



Submission

Draft Budget 2025/6

March 2025

homelessconnect.org

Homeless Connect Response Draft 2025/25 Budget Consultation

Introduction

1. Homeless Connect has been working to prevent and alleviate homelessness in Northern Ireland since 1983. As an umbrella body, we represent over forty organisations working in the independent homelessness sector. We also support people with lived experience of homelessness to have their voices heard. We provide services that directly benefit people and communities, helping to sustain tenancies and diverting surplus nutritious food to charities and other not for profit groups. Our response has been informed by feedback from representatives of our Policy Forum. As ever, we are grateful to our forum members for their valuable insights.
2. We welcome the fact that in 2025/6 the Executive has returned to its usual pattern of consultation on the budget. While we are cognisant of the reason why alternative arrangements had to be made in past years, we hope that this will not prove necessary in future. We alongside many other organisations believe it is vitally important that the NI Executive moves towards multi-year budgets. We do understand why in 2025/6 this has not been possible, but we hope that this will change in 2026/7.

The Consultation

3. For the homelessness sector, this is yet another deeply concerning budget. When it comes to both resource and capital spending, we believe that the Department for Communities is not receiving sufficient funding to allow for the Department, the Housing Executive and the wider homelessness sector to prevent and reduce homelessness. Turning firstly to capital spending. We had initially believed that the substantial increase in capital funding for the Department of Communities compared to 2024/5 would be likely to generate a significant increase in the number of social housing new starts in 2025/6 towards the 2,200 starts which are required if 33,000 new social homes are to be built over the next fifteen years. In stark contrast to the situation in 2024/5 when only £133 million pounds was initially budgeted, the draft budget proposes to allocate £270 million in capital funding to the Department. However, a briefing from Departmental officials has revealed the reality of the situation to be very different from what we had anticipated.

Capital Funding for the Department for Communities

4. On December 10, the CEO of the Housing Executive Grainia Long outlined on Good Morning Ulster that £188 million in capital funding would be required to build 2,000 social homes in 2025/6.¹ It had initially appeared from the headline allocation that this would be a possibility. However, on Thursday 27 February, Communities departmental finance officials painted a much bleaker picture at the Communities Committee.
5. During the session, John Greer, Deputy Secretary of the Corporate Services Group at the Department for Communities outlined the Department's financial position under the initial allocations provided in the draft budget in 2025/6. Mr Greer noted that the Department bid for £431.3 million of Capital DEL but has initially only been allocated £270 million. As he put it, this is a "significant shortfall." He went on to note that the Department "requires £217.6 million to cover its inescapable and pre-committed projects, and that only leaves £50 million for the Minister to make decisions on with regard to other capital projects."²
6. Mr Greer's colleague, DfC Finance Director Kathy Sands, clarified during questions from MLAs on the Committee what this would mean in practice in terms of social housing new starts. She told Committee members "we've only about £50 million to deal with our new homes and all of our projects right across the Department. If we took that £50 million and put that all into social homes, the indications would be £50 million would get us about 1000 homes, but that would mean no investment in anything else in capital across our department as a new investment."
7. On Monday 3 March, the NI Executive published the final Programme for Government. The programme includes the following commitment: "Our Target for 2027: By the end of this mandate, we will have started work on at least 5,850 new build social homes."³ If 2024/5 is included and around 1,500 social housing new starts are completed this year- which appears to be plausible- this would mean in 2025/6 and 2026/7 4,350 social housing new starts would be required. It is very difficult to see how the level of investment outlined in 2025/6 for DfC's capital budget will allow for this target to be met.
8. The number of people on the social housing waiting list with homelessness status has reached unprecedented levels with 59,375 people from 30,658 households having

this status on 30 September 2024. This includes 19,549 children.⁴ Due to the lack of affordable homes, many of these households have been on the waiting list for social housing for a long time. On 30 June 2024, 24,633 of the households on the list had been on the social housing waiting list for a year or more with 12,304 of these households waiting for four or more years.⁵ The number of households living in temporary accommodation has risen relentlessly over the last five years, increasing by 138% from January 2019 to stand at 4,908 households in November 2024. 5,378 children were living in such accommodation on that date.⁶

9. A basic condition to turning the curve on these numbers is increasing the supply of housing. The initial allocation provided to the Department for Communities is quite simply insufficient for the level of need which is out there. We urge the Department of Finance and the wider Executive to reconsider the capital funding being provided to the Department for Communities to ensure that more social housing can be started. Failure to do so will see the Executive inevitably fail to reach the target set for social housing new starts by May 2027 set out in the Programme for Government and prompt concern about the value of the Housing Supply Strategy “ambition” to build 100,000 homes including at least 33,000 social homes by December 2039.

10. It may be the case that the Department of Finance plans to continue with a similar approach to that which was adopted in 2024/5 whereby monitoring rounds are used to provide additional funding for social housing. We accept and welcome the use of this process to some degree. However, we would point out the fundamental uncertainty that reliance on this process leads to for organisations building social homes in terms of their planning. Developing the skills and capacities needed to build houses is not like turning a tap on or off. While the situation is such that of course any additional funding available for social housing will be welcome, the more certainty that can be provided for the provision of social housing the better.

11. The one positive note in the draft budget for the Department of Communities is the welcome additional allocation of £48.7 million in Financial Transactions Capital to the Department of Communities. Up to £10M of this will go towards the recently announced Loan to Acquire Move on Accommodation (LAMA) which will allow homelessness services to buy properties to rent to individuals who are unlikely to be able to access social housing due to their particular circumstances.⁷ A further element of this be likely to go towards provision of intermediate rent properties.⁸ In so far as these schemes increase housing supply, they will be welcome. However, it should be noted that members of our policy forum wanted to stress that while these schemes

are welcome, it has to be recognised that they are ultimately relatively small interventions which will only generate limited housing supply. If these initiatives are going to make a bigger impact, they will require considerably more investment in the years to come.

Non-Ringfenced Resource Funding for the Department of Communities

12. We note that the draft budget initially proposes allocating an additional £30.9 million in non-earmarked resource funding for 2025/6 compared to the previous year, an increase of 4.3%. Any increase in funding for the Department is a welcome change from some previous years. However, we are deeply concerned that this increase will not be sufficient for the Department to respond to a major issue facing community and voluntary organisations here- the consequences of the 2024 UK Budget.
13. Following the Budget held on 30 October, charities across the UK are facing a substantial increase in their national insurance contributions on 6 April 2025. This arises from the decision to increase NICs by 1.2% to 15% and to reduce the secondary threshold from £9,100 currently to £5,000. Additionally, during the Budget the Chancellor announced that the minimum wage will increase by 6.7% on 6 April 2025 from £11.44 to £12.21 an hour.
14. In November 2024, the Committee Representing Independent Supporting People Providers (CRISPP), which is co-chaired by Homeless Connect and NIFHA, ran a survey of independently funded Supporting People (SP) providers to assess what the impact of these changes would be. The full results of the survey are included in an appendix here. The survey was completed by 22 organisations, around one in four of the providers funded through SP.
15. When it comes to the national insurance changes, 77% of respondents indicated that they were very concerned about the impact of the changes on their organisation. Some organisations are facing additional costs running into the hundreds of thousands of pounds. Collectively, the approximate additional cost to the 22 respondents to our survey runs to over £2M. The full impact on SP providers will be considerably larger than this.
16. Regrettably, several organisations funded through SP pay a significant number of employees at the National Living Wage, as a consequence of significant underfunding

in past decades. 76% of respondents to our survey indicated that they were concerned about the impact of the rise on their organisations while 68% of respondents to our survey indicated that they were unsure if they were going to be able to afford the increase in costs imposed.

17. It is salient to note that the impact of these changes to the homelessness sector will go beyond those organisations funded through the SP programme. 19 homelessness services/projects (including Homeless Connect) are currently funded through the Homelessness Strategy budget. In 2025/6, the Minister for Communities, in a much-welcomed decision, announced that he would make a specific allocation to homelessness prevention which would give financial stability to these projects on an annual basis to avoid the precarious month-to-month funding situation.⁹ While this was indeed positive news, many of these organisations are also facing the impact of increased costs due to the announced changes. At the time of writing, the full details of what this specific allocation will involve have not been outlined to the sector, although we hope this will become clear in the near future. We know that the Minister for Communities understands the importance of shifting funding towards homelessness prevention to reduce the level of need for housing support in this society.

18. If these changes are implemented (and at the time of writing we have every reason to believe they will be especially in light of the letter from the Minister of Finance to the Finance Committee outlining that “it is not anticipated that [additional funding for ENICs] will be provided for support outside the public sector”¹⁰) these budget changes will have a major impact on community and voluntary sector organisations in the homelessness sector and far beyond.¹¹

19. Members of Homeless Connect's Policy Forum have starkly spelt out to us what some of the consequences will be if the impact of the changes to the Employers National Insurance Contributions and the minimum wage are not mitigated. The homelessness sector is not monolithic and the impact will be felt in different ways in different organisations. However, the kind of impacts which would be expected include the following:
 - a. A further deepening of the recruitment and retention difficulties facing the homelessness sector. Even with the above inflation uplift in 2024/5, many homelessness sector organisations continued to struggle with the recruitment and retention of staff. One above inflation uplift was not sufficient to make up for over a decade of failure on the part of the NI Executive to increase the funding provided to the Supporting People and homelessness services budget

in line with inflation. Year on year, these real terms cuts have left organisations in the homelessness in a precarious position. Many organisations simply cannot match the pay and conditions provided in other parts of the economy. Vacant posts in services have become commonplace in the homelessness sector and the impact of the ENICs changes will only exacerbate this problem. The inability to fill posts will have a deleterious impact on the quality of service which can be provided and may be liable to increase levels of lone working in homelessness services. Lone working is a scenario which services look to avoid if at all possible due to the risks which this can pose both to the staff involved and to those who staff are working to support. However, without additional funding, lone working will become more common in services with all of the impacts this can have.

- b. Even more use of agency staff. The inability to recruit to fill posts will lead to greater reliance on agency staff. This can be a false economy, because while agency staff can be helpful in certain circumstances, they are often more expensive than paid staff and due to the short-term nature of their engagement will be unable to engage in the kind of relational work which can be so valuable in supporting people experiencing homelessness.
- c. A related issue to that of staffing highlighted by Policy Forum members is the 'new normal' in services in recent years of clients with increasing levels of complex needs when it comes to mental health and substance dependency. Staff have to develop a range of skills and capacities to be able to provide support to people with these needs. Difficulties with staffing- and lone working situations- only make providing effective support even more challenging.
- d. Reduced capacity to provide support. One move which may be taken by the Department for Communities and the Housing Executive who administer Supporting People may be to reduce the targets and service requirements for providers. Three points to note regarding this. Firstly, it has to be recognised that there is already a significant gap between the level of need for support and the support which can be provided through the funding provided by the Supporting People Programme. Back in 2020, the Strategic Needs Assessment conducted for the Northern Ireland Housing Executive identified a gap between the level of need and the supply of support services of 14%.¹² For certain support categories the gap between need and supply was considerably wider: for example mental health (20% gap), people with substance dependency (24.2% gap), single people experiencing homelessness with support needs (18.7% gap) and people at risk of domestic abuse (49.4% gap). It is widely accepted amongst providers and staff in the Housing Executive that the gap

across many support categories has widened since that time the assessment was conducted. Indeed, this reality was predicted in the Strategic Needs Assessment itself when it made projections going forward. What this means in practice is that a considerable number of people who need support provided by organisations funded through the programme are unable to access it when they need it with all of the consequences this can have. There are very real costs not only to the individuals and families impacted by the inability to access support, but also to the health, education and justice services who can be engaged because of an inability to access the support needed. Then secondly, the fact is that reducing targets does not in many cases reduce costs to organisations. They still have staff to pay and buildings to maintain. Reducing targets does not remove this reality. Then thirdly, if temporary accommodation providers have to reduce the number of beds they can provide, this can have the ironic consequence of increasing costs for the Housing Executive who may have to utilise expensive non-standard accommodation to meet their duty to provide temporary accommodation. This is a recipe for spiralling costs and poor outcomes.

- e. Budgetary uncertainty imposes real costs on organisations. The lack of clarity around the budget for 2025/6 has already imposed costs on organisations. One participant noted that she had prepared for six different budget scenarios in her service due to the lack of clarity, while in another service decisions had already been made not to recruit for vacant posts. If it transpires that additional funding will be made available, it will take time to seek to recruit to fill those roles. In a related point, frustration was expressed at the fact that the Department of Health has been able to inform services they fund of what the financial position will be in April including a range of uplifts for services. This illustrates the reality that (a) it is in fact possible to provide clarity to services before final confirmation of budgets for Departments (b) the continued treatment of SP as a poor relation when it comes to funding when compared with health. In jointly funded services, this can lead to management challenges for services depending on the precise nature of funding arrangements.
- f. Potential for redundancies and service closures. Some of our member organisations have indicated to us that it is highly likely that they will have no other choice than to make some staff redundant and to close services if no additional funding is forthcoming to mitigate the impact of proposed budget changes. At the time of writing, it is not clear how many services may be in this position. However, the loss of jobs and the closure of any service will have knock-on effects far beyond the homelessness sector. It will reduce the support available

to people in real need in our society and pile even more pressure on other services.

20. In sum, to be crystal clear about this, the feedback we have received from policy forum members (as well as other members) is that the size and scale of the additional costs which would be imposed by these changes without mitigation on providers in the homelessness sector are highly likely to generate deeply detrimental consequences for many services and the people they work so hard to support. In a separate survey conducted at the end of January with our members, we asked for information on what the impact would be if the changes to the employers' national insurance contributions were made without mitigation from the UK Government or the NI Executive. Several members reported to us that they will be likely or highly likely to have to make staff redundant; consider service closures or reductions; and/or be unable to meet current service outcome measurements.

21. As noted in the statistics highlighted above, the homelessness sector in NI is facing unprecedented levels of need. Many parts of the sector here are already struggling with the recruitment and retention of staff. If these changes are implemented without mitigation, it will deepen the difficulties this society is facing when it comes to housing and homelessness.

Conclusion

22. The Department for Communities is one of the primary funding bodies for community and voluntary sector organisations in this society. It will be especially negatively impacted if the budgetary changes related to Employer National Insurance Contributions takes place. We are deeply concerned that the proposed increase of 4.3% will not be sufficient for the Department to mitigate the impact of these changes.

23. It is acknowledged that both of these budgetary decisions were taken by the UK Government and were not taken by the NI Executive. We do recognise and welcome the fact that the Minister of Finance has made representations to the UK Government regarding the impact of the increase in national insurance contributions.¹³ However, the reality is that if the UK Government does not change course on the national insurance contributions change, the consequences of that decision will fall on the NI Executive to mitigate.

24. What is especially disappointing about this news for homelessness organisations funded through SP is the fact that it comes one year after the first above inflation increase for well over a decade was provided to SP. The 6.4% increase in funding- taking the overall funding for the programme to £80.7 million- was much needed. The increase- welcome as it was- did not make up for over a decade of failures to increase the value of the programme in line with inflation. Depressingly, it looks like this additional funding will effectively be swallowed up by the changes to national insurance and the increase in the national living wage. For providers funded through SP to maintain their current position- let alone seek to recover some of the ground lost due to the impact of inflation on the value of the programme- an increase substantially in excess of 4.3% would be required in the value of SP in 2025/6. We are deeply concerned that the draft resource budget- once earmarked spending is accounted for- will not allow for such an increase.

25. Consequently, Homeless Connect believes that if the UK Government fails to cover the cost of the national insurance rises, the NI Executive will need to reconsider the proposed budget given to the Department for Communities to ensure that additional funding will be provided to SP and to the homelessness prevention budget in 2025/6 to at the very least cover the costs of these changes. We would also point out that homelessness services funded through these funding streams are key partners in the delivery of a wide range of Executive policies and strategies in areas such as tackling violence against women and girls; criminal justice; mental and physical health; and community relations. Failure to increase funding to at the very least mitigate these changes will negatively impact on the ability of organisations in the homelessness sector to contribute to Executive goals in these areas.

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- ⁷ Department for Communities, "Loan to Acquire Move-on Accommodation (LAMA)", accessed 9 January 2025, <https://www.communities-ni.gov.uk/articles/loan-acquire-move-accommodation-lama>
- ⁸ Department for Communities, "Intermediate Rent," accessed 9 January 2025, <https://www.communities-ni.gov.uk/articles/intermediate-rent>. See also Department for Communities, "Affordable rent scheme to deliver 300 homes", 5 March 2025, <https://www.communities-ni.gov.uk/news/affordable-rent-scheme-deliver-300-homes>
- ⁹ Department for Communities, "Minister announces additional funding for homelessness", 2 December 2025, accessed 9 January 2025, <https://www.northernireland.gov.uk/news/minister-announces-additional-funding-homelessness>
- ¹⁰ Finance Committee, Meeting 19 February 2025, Comment of Chair Matthew O'Toole MLA
- ¹¹ See Northern Ireland Community and Voluntary Sector (NICVA), "Impact of Employer National Insurance Contributions Increase on the Voluntary and Community Sector," December 2024, accessed 9 January 2025, <https://www.nicva.org/sites/default/files/2024-12/Impact%20of%20Employer%20National%20Insurance%20Contributions%20Increase%20on%20the%20Voluntary%20and%20Community%20Sector%20Final.pdf>
- ¹² Supporting People, "Strategic Needs Assessment Research & evidence based assessment to inform future housing support needs," November 2020, 61.
- ¹³ Department of Finance, "Westminster must provide support for National Insurance contribution increases – Archibald," 18 December 2024, accessed 9 January 2025, <https://www.finance-ni.gov.uk/news/westminster-must-provide-support-national-insurance-contribution-increases-archibald>

CRISPP

**Committee Representing Independent
Supporting People Providers**



**Survey on the Impact of the Increase National
Insurance Contributions and the rise in the
Minimum Wage on SP Funded Providers**

Background

CRISPP



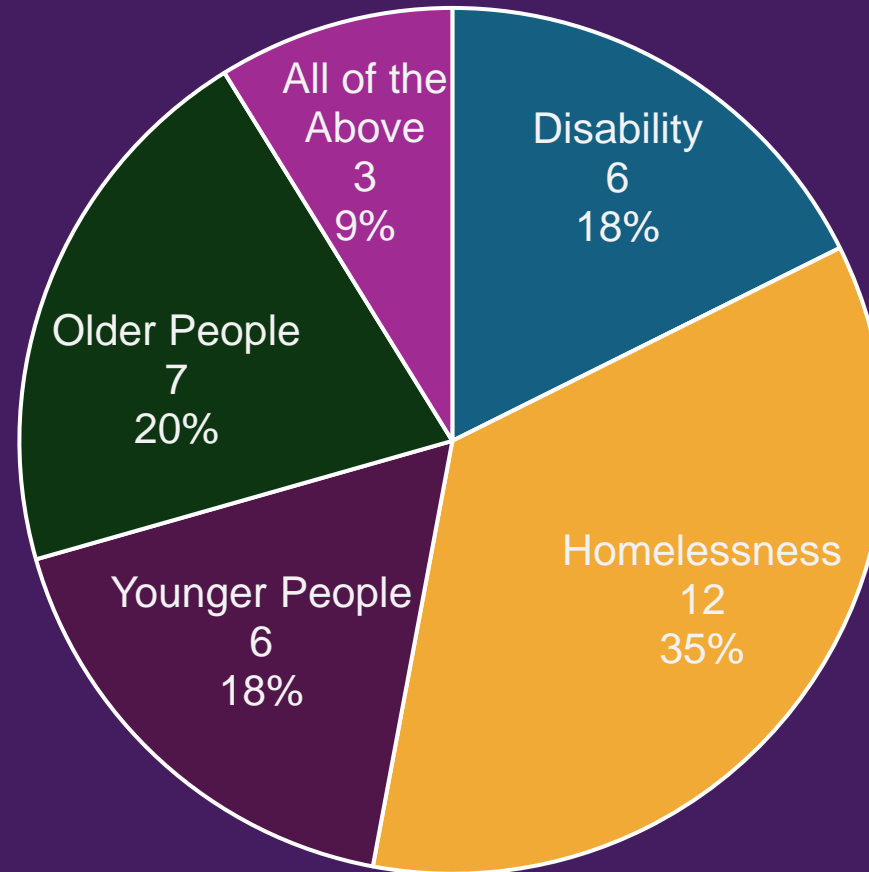
- CRISPP seeks to represent, at both the strategic and operational level, the collective views of the independent providers of Supporting People services in Northern Ireland. CRISPP is made up of twelve representatives, with three representatives from across the four thematic areas covered by the programme: Disability, Homelessness, Older people and Young People. CRISPP is co-chaired by Homeless Connect and NIFHA.
- At a meeting of CRISPP held in November, it was agreed that a survey should be conducted of independent Supporting People providers to assess the impact of the proposals set out in the UK Government's 2024 Budget.
- Following the Budget held on 30 October, Charities across the UK are facing a substantial increase in their national insurance contributions on April 6 2025. This arises from the decision to increase NICs by 1.2% to 15% and to reduce the secondary threshold from £9,100 currently to £5,000. Additionally, during the Budget the Chancellor announced that the minimum wage will increase by 6.7% on 6 April 2025 from £11.44 to £12.21 an hour.
- 22 Organisations responded to the survey, around one in four providers funded through the Supporting People programme. Responses to the survey were anonymous and provided on the basis of non-attribution to specific organisations.

Survey Results

CRISPP



1. Supporting People services are grouped within four thematic groups. Which of the following categories does your organisation provide services for? (Multiple options can be selected so the number is greater than 22)



Survey Results

CRISPP



2. How much more will your organisation have to pay in National Insurance Contributions for staff funded by Supporting People due to the changes announced in the Budget on 5 April 2025? (Responses are approximate)

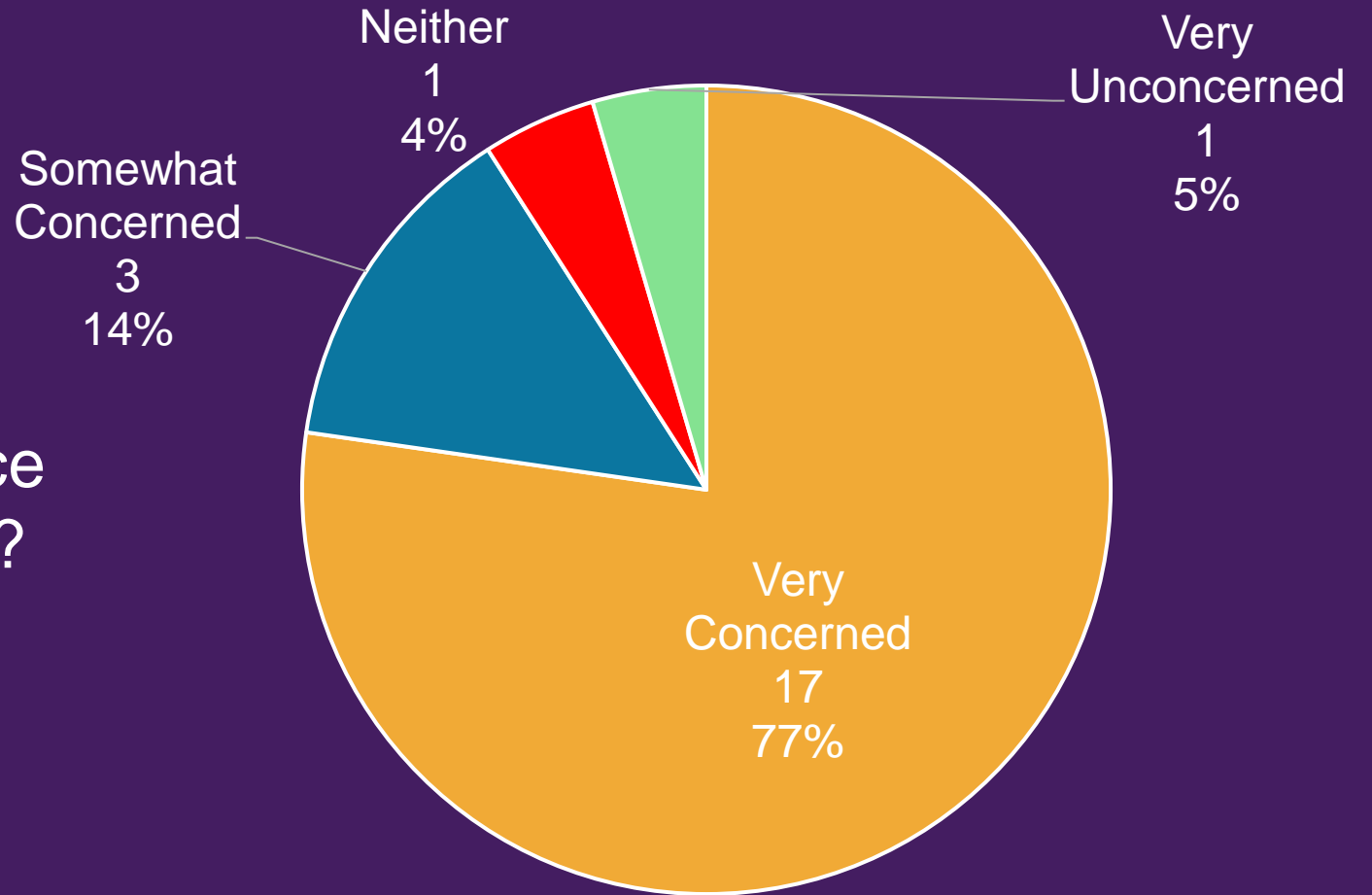
£40,000	£52,000	£58,700	£120,000	£112,000
£8,000	£2,400	£269,000	£20,000	£120,000
£7,000	£15,000	£37,000	£70,000	£77,000
£150,000	£10,000	£36,000	£13,000	£300,000
£70,000	£500,000	TOTAL FOR 22 RESPONDENTS Approximately: £2,087,100		

Survey Results

CRISPP



3. How concerned are you about the impact of the changes to National Insurance on your organisation?



Survey Results

CRISPP



4. Regarding Question 3, why do you say this?

Very Concerned	Without increased levels of funding how do we pay this????
Somewhat Concerned	It has always been a challenge to recruit staff in supported schemes and the higher costs will impact on viability
Very Concerned	Because added to the increase in National Living Wage our staffing bill is set to increase by over £220k next year and we cannot increase rents enough to offset the increased staffing costs.
Very Concerned	We do not have adequate income to cover this additional cost. As a result of this cost we may need to reduce our staff team and therefore reduce the quality of the service. In terms of our temporary accommodation this change pushes us closer to a financially unsustainable situation. Due to inadequate inflationary increases in supporting people funding our services have been gradually eroded and we are very concerned about their viability- this change adds to the existing financial pressures.
Very Concerned	It is a significant financial burden for schemes that are already working to an extremely tight budget. It could therefore have a knock on effect on the levels of care and support provided.

Survey Results

CRISPP



4. Regarding Question 3, why do you say this?

Neither	Not material difference in relation to overall budget
Very Concerned	Supporting People income has not increased sufficiently in previous years to meet rising costs, the national insurance increase could lead to closure of projects.
Very Concerned	Increase the shortfall in SP funding from c. £80k to £100K, or 20% of total SP funding. Furthermore, once the implications of the increase to the Real Living Wage are included this has the potential to increase the shortfall to £116K, or 24% of SP funding
Very Concerned	Not fair statutory sector protected. Double hit as National Living Wage has to go up too with National Insurance Contribution on it
Very Concerned	Without an equivalent increase in our Supporting People grant this will be unaffordable and will result in staff redundancy's and a reduction in service capacity

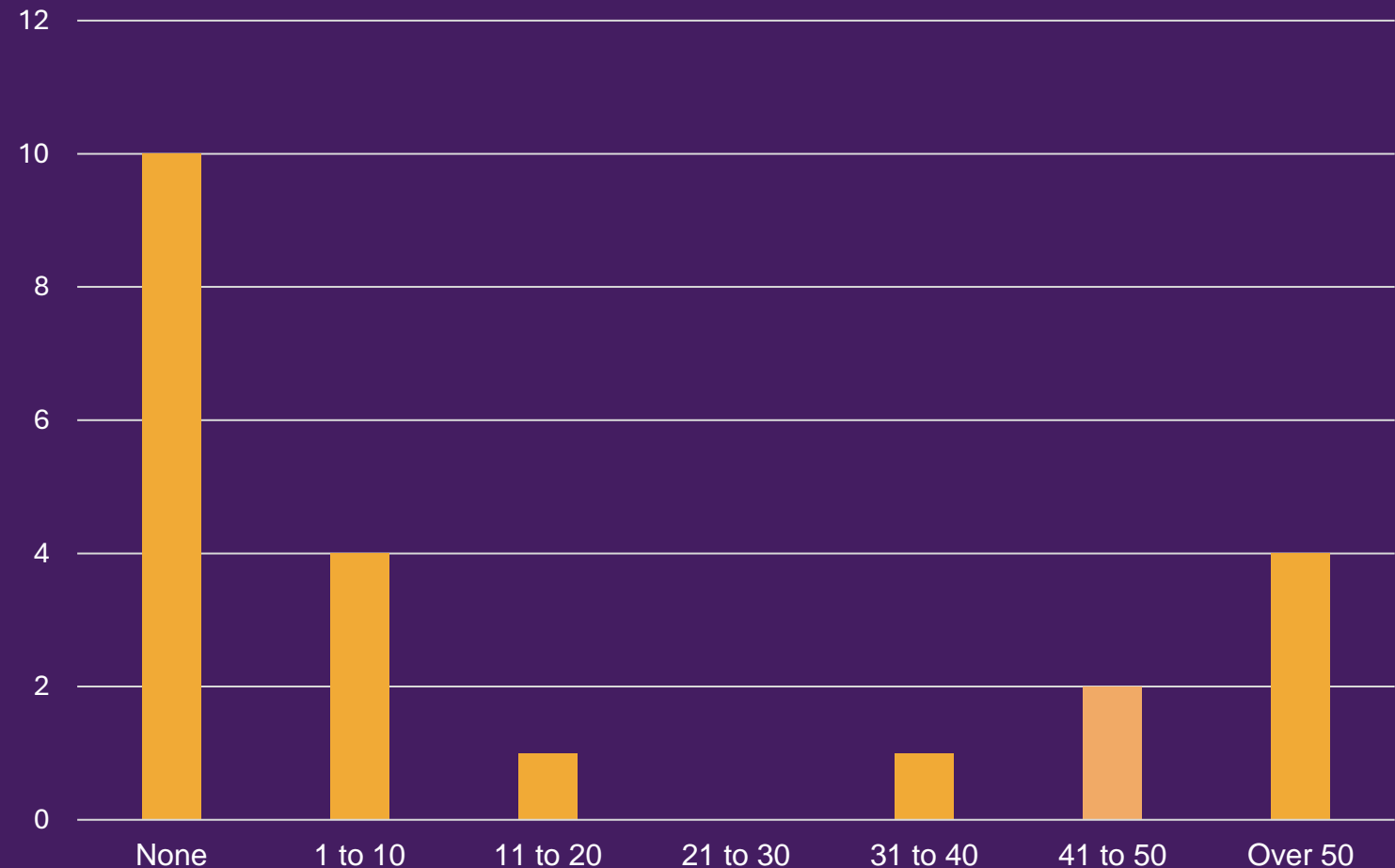
Survey Results

CRISPP



5. How many staff does your organisation employ within Supporting People funded services who are on the minimum wage?

Number of Staff on the Minimum Wage



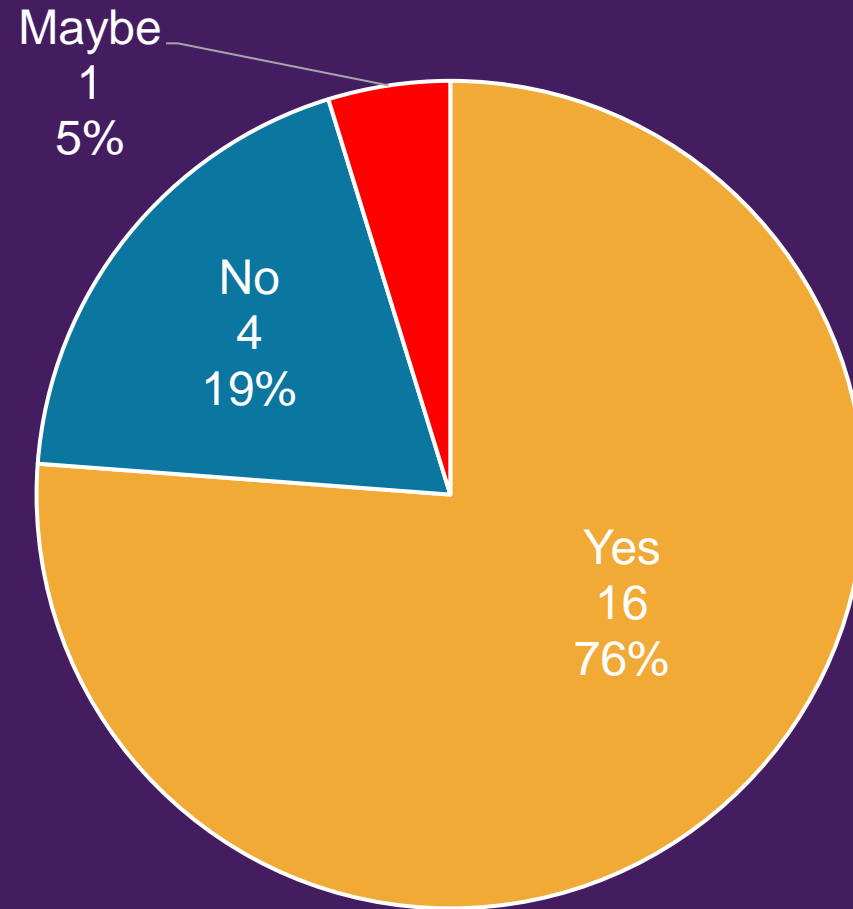
Survey Results

CRISPP



Concerned about the increase in the minimum wage

6. Are you concerned about the impact of the minimum wage increase on your SP budget for 2025/6?



Survey Results

CRISPP



6. Regarding Question 6, why do you say this?

Yes	The minimum wage increase of 6.7% means that many of our staff will fall below this. In order to bring all staff to this level, an increase in SP funding is necessary. It also means that we are unable to keep the current wage rates for many staff as they will now have to be on minimum wage.
Yes	We are a Real Living Wage employer so minimum wage, national living wage and real living wage all have upward pressure on our lowest paid staff wages. It then has knock on to staff in pay grades above as the pay gap has been in many cases completely eroded.
No	We have taken the decision to pay all staff the real living wage which is above the minimum wage. However, this has increased also plus the additional NICs will place further financial pressure on the service.
Maybe	We can afford the changes to the minimum wage as long as the current SP budget for 24-25 is not reduced.
Yes	This will cost us an additional £350,000 per annum. Again without any increase in our SP grant this will be unaffordable and will lead to redundancy's. The combination of NI insurance increases and NLW is £500,000 per annum.

Survey Results

CRISPP



6. Regarding Question 6, why do you say this?

Yes	It will cost the organisation £850k for 6.7% uplift to maintain the 56p gap to NLW at all points on the scale
Yes	SP traditionally has not matched increments therefore our SP budget will fall further behind. This is a real concern.
No	We have always paid staff over and above minimum wage levels.
Yes	With the increase in the NLW 53 of our staff will fall below the NLW rate. Again, there is an affordability issues and potential inability to sustain services, with no likely opportunity of funders covering the additional cost.
Yes	We need an increase in funding in order to fund wage increases to ensure viability of service and ensure not having to take from other areas of the service. Over the years, due to funding not keeping up with price increases etc., we have already minimised spending in certain areas to allow payment of staff. The 10 staff mentioned above are currently just above minimum wage so their salaries will need to be increased to continue to be above minimum wage.

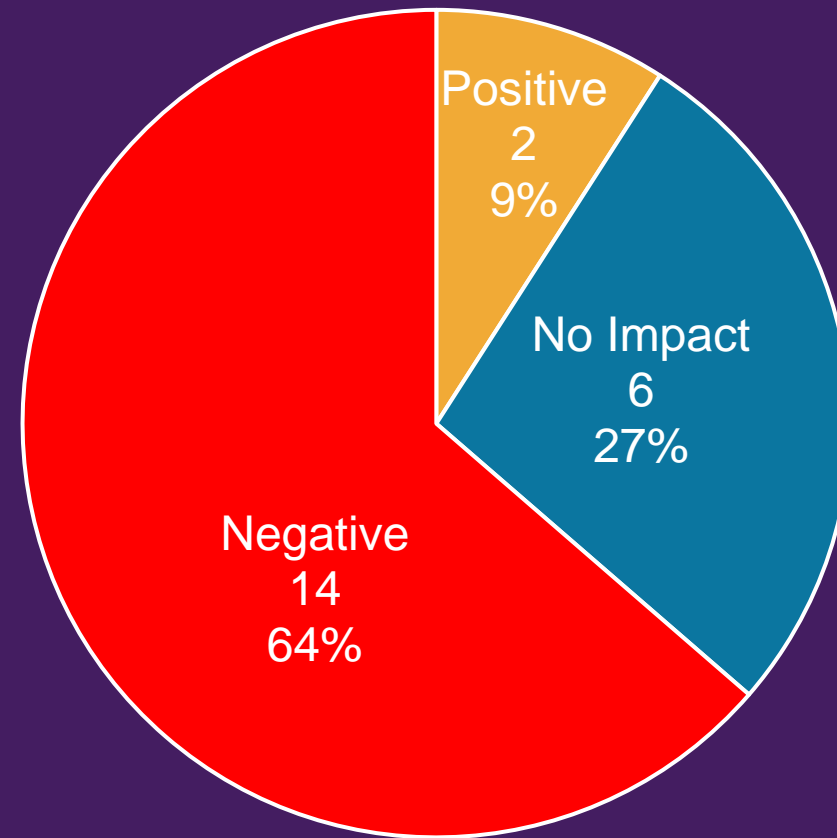
Survey Results

CRISPP



Impact of the increase in the minimum wage

7. What impact, if any, will the increase in the minimum wage have on staff recruitment and retention in your organisation?



Survey Results

CRISPP



8. Regarding Question 7, why do you say this?

Negative	The NMW increase is 6.75%, we will be unable to maintain differentials with other staff grades therefore there is the real potential for this to result in an negative impact.
Positive	Externally the increase in wages may look more attractive as we use bands however existing staff bands will have to be changed which will also increase organisational costs
No Impact	Already struggling to recruit and retain skilled staff
Negative	We will continue to struggle to recruit staff paying NLW and pay compression will make it more difficult to recruit for more senior posts
Negative	Due to the additional cost we will be inhibited from making pay increases to role which are above minimum wage. We will see salaries flat line, we will be unable to recruit staff at the right level. Furthermore these costs will likely see a part time role becoming unsustainable. Also due to historic real term cuts the entire accommodation service is close to being unviable. The financial situation for us is an utter crisis and this development compounds that. We are deeply worried about our services, and the sector as a whole, ability to continue to help people who are homeless or at risk of homelessness.

Survey Results

CRISPP



8. Regarding Question 7, why do you say this?

Negative	With more budget needed to employers NIC there will be less to spend of staff and could therefore curtail recruitment.
Positive	It will make the sector more attractive for staff recruitment as long as the increase is funded, but that is a significant concern
No Impact	I don't think there will be any issue with Recruitment and Retention due to the changes
Negative	The inability to exceed National Living Wage means we are competing with all sectors and trying to recruit staff to fulfil a highly regulated and person centred role.
Negative	We set salaries above minimum wage to make them attractive and reflect the complexity of the work. As minimum wage rises then that gap shrinks and we lose that advantage
Negative	Its going to cost the charity more that we do not have additional funding to cover. Already costs are going out of reserves. SP contracts need increased to cover increase in NI.

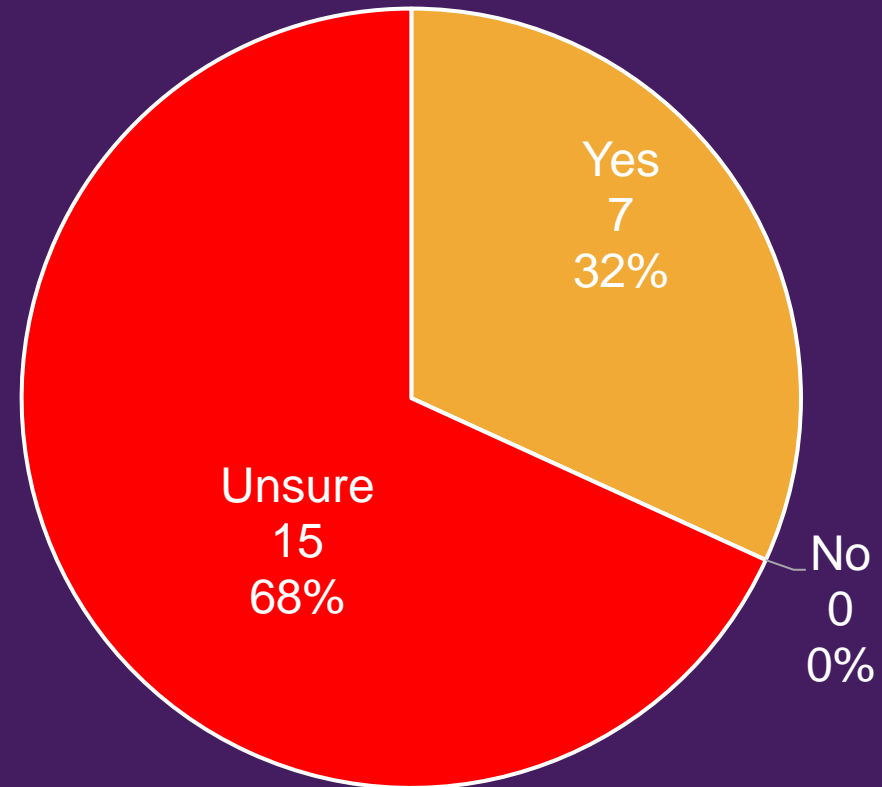
Survey Results

CRISPP



Will your organisation be able to increase wages for frontline staff on April 1 for the next financial year?

9. Will your organisation be able to increase wages for frontline staff on April 1 for the next financial year?



Survey Results

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10. Regarding Question 9, why do you say this?

Unsure	To increase staff wages would require expenditure adjustments in other areas. Not sure if possible.
Yes	We are legally obliged to provide the NMW uplift and will also provide a cost of living increase for other staff even with a deficit budget.
Yes	Legally and morally required. No option. How it is paid for is another question. This has the potential to effect medium to long term viability.
Unsure	It will be a Trustee Board decision, we do not have extra funding to cover increases.
Unsure	The CVS is not able to simply increase the costs of their services to increase income, instead we have to await information from funders to advise what uplifts they will be awarding. These uplifts are seldom known when the budgets are being set and are usually not paid during the first quarter of the year, this means as an organisation we have to make the decision to increase salaries and hope the funding covers it or hold off increase until there is more certainty

Survey Results

CRISPP



10. Regarding Question 9, why do you say this?

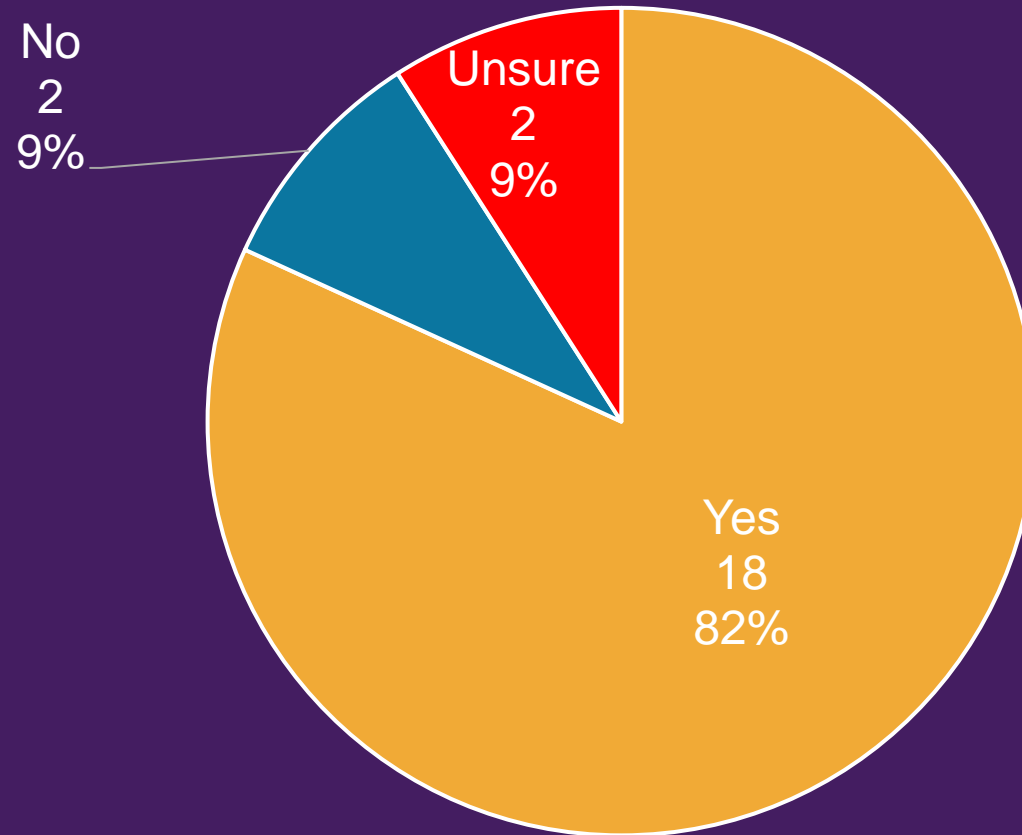
Unsure	Without commitment to increased funding the only option we would have would be to budget for an annual deficit.
Yes	We are contracted to do so, so we have no option but to find the additional funding
Yes	We should be able to maintain wages higher than the national wage if the SP budget for 24-25 remains the same or increases, we will still have to find additional funds for NIC increases.
Unsure	This will depend on whether there is an uplift in the Supporting People grant to fund these increases
Unsure	We have not finalised our budgets. A rise will require a reduction in the number of staff and therefore the quality of the service. The services are simply financially unsustainable without an increase, annually, in supporting people grants.

Survey Results

CRISPP



Concerned about 2026/7?



11. Is your organisation concerned about the budgetary impact of any further rises in the minimum wage in 2026/7?

Survey Results

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12. For organisations that provide homelessness services, what will the total estimated additional cost (NICs and minimum wage increases for SP and non SP funded services) have on your organisation's budget? (Figures are approximate)

£50,000	£200,000	£11,000
£30,000	£2,400	£7,000
£30,000	£500,000	£30,000
£140,000		

Survey Results

CRISPP



13. Is there anything else you would like to add?

Some things got to give, increasing risk services are becoming unsustainable. Real term uplifts & three year funding would be a start.

Something has to give. If additional funding not available then services will ultimately have to be reduced

We need a charitable exemption or additional funding to cover cost of Employer National Insurance increase.

The increase in minimum wage and employer national insurance as well as the lowering of the employer national insurance threshold will put huge strain on the already tight budgets of community and voluntary organisations. We may not be able to meet these new rates and will have to close some projects in order for the organisation to survive. This will also have a knock on effect on consumer pricing which will put even more pressure on already over stretched budgets.

We have had a 20% increase in electricity in November and we anticipate a significant rise in agency and other costs. Pension costs will also go up with wages.

Without an annual inflationary increase in Supporting People funding to meet the costs of our services, they will be unviable. This situation has been slowly building and is now at crisis point.

Survey Results

CRISPP



13. Is there anything else you would like to add?

Our budgets are already under significant pressures, with funders not covering them fully. We also have to consider the impact of these new costs within our central overheads, as we operate Total Cost Recovery. These budgetary pressures are unlikely to be covered by funders and commissioners, which could potentially make the services unsustainable.

Demand for our services is only increasing, but with costs climbing and funding falling, our sector already faces a crisis. The additional costs placed on the sector by increasing employers' National Insurance contributions along with the steep NLW increase will only compound this.

We need an early indication from Supporting People (before the end of 2024) as to whether an uplift in the grant is likely. Otherwise, we will need to plan for staffing reductions.

The decision in the budget is quite possibly one of the stupidest decisions I have seen in a long time. It is a tax on employment which is the antithesis of being for working people. It threatens pay, jobs, small businesses, service industries and voluntary & community sector organisations particularly. It also has the potential to be inflationary. Supported living, supported accommodation and floating support services will close if the funding gap that has been created cannot be addressed. There was no slack in the existing financial arrangements before this landed.



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