



Housing First: making homelessness history

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For nearly forty years GrantFinder has been trusted by councils and organisations within the housing sector. It is the leading funding database in the UK, covering local, national and international sources of funding.

Our services are grounded in a deep understanding of the funding landscape and the challenges faced by those seeking funding. GrantFinder clients can also benefit from the expertise of our public policy research team, The Knowledge Exchange.

This briefing highlights what is known about the homelessness intervention strategy, Housing First, and discusses the costs and funding of such projects.

The vicious cycle of sleeping rough

In towns and cities across the country, rough-sleepers are a common sight on our streets. They are the visible evidence of the UK's ever-present problem of homelessness.

While in some parts of the UK, levels of rough-sleeping have stabilised, in others the figure has risen sharply. **Official figures** from the first part of 2024 show that rough sleeping increased in every region of England compared to the previous year. The largest increase in the number of people estimated to be sleeping rough is in London, where there were 1,132 people this year, compared to 858 people in 2022, an increase of 274 people or 32%.

This is despite the success of the 'Everyone In' programme, which was launched in March 2020 to assist rough sleepers during the COVID-19 outbreak.

Many of those experiencing homelessness have complex needs, such as mental health problems, addictions and the adverse effects of spending time in local authority care or prison. Traditionally, homelessness strategies for people with high and complex needs have focused on treatment for addiction as a condition of providing housing. This so-called 'staircase approach' involves various steps which eventually leads to a homeless person being offered a tenancy.

However, a different, 'housing-led' approach to tackling the particular problems faced by the harder-to-reach homeless has attracted increasing interest. The UK government's 2022 refreshed strategy, Ending Rough Sleeping for Good, committed to extending the investment in Housing First services.

An overview of Housing First

“There is no better-evidenced or developed service model, and the outcomes recorded for people who have experienced homelessness exceed any comparable approaches.”

Housing First Europe Hub

Housing First turns on its head the notion that vulnerable people are only ‘housing ready’ once they have begun to engage with support services. As the name suggests, Housing First means ensuring that people with high and complex needs are offered permanent, affordable housing, along with specialised support services without any preconditions, other than a willingness to maintain a tenancy.

There are seven core principles behind the Housing First approach:

- people have a right to a home
- flexible support is provided for as long as it is needed
- housing and support are separated
- individuals have choice and control
- an active engagement approach is used
- the service is based on people’s strengths, goals and aspirations
- a harm reduction approach is used

The Housing First approach was first developed in the United States by a **not-for-profit organisation**. It has been widely adopted across North America, and has also been successfully demonstrated in Denmark, Finland and France.

Scotland was one of the first parts of the UK to embrace the Housing First approach. Elsewhere in the UK, three regional Housing First pilots were **launched** in 2018, in Greater Manchester, the West Midlands, and the Liverpool City Region. Housing First was included in the UK government’s 2018 **rough-sleeping strategy**.

The Welsh Government has also provided **funding** to support a range of projects based on Housing First principles, and two Housing First projects in **Belfast** and **Derry** have been funded by the Northern Ireland Housing Executive.

In England, at a local level, Standing Together and Westminster City Council have used funding from the domestic abuse team at the Department for Levelling Up, Housing and Communities (DLHUC) to develop a **Housing First project** for women with experience of homelessness, violence against women and girls (VAWG), and multiple disadvantage. Housing First projects have also been developed in the **London borough of Newham** and in **Brighton**.

The impact of Housing First

There is a substantial and growing body of evidence showing the positive effects of Housing First:

- A 2024 **evaluation** of the Housing First pilots in Greater Manchester, Liverpool and the West Midlands found that the vast majority of participants were in long-term accommodation a year after entering the project, and reported significantly better outcomes across a range of measures
- A 2024 Homeless Link **report** on Housing First services across England found that 30.5% of residents showed a reduction in their overall physical health needs by the end of the first year with Housing First and 50.4% showed reduction in their mental health needs. There was a significant increase in engagement with GP and dental services, and a decrease in A&E visits, hospital admissions, substance misuse, and antisocial and offending behaviours;
- In 2015, the University of York’s Centre for Housing Policy (CHP) **reported** that Housing First services showed high levels of success in reducing long-term and repeated homelessness associated with very high support needs.
- A 2018 **study** found that Housing First approaches successfully improve housing stability and may also improve some aspects of health.
- Perhaps the most **widely reported** Housing First success story has come from Finland, which in the first seven years of its Housing First programme achieved a 35% reduction in long-term homelessness.

Some of the reported positive outcomes generated by Housing First include:

- consistently high housing retention rates
- improving health outcomes
- decreasing involvement in criminal activity and anti-social behaviour
- improved cost-effectiveness of service delivery and cost savings

Housing First has been effective among homeless people with high and complex needs due to several factors:

- removes uncertainty and anxiety, enabling people to focus on recovery
- provides homeless people with a greater sense of choice and control over their own lives
- promotes a greater level of honesty and helps overcome low expectations
- offers an ‘escape’ from potentially destructive cultures



While these are substantial benefits, a 2019 [report](#) published by Housing First Europe argues that the effectiveness of the Housing First approach is rooted in the principle of housing as a human right:

“Housing First is effective because it recognises and responds to the humanity of homeless people, not treating them as somehow distinct or different from other individuals; as fellow citizens whose needs have to be understood and experiences listened to, not as a group who are somehow different from the rest of us and who need to be disciplined into becoming ‘housing ready’.”

The costs and cost effectiveness of Housing First

In March 2019, Homeless Link published a [report](#) exploring the cost effectiveness of Housing First in England. The study reported that Housing First costs an average of approximately £4,128 in total support costs. Total average costs, including housing, for the first year of use are £9,492 per person. Average costs in London were closer to £10–£11,000 for the first year.

The report found that, while Housing First is not a cheap option, it may be more cost effective than some other services on a day-to-day basis, and that the costs usually reduce over time. It concluded that Housing First represents good value for money because it stops long-term and recurrent homelessness.

It is difficult to provide an accurate assessment of the cost savings generated by Housing First. The Housing First approach may reduce instances of homeless people coming into contact with the criminal justice system and emergency medical services, and may also reduce prolonged use of hostels. However, the frequency and duration of support services for Housing First tenants will vary greatly.

A 2014 [evaluation](#) of Housing First in five European cities found some evidence that the costs of Housing First projects compare favourably with the other existing services at local level.

In addition, a [briefing paper](#) published by the House of Commons Library has highlighted several UK studies indicating that, while the savings from Housing First may not be substantial, the wider societal benefits should also be considered when weighing up the benefits of this approach.

The briefing highlighted a 2021 Centre for Social Justice report which estimated that the “reduction in public service costs typically generated by Housing First more than offsets the costs of providing Housing First”. It found that “where an estimated £9,683 is spent annually on average per Housing First client, £15,073 is saved on other bills including homelessness services, the criminal justice system, NHS and mental health services, as well as drug and alcohol support”



Housing First: criticisms and concerns

Despite the documented success of Housing First programmes, the approach is not without its critics. Concerns have been raised in the UK about the long-term availability of both accommodation and funding for mental health and support services, and there has been some resistance to the idea of providing housing without any preconditions.

Some critics of Housing First are uneasy about providing housing to people who continue to use alcohol and drugs. At the same time, communities where Housing First participants will be housed may have concerns about vulnerable individuals being placed there without adequate support.

Addressing the misconceptions about Housing First requires engagement with the public about the Housing First model. A [toolkit](#) published in Canada, where Housing First has become a recognised best practice, offers guidance on strategies for overcoming resistance and concerns about Housing First.

Housing First works best with purpose-built social housing, and one of the main reasons given for the success of the programme in Finland has been the construction of new affordable housing for lone homeless people. However, the UK is currently experiencing a serious shortage of affordable housing, and securing adequate accommodation for Housing First is proving to be a challenge.

Concerns have been raised about the availability of mental health and support services, which have been experiencing pressures due to increased demand within a context of reduced budgets. As Tony Cain, Policy Manager for the Association of Local Authority Chief Housing Officers told Inside Housing magazine, Housing First is dependent on the support of mental health and other support services:

“It requires a coordinated and consistent high-level support response. If there’s a concern at the moment, it’s that the support is not there.”

There are also critics of the Housing First model who believe the approaches to Housing First in other countries [cannot be replicated in the UK](#) because of differences in welfare systems. In Finland, for example, Housing First rents and utilities charges are heavily subsidised and fully covered by housing benefits.

Funding Housing First

In the UK, Housing First delivery has largely been short-term projects, small in scale and funded by local or central government and grant-making charities. If Housing First is to achieve further success in the UK, sufficient and sustainable funding will be imperative.

In 2024, **research** published by Homeless Link found positive impacts of Housing First on the physical and mental health of Housing First participants, as well as improved access to health services and reductions in substance misuse and anti-social behaviour. But the Homeless Link report also underlined the crucial role of funding in ensuring the long-term support given to Housing First residents.

The report argued that short-term funding cycles affect services' ability to plan long-term operationally and logistically as well as affecting their capacity to provide long-term and consistent support to the residents. In addition, the coming to the end of the funding cycle without any extension of contract takes away the lifeline support for residents who are most in need and in critical stages in the programme.

The report found that only 5% of Housing First services in England have indefinite funding, and very few receive local authority funding from adult social care (9%) or public health (6%). This highlights the urgent need to diversify funding sources, particularly from sectors beyond homelessness.

The report recommended sustainable funding for long-term support of Housing First participants:

“Our findings strongly evidence that benefits and positive outcomes emerge when ample time is given. Funding and commissioning cycles for Housing First projects need to facilitate sustainable long-term support to ensure impact. There is also a need for more funding into Housing First as a preventive, proactive and cost-effective intervention to reduce burden on emergency services and public Funds across sectors. There is a need to review current funding practice and eradicate short-term contracts and allocate the estimated £150.3 million per annum required to fund Housing First at scale.”

There is also an important role for housing associations to play in delivering Housing First, something explored in a 2020 **report** from the National Housing Federation. The report highlighted existing examples of Housing First projects involving housing associations. It found that housing associations considered Housing First an attractive model because it aligned with their organisational objectives, notably on addressing all forms of housing need, and included fully funded support.

Overall, the report found housing associations' experiences of Housing First to be positive, although challenges such as finding suitable properties and the risks around short-term support funding were raised as potential stumbling blocks.

The Housing First approach will not work for everyone. It will not provide solutions for people with severe learning disabilities, those with particular healthcare needs, and people who do not want the responsibility of an independent tenancy, perhaps because they don't want to live on their own.

But for the majority of homeless people in need of support, Housing First is a significant development. The evidence suggests that it has positive and widespread effects, and housing professionals recognise that Housing First will be a key component in effective homelessness strategies.



Grants for homelessness support

Every year, thousands of new funding opportunities are added to the GrantFinder database. Housing associations and councils report that it helps them identify a more diverse range of funding opportunities.

It also streamlines the process of sourcing funds from broader streams, saving them time and making it more efficient.

According to Cunninghame Housing Association, at a time of increased financial pressure, a product like GrantFinder is extremely beneficial as the solution alerts users of newly available funding streams. They explain, “There are lots of funds out there but searching for them is a full-time job. The solution provides you with a simple, easy-to-follow synopsis on a particular fund – enough details to inform you of the application requirements and other crucial information, but not so brief that you need to go and perform your own research. So, it saves a lot of time and enables you to quickly zero in on the funds that you should be targeting to get the best results.”

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