

15th January 2025

Health, Social Care and Sport Committee
by email

Dear Members of the Health, Social Care and Sport Committee,

Impact of Employers' National Insurance Increase on Primary Care Providers

We are writing as representatives of Scotland's primary care providers to raise serious concerns about the impact of the recent increase in Employers' National Insurance contributions. While we recognise the policy's broader intent, the additional financial burden it imposes on care providers risks undermining the sustainability of vital NHS services across Scotland.

The financial challenges created by the increase in Employers' National Insurance contributions affect all primary care providers, including both directly funded and contractor-led services. However, the effects are felt most acutely by smaller organisations and independent businesses, which have limited capacity to absorb such costs. Rising operational expenses, coupled with workforce and recruitment pressures, threaten the ability of care providers to maintain current levels of NHS service delivery, let alone expand capacity to meet growing demand.

Without immediate action to mitigate these challenges, the consequences will be far-reaching:

- **Reduced service capacity:** Businesses may be forced to scale back NHS provision, increasing waiting times and putting more strain on secondary care.
- **Risks to workforce retention and recruitment:** Financial instability could exacerbate the recruitment crisis across primary care sectors.
- **Disruption to patient care:** Communities will face reduced access to local services, particularly in rural or under-resourced areas.

While we welcome the Scottish Government's support and recent efforts to raise this issue with HM Treasury, we believe that Members of the Health, Social Care and Sport Committee have a vital role to play in amplifying these concerns within the Scottish Parliament and ensuring the resilience of primary care services.

We respectfully urge the Committee to:

1. **Investigate the System-wide Impact:** Initiate a review to understand how the Employers' National Insurance increase is affecting primary care providers and the availability of NHS services.
2. **Advocate for Mitigation Measures:** Recommend targeted financial support for primary care providers to offset rising operational costs and ensure the sustainability of NHS service delivery.
3. **Facilitate Stakeholder Collaboration:** Encourage cross-sector discussions between care providers, the Scottish Government, and relevant stakeholders to develop practical, long-term solutions.
4. **Raise Parliamentary Awareness:** Highlight this issue in Committee discussions and plenary debates to ensure it remains a priority within NHS recovery planning.

We believe that addressing this issue collaboratively will safeguard Scotland's primary care infrastructure and enable providers to continue delivering high-quality care to communities across the country.

We would welcome the opportunity to provide further evidence to the Committee or engage with individual members to discuss potential solutions.

Thank you for your consideration of this urgent matter.

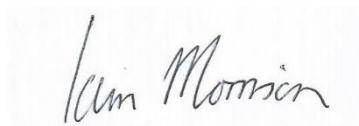
Yours sincerely,



David McColl
Chair, Scottish Dental Practice Committee
Committee
British Dental Association



Matt Barclay
CEO, Community Pharmacy Scotland



Iain Morrison
Chair, Scottish General Practitioners
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Eilidh Thomson
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