



Ministry of Housing,  
Communities &  
Local Government

**Rushanara Ali MP**

*Parliamentary Under-Secretary of State for  
Homelessness and Democracy*

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Rick Henderson  
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23 December 2024

Dear Rick and co-signatories,

Thank you for your letter of 8 November on behalf of Homeless Link and homeless organisations across England, addressed to the Chancellor of the Exchequer, the Rt Hon Rachel Reeves MP, the Deputy Prime Minister, the Rt Hon Angela Rayner MP and myself, regarding Homelessness and National Insurance. I am replying as the Minister responsible for this policy area.

Firstly, I'd like to thank Homeless Link and the many other homeless organisations across England for all your hard work and efforts to reduce homelessness and rough sleeping.

The Government is in agreement homelessness and rough sleeping levels are far too high and this can have a devastating impact on those affected. To address this and deliver long term solutions, we will develop a new cross-government strategy, working with mayors and councils across the country to tackle the root causes.

We have taken action by setting up an Inter-Ministerial Group on Homelessness, chaired by the Deputy Prime Minister, to develop the new cross-government strategy. This follows the announcement at Budget of £233 million funding for homelessness and rough sleeping, bringing total spend to almost £1 billion for 2025-26. This will help to prevent the rising number of families in temporary accommodation and those rough sleeping.

The Government has taken a number of difficult but necessary decisions on tax, welfare, and spending to fix the public finances and fund public services. One of the toughest decisions we took was to raise the rate of employer National Insurance Contributions from 13.8 per cent to 15 per cent, whilst reducing the per-employee threshold at which employers start to pay National Insurance (the Secondary Threshold) from £9,100 to £5,000.

Furthermore, the Government decided to protect the smallest businesses from these changes by increasing the Employment Allowance from £5,000 to £10,500. This means next year,

865,000 employers will pay no National Insurance Contributions at all, and more than half of all employers will either gain or will see no change. It means employers will be able to employ up to four full-time workers on the National Living Wage without paying a penny of employer National Insurance Contributions. Businesses and charities will still be able to claim employer National Insurance Contribution reliefs including those for under 21s and under 25 apprentices, where eligible.

The UK is a world leader in the charitable sector. Our tax regime for charities, including exemption from paying business rates, is among the most generous of anywhere in the world with tax reliefs for charities and their donors, worth just over £6 billion for the tax year to April 2024. Within the tax system, we provide support to charities through a range of reliefs and exemptions, including reliefs for charitable giving as they play a vital role in our society.

The tax reliefs available to charities are an important element in supporting charitable causes across the UK, with more than £6 billion in charitable reliefs provided to charities, CASCs and their donors in 2023 to 2024. The biggest individual reliefs provided are Gift Aid at £1.6 billion and business rates relief at nearly £2.4 billion.

Thank you again for writing on this important matter.

Yours sincerely,



**RUSHANARA ALI MP**

Parliamentary Under-Secretary of State for Homelessness and Democracy