

Amendment - Social care funding in crisis: National Insurance Contributions

Proposed by: Councillor Brownridge

Seconded by: Councillor Mushtaq

~~Delete~~

Insert

Council notes that:

From April next year employer's National Insurance contributions will increase by 1.2% and the threshold at which employers must contribute to National Insurance will be reduced to all employees earning £5,000 or more.

The Institute of General Practice Management has estimated that the rise will mean the average GP surgery's tax bill will go up by around £20,000 a year. The 6,275 GP practices in England could end up facing a total of £125.5M a year in additional costs. This and other key parts of our health services unlike hospital staff are not except from this increase.

~~This is the equivalent of providing 2.24 million GP appointments, at £56 per appointment. The average GP surgery could therefore lose the equivalent of 357 appointments a year.~~

The Association of Directors of Adult Social Services (ADASS) has revealed that, by its calculations, local authorities would face £1.8B in extra costs in 2025-26 due to increases in employers' NICs and the national living wage (NLW) announced in the last Budget, along with inflation.

While principal councils will be exempt from the rise in employer NICs, the Government it has offered no such protection to care providers, which the Nuffield Trust has estimated will face £940m in extra costs from the measure in 2025–26.

Council further notes that:

This ~~is likely to~~ could have a significant impact on the cost of the social care to Oldham Council, which is already this year facing a £20 million overspend predicted, with overspend on adult social care at £3.8m, and children's services at £6.6m. This increase in NICs ~~will severely~~ could hamper the Council's attempts to cut its overspend and could ~~wipe out~~ potentially negate any predicted improvements in its financial position as a result of changes to the formula for spending indicated.

That as per the Care Act (2014) the Council has a duty, to ensure a diverse, sustainable and quality adult social care market for Oldham residents meeting their assessed eligibility needs.

This Council will outline the projected and potential financial impact to Oldham's commissioned social care providers as part of the annual fee review, with the rates modelling process that takes place for annual budget setting and is due to be ratified at Budget Council on March 6th.

Council resolves to:

Write to the **Minister Deputy Prime Minister & Secretary of State** for Housing, Communities and Local Government **and the Chancellor of the Exchequer** to **demand that the NIC exemption is changed to ensure that health services and social care – which makes** urge them to consider the potential impact of NIC on the cost of commissioned social care services when confirming the Local Government Finance Settlement, as social care services make up such a significant proportion of local government spending. ~~– are included, in line with their statement that~~ and welcoming the government’s recognition in the Local Government Finance Policy Statement that “Reform and prevention are critical if we are to turn around the cycle of system failure and cost escalation.”

To write to local MPs Jim McMahon, Debbie Abrahams, and Lucy Powell **asking for their support in a review of the impact of the increase, including:** to inform them that Oldham Council is exploring:

- the cost implications for funding health and social care in Oldham of the NIC increase;
- the implications for **Council Tax rises** budget setting to meet the demand for social care funding;
- ~~the potential reduction in availability of GP services which are already stretched~~
- And seek their support to lobby government to minimise any potential adverse impacts from NIC rises.

Ask the Deputy Chief Executive (Health & Care) and the Cabinet Member for Adults, Health and Wellbeing to investigate the potential impact on existing and future GP services in the Borough.

Amended motion to read:

Council notes that:

From April next year employer's National Insurance contributions will increase by 1.2% and the threshold at which employers must contribute to National Insurance will be reduced to all employees earning £5,000 or more.

The Institute of General Practice Management has estimated that the rise will mean the average GP surgery's tax bill will go up by around £20,000 a year. The 6,275 GP practices in England could end up facing a total of £125.5M a year in additional costs. This and other key parts of our health services unlike hospital staff are not except from this increase.

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While principal councils will be exempt from the rise in employer NICs, the Government it has offered no such protection to care providers, which the Nuffield Trust has estimated will face £940m in extra costs from the measure in 2025–26.

Council further notes that:

This could have a significant impact on the cost of the social care to Oldham Council, which is already this year facing a £20 million overspend predicted, with overspend on adult social care at £3.8m, and children's services at £6.6m. This increase in NICs could hamper the Council's attempts to cut its overspend and could potentially negate any predicted improvements in its financial position as a result of changes to the formula for spending indicated.

That as per the Care Act (2014) the Council has a duty, to ensure a diverse, sustainable and quality adult social care market for Oldham residents meeting their assessed eligibility needs.

This Council will outline the projected and potential financial impact to Oldham's commissioned social care providers as part of the annual fee review, with the rates modelling process that takes place for annual budget setting and is due to be ratified at Budget Council on March 6th.

Council resolves to:

Write to the Deputy Prime Minister & Secretary of State for Housing, Communities and Local Government and the Chancellor of the Exchequer to urge them to consider the potential impact of NIC on the cost of commissioned social care services when confirming the Local Government Finance Settlement, as social care services make up such a significant proportion of local government spending and welcoming the government's recognition in the Local Government Finance Policy Statement that "Reform and prevention are critical if we are to turn around the cycle of system failure and cost escalation."

To write to local MPs Jim McMahon, Debbie Abrahams, and Lucy Powell to inform them that Oldham Council is exploring:

- the cost implications for funding health and social care in Oldham of the NIC increase;
- the implications for budget setting to meet the demand for social care funding.
- And seek their support to lobby government to minimise any potential adverse impacts from NIC rises.

Ask the Deputy Chief Executive (Health & Care) and the Cabinet Member for Adults, Health and Wellbeing to investigate the potential impact on existing and future GP services in the Borough.