

# **Midlothian Council leader says new National Insurance charges will cost £5million**

**Midlothian council leader Kelly Parry has warned the local authority faces up to £5million in additional costs after the UK Government budget announcement.**

Councillor Parry has written to Chancellor Rachel Reeves urging her to reconsider the decision to include public sector organisations among employers who will be asked to pay higher National Insurance contributions.

In a letter to the Chancellor, the council leader said she was 'seriously concerned' about the impact the additional cost will have on essential public services.

She said: "Local authorities across Scotland are already grappling with funding challenges, and the additional financial burden from these hikes risks deepening the challenges faced by councils, the third sector, and local businesses in our community.

"Midlothian Council stands to potentially lose nearly £5 million from our budget for the next financial year, and subsequent years, as a result of these changes.

"For a council of our size, this figure is significant and will undoubtedly strain our ability to deliver essential services to residents."

Local authority body COSLA has reportedly said councils across Scotland face paying an extra £265 million when the increase comes into effect in the spring.

While the UK Government said some public sector services will be exempt from the increase it has not been applied to councils.

Councillor Parry warned the impact of the rise in costs will not just be on the local authority but could have a knock on effect on local businesses, charities and third sector groups who work with them.

She said: "The wider implications for local businesses, charities and third-sector organisations that rely on council contracts are of great concern. Many of these organisations already operate on extremely tight margins, and this additional cost could undermine their ability to deliver vital community services, support economic growth, and sustain employment in the area.

"Without intervention, the additional pressure on council budgets and right across the public Sector could hinder our ability to support the people who rely on public services the most."

By Marie Sharp Local Democracy Reporter