



Health and Social Care Committee

House of Commons London SW1A 0AA

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Subject: Autumn Budget 2024

Dear Secretary of State

Following the presentation of the government's Autumn Budget on Wednesday 30 October I am writing to you on behalf of the Health and Social Care Committee with questions on the implications of the Budget for your department and the wider provision of health and social care in England.

Employer National Insurance Contributions

The government is increasing the rate of employer National Insurance contributions (NICs) from 13.8% to 15% and reducing the per-employee threshold at which employers become liable to pay National Insurance from £9,100 to £5,000 from 6 April 2025.

The Office for Budget Responsibility (OBR) has confirmed that the government is compensating public sector employers for these increased costs by increasing departmental expenditure limit (RDEL) budgets accordingly. At her appearance before the Treasury Select Committee on 6 November the Chancellor confirmed that the definition of "public sector" is that which is used by the Treasury, which means that other health and social care providers including general practitioners, social care providers, hospices, and pharmacists will not be directly compensated.

During her evidence the Chancellor also stated that overall the Government was "confident that within the settlements that we've made those costs can be absorbed."¹

- 1. Could you please share with the Committee what analysis or modelling has been conducted by your department and/or the Treasury on the impact of the Employer NIC increase on non-public sector health and social care providers, to support that conclusion. In particular we want to understand the projected impact on the financial position of a) GPs, b) Pharmacies, c) Social Care providers, and d) Hospices, and the impact on the workforce and services they provide.**

The Chancellor also said that you will be making "allocations in the usual way" for the funding of other health care providers such as GPs.²

¹ <https://parliamentlive.tv/event/index/a43593ce-5fd3-42d6-9c88-4b7f7ecffb1> 16:23- 24

² Ibid

2. **Can you update the Committee on the current timelines for new GP contract arrangements to replace the 2019 contract framework?**
3. **Will any guidance be issued to the NHS and other service commissioners such as Local Authorities on how the increased costs faced by non-NHS service providers should be reflected in their budgets for commissioned services?**

The Committee has also seen media reports that the Government may be considered additional financial support for the hospice sector to responded to the impact of Employer NIC increases and wage pressure.

4. **Can you confirm whether Government will be providing additional support to the hospice sector?**
5. **Is the Government considering providing additional support for any other non-public sector health and social care providers that are also facing cost pressure from Employer NIC and wage increases?**

I would be grateful if you could provide responses to these questions by Monday 9 December 2024.

I look forward to your response, which we will publish on our website together with this letter.

Yours sincerely,

Layla Moran MP
Chair, Health and Social Care Committee