

Amended Motion to condemn the Labour government's National Insurance hike

This Council notes:

- The Labour Party's 2024 Manifesto clearly stated that if they won the election they would not increase taxes on working people National Insurance.
- Since the General Election, the OBR has said that the conservatives government did not disclose the full financial facts, which has meant the Labour government has had to find a way of stabilising the country's finances suddenly decided to add multiple caveats to many of their promises which they didn't clearly disclose during the election campaign.
- ~~Despite claiming their Manifesto was fully costed, government had disclosed, the Labour government has just delivered one of the biggest tax hiking budgets in UK history with the majority of the tax hikes not having been mentioned in their Manifesto or by Labour politicians during the election campaign.~~
- The Labour government focussed on growth and investment in broke their Manifesto. ~~promise by increasing the employer National Insurance contributions.~~
- Changes to employer National Insurance contributions include a 1.2% increase and a reduction in the threshold at which employers begin paying NICs from £9,100 to £5,000 a year.
- More than 87% of all Harrow businesses employ less than 4 people, and they can employ the equivalent of four full-time workers on the national living wage without paying any national insurance on their wages
- Labour politicians have had to make difficult choices to restore the countries finances. By raising revenue from businesses and through borrowing, it increases spending for state schools, investment in the NHS and public services, minimum wage rises, and freezes the fuel duty – measures that the International Monetary Fund has commended. ~~claim they have protected working people from tax rises. But this claim is economically illiterate, as employers will pass at least some, if not all, of the increased tax cost onto their staff by cutting wages, making redundancies or reducing/cancelling planned pay rises.~~
- More than 200 hospitality bosses warned the sharp increases in National Insurance contributions are “unsustainable” but many will benefit from future economic growth and public investment ~~and will lead to venues shutting down and slashing jobs within a year.~~
- While local authorities and public sector organisations have been shielded from the employer National Insurance tax hike, for the private sector, these changes were counter-balanced by the increased employment allowance, which lets eligible businesses reduce their NI liabilities, from £5,000 to £10,500 a year. It works by letting some companies pay less in NI contributions each payroll until the allowance is used up, and the move was an attempt by Rachel Reeves to protect the smallest employers from increased NI contributions. An estimated 1 million employers will pay the same or less in employer NI contributions than they did previously ~~the reality is that this is not true.~~

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All councils contract workers from private sector companies to provide Council services. In particular, adult social care workers, whose companies will likely have to increase their charges to the Council and thus diverting taxpayers money away from delivering services.

This Council believes:

- Hitting Raising revenue through employers with a National Insurance increase tax hike is about fixing the black hole in public finances. wrong.
- This revenue increase tax hike will give greatly needed investment in public services.
- That many hospitality businesses that struggled to survive during the Covid pandemic, and were supported by the Conservative government's furlough scheme and business rates relief; this was also supported by the then, Labour opposition.
- The government's revenue increase tax hike will drive up public investment and growth. the cost of our third-party contractors which increases the strain on the Council's resources.
- The Labour government's claim to have inherited a £22 billion blackhole from commitments not funded by the previous Conservative government, this financial blackhole was acknowledged by some economists. is false and has been discredit by economists as well as the OBR who have refused to back up the figure.

This Council resolves:

- To put on record our condemnation of the previous conservative government financial mismanagement of the economy and condemnation of the necessary Labour government's employer National Insurance revenue increase. tax rise raid.
- ~~To call on all Councillors to campaign against this damaging tax increase.~~
- To investigate what support is available for hospitality businesses in Harrow to support them in growing their business. ~~dealing with this massive increase to their costs.~~

Amendment

Proposed by: Cllr Stephen Hickman

Seconded by: Cllr Graham Henson