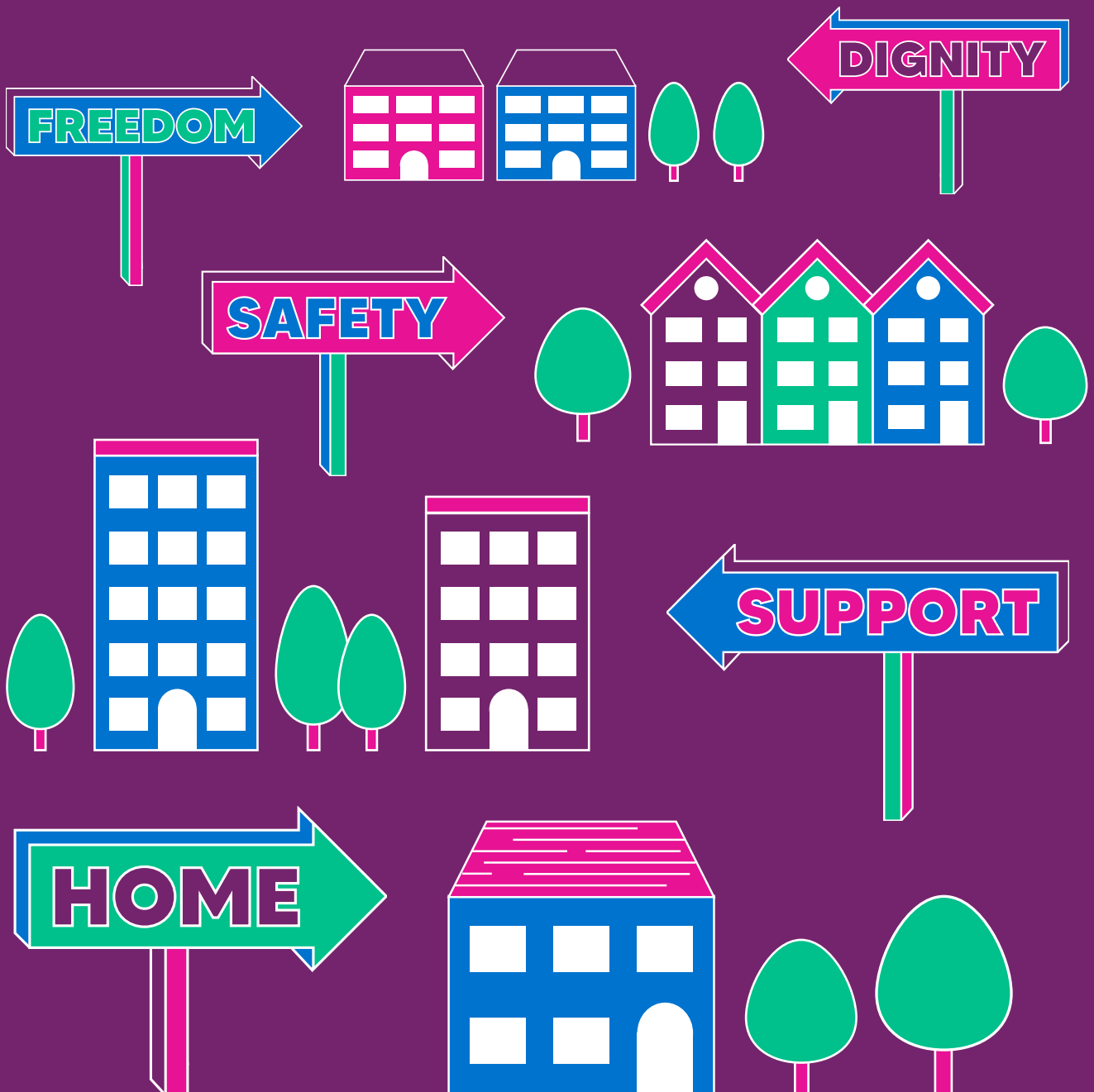


Home Matters

Welsh budget 2026/27



Introduction

Everyone should have the right to a safe and secure home. We are calling for a further 10% increase to the Homelessness Support and Prevention budget in the Welsh Government's final budget for 2026/27.

The housing advice and support services funded by this budget play a vital role in preventing and alleviating homelessness, helping tens of thousands of people every year to recover from trauma and to live safely and independently. However, these services have been under constant pressure over the last decade, facing higher costs, funding constraints, a huge growth in demand, and an increase in the complexity of support needs.

In order to inform the Welsh Government budget for 2026/27, we have collected evidence from providers of homelessness and housing support services in Wales. We received data from 36 organisations, including small charities operating in one or two local authorities, larger charities operating regionally or nationally, and housing associations. These organisations provide the majority of homelessness and housing support services in Wales and we are therefore confident that our data is representative of the sector.

This provides clear evidence of the significant pressure and challenges facing services and organisations. It highlights the growing complexity and risk that frontline workers are facing on a daily basis, the impact on their wellbeing, and the need to make further progress on ensuring they receive the recognition, reward and support for the incredible work they do. While recent budget increases have started to close the funding gap created by a decade of austerity, the reality of the post-pandemic period, the cost-of-living crisis, and the growth in homelessness, means that demand for support services has outstripped supply, with further resources needed to help local government and their partners to meet people's needs.

A call for extra funding in the final budget

The Welsh Government's Draft Budget for 2026/27 shows a 2% increase to the *Homelessness Support and Prevention* budget line. As demonstrated by the evidence in this report, that simply isn't enough. Data from homelessness and housing support providers indicates that a 12% increase will be needed to cover the increase in the Real Living Wage and maintain differentials for immediate managers. As the Welsh Government and opposition parties meet to discuss the final budget, we urge you to prioritise funding for homelessness and housing support services to ensure that services can meet growing demand and complexity, pay frontline workers at least the Real Living Wage, and cover the costs of increased National Insurance contributions.

Cymorth Cymru is the representative body for providers of homelessness, housing and support services in Wales. Our members provide a wide range of services that support people to overcome tough times, rebuild their confidence and live independently in their own homes. We act as the voice of the sector, influencing the development and implementation of policy, legislation and practice that affects our members and the people they support. We want to be part of a social movement that ends homelessness and creates a Wales where everyone can live safely and independently in their own homes and thrive in their communities.

Community Housing Cymru is the voice of housing associations in Wales. We represent 30 not-for-profit housing associations that provide almost 174,000 homes to around 10% of the population across Wales. Our collective vision is to make Wales a country where good housing is a basic right for all. Home is central to all of our lives, which is why we and our members believe that helping people live healthy, fulfilled and connected lives should be at the core of Wales's national plans. We represent the views of housing associations on a national level, to ensure they can continue to carry out their vital work to sustain tenancies, support tenants through life challenges, and create sustainable communities.

What does the Homelessness Support and Prevention budget line fund?

Housing Support Grant (HSG)

The Housing Support Grant funds the vast majority of homelessness and housing-related support services in Wales, including tenancy support, supported accommodation, domestic abuse refuges, Housing First, and much more. It plays a key role in preventing homelessness, helping people who are at risk of eviction to overcome challenges and remain in their home. It also provides a range of emergency and supported accommodation for people who are homeless or fleeing abuse and violence. These services are critical to helping local authorities to respond to people's needs and meet their legal obligations to provide accommodation and support.

The Homelessness Prevention Grant (HPG)

While this is a smaller grant, it funds vital homelessness prevention services, including the national housing advice service, which supported almost 12,000 households in 2023/24, helping to prevent homelessness in 88% of cases, with 59% remaining in their original home. It also funds other key services such as Housing First and youth homelessness services, helping local authorities and their partners to prevent and alleviate homelessness.

Critical to ending homelessness

The pressure on the homelessness and housing support system has never been greater. Welsh Government [statistics](#) show that 160 people were sleeping rough and 10,876 people were in temporary accommodation on 30 September 2025. Ever since the pandemic, the number of people entering temporary accommodation has far exceeded the numbers who are moving out of temporary accommodation and into settled homes.

While the availability of suitable, affordable housing stock is critical to helping people to move swiftly out of temporary accommodation, housing support services also play a vital role. These services prevent more people from losing their homes and needing to enter temporary accommodation, as well as helping people to cope in temporary accommodation, and then move into and maintain a home from which they can rebuild their lives.

The Homelessness and Social Housing Allocation (Wales) Bill sets out a series of reforms that will improve the prevention of, and response to, homelessness in Wales. It is widely accepted that an increase in housing support services will be required to support implementation.

Reducing pressure on other public services

In addition to preventing homelessness, housing support services also reduce pressure on a myriad of public services, from health and social services to criminal justice. [Research](#) conducted by Cardiff Metropolitan University found that every £1 invested in HSG services delivers £1.40 net savings to public services in Wales.

Based on the current £204m Housing Support Grant budget, this translates to a total gross saving of £495m, with £229m to the health service, £199m to social care services and £79m to criminal justice services.

- Reducing demand on GP, hospital and ambulance services
- Helping people to better manage their mental health
- Helping people to overcome substance use issues
- Helping families to escape domestic abuse
- Reducing re-offending, improving community safety
- Enabling people with learning disabilities to live independently
- Reducing safeguarding risks and pressures on children's services

£495m
gross saving
to public
services

**Every £1
invested in
HSG delivers
a net saving of
£1.40 to public
services**

Impact of the 2025/26 budget

SAFETY



Impact of the 2025/26 budget

Last year the Housing Support Grant received an uplift of £21 million and the Homelessness Prevention Grant was increased by 3%. We wanted to understand how this has been utilised, particularly in light of the changes to employer National Insurance contributions.

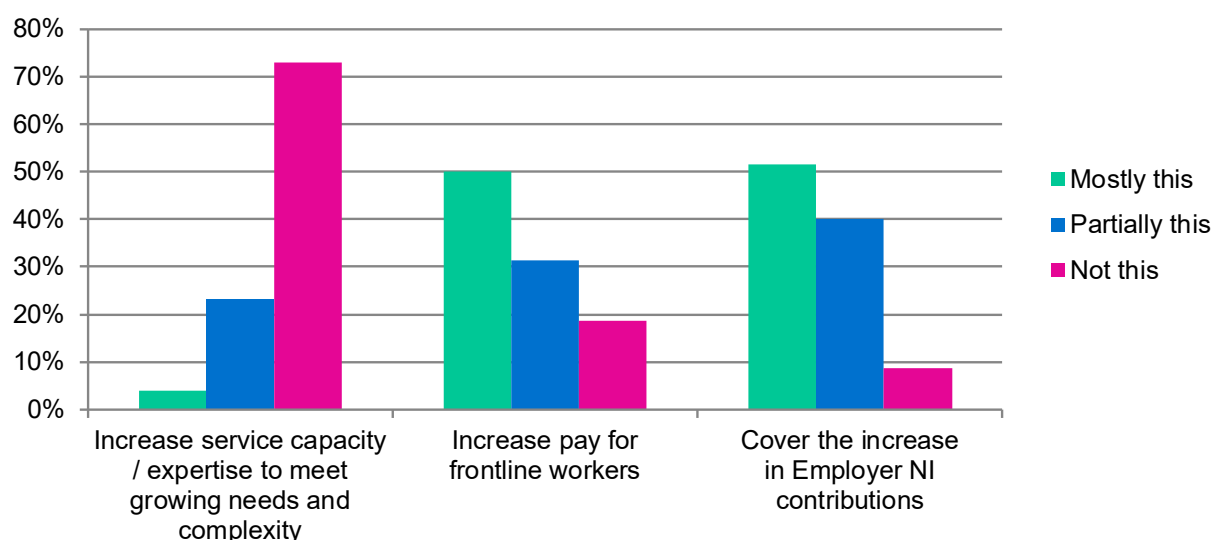
How was the funding uplift utilised?

Following the announcement of the increase to the Housing Support Grant, the Welsh Government told local authorities that the uplift should be used to meet increased demand and complexity, and to increase frontline staff wages in line with the commitment to the Real Living Wage (RLW). However, the changes to employer National Insurance (NI) contributions, announced in the UK Government's Autumn Statement 2024, put an unexpected additional burden on support providers, with many reporting that the funding uplift would need to be re-directed to meet their NI costs. We have further explored this in our survey, asking providers how any increase in their HSG or HPG funding was utilised.

- **91% said it was used to cover the additional employer NI costs**, with 51% saying it was mostly used for this purpose.
- **81% said it was used to increase frontline worker pay**, with 50% saying it was mostly used to cover this. 19% said they were not able to use the uplift to fund frontline worker pay increases.
- **Only 27% said they used it to meet increased demand and complexity**, with just 4% saying it was mostly used for this purpose.

91%
used the
uplift to cover
additional NI
costs

If your services received an increase in HSG or HPG funding for 2025/26, how was this spent?



The clear impact of changes to NI contributions

While the data shows that most organisations were able to use the uplift to increase frontline worker pay, we know that the extent of this was constrained by the NI pressures, and there was a significant minority (19%) who were not able to use it for this purpose. It is clear from the data and comments that the increase in NI costs was the dominant factor in how the uplift was utilised.

In particular, the ability of services to increase capacity and expertise to meet the growing demand and complexity was significantly restricted by the additional NI burden, with 73% being unable to use it for this purpose.

"The positive increase in HSG funding was tempered by the increase in ER NI contributions which means we were not able to do as much with it, or stretch it as far, as we would have liked to. Without the NI increase we would have been able to increase staff salaries further, as well investing some of the increase back into new roles that could have started to address the reductions in team sizes that have taken place in the past, helping us to address the increased and more complex need of service users."

"Whilst we were extremely grateful for the additional funding, we were unable to increase capacity of our teams due to needing to increase salaries and the increased NI costs."

Others said that the funding increase only enabled them to maintain service provision or reduce the financial deficit for those services. Some said that the uplift was insufficient to cover the full costs of NI and the RLW, with restructuring being undertaken to reduce staffing costs.

Inconsistent uplifts

Some providers commented on the inconsistency between the uplifts awarded to the HSG and the HPG. Others highlighted the challenges posed by inconsistent approaches from local authorities in terms of how much, if any, uplift was passed on to providers. This poses challenges in maintaining a fair and legal salary structure for organisations receiving both funding streams and/or operating across multiple areas. Another respondent told us that their organisation had only just had their increased confirmed, six months after the start of the financial year. We know that others did not have confirmation of their funding award until after April 1st. This makes organisational planning extremely difficult, particularly in setting salaries for the year, and puts the sustainability of providers at risk, if the funding award turns out to be less than anticipated.

"The full increase from WG to LAs was not passed on in full by some LAs. In some areas we have only just had agreed the increased amount."

"There were some [local authorities] that did not pass on the full uplift, and in turn some of our services still run at a deficit."

"Our HSG funding received a larger uplift than our HPG funding. 25/26 budget announcement initially set out no increase for HPG funding but in the final budget an uplift of 3% was secured but this remained below the HSG uplift."

Maintaining differentials

While the increase in frontline worker wages has been warmly welcomed, there continues to be concerns about maintaining appropriate differentials for operational managers. This has an impact on recruitment, retention and progression.

"The uplifts were used to meet RLW commitments for frontline staff. Some uplifts were awarded to junior management but the gap between these 2 groups has been getting smaller and smaller causing lots of unrest."

"The issue of differentials is absolutely critical now; we, like many others I'm sure, have used previous uplifts to pay support workers above the RLW and strengthen their broader terms and conditions, training (in light of increased complexity) etc. Other roles have received lower percentage pay increases for several years now and this is becoming unsustainable – we are getting toward a position where it will be extremely difficult to recruit and retain seniors and managers within operational services."

Services operating at a deficit

As in previous years, a significant proportion of organisations are not receiving enough funding to cover the full costs of running their HSG or HPG-funded services.

This year, 66% of providers said they were running HSG or HPG-funded services at a deficit. This compares to 81% last year, which shows that the recent increases (especially to the HSG) have had a positive impact. However, 66% is still unacceptable and unsustainable.

66%
of providers
are running
services at a
deficit

"It is fantastic that WG has provided uplifts to meet RLW, but this does not cover all increases in costs to our projects. These other costs include other staff costs other than frontline caseworkers and inflationary increases to project overheads. This means we are not able to achieve full cost recovery for all of our projects."

We also asked providers to share the income sources that are being used to subsidise the services that do not receive enough funding to cover the costs of running the services.

60% of respondents said their organisation's reserves are being used to subsidise these services, which is entirely unsustainable. 47% are using income from other parts of the organisation, but we have been told by several providers over the last two years that their Boards and senior leadership teams are not prepared continue to subsidise services that should be fully funded by the HSG or HPG.

Have you had to subsidise your HSG services from any of the following sources?

Reserves	60%
Income from other parts of the organisation (e.g. rental income, training income)	47%
Fundraising revenue	27%

60%
are using
reserves to
prop up
services

How long can providers continue to subsidise services?

With 66% of organisations reporting that services are running at a deficit, and 60% using their reserves to subsidise services, we asked providers how long this could continue.

Answers ranged from 6 months to 3 years, with an average of 1.2 years.

This is further illustrated by the comments below:

"Our reserves are depleting so cannot go beyond this year."

"If no increase in 26/27 we won't be able to maintain the subsidy beyond the year in all services."

"At the end of March 2026 we will need to show that all projects/ services are being delivered within budget. This is a directive from our Board of Directors."

"It's on a service for service basis, but realistically our reserves can no longer support this."

Fair pay for homelessness and support workers



Fair pay and the cost of living crisis

Homelessness and housing support workers in Wales do incredibly challenging and skilled work, but funding constraints mean they have not received the reward and recognition they deserve. This has widely recognised over the last few years, by the [Homelessness Action Group](#), in [the Struggles from the Frontline](#) report, and by the recent Local Government and Housing Committee [report](#) into housing support for vulnerable people.

Workforce Task and Finish group

The Ending Homelessness National Advisory Board established a Workforce Task and Finish Group, to oversee work on creating a resilient and valued workforce, as detailed in the Ending Homelessness Action Plan. This group has a short-term recommendation that the Welsh Government should ensure that all service providers receive enough funding through the HSG and HPG to pay the Real Living Wage in 2026/27. The medium-term recommendations are focused on increasing frontline worker pay to reflect wages in similar roles across other sectors that support vulnerable people.

Recent action to increase frontline worker wages

In 2024/25 the Welsh Government increased the HSG by £13 million and told local authorities that this should be used to increase frontline worker wages, in line with the policy commitment to fair work and the Real Living Wage (RLW). In 2025/26 the HSG budget was increased by £21 million, and the Welsh Government told local authorities that this should, in part, be used to increase frontline worker wages. While these interventions have been warmly welcomed, the following evidence shows that we are still on the journey towards achieving the RLW, and this requires further investment..

Evidence of low pay and the cost-of-living crisis

This year's Frontline Network [annual survey](#) found that frontline homelessness and housing support workers in Wales were struggling to cover the cost of living on support worker wages, with the majority having taken on additional work:

- **Only 23% say their pay adequately covers living expenses** (34% across the UK)
- **53% have taken on extra paid work to cover living costs** (compared to 36% across the UK)

"Colleagues also pick up additional shifts as they cannot afford to live."

"Staff voluntarily decide to take on extra work, not because the employer demands it - indeed the employer monitors for excess overtime - but because of the general economic conditions and cost of living. The basic pay is not adequate - some of our staff live below the poverty line. The government relies a great deal on the good will of staff."

Paying the Real Living Wage

Given the Welsh Government's commitment to Fair Work and the Real Living Wage, and the directive from the last two Cabinet Secretaries that the 2023/24 and 2024/25 funding uplifts should be used to increase frontline worker pay, we were interested in the proportion of organisations who were actually paying the RLW. **91% reported that they are paying the RLW to all staff** within their HSG/HPG funded services, which is the same proportion as last year.

91%
are paying
the RLW

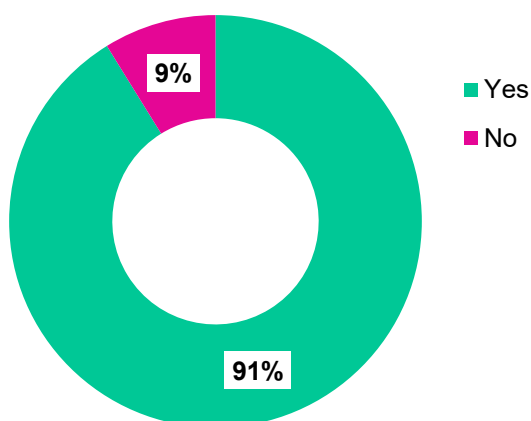
But the RLW is not fully funded

We were also interested in the extent to which they were able to cover this cost using their HSG or HPG funding, or whether they were having to subsidise it from other sources. **42% said that this was covered wholly by the HSG / HPG funding** they received, which compares to 21% last year.

This shows that homelessness and housing support providers are committed to the RLW, but the majority are not receiving enough funding to cover the full cost of this. The percentage has improved since last year but it is extremely concerning that it remains below 50%. As illustrated by the data in this report, the increase in employer NI costs has had an impact on the ability of providers to cover other costs, and shows that the Welsh Government, working with local authorities, needs to continue to progress towards achieving a fully funded RLW.

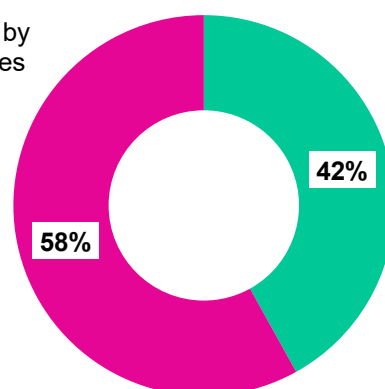
58%
said RLW
costs not fully
covered by
HSG/HPG

**Do you currently pay all staff within
your HSG / HPG funded services the
Real Living Wage?**



**How do you cover the costs of the
RLW in these services?**

■ Wholly paid by
HSG / HPG
■ Subsidised by
other sources



Uplift required to pay RLW and maintain differentials

Given the data above, which shows that the majority of support providers do not receive enough funding to cover the full costs of the RLW and differentials for immediate managers, it is clear that further funding uplifts are required to enable payment of the RLW in future years.

On 22nd October the Real Living Wage Foundation announced a new RLW of £13.45 (currently £12.60). This has caused alarm among providers, with a number contacting us to express their concern about being able to meet these additional costs.

As a result, we asked them to estimate what percentage uplift in funding would be required to pay the new RLW and to maintain appropriate differentials for immediate managers. On average, support providers said they would **need an uplift of 12.2%** to cover these costs.

12.2%
uplift required,
just to pay RLW
and maintain
differentials

Increased demand and complexity



Increased demand and complexity

The pressure on the homelessness and housing support system has never been greater. Welsh Government [statistics](#) show that 10,876 people were in temporary accommodation on 30 September 2025. Many of these people will need support to help them cope in temporary accommodation and then move into a settled home. Housing support services are also playing a key role in preventing even more people from entering temporary accommodation.

Demand for services

In our survey of support providers, **86% reported an increase in demand** for their services since last year. This is on top of the 91% that reported an increase in demand in 2024/25 and the 81% the year before.

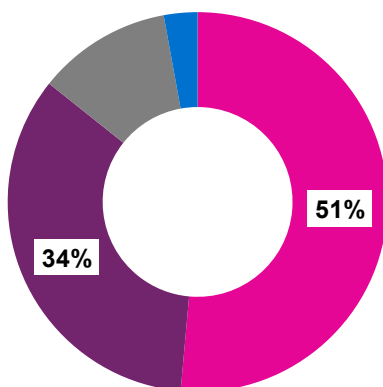
In addition, the Frontline Network's annual survey showed that **76% of frontline workers in Wales reported an increase in demand** in the past 12 months.

86%
reported an
increase in
demand for
services

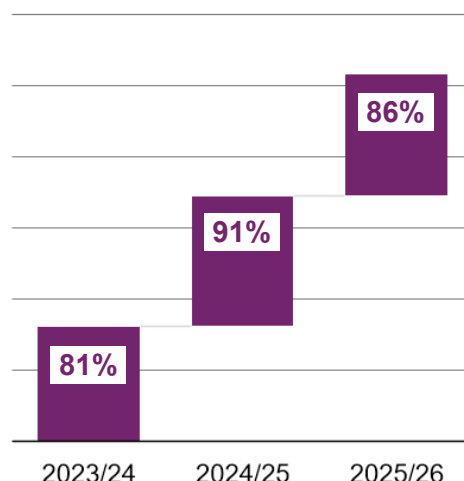
"In one of our areas, we are operating at 300% over contractual requirements due to the reduction in partner services. We are also seeing organisations close their service to new referrals which has an impact on our frontline workers."

How has demand for your HSG / HPG services changed since last year?

- Significantly increased
- Slightly increased
- Stayed the same
- Slightly decreased
- Significantly decreased



Annual increase in demand



Case study: Organisation A

We are seeing a clear rise in both demand and complexity across our supported housing and homelessness prevention services. This is reflected in higher referral numbers, more acute and multiple needs, and greater pressure on already limited resources. Many of the people we are supporting are presenting with overlapping challenges – including mental health, trauma, substance use, domestic abuse, and the impact of poverty and the cost-of-living crisis. This has significantly increased the intensity of support required.

For people in service, this can mean longer waits to access support, or the need for more frequent and sustained contact once they are with us. Some find it harder to engage consistently, which means our teams need to be flexible, persistent, and trauma-informed in their approach. Due to the increasing complexity of individuals in our services, there is a clear need to invest in more specialist training. However, budget constraints mean we are unable to provide the level of training that would be most beneficial. Additional training on trauma-informed practice and supporting people with mental health challenges is particularly needed.

Complexity of support needs

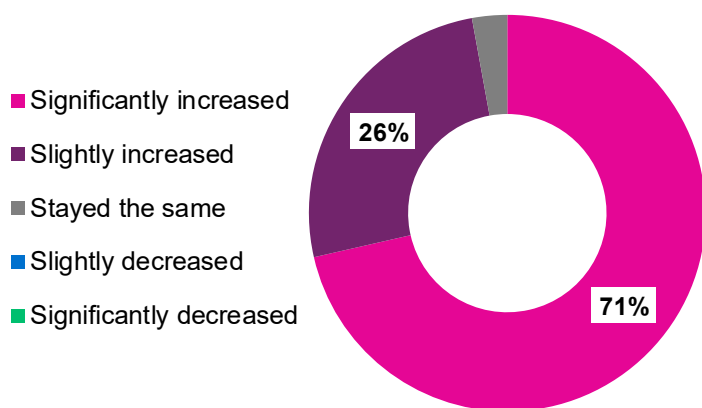
The survey also showed that **97% of respondents reported an increase in the complexity of support needs** since last year. This follows 94% who reported increase in 2024/25 and 94% the previous year. The comments below highlight the nature of this increased complexity, with multiple references to mental health, substance use, safeguarding cases, weapons, threats to staff, self-harm and suicide. Providers also report that this partially due to the people they support being unable to access statutory services such as CMHTs.

97%
reported an
increase in
complexity
of support
needs

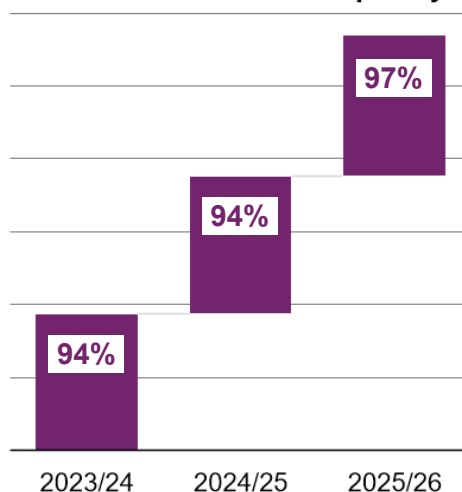
"We are regularly getting clients who are suicidal."

"Safeguarding increased with now over 50% of clients open to children's services. Previously this was around 30%. Seriousness of safeguarding cases has massively increased. Seriousness in domestic abuse cases has increased."

How has the complexity of support needs changed since last year?



Annual increase in complexity



Case study: Organisation B

Increased demand and complexity data can be found in the number of referrals we receive which have more a complex, multiple unmet need than just straight homelessness. Local Authority stats indicate a rise in temp accommodation across the country with record levels being recorded, and we are certainly seeing that in practice.

In one area specifically, the number of multiple complex clients in a residential service meant that staff's main focus was undertaking regular welfare checks (sometimes hourly / half hourly) to check if clients were still alive. Some clients were very physically ill and should have been in some sort of care or hospital setting, but the nature of their substance use meant that they weren't (either through choice of not wanting to be in hospital, or through there not being anywhere suitable for someone so chaotic and complex). Impact was that:

- Clients were in an inappropriate setting which couldn't adequately address their needs
- Staff were unable to focus on any 'regular' housing related support, instead focusing only on keeping people alive and dealing with crises. This mean that some lower need clients won't have been getting any support during this time
- Staff were thus very stressed and in a constant state of hyper-vigilance which led to burnout for some staff (resulting in staff sickness). It also made them question whether they were doing an adequate job or whether their job was actually helping people.

"The increasing complexity in our casework is evident in the year-on-year increases in safeguarding referrals that our casework team have to make. In 24/25 this increased by 11% over the previous year."

"We have seen increased use of weapons, threats to staff and other people we support, increase in numbers of people with serious self-harm or suicide ideation, and poor responses from health and other statutory services. This has contributed to higher turnover/ staff absence/vacancies and in some cases, we've had to double up staffing and use agency workers (extra cost) which is often not funded."

"Particular increase in demand for mental health support which is beyond the housing support originally intended. We are being asked to take on more complex clients but at the same time have difficulty getting them access to the type of support they actually need."

Impact on staff wellbeing and burnout

We have become increasingly aware of the negative impact on staff health and wellbeing caused by increased demand and complexity, coupled with restricted funding and job uncertainty.

In the Frontline Network's [annual survey](#), **52% of frontline workers in Wales said they feel at risk of burnout**. The following comments illustrate this further.

85%
reported
negative impact
on staff
wellbeing

"We lost a staff member to suicide last year and I fear that work-related stressors may have been a factor, although that cannot be proven."

"The increased demand and complexity has most certainly affected staff. More staff are experiencing burn out, are choosing to leave a job within a sector they have loved for many years because of the impact it has on their wellbeing."

"The health and wellbeing of workers is concerning, they are at capacity and are at risk of burnout. We have seen an increase in the request for counselling/clinical supervision from staff due to the increase in referrals and the very complex needs that come with these."

A number of comments reference the need for high quality training, support, supervision and reflective practice for staff, to enable them to have the time, space, skills and resilience to cope with the increased complexity. As highlighted earlier in this survey, services have not been able to invest in these areas due to the increase in employer NI contributions, despite the Welsh Government's intention that the funding uplift should be used to help deal with increased demand and complexity. These comments also align with the Workforce Task and Finish Group's recommendations on training and support systems for staff.

"For colleagues, the increased demand and complexity has meant carrying higher caseloads, managing greater levels of risk, and dealing with situations that are often emotionally challenging. This highlights the critical need for robust supervision, wellbeing support, and specialist training in areas such as mental health and neurodiversity - again no allocation in budget to provide this + impact due to turnover of staff. However, we are unable to provide clinical supervision due to lack of funding, leaving colleagues without the specialist support they need."

Staff turnover

67% of respondents reported an increase in staff turnover since last year, building on the 50% who reported an increase last year. We understand that this is due to a combination of low pay and the challenging environment that people are working in.



"Our staff turnover for HPG funded staff was 22% last year. Given the high demand for our services, all vacancies put significant additional pressure on remaining staff."

"It is becoming more common to have to put job adverts back out 2 or even 3 times in some local authority areas. Therefore, we are running with several vacancies at a time in some teams. This affects service provision greatly - it may reduce time spent with clients, and also increase waiting lists."

"We are also experiencing high turnover in essential roles such as waking night cover, where colleagues can earn better wages working in supermarkets."

Impact of increased turnover on clients and staff

Increased staff turnover is frustrating and costly for organisations, but also has a significant impact on people using services. Given the trauma that is present in many people's history, it can be very difficult for people to build trusting relationships. However, once they have done so, their relationship with their support worker can be a huge factor in their recovery and wellbeing. Staff turnover means that people lose these trusted relationships, and may find it difficult to engage. In addition, vacancies can lead to staff members taking on increased responsibilities, heightening the risk of burnout and reducing the time they can spend with people they are supporting.

"Trust and healthy relationships between staff and service users are essential for facilitating positive change; however, frequent staff turnover or inconsistency can impede progress and make it challenging to establish effective working relationships. Furthermore, teams sometimes experience decreased morale when they are required to assume additional responsibilities due to colleague absences."

"Staff Retention and wellbeing is a key challenge which affects continuity and quality of support for clients. Our services are based on trust, and this relies on continuity and effective relationships between staff and clients."

"Service users especially are frustrated and saddened to see staff they trust move on to other sectors of work for better pay/ opportunities."

"Colleagues feel obliged to pick up extra shifts as they don't want to let team mates and clients down [...] but long term this just adds to burnout."

What services need in 2026/27



Looking to the future: Welsh budget 2026/27

Given the Cabinet Secretary for Finance's confirmation of a roll-over budget plus 2%, and concerns that the providers need a much larger uplift to maintain service delivery and meet the additional wage and inflationary costs of service provision, we asked providers what was likely to happen if the HSG and HPG budgets were only increased by 2%.

The likely impact of a 2% increase to the HSG and HPG budgets:

- 92% said they would likely need to reduce service capacity
- 92% said they would likely need to freeze recruitment / leave vacant posts unfilled
- 75% said they would likely not bid for new or re-tendered contracts
- 63% said they would likely need to make staff redundant
- 43% said they would likely need to hand back an existing contract

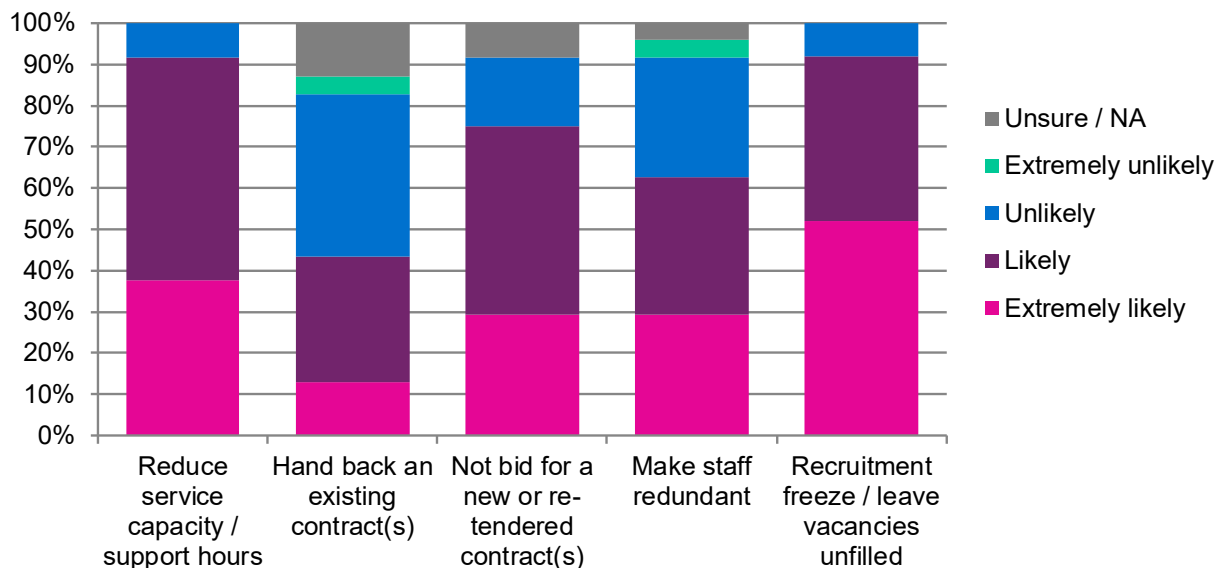
92%
likely to
reduce
capacity

92%
likely
to freeze
recruitment

75%
likely not
to bid for
contracts

63%
likely to
make staff
redundant

If there is only a 2% increase in HSG / HPG funded contracts next year,
how likely is it that you will need to:



Estimated reduction in workforce

Given that 92% of organisations would likely need to freeze recruitment, and 63% would likely need to make staff redundant if they only receive a 2% uplift, we wanted to try to quantify the impact on the size of the workforce. The data we received from providers suggests that the HSG/HPG-funded workforce would be reduced by an average of 10% in this scenario. If we estimate the homelessness and housing support workforce to be between 3,000 and 4,000 staff, this will equate to **300-400 members of staff losing their jobs.**

**300-
400**
estimated
job losses

Our call to all politicians in the Senedd

Everyone should have the right to a safe and secure home. We are calling for a further 10% increase to the Homelessness Support and Prevention budget in the Welsh Government's final budget for 2026/27.

The data we have shared provides an insight into the state of homelessness and housing support services in Wales. While recent increases in funding have helped to close the gap left by over a decade of real term cuts, growing demand and complexity of support needs means that services need further investment.

Last year's increase in employer National Insurance contributions has hit the sector hard - despite playing a critical role in helping public services to prevent and end homelessness, these services have not been protected from the added costs. In fact, the changes to NI have stopped services from being able to increase frontline staff wages as much as they would have liked, and have stood in the way of increasing service capacity and expertise to meet the increased demand and complexity.

We are calling on politicians of all parties to prioritise the Housing Support Grant and the Homelessness Prevention Grant in the final budget. As our data shows, increasing these funds is vital if we are to continue to support people out of homelessness.

We have made this clear to the Welsh Government, but hope that opposition parties who are scrutinising the budget and considering a budget deal will act on this report.

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