
The Costs of Flemish Homeless Care

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› **Abstract** *Being homeless entails costs, in the first place to the homeless person himself, whose mental and physical health suffers. But there is also a cost to society. In this article, we focus of the costs of homelessness in Flanders. We have calculated the price of the services dedicated to homeless people, such as night shelters and longer-term hostels. In addition, we look at the costs of homelessness for general services, such as physical and mental health services, the police, prisons and councils. Unfortunately, the money spent costs society but does not actually do homeless people a great deal of good. In addition, we have taken a look at the average length of stay in Flemish hostels and we have calculated the cost of several typical trajectories through homeless services.*

› **Keywords** *Costs, shelters, hostels, (mental) health services, judiciary, Housing First*

Introduction

Homelessness¹ costs money. Not only to the homeless person himself, ² whose physical and mental health is affected by life on the streets, but also to society. Famously, Malcolm Gladwell (2006) published an article entitled 'Million Dollar Murray'. In it, he tells the tale of the roofless Murray, who lived in the streets in Reno, Nevada. Two police officers added up the cost of Murray's trips in an ambulance, his stays in intensive care, the hospital and prison costs, and they concluded that after ten years of homelessness, this expenditure made Murray a 'million dollar man'. For all this money, the taxpayer got a roofless Murray who eventually died on the streets. Murray's story inspired countless studies into the costs of homelessness in the US. Not intervening comes at a cost. Studies on the costs of homelessness are designed to galvanise policy-makers into action (Culhane *et al.*, 2007).

In this article, we calculate the costs of homelessness in Flanders. We start with a short overview of the studies carried out on this subject and the on-going debates on the costs of homelessness. After that, we give a brief sketch of the Flemish services on offer for homeless and roofless people, moving then to the costs of specific services for homeless people and the costs of general services that homeless people use. To conclude, we will pull together some typical trajectories through the homeless sector in Flanders and work out what they cost.

About Costs: Studies and Debates

The purpose of this article is not to discover what service offers the 'cheapest solution' in Flemish homeless services. Nor do we aim to discourage the more expensive forms of care. What we want to do is to compare costs. Most of all, we want to show how the costs of a preventive approach (such as preventing evictions) compares to other services (such as night shelters and Housing First).

In social services, effectiveness is more important than efficiency. An example to illustrate this: a railway company could run all trains perfectly on time by not having them stop at any stations. With the calculation of the trajectories in homeless services, we do not mean to imply that the expensive trajectories are not worthwhile or that they should be ditched in favour of the cheaper trajectories. The value and the effectiveness of the services provided are more important than the cost. This does not mean, however, that price calculations are not important. Calculating

¹ Although we use the term 'homeless' throughout, a major focus in this article is actually on roofless people – those sleeping rough in the streets. For a full typology and definition we refer to the FEANTSA typology at <http://www.feantsa.org/spip.php?article120&lang=en>

² We will use the male form throughout, although we realise that one third of all homeless people are women.

costs has an informative value. It can increase cost consciousness, especially when organisations have high degrees of autonomy in deciding how to organise the services they provide (which is the case in Flanders). Finally, cost calculations can also be useful for the preparation and evaluation of policies.

Studies on the costs of homelessness can be conducted in various ways. In the United States and Australia, various studies – including large-scale studies – have been carried out on the subject. In Europe, on the contrary, studies on the cost of homelessness remain scarce. Recently, the European Observatory on Homelessness collected information from experts in thirteen European countries to get an overview of the available studies and data on the costs of homelessness (see Pleace *et al.*, 2013). The study shows that eight out of the thirteen countries have little or no research on the costs of homelessness.

The methodologies of the few studies that were carried out are often very different in nature. Some merely focus on the cost of homelessness and include (Pleace *et al.*, 2013):

- the cost of providing homelessness services;
- additional costs for health and social services associated with homelessness;
- additional costs for criminal justice systems associated with homelessness;
- loss of economic productivity associated with homelessness;
- economic effects associated with visible rough sleeping/street homelessness;
- the costs of homelessness for people who experience it.

Other studies focus on how preventing and reducing homelessness can lower the costs just listed. Specific programmes and actions, such as Housing First for example, can generate cost, which can be offset against other homelessness services (such as night shelters) and non-homelessness services (such as a stay in prison or a psychiatric clinic). Looking even further, a social return on investment (SROI) can be generated, containing the entire financial costs of homelessness.

Only recently, interest has grown in the measurement of the costs of homelessness in Europe. Pleace and colleagues (2013) see three main reasons for this. The first reason for the increasing popularity of this topic is that it can help to promote services that prevent and reduce homelessness, such as Housing First. A second reason that these studies can be useful is that providing this kind of information to the wider public gives them a broader understanding of the consequences of homelessness. It is not only costly for the homeless person himself, but it also costs society money. The third reason is that offering this kind of information may help non-homelessness organisations understand how homelessness can influence

their work. Researchers who have analysed the cost-effect studies done in the United States warn of some limitations to this type of study (for instance, Rosenheck, 2000, Culhane *et al.*, 2007).

Who is the target group?

Many studies (for instance, Rosenheck, 2000; Culhane *et al.*, 2007) focus on roofless people with a serious psychiatric disorder. This is a group that entails huge costs when they are brought in off the streets, and therefore costs can be curtailed by leaving them in the streets. Investing in 'bringing them in' tends to level out. One example is the significant research done on homeless people with serious psychiatric disorders in New York (Culhane *et al.*, 2002). According to this research, this group cost €26 223 per year in welfare services, health services and judiciary costs. Once housed, the costs fall back to €15 734 per year. Add on the cost of Housing First and the total comes to €26 871. This is €647 *more* than 'not intervening'. Therefore, the cost of investing in Housing First, according to this study, is more or less the same as not investing. But homeless people with a serious psychiatric disorder are a minority in the total homeless population. This is also the case in the figures we ourselves present further on from our Housing First research. Hence, these figures may give a wrong impression. For those homeless people who do not come into contact with costly services, the intervention itself might be a more significant cost.

What and how should be measured?

Little or no guidelines exist on how to measure the cost of homelessness services. When doing the calculations for this article, we found that measuring homelessness is not that clear-cut. The organisation of specific services has a significant effect on the costs. For example, for our study we calculated the costs of night shelters in Flanders. Significant differences in prices are found depending on whether or not an organisation has its own building. Having to pay rent or otherwise creates a huge difference in costs. Another example is whether or not a shelter makes use of volunteers. Working with volunteers can significantly reduce staff costs. On the other hand, an organisation can choose to provide a strong presence of professionals, wanting to give more than 'just a bed' and trying to get people of the streets – small strategic differences that make for big differences in costs. The calculation exercise gets even more complicated when measuring other costs, for example the cost of 'being arrested and charged by the police' or the cost of an eviction. The study by Pleace and colleagues (2013) demonstrates that this shows large cost differences. The cost of 'being arrested and charged by the police', for example, varies widely from €50 in Germany to €140 in the Netherlands and even up to €461 in Sweden. Are the differences really that high? Or did the experts use a different

method to calculate them? When wanting to go on and compare services, and to see the financial effect of certain forms of (preventive) actions, it should be perfectly clear what this measurement should entail.

What is the 'cost of an intervention'?

When calculating the cost of homelessness services, the 'cost of an intervention' is not clear-cut. Is a street corner worker a 'cost' of life in the streets? Or a cost associated with the intervention of trying to get someone off the streets? There are projects, such as outreach work, that attempt to get homeless people into (health) care. This sort of intervention will probably drive up the costs: fewer nights in the street, more use of health services (Shern *et al.*, 2000). According to Rosenheck (2000) this is to be expected, as the whole point of the outreach service is to increase access to (health) care.

Should studies focus on costs or on gains?

Cost-effect analyses entail quantifying both the costs and the gains of a particular approach (such as Housing First) in financial terms (for more info on socio-economic cost analyses, see Mertens and Marée, 2012). Some researchers have undertaken this; Cebeon (2011) in the Netherlands brought out a study on the costs and gains of Dutch homeless services. But it is a tricky business to calculate gains in the social economic field. It raises several issues. Is it possible to calculate the gains of a particular approach (such as Housing First) in financial terms? What is the financial effect of a getting a homeless person off the streets? What is the gain in improved quality of life? What is the effect of better health care?

Other professionals state that it can be dangerous to look at the 'effects' of homelessness services, and recommend instead looking at 'gains'. These gains can be numerous and varied, such as staying in housing, improving quality of life, improving (mental) health, changes in drug- and alcohol use and dependency, and changes in contacts with the police and the judiciary. Researchers compare the costs and effect of Housing First to the regular stepladder approach. Even if the concrete effects are less clear-cut, experts advise including less tangible effects in the analysis. An example of this type of effect is that there are fewer homeless people visible in the streets, which is good for tourism and the economy.

Homeless People in the Flemish Context

Belgium is a federal country consisting of three regions: Brussels, Wallonia and Flanders. The regions are responsible for homeless services and for housing policies. Nevertheless, the federal authorities do undertake certain tasks: they support the winter shelters and they offer 'furnishing premiums' – a one-off benefit to fit out a home for those homeless people who have managed to find a dwelling. The Belgian Housing First experiment is an initiative of the federal government. In Flanders, there are two service providers offering services to homeless people: the local councils and the non-governmental sector, which is largely financed by the Flemish government. For a population of 6 437 680 Flemish inhabitants,³ local councils all together have a supply of 3914 places in emergency and transitional housing. They also finance the night shelters in the cities; these have a total capacity of 154 beds during the spring/summer/autumn and 449 beds in the winter (VVSG, 2014).

Centres for General Welfare Work (CAW)

In the Flemish region there are ten Centres for General Welfare Work (CAWs).⁴ Because of their wide remit and large working areas these are relatively large organisations. The largest CAW numbers more than 500 staff. CAWs are financed with a budget for staff and working costs by the Flemish Community. They are autonomous in deciding how they fulfil their tasks. The government does not dictate how many places in what type of shelter they should have, nor how much they should invest in prevention. There are no rules on what model should be followed and whether that should be a staircase or a housing-led approach. Nevertheless, we can see some marked trends in the range of services offered.

The strong increase, both in absolute numbers and proportionally, of the number of places in various forms of assisted housing is very noticeable. Almost two thirds of the more housing oriented approach to homelessness is due to an explicit choice on the part of the Flemish authorities, which have made extra investments, as have local authorities. Quite a lot has been achieved by reconverting existing residential capacity to ambulant assisted housing. This reconversion mainly took place in the period 2000-2003, when about 10 to 15 percent of the traditional residential beds were transformed (Lescrauwaet, 2002).

³ Number on January 1st 2015.

<http://www.ibz.rrn.fgov.be/nl/bevolking/statistieken-van-bevolking/>

⁴ Plus one CAW in Brussels. Wallonia is organised differently.

In order to calculate the cost of a stay in Flemish services for homeless and roofless people, we made use of the Tellus registration data collected by the CAWs. The 'Tellus' registration system was used up to 2013 throughout the CAWs for registering client information. Since 2014, they have been doing this in an individual electronic client file.

In order to get an idea of the costs of the various trajectories, we need to take a general measurement. Therefore we use medians and averages. However, they are only indicators of a particular trend across various types of services. In reality, the figures can vary greatly between clients. While one person may spend twenty days in a men's hostel, another may be there for ninety days. The way the work is organised can also account for different costs, for instance by using a different maximum length of stay or in the shifts worked (night-time work or not; using volunteers or not).

We used the Tellus figures on length of stay and duration of care in 2011. We used the median rather than the average, as this is less susceptible to occasional extreme measures. From the 'Boordtabellen'⁵ of 2008 we calculated the caseload of the CAW social workers in every type of service, so that we can calculate the cost of social work per client. These figures tell us how many cases a social worker in a particular service typically undertakes. For the calculation of staff costs, again we used CAW data. We reckoned on €5072 per month for an ambulant worker. This is the total cost of a CAW social worker with an average of 15 years' service under their belts. The amount includes both the salary (€4611) and the extra 'overhead costs' (=10 percent of salary, hence €461) for office space, training and ICT. This is probably an underestimation for social workers in residential settings. They often work out of normal office hours, doing evening, night and weekend shifts, for which they receive extra pay. Every CAW decides how they distribute these working hours. Sometimes one particular social worker does the weekend or night shifts; sometimes there is a rota system. There are also CAWs who call on volunteers for the night shifts.

The maximum price that can be charged by a CAW for a 24-hour stay (i.e., a daily fee) in a residential hostel has been set at €25.50 (2014). This price is fixed in a protocol between the Association for Flemish Cities and Communes (VVSG) and the Steunpunt Algemeen Welzijnswerk. In some hostels the price may be a little lower. A client with an income from work will pay this daily fee himself. Clients who live on benefits (unemployment benefit, invalidity benefit or minimum income) pass this cost on to society. The daily fee only covers costs related to the accommodation itself (housing, food, cleaning and personal hygiene products). The psychosocial and administrative costs of social work are not covered in the daily fee, as CAW staff and personnel costs are paid for with subsidies from the Flemish government.

⁵ Boordtabellen contains data on the financial input for delivering a type of service.

Trajectory-cost method: possibilities and restrictions.

The method we used can be called a trajectory cost method because it starts with data about the type and duration of a (average) trajectory. The method allows us:

- To calculate the cost for an individual homeless person (micro-level).
- To calculate the costs at service level and organisational level when an organisation delivers different types of services (meso-level).
- To calculate the costs of the non-governmental homeless sector (macro-level).

A trajectory cost model has the restriction that quite a lot of data are required: number of clients, duration of the trajectory, intensity of the trajectory, staff and other costs.

For the Flemish non-governmental services, those data were available because the Flemish government obliges organisations to collect them. But for the homeless services of local authorities, those data are not available and so we could not make calculations for this type of services. Another restriction is that overhead costs cannot always be calculated exactly when a service is part of a larger organisation with very different types of services.

Belgian Housing First project

In the Belgian Housing First project, during the early winter months of 2014, the Housing First inhabitants were questioned along with 96 homeless people (35 from Flanders, 48 from Wallonia and 13 from Brussels). These people were all homeless (categories 1 and 2 in the ETHOS typology), and they slept in the streets or in night shelters during that period. The questionnaire was a list of questions that went into their history of being homeless, their use of all sorts of health- and welfare services, and their contacts with the police and the judiciary. These homeless persons lived on the streets or in and out of night shelters for an average of 59 months (nearly five years) over their entire lifetime.⁶

Illness, disability and drug use

In order to calculate the costs of general services, we used data from the Belgian Institute for sickness and disability-insurance (RIZIV), a public authority for social security. They have data available online for some social services. We were able to calculate the average costs for Belgian hospitals and psychiatric centres based on their daily fees in 2013. The costs of rehabilitation centres for drug abusers were obtained through correspondence with the 'rehabilitation' department of the RIZIV institute.

⁶ For more information and the interim report, see www.housingfirstbelgium.be.

Effects calculator

For costs on which there was no Belgian data available (yet), we used figures from the Netherlands, where a cost calculation⁷ was done recently.

Costs of the Flemish Services Offered

Costs of providing homelessness services

The first and most obvious cost is the services provided for homeless people, such as night shelters and hostels.

Night shelters

A recent questionnaire (VVSG, 2014) showed that the cost of Flemish night shelters was an average of €53 per person per night. A month in night shelters costs €1 590 per person. This includes staff, infrastructure, cleaning, light evening meal (coffee, bread, soup, cold meats) and breakfast. For further support, night shelter staff generally refer clients to other welfare services. There are considerable variations between the various night shelters, ranging from €40 to €70 per person per night. These differences mostly relate to the size of the centre, whether the shelter owns the space or has to pay rent, and the choice to employ volunteers or otherwise. These prices are more or less in line with surrounding countries, such as France (€43), Germany (€54) and the Netherlands (€78) (Pleace *et al.*, 2013).

It is not easy to pinpoint a typical or average trajectory in the night shelters because the stay is often interrupted. These interruptions can be due to a choice on the part of the homeless person himself if he decides not to use the shelter every night. But some shelters also choose to limit the number of consecutive nights allowed. Hence, we do not give an average cost per trajectory for the night shelters. In the questionnaires taken by the Belgian Housing First project, 71 out of 96 questioned roofless persons used night shelters. The people using night shelters did so on average for 112 nights.

Crisis centres

Homeless people can use crisis centres for brief periods of time. In these centres, people get their proper bedroom. Other facilities such as bathroom and kitchen are generally shared with others in the centre. Staff are present to actively help people find the optimum housing solution. This can be on the private rental market, in more long-term options in the welfare system (such as residential hostels or assisted housing) or in more specialist care (such as psychiatric services). Most charge the maximum daily fee of €25.50. As we said, this price only includes the 'hotel' costs.

⁷ For more info see www.effectencalculator.nl

If we were to include the cost of the staff, the price would quickly rise. In crisis centres, the help offered tends to be very intensive, which equates to a caseload of two – i.e., each support worker works with two people, which means a cost of €85 per client per day. The total cost works out at about €110 per day or €3301 per month. The average stay in a crisis centre is 19 days and hence, an average trajectory costs €2901.

Residential hostels

In Flanders, homeless people can use various types of residential centres run by the CAW. They exist for young adults (18-25 years old), and adult men, women or mixed adults. In these centres, staff is present to support clients on several life domains such as: housing, social relations, finances, work, (mental) health.

The first type is the hostel for young adults. Here, the caseload is, on average, two. Thus, the total cost works out at €110 per day or €3301 per month. With 71 days as the median length of time spent there, an average trajectory totals €7812. A second type of hostel is that for men. These are either general, or targeted at acute or chronically homeless people, former prison inmates, drug addicts or ex-psychiatric patients. The caseload in men's hostels is less intense, at an average of four. The total cost for a men's hostel is €68 per day or €2033 a month. The median length of stay is 58 days. This brings us to a total of €3931 for a typical trajectory. The third type is the hostel for women. Because children also stay in these hostels, the caseload is a little lower than in the men's hostels, at three (adult) clients. The total costs are €82 per day or €2455 per month. The average length of stay is 45 days, making a total of €3684 per trajectory. A fourth type of service offers the client temporary housing in a CAW-studio. Here, the caseload is eight and the typical length of stay is 141 days. The average cost is thus €1399 a month or €6575 per trajectory.

In order to come to a general figure for the cost of residential hostels, and taking into account that men are more strongly represented in the residential services, we assume an average caseload of four and, hence, a daily cost of €68. This price is in line with other Northern and Western European countries, such as Germany (€71), the Netherlands (€45) and Finland (€60) (Pleace et al., 2013). A typical trajectory in an integral residential service takes 53 days and costs €3604.

Various forms of assisted housing

Assisted housing is on the rise in Flanders. Clients rent their own room or studio, and help is provided separately. In these schemes, the client does not pay a daily fee but a fixed rent for the dwelling. The housing itself can be a room or studio in a CAW building; an apartment or studio rented through the social housing rental agency, who acts as an intermediate between private owners and clients with social needs; social housing provided by statutory bodies; or it can be a rental in the

regular private market. Because staff no longer needs to spend time running the centre, the caseload is considerably higher than in residential hostels. Therefore, in the following calculation, we have only calculated the social service cost.

Assisted housing is offered to homeless people who have few, if any, competences in living independently. These tend to be long-term trajectories. For young people, the caseload for assisted housing is fixed at eight and the duration of the help at 235 days. This brings the cost of an average trajectory to €634 a month or €4966 per trajectory.

For adults, the caseload is somewhat higher, i.e., twelve and the cost of help comes to €423 a month. The average trajectory is 463 days – longer than for young people – and brings the total cost up to €6523.

For older homeless persons who also need extra medical care, there is a special type of service: care hostels. We assume a caseload of eight. The trajectory for this type of care averages 932 days (about 2.5 years) and is considerably longer than a (temporary stay) in a hostel. This brings the total cost up to €19696. The cost of the extra (medical) care is not included. The care is provided by visiting GPs, visiting nurses and other paramedics, and is largely refunded by the social security system. Physical problems can resemble those of elderly but appear at a much younger age because of their tough time on the streets.

Prevention of eviction

Since 2002, Flanders has had a programme to avoid evictions. The first CAW figures on these services refer to a caseload of about 15 and indicate a typical term of slightly over 180 days. That brings the cost of a trajectory for preventing eviction up to €2029.

Housing First

Housing First in the Flemish homeless care started in 2013 and is thus very new. It is too early to say what the average caseload and the typical duration of care will be. In order to make some comparisons, we assume a caseload of eight for the general overview.

Outreach and day care centres

There are also quite a few welfare services that are not specific to homeless people, but where homeless people make up a large portion of the target audience. These services include day centres, street corner work, specific welfare services (OCMW/CPAS) and outreach teams. The cost of these services is far harder to quantify.

Summary of Costs

Not every homeless person uses these specific services in coping with homelessness. During our interviews we met people who prefer not to use the night shelters, for instance. The reasons are diverse, such as not being prepared to share a room with a stranger, not being willing to leave behind a pet, not wanting to conform to the rules and regulations that night shelters invariably have (such as being in at a certain time and rules on alcohol- and drug use). There are people who prefer to avoid the night shelters and choose instead to sleep in squats, in the streets or in a tent.

A trajectory in homeless services typically involves using more than one type of service. A person may stay briefly in a crisis centre, a few months in a residential hostel and then move on to assisted housing. Or a young person might go straight from a residential setting to an assisted studio. If various types of services are combined, the total cost mounts up.

A residential hostel is a temporary solution for someone who is still considered homeless while there, and great efforts are made to find a more 'permanent', housing-based solution.

Table 2. Overview of the cost price of trajectories in the homeless services of CAWs. Prices for Flanders (Euro)

	Caseload	Length of stay (trajectory)	Max daily fee	Cost of care per client per day	Total cost per client		
					Per day	Per month	Per trajectory
Night shelter	/	/	/	/	50	1 502	/
Crisis centre	2	19	25.5	85	110	3 301	2 091
Residential care							
young people	2	71	25.5	85	110	3 301	7 812
men	4	58	25.5	42	68	2 033	3 931
women	3	45	25.5	56	82	2 456	3 684
studio	8	141	25.5	21	47	1 395	6 575
Assisted Housing							
young people	8	235	/	21	21	634	4 966
adults	12	463	/	14	14	423	6 519
elderly people in need of care	8	932	/	21	21	634	19 696
Prevention of eviction	15	180	/	11	11	338	2 029
Housing First	8	/	/	21	21	634	/

Costs of health and social services

Homeless persons obviously also use general services in the welfare and health systems and they come into contact with the police and the judiciary. It is difficult to estimate the costs incurred in the use of these services. The first problem is that the services generally do not register whether or not their patient/client is homeless. This lack of data makes it difficult to judge the number of homeless people who use the services, nor can we be sure whether they use them proportionally to the rest of the population. We cannot give clear-cut answers to questions such as: how often do the police have to intervene in an incident in which a homeless person is involved? How many homeless people come into emergency services or psychiatric units? Therefore, studies, such as the Belgian Housing First study, are often dependent on self-reporting, whereby the homeless person tells us how often he made use of such services over a given period of time.

A second problem in the calculation of the costs by homeless people in these general services is comparability. Is it possible to calculate to what extent these services were needed due to living on the streets? Would someone have wound up in prison anyway if he had not been homeless? Is the contact between a homeless person and police services due to an addiction? And did that addiction start or get worse during life on the streets? What is possible, however, is to ask homeless people what services they have come in contact with. This was done as part of the Belgian Housing First study. Ninety-six homeless people were asked how many days in the past year they stayed in particular welfare and care services and how many nights they spent in the police station or in prison.

Table 3. The cost of general services: prices for Belgium (€)

	Per day	Per month
Health care services		
General hospital	438	13 140
Psychiatric centre	293	8 790
Rehabilitation centres for drug abuse	293	8 790
Police and judiciary		
Prison	130	3 900

Costs to general physical health

Homelessness affects a person's physical and mental health. Fifty-five out of 96 homeless persons in the Belgian Housing First study indicate they have one or more problems with their physical health. The most common afflictions are breathing problems such as asthma (14 persons); cardiovascular problems (14 persons); neurological problems such as epilepsy (12 persons); joint or muscular pains (14 persons); and hepatitis (15 persons). The findings in our study are in line with the results of a

recent study in the US (Khandor *et al.*, 2007). They showed that compared to non-homeless people, homeless people run 29 times as high a risk of hepatitis C, 20 times the risk of epilepsy, five times more chance of heart illnesses, four times more of cancer, and a 3.5 times higher chance of arthritis and rheumatism.

Poverty and the general circumstances of homeless people have a hugely negative impact on their health, entailing a substantial cost. Twenty-eight persons in the study spent 19 days in hospital during the past year. Homeless persons also tend to use the more expensive forms of healthcare, such as emergency services (Kushel *et al.*, 2002) and their stay in hospital is often longer (36 percent longer according to Salit *et al.*, 1998). In some cases these hospital admissions could have been avoided. Both the development of epilepsy and acute attacks are linked to chronic and excessive alcohol- and drug abuse. An epilepsy attack can be very costly, involving an ambulance (average cost €500, according to the effects calculator) and two days in hospital (2 x €438), bringing the total cost up to nearly €1 400. These costs could have been avoided with a bit more stability and a more regular intake of medication.

Costs in general health care

Life on the streets is a strain on mental health. People with psychiatric problems also become homeless. Thirty-five out of 96 roofless persons in the Belgian Housing First study indicated that they suffered from a recognised psychiatric condition. Depression is the most common problem (18 persons). Thirty-four persons reported having once stayed in a psychiatric institution, and 11 having stayed there in the past year. The length of a stay in a psychiatric ward varies from a few days to a few months. The average was 44 days. The average daily fee in a psychiatric centre is €293 per day or €8 790 per month, a price that is similar to the other Western European countries such as the Netherlands (€229) and France (€300/400) (Pleace *et al.*, 2013).

Of the 96 persons in the Belgian Housing First study, 52 reported problematic drug/alcohol use. Nineteen persons reported alcohol misuse, 31 to heroin misuse, and 15 people to cocaine misuse. Seven persons were admitted into a rehab centre in the past year. The average length of their stay was 73 days.

There are 28 RIZIV-approved rehab centres in Belgium. Residential services include eight crisis centres (stays of four to six weeks) and 14 therapeutic communities (stays of three months up to a year). Daily fees are calculated per centre and are dependent on the specific cost of wages and treatments. The indicative prices proposed by RIZIV are: €250-350 for a day in residential centre; €200-250 for a full day in a day centre; €100-150 for individual one-hour sessions in a day centre; and €100-150 for a week of rehabilitation in a socio-medical hostel (as charged to clients who spend a week there). The average cost for a week's stay is similar to psychiatric centres at €293 (RIZIV personal communication, 2014).

Costs for Criminal Justice Systems

Costs for policing

Homeless people frequently come into contact with the police and judiciary. Some aspects of life on the streets are criminalised and life on the streets can lead to criminal activity in order to survive. Typical arrests include nuisance to the public, often provoked or reinforced by drug/alcohol misuse or psychiatric problems. Sixty-eight participants in the Belgian Housing First study reported at least one arrest by the police and 17 persons had spent at least one night in a police station, with an average of 4.8 nights. The Dutch effects calculator gives us the following sums for crimes that homeless people tend to commit: opium-related, €670; trashing a public space, €730; and theft or robbery, €1 400. Data on the cost of actions by police officers is scarce. In the study by Pleace and colleagues (2013), only four countries were able to give a number for the cost of 'being arrested and charged by the police system' in their country. And those who did, note very variable numbers, going from €50 in Germany to €461 in Sweden.

Costs for the judiciary

Many homeless people in the Belgian Housing First study (46 people) once stayed in prison. In 2013 this was the case for 14 people, with an average stay of 99 days. At €130 a night or €3900 a month, a stay in prison is an expensive business. This cost is in the middle of the prison costs in other Western European countries. Some report being a lot cheaper (e.g., France at €60 per night), while others give higher costs (e.g., the Netherlands at €229). The prison cost is especially high when homeless people deliberately seek imprisonment. Some see prison as a route to help or a warm shelter during the cold winter months.

Cost for local authorities

Homeless people living in the streets create costs for towns and cities too. Flemish cities mete out so called 'GAS' fines (GAS stands for communal administrative measures) to persons who break certain rules in the police codex. Cities decide themselves what they give GAS fines for. In Antwerp you can get a fine of up to €350 (€175 for minors) for things such as urinating in public, disrupting the peace or ignoring the alcohol rules in certain areas of the town. Towns and cities keep no record of the share of GAS fines given to homeless people, and no record of how many of these are paid, which we estimate to be low. In some cities they have tried to estimate what percentage of GAS fees are given to homeless people. CAW Antwerp estimates that there are some 400 persons in greater Antwerp with severe and complex needs. This group might well be responsible for some of the nuisance

in the town. City services sometimes try to offer mediation and counselling in relation to these fines. People without an official address often do not receive this correspondence or invitations to discuss their problem(s).

The Cost of not Resolving Homelessness

Specific services for homeless people can be expensive. This is the case for health services, police and the judiciary too. So the annual cost of someone who spent eight months in a shelter and four months in prison adds up to €28 320. Someone who spent six months in a shelter and six months in a psychiatric ward will have cost €62 280 over the year. As well as showing the costs that homelessness entails, we should note that not every homeless person brings such costs to the community. Not every homeless person uses night shelters, stays in psychiatric wards or spends time in prison. Some research shows that precisely those homeless people who have certain problems (such as psychiatric problems) are actually *less* likely to make use of general services than the housed population (Sullivan *et al.*, 2000).

The Costs of ‘Social Rent’

In the past ten years, the CAWs have been investing more and more in supported housing. Clients rent in the social or private rental markets and get ambulant support from CAW social workers. Housing First is part of this shift away from residential services and into assisted housing. Many renters have a low income. They are therefore entitled to social housing or they can claim a rent benefit from the Flemish authorities. We calculated what this costs society to ‘socially’ house people.

Costs for social housing societies

The rent for a house/apartment from the Social Housing Societies (SHM) is calculated according to the renter’s income. This rent consists of a fixed basic rent, supplemented with a variable part, which is calculated according to income. The Flemish Society for Social Housing (VMSW) estimates that a social housing society needs an average rent of €382 (per month) to cover costs. This amount is calculated for newly-built housing and includes the plot, rental costs, the lift and maintenance. The cost of administration and social services on the part of the social housing company is not included in the calculation. For instance, Ghent Housing First inhabitants pay an average of €260 per month for their social housing. Based on this calculation, housing in social apartments can cost the housing company €122 per month.

Costs of the Flemish rental benefit

Persons who rent on the private market or with a social rental company (SVK) can apply for a Flemish rental benefit. They must comply with a number of income, rent and removal conditions.⁸ The rental benefit is calculated according to income. The benefit may be paid out for a maximum of nine years and the amount decreases during that time. The rental benefit is equivalent to one third of the rent, up to a maximum of €120 per month. This amount is increased by €20 per person, depending on the head of the family, and in some (expensive) communities it is increased by an extra €10 per person.

Prevention as a Cost Saver?

Trajectories in homeless care tend to be expensive. As we stated earlier, we are not arguing for cheaper alternatives. We would like to point to some forms of help that can avoid an introduction into homelessness and homeless services, or reduce the length of time spent in specific services, or which can prevent a return to homelessness.

Prevention of evictions

A form of cost control in homeless care is to invest more in avoiding evictions. This avoids costs at a number of different levels. The first cost avoided is the eviction itself. The effects calculator reckons that an eviction costs €6 000 in costs including judicial, bailiff, police and repossessed goods. The second set of costs avoided is the trajectory in homeless care. And the third set is the indirect costs: avoiding the loss of a job, depression and so on. In 2002, the Flemish authorities started financing the CAWs to set up services aimed at avoiding eviction. These services are often set up in conjunction with social housing companies. However, data suggests that 85 percent of the requests for eviction are made in the private housing market.⁹ Research¹⁰ that involved questioning people who had been through an eviction as to their needs showed that an outreach approach is essential.

⁸ For more details, see:

https://www.wonenvlaanderen.be/premies/vlaamse_tegemoetkoming_in_de_huurprijs

⁹ Minister of Housing, Ms. Van Den Bossche's answer to written question Nr. 18 of 12 October, 2012 from Mrs. Cindy Franssen shows that in 2010 a total of 1539 eviction procedures were started by the social housing companies.

¹⁰ See: http://www.samenlevingsopbouw-oost-vlaanderen.be/uploads/documenten/Publicaties/pdf__dossier_uithuiszetting_sintniklaas.pdf

The cost of residential care

It is often more expensive to offer residential care than ambulant services. In residential centres, staff have not only their individual cases to look after, but they also have a centre to run: meals must be organised, conflicts amongst inhabitants resolved, and tasks must be shared out and checked up on. In residential centres more people leave prematurely. Centres have a lot of rules in order to make them liveable. These rules are about things like alcohol and drug use, taking part in household tasks, doors closing at certain hours, etc. Breaking these rules repeatedly can lead to a termination of the homeless person's stay there. In ambulant care, there are no such household rules, so the social worker can focus on more important issues.

Conclusion: Cost Increases and Cost Decreases

Getting homeless people off the streets means saving on general services; both American and European Housing First projects find a decreased use of psychiatric wards. The Housing First project in Lisbon, for instance, reports 90 percent less use of psychiatric help once in housing (Busch-Geertsema, 2013). This is due to the security that housing brings, but also due to the ambulant help for psychiatric problems, which is easier to organise in a housed situation. Research shows that Housing First tenants also came into contact with police and the judiciary far less than roofless people. For instance, in Lisbon 20 out of the 74 Housing First tenants had spent a night in a cell in the year before they were assigned their home. Once housed, this did not happen to any of them. These costs apply to all the years someone would have lived on the streets if they had not entered a Housing First programme. The difficulty, of course, is to estimate how many years that would have been.

Housing people who have been homeless for years inevitably entails costs. Seventeen out of 96 homeless persons in the Belgian Housing First study say they have no income at the moment. If they apply for Housing First, the social workers will sort out their benefits (€817.36 for a single person) so that rent can be paid. Many are entitled to a one-off furnishing benefit ('furnishing premium') of €1 068.45 so that they can kit out their new home, and many can claim an energy benefit as well. The launch of the Belgian Housing First project sadly led to newspaper articles headed: 'Give the homeless a house before they even get a job'. However, getting homeless people into jobs is not the main aim, nor the most important result of Housing First. The European projects (Busch-Geertsema, 2013) show that many Housing First tenants are active with voluntary work or other worthwhile activities. Very few, however, have a real, let alone a lasting, job.

Once housed, the physical health of Housing First tenants improves. People sleep better, and because they can cook, the quality of their food improves too. Research shows that the number of acute admissions, for instance in emergency services, decreases. Housing offers stability. This improves regular medication intake, so that certain hospital admissions (for instance for epilepsy) can be avoided. Having housing also means that people can take time and pay attention to themselves and their health. Some finally make their first dental appointment in years, or start up treatment for a long lasting problem.

In the context of how high the costs that homelessness entails, it is remarkable how little society gets in return for spending so much money. Every extra year on the streets increases the likely costs for the following year. All this, while offering a home might well work out cheaper. The costs, however, are complex. Housing-led solutions, such as Housing First, save money in some areas, but generate costs in other areas. Money is obviously saved on specific homeless services. It is no longer necessary, or it is necessary for a shorter period of time, to make use of night shelters or hostels; these costs are then replaced by the cost of a team of ambulant social workers. On top of that, we have to add up the cost of social housing or Flemish rent benefit, if the tenant does not effectively pay market value. Rigorous case studies of the costs of homelessness are essential in developing an evidence base for determining how best to allocate scarce resources, and this case study of Flanders contributes to this discussion.

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