

Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
Westminster
London
SW1A 2HQ
United Kingdom

Cc Rt Hon Angela Rayner MP, Secretary of State MHCLG
Rushanara Ali MP

November 2024

Dear Chancellor,

National Insurance Contributions and Homelessness Sector

We are writing as members of Homeless Link and homelessness organisations from across England to highlight the threat to our services, which we believe is an unintended consequence of last week's Budget.

We would like to say first and foremost that we welcomed the prominence of homelessness within your budget, and in particular your additional investment of £230m towards our shared goal of ending homelessness and rough sleeping. And we also warmly welcome the Government's commitment to a cross-departmental homelessness strategy, and your prioritisation of reviewing homelessness spending across departments for 2026 onwards. We look forward to working collectively with you and colleagues at both Treasury and MHCLG to agree how these funds can be spent most effectively.

However, we are extremely concerned that in the short term we face a very real threat to the homelessness services that are needed to provide the foundation for future strategic efforts to end homelessness. This will have an immediate detrimental impact on the lives of the thousands of people who are supported and accommodated on a daily basis helping them move on from the worst forms of homelessness and rebuild their lives.

A significant number of homelessness services commissioned by local government are delivered by not-for-profit organisations. These include everything from street outreach, through to emergency beds, floating

individual support and counselling, supported housing provision and upstream homelessness prevention. Many of these services operate a very narrow margin, driven down by years of competitive tendering. In addition, many not-for-profit organisations provide non-commissioned support which is an equally important part of the ecosystem.

It is in this context that your proposal to increase National Insurance rates is going to cause a significant challenge to the sector and to our ability to prevent and end homelessness. **We estimate that the NI changes alone could take between £50 and £60m out of the homelessness sector and away from the delivery of frontline services.**

To be clear, homelessness services are already under enormous pressure. Service contracts across the homelessness sector have fallen well behind the cost of delivering services. Most existing contracts were set in April 2022, before the cost of living crisis caused rapid inflation to the cost of service delivery. Many services are running deficit budgets and relying on reserves to meet essential costs.

With all forms of homelessness rising rapidly, support services are needed now more than ever. As the number of bed spaces reduces, providers across the country are already turning people away. We cannot afford to lose more beds because services cannot afford to stay open. Insights from the sector show that 64% of providers across homelessness services manage contracts that are no longer deemed financially viable. A number of services have already closed in the face of rising costs. 36% of accommodation providers told us that they had already reduced services to meet the rising cost of living.

We note that you have made an arrangement to pay a rebate to the public sector for additional costs of National Insurance. We ask that you provide a similar rebate or relief to the homelessness sector – who provide vital services for the public sector – and require MHCLG and local authorities to cover the increased costs by increasing the value of grants and contracts for 2025-26 onwards.

We trust you will treat this matter with the utmost urgency as we are making our plans now for the next financial year – and we want to avoid any unnecessary closure of services with the inevitable impact of people's lives that will follow. Such an outcome would be an extremely poor start to our efforts to end homelessness together.

Yours sincerely

Rick Henderson, CEO, Homeless Link.

Richard Gammage, Chief Executive, Two Saints
John Glenton, Executive Director of Care and Support, The Riverside Group
Duncan Shrubsole, CEO, St Martin-in-the-Fields Charity
Matt Downie, Chief Executive, Crisis
Chris Keating, CEO, Connection Support
Hélène Begg, Chief Executive Officer, YMCA Brighton
Andy Price, CEO, Maggs Day Centre
Caleb Mallard, CEO, The Basement Project
Jo Kitching, CEO, Doorway Wiltshire
Helen Bedser, Chief Executive, Julian House
Mick Clarke, Chief Executive, Passage
Sebastian Rocca, Founder and CEO, Micro Rainbow
Helen Seedhouse, CEO, Cherrytree Support Services
Darren Murinas, Chief Executive, Expert Citizens CIC
Liz Rutherford, Chief Executive, Single Homeless Project
Stephen Bell, Chief Executive, Changing Lives
Fiona Humphrey, CEO, Providence Row Housing Association
Vanessa Hemmings, CEO, HARP
Emily Brock, Chief Executive, YMCA DownsLink Group
Jennifer-Anne Smith, Chief Executive Officer, Salford Loaves and Fishes
Pauline Tomlinson, CEO, YMCA Heart of England
Stevie Graves, Head of Supported Housing, Impact Initiatives
Stuart Vickers, Senior Pastor, Restore Church Boston
Andy Williamson, Chief Executive Officer, NOAH
Wendy Hughes, CEO, Digartref
Philip Noall, Chief Executive, Freedom Community Alliance
Moya Woolven, CEO, Basis Yorkshire
Claire Staddon, Chief Executive, Emmaus Suffolk
Steve Hoey, CEO, Turning Lives Around
Bonnie Williams, CEO, Housing Justice
Sharon Yavuz, Chair of Trustees, The One Love Project
Greg Mangham, Founder and CEO, Only A Pavement Away
Phil Kerry, Chief Executive, New Horizon Youth Centre
Jon Parsons, Director, Ark Housing Trust
Tom Hayden, Chief Executive, Good Shepherd Services
Hilary Bartle, Chief Executive Officer, Stonepillow
Steve Crane, CEO, Target Housing
Su Hamblyn, CEO, Launchpad Reading

Jenny Hibbert, Director, Excel Housing Solutions
Marie Davis, CEO, Falcon Support Services
Carl Good, CEO, Lifeline Harrogate
Mark Horsford, Chief Executive, Michaels Limited
Rob Payne, Director of Homeless Services, HOPE *worldwide* UK
Mark Simms, CEO, P3 Charity Group
Michael Angus, Director, Barons Court Project
Dean Titterton, Chief Executive Officer, YMCA North Tyneside
Ellie McNeil, Chief Executive, YMCA Together
Mark Grant, Chief Executive, Action Homeless
Tony Stephenson, CEO, Emmaus Bolton
Tim Renshaw, Chief Executive Officer, The Archer Project
Aileen Edwards, Chief Executive, Second Step
Kerrie Eastman, CEO, Streets2Homes
John Holmstrom, Chief Executive, Turning Tides
David Carter, Chief Executive, The Whitechapel Centre
Andrew Sanders, CEO, Gap Supported Housing
Helen Watson, Chief Executive, Rentstart (UK) Ltd
Gareth Sorsby, Joint CEO, YMCA Exeter
Amanda Dubarry, Chief Executive, Your Place
David Lackner-Smith, CEO, Sanctuary Trust
Simon Hewett-Avison, CEO, Homeless Oxfordshire
Emma Haddad, Chief Executive, St Mungo's
Jonathan Billings, Founder, EGG Engage Grow Go
Natalie Allen, Chief Executive Officer, SIFA Fireside
Denise Fenn, CEO, Welwyn Hatfield Women's Refuge and Support Services (WHWR)
Paul Morrish, CEO, LandAid
Paul Smith, CEO, Elim Housing
David Chaffey, Chief Executive, BHT Sussex
Duncan McAuley, Chief Executive Officer, Action Foundation
David Ford, CEO, Expert Link
Lorraine Mealings, Chief Executive Officer, BCHA
Ben Keegan, CEO, Roundabout Ltd
Henry Meacock, Chief Executive, St Petrocs
Rebecca Howard and Keith Smith, Joint CEOs, Ferry Project
Kirstie Cook, CEO, Kings Arms Project
Ruth Kettle, CEO, Inspire North
Steve McKinlay, Chief Executive, Tyne Housing
Steve Rundell, CEO, Nomad Opening Doors
Shona Fleming, CEO, ScotsCare
Neil Blanchard, Chief Executive, Southdown
Emma Hughes, Chief Executive Officer, Sanctus Charity
Lawrence Santcross, Chief Executive, Transform Housing & Support
David Fawcett, CEO, The Bridge Homelessness to Hope
Michael Chandler, CEO, Groundswell

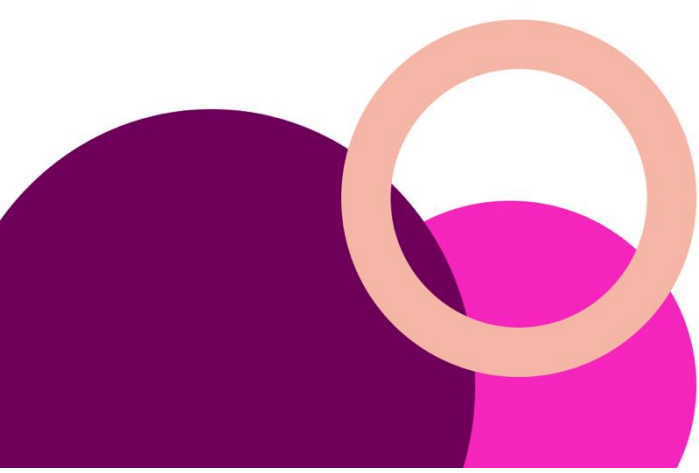
Homeless Link 2024. All rights reserved.

Homeless Link is a charity no. 1089173

Jools Ramsey-Palmer, CEO, ihAg
James Martin, Director, Cambridge Cyrenians
Matthew Heasman, CEO, New Hope
Constanze Sen, CEO, Bromley & Croydon Women's Aid
Mark Wood, Chief Executive, Colchester Korban Project
John Lee, CEO, YMCA Norfolk
Rubina Bokhari, CEO, Bradford Cyrenians
Jean Templeton, Chief Executive, St Basils
James Hayes, Chief Executive, Emmaus SLC
Paul Fernandes, Director, St Ignatius Housing Association
Claire Fisher, Chief Officer, Encompass South West
Alison Padfield, CEO Churches Housing Action Team (Devon)
Claire Williams, Chief Executive, Oasis Domestic Abuse Services
Alexander Campbell OBE, CEO, QVSR
Duncan Lewis, Chief Executive, Emmaus Hertfordshire
Natasha Davies, Chief Executive Officer, Jimmy's Cambridge
Tania Marsh, Chief Executive, Society of Saint James
Jo Carter, CEO, Glass Door Homeless Charity
Shirley Scotcher, Interim CEO of SMART CJS
Alexia Murphy, CEO, Depaul UK
Patrick O'Dowd, Director, Caritas Salford
Simon Billingham, Finance Director, Spring Housing Association and St Annes Hostel
Sarah Lister, Acting Chief Executive, Oasis Community Housing
Meg Doherty, Founding Director, Fat Macys
Tim Fallon, Chief Executive, SPEAR
Lesley Gibson, Chief Executive, My Harbour
Kate Henderson, Chief Executive, National Housing Federation
Andrew Redfern, Chief Executive, Framework HA
Mark Wakeling, Chief Executive, The Winchester Beacon

[113 Organisations]

Homeless Link



Homeless Link

Minorities House, 2-5 Minorities, London, EC3N 1BJ

Company number 4313826 | Charity number 1089173