

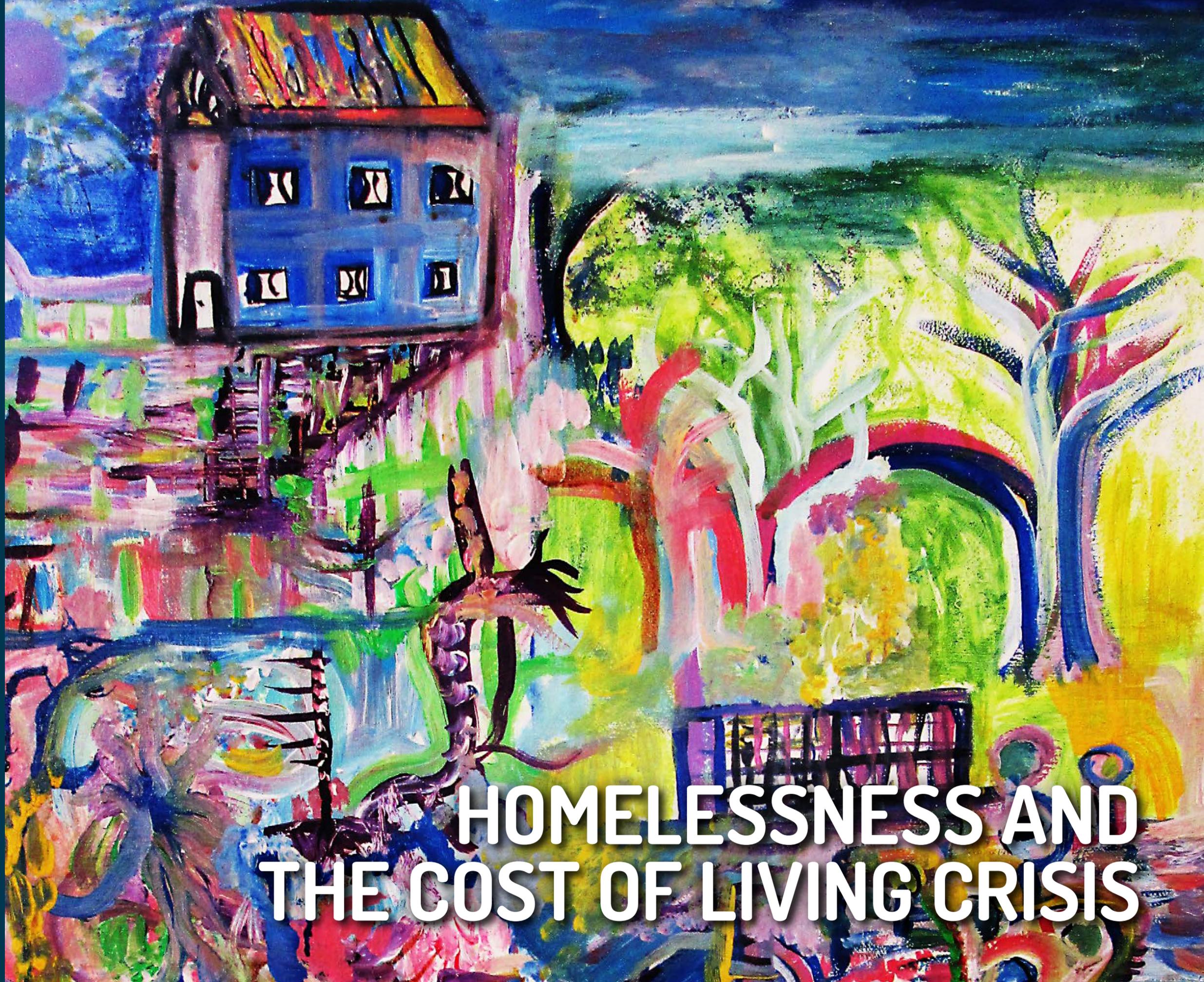
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# Homeless in Europe

A Magazine by FEANTSA



FEANTSA



## HOMELESSNESS AND THE COST OF LIVING CRISIS

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Due to a convergence of factors including climate, post-pandemic economic consequences and the Russian invasion of Ukraine, the European Union is now facing a historically high level of inflation (average of 11.5% in October 2022). The countries with the lowest rates of inflation, such as France (7.1%), Spain (7.3%) or Malta (7.4%), have seen it has a great impact on their economies and households, whilst those with the highest rates, like Estonia (22.5%), Lithuania (22.1%) and Hungary (21.9%), have had to face the social impact of the inflationary pressure and the real concerns it entails. Inflation had been driven up by energy and food prices<sup>1</sup>, and has turned into a cost of living crisis, as the cost of everyday essentials like groceries and bills are rising faster than average household incomes<sup>2</sup>.

This cost of living crisis is hitting lowest-income groups disproportionately, as they spend a higher share of their total income on housing, heating, transport, and food, and were already limiting their consumption to the minimum necessary (their demand is therefore less price elastic).

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1 Eurostat, the statistical office of the European Union - <https://ec.europa.eu/eurostat/documents/2995521/15265521/2-17112022-AP-EN.pdf/b6953137-786e-ed9c-5ee2-6812c0f8f07f>

2 Definition from The Big Issue <https://www.bigissue.com/news/social-justice/five-ways-the-cost-of-living-is-going-up-and-how-to-get-help-if-youre-struggling/>

This magazine presents some of the repercussions of the cost of living crisis on people, homelessness organisations and the wider safety net offered by social service providers. It pictures a rapidly changing and therefore uncertain context, calling on homelessness organisations to adapt, reinvent themselves and ... brace for impact.

Nicholas Pleace and Carolyn Snell open this issue with an excellent (yet painful) overview of the links between the energy and the cost of living crises, and the impact of this combination of rapidly increasing energy costs and housing costs on homelessness, in particular on hidden homelessness, evictions risks and social service providers. They recall the Abbé Pierre Foundation and FEANTSA's *European Index of Housing Exclusion 2022*<sup>1</sup>, warning that many families and individuals in Europe were already in rent arrears, before the situation had intensely worsened over the past six months with a 39% increase in energy prices in September 2022 and a 17% food inflation across the EU (October 2022).

Many of the articles you will read indeed point out the issue of increasing food prices. FEANTSA invited the European Food Banks organisation to share its perspective. It is a sobering one: more than 65% of its members have experienced an increase in the amount of food requested by charities. More than 80% of respondents identified the largest group of final beneficiaries as families with children and

# EDITORIAL



By **Clotilde Clark-Foulquier**, Project Manager at FEANTSA

single parents. Volumes of fruit and vegetables have dropped due to crop failure caused by climatic events such as droughts. The link between climate change and the cost of living crisis is confirmed by Mariya Bezgrebelna and Sean Kidd who explain how climate change leads to more extreme temperature, increasing households' energy consumption to adapt to weather conditions, impacting the health and quality of life for those who are not able to sufficiently cool or heat their homes.

The state of affairs is therefore clear, as Rebekah Stroud, economist, and Francesca Albanese, from FEANTSA's member Crisis, explain: "*Many people have been forced to skip meals and live in freezing conditions, whilst still falling into debt and rent or mortgage arrears and facing the very real threat of homelessness*". They also concur with Pleace and Snell on the eviction risk by pointing out that last year already, in the UK, there was a 19% increase in the number of households facing homelessness whose tenancy had ended in the private rented sector compared to before the pandemic.

Beyond households, it is also the capabilities of organisations that are directly endangered by what many in Brussels describe as "the perfect storm" (a convergence of inflation, high energy prices and climate change, all leading to a potential social instability). FEANTSA decided to give voice to another European network of social services, Eurodiaconia, for them to showcase the impact of the energy crisis on other social services, namely care services, highlighting how not-for-profit social service providers have entered a new phase, a very risky one, characterised by increasing demands, escalating costs and uncertain public support. FEANTSA AC members from France and Hungary indeed explain how the situation is threatening the very existence of their services. In Hungary, BMSZKI's<sup>1</sup> cost of heating for some accommodation services has risen by 1700% with an inflation

of 20.2% in September 2022 and an increase of certain food products ranging between 50 and 100% over the course of a year. What does it really mean for Hungary? It means that some emergency shelters will not open this winter, resulting in less places available while other providers will have to restrict their services (such as hot water or laundry services). In France, the survival of emergency temporary services is already at stake as well, but Marthe Yonh warns that even permanent services are at risk of being gravely affected, while another key side effect of the crisis, which is not to be overlooked, is the increasing disaffection of professionals for the non-for-profit sector.

As we enter the winter, temperatures drop while energy prices and inflation remain at historical highs. Most governments have established policies to shield the lowest income groups from a more violent social impact of this economic downturn<sup>3</sup>. But while these have fallen short of expectations, looking forward, the sustainability of public finances appears increasingly fragile and unable to shoulder the scale of the social needs to come. In addition, the spectres of deindustrialisation and recession in Europe are looming. Social services are at the forefront, the first and the last to recognise and support those who fall off the welfare state safety net. This magazine showcases their deteriorating experience in 2022 and should provide a warning as to the cry of social service providers on the slow but sure tearing of the safety net.

<sup>3</sup> <https://www.bruegel.org/publications/datasets/national-policies-to-shield-consumers-from-rising-energy-prices/>



Opening the current edition of our Homelessness in Europe magazine is this overview of how the cost of living crisis is increasing the risk of homelessness, as well as the strain on homelessness services. From hidden homelessness to eviction rates and energy poverty, this article opens the discussion on the far-reaching ramifications that the current crises have on homelessness, which are threatening the goals that Member States set to combat homelessness.

# HOMELESSNESS AND THE COST OF LIVING CRISIS



By **Nicholas Pleace** and **Carolyn Snell**, School for Business and Society and Centre for Housing Policy, University of York , UK

What began as an energy crisis has become a wider cost of living crisis. Many families and individuals in Europe are already in rent arrears, as the annual Fondation Abbé Pierre and FEANTSA's *European Index of Housing Exclusion 2022*<sup>1</sup> has shown, and since it was published, the situation has become worse. A particular concern is that while various contingency plans and special arrangements, often involving gigantic public expenditure by individual Member States, are in place for this winter, the pressures on energy costs may continue into the winter of 2023/24. The *Financial Times* has been reporting that the energy industry expects pan-European disruption to energy markets to continue for some years.<sup>2</sup>

Our recent paper in the *European Journal of Homelessness*<sup>3</sup> looked at some of the emerging and possible consequences for homelessness, while also recognising that the situation is rapidly changing and difficult to predict. Our paper talked about an incoming Prime Minister in the UK and how that might impact on the cost of living crisis and homelessness, but by the time the paper came out, the UK had a different Prime Minister. Fuel poverty has long been an issue across the EU and in other European countries, including the UK. The definitions of what constitutes fuel poverty vary, but like housing costs, one way to think about it is whether or not a family, couple or individual has got enough money left to live on once their energy costs have been paid.

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1 <https://www.feantsa.org/en/report/2022/06/30/?bcParent=27>

2 <https://www.ft.com/content/6c0b645f-2507-4b85-8c15-9b660adad324>

3 [https://www.feantsaresearch.org/public/user/Observatory/2022/EJH\\_16-2/EJH\\_16-2\\_TP1\\_v03.pdf](https://www.feantsaresearch.org/public/user/Observatory/2022/EJH_16-2/EJH_16-2_TP1_v03.pdf)

One very important difference since the crisis began is the *combination* of rapidly increasing energy costs and housing costs that, across much of the EU, were already very high relative to typical incomes. These combined housing and energy costs could push many more households into situations of housing exclusion, that is positions where their housing is unaffordable, inadequate, unsafe or presents risks to their wellbeing and increase homelessness, because it may well cause more evictions. Far too many Europeans have long been presented with the question of whether to 'heat or eat', but they may now be in a situation where they cannot pay both the rent or mortgage and an energy bill that, in many Member States is significantly bigger than it was. The worry here is that energy bills are still bigger than they were, even with all the policies and spending in place to keep energy costs down.

Alongside this, food is rapidly getting more expensive, raising the risk of increasing levels of food insecurity. Not only are families, couples and individuals having to manage on household budgets that after their high housing costs and now often higher energy costs are lower, but they are also trying to make less money stretch at the same time as even staple foods like bread and pasta are often getting rapidly more expensive. In October 2022, food inflation across the EU was estimated at 17%<sup>4</sup>. Estimates of energy inflation, again at pan EU level (there is considerable variation across Member States) were 39% in September 2022, within which gas prices were running at 71%, compared to 16% in September 2021.<sup>5</sup>

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4 <https://www.statista.com/statistics/1286407/eu-food-inflation-rate/>

5 <https://www.statista.com/statistics/1328128/eu-energy-inflation-rate-by-commodity/>



“These combined housing and energy costs could push many more households into positions where their housing is unaffordable, inadequate, unsafe or presents risks to their wellbeing and increase homelessness.”

The effects of these rapidly rising costs on homelessness will vary between Member States. One important difference is the degree of social protection offered by Member States, as some provide far wider and more generous welfare benefits than others and have greater supplies of affordable homes, including social housing. However, there are some shared risks across the EU that are worth exploring.

The first of these is the extent of hidden homelessness. Hidden homelessness is not a fixed idea, but it refers to people who, while they have a roof over their head, are in situations in which they are facing risks to their health and wellbeing. People living with very high levels of overcrowding, in housing that is in very poor repair or in which they are unsafe, including people who are at risk of domestic abuse, are in situations of hidden homelessness. The cost of living crisis is adding to another dimension of hidden homelessness, which is housing that is unsafe and unfit because it cannot be kept warm in the winter or cool in the summer. The effects of sustained exposure to cold temperatures on human health, which for healthy people means 10 degrees Celsius or less, are severe, affecting cognition, breathing and circulation, while a human body will start to react and try to defend its core temperature as soon as the temperature starts to drop below 18°C.<sup>6</sup> Heat also presents significant risks to health, which is important to consider in a context where temperatures were spiking at over 40°C across much of Europe last summer.

The second issue is the straightforward risk of rapid increases in eviction rates, as low income and poor people try to balance rapidly rising energy bills and food bills against housing costs that were already

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<sup>6</sup> <https://www.bbc.co.uk/news/health-63602501>

often very difficult to manage. Eviction does not automatically mean homelessness, but when people have little or no money, no family, friends or strong welfare nets to fall back on, the risk that homelessness will occur at some point is higher. The protections against eviction are also highly variable, as Member States like Ireland and Finland are shifting their homelessness strategies towards an integrated approach that includes as much emphasis on prevention as on housing-led and Housing First services, but this is not true everywhere.

The third issue is the costs for homelessness services themselves. The reality of providing homelessness services in many EU Member States is one of trying to manage budgets that, if they are not too small, are still often limited and in which funding can often be uncertain. Research involving one of the authors of the *European Observatory on Homelessness* found that many homelessness services are short of resources<sup>7</sup>. If the energy bill for an emergency shelter, for a homeless hostel or supported housing or a service providing food, shelter and support during the day is suddenly 200% or more of what it was a year ago, it will be difficult for at least some services to keep their doors open. There are also challenges for services that are housing-led or using a Housing First approach. For example, a Housing First service might be able to help formerly homeless people living in their own homes when they are suddenly presented with much higher energy bills and food costs if a Member State raises welfare benefits in line with inflation and provides other support. If this is not the case, however, a Housing First service might well not have the money to ensure that the people it is supporting can pay their rent, heat their homes, cook and more generally feed themselves properly.

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<sup>7</sup> <https://www.feantsaresearch.org/en/comparative-studies/2022/01/31/comparative-studies-on-homelessness-11?bcParent=763>



**The cost of living crisis is adding to another dimension of hidden homelessness, which is housing that is unsafe and unfit.”**

In many ways, policy around homelessness at EU level is more coherent, focused and clearer than it has even been, thanks to the 2021 Lisbon Declaration of *the European Platform to Combat Homelessness*.<sup>8</sup> The cost of living crisis, in a context of decades of undersupply of affordable, adequate housing across many Member States and the EU as a whole and extending to other European countries, presents multiple threats to the goals of the Lisbon Declaration unless rapid, specific and properly resourced policy responses to address homelessness in the cost of living crisis are put in place.

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<sup>8</sup> <https://ec.europa.eu/social/main.jsp?catId=1550&langId=en>



What do National Organisations Have to Say About the Cost of Living Crisis?

This paper offers a focus on rents and how the cost of living crisis has specifically affected the rental market and the most vulnerable people who depend on it in the UK. As the Local Housing Allowance (LHA) in the UK remains frozen, tenants are under severe pressure as they have to face the escalating costs of everyday products, bills and energy, meaning that the risk of homelessness has become dangerous for some.

# THE COST OF LIVING CRISIS AND RISING RENTS: WHAT DOES THIS MEAN FOR LEVELS OF HOMELESSNESS IN THE UK?



By **Rebekah Stroud**, Economist and **Francesca Albanese**, Head of Research and Evaluation, Crisis, UK

Over the past few months, the cost of living has been on everyone's minds. As the costs of housing, energy and food have soared, with record high rates of inflation not seen for decades, low-income households are being hit particularly hard. Many people have been forced to skip meals and live in freezing conditions, whilst *still* falling into debt and rent or mortgage arrears and facing the very real threat of homelessness. In the UK, some emergency measures have been put in place to support households facing the worst of this crisis, but many households still face impossible situations and, from a policy perspective, one glaring omission remains: the fact that local housing allowance remains frozen at levels based on rental data from 2018-19.

## LOCAL HOUSING ALLOWANCE REMAINS FROZEN

Local housing allowance (LHA) is the amount of money that low-income households living in the private rented sector receive to cover their housing costs, but it has been frozen for almost three years now. Over the same period, rents have soared, with private rents increasing by more than 12% on average across the UK in the last year alone and areas such as London seeing increases as large as 17%<sup>1</sup>. The results of this are twofold: first, it's harder for low-income renters to find properties that they can afford; and second, households are having to make up for large shortfalls between their housing costs and local housing allowance whilst also dealing with other rising costs that far outstrip increases in income.

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1 Zoopla Q3 2022 Rental Price Index

This isn't a problem that only affects a small number of people: 1 in 3 private renters in Britain receive LHA<sup>2</sup> to help cover their rent, yet research by Crisis and Zoopla<sup>3</sup> found that less than 1 in 12 rental listings in England in the 12 months to September 2022 were affordable within LHA rates. In some areas the picture is even worse – the map shows how affordability of 1-bedroom accommodations varies across local authorities within England.

As rent tends to be one of the largest costs households face, these shortfalls also tend to be very large, with the same research finding that the typical shortfall households now faced for renting a 1-bedroom property was £950 a year, with shortfalls for 2 and 3-bedroom properties being even higher at £1,500 and £2,300, respectively. What is scary is just how quickly things are getting worse: in the 5 months from April to September, these shortfalls increased by over 40% than they were just 5 months before, highlighting just how damaging a freeze on LHA can be – even for a short period of time.

In contrast, during the pandemic, LHA was temporarily unfrozen to meet the 30th percentile of rents. This opened up access to the PRS market briefly and was an important measure in preventing and minimising homelessness<sup>4</sup>, which has since been cancelled out.

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2 StatXplore data

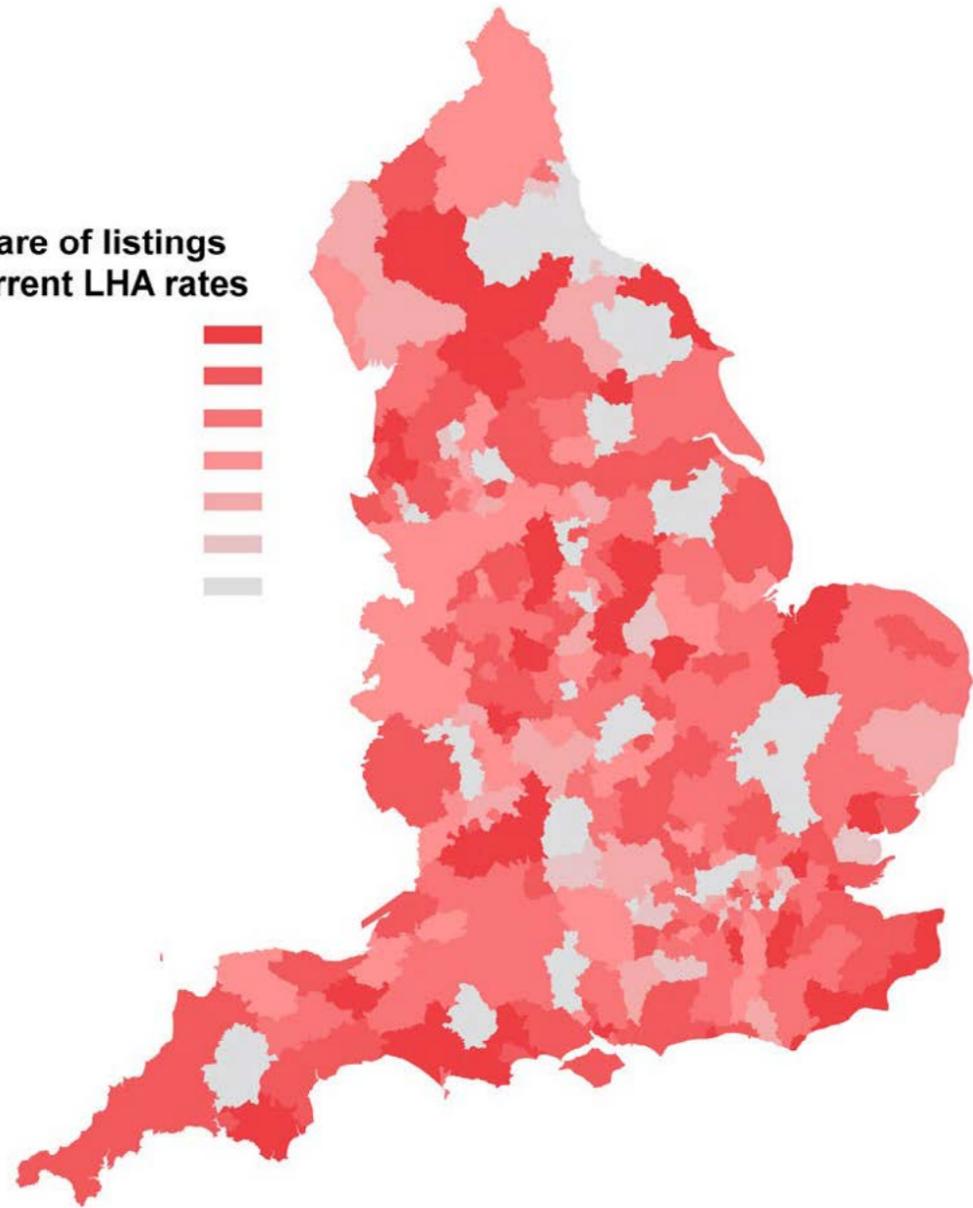
3 <https://www.crisis.org.uk/about-us/media-centre/properties-affordable-on-housing-benefit-have-declined-by-a-third-in-the-last-five-months-down-to-just-8/>

4 Watts, B., Bramley, G., Pawson, H., Young, G., Fitzpatrick, S. and McMordie, L. (2022) The Homelessness Monitor: England 2022 [the-homelessness-monitor-england-2022\\_report.pdf](https://www.crisis.org.uk/about-us/media-centre/properties-affordable-on-housing-benefit-have-declined-by-a-third-in-the-last-five-months-down-to-just-8/) (crisis.org.uk)

Share of 1 bedroom property listings affordable to people in receipt of Local Housing Allowance

**1 bed: share of listings below current LHA rates**

- Below 5%
- 5% to 10%
- 10% to 15%
- 15% to 20%
- 20% to 25%
- 25% to 30%
- Above 30%



## THE IMPACT OF RISING RENTS, FOOD AND ENERGY COSTS ON LOW-INCOME HOUSEHOLDS

When households face shortfalls between their local housing allowance and rent they have to make up the difference themselves by cutting back on other things. But at a time when household budgets are so stretched, this is money that most low-income households simply don't have. Following the announcement of the energy price guarantee back at the start of September, Crisis found that, even with the cap in place, the lowest income renters (equivalent to 1.7 million households) will still on average be spending more than the entirety of their incomes just to cover the combined costs of rent, fuel and food, with these costs exceeding average incomes by more than 16% - and that's despite the energy cap being put in place. This means debt, rent arrears and the risk of homelessness for many households.

Some of this will be offset by the recently announced uprating of Universal Credit but many households will still be facing costs they simply cannot manage, and urgent action is needed to ensure many more households don't face homelessness this winter.

## WHAT DOES THIS MEAN FOR LEVELS OF HOMELESSNESS IN ENGLAND?

Early indication of government statistics shows increases in certain causes of homelessness linked to rent rises. In the last year, there has been a 19% increase in the number of households facing homelessness whose tenancy had ended in the private rented sector compared to before the pandemic. There has also been a steady rise in the number of households seeking assistance because their landlord wants to re-let or sell the property.

These statistics capture the early impact of the cost of living crisis, and the consequences of the withdrawal of many of the protections that were put in place over the pandemic that stopped households being pushed into homelessness. The quickest and most effective way to keep people in their homes is for the Government to urgently invest in housing benefits so that it covers the true cost of rents. Investing in housing benefits makes it easier for people to afford to stay in their homes, preventing homelessness. It also makes it easier for people to find a home, making it possible for them to leave homelessness behind for good.

“Many people have been forced to skip meals and live in freezing conditions, whilst still falling into debt and rent or mortgage arrears and facing the very real threat of homelessness.”



What do National Organisations Have to Say About the Cost of Living Crisis?

In this article, FEANTSA Member BMSZKI – the largest homelessness service provider in Budapest – takes stock of the impact the current energy crisis is having on the homelessness sector in Hungary. From skyrocketing energy bills to government inaction, this piece explains the real effects this crisis is having on service providers, who are faced with the prospect of limited availability and lack of resources during this winter.

# THE COST OF ENERGY CRISIS IN HUNGARY: WHAT ARE THE IMPACTS ON HOMELESSNESS SERVICE PROVIDERS?



By **Boróka Fehér**, Policy Officer at BMSZKI, Hungary

This article offers a brief overview of how the cost of energy crisis directly endangers the provision of services to the most vulnerable citizens in Hungary. After describing relevant changes in policy and the price of energy as well as the alarming rate of general inflation, it offers specific examples of the effects the crisis has had on homeless service providers and what little the government has done about the issue so far. With the winter approaching, services and service users are becoming desperate.

The Hungarian State stopped imposing a price cap on energy prices in August 2022 for ALL users. Certain groups, although the measure concerns very few people, can ask for financial support on an individual basis. For example, families with at least three children can ask for a reduction of their gas bills – but most have had to pay much more since 1 August. There is an “average use” (calculated for a one-person household which estimates a use of 2523 kWh/year for electricity and 1729 m<sup>3</sup> for gas/year) and anyone going over these thresholds has to pay market price for the surplus they consume. [Estimates say](#) that the cost of electricity above “average” shall double, and the cost of gas might be seven times as much for private users.

However, there is also a distinction between private and corporate users, the latter including NGOs and other non-profit organisations such as libraries, theatres, swimming pools as well as social service providers, even when they are housing individuals. If an organisation, for example, owns an apartment where people can live independently with some floating support or manages a shelter for homeless people, the bills are calculated as if it were for a corporate user, while in the first case, it is the tenant who has the responsibility to pay. The cost of

heating for certain BMSZKI<sup>1</sup> accommodation services has risen 1700%! This has caused great anxiety among homeless service providers as there has not been any increase on the funding side, but the costs have risen considerably. At the same time, the inflation calculated by the Central Statistical Office was 20.2% in September 2022, while the price of certain food products has risen by 50-100% over the past year.

At the [National Annual Conference for Homeless Service Providers](#), which took place in early September 2022, Attila Fülöp, Secretary of State for Social Affairs, a delegate from the Hungarian State during the setting up of the European Platform on Combatting Homelessness, offered no consolation but said “they were working on the issue.” He was also quoted saying that it is up to service providers and local authorities to take care of the problem – the latter being responsible for the provision of services. Towards the end of the two-day event, services gathered to discuss their strategies aimed at managing the upcoming challenges this winter will bring. Some stated that they would not open emergency shelters during the winter, which will result in less available spaces, especially for those with complex needs. Some said they would restrict their services: hot water will only be available for a few hours in day centres, people will have less access to laundry services, some offices will have to close and administrative staff will have to work from home for example. As the price of gasoline has also increased significantly<sup>2</sup>, outreach teams in several organisations are encouraged to use their vehicles less and visit people on foot, rendering the transportation of users more difficult. Some service providers were

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- 1 BMSZKI is the service provider organization of Budapest City (<https://bmszki.hu/en>)
  - 2 While there is a cap on the price of gasoline/diesel, it is not available for “corporate” users.

# “With the winter almost here, the government has still not come up with a viable solution for the financial difficulties homeless service providers face.”

already forced to raise their fees or rent. For example, the rent<sup>3</sup> of BMSZKI's non-commercial accommodation<sup>4</sup> (unchanged since 2014) has been raised by 50%<sup>5</sup>. Some are spending their reserves on energy-efficient retrofitting, but for others, this is not an option due to the legal state of the service (rental property), the physical state (the renovation

3 The rent includes bills.

4 Non-commercial accommodation is affordable housing for people who work for the City of Budapest or one of its services or for former homeless people.

5 The price still falls under the affordable category – which means that it is less than market price.

would come at an extraordinary cost), or simply the lack of sufficient funds. Other service providers said they wanted to keep their reserves for compensation to staff should they be forced to close and let people go.

With the winter almost here, the government has still not come up with a viable solution for the financial difficulties homeless service providers face. Even though church organisations in Hungary already receive 170% of the normative funding other organisations get (such as NGOs and local Government-run social services), a government decree<sup>6</sup> has only removed them from the corporate users list, meaning that they pay much lower prices, as they are categorised as private users. This however fits well with the general trend of the Hungarian government, whereby they see churches as the ideal providers of social services and has given over about 50 of all social services (but almost all of those relating to the foster care of children, for example) to established churches since 2017<sup>7</sup>. As the State has not yet committed to covering the real costs of social services, local authorities with fewer resources are trying to compensate for this: the City of Budapest, for example, has provided 50,000 euros through the Menhely Foundation in [an open call](#) to help small NGOs (739/2022.(09.28.)) with their energy costs. They have also extended the eviction moratorium (732/2022.(09.28.)) and are asking other local authorities in the city to follow this example (733/2022.(09.28.)). The social net is already full: there have not been enough places for homeless families for years as most services have

6 389/2022. (X. 14.) Government Decree - <https://net.jogtar.hu/jogszabaly?docid=A2200389.KOR&dbnum=1>

7 See: <https://maltai.hu/cikk/hir/4553>

reached maximum capacity. If families start losing their homes due to the rise in energy prices, they will not have anywhere to turn to for help. Soup kitchens have also reported a higher demand on their free hot meal services.

At the same time, Sándor Pintér, the Minister of Interior Affairs (also responsible for education, health and social care, among others) saw fit to submit a proposal regarding the [reform of the Social Bill](#) of 1993: III., redefining the responsibility of taking care of those in need as being “[out of] their own fault”, limiting the role of the State as being a last resort for individuals after relatives, churches and local authorities. Many fear it will result in the weakening of social provision during the economic crisis.

## CONCLUSION

This article has outlined the impacts of inflation, energy and cost of living crises on homelessness service providers in Hungary. None of these providers have stopped their operations, but there is a reduction in the quality and availability of some of the services, as well as steeply rising living costs for both homeless service users and staff working with them. Service providers fear what the winter shall bring and are disenchanted by the government’s lack of responsiveness.

“The social net is already full: there have not been enough places for homeless families for years as most services have reached maximum capacity. If families start losing their homes due to the rise in energy prices, they will not have anywhere to turn to for help.”



What do National Organisations Have to Say About the Cost of Living Crisis?

# AN APPROACH TO TACKLING ENERGY AND WATER POVERTY: SUPPORTING SOCIAL WORKERS IN THE BRUSSELS-CAPITAL REGION

With more than one in four people in the Brussels-Capital Region living in energy poverty, the SocialEnergie Support Centre, a State-funded service, provides support in the form of information, guidance, and training to social workers of the region in the area of energy and water poverty. In this article, SocialEnergie explains in detail what are the different resources and support they provide to social workers and why it is of paramount importance in the current energy crisis.

The SocialEnergie Support Centre (*Centre d'Appui SocialEnergie*) is a regional support service for frontline workers in the Brussels-Capital Region. This project is implemented by the Federation of Social Services (*Fédération des services sociaux*) and funded by the regional environmental administration (*Bruxelles Environnement*). It was launched in 2011 with the aim to counsel, guide and train social workers in the region regarding energy poverty and water poverty.

Energy and water poverty are widespread phenomena all across Europe and they are also pervasive in the Brussels-Capital Region: based on 2020 data, it is estimated that more than one in four people (26,5%) live in energy poverty and that more than one in five people (21%) are concerned by water poverty at the regional level.<sup>1</sup>

These estimations do not yet take into account the impact of the energy price crisis that households have been suffering since the second half of 2021 and that is still painfully present at the time of writing, coupled with a double-digit inflation (12.27% in October 2022 for Belgium) driving sharp rises in other essential household expenses such as rent, food, transport, etc.

Frontline social workers are often confronted with complex social, legal, and technical challenges for which they need expert counselling and support, given the intricacies of liberalised energy markets and increasing water distribution costs due to the need for an infrastructure renewal.

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1 *Baromètres de la précarité énergétique et hydrique. Analyse et interprétation des résultats 2020*, Plateforme de lutte contre la précarité énergétique et hydrique, Fondation Roi Baudouin, 8th edition (2022).

The SocialEnergie Support Centre was therefore created to play a decisive role in the regional energy and water social ecosystems by providing a series of services targeted at social workers (and, indirectly, at individuals living in the region):

- A comprehensive website ([www.socialenergie.be](http://www.socialenergie.be)) containing detailed explanations of various concepts and procedures (energy and water bills, legal procedures for energy disconnections, consumer rights regarding energy contracts, social measures, tenant-landlord relationships, how to lodge appeals or complaints, etc.). This website seeks to proactively answer social workers' questions and enable their work, serving at the same time as a regional knowledge repository with regard to energy and water.
- The development of various tools and publications aimed at improving the knowledge and the ability of social workers to directly take action in energy and water-related matters: factsheets, annotated energy and water bills, practical guides on how to claim and verify the application of existing social measures, average consumption calculators taking into account household composition, a board game to explain the role of different actors in the energy sector in an easy-to-understand manner, etc.
- A telephone hotline open to social workers during working hours, Monday through Friday. Our team of Energy Support Workers with a social work, legal or technical background are available daily to answer social workers' questions. We provide answers to general queries concerning the functioning of the energy market and the water distribution system, as well as more specific and detailed responses considering the particulars of a given case or situation.



# “Energy and water become vectors of disadvantage whenever this right is not fully secured, directly threatening human dignity.”

- Personalised support. If a particular situation demands further reflection or action, our team will guide social workers over time, providing feedback and helping them to deliver holistic and well-balanced solutions in complex cases. This may happen in a number of ways: through continuous counselling and guidance, bespoke training sessions, or in-place visits, accompanying the social worker to the household's home to address with them any outstanding technical or administrative issues.
- Training. We offer a large number of general and specific training and organisation modules about energy and water, ranging from a basic skills training cycle containing legal, administrative, social and technical modules to in-depth training on the functioning of energy markets, the distribution of competences among decision-making levels, or recent legal developments, for instance.

- Administrative support for a regional best practices network. We coordinate a monthly gathering of social workers in the region, along with members of the administration, regulators, and government, around energy and water-related matters. The aim of this network is to exchange approaches and practices and to build connections between different stakeholders in the public sector and in civil society.
- Evidenced-based policy and advocacy work. Our tight-knit connection with frontline workers in this domain enables us to carry out evidence-based policy and advocacy work that takes the realities of the ground as a starting point and addresses them through a robust, contextual-based analysis. This work is reflected in our participation in various advisory and advocacy groups at the regional and federal level, as well as in the publication of analyses, policy notes and concrete recommendations targeted at parliaments, governments, regulators, administrations and other stakeholders.

## COMBATTING HOMELESSNESS

Homelessness is an alarming phenomenon in the Brussels-Capital Region. According to the most recent data of the biennial count conducted by the regional service Bruss'help, which incorporates the ETHOS typology developed by FEANTSA, more than 5,300 persons in the region were homeless in 2020. This includes people living in emergency shelters, public spaces, squats, transitory housing, hospitals, etc. Although the figures for 2022 are not yet published, it is expected that the number of persons living in squats will almost double. These 2022 figures will also include people who are temporarily hosted by family or friends, which were not included in previous data.

Combating homelessness is a transversal priority of the SocialEnergie Support Centre. We are part of the Brussels Rally for the Right to Housing (*Rassemblement Bruxellois pour le Droit à l'Habitat*), which works closely on homelessness-related issues. We have recently contributed to a study seeking to evaluate the cost of homelessness and of housing homeless persons in the Brussels-Capital Region, along with the *Université Libre de Bruxelles*.<sup>2</sup> We also receive a growing

number of demands from NGOs and CSOs working in this field to help them in light of overwhelming energy bills threatening their crucial work.

This transversal priority is also reflected in our policy and advocacy operations: along with various partners, we have advocated for the extension of energy social tariffs to recognise structures hosting or housing homeless persons, as well as squats benefiting from a precarious occupation agreement in order to ensure their ability to continue operating and to provide a crucial respite to those who need it the most.

To carry out our work, we build upon the overarching vision that the access to energy and water is an essential need and a fundamental right that must be secured for everyone. Energy and water become vectors of disadvantage whenever this right is not fully secured, directly threatening human dignity. Our work is thus underpinned by the fight against social disadvantage and inequality, a strong human rights-based approach and social work principles and ethics.

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<sup>2</sup> Benoît Bayenet, Justine Carlier, Ilan Tojerow, and Magali Verdonck, *Le sans-chez-soirisme : suite ou fin ?* ULB (DULBEA), 2022. An executive summary (in French) is available [here](#).



What do National Organisations Have to Say About the Cost of Living Crisis?

This article provides an overview of the effects of inflation and the cost of living crisis on the homelessness service sector in France. It explains different government measures that have been rolled out in response to the crisis, and how they struggle to hold up to the challenges homelessness service providers face. From difficulties to recruit staff, increasing energy bills and higher prices for food and other resources, the homelessness sector in France is struggling heavily in the current climate, with the most vulnerable paying the price.

# THE COST OF LIVING CRISIS: WHAT ARE THE IMPACTS ON HOMELESSNESS?



By **Marthe Yohn**, Director of ESMS, France, in collaboration with all French FEANTSA members

With an inflation rate in the euro zone of 9.9%, inflation is a primary concern in France. In October 2022, INSEE (the French National Institute of Statistics and Economic Studies) recorded a 6.2% increase in consumer prices after a 5.6% rise the month before, with escalating prices of energy, food and manufactured products being seen as a result. These various increases have effects on the entire population, although people experiencing homelessness are more vulnerable, as their ability to meet their primary needs for food, clothing and housing are greatly hindered. Indeed, what can be done when the social and financial contexts do not allow or no longer allow people to cope with these increases?

The French government has implemented a series of measures to counter the effects of inflation such as re-evaluating the minimum wage (€1678.95/month) and social minima, implementing a tariff shield on energy prices, distributing energy vouchers or even limiting the rise of rents to 3.5%. These measures, which tend to target vulnerable households, help to mitigate the effects of inflation. However, due to the allocation criteria, they do not reach, or very little, the populations affected by homelessness. This is the reason why people in homelessness are often guided towards the services of the social sector which are invested in the fight against homelessness in different ways.

While the health crisis had already accentuated the precariousness of food aid recipients, inflation is reinforcing this effect. Thus, the number of food aid beneficiaries in Île-de-France continues to increase, as 34.8% of food centres in the Ile-de-France region reported a sharp increase in the attendance of people who received food aid in 2021. Similarly, the survey carried out in October 2022 by ANDES (National Association for the Development of Solidarity Grocery stores), found the same trend among their network of 515 grocery stores, with 72% of respondents noting an increase in beneficiaries, 56% of which attributed it to inflation.

These effects are also visible in the accommodation sector, as the manager of Cites Caritas, an emergency accommodation centre for families, declared that he has already been asked twice by families for an increase in the amount of relief (amount given to families without resources) due to inflation, with families declaring that they “can’t get by anymore”.

In the social sector, accommodation and supported housing services are also impacted at different levels, namely on operating costs in connection with energy expenditure but also on the ability to take on new demands from people living in increasingly precarious conditions or for those whose financial situation has worsened.

To support the organisations that combat homelessness, several measures have been taken by the government such as the price shield for gas, which is set up for the moment until December 2022, making it possible to cap regulated gas prices. Some accommodation systems dedicated to asylum seekers or beneficiaries of international protection have also seen their funding increased to take into account the cost of electricity, water, gas and energy as well as the salary increases of certain social workers.

Albeit welcomed, these measures do not however seem sufficient to reassure the various actors involved who continue to express their concerns and are looking for solutions to contain the effects of inflation, both on the support and services offered, but also on the people concerned, as they wonder how to adapt to the new reality. For example, in the October 2022 edition of its magazine, UNAF0 (Professional Union of Accompanied Housing) indicated that “energy cost increases are a major concern for managers because their organisations cannot face these expenses” thus showcasing the concerns of the sector, as these increases will generate potential deficits or will result in establishments

and facilities shutting down. UNAF0 has therefore formulated a series of proposals which “aim to find suitable and lasting solutions to help associations support this economic increase” and limit the effects of inflation on households currently in the adapted housing stock.

The associations managing accommodation centres fear that the protective measures launched by the government will not be sufficient to fully cover the effects of inflation, both for their energy expenditure and for the material aid provided to the people they support, who must also be reassessed. In relation to this issue, a manager of accommodation centres noted that he has prepared his 2023 budgets by including an increase linked to inflation, while indicating that he is uncertain of whether this estimate will be accepted or if public authorities and the funders of the programmes will cover the necessary costs. Negotiating with funders for them to finance these costs is an uncertain endeavour, which can ultimately impact the future of these programmes. If these questions are shared among organisations, regardless of their scale (local, regional or national), then the difficulty of anticipating the amount of costs linked to inflation within structures and the ability to take them considering must be highlighted. This is especially true when considering that organisations are unable to cover the costs within a specific timeframe (be it weeks, months, etc.) given that funders tend to deliver payments with delays or over longer periods of time. This context truly threatens the future of these programmes and services, and even of the managers themselves.

In addition to the beneficiaries, the associations are also seeing the effects of inflation on their employees, with growing precarity for certain professionals, in particular for those whose salaries have not been increased beyond the minimum wage. With generally low

“The associations managing accommodation centres fear that the protective measures launched by the government will not be sufficient to fully cover the effects of inflation, both for their energy expenditure and for the material aid provided to the people they support.”

salaries, professionals in the social sector are also bearing the full brunt of inflation. Some types of jobs have benefited from a salary increase through the payment of monthly bonuses (Segur or Laforcade), however, administrative and technical staff, who are generally those with the lowest salaries, have been excluded, as have certain categories of social workers (such as operators in charge of calls to the 115-emergency number for people experiencing homelessness in France). This issue, which continues to concern the sector greatly, is combined with inflation and induces precarity within the sector of social work as it faces a recruitment crisis. Several professionals have voiced the difficulties they face to be able to meet their own needs as they question their ability to support vulnerable people when they encounter financial difficulties themselves.

Beyond stakeholders in the social field, inflation also hinders the ability of other actors to mobilise. The La Cloche association notes that inflation is beginning to impact its network of charitable traders, citing the example of a charitable launderette project which distributes free tokens to homeless people. “The 400% increase in electricity bills for the owner weighs on their ability to offer free washes” and therefore requires readjustments to take this parameter into account. The current economic context also results in a decrease in the offers of products and services certain shopkeepers are able to provide. The same is true for the solidarity grocery stores of the ANDES network, as some have had to change the way they operate due to a weakened supply. These revisions might include a reduction of the quantity or the quality of the foodstuffs (38%) they offer or even a change in who they can support, as they are forced “to deny access to a portion of the vulnerable population as they cannot accommodate their needs”.

Discussions with all the actors involved show that inflation is first experienced as a challenge due to the uncertainty it generates in the sector, both in terms of the effects on care and support but also for the long-term continuity of these services. Indeed, the preservation of certain support measures for people experiencing homelessness (day or night reception centres, food distribution services, care facilities, etc.) is in question as is the safeguarding of more permanent infrastructures (such as university hospitals, etc.) and ultimately associations themselves. Another consequence of this situation is that the social sector attracts increasingly less people, when it was already facing a recruitment crisis because of the post-Covid context. Without the commitment of its hundreds of thousands of professionals, and the continuity of the sector’s infrastructure, it is the vulnerable people, and first and foremost the homeless, who will pay the price of rising prices.

A spokesperson from the DIHAL, upon being asked about these topics, noted that “the administration is currently trying to quantify the effects of inflation on the services in order to try to bring the necessary corrective measures”. Let’s hope that these efforts are successful and that the resulting actions measure up to the needs of the various actors involved in the fight against homelessness to maintain services and infrastructure.



European and Global Perspectives

# THE COST OF LIVING CRISIS AND THE FOOD BANKS OF THE FEBA NETWORK: WHAT ARE THE IMPACTS ON THEIR DAILY ACTIVITIES?

The European Food Banks Federation (FEBA), working with 30 members in as many European countries, explains in this piece the challenges their sector faces as a result of the cost of living crisis. It provides an overview of how the pandemic, the Russian war against Ukraine, and inflation has not only affected the ability of organisations to secure a sufficient and adequate stock of food, but also its logistical and financial consequences. With detailed statistics and background information into the available relief programmes at EU level, this article allows for an insightful analysis of the current crises.



By **Angela Frigo**, Secretary General  
and **Anna Friederitz**, Assistant to the Secretary General, FEBA

The cost of food has risen rapidly across the globe. According to the Food and Agriculture Organization's (FAO) Food Price Index,<sup>1</sup> in March 2022 food prices hit record highs which had not been seen since the 1990s, as the war in Ukraine caused turmoil in markets for staple grains and edible oils. Rising food prices mean that fewer people can have access to sufficient, safe, nutritious and sustainable food and that many people could fall into food insecurity as a result. Several factors are contributing to this rise in food prices, which are driving the cost of living crisis.

Since its outbreak at the beginning of 2020, the COVID-19 pandemic has affected economies and societies at their core, decimating jobs, causing disruptions of supply chains and laying bare the fragility of our globalised agri-food system. These unprecedented challenges have threatened the livelihoods of people worldwide and, thereby, have considerably impacted the demand of food. According to Eurostat, 95.4 million European citizens, or more than a fifth of the population, lived on the brink of poverty or material and social deprivation in 2021.<sup>2</sup>

At the end of February 2022, the Russian invasion of Ukraine did not only cause a major humanitarian emergency but has shaken up once again the global food system, which had just started to recover from the health crisis. While having an immediate impact on the Ukrainian population, the consequences of the war are increasingly spreading across Europe and beyond. Skyrocketing inflation, a dramatic reduction of spending power and soaring prices have led to a cost of living crisis hitting the most vulnerable groups the hardest.

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1 [FAO, FAO Food Price Index posts significant leap in March, 8 April 2022.](#)

2 [Eurostat, Over 1 in 5 at risk of poverty or social exclusion, 15 September 2022.](#)

It is also important to mention that increases in the frequency and intensity of extreme climate events are compromising crop yields and undermining industries like agriculture and aquaculture to meet demand. In this context, Food Banks are needed now more than ever before in recent memory. They step up to save good food from becoming food waste and ending up in a landfill. They also step in as food relief, an increasing necessity for communities facing unimaginably difficult situations.

The European Food Banks Federation (FEBA) is a European non-profit organisation and works in collaboration with 24 full members and 6 associate members in 30 European countries. Since 1986, FEBA's mission has focused on representing its membership at a European and international level; supporting and strengthening Food Banks in Europe by providing training, sharing best practices and knowledge, establishing partnerships as well as fostering the creation and development of new Food Banks. FEBA brings together a network of Food Banks which are committed to prevent food waste and to reduce food insecurity every day. In 2021, FEBA members redistributed 907,280 tonnes of food (+18% compared to 2019 as pre-COVID benchmark) to support 45,810 charitable organisations helping 11.8 million people in need (+24% increase compared to 2019).

A recent report published by FEBA has revealed that, at the beginning of 2022, the trend in quantities of redistributed food by FEBA Members has been deeply affected by the Ukraine crisis. Redistributed food has increased in Eastern Europe as a result of exceptional donations in



# “Dropping temperatures are predicted to rapidly increase expenses for heating, as electricity costs continue to rise, making it more and more difficult for Food Banks to afford the safe collection, storage, and redistribution of chilled and frozen food items.”

response to the war in Ukraine to support refugees, while decreasing in Western Europe.<sup>3</sup> For some Food Banks, EU and/or national programmes for food aid have provided increased volumes of food for redistribution to the most deprived, however, others point out that particularly volumes of fruit and vegetables have dropped due to crop failure caused by climatic events such as droughts. It is additionally stressed that food donations from food business operators are declining due to problems related to the cost and availability of raw materials. Among those Food Banks which report a decrease, it is also noted that some commercial initiatives to combat food waste have contributed to a reduction in the amount of surplus food donated to Food Banks. However, respondents further state that the decrease is more attributable to a reduction in surplus food collected from food business operators due to rising inflation and the surging production costs they are facing.

<sup>3</sup> [European Food Banks Federation, \*Assessment of FEBA Members' Activities; July 2021 to June 2022\*, 30 September 2022.](#)

At the same time, two thirds of FEBA members (66%) have experienced an increase in the amount of food requested by charities they cooperate with. More than 80% of respondents identified the largest group of final beneficiaries as families with children and single parents, followed by elderly people and refugees from Ukraine. In addition, internally displaced people, the disabled, the homeless, minorities, women experiencing violence, fragile victims of homophobia and transphobia as well as ex-prisoners are also named as being particularly vulnerable.

The cost of living crisis has further significant repercussions on the operations of Food Banks and associated charities as such. More than half of respondents stated that they have been affected by the Russian military invasion of Ukraine and the resulting geopolitical and socio-economic consequences provoking spiralling food and energy prices. About 50% of respondents identified the steady rise in inflation, which started as early as 2021, as having negative side effects on their ability to carry out their daily activities.

EU programmes to provide material aid to the most deprived such as the Fund for European Aid to the Most Deprived (FEAD) and REACT-EU deserve special attention due to the volume of food and material assistance these funds finance. In the period from January to June 2022, 10 out of 30 FEBA members received food and basic products through them. Among these, 7 experienced various problems. Two-thirds of responders reported delays in the delivery of food and basic products, impacting the food volume available for redistribution. 30% of those who declared having difficulties stated retroactive price increases in existing contracts due to rising costs and lack of raw materials. Moreover, cancellations of existing contracts or suspensions of tenders posed challenges to the affected Food Banks.

Considering the day-to-day needs of Food Banks, all FEBA members (70% as an absolute necessity and 30% as important) reported that the greatest need is food suitable for redistribution, which emphasises that the provision of food is of utmost importance during the current crisis. Subsequently, 50% stated that financial support for Food Banks is a concrete requirement in order to carry out their daily activities. Not to be overlooked is the fact that one in three respondents noted that increasing the transportation and logistical capacity was an absolute necessity, as well as implementing favourable legislative changes that would facilitate and foster food banking operations.

On the backdrop of the outlined aspects and challenges, it can be concluded that the current cost of living crisis and its repercussions jeopardise the achievements of decade-long efforts to reduce food insecurity, poverty and social exclusion. Solidarity and support from all stakeholders are needed in order to allow Food Banks to continue to operate and even increase their activity to ensure no crumb is wasted and to better respond to the emerging needs and alleviate the hardship of the most deprived. The fact that end beneficiaries are being faced with the double penalty of reduced access to nutritious food and reduced quantities provided through the channels of Food Banks and charities must stop. The upcoming winter months will cause additional difficulties for end beneficiaries and those supporting them. Dropping temperatures are predicted to rapidly increase expenses for heating, as electricity costs continue to rise, making it more and more difficult for Food Banks to afford the safe collection, storage, and redistribution of chilled and frozen food items. Situations like these may lead to a decreasing variety of products available for the affiliated charities and thus can have a tangible impact on the food assistance they can provide to the most vulnerable groups.

In this time of crisis, FEBA members continue to work hard, as they have to face the double challenge of preventing good surplus food from becoming food waste and ensuring its safe delivery and redistribution to charities helping people in need. We continue to be, more than ever, against waste – be it waste of food, resources, and of course, people.



European and Global Perspectives

# THE ENERGY CRISIS AND ITS EFFECT ON THE LONG- TERM CARE SECTOR ACROSS EUROPE

The energy crisis is having a particularly negative impact on not-for-profits, and organisations that provide long-term care face particular challenges. In this article, Anne-Sophie Wislocki from Eurodiaconia addresses this topic by providing a detailed analysis of the differences in how the long-term care sector is financed across Europe, and the difficulties surrounding energy saving and the reimbursement of energy costs. Ensuring the continuity of this sector is essential in the current climate, and therefore the challenges it faces in regards to the energy crisis must be addressed appropriately.



By **Anne-Sophie Wislocki**, Head of Advocacy, Eurodiaconia

Throughout the last three years, long-term care service providers have been under great pressure due to the COVID pandemic, which has affected their operations, their capacity to retain staff, and in many cases also their finances. Expenses increased, while income has often been reduced. Now, the next crisis is adding another layer of difficulty to this sector which has already been struggling heavily.

This summer, our Italian member, Diaconia Valdese, was the first one to ring the alarm bells together with other not-for-profit long-term care providers in Italy regarding the skyrocketing energy prices. In a letter to the relevant Ministries and to the Italian Parliament, this alliance has called for an increase in the reimbursement levels they receive from authorities, which have not been increased in the last 10 years, meaning that long-term care providers have been put in a difficult economic situation since before the onset of the current energy crisis. The alliance fears that the energy crisis will now be the tipping point for many and will force them to shut down their facilities.

We have heard similar fears from members across Europe. In many cases, reimbursement rates from public authorities for delivered care services have not been increased for several years. At the same time, these providers have been faced with increased costs during the COVID pandemic and now with high inflation.

Having followed-up with our members over the last months, we have found out that for most not-for-profit long-term care providers the situation is tense, but rarely an existential threat. This is thanks to the recognition that care services are essential and therefore a certain number of mechanisms are put in place which allow for a continuation of the services, albeit under constraints.

However, the exchanges we have with our members also clearly show the importance of adequate, sustainable but also adaptable funding for social and care services. If this is not guaranteed then the quality, continuity and affordability of the services is at high risk.

## **WHY IS THE SITUATION PARTICULARLY DIFFICULT FOR NOT-FOR-PROFITS?**

As not-for-profit services and (long-term) care providers are only allowed to make limited reserves, they are particularly dependent on constant flows of income and are vulnerable to unforeseen shocks and sudden expenditures. Many care providers have been put under strain over the last two years. Because of COVID, they were facing a higher level of expenditure, which was often accompanied by a loss of income. This means that reserves were in many cases already low and have now been used up very quickly in order to respond to increased energy and food prices.

The degree of the problem depends very much on the national contexts and how the care sector is organised. The following main elements play a crucial role. The first factor to consider is if care providers benefit from advantageous fixed or at least negotiated energy prices. The second is to consider if part of the reimbursement from authorities can be adapted to the increased costs, either unilaterally or following negotiations. The third one is to calculate whether there is room for energy savings. The last element to consider is if the remaining costs can be covered from increased out-of-pocket payments from beneficiaries.

## FIXED PRICE ENERGY CONTRACTS GIVE SOME ROOM TO MANOEUVRE

In some countries, long-term care providers are benefitting from fixed price energy contracts and are therefore currently not affected by increased energy prices. However, most organisations which are currently in this position are very worried about the end of their contracts and what will follow in the next months. Other members negotiate their energy contracts yearly and can therefore also benefit from lower-than-average prices, although they are increasing as well. But some, like our members in Italy, or in Latvia and Finland, have to cope with the market prices for energy and are thus affected by prices which have more than doubled.

In addition to the increasing energy crisis, increased food and fuel prices (for mobile care services), as well as escalating staff costs, need to be taken into consideration, as they are also significantly driving up expenses. While the increase in staff costs has been welcomed by the members it concerns, it is essential that this is also met with increases in the refinancing schemes with authorities.

## THE REFINANCING OF SERVICES BY AUTHORITIES

The exact schemes differ across countries, but overall, in most cases, part of the social and care services which are provided are reimbursed by public authorities (in most cases local or regional authorities). For these services to be running correctly, it is essential that the level of reimbursement is adequate and allows for quality service provision. However, this adequate reimbursement of services seems to be rather the exception than the norm.

As stated in the introduction, in Italy for example most regions haven't increased their reimbursements in the last 10 years. In the Czech Republic, reimbursements have been adjusted this year for the first time since 2013. The capital region of Latvia, Riga, is the only one in the country benefitting from increased reimbursements because of the inflation. In Austria, care providers are also currently waiting for greater reimbursements, but it is yet unclear when this will happen and if the adjustment will be sufficient.

In other countries, such as Germany, Finland and the Czech Republic, those reimbursements are negotiated on a yearly basis. Our members have informed us that it is hard to receive adequate increases of the reimbursement levels in those negotiations. Furthermore, in the case of our German members, when these reimbursement negotiations take place varies from one care home to another. Those who are currently negotiating have to estimate future increases, but those who won't have the negotiations until next spring will have to cope until then with much lower reimbursement levels.

**“The alliance fears that the energy crisis will now be the tipping point for many and will force them to shut down their facilities.”**

## ENERGY SAVINGS

Saving energy, in particular on heating, is far from easy when dealing with vulnerable groups, especially with elderly persons who are in fragile health. Some of our members therefore decided not to reduce the heating and the comfort of their beneficiaries, but to rather use their reserves to cover higher costs.

Other members, however, have put into place energy-saving measures and have reinforced them over recent months. For example, our member Slezska Diakonie in the Czech Republic is increasing its measures relating to energy savings and energy efficiency, including through an energy audit. One member in Germany has reduced the room temperature from 24C to 21C as a rule, as long as the elderly feel comfortable, stressing that anyone needing a warmer room would get it.

## LAST RESORT: HIGHER OUT-OF-POCKET PAYMENTS

Several members report that the out-of-pocket payments for their beneficiaries have been or will increase because of the inflation. However, the biggest effects in this result from increases in salaries. In most cases, only part of the inflation can and will be reimbursed. Care providers have then to balance the loss by increasing the out-of-pocket payments for beneficiaries. This measure can seriously affect the affordability of care services and hits lower income households and their families the hardest.

An exception to this rule is our member Diakonie Austria, as in Austria increased costs cannot be balanced through higher out-of-pocket payments from beneficiaries. While this is positive for care beneficiaries, this means that care providers are fully dependent on increases of reimbursement levels from the regional authorities. In Austria, these are not negotiated, but imposed on a regional level. In the meantime, care service providers from our member organisation are accumulating debt while hoping that the reimbursement will cover these costs.

## ADEQUATE FINANCING OF SERVICES IS ESSENTIAL

The current situation shows clearly that the adequate financing of social and care services is essential to guarantee that they run smoothly and that the quality, availability and affordability of their services is ensured. For not-for-profit providers, a stable and adjustable financing scheme is vital. Reimbursement levels need to be adjusted regularly but also swiftly in times of crisis, as reserves are quickly used, and service providers are then faced with existential threats.

So far, it seems that long-term care facilities are overall in a slightly more secure position than other social services. This is probably due to their specific role and responsibility towards caring in the longer term for their beneficiaries. To be able to deliver well their services they are in high need of economic stability, which is currently put at risk by the high inflation and slow reaction of some authorities.



European and Global Perspectives

# CLIMATE CHANGE AND HOMELESSNESS: CONSIDERATIONS OF INTERSECTIONS AND THE COST OF LIVING CRISIS

The consequences of the cost of living crisis are far-reaching, and, when coupled with the climate crisis, they increase exponentially. This is precisely what this research paper focuses on: just how detrimental the climate crisis can be when the cost of living crisis is already hitting the most vulnerable members of society the hardest. Extreme temperatures, difficulties to heat or cool homes, as well as dangerous health consequences from exposure to weather conditions when experiencing homelessness are some of the subjects this article focuses on. It also outlines possible actions that could be taken to respond to these crises.



By **Mariya Bezgrebelna**, Ph.D. (cand), Centre for Addiction and Mental Health, York University Department of Psychology and **Sean Kidd**, Ph.D., Centre for Addiction and Mental Health, University of Toronto Department of Psychiatry, Canada

Climate change is increasingly understood to be a ‘threat multiplier.’ This refers to how the effects of the global climate crisis compound existing vulnerabilities such as poverty, poor health, and social inequity. There is arguably no clearer example of this phenomenon than the impacts of weather extremes upon inadequately housed and unhoused individuals in Europe and worldwide.

The implications of climate change for populations experiencing housing precarity and homelessness take several forms. One key component involves climate-driven migration. While this is a well-documented phenomenon, particularly in low- and middle-income countries, there is much less discourse around the pivotal role of housing in these migration trajectories. People driven from their homes by rising water levels, storms, food and water insecurity, and devastated livelihoods, often face increased housing precarity if not a total lack of shelter. The largest slums in the world, in places such as Nairobi, bear witness to this phenomenon. The more obvious implication of climate change for homelessness involves exposure. People lacking adequate shelter are far more exposed to temperature variations and extremes of heat and cold, flooding and storms, along with an array of associated threats, such as vector and water-borne diseases and air pollution. These marginalised circumstances also involve barriers concerning access to adequate support and seldom is there a consideration of homeless populations in disaster response planning. In this article, we concentrate on two issues with particular salience for Europe – the cost of living crisis and exposure as they relate to health, housing, and climate change.

## COST OF LIVING CRISIS

An additional facet of the climate-health-housing connection involves the recent sharp increases in the cost of living globally. The rising cost of living has a pronounced effect on precariously housed individuals. One of the key contributing factors is energy insecurity, sometimes referred to as energy poverty, whereby households are struggling or unable to cover increased rent prices or energy bills. The energy pricing in Europe is of particular concern, given the inflation rates, most of which can be attributed to the Russian invasion of Ukraine. For example, as of September 2022, the Harmonized Index of Consumer Prices in the European Union indicates that the inflation rate for liquid fuels is 79.1% and 70.9% for gas<sup>1</sup>. This problem is exacerbated for those living in manufactured or subsidised units. Without further subsidies from governments, many precariously housed individuals are at risk of being unable to cover their heating bills this winter, which may result in a utility shut-off. These shut-offs have been noted as the precursor to evictions<sup>2</sup>. For instance, a study in Hungary found that

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1 Statista. Harmonized index of consumer prices (HICP) energy inflation rate in the European Union from January 2019 to September 2022, by commodity. <https://www.statista.com/statistics/1328128/eu-energy-inflation-rate-by-commodity/>

2 Jessel, S.; Sawyer, S.; Hernández, D. Energy, Poverty, and Health in Climate Change: A Comprehensive Review of an Emerging Literature. *Public Health* **2019**, *7*, 357.

the main risk factors for eviction are inability to pay rent and utilities<sup>3</sup>. Although the link is not always immediate, evictions tend to trigger the 'housing slope', whereby the evictees face increasingly insecure housing conditions, from staying with family and friends to shelters and homelessness.

In this context, climate change is worsening the energy insecurity. The changing climate leads to more temperature extremes, which means hotter summers, more heatwaves, and colder winters in some areas. During such events, increasing energy consumption to adapt to weather extremes is often not an option for those experiencing energy poverty. For instance, data from neighbourhood surveys in four European cities (Budapest, Gdansk, Prague, and Skopje) indicate that households struggle both with cooling and warming, with cooling being the more prevalent issue, especially in Budapest and Prague, where about 40% of respondents were unable to keep their homes cool during the summer<sup>4</sup>. Thus, climatic events, combined with the energy insecurity, will continue to present challenges for households in the form of eviction risk and the health and quality of life implications

<sup>3</sup> Teller, N.; Somogyi, E.; Tosics, N. Social context, evictions and prevention measures in Hungary. In *Loss of Homes and Evictions across Europe: A Comparative Legal and Policy Examination*; Kenna, P., Nasarre-Aznar, S., Sparkes, P., Schmid, C.U., Eds. Northampton, MA: Edward Elgar Pub, **2018**; pp. 141-61. <https://www.elgaronline.com/view/edcoll/9781788116985/9781788116985.00017.xml>

<sup>4</sup> Thomson, H; Simcock, N.; Bouzarovski, S.; Petrova, S. (2019). Energy Poverty and Indoor Cooling: An Overlooked Issue in Europe. *Energy and Buildings* **2019**, 196, 21–29. <https://doi.org/10.1016/j.enbuild.2019.05.014>

of not being able to sufficiently cool or heat homes in variable and extreme weather circumstances. These problems occur alongside that of precarious housing tending to be less equipped to withstand other climatic events, such as floods and storms, and its residents are more likely to become homeless as a result.

“Those experiencing extreme weather exposures associated with homelessness and inadequate housing face significant physical and mental health consequences.”

### Box 1. Mild and Moderate Cold: Case Examples in England and Poland

Due to climate change and global warming, there are some projections that in colder climates winters might become milder. This has been suggested to result in marginal health benefits due to decreased exposure to extreme cold<sup>5</sup>. However, research consistently indicates that the mild cold in winter is associated with higher hospitalisations and mortality rates among the homeless populations.

What is meant by mild and moderate cold can vary depending on the region. For example, for individuals experiencing homelessness, temperature-related hospital admissions related to cold start at 3.9°C in England and at 5°C in London specifically<sup>6</sup>. At the same time, the Severe Weather Emergency Protocol is only activated when nighttime temperatures reach 0°C. Such a gap can lead to many hospitalisations that could be prevented.

In Poland, a study found that homeless individuals are 13 times more likely to die as a result of hypothermia than the general population, making cold a stronger risk factor for adverse outcomes than heat. Moderate cold stress (0°C to -12.9°C) was seen to produce the most pronounced effects, rather than the extreme cold<sup>7</sup>.

There tends to be a similar response strategy for heat and cold weather, with extremes being considered the most dangerous time periods, triggering emergency responses. However, the response to cold should be based on the available data, which suggests that mild and moderate cold temperatures have detrimental effects for homeless populations.

5 Ramin, B.; Svoboda, T. Health of the Homeless and Climate Change. *J Urban Health* **2009**, 86, 654-664, <https://doi.org/10.1007/s11524-009-9354-7>

6 Hajat, S.; Sarran, C.; Bezgrebelna, M; Kidd, S. A. Impacts of the Severe Weather Emergency Protocol (SWEP) in Reducing Heat- and Cold-Related Health Effects in People Who Are Homeless in London. Under Review at *AJPH*.

7 Romaszko, J.; Cymes, I.; Dragańska, E.; Kuchta, R.; Glińska-Lewczuk, K. Mortality among the Homeless: Causes and Meteorological Relationships. *PLoS One* **2017**, 12(12), e0189938–e0189938. <https://doi.org/10.1371/journal.pone.0189938> <https://doi.org/10.1371>

## EXPOSURE

Those experiencing extreme weather exposures associated with homelessness and inadequate housing face significant physical and mental health consequences. Heat presents a range of risks to these populations including dehydration, heat stroke, and other heat-related illnesses. These risks have been highlighted this past summer in many European countries, with extreme heat, drought, and wildfires being reported throughout the continent<sup>8</sup>. Cold and wet weather have also been implicated in changing, variable, and extreme weather patterns that attend the climate crisis. Cold has been consistently found to present hypothermia risks even during mildly cold temperatures<sup>9</sup> (see Box 1). This is related to multiple factors. For example, homeless individuals are more likely to experience malnourishment, which reduces tolerance to cold. Wet conditions during the cold season amplify this effect. Populations experiencing homelessness also have a greater likelihood of pre-existing physical and mental health conditions, all of which contribute to negative health outcomes, including premature death.

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8 World Meteorological Organization. WMO Provisional State of the Global Climate 2022. [https://library.wmo.int/doc\\_num.php?explnum\\_id=11359](https://library.wmo.int/doc_num.php?explnum_id=11359)

9 Lane, K.; Ito, K.; Johnson, S.; Gibson, E.A.; Tang, A.; Matte, T. Burden and Risk Factors for Cold-Related Illness and Death in New York City. *Int. J. Environ. Res. Public Health* **2018**, *15*, 632. <https://doi.org/10.3390/ijerph15040632>

The phenomena described above, in the frame of being a threat multiplier, index around factors beyond poverty alone. Specific populations that are particularly affected include women, infants and children, and the elderly. Globally, Indigenous populations are profoundly impacted by cultural losses – and climate change is another facet of the colonial violence and genocide that have been and continue to be perpetrated.

## RESPONSES

Considering the risk of increasing energy insecurity in Europe, policy should primarily focus on the most leveraged response: preventing the loss of housing. Depending on the local context, strategies could look differently and can combine a variety of approaches, such as retrofitting housing and providing subsidies to help cover energy bills. Another key strategy is to focus on reducing the exposure to cold and heat for those already experiencing homelessness. These measures should include opening of warming/cooling centres and emergency shelters, as well as ensuring access to healthcare and other services as needed. Planning around such measures should be data-driven, considering the issues described in this article regarding milder cold and wet weather presenting as great a risk as more extreme cold weather. Disaster plans should include provisions for homeless populations, informed by co-design and peer-support models<sup>10</sup>. Emphasis should also be placed on relying on trauma-informed approaches in providing information about the available shelters (e.g., their location and transportation options), amongst other resources.

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10 Andrews, C., Heerde, J. A Role for Lived Experience Leadership in Australian Homelessness Research. *Parity* **2021**, *34*(6), 22-23.

Examples of response strategies include:

- Improving insulation in housing (government sponsored) for precariously housed populations (e.g., [UK](#))
- Retrofitting housing to withstand climatic shocks (e.g., [Ireland](#))
- Providing housing (temporary and permanent) for unhoused individuals (e.g., [Housing First](#) programs)
- Subsidies to cover heating and/or energy bills (e.g., [EU Commission Energy Prices Toolbox](#))
- Re-evaluation of the temperature threshold for opening emergency shelters<sup>11</sup>

For more examples of systems and policy-level responses, see the [response framework](#) that was recently released based upon literature reviews and expert consultation.

## CONCLUSION

To date, the story of globally-coordinated responses to address climate change and its attendant impacts on human health has been primarily one of missed opportunities. This problem is most evident with respect to countries, communities, and people experiencing poverty. It is essential, as organised efforts emerge from international to community levels, that attention to equity is a central part of plans and actions. This must be framed as a critical part of an effective global response – not one of charity and goodwill. The COVID-19 pandemic readily demonstrated that whole population health is essential to the health of any group therein, including those experiencing extreme poverty. This phenomenon is all the more pertinent in considering the population health implications of climate change – both with respect to population health risks and the capacity of communities to generate effective responses.

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<sup>11</sup> Romaszko, J.; Cymes, I.; Dragańska, E.; Kuchta, R.; Glińska-Lewczuk, K. Mortality among the Homeless: Causes and Meteorological Relationships. *PloS One* **2017**, *12*(12), e0189938–e0189938. <https://doi.org/10.1371/journal.pone.0189938>” <https://doi.org/10.1371>

## Cover art 'Thorn Garden' by Mary Vallely

Curated by [Cafe Art](#) London

Mary Vallely studied art and design for 5 years in college and has been working as an artist in London for 10 years, selling and exhibiting work through [240 Project](#) and [Cafe Art](#).

*'Art helps with my depression. I have a history of homelessness and use day centres to access art materials. Without these I would be unable to create my work. I love using colour; it helps my mood; the sadder I am the more colour comes out; the pain becomes beautiful. I love to experiment and my art is always changing and evolving. I have recently started hat making classes at [Crisis Skylight](#) which is quite different for me and very out of my comfort zone.'*

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