

Cllr J Hanna OBE

Chair, Oxfordshire Health
Overview and Scrutiny
Committee

20 January 2025

Dear Secretary of State for Health and Social Care,

Impacts of increasing National Insurance and Living Wage contributions on General Practice in Buckinghamshire, Oxfordshire, and Berkshire West:

We are writing on behalf of the Buckinghamshire, Oxfordshire, and Berkshire West Joint Health Overview Scrutiny Committee to bring to your attention the impacts of the government's increases of national insurance and living wage contributions on General Practice in the Buckinghamshire, Oxfordshire, and Berkshire West (BOB) geography. The government will be aware of the fact that the healthcare sector, and in particular General Practice, has been under increased strain due to the increases in demand for primary care services. In parts of BOB, this increased demand has been occurring as a result of rising residential developments and influxes of population.

It is anticipated that there will be significant financial and operational challenges faced by GP surgeries in BOB due to increases in the living wage and national insurance contributions. These changes, while aimed at improving the overall economic welfare of workers, will have profound implications for the functioning and sustainability of GP practices.

The Committee received evidence in the context of its public meeting on 22 November 2024, regarding the potential impacts of these increases as well as on how GP practices across the BOB geography felt about the increases. This included the outcome of a survey conducted by the Berkshire, Buckinghamshire, and Oxfordshire Local Medical Committee sent to GP practices in the BOB area. There were three aspects of the government's budget that practices across the BOB geography were concerned about including:

1. The increase in Employer National Insurance Contributions (NICs) from 13.8% to 15%.
2. The salary threshold at which employers begin to be liable for NICs has been decreased from £9,100 to £5,000.
3. In addition, the national minimum wage is to increase from £11.44 to £12.2

The above survey found that of the practices that did partake, the average annual recurring loss per practice was £47,000. This increased financial loss could add to the already existing challenges experienced by General Practice locally. The survey also found that the proportion of practices who will have to make redundancies or staff layoffs in order to remain viable was 67.6%.

Additionally, what is of even greater concern to the Committee is that of those practices who partook in the aforementioned survey, the proportion of practices who are considering

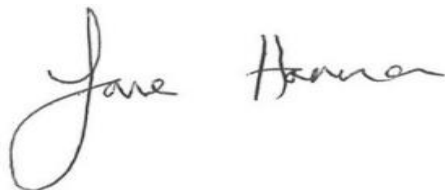
handing back their contract and closing due to no longer being financially sustainable is 1 in 6.

Whilst government is pledging that the public sector will have these tax increases funded, the Treasury has stated that GP practices will not be included in this promise. The Committee therefore urges government to take into account aspects of legislation which define GP practices as “public authorities.”

We understand that the Secretary of State is committed to increasing the proportion of resources to primary care and has written to the British Medical Association that he understands the potential implications of the budget for GPs, and the Committee therefore urges government to take the need to provide adequate and sustainable support to GPs into account and to work toward achieving this.

We hope this letter will be helpful and would urge that assurance can be given as soon as possible to support the sustainability of GP services in our geography.

Yours sincerely,

A handwritten signature in black ink, reading 'Jane Hanna'. The signature is written in a cursive style with a large loop for the 'J' and a long horizontal stroke for the 'H'.

Cllr Jane Hanna OBE

Acting Chair, Buckinghamshire, Oxfordshire, and Berkshire West Joint Health Overview Scrutiny Committee.

Chair, Oxfordshire Joint Health Overview Scrutiny Committee.

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