

# The crisis in UK hospice funding leaves many charitable providers on the brink

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Hospices across the north west of England have announced a major funding crisis, with 29 of the 30 hospices in the region warning of a budget shortfall in the coming year, leading to the possibility that vital services will have to go if they do not receive more funding from central government.

A report published in September last year by Hospice UK showed the crisis is a national one, finding that government funding for adult hospices has fallen by £47 million in the past two years. Information gathered from Integrated Care Boards (ICBs) across England showed that there was not a single area in Britain where government financing of local hospice services had not been cut in the last two years.

Government money is distributed via ICBs, who have a statutory requirement to provide resources for palliative and end-of-life care. They are expected to increase funding for hospices, reflecting increased costs and demand (the need for palliative care is projected to increase by 25 percent by 2048), yet are ultimately limited by the funds provided them by central government.

In the last two years, no ICB provided any uplift in contract funding to hospices that matched increases in inflation, with 5 percent of ICBs providing no increases at all.

Hospices are waiting to hear how much funding they will receive for 2024/25.

The institutions provide care for up to 23,000 people in the north west of England, and 300,000 people a year nationally. They are an integral part of the healthcare system yet remain largely funded by charities, with adult hospices only receiving one third of their funding from the state.

Now the communities that provide funding are being hit by a cost-of-living crisis and struggling to pay

essential bills. Many people have very little excess income to make contributions to charities.

At the same time, hospices' own costs are going up. Intensive users of gas and electricity, they have reported a 350 percent increase in energy bills. An increase in the minimum wage and rising supplier and maintenance costs have also had an impact.

The increase in energy costs is also impacting individuals receiving palliative care at home, as they cannot afford to run specialist electrical medical equipment, or even to keep the central heating on.

Hospice UK CEO, Toby Porter explained, "We've been warning for over a year about the impact that insufficient government funding will have on essential hospice services. It's getting critical".

As an example, the Hospice of the Good Shepherd near Chester warns it will have to raise £12,000 a week, or more than £4 million a year, to run its services. Speaking to the BBC, Caroline Siddall, director of funding, said the job is getting harder: "It's so difficult to think ahead of how we are going to raise £4m."

St Ann's Hospice, the largest in Greater Manchester, has had to close nine beds across its two sites. Four hospices across Merseyside and Cheshire have also had to reduce services.

Last year, Alice House Hospice, based in Hartlepool, north east England, had to close its long-term care unit due to not being able to meet a budget shortfall in the coming year of £755,000. The eight-bed unit provided 24-hour nursing care to patients with high dependency needs. It was operating at an unsustainable loss of £275,000 a year.

With the government providing just 21 percent of its funding, Alice House Hospice had to raise £8,000 a day to keep functioning.

Speaking to the BBC, CEO for Bolton Hospice, Dr.

Leigh Vallance said, “The deal with the NHS [National Health Service] has always been we as a charity bring £2 to the table and the NHS comes with a £1, but over the past 10 to 12 years that £1 has reduced to 90p, 80p, and now it’s below 70p. Add to that the cost of living and a big hole opens up.”

Toby Porter, CEO Hospice UK, commented, “Hospices are a vital part of our wider healthcare system. It is unfair and unrealistic for the Government to allow their funding to hospices to fall short and expect local communities that support hospices so generously to make up the shortfall.”

The impact of falling donations and increased running costs is being felt by many organisations in a charity sector that, due to a lack of state provision, is now delivering essential services to some of the most vulnerable in society. Research carried out across 700 organisations by the Charities Aid Foundation (CAF) in November 2022 found many were worried about their ability to survive in the coming period.

Nearly two in three (63 percent) said demand for their services had increased compared to November 2021, and this figure included a third (33 percent) who said that they had seen demand rise significantly. But only half felt they had the funds to meet current demand, compared to 58 percent in October 2022.

A quarter (24 percent) reported they had made cuts to services and were not able to cut any further. Over half (51 percent) said they were using reserves to cover their core costs. This figure is worse than at the height of the pandemic in November 2021, when CAF research showed that 40 percent of charities were using their reserves to help them through.

Two thirds of charities (67 percent) said falling income from fundraising was their main concern, with nearly 58 percent citing increasing costs such as energy.

Neil Heslop, CEO of CAF, said, “Charities are running out of options, forcing them to rely on their reserves and cut back on the services they provide. This research provides stark evidence about how the sector is responding to the triple threat of soaring demand, falling donations, and rising costs.”

At a time when hospices and charities are scrambling around for money, and the NHS has been deprived of hundreds of billions of pounds over the last decade, the Tory government—backed by the Labour Party—has

poured billions into backing the ongoing war against Russia in Ukraine and Israel’s genocide against Gaza.

Palliative and hospice care cannot be left to further decline at the hands of these pyromaniacs. It must be fully funded as part of a programme for transferring the necessary hundreds of billions of pounds from the coffers of the super rich to the NHS, in order to provide high-quality healthcare for all at every stage of life.



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