

Social Value Forecast for Rooms of Our Own

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Social Value Forecast: “Rooms of Our Own”

This document forecasts the Social Value that would be created by the Rooms of our Own Waltham Forest Centre if it were to go ahead as per the current plans. The forecast is based on analyses of Social Value of organisations offering similar services and delivering similar outcomes.

The Mission of *Rooms of our Own* is:

The creation of a centre or centres, run on social enterprise principles, which will provide a safe, welcoming, attractive, green, accessible and affordable spaces for:-

- 1. Women’s organisations supporting female victims of rape, domestic violence, harassment, FGM and other gender based violence.*
- 2. Women’s organisations working for gender equality*
- 3. Women’s businesses and activities and organisations supporting them.¹*

Current plans for the Waltham Forest Centre include a wide range of facilities. The Social Value forecast divides the activities of *Rooms of our Own* into a number of areas for the purposes of this calculation, depending on the nature of the impact that they are likely to have. These areas are:

1. Hot-desking and Business Support
2. Charity Office Space Rental
3. Charity Meeting Room Rental

Some components of the Centre are not included in the analysis, either because other organisations looking to develop the site are likely to offer similar components (such as housing), or because the likely Social Value created by Rooms of our Own will be small (such as when businesses rent part of the space at commercial rates).

An estimate for the Social Value that will be created by the three included areas is outlined in the remainder of this document. The calculations suggest the following:

- **Hot-desking and Business Support will lead to the creation of c. £1 million of Social Value over a ten year period.**
- **The provision of Charity Office Space and Charity Meeting Room space will lead to the creation of £270,000 in Direct Social Value (that Rooms of our Own can claim credit for) and c. £1.1 million of Enabled Social Value (that Rooms of our Own cannot claim credit for directly, but will be created in the centre).**

¹ Rooms of Our Own Proposal Document

1. Hot-desking and Business Support

Part of the space on the ground floor of the centre would be for hot-desking and providing business support for women entrepreneurs, along with a crèche. Current plans allocate 100 square metres to this space. This is particularly important in Waltham Forest, which has one of the smallest economies of the London Boroughs and is particularly reliant on self-employment and SME start-ups for jobs.

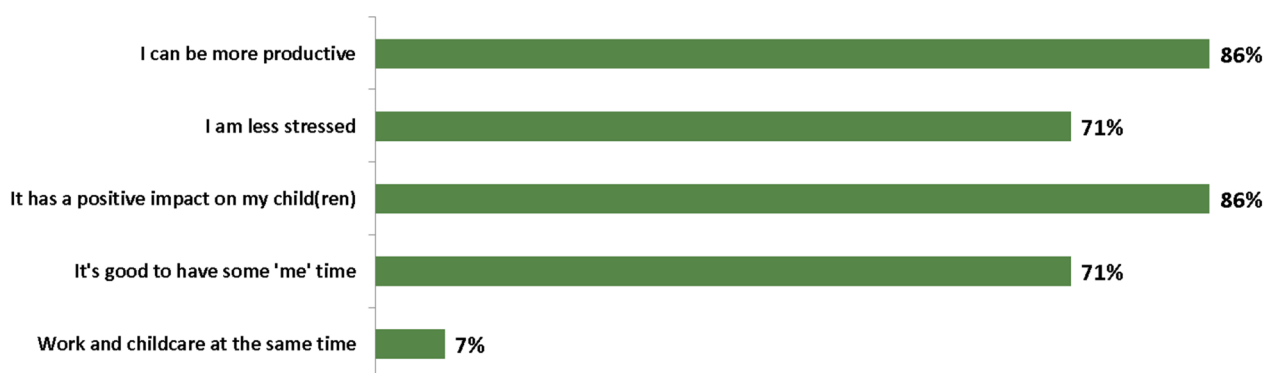
There is some evidence that women are more interested in starting their own businesses. Women Entrepreneurs UK cites the large number of “mumpreneurs” starting out with businesses that can be run around childcare commitments, and states that “The UK government is quite alive to the fact that a larger number of women entrepreneurs will mean an improvement in the national economy as a whole.”²

Alongside a crèche and hot-desking, Rooms of our Own will use the space to provide business support for women entrepreneurs, shared resources and excellent networking opportunities. Workshops and other support will be tailored to the specific needs of women entering or returning to the workforce. The hot-desking space should be particularly useful for parents and carers who have difficulty balancing domestic responsibilities and employment. They will be able to carry out administrative tasks relating to their business or start-up, or to finish assignments related to their education. Women form a higher proportion of care givers for young children,³ so a crèche will be particularly helpful in redressing the barriers often felt by women in progressing their employment.

To forecast the Social Value that this is likely to create, findings from a similar centre in North London were analysed.⁴ This centre also combines a crèche with hot-desking space. A survey of users of this North London centre has been conducted, and it is assumed that the users of the North London centre will have similar needs, activities and outcomes as those in Walthamstow. The survey showed that:

- 85% of users of the hot-desking space were using it for work, education or training purposes
- 80% of users of the hot-desking space also used the crèche
- 86% of users said they could be more productive when using the space (see Figure 1).

Figure 1: Benefits of using a hot-desking space combined with crèche



The evidence suggests therefore that services providing hot-desking and crèche facilities have the potential to support women in employment and enterprise opportunities. In order to estimate the social value that this support might create, it is necessary to draw on studies that evidence the value of similar business support.

The Rooms of our Own model is an innovative one, and there are not many organisations providing similar types of service. WorkFree Brent and Impact Hub Westminster both have some similarities, and were examined as

² www.womenentrepreneursuk.com/women-business-grants.htm

³ Characteristics of Care Providers and Care Receivers over time (JRF, 2006), states “In all age and ethnic groups, women were more likely to provide care than men”. www.jrf.org.uk/publications/characteristics-care-providers-and-care-receivers-over-time

⁴ WorkFree Brent

part of this study. However, this study primarily uses Cockpit Arts, a London-based Social Enterprise and business incubator, as a comparison and a source of data for estimating impact.⁵

There are a number of benefits in using Cockpit Arts as a model, in particular:

- Cockpit Arts is London based, and 88% of the people it supports are female.
- Cockpit Arts publishes regular reports on its impact, and makes a range of data available.⁶
- While Cockpit Arts has a narrower sector focus than Rooms of our Own (it supports creative businesses), it nonetheless is similar to Rooms of our Own in that it provides a variety of services to support new and small businesses. The make-up of these support services is not the same, however. For example, it does not provide a crèche.

Cockpit Art’s research⁷ suggests that:

- The average turnover of those using the centre is £35,089 compared with a national average of £23,485
- The average turnover of those using the centre is £12,147 compared with a national average of £6,231

This suggests that this kind of business support can lead to an increased turnover of c. £12,000, and an increase in profit of c. £6,000.

This analysis estimates the social value that will be created by the Rooms of our Own Hot-desking and Business Support in the following way:

- Rooms of our Own will provide 40 hot-desking spaces, and it is assumed that on average 75% will be in use at any one time.
- Of those who use the space, 86% will be more productive (because they are using the space).⁸
- Those who are more productive will see an increase in income, similar to the increase in profits of businesses at Cockpit Arts. An individual who uses the hot-desking space throughout the year and is more productive as a result would gain £5,916 in earnings.⁹
- It is assumed that the crèche is the unique component of the centre, and those that don’t also use the crèche could have worked somewhere else. 80% of hot-desking users are also likely to use the crèche,¹⁰ and so the benefits for the remaining 20% are discounted as they would have been able to work elsewhere and hence gain at least some of the benefits elsewhere.

Figure 2 shows how the total Social Value is estimated.

Figure 2: Social Value created by Hot-desking and business support per year

| Usage | | Impact | | | Social Value |
|-------------------|-------------------|------------------------------------|---|---|----------------------------|
| Total Space (FTE) | Average occupancy | Proportion who are more productive | Average gain of those who are more productive | Proportion who are dependent on crèche and <i>wouldn't</i> access alternative provision | Total annual value created |
| 40 | 75% | 86% | £5,916 | 80% | c. £122,000 |

If this value is projected over a ten year period, and discounted accordingly,¹¹ then the *Present Value* created is c. £1,000,000. In some ways this is a conservative estimate of the Social Value created; it doesn’t account for some of the other benefits that are cited above, such as the reduction in stress and positive impact on children.

⁵ See www.cockpitarts.com

⁶ See, for example, the Cockpit Effect 2012: www.cockpitarts.com/wordpress/wp-content/uploads/2013/11/Cockpit-Effect-2012.pdf

⁷ *Ibid.*

⁸ This is based on findings from the centre in North London that also provides a crèche and co-working space cited above.

⁹ This is based on an increase in profit from £6,231 to £12,147 from the Cockpit Arts study. Some people will gain educational or training benefits rather than income benefits, but it is assumed that these will be of roughly the same value.

¹⁰ This is based on findings from the centre in North London that also provides a crèche and co-working space cited above.

¹¹ HM Treasury Guidance states that value accrued in the future should be discounted by 3.5% per year in order to convert it into present value (i.e. its value in today’s money).

2. Charity Office Space Rental

Current plans show 75 square metres of office space allocated to charity premises. It is not yet known exactly which charities would occupy this space, but Rooms of our Own have received expressions of interest for office space and meeting room space from over 30 organisations. This analysis works on the basis that the expressions of interest are a good reflection of the types of organisations that are likely to ultimately hire space. The Social Value created by each of these types of organisations is then forecast.

The organisations were categorised into five groups. These groups are shown below in Figure 3, together with the secondary sources of data that are used to forecast the likely social value created by each:

Figure 3: Organisation Categories and methods of Social Value projection

| Category of organisation | Source for projecting Social Value |
|--|--|
| Domestic Violence | A Social Return on Investment analysis of the Ashiana Network, which provides support and empowers South Asian, Turkish and Iranian women in London who are experiencing domestic violence. ¹² |
| Training / supporting enterprise | A Social Return on Investment analysis of the South Sudan Women's Skills Development (SSWSD) which supports Sudanese women and children. ¹³ There are a range of other organisations that provide similar services and have demonstrated their impact; ¹⁴ SSWSD was chosen because the SROI has been calculated. |
| Support for specific ethnic or cultural groups | A Social Return on Investment analysis of the Heba Women's Project, an East-London based training and enterprise project for Bangladeshi, Pakistani, Somali, Algerian and East African women. ¹⁵ |
| Health, fitness and well-being | A Social Return on Investment analysis of Community Champions (local people who volunteer through their local community centre, to promote the health and well-being of all residents) in West London. ¹⁶ |
| Advocacy | It is much more difficult to measure the Social Value created by advocacy organisations, and far fewer examples exist. Therefore, the average Social Value created by five separate London-based women's organisations is used; these organisations all had Social Return on Investment analyses conducted as part of a project for the Women's Resource Centre; they include the Ashiana Network, South Sudan Women's Skills Development and the Heba Women's Project (highlighted above) together with the Women and Girls Network ¹⁷ and Rape Crisis South London. ¹⁸ |

The Social Value is calculated by looking at the Direct Investment and Enabled Investment that Rooms of our Own would provide for these organisations. Direct Investment is the difference between the rent that Rooms of our Own would charge, and equivalent commercial rent, i.e. the savings that an organisation would make by being based at Rooms of our Own. The Enabled Investment is the rent that the organisation would pay, but is 'enabled' by the presence of the Rooms of our Own centre. Current plans show that charity organisations would be charged £160 per square metre, and businesses £200 per square metre. This difference of £40 per square metre is considered the direct investment. There is 75 square metres of space allocated to charity organisations, and a usage of 90% is assumed. This means that the likely annual rent paid (and hence the enabled investment) is £10,800, with a charity subsidy (or direct investment) of £2,700.

¹² See http://thewomensresourcecentre.org.uk/wp-content/uploads/WRC-Ashiana-SROI-report_2011.pdf

¹³ See http://thewomensresourcecentre.org.uk/wp-content/uploads/wrc_sswsd_sroi_report_final_2011.pdf

¹⁴ For example, see: <http://enterpriseinfield.org/cms/index.php?action=detail&pageid=10,115>

¹⁵ See http://thewomensresourcecentre.org.uk/wp-content/uploads/1_wrc_heba_sroi_report_final_2011.pdf

¹⁶ See http://westminster.moderngov.co.uk/documents/s988/08_Item%207a_%20-%20SROIChampionsExecPrint.pdf

¹⁷ See http://thewomensresourcecentre.org.uk/wp-content/uploads/wrc_wgn_sroi_report_final_2011.pdf

¹⁸ See http://thewomensresourcecentre.org.uk/wp-content/uploads/wrc_rasasc_sroi_report_final_2011.pdf

By using Social Return on Investment ratios, this analysis projects the amount of Social Value created per pound of investment for each category of organisation, and hence the Direct Value Created (projected from the Direct Investment) and the Enabled Value Created (projected from the Enabled Investment). Figure 4 shows the direct investment, enabled investment, direct value created and enabled value created for each category of organisation and in total.

Figure 4: Investment and Value Creation per year: Office Hire

| Category of organisation | Share of interest in office space | Direct Investment | Enabled Investment | Return on Investment Ratio | Direct Value Created | Enabled Value Created |
|--|-----------------------------------|-------------------|--------------------|----------------------------|----------------------|-----------------------|
| Domestic Violence | 46% ¹⁹ | £1,246 | £4,985 | 8.8 | £11,000 | £44,100 |
| Training / supporting enterprise | 15% | £415 | £1,662 | 11.2 | £4,700 | £18,700 |
| Support for specific ethnic or cultural groups | 8% | £208 | £831 | 11.6 | £2,400 | £9,600 |
| Health, fitness and well-being | 8% | £208 | £831 | 5.1 | £1,000 | £4,200 |
| Advocacy | 23% | £623 | £2,492 | 7.9 | £4,900 | £19,600 |
| Total per year | 100% | £2,700 | £10,800 | - | £24,000 | £96,200 |

If this value is projected over a ten year period, and discounted accordingly, then the *Present Value* created is c. £200,000 of Direct Value and £800,000 of Enabled Value.

3. Charity Meeting Room Rental

As well as offering office space for rental by charities, the current plans show 80 square metres of office space allocated to charity meetings. The expressions of interest received by Rooms of our Own also show interest in use of this meeting space. The Social Value generated by the charity use of meeting space is calculated in the same way as for charity rental of office space, except that the make-up of organisations likely to use the meeting space is a little different, and a usage of only 50% is assumed. This means that the likely annual rent paid (and hence the enabled investment) is £5,000, with a charity subsidy (or direct investment) of £1,000. Figure 5 below shows the direct investment, enabled investment, direct value created and enabled value created for each category of organisation and in total.

Figure 5: Investment and Value Creation per year: Meeting Space

| Category of organisation | Share of interest in office space | Direct Investment | Enabled Investment | Return on Investment Ratio | Direct Value Created | Enabled Value Created |
|----------------------------------|-----------------------------------|-------------------|--------------------|----------------------------|----------------------|-----------------------|
| Advocacy | 17% | £167 | £833 | 7.9 | £1,300 | £6,500 |
| Training / supporting enterprise | 44% | £444 | £2,222 | 11.2 | £5,000 | £24,900 |
| Health, fitness and well-being | 39% | £389 | £1,944 | 5.1 | £2,000 | £9,800 |
| Total per year | 100% | £1,000 | £5,000 | - | £8,300 | £41,200 |

If this value is projected over a ten year period, and discounted accordingly, then the *Present Value* created is just under £70,000 of Direct Value and just over £340,000 of Enabled Value.

¹⁹ The Domestic Violence charities that expressed interest were looking for significantly more space than the other organisations, so they are weighted up accordingly. They are looking for office space rather than refuge space.