

Homelessness Costs

Exploring the Case for Enhancing Prevention of
Single Homelessness in England

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Homelessness and Social Work in Europe
Copenhagen, 23rd September 2015



Average additional costs of homelessness

- £606 Million
- £15,163 per person, per year
- €704m, €17k, DKK 5.25bn, DKK 131k
- Long term and recurrent single homelessness, average cost of homelessness compared to cost of prevention and being housed
- Assuming a population of 40,000 is experiencing this form of homelessness for one year.

Median additional costs of homelessness

- **£584 Million**
- **£14,616 per person, per year**
- €679m, €17k, DKK 5.15bn, DKK 126k
- Long term and recurrent single homelessness, average cost of homelessness compared to cost of prevention and being housed
- Again assuming a population of 40,000 experiences single homelessness for one year

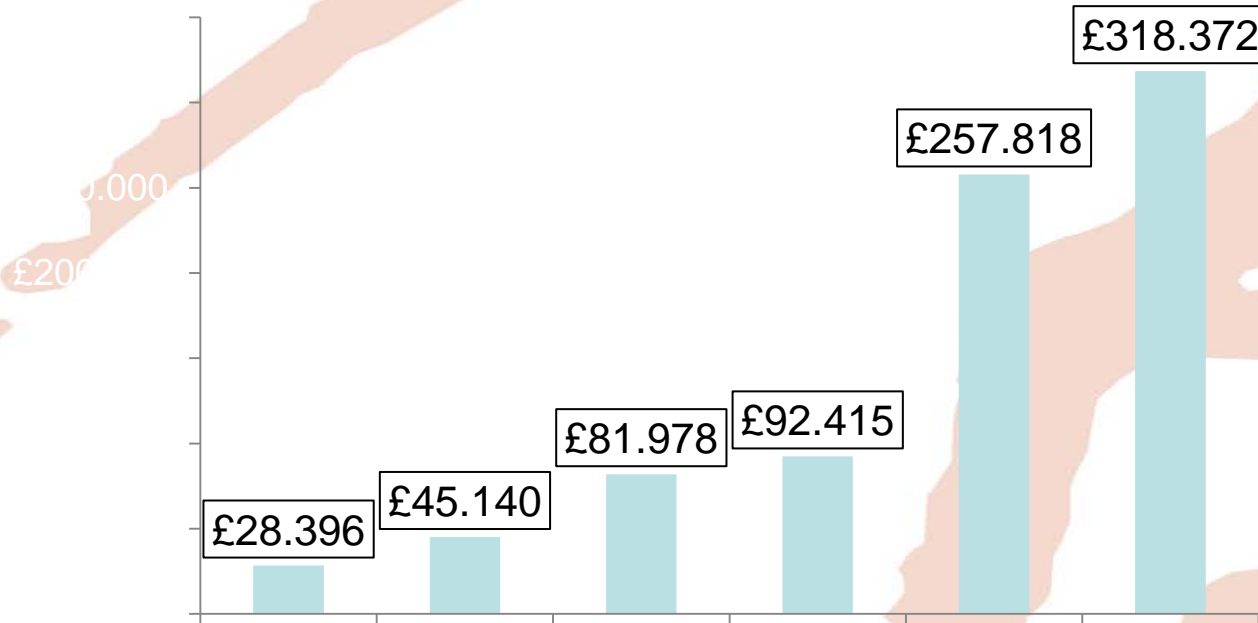
Estimate

- 86 people homeless for at least 90 days
- Asked about last 90 days of service use
 - Costs: local authority commissioning data, PSSRU, Home Office
- A tested US methodology
- Asked about what would have stopped their homelessness
 - Costs: local authority commissioning data

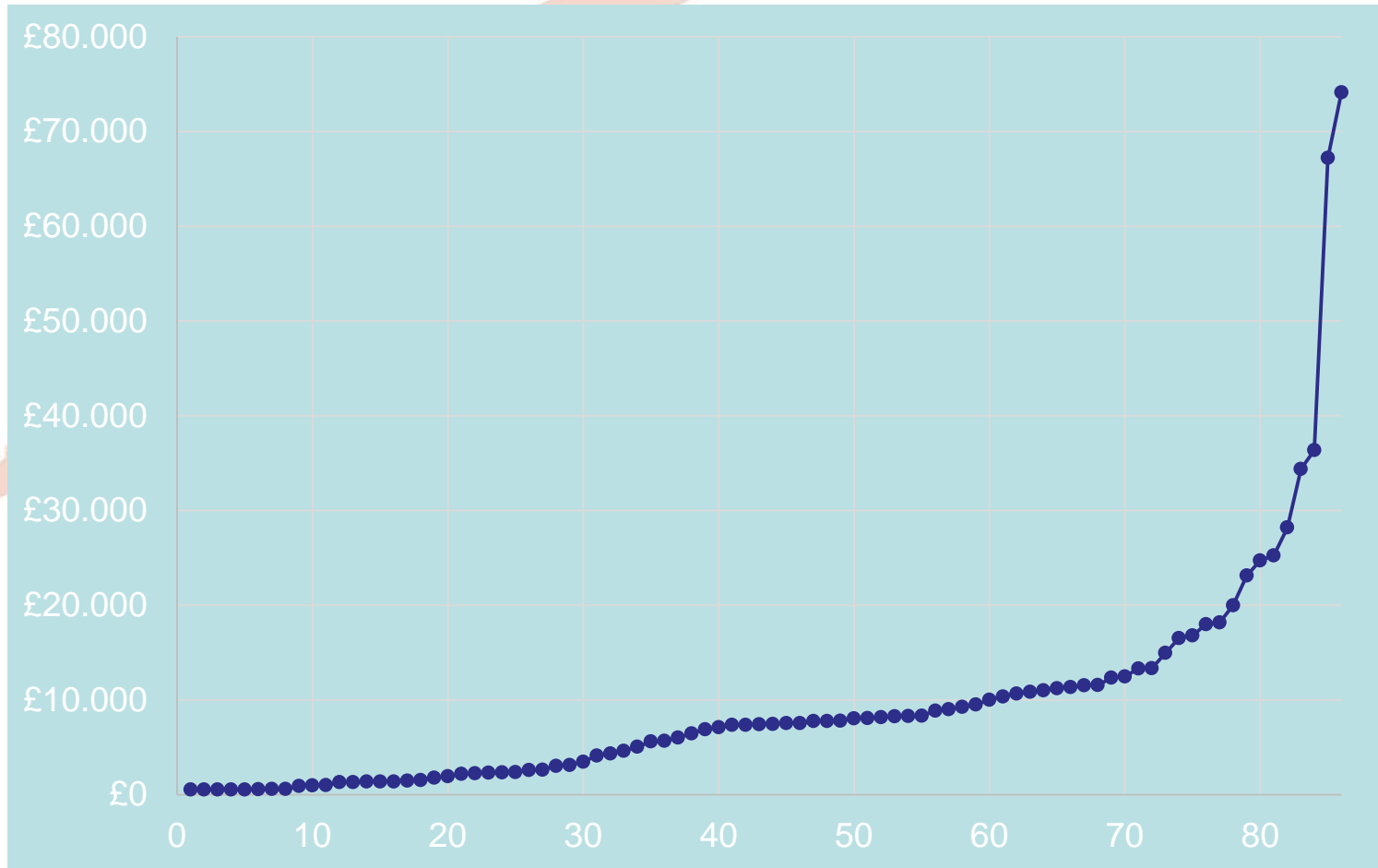
Estimate

- Took service costs
- Took estimated prevention costs
- Made an allowance for other costs if they had not been homeless
- Calculated differences

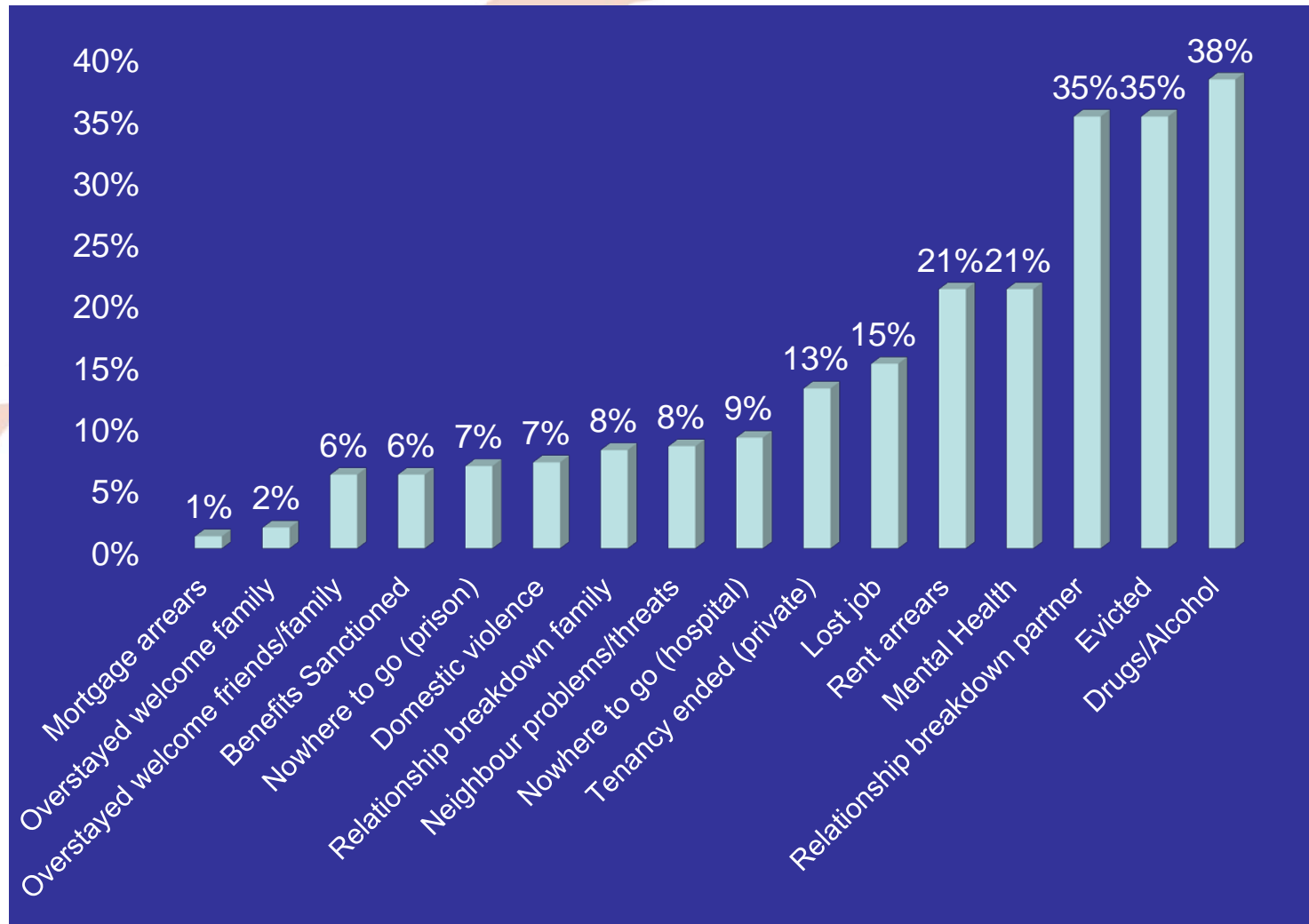
Homelessness costs – 90 days



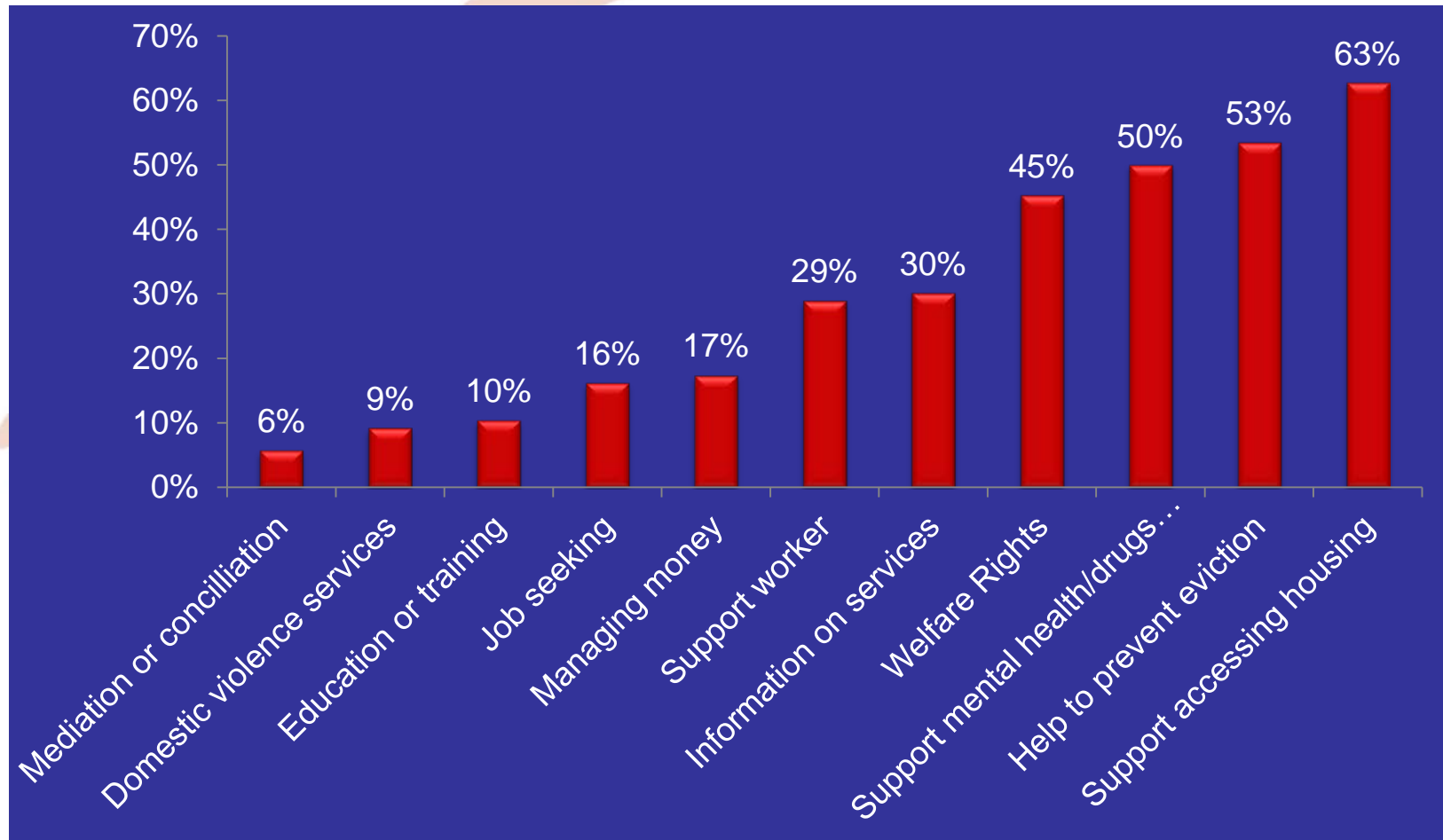
Variation over 90 days



Routes into homelessness



What would have prevented homelessness?



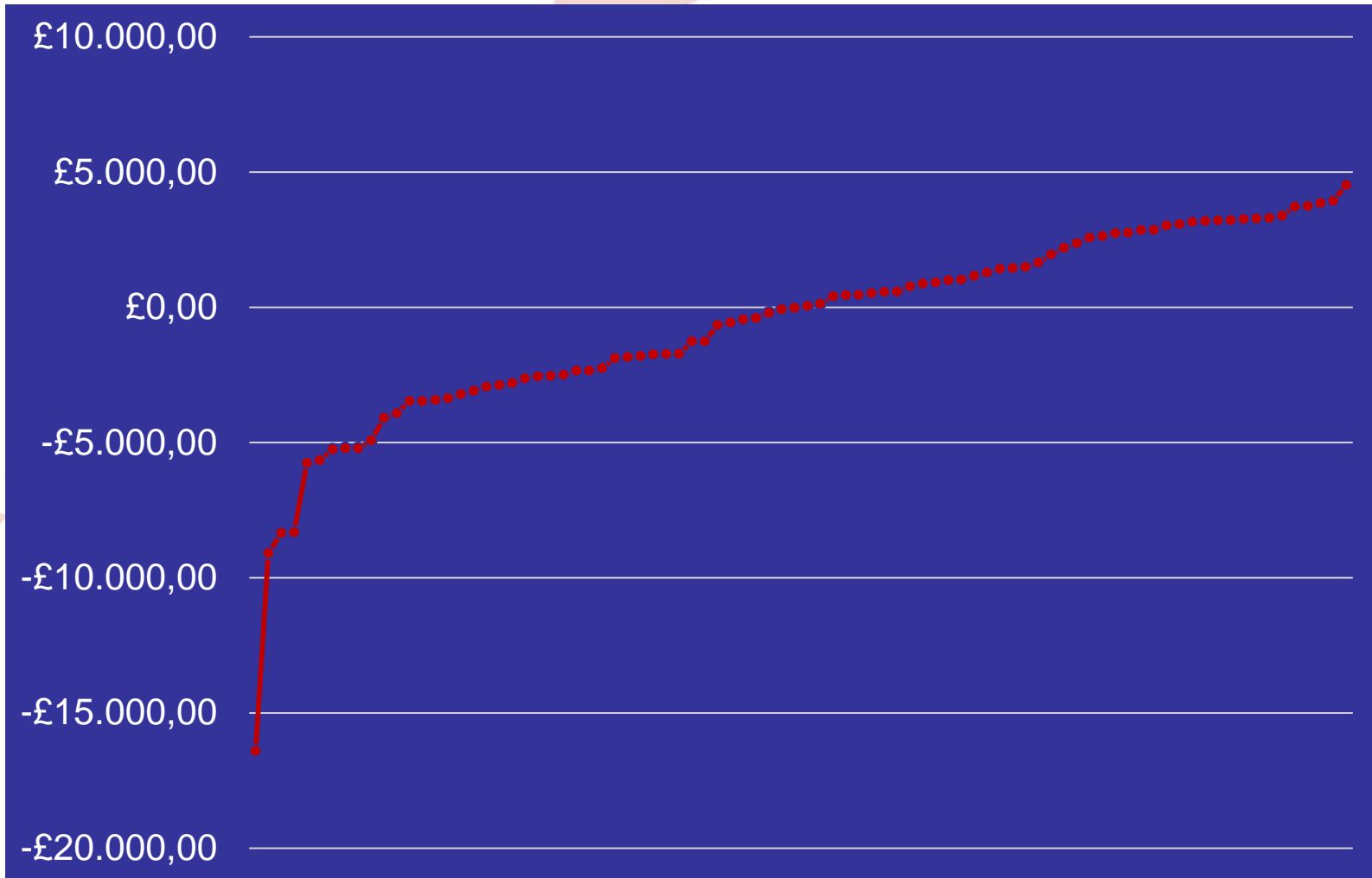
How much prevention?

- Most wanted three forms of support
- Average estimated cost
£2,263
- Median cost of £2,239

Why the saving?

- If NOT homeless
- 24% less use of NHS
- 20% less contact with criminal justice
- Rent and any support costs likely to be *less* than in single site homelessness services

Over 90 days



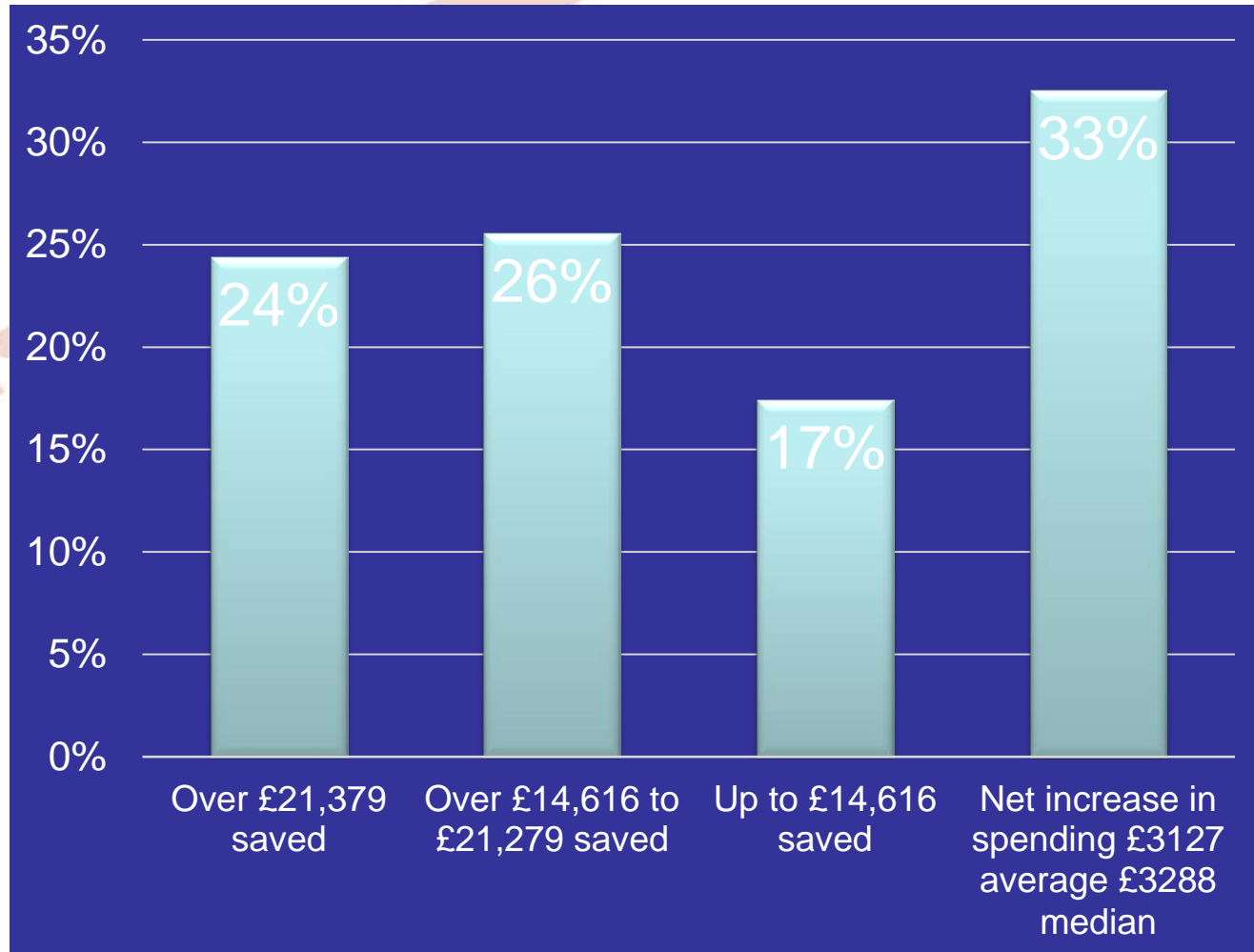
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Over 90 days

- For the 86 people
- 50% more expensive to prevent
- 50% cheaper
- Small net saving overall
- Cost neutral

For a year



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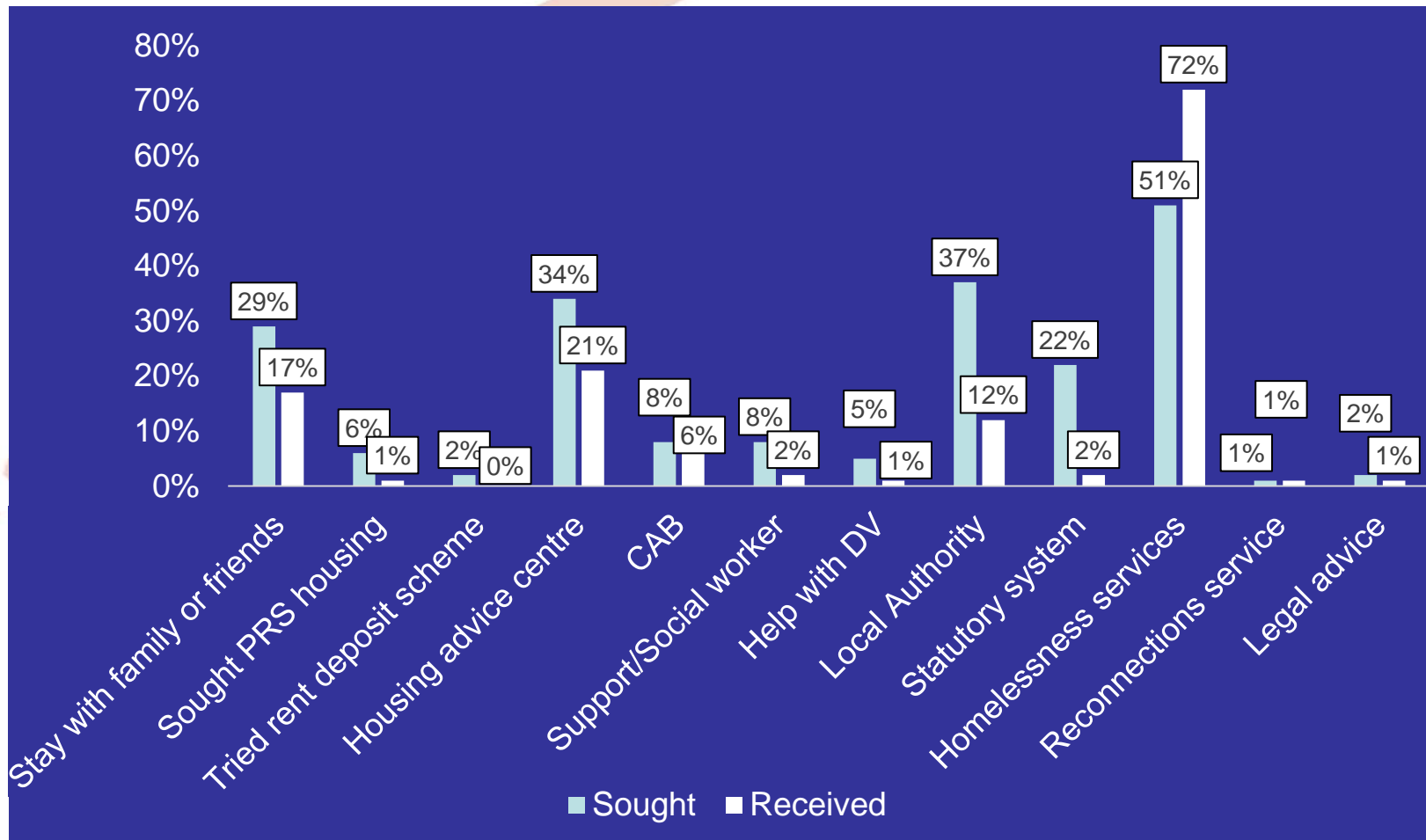
Estimated Annual Savings

- £1.3 million net
- 86 people
- 67% of group cost less
- 33% cost more
- Average saving £15,163
- Median saving £14,616

Two characteristics

- High need group
- Who had trouble getting help

Trouble getting help



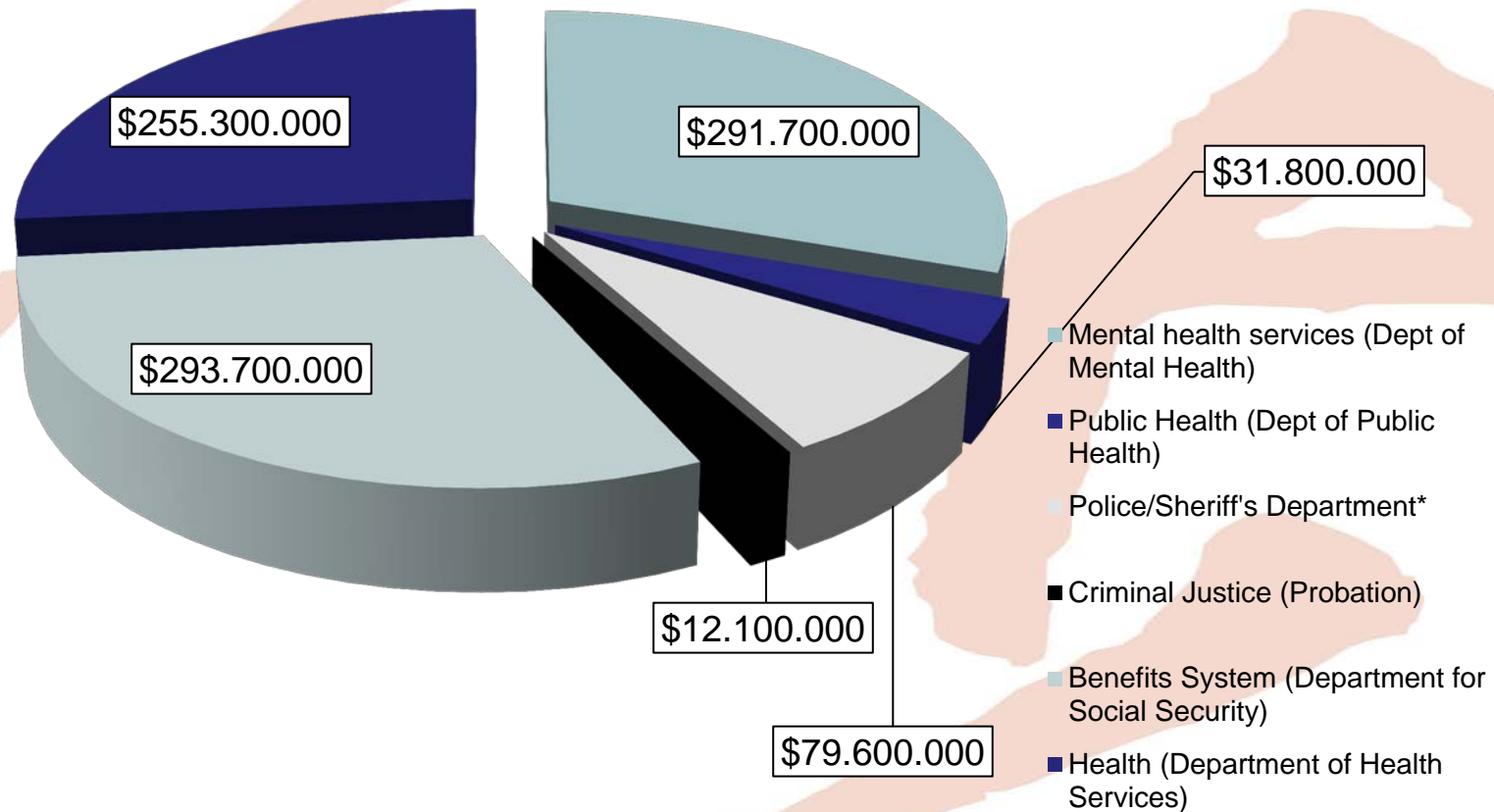
High need group

- Self reported health poor
- 53% reported two years or more total homelessness
- 46% homeless more than once
- Average duration current homelessness 1,545 days
- Median duration current homelessness, 730 days

Can this be right?

- DCLG 2012, gross costs, £1 billion
 - Assuming population of 40-50,000
- US costs, research suggest similar
- Australian costs, research suggests very similar
- Then there is LA County...

Los Angeles County



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Thanks for listening

- Nicholas Pleace, University of York
 - Deputy Director, Centre for Housing Policy
 - www.york.ac.uk/chp/
 - Core Team, European Observatory on Homelessness
 - www.feantsaresearch.org/
- Professor Dennis P. Culhane, University of Philadelphia
 - Dana and Andrew Stone Chair in Social Policy
 - Co-Principal Investigator, Actionable Intelligence for Social Policy
 - Director of Research, National Center for Homelessness Among Veterans