

Cambridge Centre
for Housing &
Planning Research

Emmaus: Sharing in Success
An economic evaluation of Emmaus
Village Carlton

Final Report

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Chapter 1: Introduction

In 2007, 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 Emmaus Village Carlton as a social enterprise. This research builds upon a previous evaluation of Emmaus Cambridge, carried out by CCHPR in 2003 (Lovatt *et al.* 2004).

This report summarises the context and findings of an investigation into the costs and benefits of running a social enterprise as part of a unique organisation working with homeless people, concentrating specifically on the Emmaus Village Carlton 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 sets out the methodology adopted. Finally, it provides a summary of the structure of the report and its constituent chapters.

1.1 Background: The Emmaus Movement

Emmaus is an international movement with more than three hundred self supporting projects in 36 countries. The Emmaus Movement aims to alleviate poverty and homelessness by helping those most in need. Whilst there is a wide variety of Emmaus projects, the core model is one of self-financing Communities within which residents (known as Companions) live and work together thereby regaining their self-respect through supporting themselves and working to help others.

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

- 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**'. In the UK some of the ways in which Communities show Solidarity are by sharing their surplus with others that have less and by offering household goods at a discount or free to low income households and by supporting other local community projects.
- Emmaus Companions, unlike other residents of homeless organisations, can remain in an Emmaus Community for as long as they need. The Emmaus principle is not housing provision but a way of life in itself. Companions are not 'pushed' to move on as quickly as possible, but rather are given time to sort out their lives first and move on only when they feel that they are ready and have been prepared to do that.

1.1.1 The Beginning

The Emmaus Movement began in France in 1949 when its founder Abbé Pierre, a Catholic Priest, opened up his home to some of the many homeless and dispossessed people on the streets of Paris after the end of the Second World War. He named his house Emmaus, after the account in the Bible when two disciples were given renewed hope after they met the resurrected Christ on the road to Emmaus. In order to support themselves these first 'Companions' became 'rag pickers' collecting things that people no longer wanted and selling them on. So began the tradition of re-use and recycling which is still the main activity for many Emmaus Communities today. The movement spread, first within France and then across Europe and to other parts of the world. In 1969, the Emmaus Universal Manifesto was adopted in the first international meeting of Emmaus in Switzerland. This was followed by the formation of Emmaus International two years later.

1.1.2 Emmaus International

Emmaus International is an international non-profit making, non-governmental and non-religious 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 Emmaus Universal Manifesto.

1.1.3 Emmaus in the United Kingdom

The first Emmaus Community in the United Kingdom opened near Cambridge in 1992 and there are now 15 Communities throughout the country (see Chapter Two). In addition the UK Federation has 12 affiliate members: Emmaus Groups working to establish new Communities.

The Emmaus Movement in the UK has a federated structure, which means that while each Community and Group is legally independent with its own charity registration number, it is also a member of the UK Emmaus Federation. Emmaus Cambridge chose to leave the Emmaus UK Federation in 2006 but remains a part of the international Emmaus Movement.

The Emmaus Federation Office is the administrative arm of the Federation, providing support and advice to existing Emmaus Communities, Groups working to establish new Communities and people expressing an interest in establishing new Emmaus projects in the UK.

1.2 The Research: Aims and Objectives

The 2004 evaluation of the Emmaus Cambridge Community set out to assist EEDA in its own strategic aim to map and evaluate social enterprise in the East of England. It used Emmaus Cambridge as a case study, 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.

This evaluation of Emmaus Village Carlton draws upon and further develops the framework for the economic evaluation developed previously. The overall fundamental aims and objectives of the project were four-fold:

1. To update the evaluation methodology and evidence on the success of the Emmaus approach.
2. To apply this methodology to Emmaus Village Carlton.
3. To identify the lessons to be learned more broadly in the content of the rapid expansion of the Emmaus model.
4. To contribute to the policy agenda on Social Enterprise.

1.3 The Research Methodology

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 section explains why a cost-benefit approach was selected for the purposes of this study, and how this approach was applied on the Emmaus Village Carlton case-study. It then moves on to provide an overview of the research process.

1.3.1 Methods of Economic Evaluation: Cost-benefit analysis

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 Village Carlton study represents a post-implementation evaluation.

Stockdale *et al.* (1999: 9-10) describe a range of possible approaches to carrying out such assessments. These, and their relevance to an evaluation project of this type, are discussed in Lovatt *et al.* (2004). Cost-benefit analysis (CBA), which was chosen as the most suitable tool for this type of research project, 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.

Even the most basic identification of inputs, outputs and objectives can help to clarify the exact nature of an initiative and the extent to which the expected results are achieved from a planned use of resources. Unlike many other evaluation approaches, CBA enables one to take into account a number of both inputs and outputs, providing

a comprehensive and transparent evaluation. The downside, however, is that outputs and outcomes are often difficult to measure, let alone value. In the case of Emmaus, where the input consists of various attributes of volunteers and employees, some of the inputs may be equally difficult to measure.

1.3.2. 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. Although identifying outputs and wider outcomes is highly problematic, it provides valuable information to assess the principles involved. Where activities are very dissimilar in their outputs the problem of measurement is likely to be even greater and 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 (Stockdale *et al.* 1999).

In the context of the Emmaus evaluation this was a real concern, and there was a need to deal with issues such as delineating the target activity, identifying all the inputs and outputs of the scheme, and valuing such inputs and outputs. 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 quality of life are impossible to value monetarily, and the non-quantifiable costs and benefits must therefore be assessed separately.

1.3.3 Cost-benefit analysis of Emmaus Carlton

Cost-benefit analysis of Emmaus Village Carlton examined the initiative 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. This element 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, 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.
- iv. An evaluation of the 'soft' (non-quantifiable) outcomes, such as improved quality of life, the value of which is difficult or impossible to determine but fundamental to the overall cost-benefit evaluation of an Emmaus community.

This involved examination of the Community on the basis of the input costs relative to the benefits generated. In order to provide a sufficiently comprehensive economic evaluation of the Emmaus Village Carlton Community, this research employed a combination of qualitative and quantitative methods. The end product is a four-level economic evaluation of an Emmaus Community, which seeks to identify the Community's social investment value.

The four 'tranches' of evaluation, reflected in the structure of this report, are:

i. Trading revenue and costs:

The first tranche of the evaluation focused on the internal financing of the business aspect of the Community. Community accounts data were 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 Village Carlton, 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 purpose 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. This analysis that forms tranche three of the evaluation was based on actual accounts data with the addition of imputed values.

iv. Simple cost/ benefit analysis of Emmaus Village Carlton:

The fourth tranche of the economic evaluation is represented by a simple cost/benefit analysis of the Community. This takes income and expenditure into account, but also considers private sector economies 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. This includes analysis of the following:

- Cost/benefit to individual participants.
- Cost/benefit to wider community.
- Cost/benefit to the environment.
- Cost/benefit (or value for money) to the Exchequer.

The economic analysis was informed and contextualised by background information acquired via a range of research approaches which included:

1. A review of literature on economic evaluation techniques, the social enterprise agenda and joined up approaches to supporting vulnerable individuals.
2. The case study: Emmaus Village Carlton. The case study included:
 - a) Twenty-three semi structured interviews, which were all carried out between January and April 2008. This included interviews with eleven current Companions, three members of staff, four volunteers, and one trustee¹. All but one of the Companion interviews were recorded and transcribed.
 - b) Interviews with four local voluntary and statutory agencies working with homeless people, including those that refer to or work closely with Emmaus.
 - c) Analysis of financial records and other documentation relating to Emmaus Village Carlton and the Emmaus UK Federation.
3. Qualitative data, derived from the stakeholder and Companion interviews, was utilised to identify outputs and benefits generally, and to determine the intangibles that do not have a value in £s. Although some of these outcomes, such as improved self worth, cannot be included in the quantitative economic analysis, they are important to the overall evaluation. Most notably, the interviews with Companions and staff members were used to establish what the Companions had been doing before coming to Emmaus and where they thought they would be if Emmaus did not exist, in order to calculate the costs / benefits of accommodating them at Emmaus Village Carlton. This data was brought together for analysis in order to determine:
 - Cost/benefit to individual participants.
 - Cost/benefit to wider community.
 - Cost/benefit to environment.
 - Cost/benefit to Exchequer.

1.4 The Structure of the Report

The evolution and status of the Emmaus Movement in the UK is introduced in **Chapter Two**. This chapter discusses the role of Emmaus both as a homeless project and as a social enterprise.

¹ The selection of Companions for interview was done largely on the basis of who was around on the site on the days when researchers were present, and was thus largely random. The sample included a mixture of long and short stayers and a mix of ages.

Chapter Three provides a profile of Emmaus Village Carlton, based largely on the results of interviews with its staff and Companions.

Chapter Four gives detailed 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 qualitative interviews with Companions, Emmaus staff members, volunteers and other stakeholders - are discussed in **Chapter Five**. The qualitative data is brought together with the quantitative outcomes from Chapter Four to provide a total evaluation of the Emmaus Village Carlton Community.

Chapter Six summarises the findings of the research, brings it together with the 2003 evaluation of Emmaus Cambridge and discusses the overall implications for Emmaus in the UK.

Chapter 2: The Emmaus Movement in context

The Emmaus Movement in the UK started in 1990 and has grown into a national network of Communities and Groups over the 18 years since. Emmaus in the UK has a federated structure comprising full members (established Communities) and affiliate members (newly-formed Communities, and Groups).

The previous evaluation of the Emmaus Cambridge Community described in detail the existing Communities and Groups in the UK and how the Federation operates through the Emmaus UK Federation Board and Office. It also gave an account of the three Communities operating in the East of England at the time of the research, including Emmaus Village Carlton.

This chapter pulls out the key issues from the previous evaluation and updates them in the context of 2008. It discusses briefly the role of Emmaus as both an agency addressing homelessness and social exclusion, and as a social enterprise.

2.1 Emmaus in the UK

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 forming this Community came from a Group of local people concerned about the large numbers of homeless people in and around Cambridge. 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.

2.2 Emmaus in 2008

Since the 2003 Evaluation of Emmaus Cambridge the core focus of the Emmaus Movement has remained unchanged, as has the overall structure of the organisation. The Movement has expanded in the UK however, as four new Communities have formed at Glasgow, Bolton, South Lambeth and Sheffield. The total number of Communities has therefore increased from 11 to 15. This expansion looks set to continue as several of the affiliated Groups are in the advanced stages of forming Communities, with plans to start taking Companions within the next twelve months. In addition several existing Communities, including Emmaus Village Carlton, have extended their business activities and increased their number of bedspaces. Whilst Emmaus Cambridge is no longer a member of the Emmaus UK Federation, it remains affiliated to Emmaus International and continues to operate along similar lines and principles.

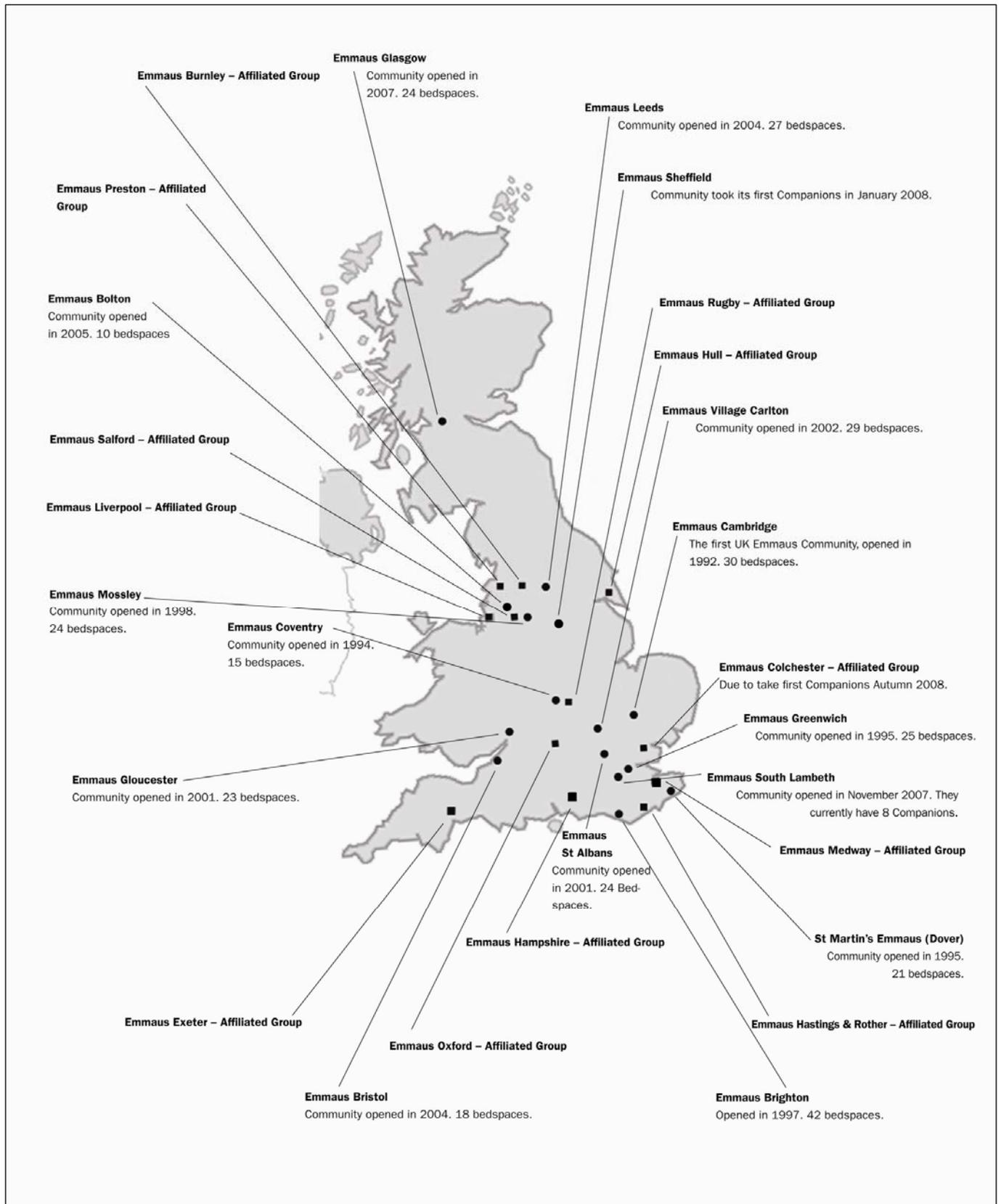
Today, Emmaus in the UK has a federated structure comprising full members (Emmaus Communities) and affiliate members (Emmaus Groups). The result is a wider Emmaus Movement at ground level than the number of operating Communities indicates.

The Emmaus Federation 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 Communities to develop autonomously whilst at the same time being part of the Federation and subscribing to the Emmaus philosophy, ethos and principles. Each Community therefore feels very distinctive and operates slightly differently from the others in the overall Emmaus Federation.

Map 2.1: The Location of Emmaus Communities and Groups in the UK (2008)



At the time of writing in 2008, there are 15 Emmaus Communities in the UK utilising a variety of redundant industrial, public and historical buildings, some of notable

historical heritage². In addition, there are 12 ‘Affiliated Groups’ at different stages of development that are affiliated but not yet full members of the Emmaus Federation, and 9 ‘Emerging Groups’ at an earlier stage.

The Eastern Region has three Emmaus Communities, in Cambridge, St Albans and Carlton in Bedfordshire. It also has an affiliated Group at Colchester and three emerging Groups at Norwich, Ipswich and Peterborough. The Emmaus Colchester Group is in the final stages of forming a new Community and is likely to start taking Companions later in 2008.

Although the Communities are operating under the same Emmaus ethos and therefore have fundamentally the same aims and objectives, they do differ in many respects. The following table summarises a number of aspects of the Emmaus Communities (as of the end of 2006).

Table 2.1: Community Data (2006)³

Community	Capacity	Business/Trading income (inc rental income)	Number of (ft) staff	Average volunteer hours per week
Bolton	11	£29,983	1.5	70
Brighton & Hove	40	£397,527	10	37
Bristol	18	£106,559	8.2	10
Coventry	16	£101,728	2	3
Glasgow	24	£56,400	5	12
Gloucestershire	16	£295,052	10	86
Greenwich	31	£87,734	6	20
Leeds	24	£105,624	6.5	16
Mossley	20	£200,208	4.9	90
St Albans	24	£177,765	5.1	18
Village Carlton	29	£250,719⁴	6.2	150
<i>Average</i>	<i>23</i>	<i>£170,356</i>	<i>5.9</i>	<i>47</i>

There is also variation in the types of trading activity undertaken, though reselling second-hand goods forms a major part of most Communities’ activities.

2.1.1 Income

Emmaus Communities receive income from a variety of sources. Income from trading and business activities represents the largest single component for most established

² This includes Emmaus Coventry & Warwickshire which is temporarily closed, but soon to re-open.

³ There are only 11 Communities in this table because no data was available for St Martins’ Emmaus (Dover) and Emmaus Cambridge. Emmaus South Lambeth and Emmaus Sheffield both opened in 2007.

⁴ The Trading income figure presented here, and the trading income figure used for calculations in Chapter 4 are different, because Emmaus Village Carlton accounts used for calculations in Chapter 4 are for the period from the 1st July 2006 - 30th June 2007, rather than 1st January 2006 - 31st December 2006 that is presented here for comparative purposes.

Communities, though Emmaus Communities generally receive 'accommodation contributions' from Companions that are able to contribute. Housing Benefit eligibility largely enables Companions to make these payments. Most are also in receipt of Supporting People funding. As more Communities reach financial independence, it is expected that they will stop 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. In addition there are start-up costs which are generally met by fundraising activities.

2.3 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. The background to current work in the fields of homelessness and social exclusion was therefore discussed in the previous evaluation of the Cambridge Emmaus Community in order to establish where the Emmaus model sits in relation to these issues (Lovatt *et al.* 2004).

The study concluded that 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 encompasses 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 the UK within a culture where understanding of homelessness and social exclusion was initially 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 and support for homeless people. They effectively operate as therapeutic communities - peer support and meaningful activity 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. Concurrently there has been a wider comprehension of the complex needs of individuals who experience homelessness and better understanding of individuals who suffer from social exclusion. 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 actively network with local statutory and voluntary agencies to meet the needs of their client groups and influence local provision and strategy.

2.4 Emmaus as a Social Enterprise

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 wide interpretation and there is a good deal of debate over its meaning. The role of Emmaus as a social enterprise was therefore also discussed fully in the Evaluation of the Emmaus Cambridge Community (Lovatt *et al.* 2004).

The study of Lovatt *et al.* (2004) concluded that 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 3: The Case Study Community: Emmaus Village Carlton

The Emmaus Village Carlton Community was set up in December 2001, with the help of monks from Turvey Monastery and financial support from local businessmen. At the time of writing this report, the Community had been in operation for nearly six and a half years. With support from a range of funding and grant making bodies including the Lottery, private donations, company donations and a huge number of private individuals, the Community has developed and expanded, and now has the capacity to accommodate up to 29 Companions.

This chapter provides both background information and a profile of the Emmaus Village Carlton Community. The profile is important to the quantitative economic evaluation as it helps to identify outputs of the Community that can be indirectly valued for the purposes of the cost benefit analysis (see Chapter Five). It is also an important source of information about the Community's potential intangible outputs for which there is no obvious financial medium but which nevertheless add to its wider value.

The data from Companion interviews describing their views of Emmaus is contained within Annex 1.

3.1 Introduction

The comprehensive and detailed *Start-up Manual* and *Manual of Procedures* produced by the Emmaus UK Federation Office for new and existing Communities give a good indication of the multitude of tasks involved in the process of establishing an Emmaus Community. As both of these documents stress, it is important to realise that a Community does not exist outside of a locality but is situated firmly within it. An Emmaus Community, as both a homeless organisation accommodating 29 previously homeless individuals and a social enterprise that offers work for them, 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. In order to get a well-rounded and objective picture of the Community, this profile is based on interviews with a range of stakeholders, including eleven Companions, staff volunteers and other local agencies.⁵

3.2 Local Context to Emmaus Village Carlton

Emmaus Village Carlton is located in a rural area, approximately ten miles north-west of Bedford, near the small villages of Carlton and Turvey. Bedford is well-served by buses and there is a train station. Although buses run from Bedford to Turvey,

⁵ All interviews were subjected to thematic coding by using qualitative data analysis software. The coding 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.

Emmaus Village Carlton's location three miles outside the town makes the Community fairly isolated and difficult to reach without a car.

Emmaus Village Carlton has now been in operation at its present site at an old borstal school in Carlton for five and a half years. The site is leased from Carlton Education Trust for a nominal rent of £1 / year for a period of 50 years. In its present form, the site includes accommodation for staff and residents, office space, space for sorting and reselling second-hand furniture and electrical goods, a bistro, a boutique selling quality second-hand clothes, parking and a duck pond.

3.2.1 Homelessness in Bedford Borough

Bedford Borough Council uses Bedfordshire Pilgrims Housing Association (BPHA) to carry out its service to homeless people. The Council is required by law to assist eligible and vulnerable people who become homeless. The Council must carry out enquiries to find out who qualifies. It must consider whether a person:

- *is eligible for assistance - (some people from abroad may not be eligible).*
- *is actually homeless or threatened with homelessness – (a person may have rights or permission to live somewhere but may not want to live there).*
- *has a priority need - some people are less able to find somewhere to live by themselves, such as families with young children or older people.*
- *is unintentionally homeless - if a person has done anything or failed to do anything which has made them homeless the Council may be limited in the kind of help it can give.*

(Source: Bedford Borough Council 2008)

Those who are considered to meet the above criteria are therefore eligible for assistance, usually in the form of temporary housing whilst they wait for a Housing Association home. Those who do not qualify for this (i.e. the “non-statutory homeless”, which includes most single adults) can seek help from various voluntary sector agencies. The Council provides advice about the different options, which generally include hostels and nightshelters. The majority of Emmaus's clients come from this group of non-statutory homeless people.

There are a variety of agencies working with homeless people in Bedford Borough.⁶ Emmaus Village Carlton accepts people who self-refer, as well as referrals from other agencies. At present, it is also able to accept aspiring Companions from beyond the county boundaries. Although aspiring Companions can apply themselves for a place at Emmaus, in practice most Companions are referred to Emmaus by an agency, church or concerned parents. Approximately three quarters of Companions are referred to Emmaus by a third party. The referrals come mainly from Pre-bend day

⁶ For more detail, see <http://www.bedford.gov.uk/GetResource.aspx?file=hostels.pdf>.

centre, Bedford Night Shelter, and probation officials. Occasionally referrals are also made by agencies that work with homeless people outside Bedford in Cambridge, Oxford and Milton Keynes. People who want to move to Emmaus Village Carlton from other Emmaus Communities are free to apply, but are not prioritised over other applicants. They are generally accepted only when they are recommended by their present Community and have a viable reason for wishing to move to Emmaus Village Carlton.

3.3 Life in the Community

3.3.1 The Early Days

Emmaus Village Carlton was set up in December 2001 on a site that was acquired from the Carlton Education Trust for a nominal rent of £1 / year. A formal lease agreement was drafted for 50 years, stating that instead of rent, Emmaus would carry out improvements and refurbishment on the site. The first six Companions and only a few staff members joined forces with volunteers and took on the task of building a Community that would eventually offer accommodation and work to a much larger number of homeless people.

The site on which Emmaus was set up was built in the 1860s, and functioned for a long period of time as a reform school. Although the site was used for other purposes after that, it was empty for three years before being leased to Emmaus. When Emmaus acquired the property the buildings were in a fairly poor condition, and Emmaus accepted the responsibility of taking on the renovations. In the beginning, Emmaus had to make use of what was there. While the buildings were usable, they were in a state of disrepair, and would not have remained habitable in the medium term without refurbishing. In the early days, money was spent to adapt things a little to meet the immediate needs of the Community, mainly by acquiring second-hand furniture. The money for the refurbishment work that has been carried out on the site by Emmaus has come from a variety of sources, including the Lottery Fund and the County Council.

Because the site does not have planning permission beyond its current usage, Emmaus is not allowed to build on the site. The work that has been done therefore concentrates exclusively on the refurbishment of the existing buildings. Whilst some of the buildings needed fairly minor changes in order to meet the needs of an Emmaus Community (for example the process of turning old dormitories into Companion accommodation blocks), some buildings have been more radically modified. The biggest change has been the turning of the old gym into the ‘Under One Roof’ recycling centre. This modern-looking building that appears to be brand new was built on the frame of the old gym. In principal, Emmaus is free to make modifications to adapt the property to meet their needs without acquiring a separate permission for each change from the Education Trust. In practice, however, one trustee from the Education Trust also sits on the Emmaus board, so the Trust is aware of what kind of work is being carried out.

3.3.2 Accommodation and Community Rules

The refurbishment work carried out by Emmaus has increased the value of the site significantly. Today Emmaus Village Carlton offers accommodation to up to 29 ex-homeless people, called 'Companions'. Although the age of the Companions varies between 19 and 63, the majority of them are 35 to 50 years of age. In January 2008 only two out of these 29 companions were women and this 2006 national data suggests that this is a typical gender split for an Emmaus Community. The majority of the Companions had drink or drug problems (or both) before they came to Emmaus.

The Companions are housed in two buildings accommodating 12 and 17 people, and there are also self-contained living quarters for some staff members who live on site, as well as three 'move-on' flats for Companions who have acquired employment outside and are preparing to leave the Community. In the Companion accommodation blocks, each Companion has their own bedroom. One of the accommodation buildings has a kitchen where communal meals are served twice a day during the week. The kitchen facilities can be used freely by all Companions during the weekends when they are expected to cook their own meals. This kind of arrangement is considered to help prepare them for independent living upon their departure from Emmaus. The other residential building has some recreational facilities, including a gym, that are accessible to all Community members.

The Companions receive a weekly allowance of £36, and are free to use this money according to their own preference (with the exception of illegal drugs). In addition to this, a further £5 is put in a leaving fund which they receive when they move out of the Community. Clothing, accommodation (including accommodation-related expenses such as council tax and electricity) and meals are provided to all Companions free of charge. Laundry is also taken care of. Companions must sign off all benefits except Housing Benefit, and work according to their ability. The Companions are expected to abide by the Community rules. The four main rules that all Companions must follow are:

- 1) All Companions must work according to their ability.
- 2) The consumption of alcohol on site is forbidden.
- 3) The consumption of illegal drugs is forbidden.
- 4) Violence is not allowed.

The breaking of any of these rules generally results in a ban, although discretion may be exercised to avoid a ban in certain circumstances. Sometimes difficult decisions must be made, and Companions who have been making positive progress must be banned, to uphold the integrity of the Community. Any Companion banned from one Community is also banned from all other Emmaus Communities for the duration of the ban. Once the ban period is over, a Companion may immediately reapply to live in an Emmaus Community as the principle is not to shut the door on anybody.

3.3.3 The working day

Each working day (all days except Sunday) starts with a brief, five-minute-long meeting in the morning. A longer community meeting takes place on every Wednesday morning. In these meetings all Community members (staff and Companions) can raise any concerns they may have and participate in the discussion. Decisions regarding the Community are made collectively as far as possible, although the ultimate decision-making power lies with the Community Leader.

Emmaus Village Carlton derives its income from a number of activities; bric-a-brac sales, furniture recycling and sales, the Bistro and the newly established clothing boutique. Other activities that require an input from the Companions include cooking, cleaning and gardening. Work is organised via a rota system, whereby all Companions receive basic training for each type of job but can later sign up for certain jobs according to their preference on most days. Although most Companions prefer one type of job over the others and spend more time in their favourite job, they are expected to move around and take turns at working in different jobs. Moving people around makes it possible for new Companions to find out what they are good at, whilst enabling them to learn new skills, learn to deal with people again, and to build up their self confidence. Some jobs, such as working in the Bistro, are generally regarded as particularly demanding, and care is taken to ensure that nobody has to spend too many days a week working in such jobs. When a new Companion joins the Community, s/he is first assigned to work alongside somebody else.

Companions are expected to work for five days a week. The Companions have two free days each week, one of them being Sunday. Companions who have to do community service have to undertake this activity in their free time (i.e. their day off), but Companions who attend college courses or other training outside the Community are allowed to use working days for this. On their free days, the Companions can come and go as they please, and many go walking, fishing, to visit family, or to the nearby town of Bedford. On some Sundays the Community organises social events. Although the consumption of alcohol on site is prohibited, the Companions can visit pubs in the area as long as their behaviour does not reflect negatively on the Community. When they come home after drinking alcohol, they must go directly to their own rooms. In practice, the distance the Companions have to travel limits the ease with which they can do this; there are few local pubs and not all are welcoming to Emmaus Companions. Some Companions disliked this isolation, though for others the physical distance helped them refrain from heavy drinking and break contacts with destructive peer groups. In addition to their days off, each Companion is entitled to three week-long holidays every year. Those Companions who wish to spend their holiday away from the Community are given some holiday money and some money toward their travel expenses. However, it is not compulsory for the Companions to leave the site for their holidays, and some spend their holidays relaxing at Emmaus.

3.3.4 Moving on

When a Companion wants to move on, s/he is given help to find accommodation and work in the local area. A recent innovation over the past 12 months has been the development of three 'Transitional Flats' in one of the accommodation blocks which are available to Companions as part of a 'moving on package'. Under the terms of this, an individual must have secured permanent employment outside the Community.

Rather than being forced to leave the Community and take on the other challenges of new home etc. all at once, Companions who are preparing to leave are allowed to rent a flat on site. This allows a staff member to work with him or her in finding housing, getting used to financial budgeting, shopping and cooking as an individual rather than as part of a Community, yet still within the support network of friends at Emmaus Village Carlton.

Although the former Companions living in these flats are expected to pay a small rent, this arrangement allows them to save up some money before moving on. They also get a portion of their rent back when they finally move out to live independently. Where appropriate, Companions who are working outside the Community and preparing to leave may be allowed to stay in these transitional flats for up to six months. So far, however, only a few Companions have taken advantage of the transitional flats, partly because they have to acquire a job nearby in order to do so.

3.3.5 Staff and Volunteers

In addition to the Companions, the Community consists of seven staff members who live permanently on site, and four other employees, three of whom work part-time. Two of the part-time staff members who presently live on site are about to retire, and their places will be taken by two Companions who successfully applied for the posts and so will soon become members of staff.

The members of staff eat lunch with the Companions when they are on duty, but eat evening meals at home, except on special occasions.

The Community also benefits from the input of 60-70 volunteers, who work a total of 230 hours a week on average. These people are needed to run the site, but are also beneficial in other ways, for they provide a link with the world beyond the Community and give the Companions an opportunity to mix with members of the mainstream community. The volunteers come from a variety of backgrounds, although many of them are retired, and most of them are female. While some of them only come in about once a month, others give substantial amounts of their time.

3.3.6 Charitable giving

Charitable giving is seen as an essential aspect of Emmaus's ethos. A Companions' Giving Fund (known as the "Solidarity Fund") consists of a pot of money that the Companions can decide to give to causes they want to support each month. A total of £6,500 was given away in this manner in 2007. In addition, furniture is sometimes given away to people in need. This can include Companions moving out of Emmaus, but also includes those moving on from the night shelter and those referred from Social Services and CAB. Office space and conferencing facilities are also provided for charities on occasion without a charge. Other spaces are used by organisations such as sports clubs, in return for donations.

The Companions also make contributions in kind by giving up their free time for charity, for example, some Companions have taken part in the Sport Relief campaign, and others have been doing painting and other manual jobs for some of the local charitable organisations and service providers.

3.3.7 The aims of Emmaus Village Carlton

The key objective of Emmaus Village Carlton is to help the Companions to make the changes that they need to make in order to improve their quality of life. There is much emphasis on personal growth. According to the Community Leader, Emmaus Village Carlton seeks to function as a stepping stone to mainstream society, although the role that Emmaus performs for the Companions varies according to their personal circumstances.

“The aim of Emmaus is to turn charity on its head. It not only offers homeless people the opportunity to help themselves, but to help others - it is the latter which allows the rediscovery of a sense of purpose in life.”

(Emmaus Village Carlton 2005)

The Community has adopted a holistic approach to its work, and accepts only Companions who are ready and willing to address and sort out their problems, and who it can realistically support. The problems that the Companions face are often more fundamental than the need for a bed, and the circumstances of each applicant are carefully considered in the light of the circumstances of the existing Companions. Because the number of applicants supersedes the number of available spaces, aspiring Companions may sometimes be turned away because of lack of space. Nevertheless, applicants are occasionally turned down because their problems are too severe to be addressed at Emmaus, and the Community would not be able to offer them sufficient levels of support. Sometimes, however, an aspiring Companion with specific support needs that Emmaus cannot meet is taken in, and access to appropriate support services is arranged externally (such as counselling or help with addictions).

The Community accepts only limited numbers of Companions with certain problems to keep the day-to-day running of the Community manageable. While no formal quotas exist, the decision of whether more people with certain problems (such as serious substance abuse issues) can be accepted is influenced by the circumstances of the existing Companions. Although the Community does not turn anybody away simply because of their age, it is considered important to maintain a balance, and the admittance of large numbers of younger people at any one time would be considered a problem.

3.4 Companions at Emmaus Village Carlton

As Companion interviews and earlier research undertaken at Emmaus (Randall and Brown 2002; Lovatt *et al.* 2004) make apparent, there is no such thing as a stereotypical Companion. Individuals who become Companions 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: the majority of the Companions at Emmaus Village Carlton are white, British, and male; most are over 25 years of age. At the end of 2007, all 29 companions were white and all but two were men.

Given that research has found households from ethnic minority groups are roughly three times more likely to be statutorily homeless than white Britons (Gervais and

Rehman, 2005), and the proportion of non-white people in Bedford is around 26% (Census 2001), the ethnic profile of Companions at Emmaus Village Carlton could be regarded as unexpected. There is however, other research on BME homeless people which reveals that they are under-represented in hostels and may be less likely to be rough sleepers so this figure from Carlton may not be as surprising as it first appears.

In terms of gender, men appear to comprise the majority of single homeless people. Another likely explanation for the high overrepresentation of male Companions at Emmaus Village Carlton lies in the profile of the referral agencies' clients; the Nightshelter, Day centre and probation service all admit that 80-90% of their clients are male. Differences in the profiles of homeless men and women were also mentioned by referral agencies who noted that homeless women are more likely than men to be suffering from substantial mental health problems that would make Emmaus an unsuitable option for them. The age profile may also play a part.

The Government's review of Supporting People funding found that around 30% of funding for "Single homeless with support" went to women (Fusco, 2005). This is considerably more than the proportion of women at Emmaus, which is overall around five percent. Unfortunately no interviews were carried out with female Companions at Emmaus Village Carlton, making it difficult to draw firm conclusions as to why there might be so few women amongst the Companions. The low numbers of women and BME Companions would be an interesting area for further research, as it may be the case that they tend to be provided for, or prefer specialist housing projects such as women's refuges.

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 and able to work and give up benefits, and who are willing, able and motivated to address their problems.

We only consider people who are dealing with their issues suitable for referral to Emmaus. They must show determination to make a change that indicates they might suit the Emmaus environment - we lay down what is required, i.e. that they are proactive about addressing their problems (Day centre).

Work and sobriety are important aspects of life in Emmaus. All agency representatives who were interviewed for the purposes of this project admitted that they avoid referring people to Emmaus if there is a reason to doubt that they will not be able to work, or their substance abuse problems have not yet been sufficiently addressed.

If there is someone who has mental health issues that mean they can't work they won't be advised to apply (Nightshelter)

We need to see motivation to change in the people we refer to Emmaus before we would send them there or it causes trouble for Emmaus (Probation Services).

All interviewed representatives of agencies that refer Companions to Emmaus Village Carlton 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. It was also suggested that the fully supported environment at Emmaus suits those that are ready to make the necessary changes in their lifestyles, and that this tends to be individuals who are older.

Those who are kicked out of Emmaus are the younger referrals - older gents tend to stay. It takes a few slips to appreciate the chance they are getting and they are ready to make the most out of it once they've been on the streets or at rock bottom a few years, or have been very unlucky (Day Centre).

I think there has to be a limit at the lower end, they should be a certain age to go there; it doesn't work as well for or with the younger clients (CAN).⁷

Those willing to make a commitment and a serious effort to turn their lives around are often individuals who have worked at some time in their past, or who have lived in a similar structured environment such as the armed forces or prison. Interestingly, however, the structured days and sense of purpose and responsibility that Emmaus is seen to offer are also considered to be particularly beneficial for people who have offended in the past and are at a high risk of re-offending, and people who have very little formal education and work experience.

Emmaus wants to give people a chance to learn how to be back at work but they won't get that understanding from the average employer, they just get a label. Emmaus enables a lot of people to take the first step into working life in a less intimidating way than if they tried it straight from here - they get skills and therefore confidence. Emmaus helps them make decisions about what route to take and they have the opportunity to try different career options (Probation Services).

Several agency representatives praised Emmaus for enabling people to change their lives 'in a way which works where nothing else does'. One of the best aspects of Emmaus Village Carlton was seen to be the fact that it enables ex-offenders and other people whose employment opportunities in the mainstream society would be poor, to get back to work and the structured life style that comes with it.

⁷ CAN was originally known as Council on Addiction, Northampton, but has now expanded its geographical reach to include regions throughout England.

It's virtually impossible for people with a criminal record to change their lives through getting employment. The stability and regime that Emmaus offers is geared perfectly to rehabilitating people on every level, socially, financially, physically and emotionally (Day Centre).

Emmaus is about keeping the mind occupied; accommodation, support and work all work together. It's the best set up to help long term homeless and those with user issues (Day Centre).

Several agency representatives also agreed that Emmaus is a very suitable option for people with mild learning difficulties. For them, Emmaus is often one of the few possible avenues to employment of any kind, especially if they have a history of homelessness and lack familial support networks.

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. Interviews with local agency representatives suggest that Emmaus is recommended for people who are believed to be suitable for the lifestyle, and who are expected to benefit most from it. Because Emmaus offers a unique model in Bedfordshire, the filtering may be more readily identified than is the case with mainstream models of provision. However, in light of the facts that many of the people who are referred to Emmaus by different local agencies know about Emmaus beforehand and ask to be referred, and others self-refer, the profile of Companions is most likely to reflect the type of person who chooses to live at Emmaus, regardless of the views of local agencies.

3.5 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. While Emmaus Village Carlton does not participate in 'formal' statutory and voluntary sector partnership working, one of the Community Leaders has worked hard to establish links with support services outside the Community in order to improve the Companions' access to support services. At the same time, 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.

Because Emmaus Village Carlton's trading activities have not yet produced notable profits (largely due to the ongoing repairs, maintenance and renovation work on the site) it has not created as supportive relationships with local charities and other agencies that provide services for homeless people as the more established Emmaus Cambridge, which supports some local service providers with sizeable donations every year (Lovatt *et al.* 2004). The Community does, however, interact with other agencies and service providers in the area on a fairly informal basis. One of the main aspects of the inter-agency work involving Emmaus Village Carlton is the acceptance of referrals from local agencies. Agency interviews with local stakeholders also reveal that they occasionally continue to monitor their former clients' progress once they

have moved on to Emmaus. The probation agency in particular maintains a close relationship with its clients who move to live at Emmaus.

Talking about their maintained links with former clients who have moved on to Emmaus, a day centre representative said:

Some of them we see in a pop-in basis, some are helping us redecorate. They put something back. They help us rather than the other way round, and they encourage others to help themselves (Day centre).

One point consistently made by the agencies that refer their clients to Emmaus is the value that the Community places on independence, work and personal development. Emmaus is seen to be doing much more than simply providing accommodation for people who would otherwise be homeless, and therefore considered particularly suitable for people whose problems are at least partly caused or exacerbated by the lack of occupation and structure in their lives. People with substance abuse problems are also believed to benefit much more from living in Emmaus than they would from other options, largely due to the support that is available in Emmaus.

It's like in Africa where in the past we've just given money, and because it wasn't used for empowerment we have to give more. But enabling people to support themselves would be better, we view it that way. We'd like to be able to do even more of what Emmaus does (Nightshelter).

While the Community identifies that it does work with other agencies in an informal way it does not recognise these relationships as partnerships. The local agencies and service providers are, however, welcomed to make use of the services provided by Emmaus, and the Companions are encouraged to interact with members of the mainstream community by, for example, getting involved with the local churches and charities.

3.6 Summary

- Emmaus Village Carlton is a Community consisting of 29 previously homeless residents referred to as Companions and eleven members of staff, some of whom live on the site. Recycling household goods, books and clothes, and a Bistro provide most of the Community's income. Companions run these trading activities together with the staff members and some 60-70 volunteers. Additional support is received from a number of different funding and grant making bodies. The main aim of the Community is to provide home and work for previously homeless people.
- The Community appears to work well with other organizations on an individual basis. In recent years one of the Community Leaders has worked hard to establish links with the local service providers in order to provide the Companions with better access to support services. In spite of its independence and rural location, Emmaus Village Carlton is not isolated but very much part of the local community.

- In addition to Companions and volunteers, the Community benefits other local agencies and the public via its charitable support and services, and through the provision of cheap furniture, donations and assistance in kind.
- All organisations and most of the Companions and volunteers interviewed spoke highly about the impact of Emmaus Village Carlton. Most of the interviewed individuals, especially the volunteers and the representatives of local agencies, were also generally positive about the Emmaus model as an approach to dealing with homelessness.

Chapter 4: A Financial Evaluation of Emmaus Village Carlton

The primary aim of this chapter is to report on the direct costs and revenues associated with the activities of Emmaus Village Carlton. This element of the study is based on accounts data, interviews within and outside the Emmaus Community, documentary evidence from Emmaus Village Carlton, 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 - in order to assess the sources and uses of funds as well as the net financial benefits.

All details will be explained as the chapter progresses. However, it is important to stress that this chapter focuses only upon the financial and imputed financial costs and revenues of Emmaus Village Carlton. The intangible benefits and the broader value of the Community to its Companions and the external community are discussed in Chapter Five.

4.1. Introduction

It is important to stress that information contained in this Chapter relates to the financial data for the year ended 30th June 2007 (accounts figures for the period of 1st July 2006 - 30 June 2007). For reasons discussed below, this year was in some ways atypical because of the further development of the Community. Due to this, the number of Companions stayed below the Community's capacity for the whole period of these 12 months. The 2006/7 analysis is therefore followed with an estimate of accounts for a more 'typical' year.

The chapter starts 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. These three tranches taken together give a clear understanding of the economic cost of running the Community's business activities.

The fourth tranche examines the Companion accommodation/subsistence aspect of the Community, concentrating initially on the actual direct costs of accommodation and support. The next stage of this tranche 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 Companion accommodation/subsistence element of the Community (such as income from Housing Benefit). 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 its net economic position.

4.2 Financial Analysis - Tranche 1: Trading Income and Outputs

The business element of Emmaus Village Carlton is crucial to the functioning of the Community. Not only does Emmaus Village Carlton's greatest income come from trading activities, but trading is central to the whole Emmaus concept of Community financial independence and of building the morale and self-esteem of Companions. An examination of business accounts is therefore central to the financial analysis.

4.2.1. Trading Income and Expenditure

Table 4.1 below, provides details of all trading income. It thus shows the money generated by Emmaus Village Carlton's business activities.

Table 4.1: Emmaus Village Carlton: Trading Income (2006/2007)

TRADE INCOME	
Bespoke	£3,368
Bistro	£69,158
Bric-a-brac/Boutique	£90,908
Furniture	£105,313
Other Trading Income	£4,610
Scrap	£2,372
Rental of property/surplus space	£750
Total Income from Trading Activities	£276,479

Income from the sale of donated goods consists of income from the sale of bric-a-brac, second hand furniture, books, second-hand clothes and bespoke goods. Of these, furniture sales generated the highest income in 2006-2007, closely followed by bric-a-brac and book sales. 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. This represented an important environmental activity, which is discussed in more detail in Chapter Five.

Bistro income came from the trading activities of the Bistro, which is based within the Emmaus shop. The income of the rental property came from a rent paid by Companions who had left the Community and taken jobs outside but rented the move-on apartments on-site for an interim period; and from the hiring out of a football pitch for local teams. Bespoke goods are items that were ordered by a customer to their specification. The category of 'other trading income' combined a range of activities, from buffet lunches and dinners to the sale of jute bags.

Emmaus Village Carlton's trade-related expenses are shown in Table 4.2. The figures only include the expenditure on goods and services purchased to operate the business side of the Community. It thus includes only direct veritable costs which are necessary for the output of the business. These costs include the Companion allowances. An assessment of other trading-related costs over a broader period is discussed in tranche three of this economic assessment.

Table 4.2: Emmaus Village Carlton: Trading Expenditure (2006/07)

EXPENDITURE	
Payroll ⁸	£70,375
Companion Allowances	£43,238
Insurance ⁹	£10,844
Adverts/Marketing	£4,102
Bistro COS	£35,128
Fundraising	£1,260
Garden	£2,364
Hospitality	£726
Motor Expenses (inc. insurance)	£15,316
Professional Fees	£2,861
Refuse Clearance	£9,782
Retail Supplies	£3,022
Subscriptions	£908
Training	£4,069
Workshop Supplies	£2,360
Workwear	£2,538
Total TRADING	£208,893

In 2006/2007 Emmaus Village Carlton did not pay any business rates due to discretionary top-up relief that has been acquired for a period of three years (commencing in 2007) in addition to the lowered business rates for charities.

Business insurance was an essential element both in ensuring that 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 Village Carlton. The salaries element is for those staff directly employed by Emmaus Village Carlton. Companion allowances represent money paid to Companions in addition to basic living costs, such as accommodation, food and clothing. The total figure for Companion allowances consists of weekly allowances, holiday allowances and leaving allowances.

⁸ In 2006/2007, the money spent on staff salaries totalled £117,290.86. Members of staff are not clearly divided into those who work in trading and those who work in Companion support/accommodation. Some of the employees' time is spent in trading activities, and some in activities that are related to the Companion support/accommodation aspect of the Community. Following the example set by Lovatt *et al.* (2004), it was assumed that approximately 60 percent of staff's time is spent in activities that are related to the trading aspect of the Community.

⁹ A total of £21,687.90 was spent on insurance in 2006/2007. Roughly half of this was related to the Community's business activities, and roughly half on the Companion subsistence/maintenance aspect of the Community. A split of 50/50 is therefore assumed.

Taking business income and expenditure together, Table 4.3 shows the surplus generated by Emmaus Village Carlton’s trading activities in 2006/07. This does not take imputed costs into account, as these costs are pursued in the next tranche of the analysis.

Table 4.3: Emmaus Village Carlton: Business-Expenditure and Surplus (1) (2006/07)

Trading Income	£276,479
Trading Expenditure	£208,893
Trading Surplus	£67,586

4.3 Financial Analysis - Tranche 2: Considering Imputed Business Costs

4.3.1 Property Value and Rental Values

Emmaus Village Carlton leases the site from the Carlton Education Trust for a nominal rent of £1 per annum. There is thus no significant cost associated with rental or mortgage payments. For the purpose of this study, however, 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.

Although buildings have been renovated and improved since the lease was signed, the land does not have planning permission for alternative uses. An approximate value of the site in current usage, as a mixture of residential and business purposes can be estimated from council tax bands and the rateable value of the business parts.

Council Tax values relate to 1st April 1991. The Halifax house price index gives the average price in Bedford borough in 1991 as £69,953, and £231,652 in 2007. This represents an increase of 331%.

Table 4.4: Emmaus Village Carlton: Council Tax Banding of the Buildings

Council tax band	Range (1991 values)	Number of properties in Emmaus	Estimated total value properties in this band in 1991 (mid-range)	Estimated value in 2007 (1991 times 3.31)
A	0-£40,000	4	£80,000	£264,923.02
B	£40,000-£52,000	0	0	£0.00
C	£52,000-£68,000	2	£120,000	£397,384.53
D	£68,000-£88,000	1	£78,000	£258,299.94
E	£88,000-£120,000	0	0	£0.00
F	£120,000-£160,000	0	0	£0.00
G	£160,000-£320,000	2	£480,000	£1,589,538.12
H	Over £320,000	0	0	£0.00
Total				£2,510,145

According to a Business Rates bill, the rateable value (as evaluated in 2007) of the business premises is £88,000. The total value of the site is therefore approximately £2.6m.

Because the land could not otherwise be developed for other uses, such as a private housing project for example, this £2.6m estimate is seen as best reflecting the situation. The most obvious low-risk alternative to giving the site to Emmaus to 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 per cent. An imputed rental value was generated based upon the interest that could be gained by investing a sum that equals the estimated value of the site in a bank account at a rate of four per cent. An annual yield from an investment of £2.6m could be expected to be approximately £104,000. This was therefore the figure used to represent the opportunity cost of rental for Emmaus Village Carlton for the period 2006/07.

On this basis, £104,000 per annum is the best estimate given the relevant economic cost to Emmaus Village Carlton for the purpose of this study. Clearly some property is in business use and some is used for living accommodation. A rental split of 70/30 was therefore assumed, i.e. 30 percent of the sum (£31,200) was allocated to business costs and 70 percent (£72,800) to residential costs.¹⁰ Thus the property rental for business was estimated at £31,200, which will be considered a relevant economic cost to the business for the purpose of this study. This amount is shown in Table 4.5, which identifies actual & imputed business expenditure.

Table 4.5: Emmaus Village Carlton: Actual and Imputed Business Expenditure

Actual Trading Expenditure (2006/07)	£208,893
Business Premises Rental	£31,200
Total Actual & Imputed Business Expenditure	£240,093

4.3.2 Emmaus Village Carlton: Business-Expenditure and Surplus (2) (2006/07)

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 4.6 below:

Table 4.6: Emmaus Village Carlton: Actual and Imputed Business Expenditure

Trading Income	£276,479
Total Actual & Imputed Business Expenditure	£240,093
Economic Business Surplus	£36,386

¹⁰ This assumption was made following the example set by Lovatt *et al.* (2003).

4.3.3 Valuing Volunteer and Companion Input and Donations

At the time of the research, Emmaus Village Carlton had 60-70 volunteers, who collectively worked for approximately 230 hours per week. The qualitative data generated via interviews with Emmaus Village Carlton volunteers suggest that volunteering is generally seen as a leisure activity by most of the volunteers, many of whom are retired. The volunteers themselves feel that they are getting a reward, albeit a non-financial one, for their labour input. While it is reasonable to expect that some of the volunteers see their work in Emmaus purely as a leisure activity and would not be engaging in any other productive activity were they not in Emmaus, some of the volunteers would probably offer their services to other charities, or take on paid work. For the purposes of this evaluation, it was decided to assume that half of the volunteers would probably be undertaking paid or unpaid work elsewhere, so the cost of income foregone by their volunteering in Emmaus (or the opportunity cost of other charities losing their potential labour input) ought to be considered.

If 50 percent of the 230 volunteer hours that are presently working in Emmaus Village Carlton in an average week were to be paid at the minimum wage, i.e. £5.52 per hour (HMRC 2008), the weekly cost would be approximately £634 (or £33,010 per annum, based on 52 weeks).

In the trading account the direct payments to Companions have been included as a cost. No wage as such, however, 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 was not available to work another would be readily available. This is probably the most appropriate assumption given the nature of the Community, the fact that none of the Companions were in employment immediately before coming to Emmaus, and the role of work within the Community. In this case there is no other cost to be added 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, i.e. £221 per Companion per working week. With twenty-nine bed spaces, of which 27 can be assumed to be filled at any time, and a 52 week year - the absolute maximum - the cost would £11,492 per Companion or £310,284 per year. Companion allowances would then be offset against this total making a net cost of employment of £252,720 (£310,284 - £57,564 = £252,720). 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 in exchange for accommodation and subsistence.)

A further voluntary element relates to the donation of trading consumables by the Community - estimated to be approximately £1,200. This takes the form of furniture donated to those in need, often ex-homeless people moving into a home of their own, referred to Emmaus from the nightshelter, social services or CAB. This should also be included as an economic cost.

Table 4.7 shows that the overall economic (actual and imputed) 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 £274,303.

Table 4.7: Emmaus Village Carlton: Annual Actual & Imputed Cost of Trading

Total Actual & Imputed Business Expenditure	£240,093
Imputed Cost of Volunteer Input	£33,010
Donations of Trading Consumables	£1,200
Economic Trading Costs	£274,303

As shown in Table 4.8, Emmaus Village Carlton would generate a small surplus of £2,176 if the full imputed cost of the premises, donations and volunteer input was taken into account.

Table 4.8: Emmaus Village Carlton: Annual Economic Surplus

Trading Income	£276,479
Economic Trading Costs	£274,303
Economic Business Surplus	£2,176

4.4 Financial Analysis - Tranche 3: Accommodation and Companion Subsistence Costs

The fourth tranche of the Emmaus Village Carlton's 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).

4.4.1 Actual Companion Subsistence and Support Costs (2006/2007)

A key element of the Emmaus ethos is to provide accommodation for those in need, who are willing to contribute to the Community via work. In the case of Emmaus Village Carlton this is seen in the provision of accommodation (and a home) for the Companions in exchange for their labour input. Emmaus Village Carlton provides Companions with not just a place to live and basic subsistence, but also many basic requirements of life, including recreation, training and travel. Council Tax is paid for the Companion accommodation blocks, and this is not subsidised by the local authority. Council Tax is also paid for the staff accommodation.

Companion subsistence and support costs are shown in Table 4.9.

Table 4.9: Emmaus Village Carlton: Companion Subsistence and Support Costs (2006/07)

Clothes/Welfare	£1,556
Companions Travel	£2,911
Council Tax	£8,784
Food	£28,724
Health & Safety	£691
Household	£5,222
Insurance	£10,844
Leisure	£6,615
Office	£4,203
Payroll	£46,916
Repairs	£19,056
Sundry	£2,224
Telephone	£3,290
Utilities - Electricity	£12,628
Utilities – Heat	£15,073
Utilities - Water	£5,947
Actual Companion Support and Subsistence Costs	£174,684

The Companion subsistence and support costs taken together represented a total cost of £174,684. This was the annual cost of housing 18 Companions (based upon 2006/07 figures). It is important to stress that these figures represent only actual outgoings.

4.4.2 Imputed Accommodation Costs: Property rental

As already mentioned, Emmaus Village Carlton leases its premises from the Carlton Education Trust for a nominal rent of £1 per annum, so there is no significant cost associated with rental or mortgage payments. An imputed rental value for the site was generated based upon the interest that could be gained by investing a sum of £2.6m that equals the estimated value of the site in a bank account at a rate of four per cent (see 4.3.1). A rental split of 70/30 was assumed, with 70 percent of the costs (£72,800) being allocated to residential costs. Thus the property rental for Companion accommodation would be approximately £72,800. This amount is shown in Table 4.10, which identifies actual and imputed Companion subsistence costs.

Table 4.10: Emmaus Village Carlton: Actual & Imputed Companion Subsistence Costs (2006/07)

Actual Companion Support and Subsistence Costs	£174,684
Rental Cost (imputed)	£72,800
Total Economic Companion Subsistence Costs	£247,484

4.5 Financial Analysis - Tranche 4: Total Income and Expenditure

4.5.1 Income from Other Sources

Although the business element of Emmaus is central to the whole Movement, most Communities also have other sources of income. Emmaus Village Carlton is no exception. Emmaus Village Carlton accepts a financial element of government support via Supporting People funding and through Companion ‘accommodation contributions’ - i.e. the rent paid by Companions, mostly met from their Housing Benefit. All other costs are met by the income from the Community’s business activities.

Table 4.11 lists the actual range of different sources of income that Emmaus Village Carlton utilised during the 2006/2007 accounting year. The sources of this income include bank interest and investment; donations and grants; reclaimed Gift Aid; fundraising and accommodation contributions, mostly met by Companions who are eligible for Housing Benefit and Supporting People funding.

Table 4.11: Emmaus Village Carlton: Total Income by Source (2006/2007)

	Actual	Economic
Donations	£13,516	£13,516
Housing Benefit	£88,178	£88,178
Supporting People	£16,157	£16,157
Interest Income	£7,291	£7,291
Other Income	£1,045	£1,045
Business Surplus	£67,586	£2,176
Total	£193,773	£128,363

This made up a total of £193,773 in actual - financial - terms, and £128,363 when imputed property rental and the opportunity costs of donations and volunteer input were taken into account. As Table 4.12 demonstrates, the income of Emmaus Village Carlton would not be sufficient to meet even the actual Companion subsistence and support costs if the imputed costs were taken into consideration. Despite the fact that the trading activities of Emmaus Village Carlton generate a healthy profit of £67,586 in actual financial terms, the Community is still dependent on volunteer activity and charitable giving that enables them to occupy a sufficiently large site nearly free of charge.

Table 4.12: Emmaus Village Carlton: Total Community Expenses and Income

	Actual	Economic
Total Income	£193,773	£128,363
Companion Subsistence Costs	£174,684	£247,484
Total Community Surplus	£19,089	- £119,121

As Table 4.12 shows, Emmaus Village Carlton generated a surplus of £19,089 in 2006/2007. A notable proportion of this, £2,564, was given to those in need via the Companions' Solidarity Fund. The actual surplus in 2006/2007 was therefore £16,525.

4.6 Emmaus Village Carlton in a Normal year

As mentioned in the beginning of this chapter, the year 2006/2007 was atypical in the sense that the Community had fewer Companions than it has the capacity to house. Unlike the more established Emmaus Cambridge (Lovatt *et al.* 2004), Emmaus Village Carlton is still developing and expanding. New business initiatives have been recently implemented, while existing business activities have been expanded.

The Community's capacity has also increased significantly in the recent years. In 2008, Emmaus Village Carlton had the potential to provide accommodation for 29 Companions, as opposed to only six in 2001 when it commenced work. In 2006/2007, when the Community was in the process of finishing the construction of an additional Companion accommodation block, it was accommodating 18 Companions. At the time of writing this report, the refurbishment of the new accommodation block had been completed, and 27 out of the 29 beds were occupied. One or two rooms are often empty due to Companion turnover. Therefore the present occupancy rate of 93 percent (27 out of 29 beds) can be reasonably expected to be the norm in the future.

In order to estimate the Community's ability to generate profit whilst running in full or near full capacity, the expenditure of a Community housing 27 rather than 18 Companions must be determined. This is done in Table 4.13 by taking the actual expenditure figures for 2006/07 presented in Table 4.9 and calculating how much these costs would increase if the Community provides for 27 Companions ($27/18=1.5$). Increasing the number of Companions does not necessarily affect all types of expenditure, and only costs that are likely to be affected by increasing the number of Companions are inflated.

Table 4.13: Emmaus Village Carlton: Expected Annual Companion Subsistence and Accommodation Expenditure in a Normal Year*

Expenditure	Actual Cost 2006/07 (18 Companions)	Expected Cost in a normal year (27 Companions)
Clothes/Welfare	£1,556	£2,334
Companions Travel	£2,911	£4,367
Council Tax	£8,784	£8,784
Food	£28,724	£43,086
Health & Safety	£691	£1,037
Household	£5,222	£7,833
Insurance	£10,844	£16,266
Leisure	£6,615	£9,923
Office	£4,203	£6,304
Payroll	£46,916	£70,374

Repairs	£19,056	£28,584
Sundry	£2,224	£3,336
Telephone	£3,290	£4,935
Utilities – Electricity	£12,628	£18,942
Utilities – Heat	£15,073	£22,609
Utilities - Water	£5,947	£8,921
Companion Subsistence Expenses	£174,684	£257,635

As Table 4.13 shows, the Companion subsistence and support expenses increase significantly as the number of Companions rises. These may be slightly exaggerating the increase in the expenses, as an assumption is made that the number of staff will increase in line with the number of Companions. In reality this is highly unlikely to happen.

This increased expenditure, however, must be set against an expected annual income in a normal year. Although a larger workforce does not result in higher trading income if the amount of recyclable goods donated is too low, it *does* influence the effectiveness with which goods can be processed through the system and the amount of goods that can be picked up. The Community Leader confirmed that the business activities have increased in proportion to the increased number of Companions, largely as a result of the Community's previous inability to process the donated goods effectively or expand the Bistro due to the lack of labourers. Financial records support this view and show substantial increases in recycling activities during the final three quarters of 2007 and a trading figure of £328,387 which suggests these estimates are broadly accurate, and if anything conservative.

Table 4.14: Emmaus Village Carlton: Expected Trading Income in a Normal Year

Income Source	2006/2007	Expected with 27 Companions
Bespoke	£3,368	£5,052
Bistro	£69,158	£103,737
Bric-a-brac/Boutique	£90,908	£136,363
Furniture	£105,313	£157,970
Other Trading Income	£4,610	£6,915
Scrap	£2,372	£3,558
Rental of property/surplus space	£750	£750
Total Income from Trading Activities	£276,479	£414,345

Increased trading activity, however, increases the trading expenses. It is therefore appropriate to inflate the trading expenditure figure for 2006/2007 using the same measure that is used to inflate the trading income and Companion accommodation and subsistence expenditure. For the purposes of this research, it has been assumed that most of the trading expenditure is affected, and will increase in line with the number of Companions. Inflated trading expenditure is presented in Table 4.15.

Table 4.15: Emmaus Village Carlton: Estimated Trading Expenditure in a Normal Year

Trading Expenditure	2006/2007	Expected with 27 Companions
Staff salaries	£70,375	£105,563
Companions Allowances	£43,238	£64,857
Insurance	£10,844	£16,266
Adverts/Marketing	£4,102	£4,102
Bistro COS	£35,128	£52,692
Fundraising	£1,260	£1,260
Garden	£2,364	£2,364
Hospitality	£726	£726
Motor Expenses (inc. insurance)	£15,316	£22,974
Professional Fees	£2,861	£2,861
Refuse Clearance	£9,782	£14,673
Retail Supplies	£3,022	£4,533
Subscriptions	£908	£908
Training	£4,069	£6,104
Workshop Supplies	£2,360	£3,540
Workwear	£2,538	£3,807
Total TRADING	£208,893	£307,230

As shown in Table 4.16, Emmaus Village Carlton can be expected to be able to generate a business surplus of £107,115 in a normal year, when running on full or near full capacity.

Table 4.16: Expected Trading Surplus in a Normal Year

	Expected with 27 Companions
Trading Income	£414,345
Trading Expenditure	£307,230
Surplus from Trading Activities	£107,115

In addition to the income from trading activities, the rising number of Companions will increase the rent from Companions, consisting predominantly of Housing Benefit and Supporting People. Income from grants, donations etc, on the other hand, cannot be reasonably expected to be influenced by an increased number of Companions.

Table 4.17: Emmaus Village Carlton: Expected Income in a Normal Year

Income Source	2006/2007	Expected with 27 Companions
Donations	£13,516	£13,516
Housing Benefit	£88,178	£132,268

Supporting People ¹¹	£16,157	£16,157
Interest Income	£7,291	£7,291
Other income	£1,045	£1,045
Trading Surplus	£67,586	£107,115
Actual Income	£193,773	£277,392

An income that the Community can be expected to generate from all different sources (trading activities, Housing Benefit, Supporting People funding, grants, donations, investment and interest), in a normal year is approximately **£277,392** the greatest source of income being Housing Benefit and the profit made from Emmaus's trading activities. In order to calculate the expected profit that can be made in a normal year, the overall income must be set against the estimated expenditure.

When running on full capacity, Emmaus Village Carlton could be expected to generate an annual income of **£277,392**. This would be more than sufficient to meet the subsistence and support expenses of 29 Companions (£257,630). As table 4.18 shows, Emmaus Village Carlton could be expected to be able to generate a profit of approximately **£19,762** in a normal year when running on full or near full capacity.

Table 4.18: Emmaus Village Carlton: Expected Surplus in a Normal Year

	Expected with 27 Companions
Actual Income	£277,392
Companion Subsistence and Support Expenses	£257,630
Surplus	£19,762

Although the estimated income that Emmaus Village Carlton could be expected to generate in a normal year would cover all of the Community's expenses, leaving a surplus of **£19,762** still to be expended, it would not be sufficient to meet all the imputed costs of property rental, volunteer input and donations of trading consumables. As Table 4.19 demonstrates, Emmaus Village Carlton would actually incur an annual loss of £118,448 even when running on full capacity, if it had to pay rent and replace volunteers with paid workers.

Table 4.19: Emmaus Village Carlton: Imputed Expenditure in a Normal Year

Expenses	Annual Amount
Imputed Cost of Volunteer Input	£33,010
Donations of Trading Consumables	£1,200
Imputed Rental Cost (business & accommodation)	£104,000

¹¹ The Supporting People funding that Emmaus receives was set as funding for 12 people which was the initial capacity when the Community opened six years ago. Since then it has only increased in line with inflation, despite several applications following increases in capacity. It therefore seems reasonable to estimate that the amount will not increase pro rata with the increased capacity.

Total Imputed Expenditure in a Normal Year	£138,210
Expected Annual Surplus in a Normal Year	£19,762
Total Imputed Expenditure in a Normal Year	£138,210
Surplus/Deficit in a Normal Year (inc. imputed costs)	£118,448

4.7 Emmaus Village Carlton as an Enterprise

This Chapter has considered both the accommodation and business aspects of Emmaus Village Carlton in considerable detail. All potential costs and income streams have been considered and it can be seen that the Community is capable of generating a healthy annual surplus, resulting from its activities as a business. The fact that it is also able to provide good quality living and working conditions (offering a home, security, and opportunities to gain work experience) to people who would otherwise be destitute is a major factor to take into account.

The fact that Emmaus Village Carlton is successful when viewed as a stand-alone enterprise and Community for homeless people is important evidence in support of the Emmaus ethos. However, the data presented in this chapter 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 Five considers the wider impact of Emmaus Village Carlton and highlights the fact that a potential to generate an annual surplus of over twenty thousand pounds actually only represents part of the Community's true value as a social enterprise.

4.8. Summary

- The business element of Emmaus Village Carlton is central to the Community. Not only does Emmaus Village Carlton'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.
- Because of the nature of the Emmaus Village Carlton Community and the way in which the business side of the enterprise operates, it is difficult and probably inappropriate to separate the 'community' expenses from the 'business' expenses.
- The economic evaluation, based on accounts figures for 2006/07, shows that the Community's trading activities generated a profit of **£19,089**. If imputed costs had been taken into account, however, the Community would have incurred a loss of **£119,121**.
- Because Emmaus Village Carlton had not yet reached its full capacity or full occupancy in 2006/2007 due to recently finished expansion of the Companion accommodation and ongoing work on the site, estimates for a 'typical' year were considered to be more accurate than the deceiving actual figures from 2006/2007, when the Community housed only 18 Companions as opposed to 27 Companions that lived and worked in Emmaus Village Carlton at the time of writing this report. 'Typical' expenses and trading income figures were calculated by

assuming that certain expenses and trading activities would increase in line with an increase in the number of Companions. If imputed rent and the opportunity costs of volunteer input are omitted, Emmaus Village Carlton can be expected to be able to generate an annual surplus of **£19,762** in a typical year, when running on full or near full capacity.

- If imputed rents and opportunity costs are considered, however, Emmaus Village Carlton would be incurring a loss. This exemplifies the fact that Emmaus Village Carlton is largely dependent on volunteer input and an ability to access a suitable site without being charged the going rate for its use.

Chapter 5: Emmaus Village Carlton - Benefits, Costs and Outputs

Emmaus Village Carlton 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 Village Carlton 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 Village Carlton's outputs. This chapter identifies these outputs, their values and concludes the economic evaluation with a total value of Emmaus Village Carlton to the wider community.

5.1 Benefits and Savings

There are a range of potential benefits to the public purse that arise as a result of the activities of Emmaus Village Carlton. The ones that it is possible to place a value on have been identified as relating to housing, state benefits, the justice system, health, recycling and charitable giving.

5.1.1 Housing Costs

There are ethical, as well as practical issues in attempting to compare the costs of accommodation provision at Emmaus Village Carlton with costs of provision from other providers. In the first instance, Emmaus Village Carlton is not a hostel and has different aims and objectives from many other organisations that aim to support homeless people. Like other accommodation options, Emmaus is not suitable for everyone and some Companions do not stay long for a variety of reasons.

In order to avoid making inappropriate assumptions about where the Companions would be living (and costs incurred) if they were not in Emmaus, the calculations in this chapter are founded on the qualitative data from Companion interviews. Each of the eleven interviewees was asked where they were before coming to Emmaus, and where they thought they would be had they not come to Emmaus. This information was then used to estimate where they would most likely be living if they were not in Emmaus. The sample of eleven Companions was considered to be representative of all Companions, as it contained a mixture of ages and short and long-term residents. For the purposes of this exercise, it was assumed that 27 beds out of the 29 would be in use at any time (occupancy rate of 93 percent).

Table 5.1 shows estimates of where the Companions would be if Emmaus did not exist.

Table 5.1: Likely Form of Housing if not at Emmaus Village Carlton

Accommodation type	Cost per person per week	Number of Companions	Total weekly cost
Hostel	£470	5	£2,350
Street/tent	£0	2.5	£0
Day centre	£420	7	£2,940
Night shelter	£323	7	£2,261
Rented flat	£114	5	£570
Retirement home	£243	2.5	£607.5
Supported housing	£796	2.5	£1,990
Weekly total			£10,718.5
ANNUAL TOTAL			£557,362

The qualitative data suggests that five of the Companions would be living in a hostel were they not in Emmaus. There are a variety of hostels at which they might be staying, not necessarily in Bedford. Research by Crisis (Kenway & Palmer, 2003) found the total cost of a hostel place to be around £400 per person per week, which equates to around £470 at 2007 prices.¹² This takes into account both running and capital costs.

Some homeless people sleep rough, sofa surf or sleep in a tent without ever using night shelters or hostels. Companion interviews confirmed that some people had lived this way before coming to Emmaus, and themselves thought that they would have continued that way of life had they not come to Emmaus. There are no direct accommodation costs to rough sleeping, or pitching tents in parks. Many of these people however, used a day centre in the day time, along with some night shelter and hostel residents. Companion interviews found that many had previously used the day centre. Emmaus residents do not use the day centre because they are working during the day. The Crisis research found that the cost of day centre provision was £60 per person per day, which inflates to around £70 in 2007. The Bedford Prebend Day Centre is open five full days and two half days each week, which gives a weekly cost of £420 per person (6 x £70).

Agency interviews found that the weekly cost of a person staying at the Nightshelter was £323, paid from both Housing Benefit and Supporting People funding.

A small number of Companions had been living in rented flats prior to coming to Emmaus. They were uncertain as to whether they would have sustained their tenancies but nevertheless, several Companions thought that they would be living in a flat. Assuming that most of these would still be claiming Housing Benefit, the Housing Benefit reference rent of £100.98 has been assumed to have been incurred per person living in a private rented one-bedroom flat.¹³ In addition, the Council Tax

¹² This figure has been inflated by the Average Earnings Index, because most of the costs incurred in this type of housing are staff wages.

¹³ Source: Dataspring: A Guide to Local Rents 2007.

Benefit of £ 13.33 per week has been included, based on the Council Tax for a Band A Bedford Borough property with 25% single person reduction, giving a weekly total of approximately £114.

One Companion interviewed would otherwise have been in a retirement home. Given the age profile of residents, it seems plausible that this would be the case for a small number. The cheapest accommodation of this type would most likely be a Local Authority sheltered housing project for older people, which costs on average £243 per person per week (Curtis 2007).

Some of the present Companions have learning difficulties, and it is highly unlikely that they would be capable of independent living, especially with the skills that they had before coming to Emmaus. After gaining some work experience and training in Emmaus, they may well be able to move on to independent living in the future. Had they not come to Emmaus at all, however, they could have ended up living in a sheltered / supported housing project. The cheapest suitable option would be a village community for people with learning difficulties, for an average weekly cost of £796 (Curtis 2007). The qualitative data indicates that this housing option could have been a realistic one for 2.5 Companions.

The total cost of alternative housing provision for Emmaus Companions is therefore £557,362. It is likely that nearly all of this would be borne by the public purse.

There are also housing costs incurred at Emmaus. In 2006/07 there was a total cost incurred from Housing Benefit of £88,178 and £16,157 from Supporting People. This was supporting a Community of 18 Companions, giving a total of £5796 per person per year. The Housing Benefit (but not the Supporting People costs, see chapter 4) are likely to increase in proportion to the increased occupancy. Working on the assumed current occupancy of 27, this would give an annual total cost of £148,425.

The savings made by Emmaus in terms of housing are therefore estimated to be £557,362 minus £148,424 = £408,937.

Annual savings from housing 27 Companions in Emmaus rather than in alternative accommodation are approximately £408,937.

5.1.3 Costs of State Benefits

Most of the Companions were previously dependent on state benefits, and it is assumed that (with the exception of those who would have died) this situation would have remained if they had not come to live at Emmaus. Companions were asked about which benefits they received and this information has been used in Table 5.2 (below).

Table 5.2: Costs of State Benefits

(Assumed age of 25 and above)	Weekly Cost	Number of Companions	Total annual cost
Job Seekers Allowance (DWP 2008)	£59.15	17	£52,289
Incapacity Benefit (DWP 2008)	£83.35	5	£21,671

Total		22	£73,960
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Job Seekers Allowance varies depending upon the age of the recipient, so it is assumed that the age of a comparator person to a Companion would be 25 or over in line with the Companion profile of Emmaus. The total savings from Companions no longer claiming state benefits (except Housing Benefit and Supporting People benefit) is therefore £73,960.

Savings from Companions no longer claiming state benefits are approximately £73,960 per annum.

5.1.4 Savings to the Justice System

Several Companions had broken the law prior to coming to live in Emmaus Village Carlton. The Community Leader estimated that approximately one quarter of Emmaus Village Carlton's 27 Companions had been in trouble with the law in the past. Three Companions had been recently detained in a prison for criminal offences.

Social Exclusion Unit's 2002 statistics state that 58 percent of former prisoners re-offend within two years and some re-offending may also be expected from those who had offended in the past but had not been imprisoned. Of the three present Companions who had been imprisoned in the last two years and the seven other people who had a criminal record, this would equate to approximately two of them re-offending and being imprisoned. However, Companions staying at Emmaus Village Carlton rarely re-offend.

The above information allows for an estimate of the saving to the justice system. Two Emmaus Companions could be expected to re-offend, but it is highly likely that they will not re-offend as a result of being at Emmaus. Each re-offending ex-prisoner will cost the criminal justice system an average of £79,070 per annum.¹⁴ Therefore, based upon Home Office Statistics, it can be considered that Emmaus Village Carlton saves the criminal justice system an estimated £158,140 (2 x £79,070). The average length of stay for a Companion within the Emmaus Community is one year. The average annual saving to the criminal justice system therefore equates to approximately £158,140¹⁵.

Emmaus Village Carlton saves the justice system approximately £158,140 every year by reducing ex-offenders' likelihood to re-offend.

¹⁴ Social Exclusion Unit's statistics (2002) indicate that a re-offending ex-prisoner costs the criminal justice system an average of £65,000 per annum in 2002. This figure has been inflated by using the Average Earning Index to bring it up to date.

¹⁵ This is a lower saving than was found in the evaluation of Cambridge Emmaus, reflecting the slightly lower numbers of ex-offenders in the sample and the substantial financial impact made by each additional offender who desists from committing crime.

5.1.5 Health and Death Savings

Health Savings

Homeless people have a below-average life expectancy and can be expected to use accident and emergency facilities more often than people who have a GP. A number of the Companions interviewed at Emmaus Village Carlton had medical conditions and a number had experienced serious medical problems in the past. Shelter's study of A&E usage highlighted that those people living in hostels used A&E facilities around three times per annum (North *et al.* 1996). Around 15 Companions would otherwise be living in hostels, nightshelters or on the street. There are therefore approximately fifteen Companions who would have otherwise visited A&E facilities an average of three times per year if not staying at Emmaus. The average cost of A&E treatment in 2006 was £84 per person per visit (Curtis 2007). This would have incurred a total cost of £3,780 to the health service.

Because all Emmaus Village Carlton Companions are registered with a local NHS health centre, they are now more likely to use GP services than A&E services. An average cost of a 17 minute long GP visit is £38. If the fifteen Companions who would have visited A&E services three times a year while being homeless now visit a local GP three times a year instead, healthcare service providers save an annual amount of approximately £2,070.

Costs of Death

The total number of Companions who are assumed to be otherwise incurring housing costs as calculated above is estimated to average of 24.5, out of the assumed occupancy of 27. This discrepancy is caused by the 2.5 people who it is assumed would die if they were not living in Emmaus. Some of the Companions felt that Emmaus had literally saved their lives, and had they not come to Emmaus, they would be dead by now. This finding echoes the previous evaluation of the Emmaus Cambridge Community. Their death would have incurred a one-off expense of approximately £700 per person, assuming that they had no living relatives, leaving the Local Council responsible for their burial.¹⁶ Since the average length of stay is around a year, **this gives a total saving of £1,750.**

The total savings from reduced health and death costs are therefore £3,820.
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5.2 Savings from Recycling Activities

Emmaus Village Carlton earns the majority of its income from recycling other people's unwanted goods. Although the Bistro makes up a notable proportion of the Community's business income, it is re-sold goods that form the greatest source of the business profit. 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

¹⁶ Source: Bedford Borough Council

Village Carlton’s recycling activities *in addition* to the income generated by the actual re-sale of these items.

Not all the goods donated to Emmaus are fit to be sold, and some do eventually have to be scrapped. Unlike when the previous analysis of Emmaus Cambridge was undertaken, Emmaus Communities now maintain precise records of the tonnage of goods donated and scrapped as unsuitable, from which the tonnage of goods sold on from re-use can be calculated. Table 5.3 shows these figures for Emmaus Village Carlton in 2006-7:

Table 5.3: Donated, scrapped and resold goods: Emmaus Village Carlton 2006/7¹⁷

Tonnage of donated goods received	243
Tonnage of donations scrapped as unsuitable	113
Tonnage of goods sold on for reuse	130

The Bedford Borough Council is the body responsible for the disposal of rubbish in Bedford. The 130 tonnes of goods resold are therefore assumed to be a saving to them as they would otherwise have to dispose of the unwanted goods. For the financial year 2005/06 Bedford Borough Council disposed a total of 136,378 tonnes of rubbish and treated a total of 265,000 tonnes of refuse. The total cost of dealing with this amount of refuse (spent on total services for disposal, recycling & civic amenity sites) was £16,757,000. This equates to a cost of £63.23 to deal with each tonne of rubbish.¹⁸ Given that the Council would otherwise have to dispose of the goods resold by Emmaus, the saving is £8,220 per year (£63.23 x 130).

There is also a benefit to the wider environment from reusing items rather than people buying new ones. If the carbon savings that this entails can be established and a financial value placed upon this (for instance from carbon offsetting schemes) then these savings could be included here too. These costs were not included here because the carbon footprint of the production of household goods could not be established.

The Bedford Borough Council saves an annual amount of approximately £8,220 through Emmaus Village Carlton’s recycling activities.

5.3 Charitable giving and assistance in kind

In 2007 Emmaus Village Carlton gave away £6,500 in charitable donations. In addition an estimated £1,200 of furniture was donated to people in need. These were given to people who could not afford to pay for them, including those referred from

¹⁷ The figures presented here are different from those in Chapter One because they relate to the financial year of 2006-7, whereas those in Chapter One, for comparative purposes related instead to 1st January 2006-31st December 2006.

¹⁸ Information acquired from Bedford Borough Council on request under the Freedom of Information Act.

the local nightshelter, social services and CAB. This gives a total of £7,700 in discretionary giving and assistance in kind.

Emmaus Village Carlton supports people in need by approximately £7,700 a year.

5.4 Beneficial Outputs and Savings Arising from the Existence of Emmaus Village Carlton

Table 5.4 sets out the wider benefits, particularly through savings to the Government, accruing from the existence of Emmaus Village Carlton. These are measured in monetary terms, and do not include the direct benefits to Companions or the immeasurable benefits to the wider community (as discussed in this chapter and Chapter Three). As Table 5.4 reveals, Emmaus Village Carlton is responsible for savings and benefits to society of £652,710 per annum - an output of around £24,174 per Companion.

Table 5.4: Emmaus Village Carlton: Measurable benefits to the wider community

Source of Benefit / Saving	Measurable value per annum
Housing (including Housing Benefit & Supporting People)	£408,937
Non-Housing related State Benefits	£73,960
Legal / Justice System	£158,140
Health and Death	£3,820
Recycling of Waste	£8,220
Charitable Giving and assistance in kind	£7,700
Total	£660,777

It might be argued that there are offsetting costs however, but the only obvious implicit subsidy that Emmaus receives is that associated with the fact that Emmaus does not pay business rates. Without any discount, the total business rates payable by Emmaus Village Carlton in 2006/07 would have been approximately £39,072. In general, business rates for charities are subsidised by the Local Authority/Government. This subsidy is worth approximately 80 percent of the total payable under normal circumstances, meaning that Emmaus would have been due to pay £7,814, while the Local Authority/Government would have foregone a potential additional income of £31,258 because of the charitable status of the business. Emmaus Village Carlton however, had acquired discretionary top-up relief that released it from paying any business rates at all in 2006/07. The Local Authority/Government thus lost an income of £7,814.

This would imply a net benefit to the community of £652,963 (£660,777 - £7,814 = £652,963). However, it was considered unlikely that the site could realistically support commercial business use, and this loss of income from rates should therefore

not be taken into consideration when evaluating the benefits of Emmaus Village Carlton.

Emmaus Village Carlton saves the wider community an estimated £660,777 per annum.

5.5 Evaluating the benefit of outcomes - the impact on the public purse of the cost/input of Companions who leave

The evaluation carried out above considers the cost or savings to the taxpayer of Emmaus, per Companion bedspace. It estimates this on the basis of what the likely alternative situation would have been for each Companion. However, Emmaus is not just providing alternative housing and employment for Companions for a duration and then returning them to the same situation they were in before. Instead, it seeks to take in damaged people with a range of problems and difficulties in their life, help them to address these problems, and eventually in many cases help them move on to the outside world in a better state of physical and mental health, better equipped for independent living. Emmaus places a lot of emphasis on training, addressing basic skills such as literacy as well as on a more all-encompassing agenda of personal growth, dealing with issues and learning to live with other people again.

In addition to generating savings by having people living in Emmaus, the Village Carlton Community also benefits society by helping a number of people every year to sort out their lives, gain some work experience, and move on to paid work and independent living. It is therefore appropriate to include some measure of the impact Emmaus has had on Companions, by comparing the situation of Companions moving in to Emmaus with that of those moving out on the following measurements:

- Employment status (estimate of tax paid).
- Benefits claimed.
- Housing costs (estimate of Housing Benefit claimed).

Data was compiled from interviews with existing Companions, staff interviews and Community records in order to establish the number and status of Companions who leave Emmaus each year. Where numbers were small, two years' data was used to reduce the impact of anomalies. Potential savings due to lower crime rates, alcohol or drug use are not considered here due to a lack of data.

Table 5.5: Emmaus Village Carlton: Annual Entrants and Leavers

	2007 data		Scaled up to full capacity¹⁹	
	<i>New entrants</i>	<i>Leavers</i>	<i>New entrants</i>	<i>Leavers</i>
Total numbers	45	38	48	48
Number of	0	12	0	15.16

¹⁹ This calculation scales up the number of leavers to be in proportion to the overall numbers, which averaged 21.5 for the period for which the data was available, but is estimated to be an average of 27 at current occupancy levels.

Companions in employment				
Number claiming benefits	45	26	48	32.84
Number claiming Housing Benefit ²⁰	29	14	30.93	17.68

5.5.1 Employment related contributions

Of the 12 Companions who left with a job, one was a kitchen porter, one a barman, four went into manual labouring, two into catering, two into paid employment within Emmaus Communities, two into casual work and one to work in a bakery. These are mostly jobs that would be classified as Elementary Occupations. 2007 data suggests that the average annual male income for such jobs was £16,185. It can therefore be estimated that each would now be paying £3,805.80 in tax and national insurance contributions. With an annual estimate of 15.16 Companions leaving with a job to go to, this gives a total estimated contribution of £57,688 per year.

On average, 15 Companions a year leave Emmaus Village Carlton and move on to paid work. Their national insurance contributions and taxes generate an annual income of approximately £57,688.

5.5.2 Benefit savings

These 15 people are also assumed not to be claiming Job Seekers Allowance any more. At 2007 rates this gives an annual saving of $15.16 \times £59.15 \times 52 = £46,623$ per year.

Those people who leave Emmaus to take on paid work will not go back to claiming Job Seekers allowance. This can result in annual savings of approximately £46,623.

5.5.3 Housing Benefit and Council Tax Benefit savings

There is a reduction in the number of people who claim Housing Benefit on leaving Emmaus. Many had previously been claiming the higher levels awarded to hostels, however it is uncertain how long they would otherwise have remained at hostels once they had jobs, so as a more cautious estimate the saving is calculated on the amount payable on a one bedroom private rented flat in Bedford. The average rent on a one-bedroomed flat in Bedford is £100.98 a week.²¹ In addition the Council Tax for a Band A property is £13.29 a week. This gives an annual savings of $13.25 \times £114.27 \times 52 = £78,727$ per year.

²⁰ This figure assumes that those in employment are not claiming Housing Benefit, in addition to the six who moved to live with family and friends. The proportion believed to be ineligible or who do not claim because they live on the streets is assumed to be constant between new entrants and leavers.

²¹ Source: Dataspring (2007).

People who work claim less Housing Benefit and Council Tax Benefit. If 13 Companions a year no longer claim these benefits the Local Authority can save an estimated amount of £78,727 per year.

It is necessary to form some estimate of how long these benefits could be considered to occur for. It could be argued that once people are back on their feet they may well continue in employment, paying taxes, etc for the rest of their lives. However this is not certain, and estimates of the counterfactual are even less certain; if Companions had not come to Emmaus they are unlikely to have remained street homeless or in hostels indefinitely, and many may eventually have got back on their feet through other means. Many of Emmaus's client group however are long-term homeless with multiple difficulties and it is probably reasonable to assume that most would not have moved into mainstream housing in the immediate future. Assuming the benefits of having stayed at Emmaus last for a year per Companion would therefore seem a fairly cautious estimate.

This gives a total annual saving to the public purse from the changed status of ex-Companions of:

Table 5.6: Annual Savings Resulting from the Changed Status of Former Companions

Employment related contributions	£57,688
Benefit savings	£46,623
Housing Benefit/Council Tax Benefit savings	£78,727
TOTAL SAVINGS	£183,038

Emmaus is benefiting both the people who are there at any one time, and also has a lasting and significant impact on the lives of some who have now moved on. Thus the figures presented in Tables 5.6 and 5.4 can be added together to give an estimate of the total savings generated by Emmaus Village Carlton in an average year. This gives a total annual saving of £843,815 (£660,777+ £183,038 = £843,815).

Assuming an occupancy rate of 27 Companions this gives a saving per person per year of £31,252.

In addition to benefiting the Companions who live in Emmaus, the Community has often had a significant positive impact on the lives of those who leave every year. When the savings caused by housing people in Emmaus are added to the benefits and savings generated by people who leave Emmaus Village Carlton to take on paid work, the savings and benefits total £843,851 per annum. This means the savings and benefits total £31,252 per current Companion.

5.6 Other savings not included above

There are several other likely sources of savings to the public purse from the activities of Emmaus Village Carlton, but these are very difficult to quantify with much accuracy from available data. These include:

- Savings to the NHS, drug and alcohol services from Companions reducing or stopping their use of drugs and alcohol.
- The cost of crime. Savings to the criminal justice system directly have been factored in above, but the direct cost of crime (such as shoplifting to fund drug habits) to society at large has not been quantified. The impact of reduced crime on public safety is also impossible to evaluate here.
- The value of training courses. The savings when Companions leave with a job to go to have been included above, but the benefits of training courses can run deeper. For instance, it is known that at least one Companion went on to further study after leaving Emmaus. Others find that they are able to live more independently, for instance as a result of developing better reading and writing skills, or learning to handle money. These benefits have not been quantified.
- The value to wider society of selling second-hand goods. Emmaus Colchester recently surveyed their shop customers and found that 50% were on benefits and 72% said shopping at Emmaus had prevented them getting into debt.²²
- The benefits to the environment by reducing the amount of new goods required. The 130 tonnes of donated goods resold by Emmaus Village Carlton represent a reduction of this weight of new goods, with the resultant increase in carbon emissions associated with their production.

Many of these benefits are discussed more fully in Chapter Three. There are also unmeasurable items, such as changes to society's view of homelessness, improved public awareness of recycling and improvements in the quality of life of individuals involved with the Community. The fact that it has not been possible to include financial estimates for these means that the benefits to the public purse identified above are likely to be a conservative estimate of the true value in savings of Emmaus.

²² Source: Emmaus (2007).

5.7 Summary

- Simple cost benefit analysis of the Emmaus Village Carlton Community shows that the overall estimate is that Emmaus Village Carlton is responsible for savings and benefits to society in the order of at least **£660,777** - an output of around £24,473 per Companion. Most of this represents a direct saving to the Treasury and therefore the taxpayer.
- When the fact that many of the people who have lived in Emmaus as Companions regain control of their lives and move on to paid employment after leaving is taken into account, the total saving and benefits generated by the Community total **£843,851**.
- This illustrates the fact that Emmaus Communities clearly have the potential to provide both a unique and successful approach to homelessness, huge benefits to the Companions living in these Communities, successful social enterprises with the potential to produce a healthy surplus from their trading activities, and significant benefits to the wider communities in which they are located.
- There remain many immeasurable outputs of Emmaus Village Carlton that were identified during the research that should be considered alongside the quantitative output in financial terms. These qualitative benefits include amongst other things, an improvement in the quality of life of individuals and increased public awareness of recycling.
- 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 6: Conclusion

This report represents a study and evaluation of an Emmaus Community as a social enterprise. The primary focus has been upon Emmaus Village Carlton. As with other Emmaus Communities, Emmaus Village Carlton provides accommodation, food and support to individuals who are homeless and/or socially excluded. Emmaus Village Carlton is one Community out of 15 Communities operating in the United Kingdom. All of these Communities, except Emmaus Cambridge, are part of the Emmaus UK Federation as well as being part of the international Emmaus Movement. 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 as long as they need, even if that is for their entire lives, hence Emmaus can be seen as a way of life. Indeed, some Companions who are presently resident in Emmaus Village Carlton have been living there since it first opened in 2002.

Since its inception in 1949 Emmaus has grown into a huge international Movement, working to combat social exclusion. It has done this in a wider cultural setting where the understanding of homelessness and social exclusion was not well developed and approaches to dealing with individuals were often 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 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 sixteen 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 three key aims. These were to evaluate the economic worth of Emmaus Village Carlton's outputs and outcomes; 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 Lovatt *et al.* (2004), 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 the 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 London Social Economy Taskforce (2002). First, 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 organizations within an overall federation - meaning that they are governed by Trustees, dedicated staff and Companions.

To attain a broad view of Emmaus, qualitative data was generated by conducting interviews with a number of stakeholders, including Companions, volunteers, an Emmaus staff member, and representatives of local agencies and service providers.

6.1 Emmaus Village Carlton

A key aim of this report has been to consider Emmaus Village Carlton in detail. To this end Chapter Three summarises the detailed qualitative study of Emmaus Village Carlton. The many ways in which Emmaus Village Carlton operates, its impact on Companions and staff and the way in which it sits within the wider homelessness organisation network in Bedford and the surrounding area have thus been explored. It was found that there are many direct benefits to Companions, including 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 and access to support services, with evidence of improved chances of successful detox rehabilitation. There are Criminal Justice savings in that the supportive environment may be instrumental in reducing recidivism. Also identified was the space created to enable and encourage personal development, to have respite from difficult lifestyles, whilst at the same time remaining in an environment with strict boundaries. The Community was also identified as benefiting other agencies and the public in the provision of cheap furniture and electric goods. Further, Emmaus Village Carlton appears to cooperate well with other organisations on a one-to-one basis.

Whilst qualitative aspects of the Emmaus Village Carlton 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 has a potential to generate an annual surplus of over £27,000, resulting from its activities as a business if imputed costs of property and volunteers are not taken into account. The fact that Emmaus Village Carlton is able to provide good quality living and working conditions whilst 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 not have been considered. The Community also needs to be judged on wider benefits. A significant proportion of surplus is used to support charitable work outside the Community. An even larger element is used to ensure that the costs to society of homelessness are reduced.

Some aspects of the work of Emmaus Village Carlton 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 Village Carlton 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 as well as 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 the Government, as a result of the existence of Emmaus Village Carlton. These savings are multiple, affecting the individual Companion, other needy individuals helped by the Community, the Local Authority and the national Government. Chapter Five suggests that the value of savings and investment/support of people resulting from the Emmaus Village Carlton Community's activities exceeds £800,000.

6.2 Conclusion

This study has considered a number of different issues in considerable depth. An early theoretical and policy focus upon social enterprise and homelessness provided a background for the detailed study of Emmaus Village Carlton. The focal study upon Emmaus Village Carlton also relied upon qualitative data 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 Bedfordshire go beyond employment benefit and expenses that are spared by accommodating previously homeless people in Emmaus rather than council flats, hostels, nightshelters or supported housing projects. There are also considerable savings to the justice system (Emmaus keeps people out of trouble with the law), the health service, and local authorities due to savings made by recycling activities. However, possibly the most important effect of Emmaus Village Carlton is that it

dramatically improves the quality of people's lives. Interviews with staff and Companions have highlighted the importance of Emmaus Village Carlton for the individuals who live and work there. People referred to the fact that they had been able to adopt a healthier lifestyle and benefit from 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 on 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 becomes 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 1: Benefits of Life at Emmaus

An important aspect of the qualitative element of this study was to understand how Companions themselves see Emmaus; how and why they came to Emmaus; what they think Emmaus is doing well and what could be improved and how they think Emmaus has changed them and their lives. The Companions were asked a series of questions about their past, present, and future aspirations. Qualitative, semi-structured, one-to-one interviews were conducted with eleven Companions.

The interviews were very open, using a topic guide and series of prompts rather than set questions. The underlying logic behind this approach was to avoid imposing the interviewers' expectations on the respondents, and to enable the respondents to speak freely, using their own words and expressions. The benefits identified therefore reflect this approach as well as the Companions' personal views on Emmaus.

Life before Emmaus

Many of the people who come to Emmaus have experienced life on the streets, sleeping rough and relying on nightshelters. However, this is not the case for all of the Companions. The interviews that were carried out with eleven Companions revealed that where people slept whilst they were homeless, as well as the reasons for their homelessness, were extremely varied.

The reasons for homelessness ranged from relationship breakdown and mental breakdown to job loss, bankruptcy of a business, and loss of accommodation following the death of a family member. A few of the Companions had been homeless ever since leaving the family home, often because they were asked to leave rather than because they wanted to. Two of the interviewed Companions had grown up in care and become homeless on leaving.

I was in care from a very young age, I didn't know my parents. And when I was 16 I was just chucked out on to the streets. And then, from then on, I was just surviving.

Two out of the eleven interviewed Companions had been living in a rented flat immediately before coming to Emmaus. One of them came to Emmaus after receiving an eviction notice, and the other one was worried about losing his flat and wanted to move out before that happened. Two of the Companions had spent their time mostly in different hostels, occasionally staying in a tent, a nightshelter and sleeping rough. Two of the Companions had been mostly sleeping in a tent between short hostel stays and sofa surfing. Five out of the eleven Companions had lived on the streets, most of them using nightshelters and frequenting day centres regularly. The period that the nine Companions who had been homeless before coming to Emmaus had spent without permanent residence varied from six months to over 15 years. At least one had spent many periods in and out of prison over the last few years and several others had also been in trouble with the law. For many, homelessness had been a recurring problem.

Eight out of the eleven Companions interviewed had been claiming benefits before coming to Emmaus. Six admitted having drunk to excess, although two had given up

alcohol before coming to Emmaus. Two had been using illegal drugs as well as drinking.

Skills and work ethic

The range of existing skills that Companions had prior to joining Emmaus was extensive; while some Companions had spent most of their lives working and had even run their own companies, others had no academic qualifications and very limited work experience. Some had spent a significant proportion of their lives on the streets before coming to Emmaus. Although several Companions had been in paid employment at some point in their lives, none of the Companions who were interviewed for the purposes of this study had been employed immediately before coming to Emmaus.

The sample of eleven Companions included ex-servicemen, ex-prisoners, individuals who had spent most of their lives as manual labourers, former entrepreneurs, drifters who had spent most of their lives travelling around and doing seasonal work, and people with learning difficulties with very little work experience. Most of the eleven Companions had left school at 15 or 16, without any formal qualifications. Two out of the eleven respondents had some college education, and one had been to university. Two of the interviewees had worked in the construction business for extensive periods of time.

A notable proportion of time and money in Emmaus Village Carlton is spent in training, ranging from personal skills such as cooking, literacy, manual skills and driving to more specific work-orientated courses focusing on areas such as computer-literacy, customer relations, groundsmanship and woodworking. Training is available to all Companions, and actively encouraged as part of their personal development.

Six out of the eleven individuals interviewed felt that they had learnt something new, both formally (with a certificated course) and informally since coming to Emmaus. Several others were fairly new and hoped to benefit from training courses in time. All of the Companions except one fairly recent arrival had taken a Basic Food Hygiene course, which is essential for people who work in the Bistro dealing with food. Two Companions had acquired better computer skills, and two others spoke of their aspirations to enrol on different training courses in the future to improve their computer, building and woodwork skills. Two Companions were receiving assistance in basic literacy. Other skills developed were those centred around the Community's business activities; recycling, cooking, and customer service skills. Two Companions with very little previous work experience felt that the skills they had acquired during their stay in Emmaus might help them to access paid employment outside the Community later on.

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 life'. The fact that people are given the opportunity to work, to acquire new skills and higher self esteem without all of the complications (such as paying rent, bills and finding a social network) that independent living would often require was positively viewed by nearly all Companions. Although a few Companions felt that the training they had been able

to access in Emmaus would not be particularly useful to them once they left the Community, others appreciated even some very basic skills that they had acquired during their stay. This was the case especially when these new skills were seen to improve people's future prospects of being able to live independently.

Personal Development and Peer Support

Much of what the Companions felt they had learnt during their time in Emmaus was focused on personal and interpersonal development. Several Companions spoke about making friends in the Community. Six out of the eleven Companions considered interaction with the staff and other Companions to be a central aspect of Emmaus's appeal.

The best thing is the people here, the way they make you feel welcome. They got time for you, that is the best thing of being here.

Many Companions talked about learning to get along with different people. Five of the Companions mentioned the positive impact on their interpersonal skills. While the majority of the Companions recognised that living close together can generate tension between members of the Community, one Companion emphasised that learning to deal with these situations was an important skill that he had learnt at the Community. Two of the Companions mentioned that they had become less aggressive and more comfortable with people and the environment generally after coming to live in Emmaus.

I like living here. Before, I used to be pretty angry, but to be amongst guys, be amongst people again... I have changed.

I was erratic, and my behaviour used to go from very quiet to very aggressive in about two seconds. Not anymore does it. I really have calmed down, really calmed down. And in fact I have learned to deal with aggressive people!

One Companion who had lived at Emmaus for a fairly long time felt particularly strongly about the way in which interaction with the other Companions had helped him to gain self-esteem.

When new ones come in, they want to talk to me because I've been for such a long time, and they ask me for advice! When before no-one ever asked me for that!

Interviews with the eleven Companions also revealed Companions' own views about the ways in which working and living together with other people had influenced their ability to relate to other people.

Once you realise that you've been given a second chance then you're more prepared to give other people another chance.

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. Life in Emmaus had made many of the Companions care for others in a way that some of them had never done before. Companions themselves identified this as a major positive change that made them feel good about themselves.

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'. This issue was also identified as an important benefit of being in an Emmaus Community by the staff members - people learn to take responsibility "*not only for themselves but for others as well*". Three out of the eleven Companions had participated in charitable activities since coming to Emmaus. All of them had enjoyed such work a great deal, and were determined to continue to 'give back' in this way.

The greatest positive impact on the Companions' views of life and self, however, came from working. Having a job helped the Companions to regain their dignity and self-respect by making them feel useful, and by enabling them to stop claiming benefits.

It's given me a purpose, it's given me my self-respect back. It's given me a purpose to carry on.

We don't claim benefits. Maybe Emmaus does but we don't. We're not costing the tax-payer that sort of money.

Several of the Companions also recognised the environmental value of Emmaus Village Carlton's recycling activities, and this realisation further strengthened their feelings of self-worth.

The Community Aspect

The fact that Emmaus Village Carlton is a closely knit community where people live and work together day in and day out divided the Companions' opinions. Six of the interviewed Companions said that they really liked living in a place where they felt they were part of a community, and a few even thought that the community aspect of Emmaus was one of the best things about it.

I like the community aspect of Emmaus. Because I am a bit strapped for, you know, social interaction and any kind of companionship. Here it's like here for you already kind of thing. It's like, yeah, buying it all in a box, it just works. You don't have to go out and create it. That's the best thing about it, I guess. The Community, the word, being in one, being part of one.

Three Companions talked about the family feel to the Community, that living there was like having an 'extended family' and that, in contrast with other accommodation options, the Community provided a 'home' and a place to live for 'as long as you need it'.

I know that the shelters do tremendously good work, and they have people who do try to help them, but I think, here, you can settle here, you can make this your home.

Seven out of the eleven Companions mentioned support as an important benefit of living in the Community. Several different types of support were identified including peer support from other Companions, learning to become self-supporting, and support from the members of staff, especially in terms of advocacy and psychological support. The model of peer support was also highlighted by the Community Leader 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.

Interestingly, however, the community aspect of Emmaus was also identified as one of the most troubling things about it, and some of the Companions did not particularly enjoy the community aspect of Emmaus. Three of the Companions mentioned that they like to keep to themselves, and do not want to socialise. These people were less positive about their experiences in Emmaus, and less keen to stay there than those who embraced the communal living and working arrangements. These three Companions did not feel that they were getting much out of being at Emmaus, except 'a good roof over their heads'. One of them felt that the rules of the Community were too strict, and that the Companions were not allowed enough autonomy. The other two disliked the rural location of Emmaus Village Carlton, saying that they felt too isolated from mainstream society. It may thus be the case that the community aspect of Emmaus was viewed so negatively by these people at least partly because the Community was seen to offer the *only* opportunities for social interaction available for them whilst living there.

Health

Improved eating habits, reduced alcohol intake, drug free environment, meaningful activity, the structured day and the confidence obtained when signing off benefits were all identified as having a positive impact on the Companions' general health. One of the key issues identified by six of the Companions with past substance abuse issues was the impact of Emmaus on their drinking and drug use.

When you're homeless you are bored and whatnot, and obviously you drink more. Especially living on the streets, alcohol is a big issue. Prior to moving in here [Emmaus] I think the alcohol was getting more and more... When you're on the streets you've got to drink to get to sleep.

In addition to receiving counselling, treatment, medication and general support from agencies such as Ad-action, the Companions believed that their reduced alcohol intake was at least partly due to the fact that all Companions are expected to work. Especially for people who had lived on the streets for long periods of time, work that provided a meaningful way to spend a day was seen as reducing the 'need' to drink as well as the opportunities for doing so.

Emmaus has also helped Companions with past medical conditions and mental health problems to access appropriate healthcare. Over half of the eleven Companions had

received counselling after coming to Emmaus, and all agreed that that its impact on their mental health and psychological wellbeing had been significant. Three of the Companions mentioned how counselling that they had accessed through Emmaus had helped them to come to terms with things that happened in the past, and that were probably at least partly responsible for their homelessness and/or substance abuse.

They've helped me get into a couple of things, dental, medical, counselling. Emmaus has helped me tremendously from that point of view, cause they've got all the contacts.

Some of the Companions highlighted the dramatic effect that coming to Emmaus had had on their health, with one interviewee stating that if he had not come to Emmaus he believes that he would be dead.

Emmaus has changed my life completely. It has, really has. I am healthy, I you know, keep myself clean, eating well, sleeping well and all that.

I think if I was still on the streets I'd be dead by now. I really think I'd be dead by now.

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 eleven individuals interviewed five thought that being in the Community had improved their health. Five Companions mentioned that they felt they had a healthier lifestyle and two stated that they were a better weight. Three also felt that they were less stressed.

Although the Companions overall thought that life in Emmaus had had a positive effect on their lifestyle and health, two of the Companions felt that their health had deteriorated after coming to Emmaus. Unlike the majority of the Companions, these two individuals did not perceive the opportunity to work in positive terms. Instead, they felt that the emphasis on working was adding to their stress levels, and they were lacking an opportunity to de-stress. This issue highlights the fact that Emmaus may not be a suitable option for all individuals, or for people with certain types of problems that cannot be sufficiently well addressed in an environment where work and interaction with other Companions are essential aspects of everyday life.

Life after Emmaus: Moving on

As exemplified above, the key objective of Emmaus Village Carlton is to help the Companions to make the changes that they need to make in order to improve their quality of life. Emmaus plays an important role in helping people with many different backgrounds. There are three main groups of people that appear to benefit from Emmaus most significantly. The first group is comprised of people who find living in mainstream society daunting, and who are lacking those support networks that would help them to live independently. They are often people who fall through the gaps of society often due to mild to moderate learning difficulties, not being able to lead a 'normal' life but also not necessarily suitable for long term institutional living arrangements. Many of these people end up making Emmaus their permanent home

after spending years on the streets, as it provides them with a safe and secure living environment.

The second group, the so-called 'transient homeless', move through Emmaus, streets, nightshelters, friends and relatives. For them, Emmaus provides a roof over their head, warm meals, clothing, and a chance to de-stress or simply stay off the streets for the coldest time of the year. Although these people may rarely move on to independent living and employment, it would be wrong to say that they do not benefit from their stay at Emmaus. Agency interviews confirmed that even the people who end up back on the streets often feel that they had benefited from Emmaus, and some do return another time.

The third group is comprised of people who have worked most of their lives, but then fallen on hard times. For them, Emmaus serves a function as a place where they can stay while trying to sort out their lives. These people see Emmaus as a temporary place (though not necessarily short-term) from which they hope to move on, to independent living and employment.

If you want to get on and get your life back, they'll help you here.

That's what they are sort of trying to do, to help you get straightened out. That's what they are doing with me.

While 'moving on' to independent living and employment is often seen as the most desirable outcome, there are as many outcomes as there are Companions who pass through Emmaus in any given year. A person who has been able to make the most out of their stay in Emmaus is often significantly improved by the experience by the time they decide to leave the Community, be this due to counselling, reduced drinking, chance to de-stress, improved nutrition and health or all of the above. One of the most praised aspects of Emmaus by local agencies as well as the Companions was the fact that the Companions are not 'pushed' to move on as quickly as possible, but rather are given time to sort out their lives first and move on only when they feel that they are ready and have been prepared to do that. As one of the Companions said when asked how long he thought he would be staying in Emmaus:

When I first moved in I was thinking a year, but after thinking a bit longer about it I think two or three years. I feel I need that to get all my homelessness out of me, and then focus on getting back to work.

Approximately one third of the Companions who leave Emmaus Village Carlton in an average year move on to independent living and employment. For many of them, this would not necessarily have been possible without Emmaus. Two of the Companions who were about to move on to employment believed that this was largely due to their experiences in Emmaus. They also expressed a strong sense of gratitude for 'getting their lives back'.

I went to open a bank account, and I was so emotional. It just felt as if I was getting my life back. I just felt like I was back in the world again! Without Emmaus, I don't think I would have been like that.

Many of the Companions who were interviewed for the purposes of this evaluation had had their future aspirations radically changed by their experiences in Emmaus; what had previously appeared unattainable had become possible. This was demonstrated, among other things, by the sharp contrast between the Companions answers to questions 'where do you think you would be if you had not come here?' and 'where do you see yourself in a few years' time?'.

The location of Emmaus Village Carlton, however, creates some problems for Companions who wish to move on but do not want to stay in the local area. Although the Community is open to aspiring Companions from all over the country, the help that can be given to Companions who want to leave the Community and move beyond the county boundaries is limited. This had caused frustration to some of the Companions who felt that they were ready to move on, but who did not want to stay in Bedfordshire. Furthermore, the isolated location of the Community and a lack of public transport means that the transitional flats that can be used by Companions who are preparing to leave are of little use to Companions who fail (or do not want) to find employment locally.

Staff and Volunteers at Emmaus Village Carlton

In addition to interviews with eleven Companions, interviews were also conducted with three staff members and four volunteers. One key purpose of these interviews was to learn what staff members and volunteers think that they are getting out of working or volunteering in Emmaus, what they consider are the best aspects of Emmaus, and what they think could be improved.

At present, the Community has two Community Leaders, as one of them is preparing to leave. Both Community Leaders stress the role of Emmaus as a Community, and as a place where Companions who would otherwise be unemployable or incapable of independent living in mainstream society have the opportunity to live and work in a safe environment. In their view, one of the greatest benefits of Emmaus is its therapeutic value for the Companions and volunteers, and amongst the key outcomes are the Companions' regained or improved self-esteem, dignity and confidence, as well as improved quality of life. The other beneficial outcomes include the Community's recycling activities, raised awareness of recycling and re-using, and concrete advantages for Companions in the form of references and training that can help them find employment after leaving the Community.

[Emmaus] is now a 'Community for the community'. For a lot of volunteers it is their life. The public come here - 1,000 a week. People come seeking tranquillity. Some make a day of it (Emmaus Village Carlton Community Leader).

Volunteers are an essential part of the Emmaus Village Carlton Community. Without their input, the Companions would struggle to do all the necessary work, the business would suffer, and more paid staff would have to be employed. The four volunteers who were interviewed represent only a fraction of the 60-70 volunteers working at Emmaus Village Carlton. The reasons for volunteering at Emmaus Village Carlton appear to be quite varied; some see volunteering purely as a hobby, while others volunteer for religious/ethical reasons and others because they see their work in

Emmaus as giving them 'a reason to get up in the morning'. Some of the volunteers are highly skilled, and take pleasure in being able to pass on their skills to the Companions. All of the four volunteers enjoy the work they do, partly because it makes them feel useful, and partly because of the opportunities it offers for interaction with other people. The volunteers value the Community for giving homeless people a job and a place to live, and for the environmental benefits caused by its recycling activities.

Conclusions

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 and access to education, support and advocacy. There are also health benefits with improved general health, access to detox support services, and evidence of improved chances of successful rehabilitation. 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.

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