



To: John Swinney MSP, First Minister

12th June 2025

Dear First Minister

Impact of Employer National Insurance Contribution rises on the not-for-profit social care sector – the implications of the UK Spending Review

I am writing to you on behalf of a group of CEOs of some of Scotland's largest social care charities. My colleague Lucy Wren, CEO of Carr Gomm, has written to you on two previous occasions outlining the challenges that the UK Government's decision to raise employer National Insurance Contributions (eNIC) as well as lowering the threshold at which eligibility kicks pose for the social care sector in Scotland. Our charities alone face costs of c. £7m this year, with a potential impact for the wider sector of c. £84m. This poses an existential threat to many organisations delivering essential public services across the country – and we fear will lead to the handing back of services, and potentially even the collapse of some organisations, unless action is taken.

We appreciate the multitude of challenges which your government faces in terms of the current fiscal environment and the competing pressures. However, social care is in crisis, and it is essential that the Scottish Government acts and demonstrate the leadership that is required. So often we hear that the funding was not passed on, that we value the sector, that we have given some money over but nothing that shows commitment to making the choice to fix the funding crisis. Today is an opportunity to cut through the rhetoric and provide the funding from a new allocation (£2.9 billion) that is being directed into the Scottish Government funding pot.

With the UK Government's spending review having allocated the largest ever settlement to Scotland since devolution, we are calling upon you to use some of that funding to address this situation. We are delivering statutory services to people who deserve the highest quality support available – whilst filling the eNIC gap will not solve all the pressures the sector faces, it will play a crucial role in addressing immediate risks and allowing us to make decisions around capacity, innovation and delivery that will benefit not only those receiving social care, but Scotland as a whole.

Yours sincerely,

Lucy Wren, CEO
Carr Gomm

Theresa Shearer FRSE, CEO
Enable

Gerry Lindsay, CEO
Hansel

Austen Smyth, CEO
The Richmond Fellowship Scotland

Dorry McLaughlin, CEO
Scottish Autism

Ruth Dorman, CEO
Share Scotland