

No NI increase cover in leisure trust funding packages

West Lothian Leisure will have to fund the increases in NI contributions for its staff when they come into force in April, it has been confirmed.

Kenneth Ribbons, the acting head of finance, said the arm's length operator of the county's leisure and swimming facilities would be expected to cover the increased staff costs from its own budget.

The revelation came as Mr Ribbons confirmed the annual funding by the council to the leisure trust of £1.49m.

The opposition SNP's depute group leader Pauline Stafford, voiced concern that the trust would be saddled with the extra costs, adding the services are provided on behalf of the council and "mean a lot to people".

National Insurance contributions for employers will increase from 13.8% to 15% in April 2025. This is a 1.2 percentage point increase. Employers will start to pay Employer NICs on salaries from £5,000 (reduced from £9,100).

The costs across the council are expected to be in the region of £6m.

So far the Scottish Government has only agreed to part fund the increases. Despite the expectation that councils would

have increased costs met in full, any announcement from the Chancellor is unlikely before the Spring Statement at the end of this month.

There have been widespread fears that without extra funding services will eventually be cut as external organisations providing services such as West Lothian Leisure, and some health care providers have to trim costs.

West Lothian Leisure is already on a path to become fully funded following agreements made last year.

Mr Ribbons told the meeting: "The council is proposing to provide £1.49m of funding to West Lothian Leisure and this is £560,000 less than in 24/25 as a result firstly of a previously approved £500,000 reduction in core funding provided by the council secondly an annual £60,000 repayment by West Lothian Leisure of prudential borrowings provided by the council for gym expansions at Xcite Bathgate and Xcite Whitburn."

WLL is forecasting a surplus of £125,000 in 24/25 and a year-end cash balance of £1.6m. WLL set its 25/26 budget at the board meeting on 5 March. There are a number of income generating initiatives the management are working on and council officers are continuing to work with the trust to bring these to fruition.

Councillor Pauline Stafford asked: "Was there any consideration of allocating some of the money coming from the Scottish Government to cover NI rise and giving this to West Lothian to help them with their costs?"

Mr Ribbons said, "I think it's some that we are expecting West Lothian Leisure to fund those costs."

Answering a follow up question, he added that he did not know what the costs for the trust would be.

Councillor Stafford said: "We're disappointed that no provision has been made to help West Lothian Leisure with these extra costs that are coming given that they provide services on behalf of the council, and they mean quite a lot to the community."

By Stuart Sommerville, Local Democracy Reporter