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Housing-led policy approaches: Social innovation to end homelessness in Europe

> *"The crisis has only confirmed the necessity for change in the way we approach our social and economic challenges. Innovation in its broadest sense must be part of our response to today's challenges".*
>
> José Manuel Durão Barroso, President of the European Commission, Brussels, 17 March 2011

Social innovation is an increasingly central area of European policy. This paper makes proposals about how social innovation can be used to enhance progress in the fight against homelessness in the EU. The paper first defines the concept of social innovation before summarising the current EU policy context regarding both social innovation and homelessness. Housing-led approaches are then presented as an evidence-based social innovation with great potential to enhance progress in the fight against homelessness in Europe. Finally, FEANTSA puts forward concrete proposals on how the EU can promote housing-led approaches to homelessness in the framework of its work on social innovation.

1. What is social innovation?

There is no universally accepted definition of social innovation, and the term has a variety of overlapping meanings. Nonetheless, a consensus on the concept is currently developing at EU level in the context of increased policy attention and a growing academic literature. According to the Bureau of European Policy Advisers (BEPA) "innovation refers to the capacity to create and implement novel ideas… proven to deliver value", whereas "social refers to the kind of value that innovation is expected to deliver: a value that is less concerned with profit and more with issues such as quality of life, solidarity and well-being"[1]. Broadly speaking, social innovations are "new ideas that work in meeting social goals"[2]. Social innovation is also defined in terms of the nature of innovation processes, as well as their outcome:

"Social innovations are innovations that are social both in their ends and in their means. Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. In other words they are innovations that are both good for society and enhance society's capacity to act."[3]

Social innovation should not be conflated with social enterprise or social entrepreneurship. Social enterprises are businesses which fulfil primarily social objectives; their surpluses are mostly reinvested for this purpose. Social entrepreneurship refers to processes and capacities required for social ventures. Whilst social innovation can encompass both social enterprise and social entrepreneurship, it is a much broader concept that denotes the invention, diffusion and adoption of new practices with social outcomes via means that enhance social relations. Social innovation is thus not confined to a particular sector but can involve public, private and non-profit actors as well as citizens.

In order to describe the social output of social innovations, BEPA has identified three complementary fields addressed by social innovation:

1. Social demands that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society;

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[1] BEPA (2010) *Empowering people, driving change: Social innovation in the European Union* , available at: http://ec.europa.eu/bepa/pdf/publications_pdf/social_innovation.pdf
[2] Mulgan, G (2007*), Social Innovation: What it is, why it matters and how it can be accelerated*, The Young Foundation, London, available at: http://www.youngfoundation.org/files/images/03_07_What_it_is__SAID_.pdf
[3] Social Innovation Exchange & the Young Foundation (2010), *Study on Social Innovation*, available at: http://www.socialinnovationexchange.org/node/4959

2. Societal challenges in which the boundary between "social" and "economic" blurs, and which are directed towards society as a whole;
3. The need to reform society in the direction of a more participative arena where empowerment and learning are sources and outcomes of well-being.

Mulgan has developed a "connected difference"[4] theory of social innovation which emphasizes three key dimensions of the most important social innovations:

1. They frequently combine existing elements, rather than being wholly new in themselves;
2. Their implementation often involves cutting across organisational, sectoral and/or disciplinary boundaries;
3. They incur new, meaningful social relationships that contribute to the diffusion and embedding of the innovation, and fuel a cumulative dynamic for future social innovation.

Social innovation denotes the entire process by which ideas are generated, tested and proven before being scaled-up and widely implemented. Seven stages of the social innovation cycle can be identified:

Figure 1: Stages of the innovation cycle

Stages of the innovation cycle
1. Generation of new ideas from the bottom-up and mobilising citizens for employment creation and social inclusion.
2. Development, testing and validation of innovative approaches and practices.
3. Accumulation and consolidation of a body of good practice and success stories to be spread and transferred.
4. Enabling social innovations and change by building bridges and exploiting synergies between unrelated systems, institutions or actions of support.
5. Testing of hypotheses through experimentation.
6. Increasing awareness; building capacities and mobilising for change amongst governmental administrators and decision-makers.
7. Supporting change in structures, organisations and institutional frameworks

(Source: Adapted from BEPA 2010)

Throughout this process, social innovations must overcome resistance in order to change dominant paradigms. Social innovations that are proven to be effective, and are able to overcome such resistance can be scaled up and lead to wide-reaching changes in the ways that social needs are met. Successful social innovations are thus evidence-based: they require testing, (whether rigorously structured or not) and must prove to be effective.

Social experimentation involves small scale projects designed to test policy innovations before they can be more widely adopted. The impact of the innovation on the sample population is assessed against the situation of a 'control group'. Social experiments have been conducted since the 1970s in several countries to evaluate public policy proposals. The European Union currently

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[4] Mulgan (2007) op. cit.

facilitates social experimentation projects through the Progress programme. Social experimentation provides an opportunity for rigorous testing of social innovations that can enable scaling-up by providing evidence on effectiveness.

2. EU Policy context

2.1 Social Innovation in the current EU policy context

While the concept of social innovation is not new, it has only recently become a priority in the EU policy arena.

The Europe 2020 agenda[5], which was agreed by Member States at the June 2010 European Council, sets out the EU's strategy for "smart, sustainable and inclusive growth" over the period 2010-2020. Social innovation is a major concern within this new strategic framework.

The strategy sets 5 headline targets in employment, R&D/innovation, climate change, education and poverty. The target on poverty is to reduce the number of people living in poverty by 20 million. The target on innovation is to invest 3% of the EU's GDP (public and private combined) in R&D/innovation.

In order to implement the Europe 2020 strategy, seven flagship schemes have been developed. The "European Platform against Poverty and Social Exclusion" flagship aims to reinforce commitment to fighting poverty and social exclusion and to provide a framework for action that connects Member States, European Institutions and stakeholders. In this context, the Commission will "design and implement programmes to promote social innovation for the most vulnerable[6]". Evidence-based social innovation will be promoted in this framework, including through the Progress programme and the European Social Fund. In 2011, the Commission has foreseen the launch of an initiative to pool a range of European funds to promote evidence-based social innovation including:

- A European research excellence network to promote capacity building for the design and evaluation of social innovation programmes;
- A European research project in the area of social innovation aimed at devising workable methods and concrete impact measurements;
- The definition of common principles on the design, implementation and evaluation of small scale projects designed to test policy innovations (or reforms) before adopting them more widely (social experiments);
- Communication and awareness-raising about ongoing social innovation;
- A high-level steering committee which will provide advice and guidance on developing actions.

Social innovation will also be promoted through the Innovation Union flagship, which aims to improve conditions and access to finance for this purpose. In this context, the Commission has launched a pilot called Social Innovation Europe[7] to provide expertise and a networked "virtual hub" for social entrepreneurs, the public and third sectors. The Commission will also support a substantial research programme on public sector and social innovation, looking at issues such as measurement and evaluation, financing and addressing other barriers to scaling up and development.

On the 6th October 2011, the Commission took a concrete step towards implementation of the above commitments by adopting a draft legislative package on cohesion policy for the period 2014-2020[8]. The package includes proposals for a new EU Programme for Social Change and Innovation

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5 COM(2010) 2020 final
6 COM/2010/0758 final
7 See http://www.socialinnovationeurope.eu/
8 See http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm#2

(PSCI)[9]. This new financial instrument will be managed directly by the Commission to promote social change and innovation. The proposed instrument integrates three existing programmes and extends their coverage: Progress (Programme for Employment and Social Solidarity), EURES (European Employment Services) and the European Progress Microfinance Facility. It will support policy coordination, sharing of best practices, capacity-building and testing of innovative policies, with the aim that the most successful measures should be scaled up, with support from the European Social Fund (ESF). Of the EUR 574 million proposed for Progress in the 2014-2020 period, EUR 97 million is to be allocated to experimental projects. In addition, the draft package mainstreams social innovation within the structural funds[10]. Overall, this new context significantly enhances the context for social innovation within the European Union and confirms its central place in reaching the objectives of the Europe 2020 agenda.

2.2 Homelessness in the current EU policy context

Homelessness is an established issue within the EU's anti-poverty strategy. From 2000-2010, homelessness emerged as a thematic priority within the framework of the EU's Social Open Method of Co-ordination (OMC)[11]. The Social Affairs ministers of the Member States made renewed calls for concerted EU action on homelessness in March 2009 and again in March 2010, with the adoption of the Joint Report on Social Protection and Inclusion. The 2010 Joint Report emphasized the need for national strategies to tackle homelessness, and put forward some of the key elements that these strategies should contain. In its 2011 work programme[12], the Social Protection Committee has committed to ongoing work on homelessness.

In the framework of the European Platform against Poverty and Social Exclusion[13], homelessness is identified as "one of the most extreme forms of poverty and deprivation, which has increased in recent years". Furthermore, the list of key initiatives[14] that the Commission has committed to implementing in this new framework includes a number of specific actions on homelessness, including a commitment to "identify methods and means to best continue the work initiated on homelessness and housing exclusion, taking into account the outcome of the consensus conference of December 2010".

The European Consensus Conference on Homelessness took place was an official event of the 2010 Belgian Presidency of the Council of the European Union, and was co-organised with the European Commission and FEANTSA. An independent jury drew conclusions on six key questions on the basis of expert evidence. The consensus conference marked a milestone in EU-level policy co-ordination on the issue of homelessness and has provided a basis for moving towards a more strategic approach. The jury concluded that;

"There is considerable scope for social innovation in the area of homelessness. The jury suggests that this approach could be used to further explore and develop 'housing-led' approaches to ending homelessness and calls in particular for testing of the 'Housing First' service model in European contexts".[15]

On the 14 September 2011, the European Parliament adopted a Resolution calling for an EU homelessness strategy[16]. One of the key demands was a call for;

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[9] COM(2011) 609 final
[10] COM(2011) 614 final
[11] COM/2010/25, SEC (2010) 98 and SEC (2010) 99
[12] 6498/11, SOC 126
[13] COM/2010/0758 final
[14] SEC(2010) 1564 final
[15] European Consensus Conference on Homelessness (2010) *Policy Recommendations of the Jury*, available at: http://www.feantsa.org/files/freshstart/Consensus_Conference/Outcomes/2011_02_16_FINAL_Consensus_Conference_Jury_Recommendations_EN.pdf
[16] P7_TA(2011)0383, available at: http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2011-0383&language=EN&ring=B7-2011-0475

"A specific focus on 'housing-led' approaches under the social innovation strand of the European Platform against Poverty and Social Exclusion in order to strengthen the evidence base on effective combinations of housing and floating support for formerly homeless people and inform evidence-based practice and policy development."

3. Social innovation in the fight against homelessness: Housing-led approaches

"The starting point for innovation is an awareness of a need that is not being met and some idea of how it could be met"[17]. Furthermore, some needs such as "homelessness…are glaringly obvious"[18]. Homelessness is a shocking manifestation of poverty in the EU. It can appear to be an intractable policy challenge; yet it is possible to make dramatic progress on homelessness, as demonstrated by some Member States. There is growing body of evidence on effective policy approaches from within and beyond the European Union.

Homelessness is also a particularly pertinent issue in the context of the current economic and financial crisis[19]. Housing and related services emerge as one area which has been particularly adversely affected by the economic and financial crisis. This is reflected in increases in evictions, homelessness, growth in waiting lists for social housing and increased indebtedness in relation to key utilities such as heat and water[20]. It is clear that homelessness has increased in some Member States as a result of the crisis. Maintaining and/or developing effective homelessness policies must therefore be a central element of sustainable responses to the crisis. Homelessness is a vital area of focus for "recovery through innovation"[21]. Member States and the European Commission should therefore use the emerging innovation agenda to promote evidence-based social innovation in the field of homelessness.

There is great scope for innovation in response to homelessness. No country has succeeded in eradicating homelessness, and both preventing it and successfully facilitating the reintegration of homeless people into society when it occurs remain huge challenges. There is therefore potential to develop, test, promote and scale up innovative practice in a variety of fields within the homeless sector. Possible areas of focus include models for financing homeless interventions, models for re-housing homeless people, models of social support, models for employment integration and the effective prevention of homelessness. There is considerable capacity for innovation within the homeless sector, which has evolved to respond to emerging needs over time. What is required is a policy context that can enhance this capacity and support the identification, testing and scaling up of effective practice.

Housing-led approaches currently represent the most developed and best-understood social innovation in homelessness. A coherent evidence-base on their effectiveness at EU and international-level is emerging. The term 'housing-led' was developed by the jury of the European Consensus Conference on Homelessness[22] in order to describe *all policy responses* to homelessness that

[17] Mulgan, G (2007), *Social Innovation: What it is, why it matters and how it can be accelerated*, The Young Foundation, London, available at: http://www.youngfoundation.org/files/images/03_07_What_it_is__SAID_.pdf
[18] Ibidem
[19] See FEANTSA, Policy Paper Impact of anti-crisis austerity measures on homeless services across the EU available at: http://www.feantsa.org/files/freshstart/Policy%20documents/Impact%20of%20Austerity%20Measures%20on%20Homeless%20Services_Policy%20Paper_en.pdf
[20] H. Frazer and E. Marlier (2011), *Social Impact of the Crisis and developments in the light of fiscal consolidation measures,* CEPS/INSTEAD
[21] Mulgan (2009) cited in the article '**Social Pioneers' in** The Guardian, UK 18/03/2009, available at: http://www.socialinnovationexchange.org/files/Social%20Pioneers%20-%20the%20Guardian
[22] See: http://ec.europa.eu/social/main.jsp?catId=88&langId=en&eventsId=315&furtherEvents=yes

increase access to permanent housing and increase capacity for both prevention and the provision of adequate floating support to people in their homes according to their needs. These approaches represent a significant departure from the "staircase" or "continuum of care" approach, which until recently has dominated responses to homelessness. According to the "staircase" or "continuum of care" approach, stable housing is the end goal in the reintegration process and homeless people, particularly those with complex support needs, move through various stages in different residential services before becoming "ready" for re-housing. This approach has been increasingly contested since the 1990s as contributing to the exclusion of homeless people from regular housing; effectively maintaining and increasing homelessness by keeping homeless people within the homeless system from which relatively few successfully make a transition to permanent housing.

The best-known example of a housing-led approach to homelessness is the Housing First model of service provision. Housing First originated in the United States, and is most associated with the "Pathways to Housing"[23] scheme in New York. Broadly speaking, Housing First projects have targeted the long-term homeless, often those with complex support needs. In the US, Housing First projects specifically target the "chronically" homeless. The US Federal government defines a chronically homeless person as either:

- an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more;
- or an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.

In this context homelessness is defined as sleeping in a place not meant for human habitation (e.g. rough sleeping) or living in a homeless emergency shelter[24]. Housing First interventions provide re-housing in apartments with regular tenancy agreements directly from shelters or the street to this target group. There are no conditions relating to treatment or sobriety beyond the requirement to meet a support worker on a weekly basis. Housing is accompanied by a flexible, comprehensive support package delivered by a multi-disciplinary team, which can help address addiction, mental health, social and employment issues on a voluntary basis.

Housing First has demonstrated better residential stability outcomes when tested against more conventional systems. One two-year longitudinal study showed that the "Pathways to Housing" Housing First programme delivered significant improvement in housing stability for chronically homeless people compared to "staircase" or "continuum of care" models[25]. 88% of service users were still housed after two years, compared to 47% for a control group of chronically homeless people using continuum services in New York. Other American studies have demonstrated similar outcomes.

There is also evidence that Housing First is more cost effective than "staircase" or "continuum of care" service delivery models. Housing First programmes have been shown to incur public expenditure savings through reductions in, for example use of emergency health services and the criminal justice system compared with the period prior to re-housing. Even when the costs of Housing First services are accounted for, net savings are incurred. Housing First services generally have lower operating costs than "staircase" or "continuum of care" services. Such cost-effectiveness outcomes have been demonstrated by a number of US evaluations (see for example Tsemberis 2010[26], Tsemberis et al, 2004[27]; Pearson et al, 2007[28]; Rosenheck et al, 2007[29] and Lamrimer et al, 2009[30]), making a

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[23] See http://www.pathwaystohousing.org/
[24] U.S. Department of Housing and Urban Development's Office of Community Planning and Development (2007) *Defining Chronic Homelessness: A Technical Guide for HUD Programs*
[25] Tsemberis, S. (2010) 'Housing First: Ending Homelessness, Promoting Recovery and Reducing Costs' in I. Gould Ellen and B. O'Flaherty (eds) *How to House the Homeless* Russell Sage Foundation: New York
[26] Tsemberis, S (2010) Ibid
[27] Tsemberis, Sam, Leyla Gulcur, and Maria Nakae (2004). "Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with Dual Diagnosis." *American Journal of Public Health* 94:651.

compelling case for Housing First. Finland is currently implementing a programme to reduce long-term homelessness over the period 2008-2015[31], based on the Housing First principle. The University of Tampere carried out an evaluation of one permanent supported housing project developed in the context of this programme. The outcomes demonstrated that use of social and health care services halved compared with prior to re-housing in the project. This equates, to 14 000 Euros of savings per resident, with total annual savings for the 15 residents housed in this project amounted to 220 000 Euros[32]. Housing First-type approaches are currently being piloted and introduced in a number of European contexts including in France, Portugal, Denmark, the Netherlands, the UK, Ireland, Austria.

The success of Housing First provides a promising starting point for further work on developing, testing and scaling up housing-led approaches to homelessness. Successful scaling-up and mainstreaming can be demonstrated in several contexts. In the US, evidence on the effectiveness of housing-led approaches has led to a transformation of federal policy. The signing of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 is proof of an evidence-based shift towards a housing-led approach[33]. France's current national homelessness strategy is also underpinned by a Housing First approach.[34] As previously mentioned, Finland has implemented a national strategy to reduce long-term homelessness through Housing First solutions[35].

There are of course a number of risks and caveats related to the scaling-up of housing-led policies. One important risk is that policy makers cut existing services before adequate housing solutions, accompanied by support as necessary, are in place. Over-emphasising the cost-effectiveness of housing-led solutions may also undermine the essential focus on quality of outcomes for service users. These risks further highlight the extent to which a solid evidence-base is required to enhance understanding and inform any further scaling-up of housing-led solutions.

Overall, it is clear that housing-led approaches to homelessness, and in particular the Housing First model, are increasingly established as an effective social innovation. Existing evidence and growing interest justify a substantial focus on housing-led approaches within the EU's work on social innovation. Such a focus could feed into successful scaling-up on the basis of robust evidence that would deliver better outcomes for homeless people across Europe and help make progress towards ending homelessness. The following section makes a number of proposals of how this could be implemented.

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[28] Pearson, Carol L., Gretchen Locke, Ann Elizabeth Montgomery, and Larry Buron (2007). "The Applicability of Housing First Models to Homeless Persons with Serious Mental Illness." Washington, DC: U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

[29] Rosenheck, Robert, Wesley Kasprow, Linda Frisman, and Wen Lue-Mares. 2003. "Cost-Effectiveness of Supportive Housing for Homeless Persons with Mental Illness." *Archives of General Psychiatry*, 60:940–53.

[30] Larimer, Mary, Daniel K. Malone, Michelle D. Garner, David C. Atkins, Bonnie Burlingham, Heather S. Lonczak, Kenneth Tanzer, Joshua Ginzler, Seema L. Clifasefi, William G. Hobson, and G. Alan Marlatt. 2009. "Health Care and Public Service Use and Costs before and after Provision of Housing for Chronically Homeless Persons with Severe Alcohol Problems." *Journal of the American Medical Association* 301(13): 1349–57.

[31] Finnish Government Programme to Reduce Long Term Homelessness 2008 – 2011, available at: http://www.feantsa.org/files/freshstart/National_Strategies/Reducing_LongTermHomelessness_2008_Finland.pdf

[32] Volker Busch-Geertsema (2010) *Synthesis Report for Peer Review of the Finnish National Programme to reduce long-term homelessness*, European Commission, DG Employment, Social Affairs and Equal Opportunities

[33] See Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, available at: http://www.hudhre.info/hearth/

[34] French Homeless and Poorly Housed People national Strategy, available at http://www.feantsa.org/files/freshstart/National_Strategies/France_notice%20refondation%20A4%20GB.pdf

[35] See Finnish Government's Programme to Reduce Long-Term Homelessness 2008 – 2011, available at: http://www.feantsa.org/files/freshstart/National_Strategies/Reducing_LongTermHomelessness_2008_Finland.pdf

4. FEANTSA proposals to promote housing-led policy approaches in the framework of the EU's social innovation agenda

In the context of the Europe 2020 strategy and, the European Union's social innovation agenda:

1. The European Commission should develop a strategic research agenda in partnership with key stakeholders to fill evidence gaps on the effectiveness of housing-led policies. Important topics in this respect include:

- The cost-effectiveness of housing-led approaches
- The effectiveness of different forms and combinations of housing and social support;
- Prevention of homelessness;
- Sourcing housing, including the removal of barriers to social housing and increasing the capacity of the private rental and owner-occupied sectors of the housing market to house homeless people.
- Best practices in managing the transition towards housing-led policies.

2. The European Commission should facilitate mutual learning and transnational exchange on housing-led approaches to homelessness. The European Union Programme for Social Change and Innovation should facilitate exchanges, dissemination of good practice, peer reviews, benchmarking and mutual learning at European level. These exchanges must be organised on a strategic basis in order to deliver added-value on specific thematic priorities, including homelessness and the role of housing-led approaches in tackling it.

3. The successes of the current Progress programme should be built upon in order to deliver social experimentation projects that support effective policy development in the area of homelessness. A central element of the European Union Programme for Social Change and Innovation (PSCI) will be the preparation and implementation of social experimentation as a method for testing and evaluating innovative solutions with a view to scaling them up. This framework must be able to deliver a social experimentation agenda that can continue to enhance the evidence base about housing-led approaches in order to inform effective homelessness policies. An EU social experimentation project 'Housing First Europe' is currently being funded under Progress (2011-2013). This will pool evidence from test sites that are currently piloting Housing First projects in European cities. It will provide an excellent basis to inform further experimentations regarding particular aspects of housing-led approaches (in line with the evidence gaps identified above).

4. **Housing-led approaches should be promoted as an evidence-based social innovation through awareness raising activities**. For example, housing-led approaches should be presented as a case-study of evidence-based social innovation at major conferences on social innovation. Housing-led approaches should also be discussed at relevant high-level exchanges, including within the Social Protection Committee, which has committed to continued work on homelessness in its 2011 work programme, and the proposed high-level steering group on social innovation.

5. The structural funds should help to implement evidence-based social innovation including housing-led approaches in the Member States. The Commission's draft legislative package on cohesion policy for the period 2014-2020 creates a range of potential opportunities to use the structural funds to add value in the fight against homelessness through housing-led responses to homelessness.

Under the Commission's proposals, the ESF would represent 25% of the budget allocated to cohesion policy, i.e. EUR 84 billion. Promoting social inclusion and combating poverty is one of four thematic objectives to be targeted by the ESF. Furthermore, at least 20 % of the ESF allocation should be

dedicated to this thematic objective. This objective can be reached through a range of actions, including "enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest" and "integration of marginalised communities"[36]. The ESF shall furthermore promote social innovation within all areas falling under it's the scope, in particular with the aim of testing and scaling up innovative solutions to address social needs. According to the draft proposals, social innovation under the ESF will be supported through an incentive in the form of higher co-funding rates for priority axes dedicated to it. This creates an unprecedented opportunity for Member States to test and develop housing-led responses to homelessness, in particular with regards to the social support element of such solutions. In order to maximize the impact of this opportunity, the Commission should facilitate capacity building for social innovation, including in the area of homelessness. Capacity building should support mutual learning, establish networks, and disseminate good practices and methodologies in relation to housing-led approaches.

Whilst the ESF can be particularly relevant in terms of social support services, there is equally considerable scope for using the ERDF to support the infrastructure/housing element of innovative housing-led approaches to ending homelessness. According to the Commission's current proposals[37], one of the investment priorities of the ERDF is the promotion of social inclusion and combating poverty. This includes "investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status and **transition from institutional to community-based services".** This creates opportunities to use social innovation to support a shift from homeless shelters (institutional) as the predominant response to homelessness towards supported housing (community based). The new framework will thus enhance the possibility that has existed since May 2010, to use up to 3% of the ERDF funding for each EU Member State for housing interventions for marginalised communities, including homeless people within the framework of an integrated approach[38]. Member States should fully exploit this opportunity to test and develop housing-led solutions for homeless people, and the European Commission should support capacity building to ensure that this is possible.

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[36] COM(2011) 607 final
[37] COM(2011) 614 final
[38] Regulation (EU) No 437/2010 of the European Parliament and of the Council of 19 May 2010 amending Regulation (EC) No 1080/2006