

## **CRISPP Consultation Response to the Draft 2025/6 Budget**

### Introduction

1. The Committee Representing Independent Supporting People Providers (CRISPP) was formed in 2006 to represent those bodies outside the public sector that receive (or plan to receive) Supporting People (hereafter SP) grant for the provision of housing support services. The client groups supported by members of CRISPP range across the four thematic areas covered by the SP Programme: young people, people experiencing homelessness, older people and people with disabilities. CRISPP is co-chaired by Homeless Connect and the Northern Ireland Federation of Housing Associations (NIFHA). The current membership of CRISPP is set out at the end of this response.

### The Consultation

2. CRISPP welcomes the opportunity to respond to the consultation and the return of the usual budget process for the NI Executive. While we are disappointed that this will be yet another single year budget for 2025/6, we understand the reason why this is necessary following the decisions of the UK Government around the spending review. Like so many other organisations across NI, we continue to call for the introduction of multi-year budgets and we hope that the Finance Minister in 2026/7 will be able to introduce a budget which covers more than one year.
3. There are elements of the draft budget for 2025/6 which we warmly welcome and elements which give us cause for concern.

### Capital Funding for the Department for Communities

4. The element of this budget which we particularly welcome is the decision to significantly increase capital funding for the Department for Communities. 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.
5. 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.<sup>1</sup> The recently published Housing Supply Strategy includes a target of building 33,000 social homes over the next fifteen years which equates to 2,200 social homes being built each year. The funding provided in 2025/6- if the allocation to the Social Housing Development Programme follows past years- makes it feasible that 2,200 new starts will be possible in 2025/6.

6. This is a promising sign that the NI Executive is serious about addressing the housing and homelessness crisis this society is facing and living up to its commitments in both the Housing Supply Strategy and the draft Programme for Government commitment. Many organisations funded through SP support people who are severely impacted by the shortage of social and genuinely affordable housing in this society. This level of funding will give hope to people who feel trapped on the social housing waiting list. We strongly support the initial allocation and indeed would urge additional capital funding- if it becomes available- to be allocated in this direction.

### Non-Ringfenced Resource Funding for the Department of Communities

7. 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.
8. 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.
9. In November 2024, CRISPP ran a survey of independently funded Supporting People 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.
10. 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 £2 million. The full impact on SP providers will be considerably larger than this.
11. 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.

12. If these changes are implemented- and at the time of writing we have every reason to believe they will be- these budget changes will have a major impact on community and voluntary sector organisations. 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 this happens. 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.
13. 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.<sup>2</sup> 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.
14. What is especially disappointing about this news 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.
15. To be crystal clear about this, the size and scale of the additional costs which would be imposed by these changes without mitigation on providers funded through SP has the potential to lead to service closures, redundancies and a reduced capacity to provide support to people with a wide range of vulnerabilities in this society. Back in 2020, a 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%.<sup>3</sup> 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).

16. 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.<sup>4</sup> Without action, the gap between the supply of support and the level of need will continue to widen and more and more people will be unable to access the support they need.
17. Consequently, CRISPP 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 the Supporting People Programme in 2025/6 to at the very least cover the costs of these changes. We would also point out that organisations funded through the Supporting People programme 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 SP funded organisations to contribute to Executive goals in these areas.

### Membership of CRISPP

Cameron Watt, Alpha Housing  
Deirdre Walker, Apex  
Sharon Burnett, Causeway and Mid-Ulster Women's Aid  
Brendan Morrissey, Clanmil Housing  
Mal Byrne, Extern  
Kevin Wright, First Housing Aid and Support Services (FHASS)  
Nicola McCrudden, Homeless Connect  
Karen McCorry, Inspire  
Kate Martin, MACS Supporting Children and Young People  
Jackie McCaughey, Mindwise  
Seamus Leheny, Northern Ireland Federation of Housing Associations (NIFHA)  
Jenny Cassells, Praxis Care  
Stella Lepoidevin, Shelter NI  
Lucy Campfield, Triangle Housing

**For further information contact Mark Baillie, Head of Policy and Programmes  
at Homeless Connect, [mark.baillie@homelessconnect.org](mailto:mark.baillie@homelessconnect.org), 028 90246440**

## References

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<sup>1</sup> BBC Good Morning Ulster, Interview with Grainia Long, Tuesday December 10 2024.

<sup>2</sup> 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>

<sup>3</sup> Supporting People, "Strategic Needs Assessment Research & evidence based assessment to inform future housing support needs," November 2020, 61.

<sup>4</sup> Supporting People, "Strategic Needs Assessment", 79.

# 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



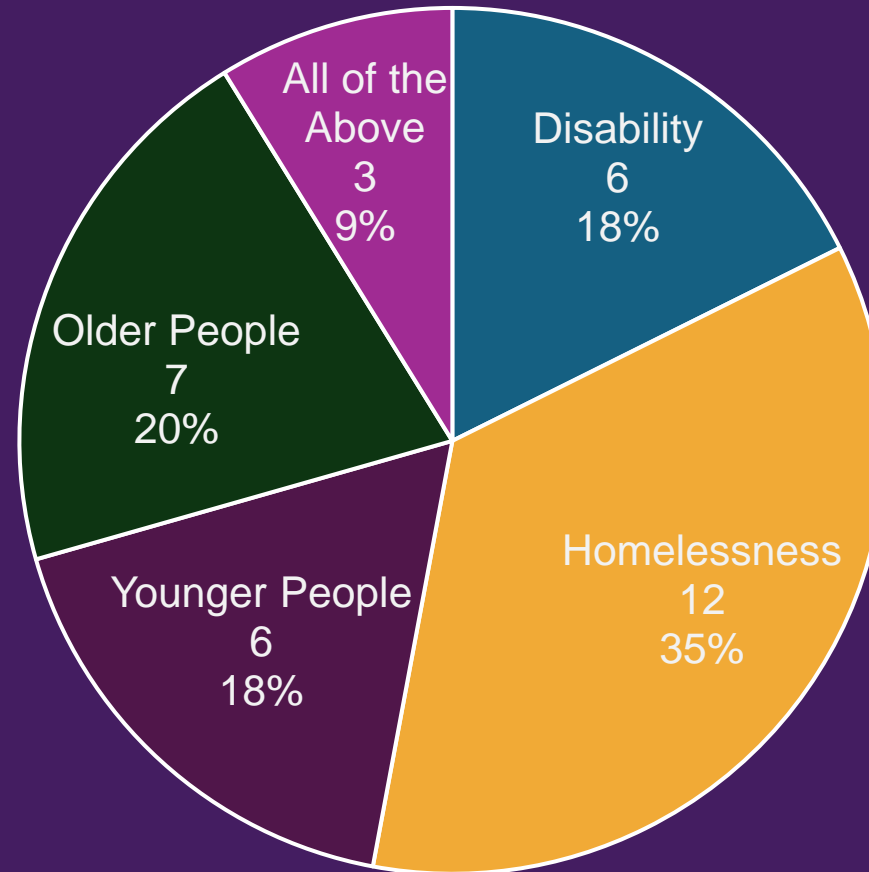
- CRISPP seeks to represent, at both the strategic and operational level, the collective views of the independent providers of Supporting People services in Northern Ireland. CRISPP is made up of twelve representatives, with three representatives from across the four thematic areas covered by the programme: 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

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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



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)

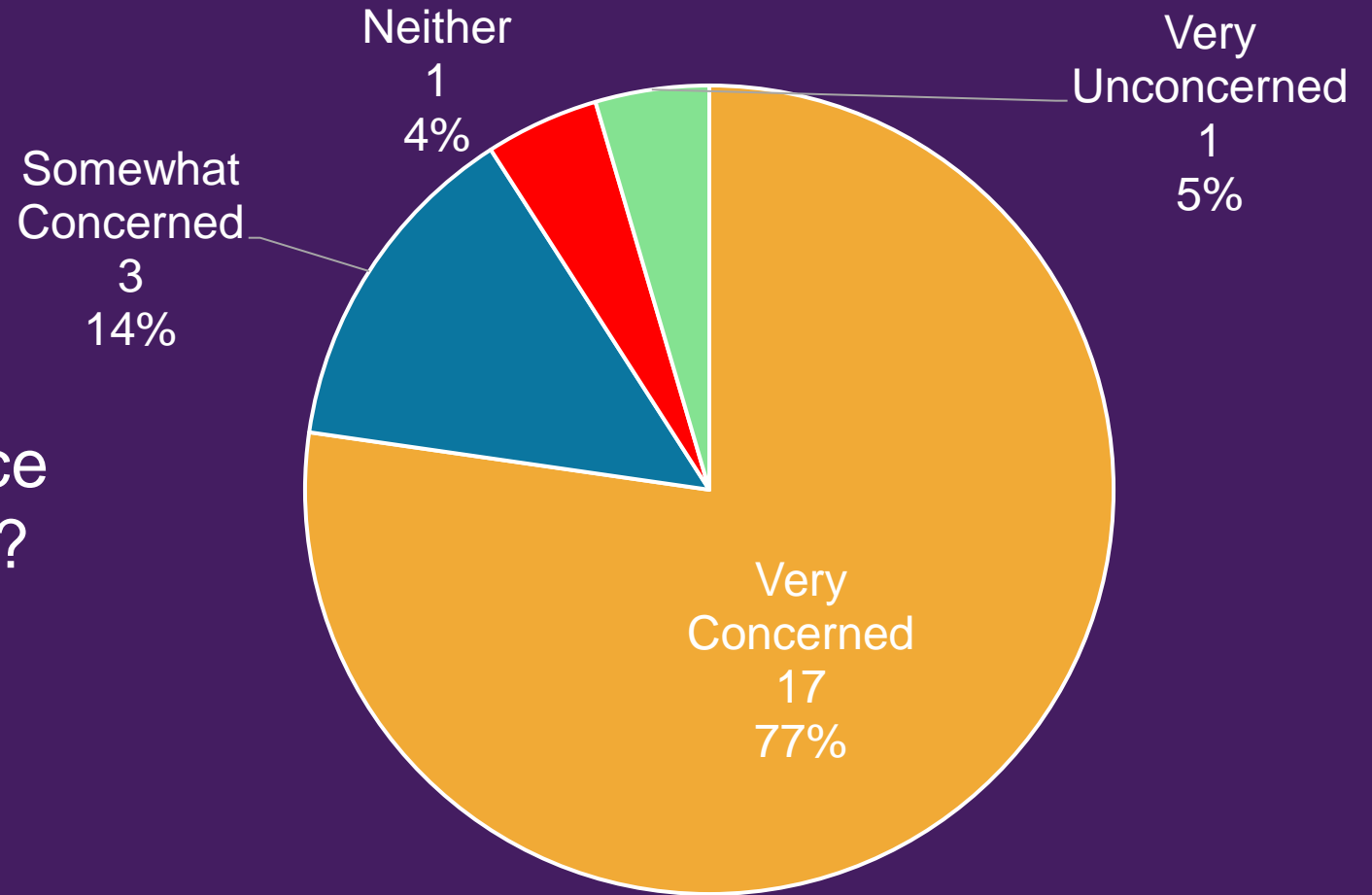
£40,000	£52,000	£58,700	£120,000	£112,000
£8,000	£2,400	£269,000	£20,000	£120,000
£7,000	£15,000	£37,000	£70,000	£77,000
£150,000	£10,000	£36,000	£13,000	£300,000
£70,000	£500,000	TOTAL FOR 22 RESPONDENTS		
		Approximately:		
		£2,087,100		

# 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?

<b>Very Concerned</b>	Without increased levels of funding how do we pay this????
<b>Somewhat Concerned</b>	It has always been a challenge to recruit staff in supported schemes and the higher costs will impact on viability
<b>Very Concerned</b>	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.
<b>Very Concerned</b>	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.
<b>Very Concerned</b>	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?

<b>Neither</b>	Not material difference in relation to overall budget
<b>Very Concerned</b>	Supporting People income has not increased sufficiently in previous years to meet rising costs, the national insurance increase could lead to closure of projects.
<b>Very Concerned</b>	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
<b>Very Concerned</b>	Not fair statutory sector protected. Double hit as National Living Wage has to go up too with National Insurance Contribution on it
<b>Very Concerned</b>	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

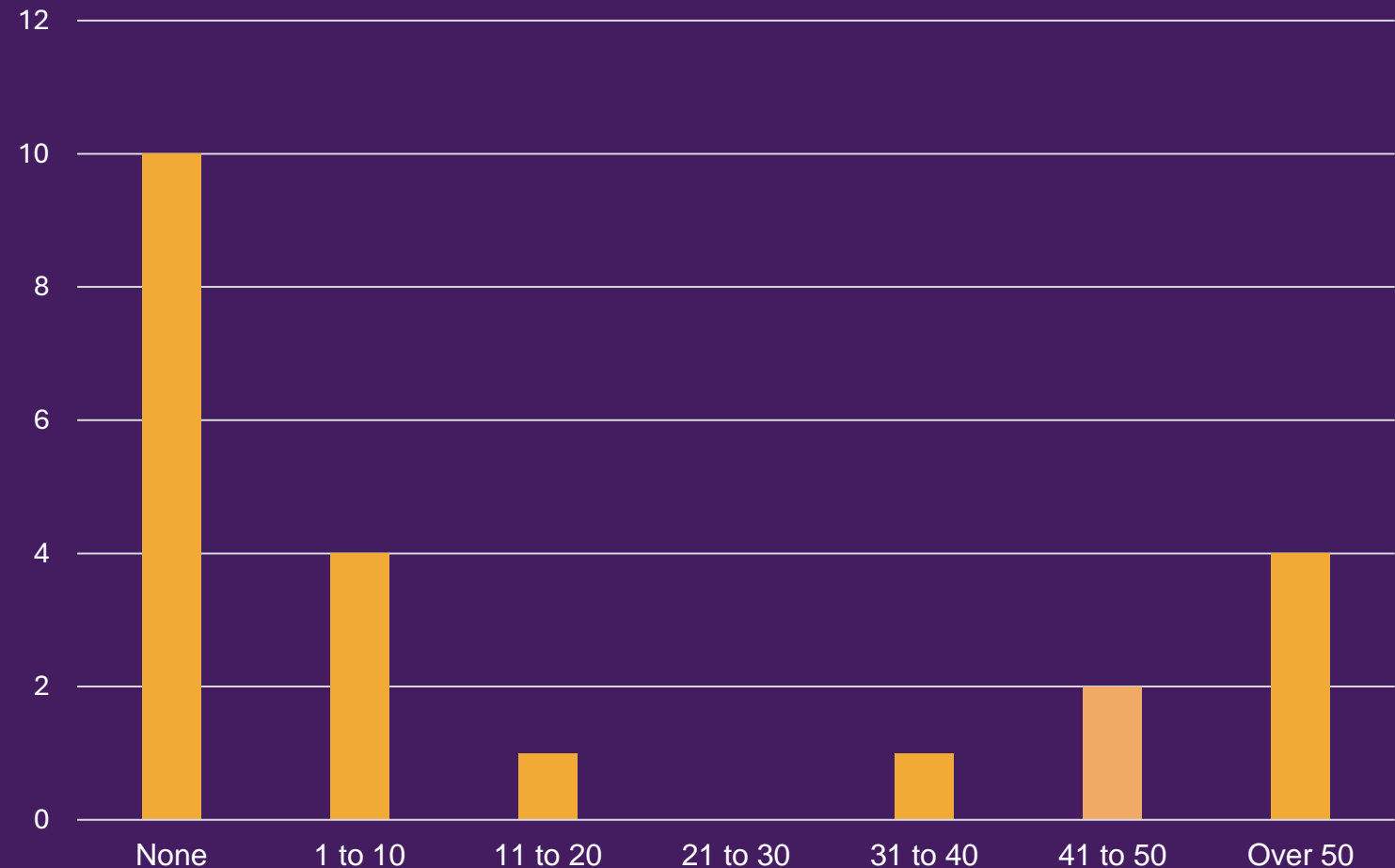
# Survey Results

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



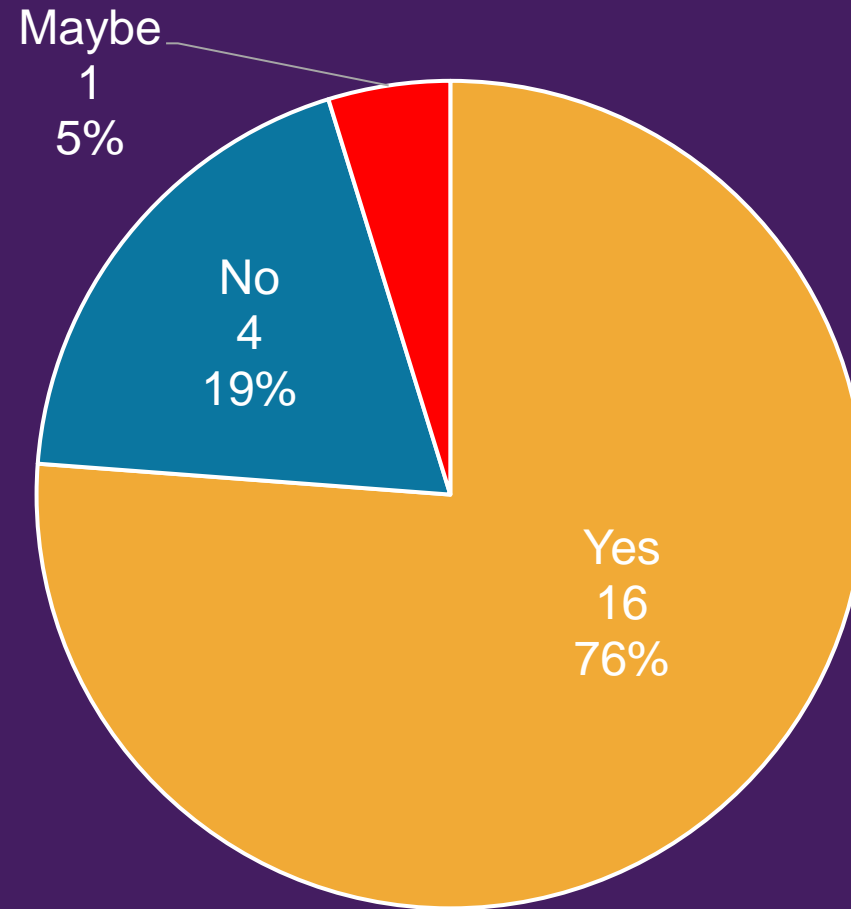
# Survey Results

CRISPP



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

Concerned about the increase in the minimum wage



# Survey Results

CRISPP



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

<b>Yes</b>	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.
<b>Yes</b>	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.
<b>No</b>	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.
<b>Maybe</b>	We can afford the changes to the minimum wage as long as the current SP budget for 24-25 is not reduced.
<b>Yes</b>	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.



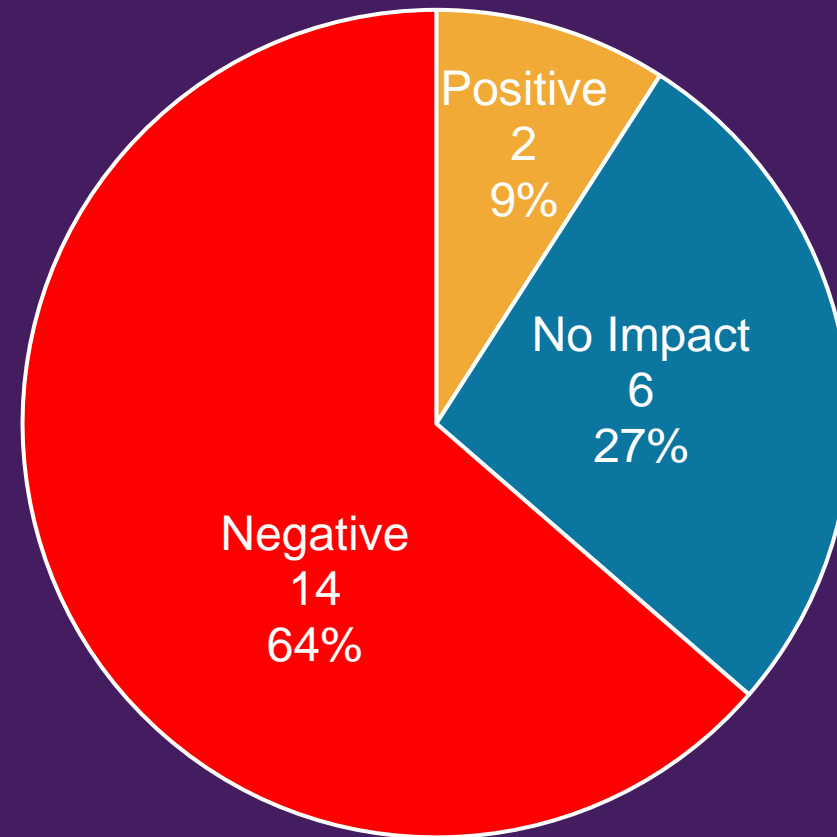
# Survey Results

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?

<b>Negative</b>	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.
<b>Positive</b>	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
<b>No Impact</b>	Already struggling to recruit and retain skilled staff
<b>Negative</b>	We will continue to struggle to recruit staff paying NLW and pay compression will make it more difficult to recruit for more senior posts
<b>Negative</b>	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?

<b>Negative</b>	With more budget needed to employers NIC there will be less to spend of staff and could therefore curtail recruitment.
<b>Positive</b>	It will make the sector more attractive for staff recruitment as long as the increase is funded, but that is a significant concern
<b>No Impact</b>	I don't think there will be any issue with Recruitment and Retention due to the changes
<b>Negative</b>	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.
<b>Negative</b>	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
<b>Negative</b>	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.

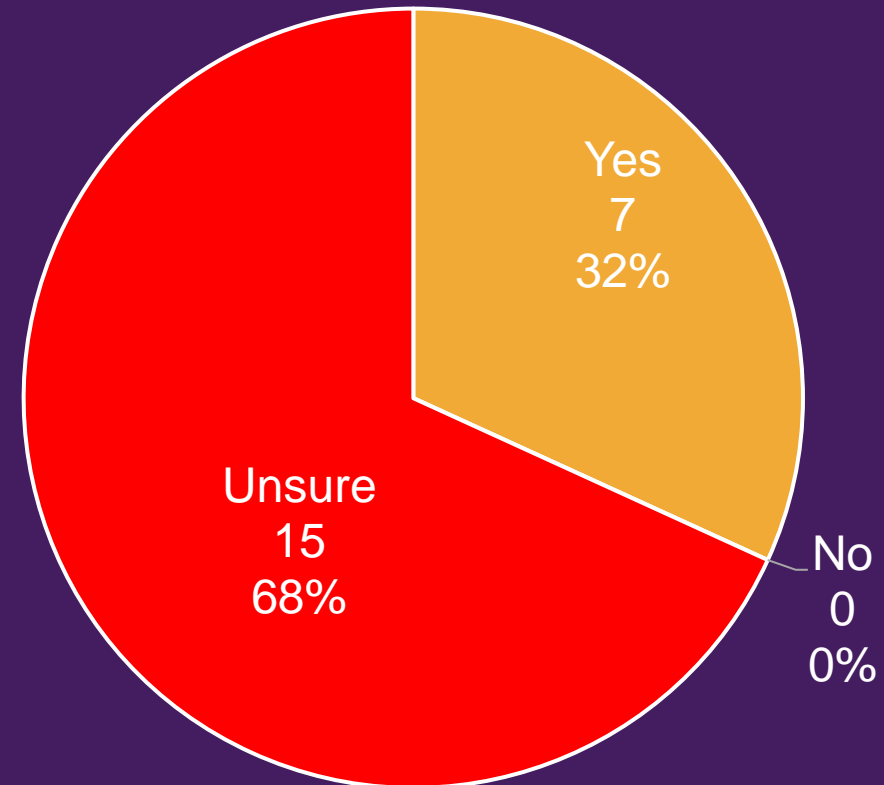
# Survey Results

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

CRISPP



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

<b>Unsure</b>	To increase staff wages would require expenditure adjustments in other areas. Not sure if possible.
<b>Yes</b>	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.
<b>Yes</b>	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.
<b>Unsure</b>	It will be a Trustee Board decision, we do not have extra funding to cover increases.
<b>Unsure</b>	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?

<b>Unsure</b>	Without commitment to increased funding the only option we would have would be to budget for an annual deficit.
<b>Yes</b>	We are contracted to do so, so we have no option but to find the additional funding
<b>Yes</b>	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.
<b>Unsure</b>	This will depend on whether there is an uplift in the Supporting People grant to fund these increases
<b>Unsure</b>	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.

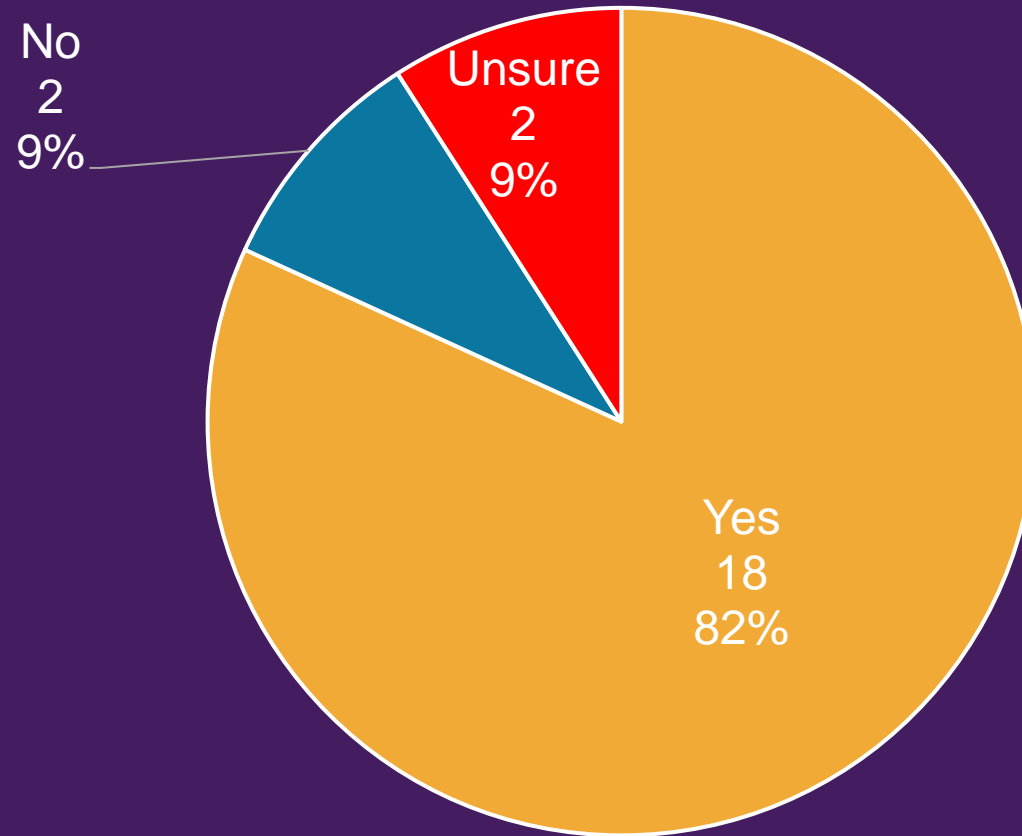
# Survey Results

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



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.