

Briefing for MSPs

Additional Employers' National Insurance Contributions Compensation



The following briefing sets out COSLA's ask for MSPs to recognise the additional cost to Local Government of additional employers' national insurance contributions (eNIC) in relation to the 2025/26 Budget.

The Cost

It is estimated that the additional direct cost to Local Government will be:

£265m

This figure grows even further when taking into account the additional cost for commissioned services in the third and independent sector, which are vital to councils' ability to meeting statutory duties:

**+
£85m**
for Adult Social Care

Other Services Affected



Early Learning and
Childcare



Children's
Social Care



Registered Social
Landlords



Arms Length
Organisations –
culture, leisure, social
care etc

Capital Projects

This additional cost is occurring at a time of unprecedented financial pressures for Local Government.

“76% of Councils will be making cuts to frontline services in 2024/25 which will be evident to the public”

(LGIU 2024)