

Financial Analysis of Foyer and Foyer-like Youth Housing Models

Swinburne University

Homelessness Research Collaboration

National Homelessness Research Agenda 2009-2013

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June 2013



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Commonwealth of Australia 2013

ISBN (ISSN): 978-0-9775259-7-3

This project is supported by the Australian Government through the National Homelessness Research Agenda of the Department for Families, Housing, Community Services and Indigenous Affairs.



Australian Government

**Department of Families, Housing,
Community Services and Indigenous Affairs**

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Year: 2013

Project title: Financial Analysis of Foyers and Foyer-like Youth Housing Models

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EXAMPLE OF KEYWORDS: youth homelessness, youth foyers, cost analysis,.

OBJECTIVES:

1. Establish the capital and operating costs of various Foyers;
2. Disaggregate operating costs by site to enable meaningful comparisons across sites;
3. Collect and evaluate data on throughputs;
4. Develop metrics on cost effectiveness and efficiency;
5. Establish funding sources and analyse the financial viability of Foyer models;
6. Compare the various Foyer models in terms of operating cost, cost efficiency and effectiveness.

NON-TECHNICAL SUMMARY:

Youth foyers provide accommodation and support to homeless or at-risk young people. Foyers were first developed in post-war France but has now spread to many other countries in Europe and the UK since the early 1990s, and in the US and Canada. Australia is a late arrival to consider supportive youth housing of this kind.

Youth foyers address two of the most pressing social issues faced by youth: homelessness and unemployment. They provide an opportunity for young people to gain safe and secure accommodation as well as develop independent living skills while they are engaged in employment, education and training.

In Australia, youth foyers are a relatively new development with only a handful of established programs, however more are currently being built or planned at the time this paper was written.

There has no serious attempt to examine the cost and cost effectiveness of the youth foyer model. This report presents the findings of an analysis of the financial and operating data of established operating youth foyers in Australia. We also report on the findings from a field visit to UK foyers and the UK information was used to provide useful benchmarking against the Australian data.

The foyer concept is a packaging of support and accommodation linked strongly to a commitment to participation on education, training and/or employment. Rather than thinking of the foyer as a building (as some advocates do), it is the integrated

package that is at the core of the concept. Following this line of thought there are a range of permutations of foyer-like models that could be considered such as clusters of student accommodation on school land, 'boarding linked to school or other educational programs etc.

On the basis of UK fieldwork, we found that UK foyers can maintain a balanced budget with higher number of support staff than is the case in Australia. Advice from senior staff was that the optimal size for any one foyer was about 40 beds in one building. A number of dispersed foyers had been developed. By contrast, the existing Australian foyers have been developed as special projects, and they have an average shortfall of about \$18,000 per resident per year. The smaller size of some of the Australian figures accounts for this high average shortfall. On a larger scale, this would be closer to \$5-6000 per residents per year (see Table 5).

The existing and planned Australian foyers are heavily reliant on state and Federal Government funds to construct facilities. The main finding is that the income generated from current benefits and subsidies is not sufficient to cover the cost of support and therefore to ensure the financial sustainability of the foyer model. Unlike many of the foyers in the UK, the existing and proposed Australian models cannot rely on a stream of funding such as the Supporting People's Benefit in the UK, and nor do they have social enterprises that could cross-subsidise their operations to any extent. The foyers are being developed as special projects but require a level of subsidy from donations or fund-raising or extraneous philanthropic grants to make up the financial deficit.

An argument is made to create an extensible source of support funding specifically for supportive housing for homeless and at-risk youth. One mechanism would be to create a new 'supportive housing' category within youth allowance on the ground that young people who are not ready to live fully independently require more support than is provided through other categories of youth allowance and rent assistance. Another would be a FaHCSIA program of individual supportive housing packages for homeless or at-risk young people who are resident in a foyer program and participating in education, training and/or employment. A joint program of the two Federal departments, FaHCSIA and DEEWR, could be considered on the basis that foyers are about housing and support outcomes as well as education, training and/or employment outcomes.

The development of a sustainable funding model is an important issue given the number of foyer being planned and developed. Several policy settings are raised for consideration: a review of the assumption of low-need to focus more on readiness for participation; a structured and systematic plan to identify and prioritise areas of need; standardised performance measurement and financial reporting metrics to ensure that we know whether at-risk youth or homeless youth are being assisted; a range of foyer-like models.

GLOSSARY

ABS	Australian Bureau of Statistics.
ATSI	Aboriginal and Torres Strait Islander.
Employed	Persons, aged 15 years or over, are defined by the ABS as employed if they have worked for one hour or more for pay, profit, commission or payment in kind in a job or in a business, or worked for one hour or more in a family business or are employees who are not at work.
FaHCSIA	Department of Families and Housing Community Services and Indigenous Affairs.
Foyer models	Foyer models provide housing for young people who are homeless. The housing is conditional on their participating in education, training or employment. Several Foyer models currently operate in Australia.
NAHA	National Affordable Housing Agreement - an agreement by the Council of Australian Governments that began on 1 January 2009 to provide a whole-of-government approach to housing affordability and homelessness.
NILF	Not in the Labour Force – people classified by the ABS as neither employed nor unemployed (ie. looking for work) who are therefore not in the labour force.
Primary homelessness	Individuals without conventional accommodation - for example, people living on the streets or sleeping in parks, or in cars and railway carriages.
SAAP	Supported Accommodation Assistance Program - created in 1985 from pre-existing state/ territory and Commonwealth programs.
Secondary homelessness	Individuals in temporary accommodation, including those staying in emergency or transitional accommodation, people temporarily living with other households because they have no accommodation of their own, and people staying in boarding houses on a short-term basis.
SHS	Specialist Homelessness Service

Tertiary homelessness

People living in boarding houses on a medium to long-term basis. These people are sheltered, but do not belong to a household that has exclusive access to kitchen and bathroom facilities. Most boarding house residents do not have a lease over their accommodation.

Unemployed

Unemployed persons are defined by the ABS as persons aged 15 years and over, who were not employed during the reference week, and (a) had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week, and (b) were available for work in the reference week, or were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available.

ACKNOWLEDGEMENTS

This project was supported with funding from the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). The authors gratefully acknowledge the financial and other support received from the Department.

The authors wish to acknowledge the assistance of the representatives of the participating youth Foyers in the UK and Australia who provided data and informed commentary used in the development of this paper. In particular, we acknowledge the information and advice from, Janet Jukes, Peter Humpries and David Eldridge.

EXECUTIVE SUMMARY

Specialist housing schemes are required to meet the needs of individual groups within the homeless population. Youth make up a significant part of the homeless population within the homeless community requiring support and assistance specific to their needs. Young people become homeless for a variety of reasons. Programs which provide early intervention and other assistance are needed to break the cycle of intergenerational homelessness and give youth every opportunity to engage with employment, education and training and maximize their chances of living productive and full lives and contribute to society and the economy. Within this context many countries have adopted the youth foyer model.

While youth foyers are not a new phenomenon there is a lack of research looking at their effectiveness, and in particular, their cost effectiveness as a way of addressing youth disengagement. Youth foyers address two of the most pressing social issues many young Australians: homelessness and unemployment. They provide an opportunity for young people to gain safe and secure accommodation as well as develop independent living skills while they are engaged in employment, education and training. In Australia, the youth foyer is a relatively new development with only a handful of established programs however more are currently being built and planned at the time of this paper being prepared. It is relevant and timely that this report deals with the effectiveness and cost of operating such programs.

This report finds existing and planned foyers are heavily reliant on state and federal government support to construct facilities. Furthermore, the income generated from the current rentals is insufficient to ensure the financial sustainability of existing foyers without continuing government funding or external charitable funds. Unlike many of the foyers in the UK, the existing and proposed Australian models do not have social enterprises that could cross-subsidize their operations to any extent. Some of the newer projects in Australia are student accommodation built on TAFE land and providing accommodation to selected homeless or at-risk youth. The main issue is not capital funding so much as whether support can be financed from various sources of income available to residents.

1 INTRODUCTION

The Foyer Model provides a package of accommodation and support to young people aged between 16 and 24, who are homeless (in situations of primary, secondary and tertiary homelessness) or at risk of becoming homeless. Typically, residents stay in foyer programs between 6 and 18 months with the aim of supporting them while they undertake further education, training or enter employment and subsequently move onto independent living or move back with family members.

Support typically includes:

- Training and mentoring (including life skills)
- Assistance with seeking and securing employment
- Sports, arts and social activities
- Assistance with securing accommodation on exit from the foyer.

Staff may assist young people with shopping, cooking, cleaning and paying rent. They may also assist in obtaining financial support and budgeting.

Residents are required to sign an agreement or contract that commits them to participation in education, training or employment as a condition of their acceptance into the foyer accommodation.

Support workers act as mentors to the young residents setting goals, reviewing progress and providing information and support to access local services. Specialist support to deal with issues such as health, income and employment issues are called in as required. At the end of their tenure with the foyer, support workers assist residents make the transition to fully independent living.

The core concept of a foyer is the packaging of support including accommodation but on the basis of a agreed commitment to participate in education, training and/or employment. Education, training and/or employment are in the foreground not the background of the arrangement. Participation is not optional, it is mandatory. Philosophical, the basis for this design can be thought of as providing accommodation and support as a 'reward' for a young person making this commitment.

Supported housing schemes and foyers are not the same. The important point of distinction is that with foyers the accommodation is the tool used to engage with young people and support their participation in education, training or employment.

Originally, foyer models were developed in France to provide for young people moving from rural areas to the city to find work. The word 'foyer' is a French word that refers to that type of accommodation, but it is now more synonymous with the UK concept of supported youth housing . As the foyer sector was developed, the focus was broadened from purely employment to providing support on a range of issues faced by young people living away from home. The model has now spread through Europe and the UK and a few 'foyers' have been established in the United States and Canada. These newer models are targeted primarily to young people who have experienced homelessness.

Since 2008, in Australia, there has been interest in developing Foyers as a form of supportive housing for young people from highly disadvantaged backgrounds. Impetus for the adoption of the Foyer model came from Recommendation 9 of the National Youth Commission (NYC) Report:

An Australian version of the UK/European Foyer youth housing model should be developed that packages accommodation with other support, particularly education and training. Other initiatives might include accommodation for homeless school students, and boarding students, and 'boarding school' projects linked to Indigenous communities. One third of the homeless population are young people. The NYC recommends that; - one third of the \$150 committed by the Commonwealth Government on housing the homeless people should be applied to develop a new layer of youth housing for homeless young people, connected closely to education training and employment (Australia's Homeless Youth, A Report of the NYC Inquiry into Youth Homelessness, 2008) (p255).

The Australian Government recognised the need for models like the Foyer Model. In *The Road Home* – the Australian Government's report into homelessness noted that:

More supportive housing models, such as Foyer models, also need to be established to target young people who are homeless. As discussed above, these models provide supported accommodation that is connected to education, training and employment. Young people have access to

accommodation while they develop longer-term skills to become independent (Australian Government 2008: 50).

Support for the adoption of foyer models of youth housing comes from a desire by both governments and welfare providers for greater social inclusion and more effective transitions to independence. Central to this agenda is the requirement for 'more targeted interventions and rectifying poor lifestyle choices to help address social exclusion' (Smyth 2010). But also, foyers can be seen as another type of targeted intervention.

A number of research studies have been undertaken regarding Foyers, mostly in the UK. While these studies have made claims about the benefits of foyers in assisting the transition of young people to independent living (see Hillman, 2010) and with life issues (see Taylor, Stuttaford, Broad and Vostanis (2006), there has been some critical commentary about the foyer industry also (Allen, 2001). In Australia, the few articles that have been published have tended to focus on the experiences of the UK and French Foyers as models for the development of foyers in an Australian context. For example, Clay and Coffey (2003) present an overview of UK 'Foyer' models to illustrate how this could be adapted in the Australian context. Their reference point was the development of the Miller Campus Foyer in New South Wales.

This project aims to analyse the costs and cost effectiveness of Foyer and Foyer-like models of youth accommodation. It will examine the existing Foyers in Australia and consider the experience of Foyers in the UK to identify the various activities that take place under the model, and then undertake an analysis of their costs and output data. Some consideration of appropriate cost effectiveness metrics was undertaken.

O'Toole, Dennis, Kilpatrick and Farmer (2010) have examined the governance of regional welfare organisations including youth foyers in the UK as exemplars of best practice. However, despite foyers having been in operation in the UK from the early 1990s, as yet, there has been no published study that has considered the financial basis of the foyer model. On this point, this exploratory study is able to make a modest contribution to the debate.

Specifically, the project set out to obtain a breakdown of capital and operating costs, obtain metrics on cost effectiveness and efficiency based on throughputs and the available outcomes data in order to examine the financial viability of the foyer model.

In addition to these aims, the research sought to provide a context for the development of foyers and to bring to the attention of policy-makers and people in the youth welfare and housing sectors, the benefits and issues associated with foyers, particularly the issue of financial sustainability. This report focuses on cost, funding and performance issues for youth foyers.

The structure of this report is as follows. In Chapter 2, we provide a broad overview of the existing literature relating to Youth Foyers as well as provide background to the foyers currently operating in overseas and in Australia. Chapter 3 presents an overview of the study's methodology, the research aims, and the data collection. Chapter 4 presents the findings from the study. Finally, Chapter 5 is a discussion of some policy implications.

2 YOUTH FOYERS: A REVIEW OF THE LITERATURE

In the 2011 Census, the Australian Bureau of Statistics estimated that approximately 105,000 people are homeless in Australia on average on any particular night of the year. The derivation of accurate statistics on young people was admittedly somewhat problematic. However, Chamberlain and MacKenzie (2009) estimated that some 40,000 young Australians are young people under the age of 25 were affected by homelessness each year.

Homeless young people and those at-risk of homelessness come from varied backgrounds including state care. Typically, many have high and complex needs, facing challenges that include the effects of child abuse and family violence, involvement with the juvenile justice system, disability and mental illness, not to mention drug and alcohol issues. Many have left school early or have experienced difficulties at school or in employment. A significant number have children themselves. Some come from culturally and linguistically diverse backgrounds and a significant proportion are indigenous (Mallet et. al. 2010).

Flatau *et al.* (2006) noted that homeless people make much more use of emergency services than the mainstream population. Also, It was noted that the long-term use of emergency services is more expensive to government and society than providing integrated housing and support. However, a cautionary note was added that the full cost of homelessness may never be known due to its diverse and complex impacts.

Experiencing homelessness under 18 years of age is a significant risk factor for long-term homelessness and arguably requires different mix of supports from what is typically provided to adults:

Young people without complex needs may benefit from secure accommodation integrated with support to maintain ties with mainstream education and employment, and develop independent living skills and confidence, for example as provided by Foyers (AHURI 2010).

Rooming houses that provide long-term accommodation for a significant section of the homeless population are seen as inappropriate and unsafe for young people because of the risks of violence, drug use and crime (AHURI 2010).

2.1 The Foyer Concept

The definition of the foyer model proposed by Anderson and Quilgars (1995) has been used in this study:

(an) integrated approach to meeting the needs of young people during their transition from dependence to independence by linking affordable accommodation to training and employment' (Anderson & Quilgars, 1995).

The foyer model aims to address youth unemployment and homelessness by assisting young people from a position of reliance on community services support to independence where they have sufficient income to afford their own accommodation and living costs. Typically, a foyer offers a combination of secure accommodation and an integrated program of job skills, training and living skills (Anderson 2001).

Employment and education have been identified as important in providing pathways out of homelessness (Gronda & Coventry 2009). Hence, the core concept is the integration of support services into a package of support and accommodation tied to participation in education, training or employment. Residency is set-up under a contract/agreement between the applicant and the foyer agency. Participation in education, training and/or employment is not optional. It is mandatory and a condition of residency. While it might be argued that such a condition excludes some people, turned around, it can be argued that the residency package is a reward or an incentive for participating in education, training and/or employment. In an important sense, participation in education, training or employment is in the foreground and other supports and housing are in the background.

Philosophically, this is a different approach to providing supported accommodation with an added effort to try to assist clients into education, training or employment. In this case, such participation is voluntary and in no way a condition of being accommodated. In Australia, the Job Placement Employment & Training Program (JPET) was launched in the 1990s as a program to support young people in education, training or employment, but in many instances, the JPET programs operated apart from agencies providing supported accommodation (i.e. SAAP). The two programs were funded out of different government departments and this may account for the fact that there was generally little integration between services. There were some linkages, and where JPET and SAAP were delivered by the same agency, it was possible to operate in a more closely coordinated way. In 2002, an evaluation of JPET claimed that 43 per cent of participants were involved in

education at the end of six months and 27 per cent were employed on exit from the program. Both outcome metrics are much lower than data coming from the foyer programs analysed below.

The Victorian discussion paper (2010) on foyers and foyer-like models tends to refer more loosely to Foyer-like models rather than 'foyers' as such. The advantage of this looser terminology is that it seeks to avoid tying the development of foyers in Australia to reproducing the English model(s) and it allows for a broader range of models that contain the core concept of foyer model. A photograph of a foyer in the UK shows a building. But, that image does not represent the concept whereby the foyer program is a package of support tied to education, training or employment. The following list of variants of foyer-like models all conform to the core foyer concept.

Dispersed Foyer: In the UK, foyers have become almost synonymous with buildings of a substantial size, purpose-built with on-site security and support. Over time, there has been a shift from student college accommodation to facilities with independent units. Less well-known are experiments with a dispersed number of units in a locality but close to the foyer hub where the staff are located and from where support is provided. This is considered to be workable for young adults, but not as appropriate for 16-17 year olds. Some of the existing stock of transitional housing in Australia could be readily repurposed using this model.

School-linked student supportive housing: A house or a small cluster of units on a school site or in close proximity to the school is a Foyer-like model. The residents would be homeless young people returning to school, students who became homeless while still at school or students at high-risk of becoming homeless. Support may come from the welfare team at the school as well as a local youth agency. Since the residents would be 18 years or younger, a significant amount of support and supervision would be required due to the age of the residents, quite apart from additional high needs some of them might have. Only a small cluster of relocatable units would be on any one school site and the residents would be attending the school.

The 'boarding school' model: Boarding schools are usually associated with wealthy families who send their children away to school. There are boarding schools of this kind, particularly catering for boarders from pastoral families in rural and remote locations. But, there are also a small number of boarding school initiatives for disadvantaged students or Indigenous students. For some years, Indigenous

advocates have argued for this option for Indigenous students. The accommodation would be located on the school site and there is scope for economies of scale.

Student rooming house accommodation: This is a rooming house facility rather like a student college for young people attending an educational institution or working. Many of the UK Foyers are like this. The rooms have shared facilities and residents eat in a cafeteria rather like the student college eating hall. A student college at a university or college of higher education does not cater especially to disadvantaged or homeless residents. A UK Foyer does. It is possible that student accommodation associated with TAFE or universities could be allocated to disadvantaged young people who also are enrolled in courses. Generally, these days, self-contained units are preferred to rooms with shared facilities.

Staff quarters associated with an enterprise: Some enterprises in areas where housing is in short supply provide staff with accommodation. It is conceivable that a social enterprise providing employment to homeless and disadvantaged young people could also provide supported accommodation for their employees.

The above list of possibilities does not exhaust what could be considered.

In the sections that follow, we will briefly consider the history of youth foyers, define important terms and review the literature that deals with youth foyers. Our focus is on the cost, funding and performance of foyers. In our review we examine relevant international studies, due to the limited research that has been undertaken in Australia. In the concluding part of the literature review we briefly discuss the policy context of youth foyers.

2.2 The history of Foyers

First developed in France, the concept of a 'foyer model' of youth housing has come into prominence in Britain in the past two decades. Since then, the model has begun to be picked up other countries, including the US, Canada and Australia.

In France, foyers were developed to help youth coming from rural areas establish themselves in the cities where employment opportunities were more plentiful. The word Foyer in French means 'hearth' or 'place of welcome'. Foyers *Pour Jeune Travailleurs* came into prominence after World War Two when many young workers came from the countryside to towns in search of work, but accommodation was limited (Anderson and Quilgers, 1995). In 1955, the L'Union Nationale des Foyers et

Services Pour Jeunes Travailleurs (UFJT) was established as a national association to represent the interests of French foyers. The basic idea is that with secure accommodation residents can concentrate on employment, or education and training. French foyers typically do not specify age restrictions. About 100,000 young people are accommodated in France each year (Shelter 1992). Some French Foyers have restaurants or cafes attached that are open to the public and which make a contribution to the operating costs of the foyer.

The principles that apply to the French Foyers include:

- local management of foyers by steering committees comprising local members of the public;
- provision of housing;
- peer group support and promotion of cultural diversity and respect for the individual;
- nothing is free but everything is affordable;
- the majority of revenue comes from clients.

(Source: from Shelter 1992 as cited by Randolph, Pang and Wood 2001)

Job search functions are not a typically feature of the French Foyers as the primary focus is on accommodation, however Shelter (1992) noted that some French foyers do provide assistance to help young people establish small businesses.

Little material relating to the evaluation of French Foyers has been made available in English, although one early study by Shelter (1992) noted that they have been successful in that those residents who leave have higher incomes after leaving. Given the paucity of evidence on French foyers and the similarity in design and intended aims between Australian foyers and their UK counterparts, our focus will be on the UK foyer sector.

UK foyers were developed from a recognition in the early 1990s that the problems of youth homelessness and youth unemployment were serious and related issues and that a conjoined response made sense (Anderson and Quilgars 1995, p2). The thinking behind the model was (a) that unemployment and homelessness were linked and (b) that the link between the 'no home no job no home' cycle needed to be broken (The Foyer Federation, 2001). In the UK, the foyer concept was initially promoted by a partnership between Shelter and Grand Metropolitan, which together formed the Foyer Federation in 1992. The Federation provides support, networking and policy development to the foyer youth housing sector and strongly promotes a

quality assurance scheme through which foyers obtain accreditation under the Foyer Federation's independent Quality Council. Accreditation is a feature of the way that foyers were developed in the UK. The network of accredited foyers covers 120 facilities in both urban and rural communities. The foundation of the Federation is a good example of an initiative from the housing sector that was subsequently taken up by Government.

UK Foyers provide housing to young people between 16 and 25 years of age who are homeless or in need of housing – about half are aged 16 – 17 years (Hillman, 2010). Foyers take a holistic approach to client need, providing integrated accommodation, training and employment assistance. Every client enters into a formal agreement with the foyer program about the education, training or employment activities that will be undertaken as a condition for residency. The aim is to develop a resident's life skills and build resilience and self-confidence to enable them to live independently.

The number of foyers has increased from 35 schemes in 1995 to over 130 in 2007, supporting more than 10,000 young people each year (Quilgars, Johnsen and Pleace 2008b). Most of the original foyers in 1995 were redeveloped from existing YMCA youth housing, that had been operating along foyer lines for many years. There has been significant UK investment into the youth housing sector over the last 20 years with much of this going into the development and support of foyers. The majority of foyers are accredited through the Foyer Federation, but some facilities provide the same services as accredited foyers without seeking formal accreditation.

The development of foyers in the UK has been closely associated with the housing association and supported housing sector and funding regime currently managed by the Housing Corporation in England, Scottish Homes in Scotland and Ty Cymru in Wales (Randolph, et al., 2001 p.9).

Capital funding of UK foyers has largely been reliant on the Social Housing Grant (SHG). In addition, a range of Government and private funding sources including EU social funds and national lottery proceeds have been used in to meet capital costs. A high proportion of the operating costs comes from the Supporting People program which is a component of the local authorities Area-Based Grants. A major difference between Australia and the UK is the much greater role of local authorities (i.e. local government in Australia) in providing housing and social services. Some Foyers operate commercial not-for-profit activities such as cafes, training facilities and retail

outlets to generate additional funding, although, with a few exceptions, this is not a substantial source of disposable income.

Most foyers are owned by Registered Social Landlords (RSLs), which are UK housing associations (Hillman, 2010). They operate with a variety of entry and referral points. Often housing associations develop the foyer buildings, retain ownership of the buildings and responsibility for maintenance, while the management of the foyer is undertaken by specialist social services agencies. However, the separation of housing management and support does not appear to be as consistent as in Australia. In the UK, some agencies both own the foyer building and provide the support to residents and separate these functions within their own organisation.

Foyers vary in size and how they operate in their community context. Many of the first foyers were developed from existing hostels, but the newer foyers have been purpose built. While most foyers are located in the cities, there are foyers in regional towns and rural settings. Accommodation can range from single bed self-contained motel-type rooms to flats with several bedrooms, a shared communal kitchen, a bathroom and common lounge area and co-located with training facilities. Many of the older foyers are like rooming houses or student accommodation with access to shared kitchens and bathrooms, and they operate canteens where residents can eat cheaply. Depending on the location of the foyer, a few foyer canteens/cafes/restaurants are open to the public. The newer foyer buildings provide self-contained apartments and residents are expected to live independently.

UK foyers vary in design from a centralised building complex to buildings clustered around a central hub or dispersed unit throughout a community linked to a central agency office. The size of foyers varies considerably. Most are in the range from 30-40 beds but there are some that are much larger with 100 – 200 residents. In rural and regional areas foyers can be found that provide only a handful of beds.

Many foyers, particularly those in the cities, have 24 hour staffing, while smaller facilities might have floating support shared between two or more facilities administered by the same agency. Some offer in-house training and recreational facilities. In response to security and maintenance concerns close circuit TV and electronic security systems are extensively used. Residents meet regularly and determine the rules of that they are expected to adhere to. Some foyers have facilities that are used by the wider community which may assist in reintegrating young people into the community. This also has the benefit of strengthening local

communities through non-residents involvement in the social cultural, educational and social enterprise activities (Hillman, 2010).

Foyers in the UK must meet Foyer Federation guidelines to become accredited. While a Foyer Federation has been established in Australia, it is unlikely that it will develop in the same way that the Foyer Federation did in the UK. In the Australian community sector there are a range of existing quality assurance schemes and forms of accreditation such as the Victorian homelessness quality standards. On this basis, the need for a foyer accreditation body is probably redundant in the Australian context, however, an association of foyer providers could serve to share experience and engage in advocacy for the development of supportive housing for young people.

Quilgars (2008) noted that the original UK model aimed at providing high quality hostel type accommodation with on-site services including access to training and employment for youth with low support needs. In terms of the original design, foyers were not intended to provide support to clients with high needs (Randolph, Pang and Wood 2001). However, foyers models have been developed according to local needs (Streich and Greene, 1998; Quilgars, 2001), and in reality, deal with a wider range of clients including many with higher needs (Quilgars and Andersen, 1997; Lovatt and Whitehead, 2006). Foyers have become popular with young people because they provide a generally good standard of accommodation and are seen to be a relaxed supportive environment despite the compulsory conditions attached to residency (Quilgars, 2008). However, that positive experience is not universal. One study of foyers in northern England found that residents' experiences were less positive and at variance with the claims about resident satisfactory made by the foyer management, with residents disliking zero tolerance policies for transgressing rules (Allen 2001).

Insufficient revenue has been noted as a difficulty in the sector and a lack of revenue has led to closure of some foyers. Insufficient revenue can limit support services that can be provided and maintenance. Despite the fact that many of the foyers were developed through public-private partnerships, their long-term viability ultimately depends on secure streams of long-term funding from government (Randolph *et al.* 2001).

One of the best-known youth foyers in the UK is the Aberdeen Foyer in Scotland. This was opened in 1998 and operates on six sites with accommodation for up to 80 young people. The UK Housing Benefit covers a young person's rent while the Supporting Person Grant pays for support services for up to two years. Young people

who are working pay some or all of their rent from their earned income on a sliding scale. The foyer offers a range of training and personal development courses for clients and the wider community. It has a subsidiary training company Foyer Enterprises which operates a number of business ventures including cafes and restaurants, graphic design service, driver training, a property maintenance company and an ice-cream franchise. The Aberdeen Foyer is held up as an exemplar of foyer excellence because of the added value of its social enterprises as well as its linkages with its community. During a field visit, the manager of the foyer was quick to point out that the social enterprises, even when profitable, did not provide a substantial proportion of the base operational income of the foyer, but did provide additional funds that enabled the organisation to recarpet and repaint or even refurnish a room once a resident had moved on.

Outside of the UK, several countries have established or are considering establishing foyers. One of the most well-known youth foyers in the US is the Chelsea Foyer in New York City operated by Common Ground. This Foyer commenced operations in 2004 under a partnership between Common Ground and Good Shepherd. The Foyer operates 40 self-contained units within a large complex of units. Residents pay a fee based on their income in lieu of rent, which they receive back when they successfully complete the program. The foyer has a higher proportion of residents with higher needs than a typical UK foyer. Follow-up aftercare is not provided although residents are encouraged to stay in touch with the service and their peers. In terms of the effectiveness of the model, Gaetz and Scott (2012) have reported that only two per cent had stable accommodation at entry, while some 77 per cent moved onto stable accommodation at exit, and 84 per cent of these residents were still in stable housing one year later. Also, some 91 per cent of exiting residents were employed one year after exit from the service.

2.3 Evaluations of UK Foyers

From a small number of schemes in the 1990s the number of foyers has grown rapidly to over 130 by 2007. Even so, by 2005/6, foyers represented an important but small number of supporting people service interventions for young people accounting for around 10 percent of total interventions (Quilgars *et al.* 2008b). Since their introduction, a variety of foyer models have been developed with some smaller rural models (Streich and Greene 1998, Quilgars 2001) and some including residents with higher needs (Quilgars and Anderson 1997 Lovatt and Whitehead 2006).

As recently as 2008, Quilgars *et al.* (2008b) noted that monitoring of outcomes of UK Foyer was still very underdeveloped. In an Australian review of the literature, Gronda (2009) commented that there was limited quantitative evidence available about the effectiveness of foyers due to methodological difficulties including controlling for the individual characteristics of young people, an inability to track young people on exit and the unique characteristics of local contexts.

In 1994, Crook and Dalglish did an evaluation of the YMCA foyer pilots over their first six months of operation. This was the earliest evaluation of the pilot YMCA foyers in the UK and the data consisted of a series of interviews with foyer staff, both frontline workers and management. Many of the residents were found not to be ready for the labour market due to psychological illness. Securing stable accommodation on exit was an issue. However, this was an evaluation undertaken at the very beginning of the foyer movement and the adverse assessments must be considered in that context.

Quilgars and Anderson (1997) summarised the findings of evaluations of UK Foyer in the early 1990s and found improved educational and employment outcomes. Overall, around one-quarter of young people left with employment and permanent housing. It is difficult to generalise the outcomes of the evaluation of UK foyers though. As Smith (2004) noted, evaluation of UK foyers client outcomes were heavily influenced by local housing and employment conditions and the needs of the targeted group. He cautioned against comparing outcomes across different foyers.

Lovatt and Whitehead (2002) undertook case studies of several small rural schemes, a large metropolitan scheme and a three town based schemes. They did interviews with both tenants and staff. Their findings were that the small rural foyers faced difficulties due to small size, isolation and relatively poor wages which lead to high staff turnover. On the other hand, at the city-based foyer, staff morale was high and staff turnover low. Residents in the city had greater access to local council facilities.

Rich and Clarke (2003 and 2005) found individuals with psychiatric conditions and/or substance use issues did significantly better with integrated housing and support than those who received case management only. Low-impaired individuals (ie. lower need individuals) did equally as well under either intervention. Males did better than females in situations of combined accommodation and support and structured social interactions were highlighted as beneficial.

In the UK, Maginn *et al.* (2000) and Smith and Browne (2007) noted that there has been some success in terms of sustaining transition to independent living for some residents and increased participation in employment, education and training.

Finally, Smith (2006) in research on 126 youth in ten UK foyers found that outcomes depended on a combination of a young person's own resources, the opportunities in the local area for employment and education and the services they had received during and after their stay at the foyer. The majority of young people were in some form of social housing after their period in the foyer. Two-thirds were in full or part-time work and/or study. While their incomes were relatively low, living in the foyers helped to build self-esteem and assisted them to prepare for independent living.

2.4 The Australian experience

Several foyer models are operating in Australia and the number is growing. In addition, a Foyer Foundation has been established in Australia to promote foyer models. While relatively little work has been done on the evaluation of Australian foyers, there has been discussion within the social welfare community about foyers as an important innovation in the effort to address youth homelessness and disadvantage in Australia. For example, The AHURI Research and Policy Bulletin "Youth Homelessness in Rural Australia" notes that the foyer model could help rural young people establish themselves without relocating to cities by living in foyers in rural centers. Since the early 2000s, there are several projects in Australia that have been developed to incorporate many features of the UK Foyer model. The earliest foyers include Melbourne City Mission's Step Ahead program in Melbourne and the Miller Live 'N' Learn Campus in Western Sydney, followed by the Ladder foyers in Melbourne and South Australia and the Southern Youth and Family Services program in Wollongong. Generally, these Australian Foyers have been strongly influenced by the UK and are in many respects similar to the UK foyers.

The Miller Live 'N' Learn Campus, which arguably deserves the credit for being the first Australian foyer project, is based on a converted block of NSW Department of Housing units with 29 self-contained units as well as compute room, laundry, and office space. Development and refurbishment costs were initially met by the NSW Department of Housing who also retained ownership and provide cyclical maintenance. The Department of Housing initially committed \$1,149,000 to the project. Operational costs are made up from rents, business activities and charitable

contributions. Residents are predominately female, aged between 16 and 25 years and with low support needs. Residency is limited to two years. Residents are responsible for their own cooking, cleaning and the upkeep of the property and they are expected to participate in a targeted support and training package. All residents must undertake a compulsory short living skills program. According to Clay and Coffee (2003), the foyer focused on providing a safe and stable living environment, developing life skills and on educational and employment opportunities achieved through the development of life and social skills.

The Step Ahead service was the first foyer-like model to operate in Victoria commencing in Melbourne in 2004. It was initially a three-year pilot program funded under the Youth Homelessness Action Plan Stage 1 (YHP1) by the Victorian Government. Additional capital funding came from the Sidney Myer Foundation, and Melbourne Affordable Housing. The building was a Baptist Church property in the Melbourne central business district converted into eight self-contained apartments and named Lion Gardens. The service is operated by Melbourne City Mission funded by the Victorian Government and the Sidney Myer Foundation to provide integrated accommodation, living skills, access to education/training opportunities and employment support. Tenancy management is provided by Melbourne Affordable Housing. While Lion Garden operates along the lines of the UK foyers, Step Ahead also operates a Transitional Housing Management program which provides dispersed accommodation in six two-bedroom units with support at various sites in inner Melbourne. Residents can stay up to three years and are encouraged to remain in contact with their case worker and social contacts made during the program through an initiative called 'Aftercare' (Victorian Government 2010).

In Wollongong, Southern Youth and Family Services operates the Illawarra Youth Foyer Project. The project started in a renovated Department of Housing building providing eight self-contained units and communal areas. It now provides medium to long-term supported housing in a variety of housing and accommodation facilities which also include dispersed independent living units.

The Ladder Foyer in Hoddle Street, Collingwood, Melbourne, offers integrated accommodation and support. Launched in 2009, it is a five-year partnership between the Housing and Community Building Division of the Department of Community Services and the Ladder Project (the Australian Football League Foundation and the Australian Football League Players Association). The initial capital investment was \$6.4 million from the Victorian Government with \$1.6 million private equity capital

raised by Yarra Community Housing, and some other private and corporate donations. Melbourne City Mission provides case management and support while Yarra Community Housing is the owner and tenancy manager of the building. The AFL Players Association through the Ladder charitable organisation provides client mentoring and what is called 'innovation brokerage'. Innovation Brokerage is another term for the role of project leadership and describes the activity of the project developer. The property consists of 21 self-contained apartments with a common room and kitchen facilities and a courtyard with BBQ facilities. Residents can stay for up to two years. Accommodation is operated under a lead tenant model. Residents can be referred to other homelessness support services if the need arises and generally are considered to have low to medium support needs. In addition, Ladder operates another foyer in Adelaide in partnership with the South Australian Government and St John's Youth Services.

Several other foyers are in various phases of construction or have recently commenced operating but have not existed long enough to produce any meaningful data to include in our analysis. For example, the Brophy Youth Foyer, which commenced in July 2012, in the western Victoria seaside town of Warrnambool has 18 units managed by Brophy Family and Youth Services. The site will have of one and two bed units, a communal lounge, kitchen and games area. Their official fact sheet indicates there will be a staff of 12 to provide 24-hour supervision. Capital funding was being provided by the State and Federal governments while recurrent funding is being provided by the Department of Human Services to fund the residential support programs.

A new foyer in Western Australia (the Oxford Foyer) is expected to open in August 2013 (Government of Western Australia, 2011). This development is expected to house 98 residents aged between 15 and 25, however only 35 would be young people at-risk or actually homeless. The project is a partnership between Anglicare WA, Foundation Housing and the Central Institute of Technology. Anglicare WA will be responsible for staff and residential management, the Central Institute of Technology for providing tailored education programs and Foundation Housing will maintain and hold the 50-year lease of building. The consortium noted that the number of apartments was needed to make the operation financially viable. The estimated cost of construction and fit out is \$23 million, with recurrent costs being funded by the joint Commonwealth/State National Partnership Agreement on Homelessness with an additional \$700,000 per annum being funded by the Department for Child Protection.

Recently, another foyer-like service commenced in Canberra called 'Our Place'. This is a partnership between Barnardos and Anglicare provides 12 two-bedroom and two one-bedroom flats located in a housing complex near central Canberra. The arrangement does not offer onsite employment or training. Residents are encouraged to access education and training elsewhere in Canberra.

In April 2012, the Victoria State Government announced that it would provide \$10.4 million to build a foyer at the Homes Glen TAFE campus in Broadmeadows under a partnership with the Brotherhood of St Lawrence and Hanover and in association with Kangan Institute of TAFE. In February 2013, the Government announced another foyer development to be operated by Homes Glen TAFE, this time at their Waverley Campus. Higher Education Minister Hall issued a statement that said: 'the Youth Foyers provide on-campus accommodation for disadvantaged students, who want to study but are unable to live at home, so that they can continue their education in a safe environment ... without the assistance and opportunity (that) a place in the Foyer offers, these young people would be at-risk of homelessness, or of disconnecting with work and learning opportunities' (Media Release, 1 February 2013). The Victorian Government has provided \$30m to establish and operate three youth foyers, each with about 40 residents living in studio apartments and with 24-hour, seven days a week support. In these projects, the cost of land was zero since the land is owned by the State. This is a positive factor. The buildings will be purpose-built and the idea is that by providing accommodation for disadvantaged students at TAFE colleges, access to the College courses and programs is greatly facilitated. At this stage, from the available public statements, it is not entirely clear whether these facilities will cater for only homeless young people who are rebuilding their lives, or include a broader group of at-risk young people or young people who are regarded as educationally disadvantaged.

The Wesley Mission Brisbane (WMB) Logan Youth Foyer Support Service (LYFSS) is funded by the Department of Communities (DoC). The DoC has provided 22 units of accommodation with an additional two units for on-site service delivery. The service involves a partnership arrangement between Wesley Mission Brisbane and the Gold Coast Housing Company as tenancy managers and Career Keys who provide career support. The custom-built 22-unit complex on Garfield Road in Logan will provide accommodation for people aged 16-25 under the Logan Youth Foyer Support Service run by Wesley Mission Brisbane. Under the program, the group will provide up to three years of supported accommodation for residents at the \$3.7 million facility. The Gold Coast Housing Company received a grant of \$92,400 to

furnish the apartments. Participants need to meet the following requirements: be earning or learning; be between 16 and 25 years of age with no dependents; on the social housing waiting list; and have low to medium support needs.

Table 1 summarises the information on the Australian foyers that are fully operational in Victoria, New South Wales and South Australia.

Table 1: Profile of existing Australian youth foyers

Victoria

Project	Location	Agency	No. Beds	Description
Step Ahead	Melbourne CBD	MCM/Melbourne Affordable Housing/ Gospel Hall Trust	21 + Transitional Beds	Commenced 2004 part of Youth Transition Model Mix State/ Community funding
Ladder Hoddle	Inner Melbourne	MCM/ AFL Players Association/Yarra Community Housing	12	Operating Funding 50% Federal government 50% AFL Foundation. Capital Funding 75% Government 25% YCH

New South Wales

Project	Location	Agency	No. Beds	Description
Miller Live 'N' Learn Campus	Miller Liverpool Western Sydney	Live 'N' Learn Foundation	28	Commenced 2003 \$750 funded for renovation by Dept of Housing
Illawarra	Wollongong	Southern Youth & Family Services	34	Trail since 2002 Converted NSW Dept of Housing property

Adelaide

Project	Location	Agency	No. Beds	Description
Ladder Foyer Plus	Adelaide	St Johns Youth Services/AFL Players Association	20 – 25	Funded by Federal Government "A Place to Call Home" Total \$9.5 million (SA Govt \$4 M + Fed Govt \$5.5 M)
Foyer Foundation	Adelaide	St Johns Youth Services	80	Developed their own model

2.5 Previous commentary on Australian foyers

Given the relative infancy of the foyer sector in Australia, there is little outcome and evaluative data available. The Victorian Step Ahead foyer program was one of the earliest projects in Australia. Since its beginning, questions have been raised about its financial viability due to a high unit cost compared to other transitional accommodation. Melbourne City Mission's response to these criticisms was to acknowledge the issue of scale but point to the need for higher levels of support required by teenagers and the positive outcomes being achieved through Step Ahead. In 2010, the agency commissioned an independent evaluation of the program by a team from Victoria University.

The evaluation used a mixed methods approach including surveys and interviews as well as a review of case notes. The report, *Achieving (extra) ordinary aspirations*, found that young people's experiences during transition were complex and that assisting them was sometimes challenging and time consuming. The evaluation team interviewed 29 of the 63 past clients and found that mental health histories of abuse at home and conflict with other family members were common. On this basis, many of the residents were not low-need young people requiring only minimal support. Another finding was that residents spent on average about six months in the foyer program. This was substantially lower than the two-year duration of residency in the UK and the expected average for newer foyers in Australia. One third of residents leaving the service went onto community housing, one third to family and friends and one third into other independent accommodation. The service did not work particularly well for those with mental illnesses nor for those with psychological or physical barriers to employment or education (Grace *et al.* 2011).

In another study, Grace, Keys and Hart (2012) focused on homeless university students in Step Ahead and undertook detailed case studies of their experiences. They found that the accommodation and support provided to these students enabled them to progress in their studies, but that some faced challenges due to housing unaffordability and instability on exit from the program.

Step Ahead places a great deal of emphasis on its life skills program and the quality of the support provided to residents. Cameron (2009) reported tangible, positive results from the 'Step Ahead' program with some 98 per cent of program participants successfully achieving sustainable independence within 18 months of exit.

The first evaluation of the Miller Campus Foyer found that the program prevented young people from leaving school and that a lot of the residents aspired to attend university (Randolph and Wood 2005). In a 2010 concept paper exploring the adoption of the youth foyer model for the ACT, figures from the Miller campus were quoted that revealed weekly expenses of the campus of \$9,503 (cost per room for the 29 rooms was \$327.68 per week) while revenue from operations amounted to \$2,025. This resulted in a shortfall of \$7,478 per week or total annual shortfall of \$388,869. The paper made a note of a significant contribution to the Foyer Foundation of \$47,511.

In her report, *Evidence to Inform the NSW Homelessness Action Priorities 2009-2010*, Gronda (2009) commented that young people who did not have complex needs were likely to benefit from accommodation and support provided in a foyer program. But, the foyer model was in her opinion problematic for those young people with high or complex needs. Her proposition though is counter to the finding from Nelson *et al.* (2007) who after reviewing 16 evaluations of housing and support interventions for people experiencing homelessness and mental illness, found that integrated housing and support were more effective than support alone. The issue of low, medium and high needs remains a vexed issue for several reasons. Firstly, the definition of need is not sophisticated. Generally, high and complex needs seems to refer to people with mental health disorders and/or current drug and alcohol issues. Secondly, a person can have a lot of needs but be highly motivated and ready to participate in a foyer program. It might be more appropriate to theorise 'readiness' to participate in a foyer environment and adhere to its requirements. Based on the experience of foyers in both the UK and Australia, the needs of residents vary from individuals are largely function independently with a modest level of support to others who still require a lot of support. Excluded from a foyer would be young people with unmanaged mental health issues or untreated drug and alcohol issues. Young people recovering from homelessness and major life issues will require high levels of support. The reason the issue of need is so important is that assumptions about low need are used to calculate the unit costs of support.

2.6 The policy context

The literature on foyers suggests that the foyer model is able to successfully support homeless and at risk youth make the transition to independence and become self reliant. In addition to France and the UK, other countries are now involved in developing foyer models. For example, Germany and several other European countries have variants of the French and UK models (see Randolph *et al.* 2001). In addition, Canada and the US also have at least one foyer type scheme.

Foyers work across several welfare policy areas including youth, employment, housing and homelessness. The embodied innovation is the packaging and integration of housing and support with employment and training for a sufficient period of time to allow a young person to develop the capacity and means to live independently. While an analysis of the extant literature leaves little doubt that foyers do valuable work a consideration of their capital and ongoing operating cost and cost effectiveness is necessary. In addition, there are several factors that need to be considered. For example, Eberle *et al.* (2007) notes that foyers are only effective: 'if affordable independent housing is available to move onto afterwards'. In the UK, there is a substantial council housing sector. The problem of affordable housing in Australia is one factor that would tend to somewhat undermines the ease of transition to independence.

Transitional housing models such as youth foyers are but one avenue for providing assistance to the homeless. An approach which has become popular in North America is known as 'Housing First' implies that people do not need transitional support to get them ready for independent living provided they have permanent housing and the support relevant to their needs (Gaetz & Scott, 2012). However, the US studies that have examined "Housing First" have not explicitly considered homeless sub-populations such as young people. So, we do not know how well "Housing First" models might work for young people. Implicitly, the arguments for foyers suggest that young people need an extended period of support just like young people who are not disadvantaged receive from their families. Furthermore, a "Housing First" approach may be problematic in a tight housing market. Research into the efficacy of the "Housing First" model in the Australian context has yet to be undertaken.

In the UK, foyers were developed not so much as a response to youth homelessness but in response the economic recession in the early 1990s. Youth Housing and

Employment and Training assistance were conjoined and packaged. By contrast, in Australia, the Jobs Placement Employment & Training program (JPET) for young people was developed by the Department of Employment and Workplace Relations (DEWR) while the Supported Accommodation and Assistance Program (SAAP) was established by the Department of Family, Community Services and Indigenous Affairs (FaCSIA) to provide supported accommodation. Given the nature of youth foyers it is clear that both Departments have an interest in their development. Just how this could be operationalised going forward may be central to the success or otherwise of a sustainable foyer sector in Australia.

One of the major challenges identified early in the development of the foyers in the UK was the issue of funding. Anderson and Quilger's (1995) evaluation of the five pilot YMCA foyers and an additional two purpose-built foyers found that long-term funding was an issue for most foyers due to the lack of a secure long-term funding mechanism. The same point was made by Anderson and Douglas (1998) who commented that a major impediment to the development and operation of foyers was putting together an appropriate package of capital and revenue funding. Subsequently, Maginn *et al.* (2000) administered a detailed questionnaire to foyers across the UK and did face-to-face interviews with key managers. Revenue funding was found to be a problem for many foyers. Development funds were easier to come by than recurrent funding. This meant that some foyers had quality accommodation but had to rely on insecure and limited operating budgets. This is a situation that needs to be addressed in Australia where a small foyers are operating but many more are in the process of planning and/or construction.

It is in light of the UK experience that this report considers the cost and funding requirements of foyers in Australia. Funding and other issues aside, the need for the types of accommodation and assistance offered by foyers is expected to increase over the next two decades with escalating problems of family breakdown, drugs and anti-social behaviour together with the rising cost of housing (Lovatt, Whitehead & Levy-Vroelant 2006).

3 METHODOLOGY

This research project was developed out of concerns about the long-term financial sustainability of foyers. The idea of integrated or packaging of support, accommodation and participation in education, training and employment in an environment appropriate for young people makes theoretical sense. The evaluations that have been undertaken (even though data is not extensive) suggest that foyers or foyer-like models seem to be effective as transitional programs. At the outset of the development of an Australian foyer sector, it seemed useful to examine the economic basis of the model.

A field trip to the UK was undertaken in order to gain some first-hand information about the foyers in different geographical and socio-economic contexts and to gain an understanding of their services, operations and funding. Since foyers in the UK have been developed over the past 20 years, the UK experience was seen as an important reference or benchmark for the analysis of the Australian data.

3.1 Aims

The project set out to analyse the costs and cost-effectiveness of Foyer and Foyer-like models of youth accommodation.

Specifically the project aimed to:

- Establish the capital and operating costs of various Foyers;
- Disaggregate operating costs by site to enable meaningful comparisons across sites;
- Collect and evaluate data on throughputs;
- Develop metrics on cost effectiveness and efficiency;
- Establish funding sources and analyse the financial viability of Foyer models;
- Compare the various Foyer models in terms of operating cost, cost efficiency and effectiveness.

3.2 The sample

The research method consisted of quantitative and qualitative analysis of relevant data and included visits to representative foyers in the UK in the period April/May

2012. Interviews were conducted with key stakeholders at each site as well as tours of the facilities. The project team visited each participating Foyer to gather research data and conduct a general discussion of issues such as funding including government cost subsidies, governance structure, risk assessment and management plans.

The field trip to the UK in May 2012 consisted of visits to five foyers and at each visit interviews were done with staff in management roles. The visits included one major inner London-based foyer group and a site visit to their largest foyer. Another visit was to a foyer in a regional town of about 30,000 people. The foyer in this location was a small 40-bed foyer serving a youth population in an area with a depressed local economy and a large immigrant population. Another visit was to a 40-bed foyer in an affluent regional city of over 100,000 people. In London, a field visit was made to a large foyer in an outer suburban area of London. Finally a visit was made to a foyer in rural town of some 60,000 people.

Later in 2012 and early 2013, field visits and telephone contacts were made to the existing operating Australian foyers and relevant quantitative and qualitative data was collected. A description of the data obtained and analysis of results follows.

3.3 Data collection and field consultation

As well as a financial analysis of the foyers involving establishing the cost of delivery of accommodation and services measure of cost effectiveness need to be developed. This evaluation will focus on foyer output measures and not measure of outcome. The distinction between outcome and outputs is important. Outputs include qualitative data such as number of participants housed, training sessions provided, turnover of clients and percentage of ex-residents in sustainable housing over the long-term as well as the number unplanned exists. Outcomes relate to changed behaviours, skills, knowledge and other attributes and require the use of metrics and measurement techniques outside the scope of this study.

In order to perform an economic evaluation of the foyers, a range of data was sought including the following:

Financial data

- Capital cost - year of construction/renovation or lease/rental cost and details

- Annual operating budget
- Sources of funds including government, agency and donations
- Staff costs
- Overheads including head office allocation and the basis for allocation

Non-financial data

- Configuration of building/buildings
- Number of rooms/number of beds – en suite or shared facilities
- Cooking facilities or self-catering
- Other facilities such as communal area, counselling rooms, office areas, staff accommodation
- Number of staff, qualification, years' experience and role for each staff
- Services offered
- Volunteer hours and duties

Output Measurements

- Number of clients provided with assistance
- Support periods for those who received accommodation or housing support
- Number and percentages of clients who received support where needed:
 - With accommodation
 - To obtain/ maintain short term accommodation
 - To obtain Medium term accommodation
 - To obtain Long term accommodation
- Number of accommodation periods
- Average length of support for all clients
- Student status before and after support
 - Not a student
 - Primary/secondary student
 - Post secondary/ employment training
- Labour force status of clients before and after support
 - Employed full/ part-time
 - Unemployed or not in the labour force
- Number and percentages of clients who accessed specialist services where needed

- Psychological & mental health services etc

3.4 Some practical limitations of the data collection

Several challenges were presented in the execution of this study. Given limited resources and the time it takes to complete some of the requests made of them, agencies took a considerable amount of time to extract detailed performance and accounting data.

In terms of the site visits, senior staff were welcoming and open. The field visits allowed the research team to see the physical facilities and observe residents and staff over a short period of time. But the main data came from one to two hour interview/ conversations with senior staff.

In some of the UK foyers, multiple parties were involved: some provided housing and property management services; others provide case management support; while yet others provided mentoring and other assistance to residents. Some foyers had significant Government support and involvement while others did not. Obtaining accurate data in a form that could be usefully analysed for the purposes of this project was challenging also. Of course, the traditional issues of interpreting accounting data always exists when different organisations account for transactions in a variety of ways, all of which are in accordance with accepted accounting principles.

The financial data was not obtained by agencies handing over their full financial databases. Rather, in response to requests for information, various figures were produced. The information obtained varied in detail but was sufficient to do aggregated analyses of costs.

In a competitive environment, agencies like businesses generally could be expected to be somewhat reluctant to release detailed financial information. To some extent, this may have been the case, but our guarantees of confidentiality were accepted and we did not ask for particularly sensitive data. Another guarantee made to the foyers that participated in this study was that comparisons would not be made between different foyers and individual foyers would not be explicitly identified. What we were seeking was data that allowed us to do some aggregated analysis that could in turn inform policy.

Although the agencies were generally supportive of the research not all of the data requested was provided, not so much because of a reluctance to do so but probably because of the difficulty of meeting the non-routine requests.

4 ANALYSIS OF RESULTS

This report provides an analysis of Australian foyer cost and output data. However, in part, because the Australian foyers have been developed with such a strong reference to the UK foyer sector, but also because the UK foyer sector has more than 120 facilities built over a 20 year period, an analysis of UK data provides a useful benchmark despite the differences in the policy and funding context between Australia and the UK.

4.1 Results of the UK field work

The research team visited several UK foyers which varied in size and location, from large inner city sites to small regional centres. Table 2 provides a profile of some key background data of the UK agencies visited. As can be seen, the rents charged are roughly similar with one exception where the foyer provided meals to residents. Another interesting point is the ratio of support staff to clients that ranges to 1:6 to 1:20 in the case of the largest foyer.

Table 2: Description of UK Foyers Visited

Agency	No. of beds	Ratio support workers to clients	Fee £/week	Catering supplied	Foyer cross subsidised within organisation
A	110	1:10	250	Yes	Yes
B	44	1:8	238	No	No
C	28	1:6	210	No	No
D	42	1:10	214	No	Yes
E	210	1:20	N/A	No	No

Some facilities were purpose-built while others were buildings converted from a prior use. One foyer, that was one of these converted buildings, had a benevolent landlord who charged a peppercorn rent. A variety of facilities were available at different foyers. In one case there was a crèche, a dance studio, two restaurants, a café and a gymnasium. The income from these added-on facilities cross-subsidised the losses from operating the Foyer. Another foyer had a social enterprise that provided

maintenance and renovation services to housing owned by the agency. This venture was designed to provide training opportunities to foyer residents rather than to generate a profit. The standard physical foyer configuration included training rooms, communal kitchen and meals area and computer lab. Consequently, establishing a standard capital cost per bed is difficult aside from the fact that there are clear economies of scale in terms of providing the non-accommodation services. In the UK, many foyers were repurposed existing buildings and a few were donated to the agency operating the foyer. In many cases, particular for older foyers, staff were not able to provide information of the capital cost of the facility. The building has a value but we were not in a position to compare capital costs.

Many operational similarities were noted across the UK foyers. Residents could stay up to two years although the average length of stay was closer to 18 months. Clients were referred to the service by local authorities but assessed by agencies. Most facilities were self-catering but some older ones provide canteens where residents purchase meals. Each of the agencies that were visited also operated multiple foyers/sites. In total, the agencies visited operated over 850 beds. On exit from the foyer, all had 'move on' flats that clients typically stayed in for a limited time until they could move into housing in the community, which was usually council housing.

In some cases, young residents who gained employment were forced to resign as they are charged higher rents when they become employed. There appears to be a financial disincentive although this is moderated if their rental payments are adjusted incrementally as they earn income from employment. This is an unintended consequence of the funding arrangements that should be avoided if possible from occurring in Australia.

All foyers visited had training facilities of one sort or another; most consisted of a training room with some IT facilities. A variety of arrangements were in place to provide training either internally or externally. In one case, training was outsourced to a registered training provider that provided basic literacy and numeracy training. Another foyer outsourced training in life skills. One had their own learning and engagement team that provided internally provided literacy, numeracy and work experience programs. Irrespective of who provided the training the facilities were well utilised to provide a regular schedule of programs. Most had weekly sessions in life skills, employment counselling and wellbeing.

Table 3 provides an analysis of the income and costs of the participating UK foyers.

Table 3: Analysis of UK foyer income and costs

Income	% of total costs (Average)
Rents and Service Charges	63
Grants Received (Supporting People Block Grant)	37
Income Total	100
Cost	
Staff Related Costs	79
Operating/Program Costs	13
Administration Costs	8
Total Cost	100

Due to the different currencies involved and cost levels, particularly labour rates, comparing costs incurred in the UK to those of Australian foyers is problematic. Of relevance are the sources of income and make-up of the various cost components. Only major income and cost groups have been shown in order for ease of comparison with Australian data. It is evident that rents only partially cover the operating costs of the foyers. Government grants, specifically the SP Block Grant provide substantial funding to the UK foyers.

Without this support they would not be able to operate. The single largest cost component relates to wages while operating or program costs and administrative costs were substantially smaller. All of the UK Foyers visited were producing a small surplus although this should be interpreted with caution, as all of them were providing outreach and support in their respective communities in addition to their foyer activities. Hence a precise breakdown of unit costs cannot be derived from the data provided to us. Also, it should be noted that some did not pay commercial rates of rent for their properties and the figures do not incorporate any provision for replacement of facilities or repairs and maintenance. Changes to the UK Housing Benefit that began earlier in 2013 under David Cameron's Tory Government are likely to change this position. From a purely financial standpoint, larger foyers will be more resilient to the impact of these changes than the small foyers.

If repairs and maintenance are included they averaged about nine percent of total expenses. Even after this item is included in the analysis, all the foyers still covered their operating costs. The difference is to be found in the extent to which the benefit

regime is sufficient to pay for the additional support that young people require as young people. Even though many are adults legally, they have not been able to achieve the level of independence that was possible for previous generations. In the UK, by accident or by design, the Supporting People's Benefit and the other benefits are the underpinning of foyers for young people.

Table 4 illustrates how salary costs across the various functions of the foyers operations. The largest component (54.5% of salary costs) is counselling and support.

Table 4: Breakdown of labour costs by function

Function	Total salary cost (%)
Rent and housing management and Maintenance	10.5
General management	12.5
Housing services	22.5
Counselling and support	54.5

Tables 3 and 4 indicate the generally high level of staffing in the UK foyers. The item in Table 4, 'counselling and support' includes night support workers. These 'front line' workers were the principal staff employed in the foyers and accounted for some 2.5 to 4.2 times the number ancillary staff that includes those employed in general management, maintenance etc. As will be discussed below the number of staff employed in the UK foyers is higher than that found in Australian foyers. This is due to a number of factors such as the fact that some of the Australian foyers buildings were maintained by the social housing landlord.

Each of the foyers had a variety of approaches to measuring client progress including the start outcomes charts using self-reported data. In terms of output data around 10 percent of residents left their programs early due to disruption and non-engagement. On average around 90 percent of ex-resident were in stable housing on exit and 12 months after leaving the service. Around 90 percent of ex-residents were in education and training on exist and 12 months after leaving the service. We were unable to gather reliable data on employment figures although this is problematic anyway given variation in youth unemployment rates between the UK and Australia.

All of the foyers visited emphasised that security was an issue. One of the foyers had monthly inspections, while three had weekly checks. Two had installed an extensive CCTV arrangement to monitor the facility. All foyers visited had a security regime in place including electronic key systems.

4.2 Relevant policy implications from the UK fieldwork

A senior manager of the largest foyer visited – some 210 rooms – expressed a view that the foyer was simply too large. Some plans were being developed to reconfiguring the floor plan to combine rooms into larger but few rooms. When asked why he thought that large scale was not necessarily a positive factor, the answer was that ‘well, you don’t want the foyer to become a community unto itself, you want foyers to be part of the local community ... if we had our time over again, we would have five forty bed foyers in various locations not one 200 bed foyer like here’. On the other hand, the scale of the foyer enabled the organisation to employ specialist staff in employment, housing, counselling and management. The large size did raise some security issues and clients sometimes managed to ‘slip between the cracks’, or disengage with the service and its programs. When we inquired at the foyers about the optimal size, the general response was that it depended on design but forty beds seemed to be the preferred scale.

Another major issue was that as a result of the UK government funding cuts agencies were being forcing to cut services. In one the foyer were changing its operations to move from a system of in-house support to floating support where support workers would move between the two foyers the agency run.

One of the foyers was encouraging residents to undertake volunteer work. Where this is part of a ‘youth participation’ approach to the management and operation of foyers, this can be seen as a very positive requirement. In Australia, unpaid voluntary work is allowable under Centrelink income support requirements. Several informants raised the issue that when clients began work their benefits were reduced so they had to pay more of their own money in rent, thus tending to act as a disincentive to employment. This was potentially a difficulty in cases where young people worked part time or casually in order to gain work experience. However, the issue of transition from welfare to work is not new and does not appear to be necessarily more of an issue for young people in foyer programs. The UK foyers reported that residents tended to move on to other forms of independent accommodation earlier

than the residency limit set by the foyers. When residents obtain employment they are expected to contribute more to their rent and moving into Council housing or private share housing in outer-suburbs of London provides a financial incentive.

4.3 Analysis of the Australian data

Capital funding for foyers can come from a mix of federal, state and local government as well as philanthropic and private funding. A foyer proposal (2008) jointly developed by Whitelion, Kids under Cover and the Lighthouse Foundation quoted an estimated capital cost per bed space of between \$85,000 and \$125,000. This cost included provision of a training space and some community facilities. These figures appear to be at the low end of what is practical. The Ladder Foyer in Melbourne was purchased as an unfinished student housing project by Yarra Community Housing Ltd. The property was purchased on the market and the building was completed as a social housing initiative. The capital cost per one bedroom apartment was about \$250,000 but that also includes office space on the ground floor and car parking for the units. Three Victorian foyers are being developed on TAFE land. On average, the capital costs of building student accommodation is about \$170,000 per unit without car parking or a major expense for the purchase of land. One foyer is being established in a student accommodation building of about 40 units that the college already had but was surplus to its requirements. The annual rental for the lease of this facility is about \$700,000 or about \$17,500 per unit that includes spaces for various foyer purposes.

There are a variety of ownership models being employed from the Ladder Hoddle Street model where the building is owned and managed by a community housing group, to South West Youth Services Foyer where the building is owned by the NSW Department of Housing and residents are tenants of the service, hence rental payments may not represent market rates. The standard unit cost of social housing including the cost of land is generally higher than student accommodation which is generally where the capital costs of foyer facilities lie. The capital costs depend on whether buildings are already owned and are able to be repurposed. If transitional housing in a particularly locality were repurposed as a dispersed foyer with separate units in the community connected to a central hub where staff are located, the capital cost would be very low but not support costs which could be marginally higher. This model does not provide for 24 hour security. Building new facilities on land already

owned by government or which can be leased for less than market rates lowers the capital costs.

As with the UK foyers, the major costs incurred in operating the foyer model include labour costs, other program costs, administration costs and maintenance. The major component of labour costs is the salary component for case managers who provide support to the residents. It is difficult to make a generalisation about maintenance costs because not all of the programs incur maintenance charges and the extent and quality of maintenance is variable, dependent on the type of building and its age.

In general, rents are about 25 percent of the resident's income, which is standard for community housing rents in Australia. Weekly rents ranged from \$77.50 per week to \$153.63 per week. Some were set in dollar terms others based on the formula based on the young person's income. To calculate a dollar figure on which we based our analysis we assumed a maximum income available to young people was the independent Newstart rate of \$497.00 per fortnight plus the current rent assistance rate of \$123.00 per fortnight (<http://www.humanservices.gov.au>). It is quite obvious though not all young people will have an income of this amount – we have made this assumption for ease of analysis. The major issue with client rent is that such a level (even assuming payments are at the highest rate) does not adequately cover recurrent operating cost without an additional significant cash subsidy.

Table 5 shows average cost break down per category. The table indicates that salaries are the single largest item of expenditure. Program costs and administrative costs are significant and are a larger proportion of total costs than in the UK. This could suggest higher staffing levels in the UK foyers. It may also indicate that administrative costs are higher given the Australian foyers are more recent and are therefore incurring significant administrative costs in the earlier phase of their development.

While the cost structure of existing foyers are similar there is variation between programs. Also, the ratio of staff to clients varies between foyers. Further, the cost associated with non-residential case support varies substantially across programs. The age of foyers may also be a contributing factor as the more costly appear to be more recent developments. In addition, there was a variation in costs between the various foyers with the smallest having the greatest cost per bed.

Table 5: Analysis of operating costs – existing Australian Youth Foyers

	Average per bed (annual)	Total (%)	Min	Max
Staff Related Costs	\$16,326.54	58	\$8,476.19	\$23,976.25
Operating/Program Costs	\$7,204.63	25	\$4,400.30	\$12,577.75
Administration Costs	\$4,747.00	17	\$2,236.71	\$11,862.50
Total Cost	\$28,278.18	100	\$ 15,661.57	\$48,416.50
Client Rent	\$10,183.00		-	-
Shortfall	\$ (18,095.18)		-	-

In all cases, the average shortfall between annual client rent received and total cost is significant and indicates that without substantial additional financial support the various foyers are not financially sustainable. The figures in Table 5 should be interpreted cautiously. It should be noted that the analysis does not include maintenance charges for reasons discussed earlier.

Table 6 below provides a summary of output and outcome measures for the existing Australian Foyers.

Table 6: Output and outcomes of Australian Youth Foyers

Metric	Number/ percent
Young people housed	273
Non-housed clients assisted/supported	708
Training sessions provided e.g. life skills, workshops.	1582
Client turnover: No. of clients successfully completing service.	273
No. of clients who left the program early due to dispute/non-engagement.	17
Percentage of ex-residents in (recognised and ongoing) permanent housing.	81%
Percentage of ex residents in education or training.	52%

Generally, collecting extensive data on foyer residents and paying attention to how outcomes are measured has not been a priority in the UK. Each foyer provided some

information on what they claimed were their outcomes, but this information was not based on any kind of sophisticated client data system. It should be noted that each of the foyers have been operating for different periods, so any inferences about performance from this data should not be done naively. In compiling the statistics we relied on information provided by the management of the foyers. No-one at the present time was able to provide rich data on the characteristics of their foyer residents or the level and complexity of their needs. In the UK, staff several times advised us that although they were supposed to be accommodating and supporting 'low needs' young people, they felt that this description was inaccurate for many of their residents. The number of training sessions provided is a total figure for all foyers. As some operated for longer periods than others, they had conducted more sessions. Each of the foyers conducted weekly sessions for all residents and also ad hoc sessions for clients as needed. What is evident is that the foyers have provided support to young people who would not necessarily be accommodated and supported. Supported accommodation in Australia has been conceived as what SAAP or Specialist Homelessness Services (SHS) provide. In Australia, the foyer projects construct supported accommodation as a post-homelessness transition.

The aggregated figures in Table 6 for the Australian foyers indicate that only 17 young people (6.2% of the total housed) left their accommodation prematurely due to dispute or behavioral issues. This compares favorably to the 10 percent figure supplied by the UK foyers. Furthermore, the data indicates that foyers appear to have been highly successful in terms of ex-residents moving on to stable and secure housing. The 81 percent figure compares favorably to the 84 percent in study by Gaetz and Scott (2012) for the Chelsea Foyer in New York. The proportion of ex-residents in some form of education and training is somewhat lower than might be expected (52 percent while the corresponding UK figure is approximately 90 percent). A plausible explanation for this is that ex-residents may have entered the workforce but this would need to be verified.

4.4 Cost offsets and economic benefits

Another issue is to consider the economic benefits derived from providing supported accommodation in foyers to at-risk or homeless young people. These benefits can be identified as deriving those from reduced early school leaving as measured by increased lifetime earnings and cost offsets which are the cost of reduced health and criminal justice resulting from reduced homelessness.

Cost-offsets resulting from the reduction in homelessness have been reported in recent studies by Flatau *et al.* (2006) and MacKenzie *et al.* (2007). Flatau *et al.* (2006) found health and criminal justice utilisation rates of homeless individuals were significantly higher than those for the population in general. Further, the average cost of the health and criminal justice services used by their homeless clients in their study exceeded the average cost for the general population. MacKenzie *et al.* (2007) found that homeless clients reported higher frequencies of hospital visits compared with the general population, added \$8,464 per year to the cost of public health services.

While program costs may be confined to a brief period of direct counselling and assistance, the cost-offsets accruing from a program may stretch a long way into future. Where cost-offsets are expected to extend into future periods, cash flows are discounted to determine present values. Assuming a three per cent discount rate and an average life expectancy of 80 years, MacKenzie *et al.* (2007) reported a total lifetime estimated health and criminal justice service cost off-set of \$332,315 per client.

Arguably the most significant benefit to the community of reduced homelessness is the total value of work done by those re-engaging with the workforce. Pinkney and Ewing (1997) calculated this by multiplying the average full-time wage by the full-time participation index. Applying Sherman's (1994) estimate of a 10 per cent reduction in average lifetime earnings from early school leaving, this figure was discounted over a 40 year period (estimated working life) to establish the loss of production due to early school leaving. Pinkney and Ewing (1997) noted that 65 per cent of Australian students who completed high school went on to further education, while two-thirds of homeless students did not complete high school. Hence, they made a conservative assumption that half of those expected to complete high school would have completed tertiary education.

Using the same method as Pinkney and Ewing (1997), MacKenzie *et al.* (2007) estimated the cost of the lost productivity due to educational disadvantage. For children, the potential economic cost of educational disadvantage due to becoming homeless was calculated as the total earnings lost from not completing high school which on average amounts to \$64,266. This figure does not consider the total earnings lost from forgoing further education.

It is clear that the cost to the community of health and justice cost-offsets, and lost productivity from early school leaving are in per capita terms, substantial. It is also

clear that this cost considerably exceeds the average loss per bed calculated for the youth foyers.

5 DISCUSSION AND POLICY IMPLICATIONS

This was an exploratory study of an important issue – the cost structure of the foyer model and its financial sustainability. Participation in the labour market and sustainable employment opportunities are clearly fundamental if young people are to become truly independent and Australian citizens in the full social sense. Unlike the UK, Australia has not developed a significant supportive housing sector for young people. On the other hand, the homelessness service system is more developed and Australia has pioneered early intervention for homeless and at-risk youth. There is more crisis accommodation in Australia. The differences between the UK and Australia should not be under-estimated. In the UK, local authorities have major responsibility for housing and social services unlike Australia. Also, an entitlement to housing is embodied in legislation in UK, and council housing remains significant sector despite policy changes that began under the Thatcher Government to convert the public housing sector to private ownership.

Johnson *et al.* (2009) recommend that there is a need for innovation in designing housing options to suit young people leaving state care rather than relying on traditional homelessness accommodation. The foyer model and foyer-like models have been highlighted in the White Paper, and in state government policies. A small number of foyers are already operational and several projects are currently in development. We have the opportunity to put in place policy and funding arrangements that could support the proliferation of supportive youth housing sector in Australia.

In terms of the original aims of the project, sufficient cost data was obtained to make some inferences about the financial breakdown of foyer operating costs. Some comparison across sites was possible but the sample size of existing Australian foyers was small and several of the earliest foyers were small in scale. This tended to skew the averages across the sample. However, there was sufficient data to make an inference about whether income (from all sources) from residents was sufficient to cover the costs of support under the foyer model. In terms of cost effectiveness, it was found that there was insufficient data to undertake the kind of analysis originally foreshadowed. In the UK, performance data was not highly developed and there is not a body of published information. Our comments on performance have relied on what various foyers claimed were their outcomes and we had no way of critically examining these claims. In Australia, the development of foyers is relatively recent

except in the case of Miller campus in NSW and Lion Garden in Melbourne. Good data on outcomes is not available, although this does not mean that good outcomes are not being achieved. The following discussion covers what has been learned from this exploratory study. A more extensive study could now be realistically attempted in the UK and some thought is being given to how the fledgling foyer sector in Australia could be tooled up to collect the data required for a full cost-effectiveness and cost-efficiency analysis.

Need or readiness: The issue of whether foyers can accommodate high-need young people or only low-need youth deserves some comment. In the UK, the various historical documents all refer to low-need residents. However, workers told us that many of the young people they support have medium to high needs and that the suggestion that the foyer population are low-need young people is not accurate. However, funding for support is based on the assumption of low-need residents. In Australia, reference is made to people with 'high and complex' needs. A high need individual would be someone with an unmanaged disabling mental health condition or untreated drug and alcohol problems. The notion of complexity is where someone has more than one issue to deal with. In the UK, it was suggested to us that rather than the level of need being the critical variable, the 'readiness' of someone to change their life by accepting support and accommodation on the basis of participation in education and training, because they want to change, is more meaningful. The other point is that the assessment of need in homeless services is generally a professional qualitative judgement by an intake worker. While there have been several attempts to render needs assessment into a more rigorous decision tree such as is done in the health sector, there remains a lack of sophistication in this area. One example of a proposed approach that is both qualitative and quantitative coherent would be the Camberwell Assessment of Need. Without devaluing the experience of practitioners, the homeless and supportive housing sectors do need a more sophisticated methodology for discriminating need and measuring the different levels of need. This is so large amounts of public funds are not invested for the benefit of young people who could probably get by without higher levels of wrap around support.

Measuring performance: The argument about need is relevant to any consideration of effectiveness and claims about effectiveness. The performance data on the foyers is weak. In the UK, there have been several evaluations but it is not possible to routinely examine the statistics on who enters the foyers, how long they stay and the extent to which they achieve various forms of independent housing after their foyer

residency. Individual facilities do keep statistics and do some follow-up but what they provide to the local authority or central government is no more than what is required for accountability purposes. In general, the evaluations suggest that a high proportion of residents move onto to stable housing and some form of employment, but it is not clear what were the characteristics of the residents entering the foyers, and controlling for these variables is crucial when making rigorous assessments of effectiveness. Already foyer residents are described as 'homeless' or 'at-risk of homeless' and there are no clear agreed criteria for how to manage intake. Building a rigorous longitudinal evaluation of resident's outcomes would be particularly important at this early stage of foyer models in Australia.

Foyers or foyer-like models: Supportive housing is a pathway from someone moving out of an extended period of homelessness, but likewise, an important option for someone who might otherwise experience homelessness and drop out of education without access to supportive accommodation. Throughout our discussion, we have tended to keep open the possibilities of the foyer model by emphasising that the core concept is not about the building but the packaging of support, including accommodation, with participation in education, training and/or employment based on a contract or agreement. That kind of package can be achieved in various ways, and in Australia, we should remain open to the possible permutations. In Victoria, the building of foyers as student accommodation on TAFE land has merit as would setting up clusters of relocatable units on school land but linking residency to one institution may be limiting. On the other hand, expanded student housing incorporating foyers does bring together support, youth accommodation and participation in education.

Social mix: Another issue for the foyer model is the social mix of residents in any one foyer facility. Currently, in the Australian foyers, the funding has come under the National Partnerships on Homelessness (i.e. homelessness funding) and residents are variously described as 'homeless', 'formerly homeless' or 'at-risk of homelessness'. There is a case for youth accommodation that is open to a wide intake of young people, many of whom are unlikely to experience homelessness as such. Young people who have been homeless would be a minority amongst a larger resident population who do not have the same level of issues. A positive residents culture would be a positive environment for the minority of young people who have come from far less positive experiences. The same argument was raised for public housing, but in the past decade, there has been tendency to feed higher need individuals and families into the high rise buildings, creating problems. The issue of

social mix needs to be addressed. The present state is that no foyers have been able to operate with only a minority of disadvantaged/ homeless youth, and a social mix of 20-25 percent homeless to 75-80 percent not homeless cannot be justified from the limited homelessness budget.

Scalability: Clearly, there are economies of scale involved when constructing purpose-built foyers. Earlier in the Australian debate, some advocates were pitching the idea that foyers could be 100-200 residents on the basis of an economy of scale. The advice from experienced foyer staff in the UK is that foyers should not be more than about 40 residents in any one facility. Their point is a foyer ought to be part of a local community and economy and not a self-sufficient community unto itself. The dispersed foyer model is considered to be viable, and for many reasons this is obviously applicable in Australia with its suburbanised cities. A fast-track would be to reconfigure some of the transitional accommodation into foyer-like facilities. However, the units in a foyer should be in the same locality and it should be easy for residents to come to the hub, but also for the support workers to maintain contact with residents. New technologies could be used to good effect to connect up all the units in a dispersed foyer.

Funding for support: The key finding from this study is that the current funding model for Australian foyers is not sustainable. If current foyers are to remain operating and further foyers developed the issue of a sustainable recurrent funding model should be addressed as a policy priority. A foyer for young people is designed to provide a higher quantum of support because they are young people. There is still work to be done to theorise how much support is appropriate in relation to need and that requires some further research. However, the shortfall currently is about \$18,000 per resident per year. The high shortfall in the Australian foyers is in part due to the smaller size and the higher unit costs. So scale is one issue. This shortfall is covered by ad-hoc special project funds from state governments and additional philanthropic funding and donation. In the UK, the benefit regime is different but the Supporting People's Benefit basically covers the additional support services provided in the UK foyers. This is a benefit paid through local authorities as a grant calculated on a per capita basis from local data. The grants flow from the central government to the local authorities and to the foyers in the local area. That is not an arrangement that would be possible in the Australian context.

In Australia, one way of providing a flow of support funds for young people in supportive housing would be to construct a new category of the youth allowance. The

ground for considering this proposition is that some young people who cannot live at home and cannot live fully independently would receive a supportive housing level of youth allowance for a two-year period in a facility accredited as supportive housing for young people. This could be modelled on foyers of 30-40 residents rather than the smallest Australian foyers. This might bring the shortfall down to closer to \$5-6000 per resident per year (see minimum figures in table 5), but some further work is needed to work this out. The foyer residents are young people who are highly disadvantaged, homeless or at high risk of becoming homeless and the higher level of benefit would be on the basis that they require a higher level of support than young people who are 'unable to live at home' but who can live independently with relatively less support requirements. One attractive aspect of this proposal is that the benefit is attached to the young person and to get the benefit would require an assessment that could be managed through the Centrelink social work service, even though the funds would go to the foyer via a mandatory Centrepay arrangement. In making this argument, we recognise that creating a new higher level of youth allowance is probably a policy proposal that would go straight into the too hard basket, but the proposal serves to illustrate our more general argument.

An alternative proposition would be to construct a program administered by FaHCSIA that would provide a supportive housing grant to projects providing supportive housing for homeless or at-risk young people participating in education, training or employment. Again, this would be available to organisations that are able to provide foyer accommodation according to approved standards including data on the characteristics and needs of residents. Given that the foyer model is as much about achieving an educational outcomes as a transition to stable and affordable housing, there is a case for some funding to come from the Department of Education, Employment and Workplace Relations (DEEWR), and for this program to be operated jointly by these two departments.

Another way that DEEWR could be engaged with the development of a foyer sector would be in the deployment of Job Services Australia services to the residents of foyers. JSA providers are in a position to provide assistance to young people to engage in appropriate activities to redress vocational and non-vocational barriers to entry into the labour market. There is potential for JSAs to provide employment related services, however, at the core of the foyer model is the concept of packaging of support around a young person committed to education, training and/or employment. To realise this potential means that a JSA would be a partner under a formal MOU and provide services as part of an integrated package of foyer support.

Both of the above suggestions would uncouple support funding from the bundled special project funding that has been the way that the first foyers have been funded. The objective, by whatever funding mechanism is used, is to open up support funding for foyers on an extensible basis. Currently, if an organisation organises the capital funding for construction, it must petition the state government for additional funds. There is no guarantee that such funds will be available. Even if State departments are interested in the foyer model, which is the case at present, the departmental budget position may preclude the additional funding for support. Financial incentives in the form of a sustainable funding stream to develop foyers or foyer-like facilities for supportive youth housing are not in place. A major proportion of homelessness funding has come to the states and territories under the National Partnerships on Homelessness arrangements anyway. This particular stream of funding needs to be more flexible and opened up and perhaps available for private sector initiatives developed under the National Rental Affordability Scheme (NRAS). At the present time, there is little incentive to develop a foyer project without the support component guaranteed. Currently, that generally comes on a project by project basis with the state government as the developer with Commonwealth funding.

Costs: The capital costs are reasonably well understood. These can be from a bottom end of \$100,000 per unit up to \$250,000 depending on the nature of the construction. If existing buildings are used where the capital cost is already amortised or if relocatable units are used, the cost can be somewhat lower. If the current foyer capacity is about 300, the supportive housing cost would be \$1,500,000 per year and a foyer housing sector with 2,000 young people would have an annual support cost of \$10,000,000. Initially, the amount of funds would not be large but it will increase on the forward estimates as the foyer sector grows.

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