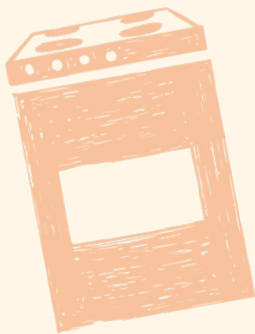


Social Return on Investment Study into the Provision of Essential Furniture Items



CONTENTS

Page 3.	Background
Page 4.	What is Furniture Poverty?
Page 5.	The Essential Items
Page 6.	Liverpool Citizen Support Scheme
Page 7.	About SROI
Page 8.	How FRC Group uses SROI
Page 9.	Project Scope
Page 10.	Valuation Method
Page 11.	Profile & Outcomes
Page 12.	Outcomes for Furniture Recipients
Page 14.	Quantity of Outcomes
Page 15.	Value of Outcomes
Page 16.	SROI Value & FRC Group
Page 17.	Conclusion

BACKGROUND

FRC Group is a group of charities and social enterprises, created over 30 years ago to help people access essential furniture items.

Over the past three decades, our 100% not-for-profit social businesses have grown and thrived. They include Bulky Bob's, which holds local authority bulky household waste contracts and gives away the reusable furniture it collects to people in need; and Furniture Resource Centre, which provides new furniture to furnished tenancy programmes, Local Welfare Provision schemes and shared accommodation such as hostels. Together we work to End Furniture Poverty.

Our End Furniture Poverty campaign works to raise awareness of the issue of Furniture Poverty, carries out research to understand the consequences of Furniture Poverty and explores possible solutions. End Furniture Poverty lobbies for change, and works with partners to help get furniture to those who need it.

FRC Group has been committed to social value measurement for most of its history. We have a long track record of measuring the social value we create, and we were the first UK organisation to start producing fully audited integrated financial and social value annual reports five years ago.

The next logical step was to examine the Social Return on Investment created by providing essential furniture items to people in need, to measure the social value that this creates and use that data to improve and develop our approach.

The purpose of this report, delivered in partnership with social value consultancy morethanoutputs, is to share our SROI findings with others to encourage more organisations to provide essential furniture items and help to lift people out of Furniture Poverty.

One of our social businesses, FRC, has been supplying furniture and white goods to Liverpool City Council's Local Welfare Provision scheme, (known as Liverpool's Citizen Support Scheme), for a number of years, and through the research of End Furniture Poverty, we know that this is one of the best schemes of its kind in the country.

Liverpool City Council is committed to supporting its most vulnerable residents, helping them to access essential furniture items in times of need, despite a decade of austerity severely reducing its available budgets.

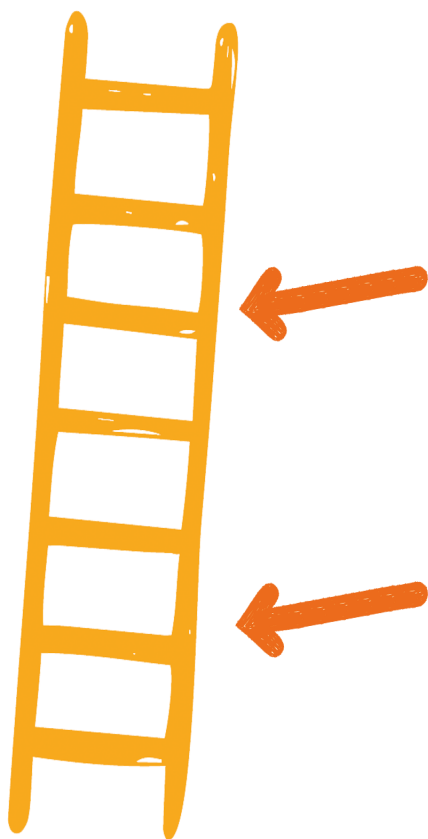
In order to gather the necessary data to build this social value model, we are indebted to Liverpool City Council for their support, enabling us to interview LCSS recipients to find out how their lives have been changed by the provision of essential furniture items.

WHAT IS FURNITURE POVERTY?

We define Furniture Poverty as the inability to afford or access basic furniture and furnishings, including domestic appliances, that provide a household with a decent quality of life and the ability to participate in the norms of society. It is when someone does not have the furniture they need to lead a secure life.

End Furniture Poverty has developed this definition of Furniture Poverty and held a consultation to gather responses to our terminology and to assist in defining what the 'essential furniture' items are that a household needs to have in order to be in furniture security.

This definition of Furniture Poverty is about more than just physical needs. It is a relative definition that considers how inequalities affect people's mental health, confidence, participation in society and general wellbeing. Furthermore, Furniture Poverty is a continuum, as described in the diagram below:



Furniture Insecurity:

- A household has the items they need for now
- If something essential breaks or needs replacement, they will not have the savings to do so
- Often moving from one crisis situation to another

Furniture Destitution:

- A household has none or very few of the basic items needed
- In a long-term, chronic situation

THE ESSENTIAL ITEMS

End Furniture Poverty has consulted widely on a proposed list of 'essential furniture' items, assessing how essential different furniture items are, with a view to using this list to help define who is in Furniture Poverty according to whether they own or can access this furniture.

The list is:

1. Bed, bedding and mattress
2. Washing Machine
3. Table and Chairs
4. Oven/cooker
5. Fridge and/or Freezer
6. Sofa/easy chairs
7. Wardrobe/Chest of drawers
8. Carpets
9. Curtains
10. TV
11. PC/Laptop*

*We recently added a PC/laptop to this list. Access to the internet for job searches, education and training, or to keep in touch with family and friends, is something that we believe should be available to all so we include it here within our broad definition of an Essential 'Furniture' Item.

As an organisation committed to helping as many people as possible, we have been measuring the social value of our work for many years.

We have won many awards for this work - we have been a finalist in the SE100 Impact Awards every year, until we became the first inductee into their Impact Hall of Fame for 'leading from the front on all aspects of measuring and demonstrating its impact, and using social impact measurement to become a better organisation'.

We have long held an ambition to measure the social value of providing essential furniture items to those who need them and thanks to our partnership with Liverpool City Council, we have now carried out this work and are able to present our findings.

LIVERPOOL CITIZEN SUPPORT SCHEME

Liverpool City Council (LCC) has been operating the Liverpool Citizen Support Scheme (LCSS) since the 1st of April 2013.

The Scheme helps vulnerable people in short term crisis to obtain food and essential items to maintain independence to live in the community.

Applicants are normally limited to two awards within a 12-month period, beginning from the date the first award is made.

Applicants need to be over 16, live in Liverpool or be moving to the area.

They should be on a low income and in receipt of any of the following benefits:

- Income Support.
- Income Based Job Seekers Allowance (JSA).
- Income related Employment and Support Allowance (ESA).
- Pension Credit (Guarantee Credit only).
- Universal Credit.

In addition, applicants need to be either leaving care or require support to stay in the community, or not have enough money to meet their (or their family's) immediate needs after an emergency or crisis.

There are a number of Awards available under the Scheme including:

- Urgent Need Award - This covers food, essential items for children, essential clothing, fuel costs or help where you have suffered an emergency or crisis, for example, a fire or flood.
- Home Needs Award - This covers furniture, new white goods, domestic appliances and essentials such as bedding and crockery to help maintain or establish a home.



Liverpool
City Council

ABOUT SROI

“What is a cynic? A man who knows the price of everything and the value of nothing.”

Oscar Wilde

Most organisations have a pretty good idea of the costs of their activities. Annual accounts, management accounts, budget reports and a whole accountancy profession add up to a great deal of effort to make sure this is the case.

Some organisations are quite good at counting what they do with these resources. They can track the number of users or contacts, or customers. Many can provide some evidence that these activities lead to some sort of change. But few can explain clearly why all this matters. What would happen if they did not exist? What is the real value of what they do?

Social Return on Investment (SROI) sets out to redress the balance by looking at value not just cost. “SROI aims to increase social equality, environmental sustainability and wellbeing.” (Social Value UK).

Every day our actions and activities create and destroy value; they change the world around us. Although the value we create goes far beyond what can be captured in financial terms, this is, for the most part, the only type of value that is measured and accounted for.

As a result, the financial value of products and actions take on a greater significance and many important things, such as the impact on someone’s social, physical and mental wellbeing, can be omitted. Decisions purely made on financial cost may therefore be weaker as they are based on incomplete information about full impacts.

Social Return on Investment (SROI) is a framework for measuring and accounting for change and this much broader concept of value. FRC Group use SROI to understand the impacts of our activities because we understand that the value that we create is about much more than just the financial impact.

Money is simply a common unit and as such is a useful and widely accepted way of conveying value. In the same way that a business plan contains much more information than the financial projections, SROI is much more than just a number. It provides a story about change, one on which to base decisions that includes case studies and qualitative, quantitative and financial information.

SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social outcomes and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated.

SROI is a principles-based methodology. This report does not contain a detailed explanation of the principles or every step of the SROI process. For example, this report does not explain how outcomes have been valued (in the same way that the account of an organisation’s finances would not explain how an asset had been valued in the accounts).

For details of the principles and process and why they are important and a worked example, please refer to the Cabinet Office sponsored Guide to SROI (Social Value UK, 2009).

HOW FRC GROUP USES SROI

FRC Group has used SROI measurement for many years. We are different to many charities because we run 100% not-for-profit commercial businesses and reinvest the surpluses to achieve our charitable objectives, as opposed to fund-raising or applying for grants.

We work hard to ensure our businesses are well run and profitable, and we use SROI to make many of our business decisions by considering the social impact of an activity or project, rather than just the financial implications. For example, there may be two proposals that both require the same financial investment but which could create different amounts of social value – we will opt for the proposal that creates the most social value.

Using SROI allows us to identify any gaps that may exist in our efforts to End Furniture Poverty so that we can look for solutions and ensure that we create value for all of our stakeholders. It also helps us to remain accountable – we know we have created value but is it enough and how can we improve on this?

SROI means we are more responsive to our stakeholders as we use it to consider whether the value we have created through a certain activity reduced or are we actually causing an unintended negative impact?

We can predict the effect of commercial changes on our social objectives which in turn, allows us to take corrective action or look for alternatives to 'plug the gap' when that is not an option.

Driving Change

A useful practical example of how we use SROI measurement is our Driving Change salaried training programme which had been running for many years as a 12-month training programme, offering people a living wage and training, including an HGV Class II licence, plus support into employment.

Our robust social value measurement processes helped us to identify that while our 'one size fits all' programme was helping people out of unemployment and into a job, it was not always making a lasting impact for this stakeholder group. As part of this measurement exercise, we also examined our work placement programme and recognised that although it created some social value, diverting that same resource into making Driving Change a more personalised programme created far greater outcomes for our trainee stakeholders.

This led to us making the difficult decision to reduce our work placement programme so we could reinvest the resource into Driving Change. Driving Change now offers a much more personalised approach that supports people into a sustainable career. New trainees now start throughout the year and are with us for anything from 3 months to 2 years, depending on their needs and their progression rate.

Three years on and we have now been able to provide the additional resource to reopen our work placement programme and will continue to carefully review the social value created by both schemes to look for further possible improvements.

PROJECT SCOPE

Aims

End Furniture Poverty worked with Liverpool City Council to create a Social Value model for essential furniture to measure the impact and social value created:

- by providing items from the '11 Essential Items' List; and/or
- through LCSS Scheme Home Needs Award.

Objectives

- to develop a model to cover both the interventions above, and any other provision of essential furniture;
- to measure the social return on the investment as a baseline;
- to identify the most valuable outcomes;
- to develop a regression model to predict the social value created by each individual item of furniture, each intervention, and for different client groups; and
- to design a simple monitoring system (or calculator) to measure the value created by providing essential furniture going forward.

For the purposes of this study, we used data collected from recipients of Liverpool City Council's Liverpool Citizen Support Scheme, (LCSS), where the furniture is supplied by Furniture Resource Centre.

All recipients had received one or more items from the '11 Essential Items' List, new and/or preloved, through the LCSS scheme 'Home Needs Award', in financial year 2018/19 onwards.

Stakeholders

There is a clear definition of stakeholder in the context of SROI: people or organisations and entities that affect, or are affected by, the activity. Therefore, for this study, the only relevant stakeholder group is households who have received furniture from the LCSS Home Needs Award scheme. No other stakeholders were included.

Methodology

We began the process by interviewing 25 recipients of LCSS Home Needs Awards over the phone. The interviews consisted of 10 questions, focused on finding out what had changed for the recipient as a consequence of receiving essential items of furniture. Their responses allowed us to draw up an Outcomes model which was used in the online quantitative survey.

Here are some of those initial responses:

"Little boy had gone from cot into bed – money short so asked LCC – brand new mattress. Time on my own to rest – better mental health; Little boy developing more Improved speech for son (has speech and language problems); Son doing better at school as a result; Better night's sleep for mum and child; More pride – feel better about myself."

"Nice to feel like there was help and support out there – proud of Liverpool for offering that support."

VALUATION METHOD

How did we do it?

Social Return on Investment (SROI) is a framework for measuring and accounting for change and this much broader concept of value. In SROI it is important to value in monetary terms those outcomes to demonstrate why they matter, to give them equal significance in our minds as things with financial value.

Willingness to pay is a valuation technique that corresponds to a traditional standard economic view. It is often used in academic studies and cost benefit analysis. We selected this technique as the most appropriate to the scope of this project and developed a willingness-to-pay valuation instrument to collect primary data on value.

To explain it simply, it uses data on how much people are willing to pay for something to value it. If the thing we want to value is a washing machine, we look at prices people pay in shops and online to see what they are willing to pay for a washing machine, and so, its value to those people buying washing machines.

But what if someone cannot afford a washing machine? That does not mean they don't value it – in fact, often the reverse! But ability to pay affects data, and therefore conclusions, on willingness to pay.

And what if the thing is not an object but a feeling? For example, feeling less isolated. In these situations, the valuation becomes more challenging and care and expertise is required.

The method was adapted for low-income respondents because assigning a value using willingness to pay will depend largely on their income (ability to pay). The relative value they place on items when they have so little to spare could vary significantly from the value someone on an average income or above may be willing to pay.

Our adapted model used time as a proxy, something we all have and can equally measure. We asked people how many hours they would volunteer to acquire the outcomes they had experienced. We then used the minimum wage to give us a base value and a level to begin our analysis.

PROFILE & OUTCOMES

Research Questions

The evaluation was designed to answer the following questions:

1. What is the profile of furniture recipients?
2. What are the outcomes for furniture recipients?
3. What value do furniture recipients put on their outcomes?
4. What is the Social Return of providing furniture (in terms of furniture recipients' outcomes and the knock on value to public systems)?
5. Can the value created by each individual item of furniture, each intervention, each outcome, and for different profile groups be confidently predicted?

Profile

Male	24%
BAME	11%
Employed	18%
2 parent families	6%
Dependents (ave)	1.5
Age (ave)	39

Outcomes for Furniture Recipients

The telephone interviews allowed us to draw out some common themes, listed below, and these themes were then put into an online survey which a larger group of LCSS recipients were invited to complete.

1	Feeling safer	The items I have received have made me feel safer; because the washer, cooker or other furniture I was using before was unsafe.
2	Providing for family	I feel like I am providing for my family/our home gives the right impression to authorities as a result of the items I have received; because we have cleaner clothes; we're able to function normally; it feels more like home now; and/or we eat healthier.
3	Improved mental health	My mental health has improved as a result of the items I have received; because I have more self-esteem; we're able to function normally; and/or I have more time.
4	Freedom and increased independence	The items I have received have given me a sense of freedom and increased independence; because we're able to function normally; and/or less dependent on others.
5	Worry less about money	I worry less about money now as a result of the items I have received; because I can store food for longer; I don't have to use the laundrette; and/or I don't have as many takeaways.
6	Improved relationships	The items I have received have improved my relationships; because I am less dependent on others; and/or I am able to invite friends/family in now.
7	Less isolation	I feel less isolated as a result of the items I have received; because it feels more like home now; I am able to invite friends/family in now; and/or I feel supported.
8	Improved physical health	My physical health has improved as a result of the items I have received; because we eat healthier; I have less aches and pains; and/or I sleep better.
9	Proud of Liverpool	The items I have received have made me proud of Liverpool; because it's good to feel there's support and help out there.

OUTCOMES FOR FURNITURE RECIPIENTS

Feeling safer - The items I have received have made me feel safer; because the washer, cooker or other furniture I was using before was unsafe - 23% of respondents agreed with this statement.

For example, participants said:

“I had severe back pain from existing broken furniture.”

“I feel safer – the oven door used to hang off so that was a concern.”

Providing for family - I feel like I am providing for my family/our home gives the right impression to authorities as a result of the items I have received; because we have cleaner clothes; we're able to function normally; it feels more like home now; and/or we eat healthier - 40% of respondents agreed with this statement.

For example, participants said:

“It changed my life – I went from having nothing to being able to work and provide.”

“I’m able to feed my son a healthy meal – I feel better about myself.”

“I now have clean clothes for everyone – more pride and less stress.”

Improved mental health - My mental health has improved as a result of the items I have received; because I have more self-esteem; we're able to function normally; and/or I have more time - 42% of respondents agreed with this statement.

For example, participants said:

“We’re not living out of bin bags any more – increased pride.”

“I’ve started painting, decorating, it feels more like home – I have more self-esteem and confidence.”

“The kids are settled – so I am happier.”

Freedom and increased Independence - The items I have received have given me a sense of freedom and Increased independence; because we're able to function normally; and/or less dependent on others - 43% of respondents agreed with this statement.

For example, participants said:

“What changed? Life! It allowed me to leave – so better physical and mental health for me and baby. It’s given me increased freedom.

“We’re able to cook our own tea, able to function normally.”

OUTCOMES FOR FURNITURE RECIPIENTS

Worry less about money - I worry less about money now as a result of the items I have received; because I can store food for longer; I don't have to use the launderette; and/or I don't have as many takeaways - 47% of respondents agreed with this statement.

For example, participants said:

"I'm saving time and money at the Launderette."

"It's taken a lot of the upfront costs away – it's taken away the pressure at the start of a tenancy."

"It's given me more breathing space – I can't emphasise enough how much easier it made things."

Improved relationships - The items I have received have improved my relationships; because I am less dependent on others; and/or I am able to invite friends/family in now - 33% of respondents agreed with this statement.

For example, participants said:

"I'm not relying on family and friends for washing and drying clothes, cooking meals etc."

"I'm no longer ashamed – I'm able to invite friends and family around for tea."

Less isolated - I feel less isolated as a result of the items I have received; because it feels more like home now; I am able to invite friends/family in; and/or I feel supported. I feel less isolated as a result of the items I have received; because it feels more like home now; I am able to invite friends/family in now; and/or I feel supported - 30% of respondents agreed with this statement.

For example, participants said:

"I'm no longer isolated, I'm seeing family and friends again so I'm happy and less lonely."

Improved physical health - My physical health has improved as a result of the items I have received; because we eat healthier; I have less aches and pains; and/or I sleep better - 32% of respondents agreed with this statement.

For example, participants said:

"I was living on microwave meals. Now I eat healthier food so I'm feeling healthier."

"I have reduced back pain so I feel better physically and I'm sleeping better."

Proud of Liverpool - The items I have received have made me proud of Liverpool; because it's good to feel there's support and help out there - 65% of respondents agreed with this statement.

For example, participants said:

"I'm glad I don't live somewhere where I would have been forgotten."

"It's nice to feel like there was help and support out there – I'm proud of Liverpool for offering that support."

Of course this research was carried out in Liverpool, hence the final outcome, but it is reasonable to assume that the pride in the place that is supporting you could be replicated anywhere in the country.

QUANTITY OF OUTCOMES

We had 164 responses to the survey and the table below shows how many of them experienced each of the outcomes, by agreeing or agreeing strongly with each of the statements or outcomes above.

These respondents represented a wider population of 6,000 furniture recipients supported during the period that this study looked at.

The total quantity of these outcomes in the wider population is, therefore, pro-rata from the survey result.

Statement	Agree or Strongly Agree	Pro-rata Outcomes
Proud of Liverpool	65% (107 respondents)	3914
Worry less about money	47% (77 respondents)	2817
Freedom and increased independence	43% (71 respondents)	2597
Improved mental health	42% (69 respondents)	2524
In control of life	40% (66 respondents)	2414
Providing for family	40% (65 respondents)	2378
Improved relationships	33% (54 respondents)	1975
Improved physical health	32% (53 respondents)	1939
Less isolated	30% (50 respondents)	1829
Feeling safer	23% (38 respondents)	1390

VALUE OF OUTCOMES

The value of outcomes, (based on the willingness to pay outlined above), to individual furniture recipients who responded to the survey is shown in the table below, in order of most important outcomes to them.

Essentially the figures are derived by asking people how many hours they would volunteer their time to receive their furniture items, and we asked them to also consider in their response everything receiving that outcome meant to them, such as their improved physical health and so on.

We have then used the minimum wage to calculate the average figures – volunteer hours x minimum wage.

Unit Values

Worry less about money	£1,283
Feeling safer	£952
Freedom and increased independence	£924
Improved mental health	£906
In control of life	£903
Improved physical health	£900
Improved relationships	£845
Less isolated	£833
Proud of Liverpool	£775
Providing for family	£686

The total value of outcomes for furniture recipients is represented by multiplying these unit values by the quantities of each outcome – using the pro-rata sample of 6,000 recipients above. Please note, these are the values created with this particular group of stakeholders and it would vary depending on the stakeholder group.

When combined with quantities (or frequencies) of outcomes by using the pro-rata sample, however, the total value of the outcomes is in a different order of relative importance – notably, ‘feeling safer’ and ‘proud of Liverpool’, at opposite ends of the table, have swapped places. Other outcomes remain in a very similar order of importance. So, in order of relative importance, the total value is as follows:

Total Value

Worry less about money	£3,614,291
Proud of Liverpool	£3,035,306
Freedom and increased independence	£2,400,306
Improved mental health	£2,286,754
In control of life	£2,180,984
Improved physical health	£1,744,151
Improved relationships	£1,669,819
Providing for family	£1,631,253
Less isolated	£1,524,251
Feeling safer	£1,322,639

SROI VALUE & FRC GROUP

The aim of this project was to give a social value for the provision of a full package of the 11 essential items of furniture, as defined by End Furniture Poverty.

To measure the value of providing someone with essential furniture items, we applied the methodology used above to measure the values of the outcomes - we asked people how many hours they would volunteer their time to receive their furniture items and everything it has meant to them.

Because FRC Group is here to End Furniture Poverty, we do not believe that giving people individual items of furniture is sufficient to achieve this goal. Therefore our figure is based on the complete package of 11 essential 'furniture' items, (throughout our work, we use the term 'furniture' here to include appliances and essential electrical items like televisions and IT equipment).

This means that the SROI value of providing a full package of essential furniture items is £6472.

Please note that these figures are true for us and our stakeholders so must be used with caution if other organisations attempt to apply these figures to their activities and their stakeholders.

Social Value Created by FRC Group

FRC Group is now using these figures to demonstrate the social value that we are creating. We are always very aware of the importance of not over-claiming when it comes to social value so we apply rigorous deadweight and attribution to the values given to items of essential furniture. This adjustment reduces the value of the items we provide to acknowledge the part played by others in creating value, and what may have happened anyway, without our intervention.

In the year to date, Quarters 1 to 3 of 2020 to 2021, across our various sites and businesses, we have provided 43,500 essential furniture items, which our calculations demonstrate has created £2.3m in social value to the end of Q3. We have forecasted to the end of 2020/2021 and we expect to deliver £3m of social value in total over the year through the provision of around 60,000 essential items of furniture, again taking the adjustments for deadweight and attribution into account.

We capture the data needed to measure this social value through our usual business processes, in the same way we collect data required for financial reporting. We also engage with stakeholders regularly to ensure we keep track of any changes in outcomes, good or bad, and are responsive to those. We use this information extensively to understand our performance and aid decision making internally.

CONCLUSION

We hope that our SROI study will be useful for other charities and support organisations and provide a starting point for them to measure the SROI of their work. We would like to reiterate that our values are based on the work that we do with our stakeholders and would differ with other stakeholder groups.

We would also like to repeat our note of caution about the risk of over-claiming. Without our careful deadweight and attribution adjustments, it could appear that FRC Group has created £37m of social value in 2020/2021, (by simply calculating 60,000 items of furniture, with 11 items per package, creates 5454 packages multiplied by £6472 per package). However, we do not want to claim the value for the work of others, or for what may have happened anyway without our intervention and this is vital for the continued integrity of SROI measurement.

Furniture Poverty is sadly endemic in our society with millions of people living without essential items of furniture. FRC Group will continue to do all that it can to help reduce the number of people living in Furniture Poverty and we applaud the work of the thousands of other organisations across sectors such as social housing, grant giving organisations, furniture reuse organisations and other charities who share our goal.

This study demonstrates the tremendous value of providing people with essential furniture items and the huge difference it can make to their lives, however we also know that Furniture Poverty is a chronic problem and people's issues are likely to be more complex and challenging. Only by working together can we begin to deliver lasting change.

We will continue to lobby Government for an adequate welfare safety net and for them to encourage and legislate for employers to offer fairly paid and secure jobs. We will continue to work with social landlords to provide more furnished tenancies, and we will work hard to try and ensure that those who are living in Furniture Poverty, and all types of poverty, receive the support and help that they deserve. Together we can make a difference, together we can End Furniture Poverty.

We hope that this research provides a valuable contribution to the study of Social Return on Investment, and also highlights the work of both FRC Group and Liverpool City Council in ending Furniture Poverty. We would like to again thank Liverpool City Council for their support with this project.