

Local Gateway joins growing voices for help to meet National Insurance costs

West Lothian's Voluntary Sector Gateway (VSG) has added its voice to calls to the Chancellor to fund the increases in National Insurance Contributions.

Local charities, already under pressure from growing demands, fear they may have to reduce hours for staff as a result of the increases in National Insurance.

In a report to the council's Economy, Community Empowerment and Wealth Building PDSP the Bathgate-based Gateway, said: "This wholly unexpected cost will inevitably place additional financial pressures on already stretched Third Sector and social enterprises locally.

The VSG was giving its six-monthly update on its activities to councillors – the first since the announcement in the Autumn budget.

Last week it was revealed that West Lothian Council could face a £6m bill for the increase in NIC.

In a report to the Council the VSG said: "Many local organisations were already expressing concerns about their own sustainability in light of the funding landscape and increased demand for services coupled with complexities of support provision.

“The Third Sector Interface (TSI) network and SCVO have raised concerns with MSPs to lobby the Scottish Government to in turn pressurise the UK Treasury to exempt charities from the increases.”

Stuart Barrie, operations manager for the VSG toll the meeting: “With no additional funding charities are deeply concerned that they may be forced to reduce hours of operation to meet costs. We need more sustainable funding”

The Scottish Council for Voluntary Organisations, the lead umbrella organisation for Third Sector in Scotland, has lobbied to build support for increased funding to meet the unexpected costs as have local authorities.

Responding to the decision the SCVO said: “Across the UK the voluntary sector is a significant employer, employing over 1 million people, including 133,000 people in Scotland- 5% of Scotland’s workforce.

“With an estimated cumulative cost of £75 million to the sector in Scotland alone, changes to employer NICs is another pressure our struggling sector can ill afford.

“The Chancellor must recognise the potential impacts of these increased costs on the essential services and support the sector provides by ensuring that voluntary sector employers, like public sector employers, are reimbursed for additional employer National Insurance Contributions costs.”

The SCVO along with national counterparts had tried to dissuade Chancellor Rachel Reeves from applying the NI increase.

In a letter to the Chancellor before the budget the SCVO had said: “As you navigate the significant financial challenges the country faces, we are confident that it would not be your intention to place them at the door of charities and community organisations. We are not asking for special treatment, just

parity with the public sector.”

By Stuart Sommerville, Local Democracy Reporter