



The impact of the economic crisis on tackling homelessness at local level

FEANTSA Spring Seminar 2009



EU ambitions on homelessness

Impact on profiles of homelessness

Impact on homelessness budgets

Impact on homeless strategies

Key conclusions

Programme

See all seminar documents on the [FEANTSA website](#)



Hannu Puttonen, President of *FEANTSA*, *European federation of national organisations working with the homeless*, referred to the importance of transnational exchanges, especially in these times of recession. The number of unemployed people and excluded people will increase, and the general reduction of resources will most likely affect the most vulnerable in society. The future is therefore very challenging for local authorities. In this respect, cooperation with NGOs brings real added value. Developing partnerships between different levels and different sectors is fundamental to find sustainable solutions to homelessness, and this seminar was considered a great opportunity to create such dialogue on different approaches to tackling homelessness. The general aim of the seminar was to discuss openly the impact of this crisis on tackling homelessness at local level (impact on profiles, impact on budgets, impact on strategies), and to try to collect information on new trends as a result of the crisis.

EU ambitions on homelessness

The opening session set the scene by looking at EU ambitions on homelessness with speakers Linetta Serri (who is member of the Committee of the Regions and currently local councillor of Armungia in Sardinia), Olga Trostiansky (who is Deputy Mayor of Paris for the fight against poverty), and finally Jérôme Vignon from the European Commission (who is responsible for social protection and social inclusion issues).



The *Committee of the Regions (CoR)*, the only EU body representing regional and local authorities, has facilitated exchanges between local authorities on homelessness during the last few years by hosting FEANTSA seminars. CoR representative, **Linetta Serri**, referred to a CoR opinion recently adopted on the European Year 2010 for combating poverty and social exclusion, where CoR representatives stressed the important role of local authorities in tackling poverty. The European social agenda puts forward a unique social model in the world, and the economic crisis cannot be used as an excuse not to fulfill these European social commitments. Next year will be an important year to promote transnational exchanges on homelessness, but also to send out key messages which can bring about genuine and lasting change. Local authorities and NGOs need to be fully involved in this process.

Olga Trostiansky, Deputy Mayor of Paris, referred to the 2008 European Parliament Written Declaration on ending street homelessness, and the recent decision in Paris to set up an Observatory to monitor poverty and social exclusion. Paris is a transit city for France and Europe which means that many migrants (from inside and outside the EU) travel through Paris. Many of these migrants experience difficult living conditions which make them vulnerable to homelessness. There is also an increasing number of women experiencing homelessness. Paris is trying to provide different solutions to these emergency situations trying to tailor housing to meet different needs, and supporting people to live independently where possible. This work is underpinned by a new justiciable right to housing in France (see DALO act). The economic crisis is affecting the most vulnerable groups and emergency solutions are needed. However, « l'urgence à agir ne peut plus justifier l'agir en urgence ». In other words, despite the urgent need for action, we cannot justify taking only emergency action but must strive to find sustainable and effective solutions to end homelessness. Paris is ready to join in the European fight to end homelessness.



Jérôme Vignon reminded participants that “the combating of social exclusion” is explicitly mentioned in the Social Chapter of the EU Maastricht Treaty (articles 136 and [137](#)). The European Commission has strengthened its support of transnational exchanges to promote social inclusion since the launch of the EU anti-poverty strategy in 2000. In 2009, homelessness and housing exclusion are receiving more attention within EU social inclusion initiatives, since social affairs ministries from the 27 EU countries chose to specifically focus their exchanges on this area of policy. European initiatives in this specific area of policy are jointly developed by national governments with the European Commission as facilitator (since the EU has only limited competences in social policy). The European Commission did however adopt a Recommendation on the active inclusion of people furthest away from the labour market, which recommends that all countries develop integrated active inclusion policies based on 3



pillars: access to services, minimum income and active labour market policies. The European Commission has also commissioned research on homelessness measurement and monitoring in order to facilitate European policy learning in this area. The EU possibly has a stronger role to play with regard to the freedom of movement of EU citizens, to ensure they have access to quality services when they move.

The current economic crisis is a threat (with cuts in financial resources for social investment) but can also be an opportunity to push for a rethinking of the use of EU structural funds. The European Year 2010 for combating poverty and social exclusion should help to keep social issues at the top of the EU agenda. Moreover, the European Commission will co-organise a European consensus conference on homelessness in 2010 with the Belgian Presidency of the EU.

Impact on profiles

The first session looked at the impact of the crisis on profiles of homeless people with speakers from the UK, Spain and France, and took stock of new/emerging trends in profiles of homeless people.



Leslie Morphy from the UK organisation Crisis presented the findings carried out end of last year on growing repossessions in the UK and increasing vulnerability to homelessness. The recession is effectively pushing those who are already vulnerable down the chain. The needs are going to be greater and the funding tighter. Last December, Crisis carried out a survey to better understand the impact of the recession on people's lives. Key findings include the following: 41% of adults in Britain know someone who has lost their job due to the economic downturn; 9% of those with a mortgage or paying rent were struggling; in the private rented sector 31% of people surveyed are worried that they could lose their home, while 12% of people were struggling to pay the rent; a third would lose their home within 3 months of losing their main source of income, and for those privately renting the figure rises to 61%; the poorest are three times more likely to have difficulty with rent/mortgage. A general conclusion of the survey is that poorer people are struggling much more with their housing situation than other categories of the population.

The impact of the economic crisis on repossessions is clear. There were 46.000 repossessions in 2008, and 75.000 are expected in 2009. Mortgage rescue schemes are limited in size and scope. Buy-to-let repossessions are still rising, with an 88% increase from first quarter of the previous year. Buy-to-let mortgages with more than 3 months arrears increased by more than 235% between 2008 and 2009. This effectively means that tenants living in buy-to-let property are increasingly vulnerable. The impact of repossessions has added to the existing (high) demand for housing. According to a [survey](#) conducted in November 2008 by the UK Local Government Association, 25% of local authorities have seen an increase in homelessness.

It is interesting to note that in the UK media, this crisis has tended to be portrayed as a middle class crisis. However, when mapping repossessions and unemployment, it is clear that these are geographically clustered in inner cities, in seaside towns and in working class estates – reflecting also the geography of previous recessions in the early 1990s and 1970s.



Miguel Angel Navarro (coordinator of the Commission for Refugees in the Basque Country) and **Sonia Olea Ferreras** (Head of the Homelessness programme of Caritas Spain) examined the growing population of non-EU immigrant workers who are vulnerable to homelessness in Spain. Miguel started by giving key facts regarding housing in Spain. In 2005, there was more housing built in Spain than in the UK, Germany and France altogether. There is no lack of housing in Spain. However, there is a small housing rental market in Spain, and this affects migrants since three quarters of the immigrant population live in private rental housing (social rental housing represents less than 12% of the total housing built in Spain, and only 2% of social rental housing is rented to low income families). Spanish immigration laws regard housing not as a right, but as an obligation for foreign people to fulfill in order access basic rights (to healthcare, family reunification, etc). A large proportion of the immigration population in Spain (60-70 000) works in the black economy in sectors such as care, agriculture, and construction. Recent figures on homelessness in Madrid, Bilbao and Barcelona show that 53-65% of homeless people in those cities are immigrants. Their vulnerability to homelessness is often linked to their employment situation, and 30% of currently unemployed workers in Spain are immigrants. Sonia Ferreras went on to describe the results of surveys carried out on the profiles of people using Caritas shelters and temporary accommodation (in 11 Autonomous Communities and in the five largest cities : Madrid, Bilbao, Barcelona,





Seville, and Valencia). In 2008, there was already a 14% increase in demand for shelter, and a recent Caritas report shows that there has been a 40% increase in these times of recession. In the first term of 2009, there has been an important increase in the number of homeless immigrants (68%). The two general causes of homelessness in Spain are unemployment and substance abuse. The causes of homelessness for immigrants tend to be different: difficult access to employment and administrative barriers, as well as a lack of social support networks. Immigrants also move more frequently than native homeless people. As a result of the crisis, it is clear that transitional homelessness is increasing (i.e. an increase people who are homeless for short periods). There are also people who were on the way out of homelessness and who are now falling back into homelessness due to the crisis. It is foreseen that in 2009 and 2010, there will be a strong increase in homelessness due to the fact that social networks will not necessarily be able to support unemployed family and friends. Moreover, immigrants will have difficulties in renewing their residence permit if they cannot prove they have enough economic resources, which then makes it even harder for them to access the labour market. Immigrants are also having more trouble accessing employment since there has been an increase in native demand for employment in sectors traditionally filled by immigrants (construction, services, agriculture).



Philippe Coste, who is responsible for the organisation and funding of state services for homeless people in the Paris region, referred to the trends in EU migrants becoming homeless. Paris is a centre of migration – it is a centre point for most transport networks in France (train, plane). The Paris region receives the bulk of state funding (90%) for nightshelters and accommodation centres (with 10.000 beds in specialised services, and 10.000 beds in temporary accommodation for families). Homeless people from non-EU countries (Roma, Chechnians, Afgans, Sudanese) are easier to distinguish and more visible than homeless migrants from EU countries. There are however some emerging trends in Paris as a result of the crisis which have required a specialised approach. A high number of Polish migrants who originally came to work but who have found themselves on the streets of Paris due to work-related accidents or inability to find work as a result of the recession. Many prefer to stay in Paris to wait for the economy to pick up. Paris is trying to develop links with Poland to ensure people have the possibility to go back to their country of origin. Roma populations of Romanian and Bulgarian nationality are also a representative group of EU migrants living in difficult housing conditions. It is necessary to develop links with the original countries of migrants – FEANTSA or the European Union could be very helpful in this respect. It would be useful for the EU to develop a type of social Interpol with a specific protocol in order to clarify the social rights of EU migrants who become destitute and end up on the streets. A directory of relevant contacts across Europe would also be an important tool for local authorities across Europe.

Impact on budgets

This **second session** looked at the impact of the crisis on homelessness budgets with speakers from Ireland and the Netherlands (Michaël Schleicher from Germany sent his apologies).



Cathal Morgan (Director of the Dublin Homeless Agency) discussed how Dublin has adapted to budgetary changes. He referred to the need to turn the crisis into an opportunity to rethink homeless policy, service structures and funding. This is all the more important since by 2010, long-term homelessness and the need for people to sleep rough will be eliminated in Dublin. Between 2005 and 2008, €227m were spent on tackling homelessness in Dublin. The conclusions of a budget review showed that there has been an over-emphasis on “managing” homelessness through the provision of temporary solutions, and also showed that the financial input is not aligned to the agreed 2010 target. The aim in the future will be to rearrange the localisation of homeless services in Dublin so they are not all concentrated in the centre; transitional programmes could be delivered as housing support to people in mainstream housing; and generally there is a move towards a pathway model of housing support provision. When asked, homeless service users say they would like housing with support (rather than to stay in emergency shelters). While the Irish government will maintain existing resources in 2009, it has also announced a new programme for housing support and procurement of social housing, and will look into reform of statutory duties of local authorities especially in relation to prevention of homelessness.



Dick Reinking from Utrecht Municipality put forward key elements in drawing up an effective budget to tackle homelessness based on the work carried out in Utrecht. Rather than focusing on issues like effective budgeting and cost-effectiveness, he focused on how to develop a strategy in order to get funding. When referring to budgets, this does not only imply local budgets: homelessness exceeds local tasks and responsibilities, for instance with regard to psychiatry, addiction care, privatised services and products.

Hence, the municipality 'owns' a problem that requires shared financial commitment at the local, regional and national level. It is crucial therefore to develop links with financial partners – internal partners (debt guidance, social security, vocational rehabilitation) and external partners (housing companies, health insurers, long-term care offices). The aim should be to develop vital financial coalitions and develop a shared financial direction on homelessness. Adopting this financial strategy in Utrecht, led to certain results: 1. A general covenant between municipalities and health care offices 2. Shared contracting and shared financial direction between municipalities 3. A reallocation of national budgets towards homelessness actions. Dick drew some key conclusions: 1. Lack of funding is always a challenge 2. It is important to combine long-term action plans and short-term covenants 3. It is crucial to have a financial strategy that goes further than the local level and local budgets 4. It is useful to show successes in terms of outputs and outcomes of funding 5. Finally, it is important to invest in partnerships and financial coalitions.

Impact on strategies

The third and last session of this European seminar focused on the impact of the crisis on local homeless strategies with speakers from Poland and Scotland.



Jarek Jozefczyk, Vice Director of Social Welfare in the Municipality of Gdynia, discussed the need to keep a long-term strategy on homelessness despite the need for crisis measures in these difficult economic times. Gdynia developed a long-term and integrated strategy to tackle homelessness. The ultimate aim is to keep people as "active" as possible (in employment or any form of meaningful occupation) in order to prevent them from falling back into a cycle of homelessness. There are four key elements used in

Gdynia to keep a long-term strategy: 1. Participation of all relevant stakeholders (researchers, service providers, service users with a homelessness representative body) 2. Preventive action to avoid people entering a cycle of homelessness (for instance, a tool was developed to help social workers assess "risk of homelessness") 3. Develop integrated action plans with clear objectives 4. Develop a financial strategy and carry out regular budget reviews. With this economic downturn leading to reduced budgets, measures will be taken to make the fight against homelessness as effective as possible – it actually costs €2600/year to keep a homeless person in a shelter, whereas renting a flat with an individual support plan costs €1300/year. In other words, housing people directly costs less money than keeping them in shelters. The crisis has not had an overall negative impact in Gdynia yet. It has rather led to a review of activities to ensure greater participation and high quality services; it has led to more preventive and innovative actions; it has made Gdynia's approach to spending more careful; and finally it has led Gdynia to diversify its financial resources for action on homelessness.



Pam Orchard talked about changing strategies in Edinburgh and the impact of these changing strategies on the provision of homeless services. She started by giving an overview, on behalf of Mairi Keddie (who sent her apologies), of some of the changes in the approach to service provision of Edinburgh city council. A new local homeless strategy has been adopted with three main goals: preventing homelessness, finding homes and making sure people keep these homes. Budgetary cuts with the credit crunch have led to a need for more efficiency, for better value for money while keeping high-quality services, for an open tendering approach, and for a general review and restructuring of homeless services. Issues to be considered in this change of strategy are the following: there needs to be a strong link to the local homeless strategy; it is crucial to find both best value and quality in the services; the commissioning of services needs to be done on an open and transparent basis and requires a culture change (services are having to adapt to this new way of working). This is, according to Edinburgh city council, the best way to get quality services with a limited homelessness budget.



Pam Orchard then went on to discuss the impact of the changing strategy on the functioning of local homeless services in Edinburgh, based on her experience in preparing tenders for Edinburgh Cyrenians (an NGO homeless service provider). NGOs in Edinburgh are developing their capacity and adapting their methods in order to respond to these new tendering processes. Crucial success factors include ensuring staff are able to deliver the right type of support to homeless people, and good engagement with other service providers. Pam made some general observations:

- This process is far more time consuming;
 - Service providers tend to develop “marriages of convenience” rather than genuine synergies;
 - It is important in this competitive context to be able to demonstrate effectiveness and evidence of ability to deliver outcomes;
 - Some services are developing more value for money tactics in response to competition;
 - The bigger services tend to be at an advantage, but smaller services can also be successful in the tendering process particularly if they have a specialism and/or local knowledge;
 - There is relatively little room for innovation and this new way of working is creating barriers to the traditional creativity of these services.
- In this context, for-profit providers are also entering the “market”, and the creative ideas of the NGOs are sometimes taken by other services which then finally win the contract.

Key conclusions



Freek Spinnewijn, Director of FEANTSA, concluded the seminar with a reflection on the day’s presentations and discussions. It is clear that we are under pressure and that the crisis is having a huge impact on homelessness. Up until now we have only had anecdotal evidence but the evidence base is growing, including with this seminar:

- There has been an increase in the number of number of homeless people and new emerging profiles of homelessness.
- Public funding and private donations are decreasing but in certain circumstances, especially in cities with a clear homeless strategy, the funding has not been cut and in some cases has even increased.
- The economic crisis can actually be an opportunity for reviewing current homeless strategies and budgets to make them even more effective.
- It is crucial to keep original commitments and ambitions, supported by a long-term strategy to tackle homelessness, despite the economic downturn.
- Where local, regional, national homeless strategies are in place, the impact of the crisis can be reduced.
- Most existing strategies on homelessness are quite recent, which offers much scope for mutual learning between countries, especially during the recession.
- The role of NGO service providers remains important, even when there is an open tendering process, especially to find creative and innovative ways of tackling homelessness.

FEANTSA would invite the Committee of the Regions and the European Commission to consider some of the key issues raised at the seminar, and consider possible initiatives at EU level:

- This crisis might be an opportunity to rethink the use of the EU structural funds;
- As the EU develops measures to counter the economic downturn, there should be space to tackle the increasing vulnerability to homelessness by taking preventive measures and to ensure people who are currently experience homelessness find sustainable housing solutions;
- It might be appropriate also for the EU to look across the Atlantic to see how the USA are dealing with homelessness in the recession: <http://www.recovery.gov/>

FEANTSA will continue to monitor the impact of the crisis on tackling homelessness at local level. Progress can still be made in these tough times – it is important to keep ambitions and to continue developing long-term strategies to end homelessness.

See all seminar presentations at:

<http://feantsa.horus.be/code/EN/pg.asp?Page=1149>



**THE IMPACT OF THE ECONOMIC CRISIS
ON TACKLING HOMELESSNESS AT LOCAL LEVEL**

Thursday 28 May 2009, Committee of the Regions, Brussels

PROGRAMME

Moderator: Hannu Puttonen, President of FEANTSA

9.30-10.00 Introductory session: EU ambitions on homelessness

Linetta Serri, Elected member of the Committee of the Regions
Olga Trostiansky, Deputy Mayor of Paris
Jérôme Vignon, Director for Social Protection and Social Inclusion, European Commission

10.00-11.30 Session 1: Impact on profiles of homeless people

-Recent survey findings showing growing numbers of repossessions in the UK and increasing vulnerability to homelessness

Leslie Morphy, Chief Executive, Crisis UK

- Growing population of immigrant workers in Spain becoming homeless

Dr. Miguel Angel Navarro, Sociologist, Spanish Commission for Assistance to Refugees
Sonia Olea Ferreras, Head of Homeless programme in Caritas Spain

-Increase of homeless migrants with EU citizenship in the Paris region – measures taken
Philippe Coste, Director of health and social affairs of the Paris Region, France

Discussion

11.30-11.45 Coffee

11.45-13.00 Session 2: Impact on local budgets

- Homelessness budgets in a time of economic crisis - making the best of what we have

Cathal Morgan, Director of Dublin Homeless Agency, on behalf of the Department of the Environment, Heritage and Local Government, Ireland

-The consequences of budgetary cuts in North Rhine-Westphalia

Michael Schleicher, Head of housing department, Municipality of Cologne, Germany

-Key elements in drawing up an effective budget for a local homeless strategy

Dick Reinking, Senior Policy Advisor, Municipality of Utrecht, The Netherlands

Discussion

13.00-14.30 Lunch

14.30-16.30 Session 3: Impact on local strategies

- Impact of the crisis on local homeless policy in Gdynia – how to keep a long-term strategy

Jarek Jozefczyk, Vice-Director of Social Welfare, Municipality of Gdynia, Poland

-Changing strategies - getting better quality and more services from a limited budget in Edinburgh

Mairi Keddle, Planning, Partnerships and Commissioning Manager, Edinburgh City Council
Pam Orchard, Assistant Director at Edinburgh Cyrenians

Discussion

16.30 Seminar conclusions followed by drinks reception



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