Emmaus in the UK: Building on Success
New research undertaken at Cambridge University has identified that Emmaus Communities have huge potential both in the context of homelessness services and social enterprise. They offer social and economic benefits. This is a summary of the research, which was based on a case study approach using economic evaluation methods in the context of policy and qualitative information. Full cost benefit analysis of the Emmaus Cambridge Community shows a total value to the wider community in the order of at least £613,000 per annum – an output of around £26,652 per Companion. Most of this represents a direct saving to the Treasury and therefore the tax payer.
• 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.

• 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.

• Emmaus Cambridge was the first Emmaus Community in the UK and is hailed as the ‘flagship’ Community because of its longevity, management consistency and financial independence. As such, it was the focus of the case study and economic evaluation. It provides 24 accommodation units linked to a recycling and furniture business and café. While the Emmaus ethos does not sit naturally within a strategic approach to multi-agency working, Emmaus provides services to other local homelessness organisations. Notably, it provides a suitable environment for some recovering drug and alcohol users that increases their chances of long-term success.

• The Community clearly provides a beneficial environment in which people can develop socially, in the sense of increased self-respect and worth and better health, amongst other things. A structured work environment and opportunities for training not only result in increased economic activity per se (Companions must sign off all benefits except Housing Benefit), but also in tangible marketable skills.

• 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 from its business activities. This was almost sufficient to meet the full costs of accommodating, sustaining and supporting its Companions. When other sources of income are included, of which the only indirect statutory source is Housing Benefit, the total overall Community surplus was actually £101,175 after Companion costs.

• Although Emmaus Cambridge benefits by owning its site outright, this may not be the case for every newly-formed Community. If costs for property rental and voluntary input are imputed, the Community still shows a profit of around £29,000. This indicates that once any new Emmaus Community is operating an effective enterprise, it has the potential to generate profits and at no extra cost to the Government in the long term.

• While an economic evaluation cannot account for intangible benefits such as improved quality of life, 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.
In line with its Universal Manifesto, the Emmaus Movement aims to alleviate poverty and homelessness through a network of self-financing Communities in which residents feel free and respected and where they meet their own needs and help each other. Three features stand out: the concept of work is essential - all individuals who join agree to give up all income related state benefits; the concept of Solidarity, ‘Serve those worse off than yourself before yourself. Serve the most needy first’; and, Emmaus is a way of life, not housing provision, so Companions have the option to remain in a Community for life.

In 2003, the Centre for Housing and Planning Research at the University of Cambridge was commissioned by Emmaus UK and the East of England Development Agency to undertake an economic evaluation of an Emmaus Community as a social enterprise. The evaluation was undertaken using a cost benefit analysis approach to a case study Community (Emmaus Cambridge), supplemented with information gathered during interviews with the Companions, staff and volunteers at the Community and the Emmaus UK Office and also further interviews with key voluntary and statutory agencies in the local area.

The overall objectives of the study were threefold: to evaluate the economic value of an Emmaus Community’s outputs and outcomes and social benefits; to develop a framework within which successful outcomes can be evaluated for stakeholders; and, to contribute to the development strategy for sustainable growth for Emmaus in the East of England and across the UK.

This is a summary of the full technical research report, ‘Emmaus UK: Building on Success’ by Roland Lovatt, Rebecca Foreman, Dawn Marshall and Christine Whitehead.

Background: The Emmaus Movement

The Emmaus Movement began in France in 1949 when Abbé Pierre welcomed individuals suffering from poverty and exclusion into his house, which was named Emmaus. By 1969, new groups had formed around the world and a Universal Manifesto was adopted. Then, in November 1971, ninety-five associations from twenty different countries and five continents met and founded Emmaus International. This operates as an international non-profit making and non-governmental organisation that acts as a means of liaison and mutual aid between its members worldwide. While Emmaus International aims to strengthen and protect the Emmaus identity and ensure members act in accordance with the Manifesto, each Community remains individual and independent.

The Emmaus Movement is now truly global with more than 400 Emmaus Communities in forty-four countries.

Emmaus in the UK

Emmaus came to the UK in 1990 when the first Group was established, opening the first Community in 1992 at a small farm north of Cambridge. By 2003, ten more Communities had been opened across the UK utilising a variety of redundant industrial, public and historical buildings, some of notable local historical heritage. They are located in Coventry (opened in 1993), Greenwich - London (opened in 1994), Dover (opened in 1995), Brighton (opened in 1997), Mossley - Manchester (opened in 1998), Gloucester (opened in 2001), St Albans (opened in 2001), Carlton - Bedford (opened in 2002), Bristol and Leeds (opened in 2003).

As the original Communities grew and developed, they moved from being registered as separate arms of one charity to become individual charitable organisations. However, at the time of this separation, they agreed to remain beholden to the same articles and...
memoranda, and so the Federation of Emmaus in the UK was founded. The Federation operates as a membership body representing all members of the Emmaus Movement in the UK. Emmaus UK, the executive arm of the Federation, was established in its own right in 1997. Registered as a charity and company limited by guarantee, it is governed by a Board of Trustees elected from and by the Federation’s members. Its roles and responsibilities mirror those of Emmaus International but within the UK context. It is largely concerned with facilitating the development of Communities as individual and autonomous self-supporting social enterprises within the Federal structure and in line with the principles of the Universal Manifesto. Importantly, it operates as the national voice of the Emmaus Movement in the UK.

The Movement includes two levels of members and other groups, reflecting the stage of development of constituent organisations.

- **Full Membership** is available for established Communities following one year of operation. They have full voting rights within the Federation.
- **The status of Affiliate Membership** is available for fledgling Communities. They include any established Group that has registered as an individual charity and as a company with Companies House and wishes to become part of the Federation and use the Emmaus name. This allows access to Emmaus UK as a supporting and fundraising vehicle and input into all meetings of the Federation but no voting rights.
- **Aspirant Groups** are not members of the Federation and cannot use the Emmaus name. Emmaus UK will nevertheless provide them with support and encouragement as they develop towards affiliate membership.

As shown in Figure 1, in addition to the eleven Communities, there are ten Affiliated Emmaus Groups found in Glasgow, York, Oxford, South Lambeth, Bolton, Colchester, Sheffield, Lancashire, Hampshire and Merseyside. In addition, there are a number of Aspirant Groups, including those in Birmingham, Norwich, Surrey and Halifax.

As such Emmaus has great potential to contribute to social inclusion across the country. As land in large areas of the country and independent funding have become increasingly difficult to secure since 1990, Emmaus UK’s supporting role (during the transition from Aspirant Group to Affiliated Group and then to Community) is also becoming increasingly important. Its decision to initiate this research to show the economic as well as the social investment value of an Emmaus Community reflects its role as an advocate for its membership.
Emmaus Communities clearly aim to benefit those individuals excluded from mainstream society for one reason or another (the socially excluded). In policy terms, social exclusion is 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" (Social Exclusion Unit, Preventing Social Exclusion. 2001). Homelessness is one dimension of social exclusion and the most common manifestation within the Emmaus client group. As a result, Emmaus Communities in the UK essentially provide a unique service and source of accommodation for homeless people.

Under current homelessness legislation, much of the statutory duty on local authorities to provide assistance means that only families and specific groups of or extremely needy individuals are eligible. Therefore, the gap in service provision for single homeless people is largely met via the voluntary sector. In addition, it is estimated that a large proportion of homelessness remains invisible because people do not engage with local authorities and therefore remain outside of Government statistics.

Changes in recent legislation have to an extent acknowledged this gap in assistance by requiring local authorities to maintain strategies for individuals who are not eligible for statutory intervention, as well as the prevention of homelessness. This follows the work of various Government bodies launched to address the growing problem of single homelessness during the nineties such as the Rough Sleepers Unit, Social Exclusion Unit and more recently, Homelessness Directorate. These bodies have been instrumental in reinforcing the argument that homelessness is more than a purely housing issue - merely providing a roof for someone to live under does not address the multiple support needs of most single homeless people. For example, the characteristics of rough sleepers reflect the key risk factors for individuals listed by the Social Exclusion Unit that include mental health problems, family conflict, a care background, educational disengagement and previous offending behaviour. Other major characteristics of the single homelessness population are the absence of an informal support network and substance abuse. Often these factors combine within single individuals to produce a complexity of needs that require more than one support solution. To merely provide accommodation to these individuals has been recognised as unsustainable without meeting the full range of their needs. The result has been a more strategic approach to multi-agency working at the local level. While this involves voluntary agencies working in formal partnership with authorities in return for a degree of security in funding, one of the biggest benefits of this strategic approach to service provision has been a more holistic approach to an individual's needs from a range of statutory agencies that in the past could often defer responsibility and so not meet needs. Supporting People, the new vehicle for funding support that aims to integrate support networks so that the individual and not the provider is the focus, should facilitate the new approach.

Traditionally, services provided for single homeless people have been in the form of short-term emergency night shelters and longer-term hostels. Recognition of the need for a variety of accommodation options and a strong element of support has resulted from the better understanding of the complex needs of single homeless people, the "revolving door syndrome", and the multiple-pathways through homelessness, in conjunction with a silting up of hostels and lack of "move-on" accommodation.

Emmaus Communities contribute to meeting the need for a diversity of accommodation options with support in a unique way. The "Start-Up Manual" for Groups provides a lot of guidance for those aiming to start up new

The Role of Emmaus Communities and Social Exclusion
Communities, particularly in the context of homeless services and multi-agency working. Core to this guidance is the statement that, ‘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’ (Emmaus UK, 2003).

It is difficult, however, to compare Emmaus Communities with mainstream accommodation models for homeless people - they are neither hostels nor supported housing in the traditional sense. This is because their success in the context of stabilising homelessness relies heavily on the fact that they operate as therapeutic communities - peer support and meaningful occupation are important characteristics (see profile of Emmaus Cambridge below). Research into peer support suggests that this model recognises that individuals with complex needs also have skills and strengths that can be developed in such a way as to provide mutual support for others in three distinct ways: friendship, social activities and practical assistance. Interestingly, the principles of Emmaus are almost identical to those synonymous to therapeutic communities (Haigh, 'Therapeutic Communities: past, present and future'. 1999). Although therapeutic community models traditionally utilise psychotherapy techniques and group work, meaningful occupation (which provides structure) is used by Emmaus instead but with the same results. It is interesting to note, however, that there is no formal recognition by Emmaus of the therapeutic communities approach in any of their own literature.

Another significant difference is that mainstream provision is viewed as temporary, the end objective being to create successful tenancies in the social or private housing system. In contrast, Emmaus offers a home in a Community indefinitely in return for an individual contributing to that Community via work. It is not a means to an end but an end in itself.

**Emmaus Cambridge** was the first Emmaus Community in the UK. Its longevity and consistency in management, combined with its financial self-sustainability means that Emmaus Cambridge is general hailed as the ‘flagship’ Community. A grant of £30,000 from the Abbé Pierre Foundation, together with trust fund and other donations, enabled a group of local people to purchase a disused farm and land for access at Landbeach, seven miles north of Cambridge.

**Life in the Community**
The Community started with two caravans and four people and today it has developed into a Community that has 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 visitors, including staff members from other Communities for training purposes. There is also a three-bedroom house for the Community leaders, a two-bedroom flat for the Deputy Leader, and a static caravan. Other facilities include a warehouse, coffee shop, large second hand furniture shop, woodworking workshop, chicken runs and gardens. At the time of the study, the development of a further six Companion bedrooms was underway.

In addition to three resident Community leaders, the Community also employs two full-time staff, two part-time staff and has one long-serving volunteer who works on one day each week.

The Community operates a first come, first served access policy. Occupancy rates are high and the Community is forced to turn away a significant number of applicants each week. The Community is dry - no alcohol or
drugs are allowed on site although Companions may visit public houses providing this does not impact on the Community. There is a small set of Community rules and although breach of some can result in a ban, this is time-limited and does not exclude individuals indefinitely in line with the Emmaus principle, 'never shut the door on anyone’.

Companions must work if able to and must sign off all benefits except Housing Benefit. Work within the Community is split into two categories, running the social enterprise and maintaining life in the Community.

The enterprise is important because it generates the surplus that supports the Community. It is based predominantly around the recycling of furniture and goods but includes a house clearance service, bric-a-brac sales, scrap metal recycling and a coffee shop. In addition to old and donated furniture, the Community assembles its own line of new component furniture that is sold in the store. Companions will undertake a variety of jobs within the enterprise: on the shop floor, in the warehouse, in the electrical workshop, woodwork, mechanics, scrap metal recycling and in the van (collecting and delivering items).

Similarly, everyone shares the work required to maintain the Community using a rota approach for cooking, kitchen portering and cleaning communal areas. Companions are responsible for their own rooms.

The Community also provides opportunities for after-work recreation including cinema and bowling outings. Every week, each Companion receives an allowance of £32. An extra £6 is put into a leaving fund that they receive when they leave. In addition to this, holiday allowances and travel expenses are provided to Companions along with scheduled holidays from the work routine. Emmaus Cambridge actively helps Companions to leave the Community during holidays via links with Bed & Breakfast hotels and other Emmaus Communities both in the UK and overseas.

Companions at Emmaus Cambridge

Based on interviews with ten of the current Companions and previous research undertaken on Emmaus (Randall and Brown, ‘New Lives: An independent evaluation of Emmaus Communities in the UK’. 2002), it is apparent that there is no stereotypical Companion. Individuals, male and female, are from all ages and socio-economic backgrounds with wide ranging skills and experiences. Each has a different path that has brought them to the Community and a variety of needs and problems. One generality that can be made is that the majority of Companions are white males, over 25 years of age and would all have support needs in mainstream society.

The vast majority of Companions are direct applicants. Only a few agencies working in the Cambridge area make referrals to the Community. Interviews with relevant statutory and voluntary agencies working with homeless people in the local area suggested that the nature of the Community means that the client group is filtered, resulting in an older and less chaotic client group than would be expected in terms of the general homelessness population. This is because they consider it to be suitable only for individuals that are willing to work and prepared to sign off benefits and these people tend to be older and have previously worked and/or lived in a similar structured environment such as the armed forces or prison. One agency also noted that the Community was suited to individuals that had lost something that is replaced by the Community, including a rediscovery of self. Similarly, the Community environment was viewed as attractive to those that have ‘bottomed out’ or form part of the more entrenched homeless population that is more needy and requires community support.

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.

Half of the ten Companions interviewed believed they would remain at Emmaus indefinitely. Almost a third expressed a definite desire to return to a more mainstream lifestyle at some point in the future. Because the Emmaus philosophy is based on that of a Community, the active move-on and resettlement objectives of homelessness policy and mainstream homeless provision is at odds with their approach. It should be noted, however, that while this sets the Community and Companions outside of the mainstream homelessness strategy and formal resettlement routes, the Community does and will actively assist any Companion that wishes to move on to independent accommodation.

Benefits of Emmaus Cambridge for Companions

Skills and work ethics

Most of the Companions interviewed felt that they had acquired new skills, both formally (with a certificated course) and informally since arriving in the Community. Two had taken a Health and Safety course, two had reclaimed driving licences and two had learned to drive, two had enhanced their computer skills, one had new mechanical experience and one was improving his literacy skills. New skills relating to the furniture trade were common. In addition to new skills, several Companions also stated that they had been able to improve and develop existing skills such as building and woodwork. Increased confidence as a result of signing off benefits was also identified as an advantage.

Both Companions, staff and local agencies considered the work ethic to be a particular benefit for Companions, not only because it provides 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 difficulties that accompany this for homeless people in mainstream employment, was considered a benefit.

Personal Development and Peer Support

Most of the benefits that Companions felt they had gained from life at the Community were focused on personal and interpersonal development. Most important was the support network provided by the Community as a whole, particularly peer support, to the extent that it was described as an ‘extended family’. A direct output of the model was identified as increased self-esteem, self-respect, confidence, interpersonal skills and friendship. The structure and stability of the Cambridge Community in particular was important to Companions in this context, particularly its independence from statutory funding and requirements.

Interestingly, other local agencies had identified the peer support model as a particular benefit of the Community in addition to the positive and calming impact of mixing older stable Companions with younger Companions, who are inclined to be more chaotic. Probation specifically stated that the supported model of accommodation offered by Emmaus could benefit their clients. This is important, as there is research evidence to show that appropriate accommodation for Probation clients seriously reduces the risk of re-offending.
Staff at the Community had also identified peer support and social development as an important benefit of Community life; ‘people learn to take responsibility not only for themselves but for others as well’. This outcome reflects the Emmaus principle of Solidarity.

Health

Improved physical and mental health, together with limited access to alcohol and the drug-free environment were all considered to be direct benefits by Companions. Further, four of the ten Companions interviewed offered the view that they believed they would be dead if they had not joined the Community.

As the Leadership Team contains a former qualified nurse, she maintains a close and positive relationship with the local Drug and Alcohol Service (D&A Service) and can supervise prescribed medications during detox. Notably, one Companion at any one time is likely to be at Emmaus as a result of direct referral. Around two clients a month are referred by the Homelessness D&A Service worker in Cambridge, although other clients may be referred there by other organisations. Indeed, the number of Companions that spoke of previous drug and alcohol misuse during the interviews was much greater.

For Companions undergoing detox, the supportive nature of the Community had other benefits – achieving a drug free life with greater success than in other forms of accommodation provision. One Companion had successfully ‘kicked’ a £200 a day heroin habit whilst staying at the Community. Indeed, the D&A Service was extremely positive about the success of Emmaus, ‘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’.

Benefits of Emmaus Cambridge for Staff

Employed and volunteer staff had developed and broadened their skills while at Emmaus. This includes business skills (customer relations, accounts and finance, computer and desktop publishing), social awareness, assertiveness, electrical skills and safety regulations. In addition, they have benefited from having a fulfilling occupation and, for some, the opportunity to travel to Communities in other countries. All four employees stated that the skills acquired at Emmaus are used outside of the Community and in some cases clearly benefit the local area (e.g. producing community newsletters and Church handbooks).

Emmaus and Multi-agency Working

Partnership and multi-agency working has taken on a new meaning to some extent as a result of the policy and statutory approach to providing services in recent years. The nature of the Emmaus model, the importance of independence, financial self-sustainability, its ‘open door’ policy and the fact that Emmaus offers a place for life means that it is often at odds with the statutory policies and strategies that define multi-agency working at the local level. For this reason, Emmaus Cambridge is not a formal partner to local statutory and voluntary sector multi-agency working. Even though not a formal partner, they do input into local homelessness strategies at the consultation stage.

This does not mean, however, that Emmaus Cambridge is not informally networking with other organisations. On a day-to-day basis, the Community, ‘approaches all organisations necessary to assist Companions’. Indeed, the Companions felt that they were able to access any support they required with the Community’s assistance. An important relationship is that between the D&A Service and Emmaus Cambridge. Voluntary sector homeless accommodation providers in the City do make referrals to Emmaus and felt that clients that had moved there had clearly benefited from the environment and approach. Amongst these, the Community maintains a ‘special’ relationship with the
There is a range of approaches to defining what has been termed the ‘Third Sector’, or social economy. Central to this is the nature of the organisations operating within that sector - the social enterprise. These are businesses that exist between the traditional private/business and public/government and charitable sectors.

The business element comes from the fact that social enterprises aim to be viable trading concerns. Profit is not the sole goal but it is important because it allows an organisation to operate independently and set its own aims and objectives. The government/charitable element comes from the fact that they promote social aims and ownership. This type of enterprise generally aims to give priority to clients, communities and employees who have been failed by the state and/or private sector. This is important, because it highlights the niche into which social enterprise fits in both social and economic terms. Essentially, they deliver social support services through market mechanisms - normally by selling services and products.

In line with this, three common characteristics are apparent in the wide range of descriptions and definitions of a social enterprise. This is the case even though definitions tend to be quite general because social enterprise is so diverse in format. The three defining features adopted for the research are:

- Enterprise Orientated - they aim to be viable trading concerns that produce a surplus;
- Social Aims - they have specific social aims that link to ethical values; and,
- Autonomous - they are autonomous organisations in social ownership.

All of these elements are included in the Government’s otherwise general definition provided by the DTI,

‘A social enterprise is a business with primarily social objectives whose surpluses are principally re-invested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners...’ (Department of Trade and Industry, ‘Social Enterprise: A Strategy for Success’. 2002. Pg.7).

Emmaus Communities, on the basis of their ethos, fit into the model of social enterprise. They are reliant on an enterprise-orientated approach. They have specific social aims, including the capacity building of individuals experiencing poverty, exclusion and homelessness. They are very much autonomous organisations governed by trustees, staff and Companions...

Emmaus in the UK: Building on Success

only night shelter in the City including an element of mutual moral and social support at managerial level. It is the source of around a quarter of Companions moving to the Community. They also have common Board Members. The City’s voluntary sector organisations also use other services provided by Emmaus - donated and purchased furniture and goods, house clearance and the use of a van owned by Emmaus. In line with the Solidarity principle of Emmaus, the Community contributes to the Night Shelter’s food budget and contributes goods for on-sale to a local young single homelessness project. Emmaus Cambridge also participates in a number of partnership initiatives in the City. For example:

- Joint founders of the Food Bank in collaboration with Jimmy’s Night Shelter. This collects and redistributes surplus food to low income and socially excluded households and individuals. It now exists as a charity in its own right and is financially self-sufficient via fundraising activities.
- Winter Soup runs (November - March). Emmaus Cambridge totally funds the soup runs, a service considered vital by both agencies and individuals in the City and a service outside of the statutory remit.
One aim of the evaluation of Emmaus Cambridge is to provide a baseline against which the value of other Communities and social enterprises can be measured. Decision-makers need to be able to estimate the likely costs and consequences of any particular activity in order to determine whether or not it should go ahead. They also need to be able to assess what level of resources should be involved. As such, economic evaluation is designed to help both decision-makers and funders make better decisions. There is a wide range of economic evaluation approaches available to stakeholders but not all of these were appropriate in the evaluation of Emmaus Cambridge.

The first issue with any evaluation relates to when it should be conducted. An evaluation can take place prior to, or following, the implementation of an initiative or project or at both times. In a preliminary evaluation, it is necessary to use predicted values for many of the outputs and outcomes of a project. In the case of post-implementation evaluation, actual costs and consequences can be assessed to determine if the results are as expected or whether resources were well invested and how the basis for future decisions can be improved.

Cost-benefit analysis was considered the most appropriate basis for this research because it provides a comprehensive and transparent evaluation methodology. Basically, cost-benefit analysis involves specifying and valuing all inputs, outputs and outcomes. Both costs and benefits are expressed in monetary terms and the difference measures the net benefit of the option. Simply put, where prices reflect both the value of resources used in their next best use (opportunity cost) 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, particularly in the context of the Emmaus evaluation and likely of most social enterprise projects, is that there are many factors such as improved quality of life, self-esteem and personal sacrifice, that are impossible to value in monetary terms. Whilst economic analysis can include some elements such as improved health by attributing values, other elements can only be identified – they remain outside of a quantitative economic evaluation. Nevertheless, these intangibles are often important inputs and outcomes of a social enterprise and must at least be identified as an additional qualitative layer to the evaluation.

A two-step, four-stage quantitative economic evaluation of Emmaus Cambridge was undertaken to identify its social investment value. The four levels are:

A. Purely Financial Evaluation
   1. Actual business income and costs
   2. Imputed business costs
   3. Accommodation, living and support costs versus total income

B. Benefits, Costs and Outcomes
   4. Full cost-benefit analysis of Emmaus Cambridge
Stage One: 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 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.

From business accounts for the period November 2001 to October 2002, actual trading income and expenditure has been identified. Trading income represents the money generated by Emmaus Cambridge’s trading activities only. Trading expenditure identifies only those goods and services purchased to operate the business element of the Community.

Table 1 shows Emmaus Cambridge’s trading income and expenditure separately and the actual surplus generated by its business activities. This does not include any imputed costs.

Stage Two: Considering Imputed Business Costs
Three significant costs required imputation to account for missing values in the business accounts relating to actual inputs and outputs - rental costs, volunteer staff costs and donations of trading consumables. The main report discusses why the opportunity cost of Companion employment (wages) is not relevant here.

Property Value and Rental Value: As Emmaus Cambridge owns all of its land and buildings outright, there is no direct cost associated with rental or mortgage payments in the business accounts. The estimated value of the site is £1.75m, and so a considerable amount of capital is tied up in this value that could be used in other ways. It is important to reflect this opportunity cost in the study, particularly as new Communities are unlikely to benefit from donated land and buildings.

An imputed rental cost was devised based on the next best use of the value - the interest that Emmaus would earn (and has therefore foregone) if the £1.75m were instead invested in a bank account at a rate of four percent - yielding £70,000 per annum.

As around only 30 percent of the site is used for business purposes, only 30 percent of the rental value is included as a business cost, the remaining 70 percent being a residential cost. Thus, the business property rental cost was estimated at £21,000.

Valuing Volunteer Input: Emmaus Cambridge has one regular volunteer working purely in relation to the trading activities of the Community - he works an average of one day per week (approximately eight hours) in the electrical testing section. An opportunity cost was calculated by assuming that the volunteer would be paid the minimum wage rate of £4.20 per hour. This equates to an input of £1,747.20 annually.

Donations of Trading Consumables: A further voluntary element relates to the donation of trading consumables by the Community - to the value of £641.65 over the year.

Table 2 shows that the overall economic surplus, taking account of premises, volunteers and donated goods was £23,388.85 lower than the actual business surplus.
Stage Three: Accommodation Costs and Other Income

A key element of the Emmaus ethos is to provide a home for those in need who are willing to contribute to a Community in return. This is also a key aspect of the benefit of Emmaus Communities as social enterprises. Although Emmaus Cambridge indirectly receives public funding because Companions pay an accommodation contribution where they are able to via eligibility for Housing Benefit, this is the extent of statutory input. All other costs are met directly from its other income sources, largely its business activities. Council tax and water rates for both Companion and staff accommodation is paid at the full rate.

Actual Companion Accommodation, Living and Support Costs

It should be noted that Emmaus Cambridge provides much more than a place to live and basic subsistence unlike mainstream accommodation solutions for homeless people. This means that the costs relating to Companion housing and provision include a wide range of more commonly private sector living expenses such as gifts, clothes, health, newspapers, books, training, travel and recreation. Another notable element is the value of ‘Companion administration costs’, which total around £67,396. This includes support staff salaries, motor expenses and, buildings and Companion insurance.

The actual costs of accommodating and supporting 23 Companions (while Emmaus Cambridge can accommodate 24 Companions, one room is always kept available for other uses) are calculated from 2001/02 accounts figures. The actual cost was £167,284.23 over the period.

Imputed Companion Property Rental Costs

The accommodation area of the Cambridge Community accounts for around 70 percent of the site. Using the same approach to imputing an opportunity cost as for business rental costs (see earlier), an annual property rent for the accommodation area is estimated at £49,000.

Actual and Imputed Accommodation, Living and Support Costs

Table 3 shows that when the imputed rental cost is added to the actual costs of providing accommodation and support to its Companions, the Community’s costs increase to £216,284.23.

Other Income and Total Income

Although trading activities are central to the Emmaus approach, most Communities including Emmaus Cambridge, receive income from other sources. Table 4 shows non-business income figures taken from the 2001/02 accounts.

Note: Financial donations have been excluded because they were raised and used for a specific capital project.

It should be noted that National Lottery income is specific to pay for one (additional) member of staff for a three-year period and so is not a long-term source of revenue income.

Companion accommodation contributions account for £80,256 of ‘other income’. This represents the actual total sum of money received over the accounting period but it...
should be noted that as the source of the contribution for most Companions is their Housing Benefit payments, year-to-year the overall value may fluctuate. For example, at the time of the study only 21 of the 23 Companions were eligible.

**Emmaus Cambridge: balance of total costs and expenses**

Table 4 shows that the majority of Emmaus Cambridge’s income results directly from the trading activities of the enterprise. Notably, even if the Community had not received Companions contributions to accommodation costs (the closest source of income to statutory funding), it was able to meet its actual trading and accommodation costs. The Community is financially independent but not necessarily secure without this small element of indirect statutory income.

<table>
<thead>
<tr>
<th>Table 5</th>
<th>Emmaus Cambridge 2001/02: Actual and Imputed Total Community Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>£268,458.75</td>
</tr>
<tr>
<td>Accommodation Costs</td>
<td>£167,284.23</td>
</tr>
<tr>
<td>Community Surplus</td>
<td>£101,174.52</td>
</tr>
</tbody>
</table>

Table 5 shows that Emmaus Cambridge actually generated a substantial surplus over the year of just over one hundred thousand pounds. Even based on pessimistic imputed values, the Community made a real cash output.

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 work ethos and its social enterprise status. However, the purely financial approach to this stage of the evaluation means that much of the value of the wide range of outputs and benefits of Emmaus Cambridge has not yet been considered.

**Stage Four: Benefits, Costs and Outputs**

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. The £101,174 surplus represents only a fraction of its total output.

A wide range of outputs was measured and imputed values applied to continue the quantitative economic evaluation. They result from the following list of Emmaus outputs identified during the evaluation:

- Business accounts for the period show that the Community uses more than a third of its surplus to support charitable work in the local community.
- It provides very cheap and even free furniture for people in need, a social investment encouraging more sustainable new tenancies.
- The Community’s existence results in real savings to the Treasury on housing, income, support and subsistence costs, as Emmaus offers a cost effective alternative to individual private tenancy or hostel accommodation solutions.
- It provides real savings to the Treasury in the costs of accommodating and supporting asylum seekers.
- It provides real savings to the Treasury as a result of the improved health of Companions and the drug and alcohol treatment provided.
- It provides real savings to the Treasury in public order and legal costs resulting from less risky behaviour and reduced recidivism.
- Because the Community currently accommodates Companions that feel they would otherwise be dead and it is impossible to value life, instead we can state that it provides a saving to local government on death costs.
Its recycling activities prevent around 925 tonnes of waste per year being dumped at landfill sites and in turn provide a direct saving to the County Council in disposal costs.

It provides social investment value by increasing the skills of its Companions and staff, both life skills and marketable skills.

Table 6 summarises the imputed values attributed to Emmaus Cambridge’s wider outputs and benefits. The beneficiaries include actual Companions, other local needy individuals, the local authority, the County Council, and the Treasury. The table shows that the overall estimate is that Emmaus Cambridge is responsible for savings and benefits to society of £613,382 per annum. This is a net output/saving and it is clear that Emmaus has a far more considerable impact than its real ‘discretional giving’ figures suggest. Indeed, the imputed values represent a conservative approach.

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.

The Emmaus Cambridge case study clearly illustrates the fact that Emmaus Communities have the potential to provide a unique and successful approach to homelessness which is of huge benefit to their Companions. They also represent successful social enterprises of significant benefit to the wider local communities in which they are located. As such, the Emmaus approach to homelessness clearly has the potential to enhance current accommodation provision and increase economic activity in suitable areas. In addition, in the longer term they have the potential reduce the costs of homelessness and to generate real savings to the taxpayer. However, Emmaus Communities cannot be established to provide a quick-fix approach to tackling the issue of homelessness. 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 business is profitable. Emmaus should be seen as a medium to long term, practical approach, with substantial financial and social rewards.

### Table 6. Emmaus Cambridge: Measurable benefits to the wider community

<table>
<thead>
<tr>
<th>Benefit/Saving</th>
<th>Imputed Value Per Annum (to nearest £)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Support: Discretional giving by Emmaus Cambridge</td>
<td>37,354</td>
</tr>
<tr>
<td>Assisted Furniture Scheme (goods donated to households)</td>
<td>2,500</td>
</tr>
<tr>
<td>Housing and subsistence savings (housing and income benefits)</td>
<td>111,329</td>
</tr>
<tr>
<td>Supporting People savings</td>
<td>131,500</td>
</tr>
<tr>
<td>Asylum Seeker Support/ NASS savings</td>
<td>4,867</td>
</tr>
<tr>
<td>Drug treatment savings</td>
<td>21,000</td>
</tr>
<tr>
<td>Legal/ Justice System savings</td>
<td>260,000</td>
</tr>
<tr>
<td>A&amp;E healthcare savings</td>
<td>2,475</td>
</tr>
<tr>
<td>Death cost savings</td>
<td>4,272</td>
</tr>
<tr>
<td>Recycling of waste savings</td>
<td>37,352</td>
</tr>
<tr>
<td>Skills training savings</td>
<td>733</td>
</tr>
<tr>
<td>Total Benefit/Saving</td>
<td>£613,382</td>
</tr>
</tbody>
</table>

Note: Discretionary giving figures are actual for the accounting period 2001/02.
The full technical research report, ‘Emmaus UK: Building on Success’ by R Lovatt, R Foreman, D Marshall and C Whitehead is included in the Centre for Housing and Planning Research’s Discussion Paper Series, available from: Publications Secretary, Department of Land Economy, 19 Silver Street, Cambridge CB3 9EP. You can also download the full report at www.emmaus.org.uk

This report is supported by

Emmaus receives support from the