



# the costs of homelessness

Shelter – Tenancy Sustainment Conference  
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# outline

- human costs of homelessness
- financial costs of homelessness
  - including
    - Supporting People: 'Costs & Benefits'
    - SCSH 'Tenancy Failure – how much does it cost'
- reducing the costs: both human and financial
  - the 'spend to save' argument
  - prevention work
- conclusions

# the human costs of homelessness

a reminder of *some* of the issues



- sudden and dramatic loss of power - sometimes starting from an already low base
- loss of structure and (healthy) social networks
- onset / aggravation of substance misuse
- onset / aggravation of mental health issues
- onset / aggravation of physical health issues
- unsettling uncertainty about where you are staying and for how long
- unsuitable conditions in whatever temporary setup you find yourself in
- difficulty sustaining / engaging in education, training or employment
- for families, children effected in a range of ways
- for young people, can be set back YEARS (or worse) compared to their peers

# calculating costs: supporting people

Scottish Government commissioned Costs and Benefits Report

- Looks at Costs and Benefits of Supporting People funding
  - Published December 2007
- Cost per episode
  - “Estimates of the cost of an episode of homelessness vary... ODPM research [suggests] £630 per person or about £1,800 for a family of three ... [Other examples range] from £9,000 to around £40,000.” (71)
  - “The view of the present study team is that a cost of an episode of homelessness prevented by Supporting People of **£5,000** is a reasonable estimate.” (72)
    - although the report doesn't spell out the working by which this estimate was reached.

# calculating costs: supporting people

Scottish Government commissioned Costs and Benefits Report

- SP's Impact in Preventing Homelessness
  - “the study team [adopted] the assumption that the effect of SP is such that **40% of those persons assisted would otherwise be homeless**” (71)
  - For £107 million spent the research calculates £129 million of monetary benefit (with an estimated 15,000 cases of homelessness prevented)

## Three Warnings (among many)

- “[For homeless people] the evidence on both impacts of SP and value of impacts is patchy and limited.” (55)
- The quality of quantitative measures of SP impact, i.e. to what extent homelessness prevention is effective, is described as “moderate”
- There are big variations in data quality / benefit-estimate between elements that make up headline figures.

# calculating costs: tenancy failure

## Scottish Council for Single Homeless Briefing

- Crisis (English) study estimates from 2003
  - Set of case studies with estimated costs from £3k to £28.5K to local authority / housing providers
    - Much higher if you factor in knock-on costs of NHS, Criminal Justice etc.
      - How Many, How Much? Peter Kenway and Guy Palmer. Crisis (2003). [www.crisis.org.uk/page.builder/researchbank.html](http://www.crisis.org.uk/page.builder/researchbank.html)
- SCSH (Scotland) estimates from 2006/2007
  - Two case studies assessed in three local authorities
  - Simpler case: £13K / £5K / £11K
  - More complex case: £23K / £10K / £24K
    - these are housing provider + temp accommodation + support costs

# calculating rates: tenancy failure

## Scottish Council for Single Homeless Briefing

- Tenancy non-sustainment
  - Can be used (with caution) as a proxy measure for rate of tenancy failure.
    - Non-sustainment appears to fall in the wake of tenancy sustainment measures
- Some sample figures (all ages)
  - Edinburgh: 19%, i.e. 4 out of 5 intact after 12 months
  - Glasgow: 20 %, i.e. 4 out of 5 intact after 12 months
  - North Lanarkshire: 10%, i.e. 9 out of 10 intact after 10 months
- Some sample figures (16-17)
  - Edinburgh: 37%, i.e. just under 2 in 3 intact after 12 months
  - Glasgow: 32%, i.e. 2 in 3 intact after 12 months

# calculating rates: tenancy failure

## Scottish Council for Single Homeless Briefing

- Caution: SCSH figures are snapshots
  - They range from 02-03 to 05-06 and situation may well have changed since the snapshots were taken.
- Need to gain a better grip on levels of tenancy failure and reasons for it.
- Need to learn about 'what works'
  - 1 in 3 failed tenancies by 16/17 year olds is far too high
  - 2 in 3 successful tenancies by 16/17 year olds is positive when you consider the challenge they are up against
    - what are those that succeeding doing / how are they being supported / can their success be replicated?

Details on SCSH website. Click [Information](#) and then select [Briefings](#)



# calculating the financial costs

*some of the challenges*

- Not always straightforward
  - There are a wide range of costs that can be considered.
    - temporary accommodation, staff time, legal, repair and re-letting, storage of possessions *but also* health, police/criminal justice
  - Costs appear to vary a lot
    - and not always for reasons that are very clear.
  - Cases can be very different – so it's not clear how meaningful an 'average' costs is.
    - If case studies are used, then we need to have a clear understanding of how representative they are of the range of cases. And gaining this understanding is not trivial.

# calculating the financial costs

a response to *some* of the challenges

- It's never going to be an exact science...
  - and there will be diminishing returns in trying to get the 'perfect' model as opposed to one that's 'good enough' for informing decisions and priorities.
- But it's not rocket science...
  - getting clear on 'good enough' questions – and there's some decent progress there – is more than half the battle; the answers aren't so hard to find and many of them can be answered as part of routine monitoring.
- And the broad message seems pretty clear
  - prevention work would be "worth it" to minimise human costs; but it VERY much looks as if, in addition, it's worth it on purely financial grounds too.

# reducing the costs of homelessness

the “spend to save” argument

- Two Options

- Option A: spend a modest amount on early and (relatively) cheap interventions and save a lot of:
  - money
  - human misery
- Option B: spend a large amount on late and costly interventions and have an unchecked flow of new cases into the ‘system’
  - minor and avoidable crises convert to acute homelessness episodes
  - acute homelessness episodes convert to chronic homelessness, e.g. people cycling through the system

*OK – it is more complex than ‘just choose Option A or Option B’ but Option A needs to be ever present in thinking and planning.*

# spend to save

two areas of focus

- spend on **houses** and **temporary accommodation** may create substantial savings
  - does require a lot of nerve
  - evidence base is problematic
    - there may be a (justifiable) anxiety about other impacts (cf. the bypass problem)
- spend on **prevention** measures (construed broadly) may create substantial savings
  - cheaper, so less nerve required
  - many tangible benefits are obvious independent of financial savings
  - developing (though still patchy) evidence of impact
    - sector needs to do better here

# three phases of prevention

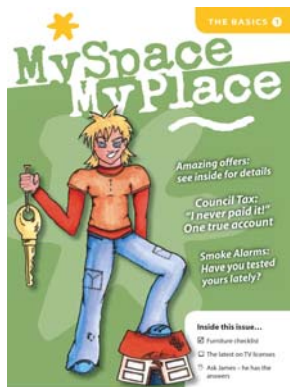
reminder: not everyone sees it like this (or even nearly like this)



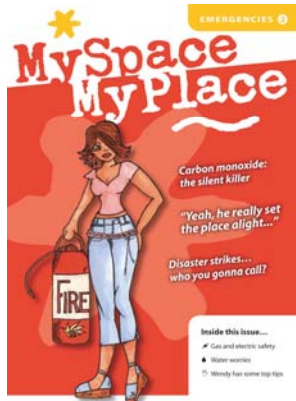
- Prevention work prior to crisis
  - e.g. leaving home & housing education, work with families (mediation, parents information), preparation for independent living
- Prevention around point of crisis
  - e.g. holistic / solution focused response that is quick and timely
- Prevention around repeat of crisis
  - e.g. preparation for tenancy / independent living
  - e.g. tenancy sustainment work
  - e.g. structure, meaningful activity, +ve social networks
  - e.g. restoring power (and knowledge of power)

# developing skills / promoting resilience

## two types of life skills



- “normal zone” - home / life / “the system” skills
  - skills for keeping home and life together and negotiating with “the system”
  - for young people - and some others – these skills have never been developed



- “crisis zone” - home / life / “the system” skills
  - people across the board vary in their ‘crisis zone’ skills; a lack of such skills may be hidden (even forever) in the absence of a crisis to deal with



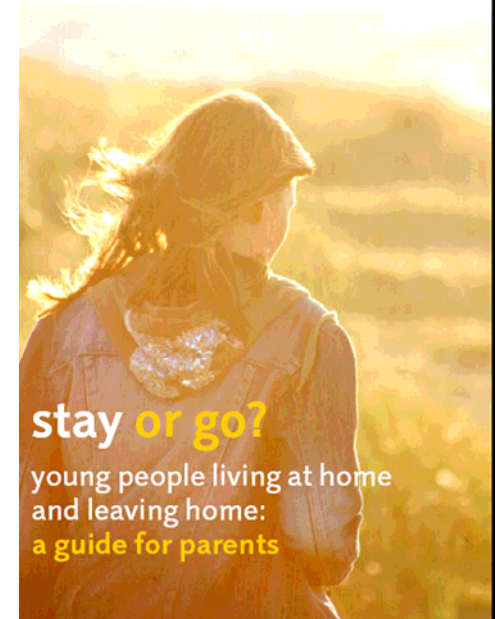
# developing skills / promoting resilience

it just takes more to deal with this kind of stuff

- Suggestion:
  - It takes more skill to manage (let alone thrive) if you are homeless (or poor, or unwell, or discriminated against, or...). To do OK, you need to be better than average...
- breaking this down
  - sometimes the approach appears to focus on a lack of skills; and many people really do lack skills
  - however, it is important to emphasise just how much skill is required to cope with
    - (a) crisis recovery; and
    - (b) independent living - especially for young people and those leaving institutions
  - is it worth emphasising the following message? “You’re probably going to need to be MORE SKILLED UP than your peers who, for whatever reason, have avoided housing crisis.”

# working with families

- parents - can they be part of the solution rather than part of the problem?
- SCSH Parents Guide
  - aims to provide focus and acknowledgement of positive role parents can play
    - based on evidence that parents lack information about housing system and insights into leaving home challenge
    - can provide a focus for different ways of working / engaging with the family, e.g. sign-posting to support services and interventions such as mediation





# parents guide sample page



With high house prices and the cost of living, many young people are choosing to stay at home for longer and the average age of leaving home in Scotland is rising. Having a young adult sharing your home with their own lifestyle and opinions can be challenging and lead to all sorts of tensions, for example:

→ It's normal for parents and teenagers to have very different views around issues such as staying out late, alcohol, drugs, clothes and choice of friends.

→ It's common for parents to want their child to leave and then to feel guilty about this.

→ It's normal for young people to think they don't need their parents help with anything.

**Mediation can give you new ideas on how to work through things:**

★ Mediation focuses on solutions rather than problems.

★ It's about the family rather than the individual.

★ The aim is to solve the problem, not just talk about it.

Whether or not your child decides to stay or go, it's important to deal with tensions at home; if they go they will need your ongoing support and if they stay you want it to be a positive choice that you both benefit from.

If you want to reduce tensions at home here are some tips from mediators that you can try:

**Take the weekend off** – constant arguing can wear you down and sour your relationship with your teenager. If you have been arguing over something and getting nowhere, agree to not discuss the issue for a whole weekend. This might ease the stress and can help with a fresh perspective.

**Write a letter to each other** – arguing can make it difficult to make sense of things. Writing a letter can be a good way of saying what you really want and clarifying your feelings without interruption. You can also return to your letter when you feel better and decide if you want to give it to your child.

If, after turning to family and friends, you would like more advice or support, there are lots of agencies and helplines listed throughout this guide. One option you might want to consider is a mediation service.

# youth homelessness mediation

- The Role of Mediation

- not about 'sending young people home' - aim is better relationships whether staying at home or not
  - good spin-offs in developing "life skills"
- Scottish practice and expertise developing
  - also drawing on lessons from England and Wales

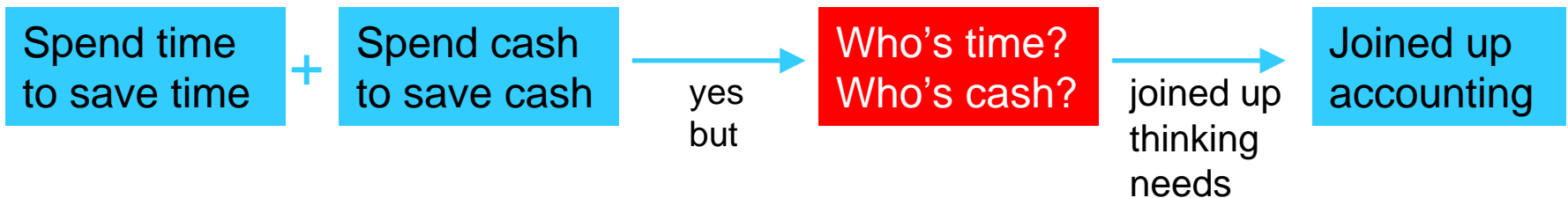
- Issues

- the evidence base is developing, though more to do
  - although early interventions are always hard to evaluate, mediation is fairly amenable to measurement
- pre-16 work looks to be very effective
  - and raises questions of who funds what
    - an example of the need for 'joined up accounting' as well as 'joined up thinking'

# Closing Remarks

- Financial Costs

- We've lucked out here. The evidence we have is that spending on prevention will actually save money
- But to make the argument fly we need not just joined up thinking, but also **joined up accounting**
- "You spend, I save" doesn't sell so well.



# Closing Remarks

- Understanding and Costing Impacts
  - “Too little attention is paid to the monitoring and evaluation of the work that is done to prevent homelessness and there is a strong need for the evaluation of effectiveness.” SG Interim Good Practice Guidance 2008
  - Need to develop better understanding of the financial costs - and while tricky getting ‘good enough answers’ is not so hard
  - Need to embrace a (light touch) approach to monitoring and evaluation, to understanding effective prevention work is at reducing the human costs of homelessness.
    - and right now there is a real opportunity to take advantage of the emerging outcomes culture and make it work for people who are homeless.