



**FINLAND: BACKGROUND MEMORANDUM (for the proposal on the continuation of the national programme to reduce long-term homelessness in 2012–2015)**

**Introduction**

The programme to reduce long-term homelessness was implemented in 2008–2011, on the basis of a Government resolution. Ten cities with the most pressing homelessness problem were included in the programme (Helsinki, Espoo, Vantaa, Tampere, Turku, Kuopio, Oulu, Jyväskylä, Lahti and Joensuu). Quantitative targets set for the programme are about to be met, and the goal of halving homelessness will be realised in seven of the programme cities. The programme's objective was to provide 1,250 new dwellings, supported housing units or places in a care facility. A total of 1,697 dwellings will be provided to the long-term homeless through the programme. By the end of 2011, 1,203 new dwellings were in use, while some will be made available during 2012.

Approximately 200 million euros were allocated for the overall funding of the programme. Of this, the state accounts for 170 million euros, the municipalities for 10.3 million euros and the Finnish Slot Machine Association RAY for 20.5 million euros. ARA reserved 80 million euros in investment grants for groups with special needs, of which approximately 67.5 million euros has been allocated through decisions made in 2008–2011. Interest subsidy loans as a share of total funding equalled that of investment grants. In addition, 10.3 million euros of funding from the KASTE programme of the Ministry of Social Affairs and Health was reserved for employing additional staff. This grant was used to employ 205 new support workers in services for homeless people. Funding from the Ministry of Social Affairs and Health covered 50% of the payroll expenses for extra staff, while municipalities covered the remainder of operating expenses. RAY supported both the acquisition of supported housing and development projects within the programme.

The reduction programme is based on proposals by the so-called Group of the Wise and the programme's working group. These proposals were premised on the elimination of long-term homelessness by 2015. Carried out in broad partnership between the state, municipalities and several organisations, the reduction programme created prime conditions for the implementation of a new programme to eradicate long-term homelessness.

There is strong justification for the elimination of long-term homelessness on humane and ethical grounds, and on grounds of social cohesion.

A study by the Tampere University of Technology examined the financial impacts of the reduction programme <sup>1</sup> (Case Härmälä), arriving at the conclusion that eliminating homelessness is also economically justified and profitable, due to the savings created.

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<sup>1</sup> The economic impacts of reducing homelessness. Reports of the Ministry of the Environment 7/2011. Helsinki 2011.

## **Premises and principles of the elimination programme**

**Letters of intent:** Letters of intent between the state and the cities who participated in the programme were signed, for the implementation of the long-term homelessness reduction programme. It was stated in these letters of intent that they would be renewed during 2011.

The programme for eliminating long-term homelessness largely follows the principles and main policies of the reduction programme implemented in 2008–2011. Programme measures and funding model are built on good experiences gained of the reduction programme. The programme's detailed implementation will be settled in letter-of-intent negotiations carried out between the state and representatives of cities. In order to simplify the administrative process and ensure seamless continuation of the programme, the elimination programme has been designed as a draft government resolution, with the Ministry of the Environment responsible for further preparation.

The focus areas of the elimination programme and key changes in comparison to the reduction programme are briefly described below.

**The 'Housing First' principle:** On the basis of experiences gained of the reduction programme, the view has gained ground that the elimination programme should be based on the 'housing first' principle. This means that in all projects carried out within the sphere of the programme, housing will be based on rental agreements in accordance with the Act on Residential Leases (1995/481).

**Signatory cities of the letters of intent:** The reduction programme focused on the ten cities facing the greatest homelessness problem. It was estimated that in these cities, the numbers of long-term homeless are so large that reduction efforts require targeted special measures in order to succeed. Letters of intent can also be drawn up with other cities with a large number of long-term homeless people, provided that more resources are allocated for the programme's implementation. Additional resources can be obtained through extra funding, or if one of the previous signatory cities wishes to withdraw from the programme.

**Targeted measures:** In accordance with the objective specified for the reduction programme, the quantitative target for targeted measures will be 1,250 dwellings. It is estimated that this will suffice in meeting the target of eliminating homelessness, provided that housing for long-term homeless people not requiring special support is provided through the general housing allocation system for municipal rental housing. Achieving this target requires careful monitoring of tenant choices for such rental housing. Due to the varying situation within cities, detailed quantitative targets will be specified in letters of intent and related action plans.

Measures cannot be limited to those cities with the largest numbers of homeless people, if the aim is to eliminate long-term homelessness altogether. In other municipalities, elimination of long-term homelessness can be handled chiefly through the existing housing stock and sheltered housing units, by giving the long-term homeless priority in terms of the urgency of their housing needs.

Currently, all municipalities may apply for ARA investment grants for groups with special needs, for eligible projects. When granting the support, ARA will take account of other homelessness reduction measures taken by the municipality.

**Flexible support and scattered housing:** Implementation of the elimination programme is based on the Finnish application of the 'housing first' principle. Since housing creates the preconditions for solving other problems and social rehabilitation, this model gives priority to the arrangement of housing. According to the 'housing first' principle, housing and support are separated from one another, with housing based on a rental agreement and support on individually assessed support needs. Support is therefore linked to the tenant, not the dwelling, and the tenant can continue living in the same dwelling, even when no longer in need of support.

Already, during the reduction programme, strong evidence was gained of the effectiveness of the 'housing first' principle. There is similar international experience of the approach. Sufficient, flexible support arrangements are a key prerequisite for the principle to work well. The 'housing first' approach aims to integrate homeless people more effectively into society at large, through housing solutions distributed throughout the housing stock. This further emphasises the need for well-functioning support arrangements and a sufficient number of support staff.

A key objective of the elimination programme is to shift the focus of projects towards distributed solutions and versatile use of dwelling stock. Centralised units can still be used, when justified on the grounds of intensive need for support. However, the focus should be on individual dwellings and groups of dwellings scattered throughout the rental housing stock. The long-term homeless can be provided with scattered housing more efficiently through the municipalities' own rental housing corporation, other providers of social rental housing, and via other acquisition of dwellings.

In the new programme period, the aim is to maintain centralised units' share of all dwellings at a maximum of one half. Supported housing distributed throughout the housing stock requires a new type of flexible, mobile support. Cities are therefore encouraged to establish multidisciplinary teams for housing advisory services and home care, and to develop joint models for support work together with organisations.

Targeted funding for staff has played a significant role during the reduction programme, both in creating commitment to the programme's implementation among cities and in the successful implementation of projects. Shifting the focus towards distributed solutions highlights the importance of well-functioning support arrangements. Funding allocated for personnel expenses can be used to steer and support cities in arranging support services. Projects implemented during the reduction programme have proven successful in changing the municipalities' service structure with regard to homeless people. However, the change process is still underway, and its impacts on other social and health care services are not yet fully apparent.

**Alternative housing solutions:** As housing under the 'housing first' principle is based on rental agreements, it is not possible to require that tenants are completely substance-free. However, a dwelling is no replacement for treatment. The 'housing first' principle involves a strong orientation towards social integration and rehabilitation. Sufficient rehabilitation services for substance abusers, along with substance-free alternative housing, are a key prerequisite for successful implementation of the elimination programme.

The majority of projects implemented during the reduction programme are intended as housing solutions of a permanent nature. The aim is to secure the supply of alternative housing solutions that support homeless people's ability to cope independently through cooperation between municipalities and various service providers, most of which are organisations working with homeless people.

**Involvement of residents:** During the reduction programme, people who had experienced homelessness themselves were systematically included in planning and development work as experts through experience, in order to ensure customer-orientation and allow customers' voices to be heard.

The NGO for homeless people, Vailla vakinaista asuntoa ry (No Fixed Abode), has been actively involved in the implementation of the reduction programme. In the forthcoming programme period, homeless people will be involved and their expertise harnessed systematically in projects already at the planning stage.

**Replacing dormitories:** Dormitories and emergency shelters do not meet the requirements of today's supported, therapeutic housing. The programme sets a national target of replacing dormitories with supported housing, and emergency shelter-type communal accommodation with modern emergency and crisis housing facilities. ARA investment grants for groups with special needs can be allocated for such investments.

**Developing housing services for people recovering from substance abuse and mental health problems:** New housing units aimed at the long-term homeless have reduced the use of institutional substance abuse rehabilitation treatment in several cities. At the same time, the need has arisen for a new type of home-oriented substance abuse work and services. Housing services for people recovering from substance abuse and mental health problems are closely linked to eliminating long-term homelessness. In order to ensure alternative rehabilitation paths and opportunities, the signatory cities must prepare plans for the development of housing services aimed at people recovering from substance abuse and mental health problems, as part of the programme's implementation.

**Homelessness among immigrants:** The elimination programme for long-term homelessness does not include a separate sub-programme for immigrants, among whom homelessness has become more severe in recent years. Immigrants were taken account of in the reduction programme, applying the same criteria to them as to other long-term homeless people. With regard to immigrants, the focus is on general housing policy measures to secure the supply of moderately priced rental housing.

**Preventing social exclusion in the signatory cities of the letter of intent:** Eliminating long-term homelessness is a key element of measures aimed at preventing severe social exclusion. Prevention of such exclusion requires that the cities involved integrate the programme to eliminate long-term homelessness into a package encompassing other programmes and measures to promote the social rehabilitation and employment of people at risk of social exclusion.

**Education and development:** Implementation of the reduction programme involved broad-based development work carried out within the framework of the development network of all

signatory cities. Work has also been carried out under the development project 'Name on the door', co-funded by Tekes.

In the coming programme period, it is vital to ensure the continuation of development work and the dissemination and incorporation of good practices developed under the programme.

In addition, staff training must be developed and arranged, to strengthen professional competencies and maintain well-being at work.

**Research and incorporation of social innovations:** Implementation of the reduction programme gave rise to several research needs related to homelessness and the programme's implementation. Some such research needs can be addressed through a research project launched with funding from the Academy of Finland. The financial implications of reducing homelessness have already been examined in a ground-breaking study which attracted international interest. Research evaluating financial impacts should be expanded and deepened by focusing further research on broader data covering housing units of various sizes in Helsinki and Espoo.

The programme to reduce long-term homelessness, and its implementation, are social innovations in the form of a policy programme based on an exceptionally broad partnership in the Finnish context. Several new working methods and practices, based on cross-sectoral cooperation, were also developed under the programme.

In order to maximise the societal impact of the reduction programme, an evaluation study should be conducted to identify working methods and practices, developed under the programme and suitable for nationwide dissemination and adoption.

**International cooperation:** The Finnish programme to reduce long-term homelessness has attracted widespread international interest. Experiences gained from the programme have been used in formulating the EU's policy to reduce homelessness (cf. European Parliament resolution on 14 September 2011 on an EU homelessness strategy). Finland is engaged in closer cooperation with the Nordic countries and several European countries. The best demonstration of this is the attendance, by representatives of eight European countries, of the EU level peer review assessment of the reduction programme, organised in Helsinki in December 2010. International expertise and research information has been utilised in planning the extension to the programme period.

In the forthcoming programme period, the aim is to extend international contacts and peer learning to all programme cities, with the help of project funding from the EU. There are plans to continue the programme's evaluation at EU level in 2013, through a follow-up evaluation carried out by four countries.