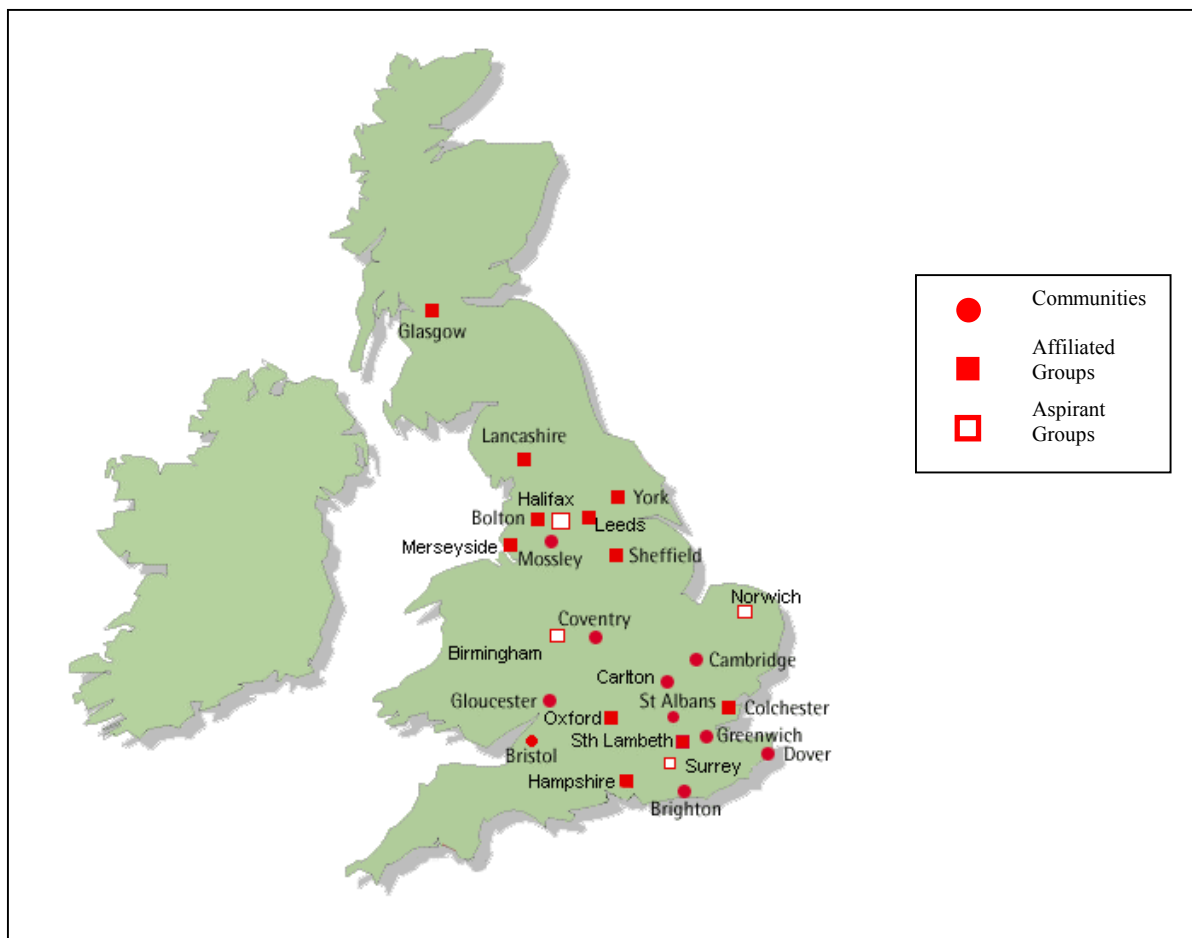
#### 2.2. Emmaus Communities in the UK

Since 1992, ten more Communities have been established (Map 2.1.). In 1993, Emmaus Coventry opened in a 17<sup>th</sup> Century vicarage on the outskirts of the City. In 1994, Emmaus Greenwich opened at a former children's home located in a housing estate in Plumstead. Then in 1995, the Community in Dover teamed up with St Martin's Trust, a local charity for the homeless, to use a redundant fort built by King Henry VIII in 1539. Emmaus Brighton opened in 1997 in a large former convent, and in 1998 Emmaus Mossley opened in Manchester in a three-storey former cotton mill built in 1871. Emmaus Gloucester opened in 2001, along with Emmaus St. Albans, utilising old nurses quarters hired from the local Health Authority. In 2002, Emmaus Village Carlton officially opened at an old borstal school just outside of Bedford. In September 2003, Emmaus Bristol opened at a converted factory, near the City Centre.

Finally in November 2003, Emmaus Leeds accepted its first Companions into a converted school in the heart of the City.

The founders of the original Cambridge Community planned to create only one legal (charitable) body. This would hold the physical assets of all Communities, but a local committee would run each Community answerable to the centre. However, this model was not pursued past the founding of the Cambridge, Greenwich and Coventry Communities as the Dover, Brighton and Mossley Groups determined to create separate local organisations with local Trustees.

In 1997 it was agreed that the independent model was preferred and the embryonic Movement restructured itself. Greenwich and Coventry became separate charities from Cambridge and all Groups and Communities agreed to federate under the name "Emmaus UK" and to be beholden to the same articles and memoranda.<sup>2</sup> The Trustees of Emmaus UK are elected by the Federation's member organisations, and they are responsible for the employment and supervision of the Emmaus UK staff.



The Federation is a membership body representing all the members of the Emmaus Movement in Britain. As Communities become established there is a two-stage process for joining the Federation:

<sup>2</sup> Rights and responsibilities that provide the basis for the role of the Federation in relation to each Community and Group are contained in the Membership Agreement that all members must sign.

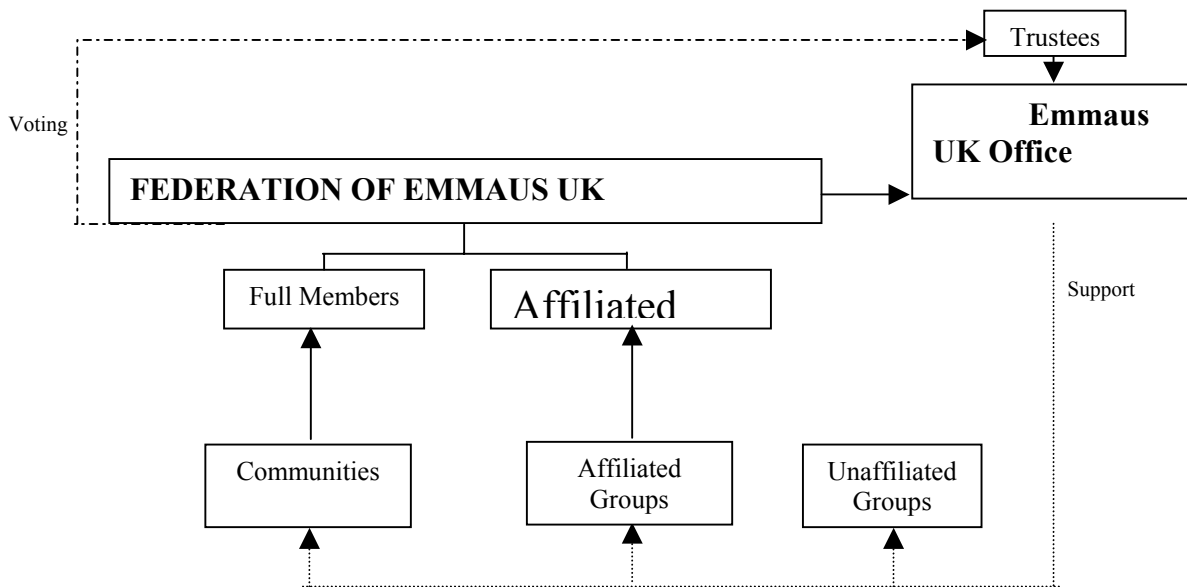
1. **Affiliate Membership:** As soon as a Group forms and decides that it wishes to become part of the Emmaus Movement it applies for affiliate membership. This allows the Group to utilise the Emmaus UK charity number to raise funds until it registers as an independent charity. Affiliated members can send representatives to all meetings of the Federation and can take part in discussions. They do not, however, have a vote.
2. **Full Membership:** Available for affiliate members after one year of operating an established Community. It entitles them to vote in the Federation.

In addition to the eleven Communities there are Emmaus Groups at different stages of development that are affiliated but not yet full members of the Emmaus Federation. There are ten such Groups situated in Glasgow, York, Oxford, London (South Lambeth), Bolton, Colchester, Sheffield, Lancashire, Hampshire and Preston. In addition there are as yet unaffiliated, aspirant Groups, in places such as Birmingham, Norwich, Surrey and Halifax (Figure 2.1).

### 2.3. The Emmaus Federation and Emmaus UK

The structure of the Emmaus Movement in the UK is summarised in Figure 1. The former secretariat that had dealt with the growing Emmaus Movement in the UK since the opening of Emmaus Cambridge became the core staff of Emmaus UK when the federal structure was agreed in 1997. The Federation is registered as a charity and company limited by guarantee and is therefore governed by a Board of Trustees elected by Federation members.

**Figure 2.1. Diagram showing the structure of the Emmaus Movement in the UK**



The roles and responsibilities of Emmaus UK, as laid out in the *Rules and Bylaws of Emmaus UK* and reproduced in the 2003-2005 Business Plan, are as follows:

- To act as the guardian, within the UK, of the Emmaus Universal Movement and to ensure the principles of Emmaus are observed.

- To provide a public arena in which the voice of all the constituent parts of the Emmaus Movement may be heard through an annual assembly.
- To provide separate forums for defined groups (such as co-ordinators, Friends, Companions, trustees) of each member Community, to ensure their views are properly considered.
- To protect the interests of Trustees.
- To be the national voice of the Emmaus Movement.
- To provide support to Community Groups at all stages of development.
- To encourage training and development throughout the Movement.
- To recommend national codes of practice and procedures covering areas such as Companion guidelines and conditions for national and local fund-raising, public relations, employment, equal opportunities and to encourage adoption of those agreed national codes of practice.
- To act as a channel of communication and liaison with Emmaus International.

Each year Emmaus UK organises a General Assembly. This is intended to be an inclusive event and is open to all Companions, Community Leaders and other Community staff, volunteers, local committee members and anyone else involved with the work of Emmaus in the UK. It is at these meetings that ideas and resolutions are discussed and ideas passed down to the Trustee Board of Emmaus UK to be considered for application to the whole Emmaus Movement.

### **2.3.1. Autonomy within the Federation**

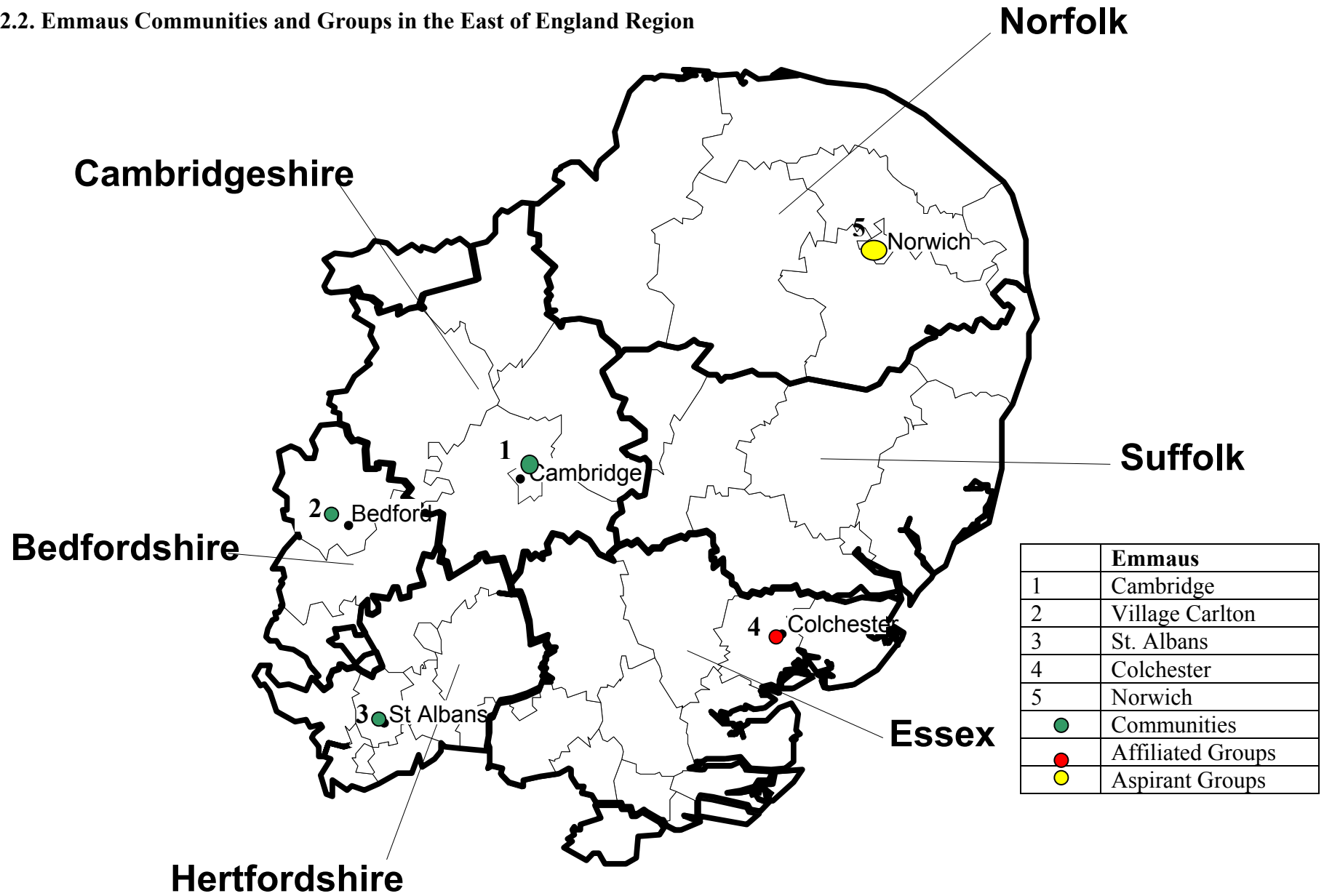
Each of the Communities and Groups that make up the Federation is bound by the Universal Manifesto of Emmaus and the Principles of Emmaus within the UK. Within this framework, members are largely autonomous and free to manage their Communities in their own way making as much use of the support team in Emmaus UK as required. This means that each Community creates its own environment and adds to the diversity found across the UK (Mackechnie-Jarvis, 2001). Within the context of this autonomy Emmaus UK does retain the right to expel members who do not conform to the established principles agreed to in the Membership Agreement. Groups and Communities may also depend on funding and other support allocated by the Emmaus UK Board of Trustees.

## **2.4. Emmaus Communities in the East of England**

Three of the eleven UK Emmaus Communities are situated in the East of England. There is also one affiliated Group and one aspirant Group that aim to open Communities in the near future. Map 2.2. shows where these Communities and Groups are situated.

Although the three Communities are operating under the same Emmaus ethos and therefore have fundamentally the same aims and objectives, they do differ in many respects. While Emmaus Cambridge is the longest running Community in the UK, Village Carlton and St. Albans are more recently established Communities, having

Map 2.2. Emmaus Communities and Groups in the East of England Region



opened in 2002 and 2001 respectively. The following table summarises a number of aspects of the three Communities (as at July 2003).

*Table 2.1: Comparing data from three Emmaus Communities in the East of England*

	<b>Cambridge</b>	<b>St. Albans</b>	<b>Village Carlton</b>
Number of bedspaces for Companions	24	26	12
Number of Companions resident (as at July 2003)	24	5	12
Future expansion plans	6 extra bedspaces	-	17 extra bedspaces
Hours Companions work (per week)	40	40	35
Companion Allowance (weekly)	£32	£32	£31
Number of full time staff	5	3	5
Number of part time staff	3	1	1

Other attributes that differ between the Communities are summarised below:

### **Location**

*Emmaus Cambridge* is situated in what was a disused farm and the Community now owns its land outright. The Community is in a relatively rural location, however it is situated extremely close to a major road connecting Cambridge with Ely, with good transport links. *Emmaus St. Albans* currently rents its property (an old nurses quarters) from the Local Health Authority for £1 per year. The site is within the boundaries of St. Albans town but is situated on the outskirts in a wooded area, giving a feeling of rurality. *Emmaus Village Carlton* rents an extensive site (ex-borstal) from the Carlton Education Trust for a nominal sum. It is in a rural location, about ten miles west of Bedford.

### *Enterprise*

All three Communities derive their primary income from furniture recycling: collecting old furniture from outlying areas and taking in donated furniture; restoring and cleaning the furniture and then selling it in a shop. *Emmaus Cambridge* undertakes other services, including house clearance and buying in 'flat pack' furniture for assembly and sale.

They also each have some sort of catering outlet open to the public. *Emmaus Cambridge* and *St. Albans* run relatively small cafes, providing teas, coffees and cakes etc. *Emmaus Village Carlton* has larger premises, which it calls a bistro. This is housed in a separate building from the shop and accommodation blocks and is often used for evening events and meals.

Communities differ in the number and roles of paid employees. Each Community employs co-ordinators, a deputy and generally a workshop supervisor. *Village Carlton* employs a shop/ bistro manager, project development manager and maintenance man and *Cambridge* employs an electrical workshop supervisor and van driver. These differences reflect the skills of Companions as well as the services available at each

Community: *Cambridge* relies heavily on the van and has only a few Companions who are able to drive it, therefore they have decided to employ a van driver; *Village Carlton* has a large bistro with a bigger menu and therefore the role of the bistro is central to the workings of the Community.

#### *Other Income*

In terms of financial stability, both *Emmaus St. Albans* and *Emmaus Village Carlton* are still reliant on donations from business, church communities and private donations. While *Emmaus Cambridge* is in receipt of all of these as well, its furniture recycling business is running at a surplus making it financially self-sustaining. *Emmaus Cambridge* utilises its donations for capital projects (not for day to day running costs).

All three Communities receive 'accommodation contributions' from Companions that are able to contribute. Housing benefit eligibility largely enables Companions to make these payments.

*Emmaus Village Carlton* and *St. Albans* are also in receipt of Supporting People funding, which is a newly established programme and revenue stream from Government for organisations that support vulnerable people through housing-related solutions (ODPM, 2001). Because the *Cambridge* Community is financially viable, it is able to choose not to apply for or receive Supporting People funding, increasing its financial independence. As more Communities reach financial independence, it is expected that they will desist in applying for Supporting People funding. Eventually, in line with the Emmaus principle of self-sufficiency, it is envisaged that Communities will also stop claiming accommodation contributions from Companions.

## 2.5. Summary

- Between 1992 and 2003, eleven Emmaus Communities have opened in the UK utilising a variety of redundant industrial, public and historical buildings, some of notable historical heritage. The Eastern Region has three Emmaus Communities and also one aspirant Group in Norwich, and one affiliated Group in Colchester.
- Today, Emmaus in the UK has a federated structure comprising full members (Communities) and affiliate members (Affiliated Groups). The result is a wider Emmaus Movement at ground level than the number of operating Communities indicates.
- The Emmaus UK Office, the administrative arm of the Emmaus Federation in the UK, is staffed by full and part-time professionals and volunteers; it is multi-levelled and supports Federation members at all stages of development, from non-affiliated Groups to fully established Communities.
- The structure of the Emmaus Movement in the UK has allowed for Communities to develop autonomously whilst at the same time being part of the Federation and subscribing to a specific ethos and regulations. Hence each Community feels very distinctive and operates slightly differently from the others in the overall Emmaus Federation.

## Chapter Three

### The Context to Emmaus: Social Exclusion and Homelessness

Generally, Emmaus represents itself as an organisation for the benefit of individuals excluded from society for one reason or another rather than as a social enterprise per se. It is important therefore to understand the background to current working in the fields of homelessness and social exclusion in order to establish where the Emmaus model sits in relation to these issues.

This chapter gives a background to the policy areas of social exclusion and homelessness, both of which have received increasing political attention over the past decade. The concept of homelessness and the way it is applied to many different categories of people is reviewed, as well as the principles of multi-agency working, a key concept in the current sector.

#### 3.1. Social Exclusion

Social exclusion is a relatively new term in the British policy debate and in general it covers a wider variety of people than homelessness labels. It includes those in poverty and on low incomes but also aims to address some of the wider social consequences and causes of poverty. Social exclusion is defined by the Government as (SEU, 2001),  
*“A shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown”.*

It is obvious from this flexible term that many of these elements can be thought of under the homelessness label and in fact homelessness itself can be interpreted as one dimension of social exclusion. Many homeless individuals are likely to suffer from several characteristics of exclusion, often linked and mutually reinforcing, leading to complex needs and resulting in recurring experiences of homelessness. In reality while exclusion is something that could happen to anybody, the Social Exclusion Unit has identified several risk factors. Individuals with certain backgrounds and experiences are more likely to be at risk and are therefore more likely to suffer from social exclusion. Key risk factors include: low income, family conflict, being in care, school problems, previous offending behaviour, being from an ethnic minority, living in a deprived neighbourhood, mental health problems, age and disability (SEU, 2001). Many of these factors are identical to those seen in the rough sleeping population (SEU, 1998) and reflect statutory priority need groupings in homelessness legislation.

## 3.2. *Homelessness in the UK*

### 3.2.1. *The Legislation and Government Agencies*

Homelessness is not a new phenomenon, and while it has always been an element of society, the causes and characteristics have fluctuated as society has developed. It was during the Victorian era that the idea of homelessness became firmly associated with images of street life (Baumgarten & Daleski, 1998, Rosenberg, 2000). Over the last hundred years there has been a plethora of legislation dealing with individuals experiencing exclusion and more specifically homelessness. A notable push for statutory action came in the 1960s (Lemos & Goodby, 1999). In 1977 the Housing (Homeless Persons) Act placed a duty on local authorities to provide long-term housing for individuals who belonged to designated priority groups and were deemed unintentionally homeless - the criteria of being both in **priority need** and **unintentionally homeless**. The homelessness legislation was re-enacted in the Housing Act 1985, a consolidating measure, and allowed for homeless households to be included on the list of 'reasonable preference' for council housing (Shelter, 1997). This continues to be the fundamental basis of the current legislative approach.

The Homelessness Act 2002 is the most recent legislation and extremely important in terms of its impact on local authorities and the wider homelessness sector. The new Act is widely regarded as a departure for Government policy away from short-term crisis management towards a longer-term strategy, based on early intervention and the development of support services to help those who have been rehoused to sustain their new homes. While the Homelessness Act 2002, strengthens the existing duties on local authorities to assist the statutory homeless it also lays out strategies for assisting individuals who are not covered by the statutory duty for housing (the homeless 'safety net') and those who may be at risk from homelessness (Shelter, 2002a.).

The development of legislation to tackle homelessness and the housing crisis has led to a reinforcement over time of the traditional division between Government services for either single or family homelessness. Much of the statutory duty placed on local authorities is such that it is largely families that are eligible for immediate assistance. The gap in service provision for single homeless people is mostly covered by the voluntary sector and in some instances the private sector e.g. in the provision of hostels (Fitzpatrick et al, 2000). Subsequently, the Government has developed specific initiatives to combat issues around single homeless populations.<sup>3</sup> Most recent of these is the Homelessness Directorate, established in 2001 as a result of a new marriage of the old Rough Sleepers Unit, the Bed and Breakfast Unit and a new team for tackling homelessness to give advice to local authorities on developing homeless strategies. Its inaugural report '*More than a Roof*', acknowledges that homelessness is more than a rough sleeping problem and a duty to statutory homeless people (DTLR, 2002).

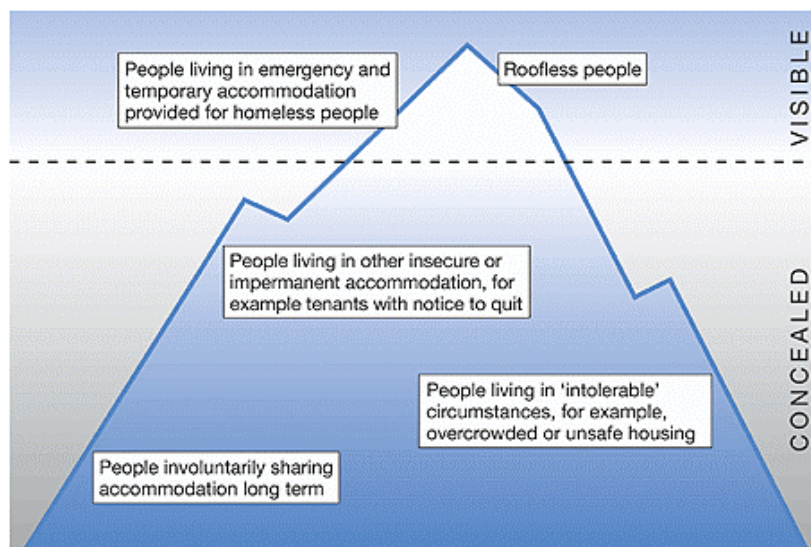
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<sup>3</sup> The Rough Sleepers Initiative (RSI) in 1990; the Social Exclusion Unit in 1997; the Rough Sleepers Unit (RSU) in 1998; and the Homelessness Directorate that became operative in March 2002.

### 3.2.2. Definitions of Homelessness

The concept of homelessness and a 'homeless' person is notoriously difficult to define and there is no universally accepted definition (Fitzpatrick et al, 2000, DTLR, 2002, Crane and Warnes, 2001). It is generally recognised that the homelessness label encompasses a highly diverse population, and because of the difficulty in defining this label, work around homelessness uses several smaller descriptive groups.

Traditionally because of the way that homeless legislation has developed, there is reinforcement between those who are eligible for assistance by the state (statutory homeless), and then everyone else; therefore one-way of looking at the 'homeless' is as statutory and non-statutory populations or official and un-official. The nature of the legislation means that the types of people that fall into the category of statutory homeless are generally families (or households). This has led to a definition of non-statutory homeless as 'single homeless'. It is important to realise that while this terminology remains in use, under the Homelessness Act 2002 there are increasing duties on local authorities to provide help to individuals who are particularly vulnerable e.g. as a result of fleeing violence. Similarly homelessness can also be broken down into visible and non-visible (or concealed) populations (Figure 3.1.). Throughout the homeless sector and research literature, definitions of homelessness appear to use a combination of the two descriptions highlighted above.



**Figure 3.1. Showing the visible homeless population as the 'tip of the iceberg' of the problem of homelessness. Also represented are groups experiencing crisis with housing who may be considered part of a concealed population (The Audit Commission 2003).**

#### **Pathways Approach and Revolving Door**

Throughout their life, every person experiences a variety of housing situations, or a 'lifetime housing career'. In this light homelessness can be viewed as an episode or episodes within that housing continuum, with a route into homelessness, an experience of homelessness and a route out of homelessness. This is often termed the 'pathways approach' (Anderson & Tulloch, 2000). In addition many people who experience homelessness go on to have further homeless episodes. Often single people and families who have been rehoused, experience difficulty in sustaining and maintaining tenancies and may become homeless again (Shelter, 2000); in the homelessness sector this is termed 'revolving door'. The dynamic nature of any particular pathway through homelessness makes definition and measurement extremely complex.

## **The Needs Context**

As understanding about the issues surrounding homelessness has increased so it has been realised that many homeless individuals have complex needs over and above their immediate need for housing. The implicit diversity of the definition of homelessness gives some indication as to the array of needs that has to be met in order to support people while they move along their pathway in and out of homelessness. Increasingly there is an understanding that the dynamics of homelessness involve a complex interrelationship of both social and economic factors (Department of the Environment and Local Government (Ireland), 2000).

### **3.3. Approaches to Homeless Provision and Emmaus Communities**

Traditionally homelessness provision for the single homeless population has taken the form of short-term emergency night-shelters, or longer-term hostels. As the understanding around the complex needs of this population has increased, so has there been recognition of the need for a variety of accommodation options. Originally the given path out of more traditional views of homelessness was given as: rough sleeping to emergency night shelter, to longer term hostel, possibly to another smaller more stable hostel, to supported accommodation or own tenancy. Understanding of the revolving door syndrome and multi-pathways through homelessness, in conjunction with the silting up of hostels and lack of what is termed 'move on' accommodation, has led to an understanding that for many individuals a strong element of support is necessary to maintain tenancies and prevent further episodes of homelessness. Again this is emphasised in the increased focus on prevention in the Homelessness Act 2002. In response to this many new elements have been, and continue to be added, to the response to dealing with social exclusion and homelessness. This includes schemes such as floating support workers, mediation services and supported lodgings.

Interestingly Emmaus Communities, while containing many of these elements in their set-up, cannot be described in such terms. They are not a traditional hostel or accommodation provider, nor are they supported lodgings in the traditional sense although they do contain an element of this. They undertake mediation and advocacy but also provide Companions with work and meaningful occupation.

#### *3.3.1. Peer Support*

The nature of an Emmaus Community provides Companions with elements of peer support - where Companions themselves help and support each other. This type of support model is similar to that increasingly used to support individuals with learning difficulties in independent living. Research into peer support suggests that this model recognises that individuals with complex needs also have skills and strengths. These can be developed in such a way as to provide mutual support for others (Simons, 1998). Simons' (1998) research into peer support of people with learning difficulties highlighted three distinct strands of mutual support: friendship between tenants, social activities and practical assistance. While the housing situation was different for these individuals compared to Emmaus Companions, certain similarities can be drawn. Interviews with Companions (see Chapter Six for more detail) highlighted these three

elements of support as benefits of living in the Community. Indeed, recognising the strengths of an individual and moving past difficulties is something that the Emmaus concept is heavily based on.

### 3.3.2. *Therapeutic Communities*

Although Emmaus Communities do not describe themselves as such, the principles and working practices of an Emmaus Community appear to fit closely with the model of a ‘therapeutic community’. This term was first invented in 1948 and since then has been used to describe quite different sorts of places. In today’s terminology it has come to mean the development of small cohesive communities where the whole community shares therapeutic decisions. In the United Kingdom this is generally used to describe communities operating in the mental health sectors, social services, the prison system and provision for young people. They are communities that usually deal with individuals with problems of social maladjustment and/or severe or borderline personality disorders (Kennard, 1998). Table 3.1. shows the five quintessential elements that make up a therapeutic environment (Haigh, 1999).

**Table 3.1. Therapeutic Community Principles**

<i>Theoretical Principle</i>	<i>Origin in Development</i>	<i>Culture in a TC</i>	<i>Structures in a TC</i>
Attachment	Primary bond, losses as growth	Belonging	Referral, joining, leaving
Containment	Maternal and paternal development	Safety	Support, rules, boundaries
Communication	Play, speech, others as separate	Openness	Groups, ethos, visitors
Involvement	Finding place amongst others	Living – learning	Community meeting: agenda and structure
Agency	Establishing self as seat of action	Empowerment	Votes, decisions, seniority

It is interesting to see that these principles are almost identical to those stated by Emmaus as underpinning their approach. Indeed the major difference between the two approaches is that while therapeutic communities utilise psychotherapy techniques and group work, Emmaus uses working as the common bond to draw Companions together. This difference was highlighted in the interview conducted with the Cambridge Drug and Alcohol Service who stated,

“having structure is as useful as counselling two or three times a week. It’s horses for courses really”.

### 3.4. **Multi-Agency Working**

In recent years Government has increasingly called for multi-agency working across a number of different policy fields e.g. urban regeneration, community care, youth services. This has been in response to changes in the public sector since the late 1980s, where local authorities and health boards have shifted from being providers of

services to those of purchasers, commissioners and facilitators (Kennedy, Lynch & Goodlad, 2001). As the voluntary sector has grown alongside these changes, it is increasingly becoming involved in strategic planning. With the growing diversity of organisations there is also a narrowing of provision with agencies often becoming highly specialised. In addition the private and business sectors are increasingly interested in social welfare issues (Pannell & Parry, 1999). Such a web of provision and diversity of interests necessitates the building of networks and a co-ordinated approach to ensure minimal (or as close to no) gaps or overlaps in services.

Supporting People, a new funding regime for support for vulnerable people living in the community, went live in 2003. By bringing together funding streams that were once distributed by a range of statutory organisations into one funding pot, the system aims to breakdown the link between support services and housing circumstances. Support funding is provided to an individual, regardless of their tenure. This approach should enable better integration of support networks at a local level and ensure that an individual's full range of support needs are met in place (DTLR, 2002).

A major item of the Homelessness Act 2002 was to introduce a duty onto all local authorities to carry out a homelessness review and to formulate and publish a homelessness strategy based on the results of the review. The Act requires the review to cover items such as current and future levels of homelessness in the area, activities undertaken and the resources available to the local housing authority, social services, other public agencies, voluntary organisations and others (Shelter, 2002a). The increased duties on local authorities to provide assistance to those who are homeless or who are likely to become homeless mean that partnership working is essential to cover all aspects of the new duties of the Act. Overall these duties necessitate a mapping of local partnerships both formal and informal, identification of gaps or areas where partnerships are lacking and designing a multi-agency strategy, to ensure duties are executed properly.

#### **3.4.1. Multi-Agency Working in Practice**

The main rationale behind multi-agency working in the homelessness field is that joint work can result in a holistic service response to complex needs of individuals, with higher quality, greater efficiency and cost effectiveness (Pannell & Parry, 1999; DTLR, 2002a).

The DTLR's, *Homeless Strategies - a good practice guide* (2002), identifies several ways of joint working. They include:

- Exchange of information between agencies about services they provide, how they can be accessed and what they cannot do.
- Improving liaison through contacts between staff (both management and front line).
- Agreeing common procedures for assessing clients, or carrying out joint assessments, including client confidentiality protocols.
- Agreeing protocols for the referral of clients between services.
- Joint case conferences on clients, resulting in individual plans which spell out what each agency will do.
- Joint initiatives and development plans; joint commissioning of services; sharing information and joint research on local needs; joint training.

The Audit Commission's recent report into homelessness (Audit Commission, 2003), it highlights the principles of interagency working at both an operational and strategic level to meet clients' needs holistically. Its seventh recommendation states, "*Councils should improve interagency working to tackle homelessness considering all local priorities identified in their strategies*".

### **3.5. Emmaus and the National Homeless Strategy**

Emmaus Groups and Communities are encouraged to forge links with other agencies. This is evident in Emmaus UK's Start-up Manual (2003) and Manual of Procedures (2001). For example, the Start-up Manual contains guidance on conducting a local homelessness audit to establish what types of provision exist in the area and also substantial guidance on building local relationships, including with the local authority, local homeless organisations, multi-agency forums, community groups, churches and politicians. It states,

*"developing links with other homeless and similar organisations is an essential and very important stage in local relationship building. An Emmaus Community should not be set up in isolation. It must be seen as part of the wider community to which it will add value."*

The Emmaus UK Business Plan 2003-2005 (2002) also details several aspects of multi-agency working that includes, linking in with local authorities and understanding changing statutory regulations. This is backed up by a dedicated Statutory Affairs Officer at Emmaus UK and external training provided, for example by Shelter. The manner in which the Emmaus Movement has responded to the changes in the national approach to homelessness service provision is complex given the Movement's federated structure. While the UK office gives information, guidance and support, each Community, as a separate charity, is free to respond independently in its own local environment and in line with its own stage of development.

The Homelessness Act 2002 and subsequent reviews and strategies are aimed at improving the statutory approach to homelessness, but given the increasing reliance on the voluntary sector this has implications for all agencies working in the field. Each Emmaus Community interviewed had several informal links to local agencies, including local and regional authorities and some formal links with specific agencies.

### **3.6. Summary**

- The dynamic and often long-term nature of homelessness means that static definitions are not adequate to describe the full extent of an individual's pathway through homelessness. It is perhaps more useful to think of individuals as being socially excluded, a definition which is more dynamic and allows for an understanding of the social processes that trigger homelessness.
- Since its inception in 1949 Emmaus has grown into a huge international Movement, working to combat social exclusion. It has grown in England within a culture where understanding around homelessness and social exclusion was not as

developed as today and traditional approaches to dealing with individuals were sporadic and generally patronising.

- Today, Emmaus Communities contribute to the need for a diversity of accommodation with support for homeless people in a unique way. They effectively operate as therapeutic communities - peer support and meaningful occupation are important integral characteristics. As a result, it is difficult to compare them to mainstream models of accommodation for homeless people.

- Since the start of Emmaus in the UK, there has been increasing awareness of social exclusion issues. The political profile of homelessness has increased significantly, backed up with the recent legislation, the Homelessness Act 2002. Concurrently there has been a wider understanding of the complex needs of individuals who experience homelessness and a better explanation about individuals who suffer from exclusions. This in turn has led to a wide belief in the importance of multi-agency working in order to meet the complex needs of such individuals. Emmaus Communities are actively encouraged to network with local agencies, statutory and voluntary, to meet the needs of their client groups and influence local provision and strategy.

# Chapter Four

## Social Enterprise

The aim of the research was the evaluation of an Emmaus Community in the context of social enterprise rather than evaluating its success as a service for homeless people. In having a variety of characteristics found in both charitable organisations and businesses, Emmaus Communities can be described as representing a type of 'social enterprise'. However, the very term 'social enterprise' has a very wide interpretation and there is a good deal of debate over its meaning. This chapter therefore considers the nature of social enterprise and how it relates to Emmaus Communities.

### 4.1. The Nature of Social Enterprise

There is a growing collection of organisations that exist between the private sector on one hand and the public sector on the other and many of these organisations have come to be grouped together to be described as 'Social Enterprises' (London Social Economy Taskforce (LSET), 2002). Social enterprises are different from many purely charitable organisations in that they seek to use trading activities to generate income and thus achieve self-sufficiency. This also sets them aside from many mainstream Government grant funded Single Regeneration Budget (SRB) type projects, which are often seen as being reliant upon grant aid and thus will usually have finite lives. In this respect, the LSET (2002) has described them as, '*businesses that combine the entrepreneurial skills of the private sector with a strong social mission*'. Additionally, they are seen to have a governance structure based upon participation by the workforce and/or other stakeholder groups. This participation will vary, depending upon the individual organisation. For example, the workforce may have a representative council, or there may be a Board of voluntary Trustees who oversee the strategic direction of the enterprise.

The Government's own definition of social enterprise is set out by the Department for Trade and Industry (DTI, 2002. p.7):

*"A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners... Social enterprises are diverse. They include local community enterprises, social firms, mutual organisations such as co-operatives, and large scale organisations operating nationally or internationally. There is no single legal mode for social enterprise. They include companies limited by guarantee, industrial and provident societies, and companies limited by shares; some organisations are unincorporated and others are registered charities".*

Further to this definition, LSET (2002) has described social enterprises as having three common characteristics:

**i. Enterprise Oriented:** They are directly involved in the production of goods or the provision of services to a market. In this respect they aim to be viable trading concerns, that produce a surplus – primarily from sales. Often the term 'emerging

social enterprise' is used to describe voluntary organisations in the process of making the transition to an enterprise (business) orientation. It is important here to stress that a 'not for profit' label is misleading, as social enterprises need to generate a surplus.

**ii. Social Aims:** They are seen as having specific social aims, which often include job creation, training or the provision of local services. These aims link to ethical values, such as commitments to capacity building – of people and of an area. They are also considered to be accountable to their Members and the wider community for their social, environmental and economic impact.

**iii. Social Ownership:** They are autonomous organisations, which have governance and ownership structures based upon the participation of stakeholder groups or Trustees. Surpluses are distributed as profit sharing to the stakeholders or they are used for the benefit of the local or wider community.

The above characteristics clearly imply that social enterprise is not a new idea, although many social enterprises represent new developments in their own right. Examples of types of social enterprises include co-operatives, development trusts, social firms, intermediate labour market companies, social businesses, community businesses, employee owned businesses, credit unions, community finance initiatives and the trading arms of charities.

One example of a social enterprise is the Furniture Resource Centre in Liverpool. This employs 150 people – who would otherwise be unemployed - to restore and sell second - hand furniture. The business raises funds by selling products to which it has added value and in the process it also creates a social good, in the form of better-trained, more confident and capable people. Profit is not the sole goal, but it is important in that it allows the organisation to operate independently and set its own aims and objectives. Further, this type of enterprise often aims to give priority to clients, communities and employees who have been failed by the state and/or the private sector.

In some respects, social enterprises exist in a kind of no man's land (Leadbeater, 2002). On the one hand they are seen to operate in the market economy, selling their services and products. On the other hand they do this out of a sense of social purpose that transcends concerns over pure profit. There are clear links between the idea of social enterprise and Government policy, which is increasingly aiming to promote the wider 'voluntary sector' (often referred to as the 'third sector' in other circles). Leadbeater has noted (2002, p.3):

*"We need a well-managed state machine, but we also need to reconfigure public services: how they are owned, funded, managed and delivered so they generate greater social value in the communities where they operate. That is where the social enterprise comes in".*

At present most social enterprises are not restricted to activities that meet a particular political agenda set out by the state – primarily because they are not reliant on restrictive grants. It is clear that many other similar types of organisation, such as housing associations, are driven very much by national housing policy. Thus, there is always a concern that in taking Government funding an organisation may be either restricting its field of operations or taking on responsibilities that would otherwise be met by a Government agency. Therefore, instead of adding to the variety of services and support available, it would be acting within an already crowded policy/funding field.

It is clear that a social enterprise contains a mix of characteristics found in all of, traditional Government institutions, businesses and charities. The business element comes from the fact that they aim to become viable trading concerns, whilst the charitable/Government element comes from the fact that they promote social aims and social ownership. Beyond these broad definitions, however, the definition includes very different types of initiative and organisation.

Whilst there is a clear triple definition of what a social enterprise is (a trading concern of some sort, with social goals and social ownership), it is also clear that the definition is weak. The Government's own definition is relatively clear, but it is very general.

## **4.2. The Strategic Role for Social Enterprise**

Whatever the political concerns over the mix of public, private and social enterprise in society, some sort of mix will always exist (Leadbeater, 2002; Mayo & Moore, 2002). The debate over the size of the role that can be played by social enterprise is therefore unlikely to go away. In this context a number of issues need to be resolved, concerning scale, value and the relationship between Government and social enterprise. On the issue of scale, even the duplication of successful models of social enterprise can be extremely difficult. On the issue of value for money, since social enterprises often thrive primarily because they do not take their purpose from traditional measures, any investment in them is essentially like an investment in an entrepreneurial venture, rather than in a state mechanism. In short, any investment carries with it some element of risk and many of the benefits may not even be measurable. The third issue, concerning Government-social enterprise relationships, links to the balance between state support and control. It is important to note that many people in the social enterprise sector feel that their enterprise will be stronger if independence is retained (Leadbeater, 2002). On the other hand, others feel that closer links to Government are essential for further growth and development.

### **4.2.1. Government Policy and Social Enterprise**

There are clear political reasons for describing social enterprise as representing a third sector of the economy, when it is not even strictly clear that this is the case. On the Left of the current political spectrum this links to a greater emphasis upon society, inclusion and perhaps most importantly, project sustainability. On the Right it links to a possible opportunity for a withdrawal of the state and a re-emphasis upon self-help and the strength of an independent business-oriented approach to tackling problems. Whilst many so-called social enterprises clearly do represent something different from state regimes and business regimes, it is also clear that they do not necessarily represent an alternative.

Government definitions of social enterprise have already been discussed in this Chapter, but it should be noted that there is concern, in a number of quarters, over exactly what the Government agenda is regarding social enterprise. Particular concern relates to the potential for exploitation of volunteers and good-will, in order to deliver services which would otherwise have been provided by salaried staff in local government or the NHS, for example.

The Government's approach to social enterprise is set out in the DTI's document, "Social Enterprise: A Strategy for Success" (2002). This document states that at the time of drafting it, there was insufficient information available for policy-makers to allow Government to commit large resources to social enterprise. Despite this, however, the Government strategically views social enterprise as having considerable potential and intends to support social enterprise in the long-term. A number of strategic approaches are suggested in the DTI document (2002), including:

- Levelling the 'playing field' to encourage competition against mainstream businesses.
- Taking greater account of the needs of social enterprises in the development of future policy.
- Acting to show that business can be socially inclusive and sustainable (changing culture).
- Provide access to finance and business advice for social enterprises.
- Provide advice and support for voluntary and community organisations that wish to become more sustainable.
- Encourage public sector bodies to actively consider social enterprise solutions when making procurement decisions.

The Government's interest in the potential of social enterprise is also exemplified by the fact that it established two new groups with the remit of exploring social enterprise in the context of both potential impacts and possibilities for the future.<sup>4</sup> Further, The Social Enterprise Unit (SEU) within the DTI was established in 2001. Eight working groups operating within the SEU identified a number of major barriers to the growth of the sector; concerning funding, advice, limited knowledge of the sector and varying skills and knowledge bases. It is clear that the Government's strategy incorporates these findings.

#### **4.2.2 Regional Policy and Social Enterprise: the East of England**

In addition to the current emphasis upon social enterprise at the DTI, the Government has tasked its regional governance systems with involvement in studying and supporting social enterprise. Of particular relevance to this study is EEDA's policy. EEDA came into operation on 1<sup>st</sup> April 1999 and in July 2001 it launched its revised economic strategy for the East of England region: 'East of England 2010: prosperity and opportunity for all'. This strategy aims to boost the economy and quality of life of the region and views the social economy as one potential vehicle for doing this.

The current EEDA strategy contains a key priority to maximise growth and investment in the social economy and to promote enterprise in disadvantaged communities. At present EEDA estimates that the social enterprise sector accounts for around 30,000 full time jobs, 13,500 part-time jobs and has an estimated turnover of £4.7 billion in the East of England (EEDA, 2003). In order to support and promote this sector of the economy, EEDA has a number of key objectives that obviously aim to operationalise the Government's strategy within the East of England:

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<sup>4</sup> The first of these Committees is an interdepartmental official group to monitor implementation across Government, the second is an external stakeholder group.

- To enhance mainstream and specialist business support for social enterprise and entrepreneurs from disadvantaged communities.
- To create Community Development Finance Institutions (CDFI's) to provide financial products that address the needs of social enterprise and excluded individuals, and redress under investment in deprived communities.
- To support community and social enterprise networks that promote inter-trading, learning and best practice, shared procuring and training costs and act as advocates for the sector.
- To raise awareness amongst key public and private sector organisations of the opportunities and 'best value' that come from contracting with social enterprise and local businesses, and developing social auditing that demonstrates this added value.

In 2003, work linked to these objectives was already being supported by EEDA as part of this policy drive, and they had already invested in a number of linked strategic projects (EEDA, 2003). These projects include: mapping of the social economy sector in the East of England and a survey of 350 social enterprises to identify finance, training, recruitment and business support needs; and, an assessment of the impact of Emmaus Cambridge (this project).<sup>5</sup> It is therefore clear that the evaluation of Emmaus Cambridge is relevant to the Agency's own social enterprise policy, in particular, in raising awareness of 'best value' and in the development of social auditing that demonstrates added value.

Clearly EEDA is pursuing a positive stance towards social enterprise, also reflected in its Corporate Plan 2003-2006 (2003, p.38):

*“The objectives are to enable social enterprise to contribute fully to sustainable economic growth, regeneration and the provision of local services”.*

Whilst definitions of the exact nature of social enterprise may be still open to debate, it is clear that both central Government and EEDA support new developments in this area and consider that there is considerable potential for social enterprise to make a major contribution to life in the UK in the future.

### **4.3. Emmaus and Social Enterprise**

From the definitions explored in this Chapter, it can be argued that Emmaus Communities are certainly a form of social enterprise. In the first instance their aims and objectives are based around charitable principles – specifically helping the homeless through sale of donated goods and a work-accommodation support ethic. They also help people to set up homes (specifically those in greatest need), by the provision of cheap or free furnishings. From a business perspective Emmaus Communities aim to generate an income from the work of those people they are supporting – generally formerly homeless people who become Companions. There

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<sup>5</sup> Further information about the policy and strategic projects being undertaken or supported by EEDA in 2003 is provided in the Annex to this report.

are also further ways in which Emmaus affects wider society – in particular, via its activities as a recycling concern.

Emmaus Communities also meet the three-pronged definition set out by LSET (2002). Firstly, Emmaus Communities are reliant upon an enterprise oriented approach, be it based upon the recycling of unwanted goods, the construction of new goods, farming or other services. Secondly, Emmaus Communities can be seen to have specific social aims, including support for and capacity building of the homeless and others experiencing poverty or social exclusion. Thirdly Emmaus Communities are very much autonomous organisations within an overall Federation – they are governed by stakeholders (dedicated staff, Companions and Trustees). Further, their surpluses are used not only to create sustainable enterprise and deliver social investment within Communities but also for the benefit of the wider community.

#### **4.4. Summary**

- There is a range of approaches to defining the social enterprise sector, central to this is the nature of the organisations operating within it – social enterprises. These are businesses that exist between the traditional private/business and public/government and charitable sectors.
- Despite the fact that social enterprise is so diverse in format, three features are apparent in the range of descriptions of a social enterprise: they are enterprise orientated; they have social aims; and, they are autonomous.
- Emmaus Communities fit easily into the model of social enterprise: they rely on an enterprise orientated approach; they have specific social aims beyond providing accommodation, including the capacity building of individuals experiencing poverty, exclusion and homelessness; and, they are very much autonomous social organisations.

## Chapter Five

# Approaches to an Economic Evaluation of a Social Enterprise

Decision makers need to be able to estimate the likely costs and consequences of any particular activity, in order to determine whether or not to go ahead with it. They also need to be able to assess what level of resources should be involved (via a preliminary evaluation).

Economic evaluation is designed to help both decision-makers and funders make better decisions. In the case of the Emmaus evaluation, this is relevant to the consideration of the potential for additional Communities. This chapter outlines the range of economic evaluation techniques available and identifies the approach most relevant to the study's aims. The evaluation uses Emmaus Cambridge's outputs as a baseline against which the value of other Communities or other social enterprise can be measured.

### 5.1. Methods of Economic Evaluation

The first issue with any evaluation links to when it should be conducted. Often an evaluation will be carried out prior to, or following, the implementation of an initiative or project. In the case of a preliminary evaluation it is necessary to use predicted values for many of the outputs and outcomes. In the case of a post-implementation evaluation it is necessary to assess the actual costs and consequences in order to determine whether the results were as expected, whether resources were well invested and to improve the basis for future decisions (Stockdale et al, 1999). A post-implementation evaluation allows such values to be measured to some extent, although the length of time over which any initiative is pursued will have an impact upon how effectively such measures can be evaluated. The Emmaus Cambridge study represented a post-implementation evaluation.

Stockdale et al (1999, pp.9-10) describe a range of possible approaches to carrying out such assessments. All of these are linked to cost-benefit analysis, although they each represent different elements to consider:

- *Identifying inputs and outputs* – defining the initiative in terms of the inputs required and the outputs arising from the initiative, without respect to their value. This makes the attributes of the initiative transparent, allows it to be compared with others in terms of the physical resources involved and enables the actual inputs and outputs to be compared with those expected at the time of decision. The decision about implementation/degree of success is based on a qualitative assessment of the relevant information about likely/actual inputs and potential/actual outputs.

- *Performance indicators (PI's)* – this approach assesses options by comparing actual outputs with pre-specified target measures – such as numbers of people housed, retrained, etc. – of what should be achieved by a particular activity/operation. It provides an agreed measure of success (and are therefore sometimes described as ‘effectiveness indicators’) but takes no account of cost. The decision rule is framed in terms of whether or not performance targets are achieved.
- *Cost analysis* – this approach compares the costs of alternative courses of action but takes no direct account of benefits. The decision rule is to choose the cheapest option.
- *Cost effectiveness analysis (CEA)* – this relates specified outputs to the costs of achieving those outputs and compares competing options on the basis of the input costs per unit of that output. For example, initiatives for supporting the homeless could be compared on the basis of their cost per person housed or on the benefits accruing from numbers of individuals no longer sleeping rough.
- *Value for money (VFM)* – this approach compares the level of outputs obtained from a given level of resources; for instance the levels of profit generated from different ways of using a given level of initial expenditure. The decision rule is to choose the option offering the maximum output for a given cost.
- *Cost-benefit analysis (CBA)* – compares competing options on the basis of the input costs relative to the benefits generated. A full CBA includes specifying and valuing all inputs, outputs and outcomes. Both costs and benefits are expressed in money terms, and the difference measures the net benefit of the option. The decision rule is to choose the option with the highest net benefit.

Stockdale et al (1999) go on to stress that even the most basic identification of inputs, outputs and objectives can help clarify the exact nature of an initiative and the extent to which the expected results are achieved from a planned use of resources. The other approaches stem from this initial focus. Clearly, PIs have considerable potential for use as a monitoring measure, but they do not allow for effective comparison with other schemes and they do not take full account of resource allocation or the full range of potential outputs. Cost analysis has the advantage of allowing for a simple measurement to trigger a choice, but it takes no account of outputs – and this is a major weakness.

CEA tends to be restricted to the measurement of particular costs and outputs. This means that it can often be difficult to gauge the full impact and costs of a many faceted initiative. VFM can be described as CEA in reverse, because it compares varying output levels for a given resource input.

CBA attempts to avoid the problems inherent in the other methods by providing a comprehensive and transparent evaluation – although the fact that outputs and outcomes are often difficult to measure, let alone value, can make this approach very difficult. Further, it may be the case that inputs themselves are difficult to measure,

especially where (as in the case of Emmaus) they are reliant upon the various attributes of volunteers and employees.

## **5.2. The Economic Element of the Emmaus Case Study Evaluation**

The economic evaluation was undertaken using a cost-benefit analysis approach, with a focus upon quantitative inputs and outputs/outcomes. Any project analysis, based upon a cost-benefit approach, is fraught with potential difficulties and pitfalls. However, identifying outputs and wider outcomes will provide valuable information to assess the principles involved. Stockdale et al (1999) argue that where activities are very dissimilar in their outputs the problem of measurement is likely to be even greater and that where there are no true measures of value, it is better to make the basis of any evaluation transparent (e.g. by keeping each element separate) than to summarise in an arbitrary fashion.

In the context of the Emmaus evaluation this was a real concern and there was clearly a need to deal with such issues, which included: delineating the target activity, identifying all the inputs and outputs of the scheme, valuing such inputs and outputs and specifying how the successes and failures of the scheme should be measured. Economic analysis gets around such problems by placing a value on the various components which might affect such values – such as time committed, other benefits forgone and components which might add to personal satisfaction (i.e. service costs and capital products). Simply put, where prices reflect both the value of resources used in their next best use (opportunity costs) and the value of the output to society, as in a simple market system, all that is required is to identify inputs and outputs, estimate their prices and measure the difference between benefit and cost. A key weakness with this approach is that factors such as personal satisfaction and sacrifice are impossible to value monetarily. Whilst a totally accurate quantitative evaluation would be fraught with difficulty, the results could help in the making of decisions with regard to Emmaus schemes.

Cost-benefit analysis of Emmaus Cambridge examined the initiative on the basis of the input costs relative to the benefits generated. As such this included valuing many inputs, outputs and outcomes. Thus, all costs and benefits were expressed in monetary terms and the difference measured the net benefit/cost. This element therefore contained the following three stages:

- a review of all the inputs into the initiative and a costing for each.
- a review of all the benefits and a costing for each.
- a measurement of the differences in the above two lists, a re-evaluation of costs and benefits where appropriate and a final result figure.

Three levels of inputs and outputs were considered in the evaluation:

- i. Internal finance: determining the value of monetary inputs and outputs and identifying the benefits and beneficiaries.

- ii. Private sector economics: determining the value of, for example, homes, jobs, recycling activities, impact of disposable incomes on the local community, etc. and identifying the benefits and beneficiaries.
- iii. More general economic evaluation of other hard outcomes: determining the value of the community in terms of, for example, social order, health savings, etc.

### **The Qualitative Element of the Study**

In the first instance, this element of the study allowed for a transparent examination of Emmaus, by first listing and then discussing inputs and outputs. This was on the basis of evidence and information provided during the interviews with a range of stakeholders, community agencies and organisations, Emmaus UK, Emmaus Communities and Companions.

### **5.3. Next Steps**

The following chapters focus upon the detail of the study. They present the case study Community and our findings from the cost-benefit analysis of it. Cost-benefit analysis was used primarily because it allowed monetary measurement of inputs and outputs. Thus a value can be placed upon many Emmaus activities. It was also possible to compare the Emmaus Community with other types of housing provision – in order to gauge the advantages and potential drawbacks of all.

# Chapter Six

## The Case Study Community: Emmaus Cambridge

As stated, the Community at Emmaus Cambridge was the first Community to open in the United Kingdom, predating the creation of the Federation of Emmaus in the UK and Emmaus UK. Its longevity, management consistency (the coordinators that established the Community still work there) and financial independence means that Emmaus Cambridge is generally hailed as the ‘flagship’ Community to which others aspire. As such, it was the focus of the case study and economic evaluation.

This chapter provides a qualitative profile of the Emmaus Cambridge Community. The profile is important to the quantitative economic evaluation as it identifies non-financial outputs of the Community that could be valued for the purposes of the cost benefit analysis (see Chapter Eight). It is also important as a source of information about the intangible outputs of the Community that are impossible to value economically but nevertheless, provide an indication of its truer wider value.

### 6.1. Some Notes on the Case Study Approach

The enormous Start-up Manual and Manual of Procedures for new and existing Communities are a sign of the magnitude of establishing a project like Emmaus. It is important to realise, and both documents stress this point, that a Community does not exist outside of a locality but is situated firmly within it. An Emmaus Community, as both a homeless organisation and social enterprise, is intrinsically bound up in its local networks and environment and as such any evaluation must look at what these networks are and how the Community relates to them. Having selected Emmaus Cambridge as the case study for the economic evaluation it follows that some assessment had to be made as to how Emmaus Cambridge operates in its locality, in addition to exploring the Community in isolation. In order to get a well-rounded and objective picture of the Community, this profile is based on interviews with a wide range of stakeholders, including ten Companions.<sup>6</sup>

### 6.2. Local Context to Emmaus Cambridge

Cambridge City is an urban district that is surrounded by the relatively rural district of South Cambridgeshire, both within the county of Cambridgeshire. While Emmaus Cambridge is associated with the City, it is in fact situated in South Cambridgeshire, about seven miles north of Cambridge near the small village of Landbeach. The

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<sup>6</sup> See the full list of interviewees at the end of this report. All interviews were analysed with the qualitative methods of cross indexing of data and then drawing together common themes (Mason 1996). The indexing categories were derived mainly from the key areas identified at the time of composing the interview outlines but were also drawn from the data itself.

Community is well served by the main road between Cambridge and Ely and, Waterbeach (a nearby village) has its own train station and there are regular buses.

In general the homeless population that South Cambridgeshire deals with includes: lone mothers, homeless families, individuals with mental health concerns and young people. In 2003, the district was not working with any rough sleepers or single homeless people. Its opinion is that these individuals do not present because they are drawn into the City by its wide range of resources for homeless people.

Cambridge City can be considered the anti-thesis to South Cambridgeshire in terms of its homeless population. While the City also deals with statutory homeless groups it recognises that it has a particularly large population of rough sleepers and single homeless people.

### **6.3. Life in the Community**

The Community started with two caravans and four people and today has developed into a Community with 24 Companion bedrooms in a specially designed residential building with communal kitchen/ dining room and several other communal spaces incorporating a gym, library, television lounge and computer room. One of the bedrooms is generally kept free for emergency stays and visitors, including staff members from other Communities for training purposes. At the time of the study, the development of a further six Companion bedrooms was underway.

The Community operates on a first come, first served basis – open door access policy. Generally the Community runs at full capacity, meaning that at any one time there are at least 23 Companions living at Emmaus Cambridge - occupancy rates are high and the Community is forced to turn away a significant number of applicants every week (between 25 and 30).

There is also a three-bedroom house for the Community Leader and Senior Deputy Co-ordinator and a two bedroom flat for the Deputy Co-ordinator who all live in the Community permanently. Other staff employed by the Community are a van driver and a wood shop supervisor (both full-time), and a company secretary, a general secretary and an electrical workshop supervisor (all part-time). In addition the Community also has one long-serving volunteer on one day each week.

There are also six staff rooms (non-accommodation) and a static caravan. Other facilities are largely linked to the enterprise and include a warehouse, coffee shop, large second hand furniture shop, woodworking workshop, chicken runs and gardens.

There is no alcohol or drugs allowed in the Community although Companions are permitted to visit public houses provided their behaviour does not impact negatively on other Community members. Other rules are explained fully on the first day of arrival. The Emmaus UK Manual of Procedures gives guidelines on dealing with behavioural issues; while a key element of life at Emmaus is that no individual is ever permanently turned away, under some circumstances Companions may be banned. A ban is issued in line with the Manual's strict set of guidelines and varies in length

depending on the specific offence. Any Companion banned from one Community is also banned from all others during that time. Once the ban period is over, a Companion may immediately reapply to live in an Emmaus Community in line with the Emmaus principle, *“never shut the door on anyone”*.

Companions must work if they are able to and must sign off all benefits except housing benefit. Work within the Community is split into two categories, one connected with running the social enterprise and the other with maintaining life in the Community. Everyone shares in the work involved with maintaining the Community via a rota-system for cooking, kitchen portering and cleaning communal areas. Companions are responsible for keeping their own rooms tidy.

All staff and Companions work together to maintain the enterprise, which in turn makes the surplus that supports the Community. Enterprise at Emmaus Cambridge is predominately the recycling of old furniture for sale, but also includes some house clearance, bric-a-brac sales, scrap metal recycling and a coffee shop. The shop and coffee shop is open to the public six days a week. Unwanted and donated furniture is collected by Emmaus in the Community's van and taken back to the warehouse where it is examined, repaired or refurbished if necessary, and then put out onto the shop floor. Emmaus Cambridge also works with flat-packed furniture, which they assemble and sell in store. Electrical items are also tested and repaired and unsaleable items are stripped down and the metal recycled.

Companions will undertake a variety of jobs within the social enterprise including, working on the shop floor, in the warehouse, wood working, mechanics workshop, electrical workshop, scrap metal recycling and in the van, collecting and delivering items. While the Community encourages Companions to try a variety of jobs, in reality many individuals tend to stick to particular or favourite jobs. For example, the only female Companion in the Community (at the time of the research) runs the coffee shop, another Companion is one of four that can drive and therefore spends a majority of his time in the van.

In addition to accommodation, recreational facilities and work, the Community also provides opportunities for after work recreation. The Community regularly goes on bowling trips, to the cinema, and visits other places.

Each week Companions receive an allowance of £32, in addition £6 is put into a leaving pot (which they receive if they move out of the Community). Scheduled holidays from the work routine are also provided with financial assistance. After three months in the Community a Companion is given a long weekend off, with options to borrow up to £60 and have up to £55 worth of travelling expenses paid for. After six months, a Companion will get a week off, when they are given £135 (their holiday fund) and a further £55 in travelling expenses. This pattern is repeated at 9 and 12 months and then from 15 months, Companions are given a £50 grant (i.e. they do not have to repay this money). The Community encourages Companions to leave for a break via links with Bed and Breakfast hotels in several places, including Great Yarmouth and Lowestoft. Also, often Companions will visit other Emmaus Communities both in the UK and overseas.

## 6.4. Companions at Emmaus Cambridge

From interviews and earlier research undertaken at Emmaus (Randall and Brown 2002), it is apparent that there is no stereotypical Companion. Individuals are from all ages and socio-economic backgrounds with a wide-range of skills and experiences. Each individual has a different path that has brought them to the Community and a variety of needs and problems. There are however, some interesting points to make: a majority of the Companions at Emmaus Cambridge are male and white Anglo-Saxon; most are over 25 years of age.

Given that government statistics indicate individuals from ethnic minority groups are twice as likely to be homeless (Roof September/October 2003), and there is acknowledgment of an increasing female single homelessness population, the area around the Companion demographics, including gender and ethnic minority, might be an interesting area for further investigation and research. Indeed, whilst people from ethnic minorities do not feature significantly in local analyses, it is unclear why the Community appears to be predominantly male, although it is open to both men and women, as other Communities have a higher proportion of women. This is especially interesting as a consistent rise in the number of female residents at the night shelter in Cambridge was identified, *“there are more and more ladies on the streets...it’s been there since Christmas, all this year”*.

The vast majority of Companions are direct applicants. Interviews indicate that only a small number of the wide range of local agencies make referrals to Emmaus. Interview questions for local agencies addressed the issue of whether interviewees felt there was a particular type of individual who suited Emmaus. Similarities between agencies in the descriptions of the suitable characteristics for potential Companions, suggests a form of informal filtering process may take place. There were some common themes. The nature of Emmaus means that it is suitable only for those individuals who are prepared to work and give up benefits, *“I think its got to be people who are motivated, who don’t mind structure and work” (Drug & Alcohol Service)*. Those willing to make this commitment are usually individuals who have worked previously or have lived in a similar structured environment such as the armed forces or prison, *“they tend to be older males who have worked in the past, often got a trade...they do not like claiming benefits, effectively receiving charity from the state and would much rather be contributing in some way” (Hostel: Cambridge City)*. Another characteristic considered suitable for life at Emmaus was an ability to be reasonably social and to be, *“easy to get on with” (Night Shelter: Cambridge City)*. Probation widened this concept and suggested that the Community was suitable for those people who felt that they had lost something, *“a home, a family, a past, a background”* and that the role of the Community was to, in some way, replace that or to provide a place in which to rediscover oneself. The fact that Emmaus is a dry project means that it was not considered suitable for current users of drugs or alcohol, *“We wouldn’t send anybody down there who was a current user, drinking or drugs... its too much of a wrench to stop just like that” (Night Shelter: Cambridge City)*. Probation made the point that perhaps it is not so much whether a person has an addiction problem or not but whether they are willing to address that problem. This links back to the perception that the Community provides a place in which individuals

are able to rediscover themselves. Similarly, while it was suggested that Emmaus Companions are generally older and less chaotic for the reasons highlighted above, it was also suggested that the fully supported environment at Emmaus suits those that have '*bottomed out*' and that this tends to be individuals who are older. This reflects the opinion of South Cambridgeshire District Council that, '*(Emmaus) targets hardened more entrenched rough sleepers who are maybe the most needy and require community support*'.

It is unclear as to whether this is any different from filtering that occurs for referrals to other projects. Realistically, filtering is an inevitable and probably positive aspect of matching homeless individuals to services and accommodation by referring agencies. A good match will result in more positive outcomes, whereas a bad match may only shift responsibilities and fail to resolve core problems. Because Emmaus offers a unique model in Cambridge, the filtering may be more readily identified than is the case with mainstream models of provision. However, in light of the fact that most Companions are direct applicants, the profile of Companions is most likely to reflect the type of person who will choose to live at Emmaus, despite the views of local agencies.

## **6.5. Benefits of Life at Emmaus for Companions**

*Interviews with ten Companions were very open, using only a series of prompts rather than direct questions and allowing Companions to talk freely. The benefits identified therefore reflect this approach.*

### **6.5.1. Skills and work ethic**

The range of existing skills that Companions had prior to joining Emmaus was extensive, from a Companion who worked at managerial level, to individuals with no school certificates. Four of the ten Companions had previous catering experience; two of these were formally qualified chefs. Four Companions had building trade experience, including painting and decorating and woodwork. Only one Companion referred to formal school qualifications (O and A levels).

Since arriving in the Community most of the ten individuals interviewed felt that they had learnt something new, both formally (with a certificated course) and informally. Three Companions had taken a certificated Health and Safety course. Two had reclaimed their driving licenses and two had obtained their licenses while at the Community. Two Companions had informally attained better computer skills, and one spoke of gaining new mechanics skills. One Companion was receiving assistance in literacy. Other skills developed were those centred around the furniture trade, including learning more about antiques and valuations, how to move furniture, house clearance and furniture building. Several Companions also mentioned that they had been able to improve and develop previous skills such as building and woodwork.

In addition to skills and personal development, Companions, staff and local agencies highlighted the importance of working, not only to provide meaningful occupation throughout the day but also as a form of therapy, '*giving a purpose to live*'. The fact

that people are given the opportunity to work, without all of the difficult things that go along with this in mainstream life, was positively viewed by the Companions.

### **6.5.2. Personal Development and Peer Support**

Much of what the Companions felt they had learnt from their time in Emmaus was focused on personal and interpersonal development.

Four Companions talked about an increase in self-esteem, self-respect and confidence; one Companion felt that the Community had put them back on track and without it they would have *'no life'*. Several Companions spoke about gaining interpersonal skills and making friends in the Community - six talked about making good friends within the Community and four spoke of *'getting on'* with most people. This area was also identified as one of the more difficult aspects of living in a Community and three Companions spoke of the tension that can arise from living close together. One Companion emphasised that learning to deal with these situations was an important skill that he had learnt at the Community and another spoke of his previous feelings of paranoia about being around people and how these had improved by being at Emmaus. One Companion mentioned that since being in the Community he felt he was less aggressive and more comfortable with people and the environment generally. Three Companions also highlighted that problems in the Community are sorted out relatively quickly as they are talked about in weekly meetings and that there is a lot of give and take.

The experience of working with others within the Community appears to have impacted on many Companions in terms of how they deal with other people outside of it. In interview, several Companions mentioned that they had an increased awareness of others, with a change in attitude to street living, and that they thought more about other people, including their families. Three Companions talked about the Emmaus principle of Solidarity, and considered it a benefit to be helping others and working to create *'more respect for the homeless'*. Several of the staff also identified this as an important benefit of being in an Emmaus Community - people learn to take responsibility *"not only for themselves but for others as well"*.

Three Companions talked about the family feel to the Community, that living there was like having an *'extended family'* and that the Community provided a *'home'* and a place to live for *'as long as you want it'*. Indeed, seven of the ten Companions mentioned support as an important benefit of living in the Community. Several different types of support were identified including communal support from other Companions, learning to become self-supporting and support from the Co-ordinators, especially in terms of advocacy e.g. in court. The model of peer support was also highlighted by other agencies as a benefit of living in the Community, in addition to the positive and calming impact of mixing older stable residents with younger more chaotic individuals.

### **6.5.3. Health**

Improved health, limited access to alcohol, the drug free environment and the confidence obtained when signing off benefits were all identified as positive aspects.

Nearly all of the Companions highlighted the dramatic effect that coming to Emmaus had had on their lives, with four out of the ten interviewed stating that if they had not come to Emmaus they believe that they would be dead. Another Companion felt that before he came to Emmaus he was depressed and suicidal.

The overall impression from the Companions was that being in the Community meant they lived in a healthy, active and less stressed environment. Of the ten individuals interviewed two directly responded that being in the Community had improved their health. Three Companions mentioned that they felt they had a healthier lifestyle and two stated that they were a better weight; two also felt that they were less stressed.

Companions were not asked directly about drink and drug intake or about previous addictive behaviour. Despite this, several discussed their histories. One Companion mentioned that while at the Community his drinking is under control but that this may change when he leaves. Another individual similarly stated that he does not drink while in the Community. Four individuals stated that being in the Community had contributed to their alcohol intake reducing. Three Companions spoke of previous reliance upon both alcohol and drugs. One of these individuals stated that he had had a £200 a day smack habit, which he has now 'kicked' with the support of the Community.

One Companion had come to Emmaus Cambridge specifically for support in detoxing, as he believed the structure of the Community was the best way to be supported in doing this, and he was now on a reducing prescription. He cited the Community's strict no drugs policy, the lack of access to the 'scene', the lack of disposable income and the links to local drug support as reasons for being at Emmaus.

The Drug and Alcohol (D&A) Service is a treatment service for people experiencing difficulties because of substance misuse. They work with a wide variety of clients, but have a dedicated homelessness worker who is able to take referrals to the service from a variety of organisations and individuals. The Homelessness D&A worker reported that out of an average caseload of about 40 clients, one is resident in Emmaus at any time. Referrals occur are made from the agency at a ballpark figure of two per month, however the D&A Service stated that sometimes their clients might be referred to Emmaus via alternative routes and not directly by them.

The relationship between Emmaus Cambridge and the D&A Service appears to be a close and positive one; the Deputy Co-ordinator at Emmaus is an ex-qualified nurse and is therefore able to supervise prescribed medications during detox while the D&A Service provides support. The nature of the relationship appears to be quite flexible depending greatly on individual cases.

Overall the D&A Service was extremely positive about the impact of the Emmaus model on individuals undergoing treatment for addictions, *"people do quite well coming off (opiates) at Emmaus, it doesn't tend to be maintenance, it tends to be that they reduce and come off"*. The reasons given for this success are the drug free environment, the intense support and the structured working day. One particular difficulty identified was that it may be harder for those undergoing alcohol detox due to the dry nature of the project, so individuals with an alcohol problem must detox before going to Emmaus. The D&A Service acknowledge that the success of detox at

the Community has additional benefits. The shorter time spent on reducing prescriptions means a reduced cost of medication and Companions are less likely to use opiates in addition to their prescriptions. This means that there is likely to be less contact with GPs and the hospital and less of a need for emergency services for drug and alcohol related problems. The supportive nature of the project means that Companions are well-nourished and in general better health. This latter point is supported by evidence from the Companions themselves (above).

Interestingly the D&A Service highlighted the ease of working with individuals in Emmaus as compared to those who may be on the street or in less stable environments. The nature of the project, its stability and the working day means that individuals have to have a clear head and therefore drug and alcohol treatment can deal with the more in-depth issues surrounding addictive behaviour, *“you are working with people at Emmaus who have a clear head, you’re not working with people who are coming in, you know, maybe you have that half an hour window between the breathalyser before they need another drink; so the work that you do is very limited so you are on short practical interventions. Whereas the work at Emmaus is about reduction and prevention; it might be looking at life changes and much less superficial issues like ‘how are we going to deal with your court case on Friday”*. This reflects somewhat the ideas of the Probation service in that it is individuals that have reached a place in their life where they wish to make some change who will access and remain in an Emmaus Community.

The D&A Service, like many of the other local agencies, also emphasised the importance of work within the Community. It was stated that this provides not only meaningful occupation, *“the biggest thing for people when they stop drinking or using is that they have this huge void in their day and how are they going to fill it? I mean they don’t have that out there (Emmaus) because its filled for them”*, but also acts as a form of therapy.

#### **6.5.4. Other benefits**

Several benefits to wider society were also identified. These include the recycling and disposal of furniture and increasing the awareness about recycling in the wider community; also the provision of furniture to those in need, on low incomes and other homeless organisations. More intangible contributions to society were identified as changing public attitudes towards homeless people and becoming a good influence on the local community.

### **6.6. Benefits of Emmaus Cambridge for its Staff**

Four employees of the Community and the long serving volunteer were also interviewed, to establish the skills and experiences they too had acquired during their time at the Community.

The Senior Co-ordinators have been working in the Community for over twelve years; prior to starting Emmaus Cambridge neither had had experience of working in the homelessness field, one had worked as a policeman for sixteen years and the other

had been a nurse for fifteen years. During the course of the time spent at Emmaus both felt that they had developed their people skills to the extent that they were able to relate to *'anyone from anywhere'*, including those with behavioural difficulties relating to addiction and mental health. In addition they had also acquired the skills necessary to run a successful business. The Deputy Co-ordinator (at the Community for two years) spoke of acquiring similar skills, including becoming more understanding of people, awareness of drug and alcohol issues, working with individuals with mental health problems, business skills including customer relations and accounts, and an increase in assertiveness and awareness. The Community's secretary had worked previously in advertising and sales and had been at Emmaus for five years. Since working in the Community she stated that she had acquired finance skills, computer skills, including desktop publishing and had also developed her skills in dealing with Companions and shoppers.

All four employees stated that they utilise the experiences of working in Emmaus outside of the Community, from dealing with people to producing newsletters and writing a handbook for a local Church. The employees did not feel that they would have gained all of these skills in alternative employment; the business skills gained were felt to be particular to Emmaus.

The volunteer interviewed had been at the Community for ten years and works on the testing of electrical goods. He had previous skills in this area but since volunteering at Emmaus he has developed these skills and gained new knowledge of safety regulations. He stated that he had never had any specific training at Emmaus but other benefits include travelling to Communities in France whilst on holiday and taking a Companion on a visit to a Community in Bologne. He also believed that volunteering at Emmaus Cambridge had given him a lot of personal satisfaction, giving an insight into the problems of others and allowing the transfer of electrical testing skills to some Companions.

## **6.7. Emmaus and Multi Agency Working**

In terms of linking in with local agencies to benefit specific people, Emmaus indicated that they would approach any organisation that was necessary to assist their Companions. However Emmaus Cambridge does not participate in 'formal' statutory and voluntary sector partnership working.

The shift in approach to multi-agency working and the increasing documentation and resources available to agencies about this issue means that multi-agency working as a label has widened to incorporate the many different ways in which organisations work together (see Chapter Three for details on this). The local interviews appear to illustrate misunderstanding around what is meant by partnership working and multi-agency approach, interpreting it to mean an activity in which partners are obliged to 'sign-up' to a document or agreement in return for funding. One point consistently made through all interviews with Emmaus staff and Trustees is the value that the Community places on independence. The nature of the Emmaus model means that it often sits at odds with what is going on in mainstream homeless provision, for example in terms of moving Companions back into mainstream housing (resettlement) or allocating bedspaces to a particular agency. This makes agreeing to a statutory, mainstream partnership, difficult for Emmaus: *"the difficulty for Emmaus*

*Communities is that it deflects from their primary purpose, which is to exist as a community. That is the end in itself” (Emmaus Cambridge).* While Emmaus Cambridge was identified as having inputted into initial consultations on the local Homelessness Strategies of both South Cambridgeshire and the City Council, they were not involved subsequently to this and are not official partners.

While the Community identifies that it does work with other agencies in an informal way it does not recognise these relationships as partnerships: *“Emmaus will work with anybody...We may not sign the document to say we’re formally signing to be a partner, but where there’s someone who needs help and you can help – you help them. But I wouldn’t call that a partnership” (Emmaus Cambridge).*

Generally, only those agencies that actually make referrals to Emmaus Cambridge truly understood the Emmaus model and more specifically how various aspects of Emmaus Cambridge operate. In addition to the D & A Service, the two main hostel providers in Cambridge make a small number of referrals. The managers of both organisations spoke positively about the impact that Emmaus had had on the clients that had moved there. Both agencies make use of the other services provided by Emmaus. Both purchase furniture from them including beds, tables and chairs and consider them to be a good source of quality furniture. One hostel also buys some electrical equipment, including TVs, and they occasionally make use of the van but not the house clearance service.

Despite knowing little about the operations of the Community and making no referrals, South Cambridgeshire Local Authority, in a similar way to the other agencies interviewed, expressed a general admiration for the work that was done at Emmaus; the City Council was also generally positive about the work of Emmaus. Although both authorities were concerned that the Community’s failure to operate within the strategic partnership may be to the detriment of the client group, many local service providers did not think that the Community's independence of bureaucracy in the City had this detrimental effect.

This point of view would appear to be confirmed by the willingness of Emmaus Cambridge to work with any agency and the testimony of many of the Companions interviewed, that they felt support was available to access any organisation they required. One Companion stated that he did have contact with external groups and would be supported by the Community if he wanted to pursue these; another stated that there were, *“close community relations with housing providers”* and that Emmaus would help them to move out if they wished. Three Companions expressed positive feelings about the links with other agencies, one individual stated a belief that while he did not have the personal contacts he felt that the Coordinators had, *“a lot”*.

Emmaus Cambridge does participate in a number of specific initiatives in Cambridge City:

- The **Food Bank** was set up in conjunction with Jimmy’s Night Shelter in 2001, to redistribute surplus food to individuals and groups that are socially excluded or on low incomes. The main thrust of the idea came from Jimmy’s, supported by set-up funding from Emmaus and Barclays Bank, and funds for a research project given by WREN (Waste Recycling Environmental Limited). The organisation is

now established as a charity in its own right, self-sufficient in terms of fundraising. There are members on the board of the Food Bank from both Jimmy's and Emmaus.

- Emmaus is the principle partner in the **Soup Run** that operates in Cambridge between November and March. Emmaus provide the total cost of the soup run, including wages, food, petrol, etc. The soup run is outside of the operations of the City Council and is welcomed by both agencies and individuals alike. It is acknowledged that this is a vital service in the colder months especially for individuals sleeping rough, but is not a project that Government bodies are interested in funding. The expense of the service means that without the input of Emmaus any alternative would have to be run differently or not at all: “...it may not have got off the ground. Or it would have been at a different sort of level, an entirely voluntary soup run...with no overheads. So it may have been done but it wouldn't have been on the scale or quality” (*Night Shelter: Cambridge City*).

Of all the homelessness agencies operating in Cambridge, Emmaus Cambridge appears to have a special multileveled relationship with Jimmy's Night Shelter, encompassing a strong working relationship but also a supportive managerial relationship.

As an emergency night shelter, Jimmy's often refers individuals to Emmaus. At the time of interview it was estimated that four or five ex-Jimmy's guests were resident at Emmaus Cambridge. Jimmy's spoke highly of the project and affirmed a belief in the Emmaus principles. There is some commonality between the agencies including the principles of direct access, privacy and confidentiality of Companions/guests and an underlying Christian ethos or faith, although it was stressed that neither organisation is faith based. This illustrates the closeness in working principles that bonds the two agencies closer than other organisations in the City; accentuated by the fact that there is also a crossover in Trustees with some individuals sitting on the Boards of both organisations.

More specific reasons were also given for supporting Emmaus Cambridge as a homeless agency including: the supportive environment, the luxury of the facilities and services offered, the provision of work, opportunities for education, training and gaining practical skills as well as companionship and the opportunity to relax and start thinking about life. Particular importance was given to the open door policy of Emmaus where people are given as many chances as they need and also to the provision of food, as only Jimmy's and Emmaus are fully catered and this was felt to be an important benefit. During the interview the concept of Solidarity and supporting others was also identified as a strong positive point.

Interestingly, Jimmy's, Probation and the English Churches Housing Group utilised similar metaphors when describing the impact of Emmaus on individuals, described by one interviewee as, “*the sausage machine effect*”. This encompasses the idea that Emmaus takes both ‘used’ individuals and furniture into the Community, where something is done to them, “*reconstituted, represented*” (*Probation*) and then improved items come out the other side. This type of metaphor would appear to indicate the profound effect that many agencies feel that Emmaus can have on certain individuals.

Benefits to the wider community were also identified, with people utilising Emmaus to find bargains, recycle unwanted furniture to support a worthy cause and for those who just want a cheap house clearance service.

Jimmy's also make use of the services that Emmaus provide, including the furniture provision, house clearance and use of the van. They often purchase furniture for resettling Jimmy's Guests into un- or part-furnished properties, and reported that their own Jimmy's house was furnished through Emmaus. Jimmy's also borrow the Emmaus van regularly, to assist them in clearing rubbish from the Night Shelter.

As part of the Solidarity principle of Emmaus, the Community in Cambridge also contribute to the food budget for Jimmy's - £500 per month. The Community expressed a desire to utilise their surplus from the business to aid others, especially those on the streets. Jimmy's was chosen as an organisation that deals directly with those on the streets and as a partner that has similar ideologies and principles to Emmaus. The Companions themselves determined that the money be spent on fresh food.

## **6.8. Summary**

- The Emmaus Community at Cambridge was the first representation of Emmaus in the UK and is hailed as the 'flagship' Community because of its longevity, management consistency and financial independence. It provides 24 accommodation units linked to a recycling and furniture business and café.
- Evidence from Companions and external agencies shows that the direct benefits to Companions are many and include: increasing self-confidence, opportunities for training, increasing practical skills, accessing education, support and advocacy. There are health benefits with improved general health, access to detox facilities, evidence of improved chances of successful detoxing. There are Criminal Justice savings in that the supportive environment may help in reducing recidivism. Also identified was the space created to allow individuals to develop personally, to have respite from difficult lifestyles, whilst at the same time remaining in an environment with strict boundaries.
- Evidence from the interviews suggests that the Community has consciously stepped back from the bureaucracy of statutory formal multi-agency working. Nevertheless, Emmaus Cambridge appears to work well with other organisations on a one to one basis and are not isolated even though independent.
- In addition to Companions, the Community also benefits other agencies and the public via its charitable support and services and in the provision of cheap furniture and house clearance services, as well as providing a resource in the form of the van.
- All organisations and individuals interviewed spoke highly about the impact of the Emmaus Community on its Companions and were generally positive about the Emmaus model as an approach to dealing with homelessness.

## Chapter Seven

### A Financial Evaluation of Emmaus Cambridge

The primary aim of this chapter is to report on the direct costs and revenues associated with the activities of Emmaus Cambridge based on accounts and interview information. This element of the study relies upon interviews within and outside the Emmaus Community, documentary evidence from Emmaus Cambridge and facts and figures drawn from a variety of other sources. The objective is to analyse the two fundamental activities of the Community – trading and sustaining the Community – separately in order to assess the sources and uses of funds.

All details will be explained as the chapter progresses. However, it is important to stress that this chapter focuses purely upon the financial and imputed financial costs and revenues of the organisation. Chapter Eight focuses upon wider benefits and the true value of Emmaus Cambridge to its Companions and the wider external community.

#### 7.1. Introduction

*It is important to stress that information contained in this Chapter relates to the current Emmaus Cambridge non-accounts status for Spring/Summer 2003 and that accounts information used relates to accounts figures for the period November 2001 to October 2002.*

The chapter commences with a consideration of the Community's trading activities looking at business income and expenditure. This provides evidence on the trading surplus generated by the Community, which is then available to fund other activities.

The second tranche of analysis takes account of imputed costs - where the Community is using resources that are not directly charged but which would otherwise be available for other uses.

The third tranche includes donations both to and from the Community - which provide additional resources to the trading element of the Community or use those resources. The three tranches taken together give a clear understanding of the economic cost of running the business.

The fourth tranche examines the housing/support aspect of the Community, concentrating initially on the actual direct costs of accommodation and support borne by the Community. The next stage then moves on to include the Community's imputed costs (specifically property rental). The other side of the equation relates to income arising from the accommodation/support element of the Community. Taken together this gives an idea of the real net costs of providing for the Community.

This is then compared with the surplus from trading to provide an overview of the Community's finances and their net economic position.

## 7.2. Financial Analysis – Tranche 1: Business Income and Outputs

The business element of Emmaus Cambridge is key to the entire Community. Not only does Emmaus Cambridge's greatest income come from trading activities, but trading is key to the whole Emmaus concept of Community financial independence and of building the morale and self-belief of Companions. An examination of business accounts is therefore key to the financial analysis.

### 7.2.1. Trading Income

Table 7.1. below, provides details of all trading income. It thus shows the money generated by Emmaus Cambridge's business activities.

**Table 7.1. Emmaus Cambridge: Trading Income (2001/2002)**

<b>Trade/Service Income</b>	<b>Annual Income</b>
Art/craft	£398.69
Books/records	£16,500.85
Bric a brac	£54,356.31
Clothing	£7,270.43
Coffee shop	£6,018.32
Cycles	£6,724.00
Eggs	£550.20
Electrical	£35,017.81
Furniture	£168,463.22
Outside goods	£8,474.20
Postage	£20.15
Promotional goods	£3,565.62
Scrap	£3,424.38
Till variance	£314.24
Woodworking	£26,377.53
Bad cheques	-£60.00
<b>Total Trade/Service Income</b>	<b>£337,415.95</b>

Art/craft, books/records, bric a brac, clothing, cycles, electrical and furniture represented income from the sale of donated goods. Coffee shop income was from the trading activities of the coffee shop, which is based within the Emmaus shop. Eggs are technically given away but a donation of £1.30 per dozen is requested. Outside goods are goods sold outside the shop, e.g. garden tools, lawnmowers, etc. Promotional goods are those sold during 'sales and promotions' that carry VAT, like sweatshirts, t-shirts, caps, Christmas cards etc.. Scrap income was usually from goods that were found to be either unsuitable for sale or non-working. For example, parts of broken televisions could be recycled and sold for scrap value rather than simply taking them to a rubbish tip. Environmentally this represented an important activity and is discussed elsewhere. Till variance has to be included in accounts information and existed due to errors using the till and dealing with money. This is a standard

business element. Woodworking is split into three areas, refurbished and recycled, new bespoke and flatpack. New and flatpack furniture carries VAT. The figure for bad cheques was a negative value and represents the sorts of problems facing any modern business.

### 7.2.2. Business Expenditure

Emmaus Cambridge's business expenses are shown in table 7.2. The figures only include the expenditure on goods and services purchased to operate the business side of the Community.

**Table 7.2. Emmaus Cambridge: Business Expenditure (2001/02)**

<i>Business Expenditure</i>	<b>Annual Cost</b>
Business rates	£4,295.83
Trading consumables	£23,883.53
Bank charges	£2,037.24
Work clothes	£1,450.62
Heat, light, power	£5,805.69
Business insurance	£4,423.44
Marketing & promotion	£1,799.40
Motor expenses	£11,346.69
Refuse & pest clearance	£5,410.01
Repairs & renewals	£1,478.21
Salaries	
<i>Pension</i>	£3,004.71
<i>NLCB</i>	£20,841.83
<i>Inland Revenue</i>	£8,195.86
<i>Salaries (other)</i>	£26,234.02
<b>Total salaries</b>	<b>£58,276.42</b>
Companion allowances	£45,157.66
Small tools & equipment	£7,334.25
Stationery & postage	£2,733.96
Telephone	£3,428.34
Miscellaneous	£960.00
Accountancy fees	£3,825.00
Fees (other)	£15.00
<b><i>Total Business Expenditure</i></b>	<b>£183,661.29</b>

Table 7.2. provides a breakdown of business expenditure for the period November 2001 to October 2002. Business rates shown are those paid by the Community, which are discounted because of the Community's charitable status (the cost to the local authority of that subsidy is addressed in Chapter Eight). The 'trading consumables' element in table 7.2. is detailed in table 7.3:

**Table 7.3. Emmaus Cambridge: Trading Consumables (2001/2002)**

<b>Trading Consumables</b>	<b>Annual Cost</b>
Other	£913.41
Electrical	£3,438.37
Woodwork	£11,998.43
Promotional	£4,366.04
Coffee shop	£3,167.28
<b>Total Trading Consumables</b>	<b>£23,883.53</b>

Bank charges, work clothes and the cost of heat, light and power are fairly explanatory. Business insurance was an essential element both in ensuring Emmaus Companions were insured whilst working and that the business itself was insured against damage and third party liability. Motor expenses included the cost of fuel, repairs and vehicle insurance for vehicles owned and run by Emmaus Cambridge. The salaries element is for those staff directly employed by Emmaus Cambridge. Companion allowances represent money paid to Companions in addition to basic living costs. Details of these are provided in table 7.4.

**Table 7.4. Emmaus Cambridge: Companion Allowances (2001/2002)**

<b>Companion Allowances</b>	<b>Annual Cost</b>	<b>Individual Annual Average Companion Costs (based upon 23 Companions)</b>	<b>Individual Weekly Average Companion Costs (based upon 23 Companions)</b>
Weekly allowance	£35,772.10	£1,555.31	£29.91
Holiday allowance	£4,330.60	£188.29	£3.62
Leaving allowance	£5,054.96	£219.78	£4.23
<b>Total Companion Allowances</b>	<b>£45,157.66</b>	<b>£1,963.38</b>	<b>£37.76</b>

### 7.2.3. Business Income-Expenditure and Surplus (1)

Taking business income and expenditure together, table 7.5. shows the financial surplus generated by the business. This does not take imputed costs into account, these costs are pursued in the next tranche of the analysis.

**Table 7.5. Emmaus Cambridge: Business Surplus (2001/02)**

Trading Income	£337,415.95
Trading Expenditure	£183,661.29
<b>Business Surplus</b>	<b>£153,754.66</b>

### 7.3. Financial Analysis - Tranche 2: Considering Imputed Business Costs

#### 7.3.1. Property Value and Rental Values

Emmaus Cambridge owns all its property and buildings outright. There is thus no direct cost associated with rental or mortgage payments. However, for the purpose of this study it is important to understand that a considerable amount of capital is tied up in buildings and land that could be used in other ways. The value given by Emmaus Cambridge for the property is £1.75m. An imputed rental, based upon the interest that could be gained by investing that sum in a bank account at a rate of four percent, would give an opportunity cost of £70,000 per annum.

Clearly some property is in business use and some is used for living accommodation. A rental split of 70/30 was thus assumed, i.e. 30 percent of the sum was allocated to business costs and 70 percent to residential costs. Thus the property rental for business was estimated at £21,000. £21,000 is thus considered to be a relevant economic cost to the business for the purpose of this study. This amount is shown in table 7.6, which identifies actual & imputed business expenditure.

**Table 7.6. Emmaus Cambridge: Actual and Imputed Business Expenditure**

<b>Business Expenses</b>	<b>Annual Amount</b>
Actual Business Expenditure (2001/2002)	£183,661.29
Business Premises Rental	£ 21,000.00
<b>Total Actual &amp; Imputed Business Expenditure</b>	<b>£204,661.29</b>

#### 7.3.2. Business Income-Expenditure and Surplus (2)

The business surplus including the imputed cost of the property is then calculated by subtracting actual and imputed business expenditure from the trading income. This is shown in table 7.7. below:

**Table 7.7. Emmaus Cambridge: Business Surplus including the cost of premises**

Trading Income	£337,415.95
Actual & Imputed Business Expenditure	£204,661.29
<b>Business Surplus</b>	<b>£132,754.66</b>

### 7.4. Financial Analysis - Tranche 3: Valuing Volunteer and Companion Input and Donations

At the time of the research there was one regular volunteer working on the business side of the Community. He works in the electrical testing section and does an average of one day per week. This equates to approximately eight hours per week. The relevant question in terms of this element of costs is whether, if there were no volunteer, a paid worker would have to be employed. If we assume that this is the

case and that the employee would be paid the minimum wage, i.e. £4.20 per hour, the cost would be £33.60 per week, or an annual figure of £1,747.20 (based on 52 weeks).

In the trading account the direct payments to/for Companions have been included as a cost. However no wage as such has been included in that calculation as no wage as such is paid. Again the relevant question is the opportunity cost of their employment. At one extreme it can be argued that the Companions would have no other possibility of work and if one Companion were not available to work another would be readily available. This is probably the most appropriate assumption given the nature of the Community and the role of work within that Community. In this case there is no other cost to be included in addition to those already included in trading expenditures.

(A possible alternative approach would be to say that, were they to be working in a normal business the companions would be paid the minimum wage for the number of hours that they work - £168 per companion per working week. With twenty-three Companions and a fifty two week year – the absolute maximum – the cost would £8,736 per Companion or £200,928 per year. Companion allowances would then be offset against this total making a net cost of employment of £155,770.34. This calculation simply reinforces the clear understanding of Emmaus that this enterprise could not – and is not intended to - work as a normal business. Instead Companions give of their capacity within the Community).

A further voluntary element relates to the donation of trading consumables by the Community – of £641.65. This should also be included as an economic cost.

Table 7.8. shows that the overall economic costs to the Community of trading, assuming that there is no opportunity cost of Companion employment over and above that included in allowances, would set expenditures at £207,050.14.

**Table 7.8. Emmaus Cambridge: Annual Economic Cost of Trading**

Actual & Imputed Business Expenditure	£204,661.29
<b>Imputed Cost of Volunteer Input</b>	£1,747.20
Donations of Trading Consumables	£641.65
<b>Economic Trading Costs</b>	<b>£207,050.14</b>

The economic surplus taking account of premises, donations and volunteers was therefore £130,365.81, as shown in table 7.9. below:

**Table 7.9. Emmaus Cambridge: Annual Economic Surplus**

Trading Income	£337,415.95
Economic Trading Costs	£207,050.14
<b>Economic Business Surplus</b>	<b>£130,365.81</b>

## **7.5. Financial Analysis - Tranche 4: Accommodation Costs**

The fourth tranche of the Emmaus Cambridge income and expenditure analysis considers accommodation costs (actual and imputed). This section then goes on to provide values for the overall Community income (both financial and economic).

### **7.5.1. Actual Companion Subsistence and Support Costs (2001/2002)**

A key element of the Emmaus ethos is to provide accommodation for those in need, who are willing (but not necessarily able) to contribute to the Community via work. In the case of Emmaus Cambridge this is seen in the provision of accommodation (and a home) for 23 people. It should be noted that although Emmaus Cambridge provides potential accommodation for 24 Companions, one room is always kept available for visitors and staff from other Communities who wish to receive training.

Whilst Emmaus Cambridge does indirectly accept an element of Government support via 'accommodation contributions' - through the voluntary payments by Companions of their housing benefit - this represents the limit of statutory aid. No Supporting People funding is requested and the Community meets all other costs through its business activities.

Table 7.10. illustrates the position as it existed for the period November 2001 to October 2002. Information for this table has been provided from the Emmaus Cambridge accounts for the same period. The first sections of the table illustrate that Emmaus Cambridge provides Companions with not just a place to live and basic subsistence, but also many basic requirements of life, including recreation, training, travel and support for Companions who wish to marry or keep pets. Council tax is paid for the Companion accommodation block on the basis of a band 'H' property in South Cambridgeshire and this is not subsidised by the local authority. Council tax is also paid separately for the Assistant Co-ordinator's accommodation (by the Community) and the Community Leader's accommodation (by the Community) and is included in council tax payments for staff accommodation.

Water rates are not subsidised for Emmaus. Building, ground and equipment repairs and renewals have been included, because these are essential for the well being of the Community.

**Table 7.10. Emmaus Cambridge: Companion Subsistence and Support Costs (2001/2002)**

<b>Companion Subsistence &amp; Support Costs</b>	<b>Annual Cost</b>
Food & tobacco	£43,953.79
One-off gifts – wedding	£1,643.66
Gifts – other	£1,178.40
Healthcare & clothes	£4,999.79
Newspapers & books	£897.53
Recreation	£3,837.72
Training	£732.81
Travel	£2,248.98
Animal welfare	£2,728.07
Miscellaneous	£734.57
Companion subsistence – Other	£15.00
Council tax (Companions)	£2,023.67
Council tax (Staff)	£1,738.78
Heat, light, power	£8,836.55
Water rates	£1,599.43
Repairs & renewals	
<i>Grounds</i>	£3,800.05
<i>Buildings</i>	£8,895.88
<i>Equipment</i>	£10,023.30
Companion administration costs	£67,396.25
<b>Actual Companion Subsistence and Support Costs</b>	<b>£167,284.23</b>

Companion Administration costs represented a large element of the overall costs of housing Companions at Emmaus Cambridge (£67,396.25). Figure 7.11 provides a breakdown of these costs.

**Table 7.11. Emmaus Cambridge: Companion Administration Costs (2001/2002)**

<b>Companion Administration Costs</b>	<b>Annual Cost</b>
Buildings & companion insurance	£4,316.86
Motor expenses	£16,055.23
Publicity & promotion	£2,788.69
Total salaries	£36,493.50
Stationery & postage	£2,024.24
Telephone	£1,880.30
Travel & subsistence	£2,927.82
Miscellaneous	£909.61
<b>Total Administration Costs</b>	<b>£67,396.25</b>

All of the subsistence and support costs taken together represented a total cost of £167,284.23. This was the annual cost of housing 23 Companions (based upon

2001/02 figures). It is important to stress that these figures represent only actual outgoings.

### 7.5.2. Imputed Accommodation Costs: Property Rental

Emmaus Cambridge purchased the land and buildings on which the Community is based ten years ago. Although buildings have been added and improved since the initial purchase there is a limit to the size to which the Community will be allowed to grow. Currently the total estimated value of the land and buildings is £1.75 million. Because the land could not otherwise be developed for other uses, such as a private housing project for example, there is a limit on the alternative use value of the site. £1.75m, therefore, is seen as reflecting this situation. A rental value was generated based upon this figure and took into account the ‘opportunity cost’ of using that money for alternative purposes. The most obvious alternative low-risk use would be to simply sell the property and place the money in a bank account. A good return on such an investment would be represented by a yield of approximately four percent. Hence, an annual yield from an investment of £1.75m could be expected to be £70,000. Therefore, this was the figure used to represent the opportunity cost of rental for Emmaus Cambridge for the period 2001/02.

The figure was then divided between that for accommodation premises and business premises. To do this the accommodation was assumed to represent 70 percent of the value of Emmaus Cambridge, whilst the business premises were taken to represent 30 percent. Thus the annual property rental for Emmaus Cambridge's accommodation was estimated at £49,000. Thus the total economic cost of housing the companions was £216,284.23 – table 7.12.

**Table 7.12. Emmaus Cambridge: Actual and Imputed Accommodation Costs**

<b>Actual Accommodation Costs</b>	<b>£167,284.23</b>
Rental Cost (imputed)	£49,000.00
<b>Total Economic Accommodation Costs</b>	<b>£216,284.23</b>

## 7.6. Emmaus Cambridge: Total Income and Expenditure

Although the business element of Emmaus is key to the whole Movement, most Communities also have other sources of income to supplement the business surplus. Emmaus Cambridge is no exception. Table 7.13. lists the actual range of different sources of income that Emmaus Cambridge utilised during the 2001/2002 accounting year.

**Table 7.13. Emmaus Cambridge: Total Income by Source (2001/02)**

<i>Source</i>	<b>Annual Income (Actual)</b>	<b>Annual Income (Economic)</b>
Bank Interest	£8,790.80	£8,790.80
Total Donations	Not Counted	Not Counted
National Lottery Income	£26,298.00	£26,298.00
Companion Accommodation Contributions (Housing Benefit)	£80,256.94	£80,256.94
<b>Business Surplus</b>	<b>£153,754.66</b>	<b>£130,365.81</b>
<b>Total Income</b>	<b>£269,100.40</b>	<b>£245,711.55</b>

Emmaus Cambridge can be seen as a profitable enterprise based upon its activities in the recycling and resale of donated goods. In addition, there were other sources of income. One key source, which has already been discussed, is the accommodation contributions paid by Companions via housing benefit eligibility. Another source was National Lottery funding, which supported the employment of one member of staff (for three years) and could thus be counted as revenue income. Financial donations also had a role in helping with the further development of Emmaus Cambridge, but in 2001/02 these were all used towards a capital project to expand the Community. Therefore, cash donations can be regarded as zero for this particular year.

The income figures therefore include bank interest, i.e. income from money invested; National Lottery Income specific to allowing Emmaus Cambridge to employ an extra member of staff; Accommodation Contributions from 21 out of 23 Companions (those eligible for Housing Benefit), making a total of £269,100.40 in actual – financial – terms and £245,711.55 when imputed property rental, and the opportunity costs of donations of outputs and volunteers are taken into account.

The fact that the majority of Emmaus Cambridge's income comes from business activities illustrates the social enterprise nature of the Community. The social enterprise emphasis is also illustrated by the fact that the Community made a profit in actual cash terms. Table 7.14. puts all the material together to give an overall calculation of total income and outgoings for the Community. It shows that the Community generated a twelve-month surplus of £29,427.32, even when imputed costs were taken into account. In cash terms the surplus is over £100,000 - available for distribution to other causes and the longer term viability of the Community.

**Table 7.14. Emmaus Cambridge: Total Community Expenses & Income (2001/02)**

	<b>Actual</b>	<b>Imputed</b>
Total Income	£269,100.40	£245,711.55
Total Accommodation Costs	£167,284.23	£216,284.23
<b>Total Community Surplus</b>	<b>£101,816.17</b>	<b>£29,427.32</b>

## **7.7. Emmaus Cambridge as an Enterprise**

This Chapter has considered both accommodation and business aspects of Emmaus Cambridge, in considerable detail. All potential costs and income streams have been considered and it can be seen that the Community generates a considerable annual surplus, resulting from its activities as a business. The fact that it is also able to provide good quality living and working conditions whilst still generating a healthy surplus is a major factor to take into account.

The fact that Emmaus Cambridge is successful when viewed as a stand-alone enterprise and Community for homeless people is important evidence in support of the Emmaus ethos. However, this does not tell the full story and if the economic study had been left here, many of the valuable outputs of the Community would not be taken into account. Chapter Eight considers the wider impact of Emmaus Cambridge and highlights the fact that a real surplus of over one hundred thousand pounds actually only represents a fraction of the Community's truer value as a social enterprise.

## **7.8. Summary**

- The business element of Emmaus Cambridge is key to the entire Community. Not only does Emmaus Cambridge's greatest income come from trading activities, but also trading is key to the whole Emmaus concept of Community financial independence and of its therapeutic work approach to building the self-worth of its Companions.
- The first level of economic evaluation, based on accounts figures for 2001/02, shows that the Community generated an actual trading surplus of around £153,750. This was almost sufficient to meet the full costs of accommodating, sustaining and supporting its Companions. However, when other sources of income are included, of which the only indirect statutory source is Housing benefit, the total Community surplus reached £101,836.
- Although Emmaus Cambridge benefits by owning its site outright, this is unlikely to be the case for newly forming Communities. If costs for property rental and voluntary input are imputed, the Community still shows a profit of around £29,400. This indicates that once any new Community is operating an effective enterprise, it has the potential to generate profits at no extra cost to the Government in the long term.

## Chapter Eight

### Emmaus Cambridge – Benefits, Costs and Outputs

Emmaus Cambridge does not operate purely as an end in itself. The Community also needs to be judged on other outputs, as well as basic living and business operations. When the wider impact of Emmaus Cambridge is considered beyond basic trading and living operations, the Community's truer value as a social enterprise is evident.

A range of outputs (benefits) was identified and measured during the research and imputed values applied to continue the quantitative economic evaluation. Importantly, imputed values err on the side of caution and so are likely to under rather than over value Emmaus Cambridge's outputs. This chapter identifies these outputs, their values and concludes the economic evaluation with a total value of Emmaus Cambridge to the wider community.

#### 8.1. Discretionary Giving

In the first instance a large proportion of profits are used to support charitable work outside the Community. Discretionary giving by Emmaus Cambridge in the period 2001/02 is set out in table 8.1. Given that Emmaus Cambridge's imputed profits in the last chapter appeared to be less than the total discretionary giving, it is important to note that Emmaus Cambridge owns the land and buildings in which it operates – and therefore an element of imputed rent foregone is in reality included in the actual discretionary giving figures.

**Table 8.1. Emmaus Cambridge: Charitable Support (2001/2002)**

<b>Charitable Activity</b>	<i>Donation</i>
<b>Emmaus International</b>	£12,727.64
Jimmy's Night Shelter	£6,000
Newmarket Open Door	£54.65
Cold weather activities	£13,466.83
Cambridge Food Bank	£2,104.38
Other discretionary giving	£3,000
<b>Total Discretionary Giving</b>	<b>£37,353.50</b>

Emmaus International is the international arm of Emmaus. This provides international support for existing and potential Emmaus Communities throughout the world, as well as setting up appeals for things like the then recent Turkey earthquake disaster. Jimmy's Night Shelter is a shelter for homeless people in Cambridge. Newmarket Open Door is a young people's homeless charity based in nearby Newmarket. Cold weather activities refers to a winter soup run that is set up and run by Emmaus Cambridge each year within Cambridge to support homeless people on

the streets. The Cambridge Food Bank is another local charity that provides support for homeless and vulnerable people in the City. Other discretionary giving included support for a Community in Bosnia.

The total financial charitable output from Emmaus Cambridge in 2001-2002 amounted to £37,354 (to the nearest pound). Whilst this did not represent a saving to the Government it will have had an impact on a number of local and international initiatives. Surrounding towns can be seen to have benefited by over £22,000, directly, from Emmaus activities. Clearly there are wider implications from such giving, including a change in perceptions about both Emmaus and the homeless in general. Unfortunately, whilst the changing perceptions of homelessness generated by Emmaus are very important they are extremely difficult to value. Therefore, whilst they are highlighted as important here, no actual value has been given for them.

## **8.2. Housing Costs**

A breakdown of housing costs has been provided in Chapter Seven. This showed that Emmaus Cambridge only accepted one form of Government money via companion accommodation contributions – that of housing benefit. This accounts for an average of £67.10 per Companion per week. This figure takes into account the fact that often there was not housing benefit support for all 23 Companions within the Community.

There are ethical, as well as practical issues in attempting to compare the costs of accommodation provision at Emmaus Cambridge with costs of provision from other providers. In the first instance, Emmaus Cambridge is not a hostel and has different aims and objectives from many other organisations that aim to support homeless people. Certainly, it is acknowledged that Emmaus is not suitable for everyone and that, whilst it is open to all, many people do not stay long for a variety of reasons.

A Cambridge hostel, Willow Walk hostel for homeless people, provided some financial figures relating to accommodation costs for the purposes of comparison in the evaluation. To provide accommodation, Willow Walk needed to charge £169.05 per person per week (in 2003). To provide staffing support the hostel also required Supporting People funding support of £109.95 per person per week (in 2003). This takes the overall cost per week of providing a bed for a homeless person in a hostel in Cambridge to £279. If the basic rent of £169.05 is taken as typical, the annual cost of providing a bed for a homeless person could be seen as being £8,790.60.

Another way of providing a general housing cost comparison with Emmaus would be to compare the cost of providing one bedroom accommodation and living support for an individual outside of the Community. This would consider only basic housing costs and not full living costs, unlike in the Emmaus example. Table 8.2. lists the relevant costs associated with housing an unemployed person in South Cambridgeshire. The potential problem with this value is that it assumes housing is available. Given the current housing shortage within the Cambridgeshire area this may well not be the case.

**Table 8.2. Costs to Government of Housing an Unemployed person (Net weekly £)**

<b>(Assume age of 25 and above)</b>	<b>Weekly Cost</b>
Job Seekers Allowance	£53.95
Average Gross Housing Rent for South Cambridgeshire*	£53.47
Council Tax (Band A - South Cambridgeshire Council - 2002/03)	£7.33
<b>Total</b>	<b>£114.75</b>

\* (Banks, et al, 2002)

Job Seekers Allowance varies depending upon the age of the recipient, so it is assumed that age of a comparator person to a Companion would be 25 or over in line with the Companion profile of Emmaus. The Housing Benefit figure was drawn from Dataspring research data (Banks et al, 2002), which gave an average rental for a one bedroom, general needs accommodation unit in South Cambridgeshire for 2001/2002 as £53.47 per week.

Council tax was worked out on the basis of the South Cambridgeshire calculation. This was set at £1029.40 per annum (in 2001/02) for a Band D property. Assuming that the person was to be housed in the cheapest property available (Band A), the total council tax payment would be 5/9 of this. Therefore the council tax for a Band A property would be £571.89 per annum. A one third discount would then be allowed for a single person. Therefore Council Tax foregone, owing to unemployment, would be £381.26 per annum.

If all other factors were ignored, the saving to the Government in having someone at Emmaus Cambridge, rather than unemployed and living alone, would be £47.65 (£114.75 less £67.10) per week. Given the costs associated with hostel accommodation, homelessness and other forms of accommodation, it is likely that this is the least amount the Government can expect to save by having somebody at Emmaus Cambridge. The total saving for 23 Companions is therefore £47.65 x 23 x 52 = £56,989.40. At the time of the study, only 21 Companions were entitled to support of this nature (if it had been available), so this would give a **saving of £47.65 x 21 x 52 = £52,033.80 per year**. However, it is more likely that an Emmaus Companion would need to stay at somewhere like the Willow Walk hostel. In this case the weekly saving to the Government would be £101.95 (£169.05 less £67.10). This would equate to an annual saving (in rent) of £5,301.40 per person, making a total **annual saving of £101.95 x 21 x 52 = £111,329** (to the nearest pound).

### **8.3. Support Costs**

Supporting People funding was introduced in 2003. Housing benefit only now covers housing management costs. Housing and personal support costs are now funded via Supporting People grant. Emmaus Cambridge took a decision not to apply for Supporting People funding, although a potential initial bid was discussed. Supporting People funding varies dramatically from one organisation to another, based upon the costs associated with supporting the residents of a particular hostel or home. The weekly Supporting People funding for a housing provider can vary from 50p to several hundred pounds per person per week. This means that a straight comparison

with another housing provider could prove problematic. A number of hostels in Cambridge were contacted, in order to find out what the Supporting People cost of providing a homeless hostel place is.

Initial draft documents from Emmaus Cambridge suggested that a figure of £122.08 per person per week could have been the cost within the Community. Other Emmaus Communities examined were not in receipt of this level of support. Emmaus Village Carlton does accept Supporting People funding, but this is approximately £25 per person per week and this probably reflects the positive way in which most Emmaus Communities work, rather than an average Supporting People cost.

Whilst it is clear that there is a Supporting People saving to the local authority and hence the Government from Emmaus Cambridge not taking Supporting People funding, a study of costs for homeless hostels provided a comparator Supporting People figure of £109.95 per week (see 8.1. above). For 23 rooms, this amounts to an **annual saving of £131,500.**

#### **8.4. Asylum Seekers and Emmaus Cambridge**

Emmaus does not discriminate against any potential Companion. Asylum seekers may therefore become Companions. Indeed, one of the residents of Emmaus Cambridge at the time of the case study was an asylum seeker. The implication of this for the Community is that such Companions are not able to make a contribution to their accommodation costs via eligibility to Housing Benefit. Indeed, at the time of the research two Companions were ineligible for housing benefit. The fact that the Community is currently housing an asylum seeker means that there is a saving for the Government per se, although there are some tenuous issues linked to this. In the first instance, the Government will still have to bear the cost of the actual asylum application, as well as any relevant monitoring costs. Nevertheless, a saving can be worked out.

Information gained from the Immigration and Nationality Directorate (2003) shows that an asylum seeker, aged over 25, is entitled to a £37.77 weekly allowance, provided he or she would otherwise be destitute.

Accommodation is provided on a 'no choice' basis and housing benefit is not paid in the usual way. Housing providers are selected by NASS (National Asylum Support Service). NASS aims for a mix of local authority, housing association and private accommodation. The mix in any given area depends upon the success of negotiations with individual providers in both. Given this factor, it can be expected that costs to Government of housing an asylum seeker would be similar to an unemployed person, but that the weekly allowance would be paid instead of Job Seekers Allowance. Therefore, the weekly saving will be £37.77 + £55.83 (estimated housing cost) = £93.60. **This equates to a saving of £93.60 x 52 = £4,867.20 per annum.**

## 8.5. Savings to the Justice System

Many Companions had broken the law prior to living in the Emmaus Cambridge Community. The Emmaus Cambridge Community Leader estimated that approximately 85 percent of Emmaus Cambridge Companions have been convicted of offences in the past, some of which have resulted in detention in a secure facility. This equates to approximately 20 out of 23 Companions. Whilst Companions were not questioned about offending histories, a number of Companions voluntarily stated that they had a criminal history, but that they were now staying out of trouble. It was estimated by the Emmaus Cambridge Community Leader that an average of seven Companions had been previously detained in a prison for criminal offences.

Home Office statistics (2003) state that 58 percent of former prisoners re-offend within two years. Of the seven Companions at Emmaus Cambridge that had a prison record, this would equate to approximately four re-offending. However, Companions staying at Emmaus Cambridge rarely re-offend, if at all.

The above information allows for an estimate of the saving to the justice system. Four Emmaus Companions could be expected to re-offend, but it is highly likely that those four Companions will not re-offend as a result of being at Emmaus Cambridge. Home Office Statistics (2003) note that a re-offending ex-prisoner will cost the criminal justice system an average of £65,000 per annum. Therefore, based upon Home Office Statistics, it can be considered that Emmaus Cambridge saves the criminal justice system an estimated £260,000 (4 x £65,000). The average length of stay for a Companion within the Emmaus Community is one year. Therefore, **the average annual saving to the criminal justice system equates to approximately £260,000.**

## 8.6. Emmaus Cambridge and Recycling

Emmaus Cambridge earns the majority of its income from recycling other people's junk. Although other activities, such as the coffee shop and flat-pack furniture assembly, make up an element of income, it is re-sale that forms the greatest source of income. Whilst it may be taken for granted that the effective recycling of waste products is generating money from relatively little input, the wider benefits are often not taken into account. Therefore, this section considers the benefit of Emmaus Cambridge's recycling activities *in addition* to income generated by the actual re-sale itself.

It cannot be automatically assumed that all the junk that is recycled/re-sold at Emmaus Cambridge would just be otherwise dumped (as it might be given to other charities, such as Oxfam). In addition, some of the junk Emmaus Cambridge takes in is not useable and whilst a proportion of this is recycled, some of it has to be disposed of. This may have been a concern, but the cost of rubbish disposal is included in the Emmaus business costs. Further, the majority of goods at Emmaus Cambridge are collected by the Community, so would not have automatically been taken to another charity. The conclusion for this section is therefore that all those goods collected by Emmaus Cambridge should be considered recycled and those delivered by other people should not be counted as recycled to allow for disposal costs of unsuitable

merchandise and the fact that they might have been re-sold by another charitable organisation.

Whilst South Cambridgeshire District Council collects refuse on behalf of the County Council, the County Council is the body responsible for the disposal of rubbish. For the financial year 2002/03 Cambridgeshire County Council treated a total of 265,000 tonnes of refuse. Twenty five percent of this waste was recycled, but even with this in mind, the total cost of dealing with all the 265,000 tonnes was £10.7 million. This equates to a cost of £40.38 to deal with each tonne of rubbish.

Emmaus Cambridge does not have an exact figure for the tonnage of junk collected and re-sold. However, it is possible to generate an estimate. The van used to collect goods has a carrying capacity of 35 hundredweight. Given that it returns to the Community fully laden, twice a day, it can be estimated that Emmaus Cambridge deals with 3.556 metric tonnes of junk per day. (The van has a carrying capacity of 35cwt. Convert to pounds =  $35 \times 112 = 3,920$  lbs. Convert to KG =  $3920 \times 0.4536 = 1,778$ KG. 1,000KG in a metric tonne. Two trips per day = 3.556 tonnes per day.) This is an average of 17.78 tonnes per week, giving an average annual total of 925 tonnes of junk recycled at Emmaus Cambridge. Given that the County Council would otherwise have to dispose of this junk, **the saving is £37,351.50 per year** (£40.38 x 925).

## **8.7. Health and Death Savings**

Homeless people have a below-average life expectancy and can be expected to use accident and emergency facilities more often. A number of the Companions interviewed at Emmaus Cambridge had medical conditions and a number had experienced serious medical problems in the past. Research by Shelter has shown that homeless people use A&E facilities far more often than people with homes. Shelter's 1996 study of A&E usage highlighted that those people living in hostels used A&E facilities up to three times per annum. The average cost of A&E treatment is £55 per person per visit (NHS Reference Costs, 2000). Given that a number of Companions interviewed referred to past health problems (seven of the ten interviewed), it could be noted that 70 percent of Companions had past problems. That is approximately fifteen Companions who would have otherwise visited A&E facilities an average of three times per year if not staying at Emmaus. **This gives an A&E saving of £2,475 per annum.**

Three of the Companions interviewed noted that they would have been dead if they had not joined Emmaus Cambridge. This gives a figure of 30 percent, which equates to approximately six Companions who would have died as a result of being homeless outside of Emmaus Cambridge. It is impossible to place a value on life and attempting to do so would raise numerous ethical and factual difficulties. However, it is possible to place a cost on death. In the case of a homeless person with no family, the local authority meets the cost of death expenses. Death costs have been worked out following a discussion with a representative from Huntingdon District Council's legal department. Huntingdon's costs are comparable with the rest of Cambridgeshire. Only someone who is totally destitute gets their full death costs paid for. It should be noted that the costs are below those actually paid for by Emmaus Cambridge - they

take on the responsibility of Companion's funerals. Table 8.3. illustrates how the cost of a death is worked out:

**Table 8.3. The Cost of Death in Cambridgeshire**

<b>2 Death Certificates (Doctor) - £3.50x2=£7.00</b>
<b>Funeral* = £280</b>
Burial = £365 (plot) + £120 (gravedigger) = £485
Cremation = £365
<b>Total cost of death = £772 (burial) or £652 (cremation)</b>

\*Note: Funeral costs include Chapel of Rest, etc.

Burial will normally take place, except where the deceased had left specific instructions to the contrary, or where there may be disease implications (e.g. hepatitis). If it is assumed that approximately half of homeless people will be cremated and half buried, the average cost of death will be £712. Assuming six Companions would otherwise be dead, the saving to the local authority is £4,272. Judging by interview data, the average length of stay of a Companion is one year. Therefore, if it is assumed that six Companions who would otherwise have died as a result of being homeless are saved from this fate, per year, **the saving is £4,272 per annum.**

Drug and alcohol problems are prevalent in society in general. Home Office figures for 2002 noted that there were approximately 500,000 hard drug users in the UK. Based upon statistics provided by the Guardian the amount spent on drug treatment in 2002 was £19m. In 2002, 6,333 people were treated for drug addiction alone. This amounts to an average cost of £3,000 for an individual detox. Given that only 1,328 of those treated emerged drug free, the success rate was approximately one in five. Therefore, the actual cost of completely rehabilitating one person was £19m/1,328. This is a cost of £14,307 per person. Alcohol problems are even more widespread, but it is more difficult to quantify the cost of treatment. Three of those Companions interviewed, who voluntarily offered information about drug use, noted that they had had drug problems in the past and that the support available at Emmaus Cambridge had enabled them (or was supporting them) to become drug free. This represents approximately 30 percent of Companions, so out of a total of 23 Companions, it could be expected that seven would have had past drug problems. If it is assumed that these would otherwise have attended drug treatment programmes the cost could be estimated at £3,000 x 7, giving a **cost saving of £21,000.**

Issues over the cost of drug crime are clouded. Crime statistics (see earlier) include all crimes, but not specific drug crime itself (although crimes as a result of drug taking would be included). Quite simply, there is no way of costing drug crime accurately.

## **8.8. The Value of Skills Gained**

Emmaus Cambridge has a training budget, which it uses to provide training for Companions in issues such as health and safety. The total spend on training in the period November 2001 to October 2002 was £732.81. Whilst this has been

considered as an expense in the financial Emmaus Cambridge study in Chapter Seven, it should probably be considered an output, in terms of providing people with new skills. It is impossible to place a value on the skills themselves, but if the **cost of training was £732.81**, it could be expected that such a cost reflects investment and is therefore a positive output from the Community, for those homeless people benefiting, if not wider society.

**Many additional skills gained as a result of living within the Emmaus Cambridge Community were referred to by Companions. Whilst it is impossible to measure the real value of these, they included: cooking, removals, reading & writing, driving, mechanics, IT, artefact valuation, furniture renovation and assembly.**

## **8.9. Assisted Furniture Scheme**

Not only does Emmaus Cambridge provide financial support for homeless charities and other charities, it also often provides very cheap (or even free) furniture for people in need, who cannot afford to furnish their homes. There is not currently an estimate available of how many people have been helped in this way, so it is difficult to quantify in a cost-benefit study such as this, but the activity nevertheless needs to be taken into account. Research shows that tenants that get help to furnish new tenancies are more successful in the longer term.

Emmaus Cambridge provides support to many people who cannot afford to furnish their own dwellings. Paul Bain, the Emmaus Cambridge Community Leader, noted that this **amounted to approximately £2,500 of support per annum**, although this is not set out in the budget. It represents an ‘in-kind’ form of support for those in need.

## **8.10. Beneficial Output and Savings Arising from Emmaus Cambridge**

Whilst it is accepted that some homeless people who become Companions at Emmaus Cambridge may ultimately require greater support (for example, family searches, legal support, extensive health treatment), it should be stressed that these are costs resulting from a past lifestyle or they are costs that could be expected to be incurred by a person who does not have a history of homelessness. The fact that someone’s quality of life has improved as a result of living within the Community should be seen as balancing out any support costs to the wider system that are suddenly required. However, the savings to the system as a result of the existence of Emmaus Cambridge are multiple, affecting the individual Companion, other needy individuals helped by the Community, the local authority and national Government.

Table 8.4. sets out the wider benefits, particularly through savings to Government, accruing from the existence of Emmaus Cambridge of over £600,000. These are measured in money terms, and do not include the direct benefits to Companions or the immeasurable benefits to the wider community (also discussed in this chapter and Chapter Six).

It might be argued that there are offsetting costs. However, the only obvious implicit subsidy that Emmaus receives is that associated with the fact that the business enterprise is a charity and therefore pays a lower business rate than profit oriented organisations. Business rates were thus implicitly subsidised by the local authority/Government, on the basis that Emmaus is a charity. This subsidy was worth approximately 80 percent of the total payable under normal circumstances. Without this discount, the total business rates would be approximately  $(£4,295.83/20) \times 100 = £21,479.15$ . Thus the local authority/Government had foregone a potential additional income of £17,183.32 ( $£21,479.15 - £4,295.83$ ) because of the charitable status of the business. This would imply a net benefit of the community of £596,199. However as this discount is available to all charities it seems unreasonable to regard this as relevant to the assessment. In particular, were Emmaus not on that site it is unlikely that a profit-oriented business would be allowed to replace it.

**Table 8.4. Emmaus Cambridge: Measurable benefits to the wider community**

<b>Benefit/Saving</b>	<b>Measurable Value Per Annum (to nearest £)</b>
Discretionary giving	£37,354
Housing	£111,329
Supporting People	£131,500
Asylum Seeker Support	£4,867
Legal/Justice System	£260,000
Recycling of Waste	£37,352
A&E Healthcare Savings	£2,475
Drug Treatment Savings	£21,000
Death Costs	£4,272
Skills Training	£733
<b>Assisted Furniture Scheme</b>	<b>£2,500</b>
<b>Total</b>	<b>£613,382</b>

Table 8.4. suggests that Emmaus Cambridge is responsible for savings and benefits to society of £613,382 per annum – an output of around £26,652 per Companion. This does not include non-measurable items, such as changes to society’s view of homelessness and improvements in the quality of life of individuals involved with the Community. This figure represents a net output/saving. On this basis it is reasonable to argue that Emmaus has a far greater contribution to society than the ‘discretionary giving’ figures alone imply.

## **8.11. Summary**

- Full cost benefit analysis of the Emmaus Cambridge Community shows that the overall estimate is that Emmaus Cambridge is responsible for savings and benefits to society in the order of at least £613,000 – an output of around £26,652 per Companion. Most of this represents a direct saving to the Treasury and therefore the taxpayer.
- This illustrates the fact that Emmaus Communities clearly have the potential to provide both a unique and successful approach to homelessness of huge benefit to

their Companions and successful social enterprises of significant benefit to the wider communities in which they are located.

- There remain many immeasurable outputs of Emmaus Cambridge that were identified during the research that should be considered alongside the quantitative output in financial terms. These qualitative benefits include amongst other things, a generally expressed improvement in the quality of life of individuals and a positive impact on society's views of homeless people.

- While the economic evaluation cannot account for intangible benefits, it is clear that there are real benefits resulting from Emmaus Communities for the Government (national and local), the wider community, the homeless population and the environment.

# Chapter Nine

## Summary

This report represents a study and evaluation of an Emmaus Community as a social enterprise. The primary focus has been upon Emmaus Cambridge. As with other Emmaus Communities, Emmaus Cambridge provides accommodation, food and support to individuals who are homeless and/or socially excluded. Emmaus Cambridge is one Community out of eleven operating in the United Kingdom. All of these Communities are part of an international Emmaus Movement and are also part of Emmaus UK (the national Emmaus Federation). Emmaus has been shown to be a distinctive homeless organisation for a number of reasons. However, there are three features, in particular, which highlight its distinctiveness. These are: the emphasis upon a work ethic for Companions who live within an Emmaus Community; a commitment to Solidarity with others in need, most clearly exemplified by the fact that the Communities share any surplus income with others that have less; and an approach where Companions have the opportunity to remain within any Community for their entire lives, if they so wish – hence Emmaus is often seen as a way of life.

Since its inception in 1949 Emmaus has grown into a huge international federation, working to combat social exclusion. It has done this in a wider culture where the understanding around homelessness and social exclusion was not developed and many approaches to dealing with individuals were sporadic and generally patronising. Interestingly, without appearing to recognise the similarities in approach, the Emmaus model has developed at the same time as the therapeutic community model of support.

In the United Kingdom over the last decade, since the start of Emmaus in the UK, there has been an increasing awareness of social exclusion issues. Homelessness has now become a key Government priority. The level of priority now given to homelessness in policy and practice is both illustrated and backed up with recent legislation enshrined in the Homelessness Act 2002. Concurrently there has been a wider understanding of the complex needs of individuals who experience homelessness. This in turn has led to a wide belief in the importance of multi-agency working in order to meet the complex needs of such individuals. At the same time, the growth of Emmaus worldwide and more specifically in the UK over the last eleven years appears to have occurred independently from much of the other work in and around the area of social exclusion, homelessness, peer support models and therapeutic communities. This is particularly interesting given the apparent crossover between the concepts.

In examining the Emmaus movement as a social enterprise and homelessness initiative this research report has had four key aims. These were to evaluate the economic worth of Emmaus Cambridge's outputs and outcomes; to assist the East of England Development Agency (EEDA) in its aim to map and evaluate social enterprise in the Eastern Region; to produce a framework for the economic evaluation of other Emmaus Communities; and to contribute to the policy making process.

An important issue to note is that the Emmaus ethos is not that of mainstream homeless provision and therefore the success or failure of any single Community is

difficult to fully evaluate. This research report has shown that Emmaus Communities appear to fit more appropriately into the model of social enterprise than the model of a homelessness project. However, they clearly have an impact on both housing and more general concerns. For this reason it has been necessary to consider Emmaus Communities as both social enterprises and housing providers – from a theoretical and practical perspective.

From the definitions explored in Chapter Four, it can be argued that Emmaus Communities are a form of social enterprise. In the first instance their aims and objectives are based around charitable principles – specifically helping the homeless through sale of donated goods and a work-accommodation support ethic. They also help people to set up homes (specifically those in greatest need), by the provision of cheap or free furnishings. From a business perspective Emmaus Communities aim to generate an income from the work of those people they are supporting – specifically formerly homeless people who become Companions. Emmaus Communities also meet the three characteristics for social enterprise set out by LSET (2002). Firstly, Emmaus Communities are reliant upon an enterprise oriented approach, be it based upon the recycling of unwanted goods, the construction of new goods, farming or other services. Secondly, Emmaus Communities can be seen to have specific social aims, including support for the homeless and others experiencing poverty or social exclusion. Thirdly Emmaus Communities are very much autonomous organisations within an overall Federation – meaning that they are governed by Trustees, dedicated staff and Companions.

To attain a broad view of Emmaus, in addition to Emmaus Cambridge, a further two Communities were visited within the East of England Region. These were Emmaus Village Carlton (Bedford) and Emmaus St. Albans. Whilst Emmaus Cambridge has many long-term Companions that have remained at the Community for several years (lending it an extremely stable and sustainable atmosphere), Emmaus Carlton and St. Albans, being relatively recent Communities, do not have any long term Companions as yet, although there are some in each Community that have been there for longer periods than others.

## **Emmaus Cambridge**

A key aim of this report has been to consider the Emmaus Cambridge Community in detail. To this end Chapter Six summarises the detailed qualitative study of Emmaus Cambridge. The many ways in which Emmaus Cambridge operates, its impact on Companions and staff and the way in which it sits within the wider homelessness organisation network in Cambridge have thus been examined. It was found that there are many direct benefits to Companions and that these include increasing self confidence, opportunities for training, increasing practical skills, access to education, social and financial support and advocacy. There are health benefits with improved general health, access to detox facilities, with evidence of improved chances of successful detoxing. There are Criminal Justice savings in that the supportive environment may help in reducing recidivism. Also identified was the space created to allow individuals to develop personally, to have respite from difficult lifestyles, whilst at the same time remain in an environment with strict boundaries. The Community was also identified as having benefits for other agencies and the public in the provision of cheap furniture and house clearance services, as well as additional

things such as van loan. Further, Emmaus Cambridge appears to work well with other organisations on a one to one basis. For example, Emmaus Cambridge has an especially deep and complex relationship with Jimmy's Night Shelter.

Whilst qualitative aspects of the Emmaus Cambridge study are important, purely in a descriptive sense, it has also been very important to attempt to value both the internal finances of the Community, as well as external impacts. Therefore, in the financial study of the Community itself, all potential costs and income streams have been considered. It has been shown that the Community generates a considerable annual surplus, resulting from its activities as a business (of over £100,000) if imputed costs of property and volunteers are not taken into account. The fact that Emmaus Cambridge is also able to provide good quality living and working conditions whilst still generating a healthy income is a major factor to take into account. The fact that the Community is successful when viewed as a stand-alone enterprise is important evidence in support of the Emmaus work ethos. However, this does not tell the full story and if the economic study had been left at this much of the value of Emmaus would have been discounted. The Community also needs to be judged on wider benefits. A significant proportion of surplus is used to support charitable work outside the Community (this exceeded £37,000 in the period 2001/02). An even larger element is used to ensure that the costs to society of homelessness are reduced.

Some aspects of the work of Emmaus Cambridge are clearly impossible to value. For example, whilst the changing perceptions of homelessness generated by Emmaus are very important they are extremely difficult to value. Therefore, whilst they have been highlighted as important in the study, no actual value has been given for them. At the same time it might be argued that some homeless people who become Companions at Emmaus Cambridge may ultimately require greater support (for example, family searches, legal support, extensive health treatment). However, it should be stressed that these are costs resulting from a past lifestyle or they are costs that could be expected to be incurred by a person who does not have a history of homelessness. The fact that someone's quality of life has improved as a result of living within the Community should be seen as balancing out any support costs to the wider system.

Of key importance to policy makers has been the findings relating to the savings to Government, as a result of the existence of Emmaus Cambridge. These savings are multiple, affecting the individual Companion, other needy individuals helped by the Community, the local authority and national Government. Chapter Eight suggests that the value of savings and investment/support in people resulting from the Emmaus Cambridge Community's activities exceeds £600,000.

## **Conclusion**

This study has considered a number of different issues in considerable depth. An early theoretical and policy focus upon social enterprise and homelessness set a background for the detailed study of the Emmaus Movement and three Communities that are all local to the East of England region, but all distinct in their own particular ways. The focal study upon Emmaus Cambridge also relied upon the social enterprise and homelessness background to provide an effective context within which to judge its performance. However, financial and cost-benefit analysis was fundamental to the final evaluation.

The study has found that the savings and benefits of having an Emmaus Community in Cambridge go beyond employment benefit and Supporting People funding streams. There are also considerable savings to the justice system (Emmaus keeps people out of trouble with the law), savings to the health service, skills benefits and savings in recycling activities. However, possibly the most important effect of Emmaus Cambridge is that it dramatically improves the quality of people's lives. Interviews with staff and Companions have highlighted the importance of Emmaus Cambridge for the individuals who live and work there. People referred to the fact that they had been able to benefit from coming off drugs and cutting back on or giving up alcohol altogether. Companions talked of having more dignity and feelings of making a positive contribution to society – as well as gaining new skills.

The Emmaus approach to homelessness clearly has a good deal of potential, based upon the research carried out. However, it needs to be stressed that the development of a successful Community is a long-term goal that in the shorter term requires both a massive amount of dedication and hard work from people motivated by the Emmaus ethos and significant financial support. Financial support, by way of investment is important initially when constructing the Community and also to support it in the first few years, before the core enterprise is profitable. Emmaus Communities cannot be established to provide a short-term solution or a quick-fix approach to tackling the issues of homelessness. Emmaus should be seen as a medium to long-term, practical approach, with substantial financial and social rewards.

## **Annex**

### **Policy and Strategic Projects Being Undertaken by EEDA in 2003**

For example, EEDA has supported an ESF equal funded partnership ‘Supporting the Social Economy in the East of England Region’ (SSEER), which is being led by Hertfordshire Business Link and aims to develop a robust business support framework, through collaboration with specialist social economy and mainstream business support agencies. The SSEER is also supporting and promoting social enterprise models and trading regionally and transnationally. EEDA has also enabled the East of England Mutual and Co-operative Council to develop a ten-year strategy for the sector, entitled ‘Partnerships for Change’ and has also made clear that other local initiatives (SRB-based) should support social enterprise where possible.

Other linked work is also being supported by EEDA, as part of this policy drive. EEDA have also invested in a number of strategic projects linked to those already discussed (EEDA, 2003), including, mapping of the social economy sector and a survey of 350 social enterprises to identify finance, training, recruitment and business support needs.

- The provision of a Project Manager to develop, promote and support co-operative and mutual businesses.
- Support for a major integrated business package in Southend.
- A partnership with the Judge Institute of Management Studies (University of Cambridge) to provide opportunities for regional and social enterprise managers to undertake postgraduate courses and provide a research capacity to underpin regional investment.
- Funding for the Cambridge Co-operative Development Agency to create a small loans fund for micro-enterprise start-up and feasibility work on a Social Enterprise Managed Workspace facility.
- Support for a web based directory of products and services offered by social enterprises in the region (‘Nearbuyou’).
- The establishment of a regional Social Economy Loan Fund capitalised through ethical share issue (East of England Community Capital).
- Support for women’s training and self-employment.
- The implementation of the Suffolk Regeneration Trust, a county-wide finance institution to provide support for excluded individuals, potential entrepreneurs and businesses.
- The provision of bursaries for social enterprise start-up and development. The aim of this is to create employment and enterprise in disadvantaged communities of place and interest.
- The assessment of the impact of Emmaus Cambridge (this project).
- Funding to support the creation of social enterprises and intermediate labour market projects for the homeless (via the ‘Aspire’ organisation).
- Helping develop a programme of support for regeneration partnerships to develop sustainable futures.

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