

# At what cost? Estimating the financial costs of single homelessness



- Background
- Reasons for estimating costs
- The estimation
- Results



- European Observatory on Homelessness
- 2013
- A reaction to policy environment
- Austerity, cutbacks
- US, Australia, *Financial* arguments
- 13 European countries (UK) limited data

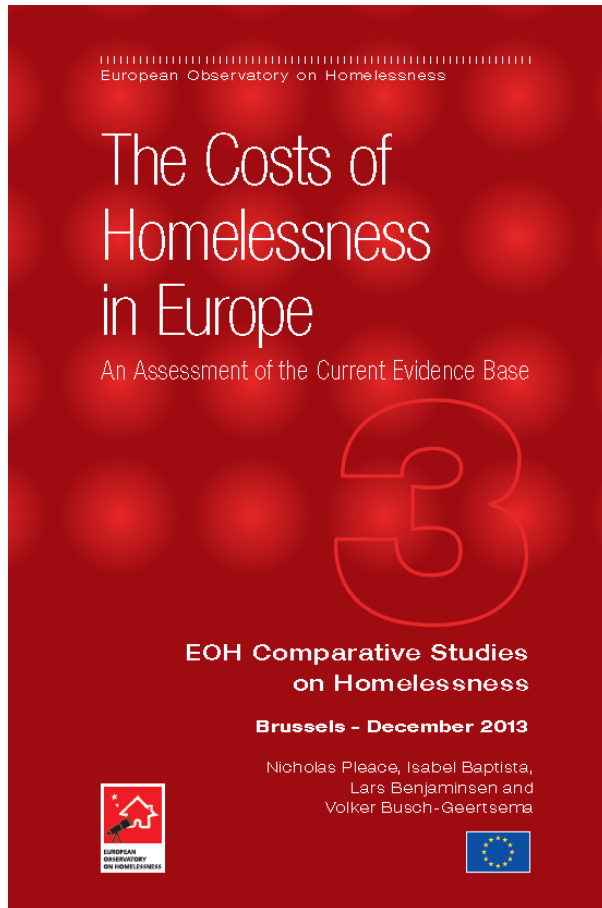


- At least possible to *estimate* costs
- *Highly* dependent on available data
  - On homeless pathways
  - On different aspects of homeless population
  - And on patterns and costs of service use



UNIVERSITY  
*of York*

[http://www.feantsaresearch.org/IMG/pdf/feantsa-studies\\_03\\_web.pdf](http://www.feantsaresearch.org/IMG/pdf/feantsa-studies_03_web.pdf)



## Reasons for estimating costs

- US “Million Dollar Murray”
- Humanitarian and *financial* case
- Prevention, Housing First, CTI
- Stop homelessness *and* be cost effective



- Ideally: merge data
- Homelessness and service pathways
- NHS Scotland and HL1 data - Neil Hamlet
- Not (quite) feasible in 2015



# Basis for the estimation

- Without merging data
- Or conducting a survey (risk)
- Use existing research
- Ascribe real costs to real pathways
- Ethical concerns





- Pathways through homelessness
  - Evaluations of Housing First services
  - Evaluation of Crisis *Skylight* programme
- NHS and related costs - PSSRU
- Local authority admin costs – Shelter
- Homelessness service costs – LAs
- Temporary accommodation costs – LAs



UNIVERSITY  
*of York*

# Basis for the estimation

- Proxy pathways
- Proxy costs



- Young woman, refused prevention
- Man in 30s, starts sleeping rough
- A man with learning difficulty, at risk
- Woman in her 20s, escaping violence
- Difference in costs: prevention versus allowing homelessness for 12 months



- Young woman
  - Scenario 1: Homeless prevented
  - Scenario 2: Refused assistance
- £1,558 for scenario 1
- £11,733 for scenario 2
- Sofa surfs, uses hostel, starts using drugs under 2, does not under 1



<b>Scenario 1: Successful prevention</b>	<b>Cost</b>
Preventative intervention by Housing Options Team <sup>1</sup>	£826
Low intensity accommodation based service (mean support cost, 4 weeks) <sup>2</sup>	£432
Floating support (mean support cost, 6 weeks) <sup>2</sup>	£300
Total cost	£1,558
<b>Scenario 2: Homelessness persists for 12 months</b>	<b>Cost</b>
Processed by Housing Option Team, refused assistance <sup>1</sup>	£558
Low intensity accommodation based service (mean support cost, 41 weeks) <sup>2</sup>	£4,428
Seen by ambulance crew and taken to hospital <sup>3</sup>	£233
Non-elective long stay in hospital <sup>3</sup>	£2,716
Residential detoxification (6 weeks) <sup>3</sup>	£3,798
Total cost	£11,733



- Man in 30s at risk of sleeping rough
  - Scenario 1: Homeless prevented
  - Scenario 2: Refused assistance
- £1,426 for scenario 1
- £20,128 for scenario 2
- Uses A&E, arrested for anti-social behaviour, high intensity supported housing under 2, does not under 1



<b>Scenario 1: Successful prevention</b>	<b>Cost</b>
Preventative intervention by Housing Options Team <sup>1</sup>	£826
Floating support (mean support cost, 12 weeks) <sup>2</sup>	£600
Total	£1,426
<b>Scenario 2: Homelessness persists for 12 months</b>	<b>Cost</b>
Processed by Housing Option Team, refused assistance <sup>1</sup>	£558
Visits to A&E department (20) <sup>4</sup>	£2,340
Non-elective long stay in hospital (2) <sup>3</sup>	£5,432
Anti-social behaviour (6 incidents) <sup>4</sup>	£4,038
Arrested and detained (four times) <sup>4</sup>	£2,876
High intensity accommodation-based service (mean support cost, 12 weeks) <sup>2</sup>	£4,884
Total	£20,128



- Man with learning difficulties
  - Scenario 1: Homeless prevented
  - Scenario 2: Refused assistance
- £4,726 for scenario 1
- £12,778 for scenario 2
- Receives preventative support under 1, 12 month stay in hostel under 2





<b>Scenario 1: Successful prevention</b>	<b>Cost</b>
Preventative intervention by Housing Options Team <sup>1</sup>	£826
Floating support (mean support cost, 18 months) <sup>2</sup>	£3,900
Total	£4,726
<b>Scenario 2: Homelessness persists for 12 months</b>	<b>Cost</b>
Processed by Housing Option Team, refused assistance <sup>1</sup>	£558
Accommodation-based service (mean support cost 12 months) <sup>2</sup>	£12,220
Total	£12,778



- Woman escaping violence
  - Scenario 1: Homeless prevented
  - Scenario 2: Refused assistance
- £1,554 for scenario 1
- £4,668 for scenario 2
- Homelessness not resolved under 2, only makes limited use of services, but still more expensive, high human cost



<b>Scenario 1: Successful prevention</b>	<b>Costs</b>
Preventative intervention by Housing Options team <sup>1</sup>	£826
Sanctuary Scheme installation <sup>2</sup>	£728
Total	£1,554
<b>Scenario 2: Homelessness persists for 12 months</b>	<b>Costs</b>
Refused assistance by Housing Options teams (twice) <sup>1</sup>	£1,116
Accommodation-based service (mean support costs 10 weeks out of 52) <sup>3</sup>	£2,350
Visits to A&E department (6) <sup>4</sup>	£702
Counselling (NHS) 1 hour sessions (10) <sup>4</sup>	£500
Total	£4,668



- This is an estimate
- Closely reflects actual experiences
- And actual costs
- Cannot be seen as more than illustrative
- But it looks worrying
- Relatively few people could mean *very* high costs



- Actual patterns unknown for now
- Could be typically more expensive
- Typically cheaper
- Or highly variable
- Look like US/Australian findings
- Will soon know more in Scotland
- Prevention can fail
- The real cost of homelessness is human



UNIVERSITY  
*of York*

[http://www.crisis.org.uk/data/files/publications/CostsofHomelessness\\_Finalweb.pdf](http://www.crisis.org.uk/data/files/publications/CostsofHomelessness_Finalweb.pdf)

**CRISIS**

# At what cost?

An estimation of the financial costs of single homelessness in the UK

**Nicholas Pleace**, Centre for Housing Policy, University of York

July 2015



- Nicholas Pleace
- Centre for Housing Policy
  - [www.york.ac.uk/chp/](http://www.york.ac.uk/chp/)
- European Observatory on Homelessness
  - [www.feantsaresearch.org/](http://www.feantsaresearch.org/)
- Women's Homelessness in Europe Network
  - <http://www.womenshomelessness.org/>