

# Senedd Briefing: Counting the Cost of the UK Budget

*The impact of increased employer National Insurance contributions on Tenovus Cancer Care*



**Estyn gobaith. Estyn llaw.**  
**Give hope. Help cope.**  
[tenovuscancercare.org.uk](http://tenovuscancercare.org.uk)

**Call our free Support Line**  
**0808 808 1010**  
Ffoniwch ein Llinell Gymorth rhadffôn

**Tenovus Cancer Care** is committed to listening to the real experiences of people affected by cancer in Wales to drive the changes that make a difference.

Government has a huge role in preventing, diagnosing, treating and supporting people living with, and beyond cancer. That's why we work alongside politicians to help represent those affected by cancer and their loved ones.

**It's vital the voices of people affected by cancer are heard and the reality of living with cancer in Wales is better understood.**

We are uniquely placed to advocate for those affected by cancer here in Wales.

Tenovus Cancer Care has a dedicated team of nurses, benefits advisors, counsellors, and our All-Wales Cancer Community. We listen to the voices of those affected by cancer and act on their behalf, speaking to politicians, policy makers and the NHS.

## 2025/26 Draft Budget Debate

On the 4<sup>th</sup> February the Senedd will debate the Draft Budget 2025/26 (NDM 8807). The proposed increase in employer National Insurance contributions [will have a significant impact on our ability to deliver our charitable aims. By extension, the increased costs associated with the draft budget will impact on people affected by cancer all across Wales.](#)

### Cancer charity hit with 'devastating' £250k tax hike



**Elliw Gwawr**  
Political correspondent, BBC Wales News

8 January 2025 · 208 Comments

We have calculated that the increase to the employer national insurance (NI) contribution, on top of the living wage uplift will come at a cost of approximately £250,000 - the amount we spend annually on our welfare benefits advice service.

Our support services are funded through the generosity of our supporters. We are not commissioned by public services and are unable to pass on these additional costs. We offer our services free of charge - through Service Level Agreements (SLAs) - to health boards.

We have written to decision makers in the Welsh and UK Governments, to express our concerns.

We have also written to the Finance Committee (Appendix 1) following that Committee's call for evidence to inform their recent report on the impact of the draft budget.

We feel that the impact of the proposals on our beneficiaries will be so severely felt that we need to do all that we can do to mitigate the impact. People affected by cancer across Wales deserve nothing less.

## Mitigating the Impact of the UK Budget?

Over the course of the last month, first, [in response to questions from Members of the Senedd](#), and then in response to our own enquiries (Appendix 2) the Welsh Government has sought to reassure that the 7% increase to the Third Sector Support Wales grant could be accessed and it should provide some form of mitigation.

While this will be a welcome relief for many charities, Tenovus Cancer Care has quickly established - through speaking to Welsh Government officials - that we are unable to access that support due to ineligibility.

On the 15<sup>th</sup> January we wrote to the Minister for Health and Social Care (Appendix 3) with news of our unique situation. We await a response to our letter in order to better understand whether what options (if any) are available to help us mitigate the difficulties we face.

One in two people will get cancer in their lifetime, meaning a growing number of people (and their families) in need of person-centred, holistic care and support – that comes at a cost to the NHS.

Tenovus Cancer Care has historically borne some of those costs. It has supported the NHS, and the patients under its care – offering for free services such as its Nurse-led Support Line, Benefits Advice and Counselling. Around 2500 people (an equivalent number of people treated for cancer in a single health board), accessed those services over the past year, and we've supported people affected by cancer throughout the ongoing cost of living crisis and the recent pandemic.

## Conclusion

One unintended effect of the Welsh Government's draft budget (and the UK budget) will be fewer support services for people affected by cancer. Without any mitigation from the increased costs associated with employed NI contributions - the services we provide, and our long-term sustainability will be jeopardised.

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Tenovus Cancer Care's [policy and influencing activity is available online](#). If you would like more information about how you can support our policy and influencing activity, please [contact Greg Pycroft, Policy and Public Affairs Manager](#) at Tenovus Cancer Care.

## Appendix 1

Peredur Owen Griffiths MS  
Chair, Finance Committee  
Senedd Cymru  
By email [SeneddFinance@senedd.wales](mailto:SeneddFinance@senedd.wales)

19 December 2024

Dear Mr Owen Griffiths,

On behalf of Tenovus Cancer Care, I am writing to you in your capacity Chair of the Senedd's Finance Committee. I wish to draw to your attention our response to the proposed increase in employer National Insurance Contributions (NIC) and share the impact that it will have on the charity and its ability to provide services to people affected by cancer across Wales.

We are deeply disappointed and frustrated at the lack of recognition of the devastating impact the increase in National Insurance Contributions will have on charities like Tenovus Cancer Care. We simply cannot sit back and take the hit.

This increase will very likely force charities to make extremely difficult decisions – cutting services, reducing workforce, or both. Such cutbacks would not only harm the vulnerable individuals we support but also the NHS, which cannot deliver the services we provide at the cost-efficiency we provide.

At Tenovus Cancer Care, we deliver essential services for people affected by cancer including counselling, nurse-led support, and benefits advice. This is provided free of charge, exclusively to the NHS. More than 10% of people diagnosed with cancer in Wales will use one of these vital services, that increases to nearly 20% in North Wales. Sadly, a third of those we support are end-of-life, facing their most difficult days.

We estimate this additional financial burden will cost us, at a minimum, a quarter of a million pounds (£250,000) annually. It's equivalent to the cost of running our benefits advice service. In the last year, this service alone helped secure £4.1m worth of payments to 1,820 people with cancer across Wales.

It is a misconception that all charities are cushioned by government grants or contracts. For many, including us, operations rely almost entirely on charitable donations. While we absolutely want to pay our staff fairly and anticipated the living wage increases, the scale of this NIC rise is unsustainable in the context of a challenging fundraising environment.

We are a substantial employer, with 228 staff working across our 56 shops, head office, and out in communities across Wales. This decision also risks harming the foundational economy within the very communities we serve.

Despite the disproportionate impact of the pandemic and cost-of-living crisis on charities like ours, we received no bespoke support and were forced to make huge redundancies just to keep afloat. After working hard to recover, finally balance our budgets, and supporting public services, being told to absorb this increase is a bitter blow.

Therefore, we are calling for:

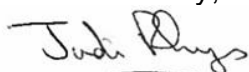
- The UK Government to reconsider the NIC increase for charities such as ours that provide direct support to the NHS from charitable funds and include us in exemptions as has been done for public sector organisations.
- Welsh political representatives to advocate for us – and for others in our situation - across the Welsh third sector, and appeal to the UK Government for urgent action to protect vital services that people rely on, often at time of personal crisis.
- The Welsh Government to mitigate the burden if UK exemptions are not forthcoming – an acknowledgment of the services we deliver free of charge to patients across Wales.

I trust that my contribution is shared amongst members of the Committee and is taken into consideration when the Committee considers the impact of the up and coming Budget on Wales.

I am happy and able to find the time to meet with you to discuss further.

Please contact me via [REDACTED] to make arrangements or if require additional information.

Yours sincerely,



**Judi Rhys MBE**  
**Chief Executive**



## Appendix 2

Mark Drakeford AS/MS  
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref: FIN(6)-01-25 PTN 9  
Ein cyf/Our ref: MDFWL/00007/25

Judi Rhys MBE  
[Judi.Rhys@tenovuscancercare.org.uk](mailto:Judi.Rhys@tenovuscancercare.org.uk)

24<sup>th</sup> January 2025

Dear Judi Rhys MBE,

Thank you for your letter to the Finance Committee, which was copied to the Welsh Government. I am replying to the points you have raised on behalf of the Welsh Government.

The third sector in Wales provides important and valuable services to communities and people most in need of support. I am aware it is facing an increased demand for services, pressures on income, rising costs and challenges with the recruitment and retention of staff and volunteers. I know third sector organisations and businesses commissioned by the public sector to provide services, are also concerned about the prospect of forthcoming increases to employer National Insurance contributions (NICs), which were announced by the Chancellor in the UK Budget last year.

As you will be aware, National Insurance – and decisions about it – is not devolved to Wales. Following the decisions made by the UK Government last year, HM Treasury has acknowledged the changes to employer NICs from April 2025 will increase costs for public sector employers and has said it will provide funding to the public sector to support it with the additional cost associated with these changes. The Welsh Government is working with HM Treasury to clarify these details, including the timescales.

I have written to the Chief Secretary to the Treasury setting out our concerns about the anticipated funding available for the public sector and the additional costs for employers of contracted services that deliver on behalf of the public sector.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

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[Gohebiaeth.Mark.Drakeford@llyw.cymru](mailto:Gohebiaeth.Mark.Drakeford@llyw.cymru)

Rydym yn croesawu derbyn  
gohebu yn Gymraeg yn

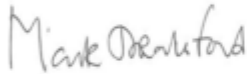
eg yn Gymraeg ac ni fydd

We welcome receiving correspondence  
in Welsh will not lead to a delay in responding.

in Welsh and corresponding

Our Third Sector Support Wales grant provides core funding to the Wales Council for Voluntary Action and County Voluntary Councils across Wales to provide a third sector support infrastructure around key areas such as volunteering, funding and governance. Accessing this network might help your local teams find more volunteers and local funding. In addition, businesses and charities will be able to claim employer NICs reliefs including those for under 21s and under 25 apprentices, where eligible.

Yours sincerely,



**Mark Drakeford AS/MS**

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg  
Cabinet Secretary for Finance and Welsh Language

## Appendix 3

15 January 2025

Jeremy Miles MS  
Cabinet Secretary for Health and Social Care  
Welsh Government  
5<sup>th</sup> Floor  
Tŷ Hywel  
Cardiff Bay  
CF99 1SN

By Email: [Correspondence.Jeremy.Miles@gov.wales](mailto:Correspondence.Jeremy.Miles@gov.wales)

Cc: Jane Hutt, Cabinet Secretary for Social Justice, Trefnydd and Chief Whip

Dear Cabinet Secretary,

I am writing to you regarding the significant impact that the recently announced increase to the employer National Insurance Contribution (NIC) will have on health charities such as ours.

We recently wrote to the Finance Committee at the Senedd to outline our concerns and were pleased that our letter was picked up by Members and questions were asked of the Cabinet Secretary for Social Justice.

We are concerned however, that the response she gave does not recognise the unique situation that Tenovus Cancer Care faces, with regard to the potential to offset these costs.

In her response to the Committee, the Cabinet Secretary stated that a 7% uplift had been allocated to the Third Sector Support Wales Grant to support the third sector in the next financial year. Whilst this is welcome news and goes some way to mitigate some of the challenges brought on the wider sector through the NIC increase, we are sadly not eligible to apply.

She also suggested that Welsh Government expects that third sector organisations who work directly with public services would be able to secure additional funding from their public services providers now that they have received additional funding for the next financial year.

Unfortunately, this is also not an option for us, as we provide our core services free to the NHS and we operate through a Service Level Agreement, rather than through formal commissioning contracts.

Each year, we provide direct support to over 2,500 people through our counselling, benefits advice and nurse led services. That's almost as many patients as are supported by some health boards in Wales.

Over a third of those we support through our benefits advice service are at end of life and a significant number of our nursing service patients and counselling clients are dealing with a stage four diagnosis. Many of these people are coming to terms with their impending death and the impact this has on them and their loved ones. Increasingly, the people who need support are of working age.



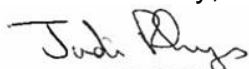
We do not receive any financial support from Welsh public services for this work.

Each additional pound spent on the NIC uplift will have to be raised through direct fundraising from the Welsh public. This income will then be directly transferred to the Treasury in Westminster, bypassing any benefit to patients in Wales. This means that the NHS will be less likely to be able to rely on us, as they currently do, to provide a much needed practical and emotional safety-net for their cancer patients.

We have calculated that the NIC cost, in addition to the new minimum wage uplift, will be an additional £250K a year. This is a significant strain on our finances and means we will be presenting a deficit budget to our Board of Trustees for the next financial year, which puts the charity at risk in the longer term. This is a wholly unsustainable position for our charity and is incredibly disappointing, given the efforts we made to survive the impact of the Covid pandemic and continue supporting people affected by cancer through that time.

Whilst I appreciate the fiscal challenges faced by Welsh Government have not been entirely removed by the recent funding boost from Westminster, I ask that you consider our unique position in the health charity landscape and explore with us any options that could somehow alleviate the difficulties we face.

Yours sincerely,



**Judi Rhys MBE**  
**Chief Executive**