

Dear First Minister and Minister for Finance and Local Government,

We write on behalf of the Ending Homelessness National Advisory Board as chair of the board and of its associated working group on the housing and homelessness workforce to emphasise the significant and pressing concern regarding the static Housing Support Grant (HSG). This grant provides vital funds to deliver homeless prevention services across Wales but has long been overstretched.

We appreciate that these are incredibly difficult economic times and that, amidst cutting many other areas of Welsh Government funding, the HSG budget has sustained the same level of funding as last year. However, with the rise in numbers of people seeking support for homelessness and inflation driving service delivery costs upwards, these budgets are being stretched well beyond their limits.

You will, no doubt, be well aware of the recently published [Housing Matters](#) report by Cymorth Cymru and Community Housing Cymru, which indicates that 77% of services say they are likely to reduce their services and 40% to hand back contracts with the HSG remaining static.

As Chair of the board, I previously wrote to the Minister for Climate Change and the Minister for Finance and Local Government to share these concerns. However, the board has just met for the first time since the publication of the draft budget and it is clear from colleagues in local government and from providers of housing support that we have now reached a tipping point. The board heard reports from service providers who no longer consider it viable to bid on contracts as well as from commissioning local authorities who cannot find providers to deliver services due to insufficient funding.

Members of the board strongly support the Welsh Government's national plan to End Homelessness, alongside the world-leading proposals contained in the recent White Paper on legal reform. However, stakeholders across the board feel the current reality and likely reduction in services caused by a real term cut to the HSG budget will undermine those plans.

We are lucky in Wales to have many dedicated staff supporting those facing homelessness, but the board's subgroup on workforce is concerned that these valuable workers are being pushed beyond their limits. The group has spent the past year looking at how we can better support, recruit and retain our much-needed workforce, but is anxious that the ongoing budget situation places this in jeopardy. We are aware that Cymorth and CHC have recently written to you with concerns that a substantial proportion of staff working in HSG services are currently being paid below the forthcoming minimum wage and the Real Living Wage. Members of the board are concerned that a cash-flat budget will make it extremely difficult for providers to increase pay to even the minimum wage, and to retain these hardworking, highly skilled staff.

In writing to you, the board is also keen to stress the ripple effect that the failure to uplift these services in such difficult times will, in turn, have upon other services. As experts on homelessness prevention, it is clear to members of the board that investing in homelessness prevention not only saves individuals from living out the trauma of homelessness, but also saves the public purse in the longer term. Through the support that it funds, the HSG reduces pressure on a range of public services. For example, by investing in homelessness prevention and keeping people in homes, we reduce future demand on health services and delayed discharges from hospitals; we reduce safeguarding risks; and we reduce re-offending rates among prison leavers. Indeed, research conducted by Cymorth Cymru and Cardiff Metropolitan University found that every £1 invested in HSG services delivers £1.40 net savings to our nation's wider public services.

The ongoing monetary constraints on homelessness prevention also place wider key Welsh Government initiatives at risk. For example, the national approach to end violence against women,

domestic and sexual abuse, as refugees rely on the HSG to fund their support for women and children fleeing abuse.

We understand that the Welsh Government is facing incredibly difficult budget decisions in exceptionally hard financial times, but it is precisely because times are economically harsh that we must prioritise investment in homelessness prevention. This will not only help to protect the increasing numbers of people at risk of losing their homes, but will also help to protect wider public budgets for the future. As the Welsh Government draws closer to making its final budget announcement, we are under no illusions that there will continue to be tough decisions to be made. However, we strongly urge that, wherever it may be possible to do so, an uplift is granted to the crucial HSG funding.

Many thanks in advance for considering the points raised within this letter.

Yours sincerely,

**Matt Downie**, Chair of the Ending Homelessness National Advisory Board

**Clare Budden**, Chair of the Housing and Homelessness Workforce group

Matthew Downie  
**Chief Executive**



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