

11 November 2024

Dear Lee Dillon MP and Olivia Bailey MP

## **National Insurance Contributions**

On behalf of the West Berkshire VCSE Sector, I am writing to you as our local Member of Parliament as we are very concerned about the chancellor's autumn budget statement announced changes and the potentially devastating impact they will have on the VCSE sector. NCVO estimate that the sector's total increased cost of employer National Insurance Contributions will be £1.4bn per year. In West Berkshire this change, coupled with the increase in minimum wage, is estimated to cost the sector an additional **£387,353** on wage bills per year and this is just from the 16 charities that have been able to respond before I sent this letter.

Ahead of the budget, it has been clear that charities are in a dire situation as they try and meet the demands of rising need in communities while their own costs escalate and funding declines. This decision to increase employer National Insurance Contributions (NICs) will place another major strain on charities at a time when we are already struggling. This has been evidenced through the West Berkshire Poverty Forum and other local VCSE forums where the impact of Covid and Cost of Living continue to take its toll on the VCSE Sector with many having to review their services in order to survive.

Our sector will have less flexibility than ever before to absorb these increasing costs and many of us will have to make difficult choices in the coming months as a result. The harsh reality is that many organisations may be forced to reduce staff, cut salaries, and most importantly, scale back services for the very people they strive to support.

I would appreciate if you could raise this issue in Parliament and do everything you can to help improve the situation and safeguard charities from increased employer NICs.

We look forward to working with you to support the VCSE sector to play its role in building stronger, more resilient and connected communities.

**Kind Regards**

**Rachel Peters, CEO**

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