Social Value Index:
Building the Case for the Democratic Commons in Tottenham

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Toward a Third Way for Urban Development

There is a growing consensus across the political spectrum that Britain’s towns and cities are in the midst of an affordability crisis which only seems to worsen year-on-year. London is particularly impressive in the scale of its inequality, where the life expectancy of a child born today can vary by 15 years depending on where in the city they are raised.\(^1\) The current model of urban development — with the pursuit of profit as a driving motive — is both symptom and cause of this inequality. The built environment of the capital has undergone massive transformation over recent decades, often reshaped for the enjoyment of an international elite\(^2\) and as a safe haven for those with wealth to park it in the real estate market.\(^3\)

Moreover, for those on modest and low incomes, the imposition of austerity policies from 2010 has meant that residents continue to experience lowering standards of living due to the considerable scaling back of essential programmes, services and support that was hitherto provided by councils.\(^4\) In the context of this inequality, cash-strapped local authorities in desperate need of funding\(^5\) are left with two possible courses of action: leave residents to live in areas which make them exposed to avoidable harms;\(^6\) or sell remaining assets, like council estates and brownfield sites, to private developers in search of substantial returns, and in doing so displacing existing residents. The outcomes of both these courses of action are frequently devastating for local communities: higher rates of early death and chronic illness in the case of the former,\(^7\) and community fragmentation and social isolation in the case of the latter.\(^8\)

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In response to these trends, the Public-Commons Partnership (PCP), developed by Keir Milburn and Bertie Russell,⁹ has emerged as a model for envisioning a different kind of development: one that encourages investment to improve conditions for local people, in which allocation of resources is determined democratically to best meet the needs of those who maintain an area's social infrastructure, and which is rooted in the empowerment of — rather than contempt for — those who contribute most to the wellbeing of their communities and neighbourhoods. In this model, assets owned by local authorities or other public bodies are managed by a Community Benefit Society (CBS), which entails the active participation of a representative body of local residents and workers, a registered charity in the form of a development trust, and public sector officials.¹⁰

There is presently a crucial opportunity to realise these principles in a small indoor market in Tottenham where residents have been fighting for a vision of democratic governance for over 15 years. Wards Corner (also known as Latin Village) represents a real-world application of the PCP model.

The PCP model was created as an alternative to the public-private partnership model that dominants present-day urban development, and which is typically designed around extractive forms of ownership.¹¹ Public-commons partnerships are offered as a method of providing broader social, economic and political value to a local community and bolstering the production and sharing of community wealth.

This report offers an account of the implementation of the PCP model in Wards Corner and applies a methodology for appraising the model's wider benefits using a novel Social Value Index. The Index accounts for the long-term, downstream benefits of a people-led development strategy. Our principal motivation is to show that a third way of urban development is possible and should be assessed in contrast to the underwhelming performance of public-private partnerships in meeting our needs and the managed decline of urban neighbourhoods resulting from a chronic lack of funding and investment.

**Wards Corner**

Seven Sisters is known locally as the gateway to Tottenham and serves as an important anchoring point for people in north London to meet, shop, eat and enjoy themselves. Wards Corner, which sits at its apex, is an indoor market situated inside an Edwardian building that has stood at the site since 1901 and previously operated as a department store. Since the beginning of the 2000s, Tottenham has become a

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hub for Britain’s growing Latin American community from countries such as Colombia and Brazil, and local businesses in the area reflect this inflow of residents. As a result, Latin Americans constitute a majority of traders who operate in Wards Corner, though there are also many traders of African, Afro-Caribbean and Indian descent. Wards Corner remains the only operational market with a distinct Latin American character in the UK following the demolition of the Elephant and Castle Shopping Centre in 2020.

The building site was purchased in 1973 by Transport for London (TfL), a statutory corporation within the Greater London Authority (GLA), following the opening of the Victoria Line, which is serviced by the adjacent Seven Sisters Underground station. Proposals for demolishing and privately redeveloping the site have been under discussion for the past 20 years, and in 2012, permission was granted to Grainger plc, the UK’s largest listed residential landlord, to construct a mixed-use retail and residential building. The threat posed by the redevelopment plan prompted a denouncement from the Office of the United Nations High Commissioner for Human Rights on the basis of the site’s significant cultural importance to a minority group in the UK. Grainger plc withdrew from the regeneration project in 2021, and TfL and Haringey Council (the local authority where Tottenham is located) have since committed to “a new council-led delivery approach for the Wards Corner site that aligns with its priorities for housing, economy, place and community wealth building”. Wards Corner has additionally been identified as one of nine assets of community value by Haringey Council, further underscoring its wider cultural, economic and social value to Tottenham.

Social Value

“Social value” is a concept and framework for appraising alternative forms of value with increasing uptake among public bodies seeking to understand the impact of local policy on constituents and service-users. By calculating non-commodified monetary values of the wider effects of a proposed development, the framework

13. Ibid.
assesses benefits in comparable terms that exist “beyond the balance sheet”, i.e., beyond straightforward financial returns, such as health outcomes, social cohesion and environmental improvements.

One area where the application of social value frameworks has become increasingly common is in planning applications and decisions on new developments. For instance, the creation of the London Sustainable Development Commission by the GLA included a commitment to assess “how social value can be delivered as part of London’s regeneration and development”.18 At a national level, the Public Services (Social Value) Act 2012 requires “public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes”.19 The motivation underpinning the need for a social value model is to mount a viable alternative to orthodox economic conceptions of value, as proposed regeneration schemes are most commonly evaluated based on economic benefits analyses commissioned by private developers.

Methodology

This report applies the social value framework to the operations of Wards Corner, with the aim of understanding the impacts and value of a model that is rooted in community benefit. The methodology used in this report is based on the theoretical approaches developed by Doina Petrescu, Constantin Petcou, Maliha Safri and Katherine Gibson in a 2020 paper entitled “Calculating the value of the commons: Generating resilient urban futures”.20 Using the case study of an urban farm on the outskirts of Paris, social activities and benefits were translated into economic values under four categories:

- Direct financial revenues,
- Estimated value of unpaid labour,
- Estimated capacity increases and
- Cost savings at the household, commons and state levels.

The first category (Direct financial revenues) covers revenue generated from the sale of goods and services, such as selling produce and operating a café. The second category (Estimated value of unpaid labour) attributes a “replacement value” to work performed by volunteers (i.e., what labour costs would be if all unpaid workers were to be replaced by paid workers). The third category (Estimated capacity increases) uses “full benefit accounting” to apply a potential future wage from

employment opportunities requiring skills learnt (e.g., in the paper’s case study, developing construction skills on the farm allows volunteers to later access work as private contractors). The fourth and final category (Costs savings as the household, commons and state levels) valuates two separate phenomena: the provision of goods and services which would otherwise need to be traded via the market (e.g., increasing green cover would require payment of a private contractor to lay sod and therefore has a cost that is presently being saved); and the reduction of harmful social conditions which contain a calculable economic cost (e.g., improvements to health and wellbeing through daily exercise on the farm in the original case study reduces the amount of health spending on behalf of the state).

The present Social Value Index maintains the “diverse economy framing” used by Petrescu et al.21 and adapts the metrics to best suit the proposals raised in consultation sessions and those included in the Wards Corner Community Plan.22 In the present analysis, there are three separate categories which are assigned value: first, direct financial revenue generated by the sale of goods and services and other income streams; second, new social programmes and spaces that could be delivered through the Community Plan, which includes the provision of childcare, supplementary educational tutoring and affordable workspace (hereafter: provision of social needs); and third, tackling the unmet needs of the wider Tottenham community to address crime, unemployment and deprivation (hereafter: downstream benefits).

<table>
<thead>
<tr>
<th>Direct Financial Revenue</th>
<th>Provision of Social Needs</th>
<th>Downstream Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods and services</td>
<td>Childcare</td>
<td>Reducing crime</td>
</tr>
<tr>
<td>Wealth retention in local economy</td>
<td>Supplementary educational tutoring</td>
<td>Reducing unemployment</td>
</tr>
<tr>
<td>Alternative financing streams</td>
<td>Affordable workspace</td>
<td>Reducing deprivation</td>
</tr>
<tr>
<td>(grants, public funds, leveraged finance, crowdfunding)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental income from traders</td>
<td></td>
<td></td>
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<tr>
<td>Lease management</td>
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</tr>
</tbody>
</table>

The model calculates the social value generated at the household, commons, wider local economy and state (national and local) levels. All social values represent an income stream or a cost saving at these four levels. In this report, “the Commons” denotes the Wards Corner building as managed by the Wards Corner Community Benefit Society (CBS), as seen in Figure 1. The Wards Corner CBS is a democratic entity which would manage the leasehold of the building from TfL, collect rental income from market traders and fund the social programmes and activities which are entailed in the sections below.

21. Ibid.
22. Wards Corner Community Plan, not currently publicly available.
The present Index aggregates the annual social value for Wards Corner at £17,927,600, which is comprised of the following segments:
The annual social value figure for Wards Corner can alternatively be viewed in the table below by the level where social value is generated and whether the value is the result of an income stream or a cost saving:

<table>
<thead>
<tr>
<th>Income generation</th>
<th>Cost savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household level</td>
<td>£2,874,185</td>
</tr>
<tr>
<td>Commons level</td>
<td>£998,841</td>
</tr>
<tr>
<td>Wider local economy level</td>
<td>£835,379</td>
</tr>
<tr>
<td>State level</td>
<td>£449,643</td>
</tr>
<tr>
<td>All levels</td>
<td>£5,158,048</td>
</tr>
</tbody>
</table>

There are references made throughout this report to a “local community” or the “Tottenham community” without clear boundaries of who is included or excluded from this definition. For example, social programmes that are explored in the sections below are available to the benefit of local residents and as job opportunities for people who live near Wards Corner. These are based on the theoretical assumption that the majority of people who would be engaged by these programmes or benefit from the downstream effects would live nearby. This claim is supported by research from Power to Change which found that 86 per cent of people employed in community businesses live locally. However, the eligibility for the social programmes outlined in this report would need to be determined practically by the Commons.

Additionally, it is assumed that people who enter formal employment or increase their hours as a result of the provision of social programming would work...
in Wards Corner (or for another London Living Wage employer). This assumption is made for two reasons: first, it allows for a readily calculable hourly wage of £11.95 as determined by the Living Wage Foundation based on the real cost of living in London in 2022, and second, to demonstrate that Wards Corner could provide job opportunities at living wages for people who are engaging with its services. This does not imply, however, that residents who use the services and programmes proposed in the community development plan must work in the Wards Corner building as a requirement for their accessing those services.

### Clarifications to the Social Value Index

Prior to outlining the components which constitute the Social Value Index, there are two matters which must be explicitly clarified. The first matter is the issue of feasibility. It is important to note that the concept of “social value” modelled in this report is distinct from the solvency and profitability of Wards Corner as a financial entity. Rather, it is simply a composite figure quantifying the social value generated by Wards Corner for a variety of stakeholders who are impacted by its operations: traders, residents of Tottenham, local businesses, TfL and the national government. In order to nominally address the question of feasibility, the income for and costs to the Commons have been tabulated below and show that the proposals in this report can be paid for through the funding sources outlined.

#### Income for the Commons (£998,841)

- £348,192 in rent from affordable workspace
- £229,500 in state funding
- £186,469 in rent from trading on first two floors (including café)
- £120,000 in grant funding
- £98,455 in additional leveraged finance
- £16,225 in donations.

#### Cost to the Commons (£919,916)

- £554,912 for tutors (£487,620 in wages and £67,292 in employer national insurance contributions)
- £297,004 for childcare workers (£260,988 for wages and £36,016 in employer national insurance contributions)
- £68,000 to TfL for lease management.

To fully determine the financial feasibility of the Community Plan, Architecture 00, a multidisciplinary design studio, are currently undertaking a robust financial assessment and the results of their study are forthcoming.

The second matter of clarification is that the present Social Value Index is not an exercise akin to national accounting. We only seek to itemise the benefits accruing to the respective beneficiaries and attach a gross figure to the value realised by each party in each transaction. For example, we itemise separately the gross value of goods and services sold by traders, as well as the rent those traders pay to the Commons. In contrast to a “value added” accounting approach, we do not adjust for the fact that the value of that rent is already embedded in the value of those goods and services. Hence, the present Social Value Index is a gross, as opposed to net, measure of value. Similarly, wage income of childcare workers is counted as income at the household level, in addition to the total value of the childcare services provided. The fact that these wages are equivalently a cost to the Commons is not netted from our aggregate figure. This was done to demonstrate the maximum potential value of activities within Wards Corner to all stakeholders involved even though these amounts would not be fully realised in practice. Our approach reflects our primary concern to enumerate the range and scale of benefits to the community at large, rather than to compress these benefits into a single undifferentiated aggregate.

Direct Financial Revenue

Social value: £3,045,777

- Income at the household level: £1,491,749
- Income for the wider local economy: £835,379
- Income at the state level: £68,000
- Income for the Commons: £650,649.
Income at the household level and for the wider local economy

The direct financial revenue, or the income brought in by Wards Corner, is the most conventional monetary figure included in our model. Since March 2020, most of the market has been closed due to electrical issues in the building, making labour force and income-related data that reflects the current inflationary conditions difficult to determine. As mentioned in the Methodology section, Wards Corner acts as a community hub, which charitable trust Power to Change defines as “buildings (or parts of buildings) [that] provide and host community activities that local people need. They are led and run by the community and are open and accessible to everyone.”\(^{25}\) We can assume that the revenue generated by other community hubs in England is comparable to the Seven Sisters Market (where traders would operate in Wards Corner).

According to an annual survey produced in 2022 by Power to Change, the sector income of community hubs across England was £234 million and the number of staff (both paid and unpaid) was 51,200.\(^{26}\) Combining both paid and unpaid staff, these figures imply that the average worker in these hubs brings in £4,570.31 per year as income to the community business. It bears mentioning that this figure does not reflect salaries for workers and is used as a proxy to estimate the revenue of a business by the number of people who work there due to the aforementioned data. As this figure (£4,570.31 per year) is generated from sites across England, the income generated by a community hub in inner London is likely to be higher than nation-wide figures as average household expenditure in London is 20 per cent higher than the rest of the country.\(^{27}\) Applying this 20 per cent adjustment to the annual income per worker, we can assume that each worker in Wards Corner will bring in approximately £5,484.37 of revenue per year. Next, assuming that the optimal amount of space required to work per trader is 7m\(^2\),\(^{28}\) the floor space, which includes the trading stalls and a café (combined area of 1906.4 m\(^2\)), would provide working space for 272 traders at its maximum. Extrapolating by the number of traders, we can estimate an annual income in sale of goods and services at £1,491,749. Additionally, there are downstream benefits of successful community businesses to the surrounding area where they are situated. Power to Change estimates that 56p per £1 generated from community businesses remains in the local economy.\(^{29}\) Applying this value to the annual revenue for the market, we can assume that an additional £835,379 will stay in the Tottenham area and enrich local enterprises.


\(^{28}\) Figure provided by Architecture 00.

Income at the state level

In terms of additional financial revenue, there are values that are generated to the benefit of state actors at the city-wide level. For one, there is an annual cost to manage the lease of Wards Corner from the proprietor, TfL, and offers an annual revenue stream for the state (as TfL is owned by the GLA, the regional governance body for London). Although it has not yet been announced what the cost of management of the lease will be, the most recent figure from a 2020 independent review commissioned by the Wards Corner Policy Advisory Group placed the figure at £68,000 per year.30

Income for the Commons

For community businesses, it is important to use a diverse funding model which pulls in alternative sources of financing. In the case of Wards Corner, this would include grants, state funding, community share schemes and ethical investment. So far, £120,000 of grant funding has been secured from the Tudor Trust, Lankelly Chase, Power to Change and the Civic Power Fund.31

According to Power to Change’s 2022 analysis of the financial impact of grant funding on community businesses, access to a community business fund increased the total revenue income of 56 community businesses from £27.9m to £33.4m over three years, representing a 19.7 per cent increase in total, or 6.6 per cent annually.32 Assuming that access to sufficient grant funding was available to Wards Corner, this could generate an additional £98,455 in direct financial revenue annually.

Additionally, the GLA has agreed to provide £229,500 in public funds to support traders through financial assistance and business support programmes.33 A successful Crowdfunder in September 2022 also raised £16,225 to finance the development of the Community Plan.34

To fund the social programmes proposed in this report and to pay for the lease from TfL, our model sets the rent paid by traders at 12.5 per cent of their annual income and within the range of 2 to 20 per cent rent-to-income ratio which is typical in the commercial sector.35 This is purely an indicative estimation for simplicity’s sake, as there are other features (such as location and floor size) which would determine the rent set in each stall and the café. Using this figure however, Wards Corner would generate £186,469 in rent annually for the Commons.

31. Wards Corner Community Plan, not currently publicly available.
The availability of affordable childcare is an acute and growing issue which requires immediate redress. Traders in Wards Corner and community members in Tottenham have raised the provision of a nursery as a foremost priority during consultation sessions. Among European states, the UK has the highest rates of parents under-utilising formal childcare services due to unaffordability. In a survey of households with a total income less than £20,000 per year, 41 per cent had accumulated debt as a result of childcare costs. The burden of debt placed on working-class families who require childcare represents a stark inequality when compared to better-off parents who are able to pay market-rate prices or to remain at home with their children. The provision of free childcare in Wards Corner would improve equity of access to ensure low-income families can also benefit from the provision of crucial social infrastructure.

Cost savings at the household level

According to the annual Coram Family and Childcare Survey published in 2022, inner London has the highest costs in Britain for part-time childcare of children under three. For the provision of 25 hours of childcare in inner London, parents on average spent £8,811.88 annually for children under two years of age and £8,351.04 for children aged two years old. For children aged three and four years old, the figure is significantly lower at £3,315.36 per annum due to government funding entitlement (as of 2022) for 15 hours of free childcare per week.

With these extraordinary figures in mind, our model estimates the benefit of free childcare provision. The maximum number of children in nursery that Wards Corner can provide care for is based on the dimensions of the community space, with 124.3m² on the first floor and 109.2m² on the second floor. In theory, the floor area would be divided equally between three age groups (under two, two-year-olds and three- and four-year olds), though in practice, this would need to be amended given the ages of the children who are enrolled. In addition, children of different ages require varying amounts of space according to statutory framework guidance from the Department of Education. For those under two years of age, 3.5m² is required per child; for those aged two, 2.5m² is required and those aged three and four require 2.3m² of space. Based on these parameters, there would be space for 22 children under two, 31 children aged two and 33 children aged three and four (86 children in total). Assuming full uptake and applying the costs of private childcare for each of these age groups, provision of free childcare in Wards Corner would allow parents to theoretically save £562,128 per year.

Income at the household level

Provision of free childcare would also allow the parents of those children to engage in the waged economy and/or increase their hours, bringing in additional revenue to households, many of which are low-income. Assuming the parents who have childcare provided will then work in Wards Corner or for other Living Wage employers, we can set their hourly wages at the 2022 London Living Wage of £11.95 per hour. The nursery would run from 8am to 1pm from Monday to Friday, providing 25 hours of childcare. If parents now have 25 hours of childcare covered, they could potentially increase their working time by 20 hours per week (allowing for travel time if their job is further away). To determine the number of households this would aid (as many households will have multiple children eligible for childcare), we assume that families in Tottenham reflect roughly the same number of dependent children per household as found in families claiming child benefits. In August 2021, 47.4

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39. Assuming 48 weeks of childcare with a weekly rate of £183.56 and £173.98 for under two-year-olds and two-year-olds, respectively.
40. Assuming 48 weeks of childcare with a weekly rate of £69.07.
per cent of households had one dependent child, 37.2 per cent had two dependent children, 11.1 per cent had three dependent children and 4.2 per cent had four or more dependent children.\textsuperscript{42} If these proportions were applied to families benefitting from the childcare programme, there would be 51 households where a parent (of a single- or dual-parent household) could increase their working hours (24 households with one child, 19 households with two children, six households with three children and two households with four children). As a result, there would be an additional £633,828 of wage income generated at the household level due to the provision of free childcare.

The provision of childcare as a social programme additionally represents an employment opportunity for childcare staff. Using the ratio of childcare staff to children in Sweden (considered a leader in childcare policies and outcomes)\textsuperscript{43} of one staff for every six children, there would be 14 childcare workers for 86 children. Assuming that childcare workers would be working 30 hours per week (25 hours directly with children and 30 minutes before and 30 minutes after to set up and pack up) at the London Living Wage of £11.95, they would generate an income of £260,988 at the household level. It is important to note that the London Living Wage is at the lower bound of what childcare workers would be paid in Wards Corner and is used for the sake of maintaining a conservative estimation of value.

Cost savings at the state level

At the national level, free childcare would also generate cost savings based on what is paid by the state for the provision of childcare benefits through universal credit (UC). According to guidelines, the maximum monthly UC payment for childcare is £646.35 per month for single-child households and £1,108.04 per month for multiple-child households.\textsuperscript{44} Provision of free childcare would render parents on universal credit ineligible to claim these monthly amounts (and, critically, eliminate their need for this claim) and would in doing so reduce costs for the state. Using the previous proportions of number of children per household, we assume that 24 single-child households each claim £7,756.20 annually and 27 multiple-child households each claim £13,296.48 annually. Therefore, if there were 51 households which previously received childcare benefits through UC and now have childcare provided, it would allow the state to incur annual savings of £545,154 (£186,149 for single-child households and £359,005 for multiple-child households). It should be emphasised that this is not a call for the further shrinking of the UK’s welfare state but is the case of reallocation of resources to provide essential services to those in the most need.


\textsuperscript{43} Douglas Broom, “Why Nordic nations are the best places to have children”, World Economic Forum, 15/03/2019, \url{https://www.weforum.org/agenda/2019/03/nordic-nations-best-places-for-parents-children}

\textsuperscript{44} “Universal Credit childcare costs”, Department for Work and Pensions, 17/10/2022, \url{https://www.gov.uk/guidance/universal-credit-childcare-costs}
Supplementary educational tutoring was another priority raised by traders and community members alike during consultation sessions. Private tuition is extremely popular among students in England and Wales, where roughly a quarter of 11- to 16-year-old state school students have received private tutoring according to research by the Sutton Trust. In London, this proportion rises to 42 per cent. However, the provision of private supplementary education is not enjoyed by all: children who come from wealthy families are twice as likely to receive private tutoring than those who do not. As Tottenham is one of the most economically deprived areas in the country, it can be assumed that the motivation for provision of supplementary tuition in Wards Corner from the local community reflects these inequalities.

**Cost savings at the household level**

According to popular tutoring search tool Tutor Hunt, private tuition in London on average costs £27 per hour. Assuming students receive two hours of private tuition per week for the duration of the school year (39 weeks), the annual cost of private tuition in London is approximately £2,106.00 annually. This is not to say that parents of schoolchildren in Tottenham are presently able to afford £27 per hour in

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46. Ibid
private tuition. The present model uses the replacement theory of value (as defined in the introductory sections) to generate a theoretical value for private tuition based on the current market rate in London.

If the community space in Wards Corner was used at its maximum, which the National Education Union specifies is 30 students in 55m² of space,⁴⁸ that would mean there could be a maximum of 127 schoolchildren who would be able to fit comfortably and benefit from the after-school education provision. Assuming that there would be drop-ins from Monday to Friday from 4pm to 6pm (with childcare provision occurring earlier in the day), we can maximise the number of schoolchildren receiving two hours of private tuition per week to 635 children (127 children per evening, five evenings per week). This would mean an annual saving of £1,337,310 for the parents of the 635 children who would receive these services, freeing up funds which would otherwise be spent on childcare to be spent elsewhere. To reiterate, this cost saving is calculated using the replacement theory of value and would not be generated in real terms given the aforementioned lack of access to tutoring services for low-income parents.

Income at the household level

An income stream at the household level would be established through paid work opportunities for private tutors. Assuming 127 students per evening session, and one tutor for every three students (instead of one-to-one tutoring due to the feasibility of space and cost), this implies up to 42 tutors working two hours per evening, effectively working 10 hours a week. If we assume that a private tutor working 10 hours a week and collecting £27 per hour (market rate of one-to-one tutoring due to aforementioned feasibility constraints, with the hope of increasing wages over time) and working the full school year of 39 weeks with an additional four weeks off for paid vacation, we will estimate each worker makes £11,610.00 per year on this basis. Across the whole tutoring workforce of 42, this would mean an additional £487,620 per year in income for tutors in Wards Corner.

Affordable Workspace

Social value: £2,035,584
→ Cost savings at the household level: £1,687,392
→ Income for the Commons: £348,192.

The availability of affordable workspace is “essential to London’s economy,” according to the GLA, and yet finding workspaces at affordable rates can prove difficult in London and poses a significant obstacle to emergent small- and mid-sized enterprises. To address this, on the second floor of Wards Corner, the Community Plan proposes the allocation of affordable office and workspace aimed at small businesses and start-ups.

Cost savings at the household level

The provision of affordable workspace generates a cost saving for the workers who rent the space. As affordable workspace is rented below market rates, the difference in rent which would be paid in Wards Corner and the market rate of workspace in Tottenham represents a substantial social value to the Community Plan. The market rate of co-working space in Tottenham in 2022 was £38 per square foot and is based on what is charged for a site approximately one mile from Wards Corner. The GLA Workspace Board calculated affordable workspace rent rates in response to the delivery of the London Plan in 2018 and determined that £6.50 per square foot is an affordable rent for start-ups in Zone 3 and for artists across London. Since Wards Corner has nine affordable workspace units available on the second floor (496 square feet per unit, 4,464 square feet total), the amount of rent which would be paid annually is £38,688 per unit and £348,192 in total. If we used the market rates in Tottenham listed above, tenants would pay £226,176 per unit and £2,035,584 in total.

This difference between affordable rates and market rates of workspace generates cost savings at the household level of £1,687,392.

**Income for the Commons**

Additionally, the £348,192 of annual rent paid would be collected as income by the Commons and used to fund the social programmes mentioned above, representing a revenue stream for the Commons.

It is important to note that the social value calculations in this section are likely an underestimate of what would be generated by the provision of affordable workspace. This is due to a lack of knowledge of the types of enterprises that would use the space when it is available and therefore does not account for the output of their business activities. Other social value models, such as the Themes, Outcomes and Measures (TOMs) framework, have been applied to affordable workspaces in London, such as in the borough of Islington, to calculate the significant social value of their operations and economic outputs. At this point in time, it is too speculative to include in this report any potential social value arising from economic outputs generated in the affordable workspace.

**Downstream Benefits**

**Reducing Crime**

Social value: £6,682,176

→ Cost savings at the household level: £3,341,088
→ Cost savings at the state level: £3,341,088.

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Crime is a significant concern for those invested in the future of Tottenham. All people should feel safe and secure in their own homes and neighbourhoods, yet this is not a reality for many residents across London. During qualitative data collection for the Wards Corner Community Plan, the issue of crime and violence arose as a major concern among traders and community members. The presence of dilapidated and underutilised space in the vicinity of Wards Corner and on the high road has contributed to perceptions of disrepair and unsafety. According to the Behavioural Insights Team in a report commissioned by the GLA’s Violence Reduction Unit, the strongest predictor of crime in London is income deprivation, with 80 per cent of recorded crimes in London occurring in the most income-deprived areas.\(^53\) With respect to the community affected by the Wards Corner development, this relationship is most stark in Tottenham Green, where the annual household income is 26.3 per cent below the London-wide average.\(^54\) The provision of social programmes that here work to alleviate the most acute forms of poverty and inequality would thus contribute positively to the reduction of harm and violence.

Indeed, reducing crime and violence through community-based approaches, rather than relying on conventional methods, is increasingly needed. For instance, data on the use of stop-and-search shows it to be both ineffective at mitigating crime\(^55\) and to have a significant discriminatory effect on Black and ethnic minority people.\(^56\) The aim of the community approach is to intervene through building social cohesion as a method of reducing violence. In a landmark 1997 study in *Science*, Sampson et al. measured the moderating effect of social cohesion in deprived neighbourhoods in Chicago and the correlation with rates of violence.\(^57\) The hypothesis of the paper was that collective efficacy fosters an approach which sees “neighbours combined with their willingness to intervene on behalf of the common good”. Crime was measured in the study using the homicide rate and survey responses which tracked occurrences of “(i) a fight in which a weapon was used, (ii) a violent argument between neighbours, (iii) a gang fight, (iv) a sexual assault or rape, and (v) a robbery or mugging.”\(^58\) When neighbourhood deprivation was controlled for, the study found a 39.7 per cent reduction in crime where social cohesion (or collective efficacy, as termed in the paper) was elevated.

In a conservation with Carlos Burgos, a trustee of the West Green/Seven Sisters Development Trust, Burgos remarked that there was minimal damage done to Wards Corner during the 2011 uprisings in the wake of the killing of Mark Duggan, 

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58. Ibid.
which occurred less than a mile away. He pointed out that this was because of the shared interpretation among Tottenham residents of Wards Corner’s existence as a community asset. The threat of private developer-led regeneration of Wards Corner and its transformation from a site built around a community into one imposed upon a community challenges its socially cohesive nature. The negative effects of top-down regeneration and its consequential displacement of residents through gentrification processes have been widely cited in the literature, and could threaten existing social cohesion and, by extension, its protective effects against crime and violence.

Cost savings at the household and state levels

With these considerations in mind, the calculation of the social value of reducing crime first requires an estimate of the cost of crime in monetary terms. In a 2018 report published by the Home Office, analysts calculated the annual cost of crime in England and Wales under three subsets: the costs of anticipation of crime (e.g., cost of burglar alarms), the costs of the consequences of crime (e.g., replacing a stolen car) and the costs of response to crime (e.g., the police response and criminal justice system). Using estimated unit prices in 2015/16, the Home Office set the annual cost of crime at £58.8 billion. For the purposes of the Social Value Index, we must individualise this national figure to then apply the intervention effect of the socially cohesive nature of Wards Corner. Using the average population of England and Wales during 2015/16 (58,133,350 people), the cost of crime on an individual basis is £1,011.47 per year. This is a conservative estimate for the purposes of the model since crime rates in Tottenham are above the London-wide and national averages.

If the modulating socially cohesive effect of Wards Corner remains intact, we can estimate a reduction in crime levels at 40 per cent based on the Sampson (1997) study, a figure which is consistent across literature reviews and studies conducted in North American and European contexts. We would apply the 40 per cent reduction in crime solely to Tottenham Green, the electoral ward where Wards Corner is situated, in an effort to be conservative in our estimations, thereby limiting to the immediate population size to 16,516 residents. Applying this figure to the number of residents in the ward would mean an annual cost of crime in Tottenham Green of £16,705,439 per year. Assuming a 40 per cent reduction in crime rates would mean

an annual cost saving of £6,682,176. These cost savings would be to the benefit of business operators, residents in the local area and the state who are all included in the cost analysis completed by the Home Office. For simplicity’s sake, we have divided this number evenly and calculated £3,341,088 in costs saved to households (which includes business operators in the market) and £3,341,088 in costs saved to the state.

**Reducing Unemployment**

Social value: £1,827,863

\[ \rightarrow \] Cost savings at the state level: £1,446,220

\[ \rightarrow \] Income at the state level: £381,643.

According to research by Power to Change published in 2022, community businesses employed an estimated 16,500 people who had not been previously employed.\(^{63}\) The entire sector employs 41,800 paid staff, meaning 39.5 per cent of those employed in community businesses had previously experienced unemployment. The cost of unemployment is significant from the perspective of the state and reducing costs would provide another method of social value generation.

**Cost savings at the state level**

In Tottenham Green, the ward where Wards Corner is situated, the mean monthly payments of universal credit (UC) to households between September 2021 and August 2022 were between £722.24 and £866.20.\(^ {64}\) On average, each household on UC received £9,644.16 per year. Across the whole of Tottenham Green, this figure amounted to an annual payment of £25,832,386 among an average of 2,683

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\(^{64}\) Data from Stat-Xplore.
households. If we assume 39.5 per cent of people working in Wards Corner, a community business, were previously unemployed, this means 107 of the 272 traders could have theoretically claimed universal credit prior to working in the market. Since they are employed at a London Living Wage in the market and are therefore ineligible for UC payments, this would result in a theoretical annual saving for the state of £1,031,925. Additionally, people who are employed in full-time work and earning a London Living Wage would also not be eligible for Jobseeker’s Allowance. The maximum JSA is £74.46 per week (amounting to £3,871.92 per year for every recipient). Across the 107 people no longer eligible for JSA, this would result in a savings of £414,295 per year. Now that these people are employed and no longer eligible for UC or JSA, this could amount to a combined saving of £1,446,220 for the state.

**Income at the state level**

In addition, the introduction of workers into the formalised economy would increase the tax base for HM Revenues & Customs. If 107 workers who previously experienced long-term unemployment now earned a London Living Wage and worked full-time hours (for which £11.95 per hour would result in an annual income of £23,302.50), then the tax base would provide an additional £3,566.76 for the state (£2,144.70 in income tax and £1,422.06 in national insurance contributions). If those who were previously unemployed were now part of the waged economy and working full time hours, they would contribute £381,643 annually in additional tax income.

**Reducing Deprivation**

Social value: £509,172

Cost savings at the state level: £509,172.
Deprivation in terms of household wealth and income is a significant and acute issue experienced by residents in Tottenham. Tottenham Green, where Wards Corner is situated, constitutes one of the most deprived areas in England and this deprivation has downstream effects on the livelihoods, health outcomes and premature deaths of residents. Previous efforts to combat deprivation in working class areas across London have in multiple instances exerted the effect of displacing poverty rather than addressing the root causes that produce inequality and impoverishment. Using the Community Plan created by traders and residents in Wards Corner, there is an opportunity to reduce and eliminate deprivation through the provision of necessary social programmes and services and the introduction of employment opportunities that are secure and stable.

Cost savings at the state level

The availability of jobs set at London Living Wage with the opportunity to be upskilled to gain employment elsewhere further down the line represents one of the most impactful opportunities for Wards Corner. Given the previous section and the costs lost to unemployment, there is also an opportunity to calculate the cost of poverty and the value of its elimination. Using figures from a 2016 Joseph Rowntree Foundation report, the cost of poverty in the UK is £69 billion per year. The figure was calculated by accounting for the additional public spending in the areas of “health care, school education, justice [system], children’s and adults’ social services and housing”. If we assume that this cost estimate is meaningfully divisible by the number of people in poverty (14,500,000), this amounts to an annual cost of poverty of £4,758.62 per person in poverty. This figure does not represent the financial reality experienced by people living in poverty, and additionally does not seek to imply that people in poverty are responsible for the additional cost on public spending. This exercise is simply to state that without poverty, public spending could be reallocated towards increasing funding of necessary social programmes.

In the previous example, a statistic from Power to Change was used which found 39.5 per cent of all people employed in community businesses had previously experienced long-term unemployment. If we apply the same logic to this section, 39.5 per cent of traders in Wards Corner may otherwise be living in poverty and therefore require additional public benefits to support them. By reducing poverty in the community and, by extension the need for public benefits, the 107 of the 272 traders no longer requiring benefits could result in a saving of £509,172 at the state level.

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68. Ibid.
Conclusion

The development of the current Social Value Index and its application to Wards Corner in Tottenham demonstrates that there are significant social and economic benefits to the real-world application of a Public-Commons Partnership (PCP) model. According to the above calculations, the annual social value of Wards Corner under the PCP model is estimated to be £17,927,600, where new social programmes and spaces are introduced (provision of childcare, supplementary educational tutoring and affordable workspace) and unmet needs in the community are addressed (reducing crime, unemployment and deprivation). Our motivation is to show that there is a third way for urban development beyond the limitations of the public-private partnership model on one hand and a lack of investment and improvement on the other. Communities that wish to pursue this third way of development are united in the belief that wealth that is generated locally should be used to enrich those who live within the community. Wards Corner offers an exemplary case study for those who wish to replicate the model across Britain and beyond.
Common Wealth is reimagining ownership for a sustainable and democratic future. Working at all levels, from community and grassroots groups to national and international policymakers, we combine rigorous analysis and research with bold ideas for an economy that works for everyone.

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Power to Change is the independent trust that strengthens communities through community business. We use our experience to bring partners together to fund, grow and back community business to make places thrive. We are curious and rigorous; we do, test and learn. And we are here to support community business, whatever the challenge.

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Social Value Index: Building the Case for the Democratic Commons in Tottenham

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