

# **Housing CEO urges Chancellor to reconsider National Insurance shift**

## **Scottish social care organisations warn of catastrophic impact of increased costs**

The CEO of one of the country's biggest housing associations has demanded urgent action from the UK Government to avert a crisis in the care sector.

Angela Currie of Hanover Scotland joined over 80 leaders of not-for-profit social care organisations urging Chancellor Rachel Reeves to reconsider plans for increased Employers' National Insurance (NI) contributions in an open letter.

The Coalition of Care and Support Providers in Scotland (CCPS) has warned that the policy will add an estimated £30 million in costs to the sector next year, jeopardising the sustainability of vital social care services for adults, children, and young people across Scotland.

Angela and the coalition have emphasised that a failure to act risks catastrophic consequences for public services, undermining the government's broader economic and social aims.

Angela Currie said: "The consequences of this decision are potentially devastating for social care providers and the vulnerable individuals who depend on these essential services.

"At Hanover Scotland, we see daily the impact of high-quality

housing and care on the wellbeing and independence of older people. These changes risk creating insurmountable financial pressures, forcing providers to make impossible choices about their future.”

The joint letter highlights that social care providers, unlike many other organisations, lack the ability to absorb such significant cost increases.

It warns of job losses, pay freezes, and potential closures of community-based support services as immediate risks of the policy.

The signatories, representing a wide spectrum of care provision in Scotland, argue that the exclusion of not-for-profit organisations from NI relief threatens not only individual service users but also the wider public services network – escalating pressure on the NHS, unpaid carers, and other support systems if care services are forced to scale back or cease operations altogether.

CCPS Chief Executive Rachel Cackett said: “The eNIC policy is being introduced at a time when social care providers are already at extreme risk. In March this year, over 80% of our members who responded to a survey told us they were delivering public contracts despite a deficit budget.

“And as our letter states, these pressures are not limited to Scotland; the effects of long-standing under-investment in support services are being felt across the UK. Social care is pared to the bone.

“How can the UK Government claim that those with the broadest shoulders should pay more when this policy will impact not-for-profit organisations supporting some of the most vulnerable people in our society?”

“Services cannot continue if they are not financially viable. This policy will impact jobs – particularly for women – and

risk the loss of crucial community-based provision for people who desperately need more well-resourced, rights-based, accessible, quality support.”

Social care in Scotland is already operating under intense financial strain, with many providers delivering contracts at a loss.

The proposed NI changes, coupled with the reduction in thresholds, could make many operations unsustainable, worsening the already precarious position of the sector.

Angela added: “The people who rely on social care services deserve security and support, not uncertainty. It’s vital that decision-makers recognise the unique pressures on our sector and act to shield providers from these costs.”

Angela recently warned that cuts to the housing adaptation budget would result in bed-blocking and increased burden on NHS and social care.

She called for urgent action, stating that housing associations like Hanover are being forced to make impossible choices between critical home adaptations and essential refurbishments such as kitchens and bathrooms.



Angela Currie