



Health and Social Care Scrutiny Committee Paper March 2025

Tony Collins – Chief Executive of Saint Michael's Hospice and Herriot Hospice
Emma Johnson – Chief Executive of St. Leonard's Hospice
Ray Baird – Chief Executive of St. Catherine's Hospice

Three hospices serving North Yorkshire and York; St Catherine's based in Scarborough, St. Leonard's based in York and Saint Michael's and Herriot Hospices (merged) based in Harrogate and Thirsk. Providing a range of end of life and palliative services including specialist inpatient beds, community based end of life care, outpatient clinics, lymphoedema services and bereavement counselling and support.

When we first reported on the funding, the total cost of providing these services across the three hospices was circa £20m and we received NHS funding of £5.6m as a contribution to this, which is 28% leaving us with £14.8m to raise through fundraising.

Four to five years ago the NHS funding was between 35-40% of total service costs. The funding gap is widening rapidly with no extra funding to follow the nurse salary increases and at the time only 1.8% inflationary increase was being offered against our costs rising in excess of 7.5%. As three hospices we asked for an increase in funding and had been told no. That was and still is now moving us quickly towards the possibility of needing to close or reduce some of our services. We also asked for some meaningful dialogue regarding moving to a firer sustainable funding model for the three Hospices, which we were promised.

Since reporting last the inflationary increase of 1.8% was increased to 2.9% adding a further £61,600 to the NHS funding across the three hospices with further cost increases coming in this had zero effect on the 28% NHS contribution to the Hospice Care costs across the county.

The Autumn budget provided £25.5 billion to the NHS across England whilst also increasing National Minimum Wage and Employer National Insurance contributions.

With no indication of any of the £25.5 billion making its way to Hospice Care the only impact of the budget was a significant cost increase. Across the three Hospices the unavoidable impact of the National Minimum Wage will be an additional £140,000 and the unavoidable impact of the NI employer contribution will be an additional £650,000. This total, together with inflation



will mean that for the next financial year, starting in less than three months, the three Hospices will be facing total additional costs of £800,000, increasing the costs of providing our Hospices services to £22 million. With no discussion regarding any inflationary increase from the NHS, assuming this is zero which has been suggested in wider meetings, this will decrease the NHS funding percentage from 27% to 25 %

This means that all three hospices, in order to maintain current provision, would need to present substantial deficit budgets, currently collectively at a £1.5m deficit. This is not sustainable or possible. This means that, with non-salary costs already at baseline redundancies will need to occur and are in many cases are already being planned for. This in turn is highly likely to mean service reduction and even some closure. All of this is set within the context of unprecedented demand through increasing deaths, an aging population and greater levels of dependency from the NHS on our capacity to support their own.

On a national basis Hospices campaigned for some emergency funding to support the sector, which is in crisis across the country. This was finally met with the pre-Christmas announcement of £100 million coming to the Hospice sector with some before the end of this financial year and the remainder in the next year. Whilst welcome and a positive sign of the Government commitment to Hospice care, this does little to help the ongoing funding situation that I have just outlined. The £100 million has some detail to be determined but we do know that it is a one off and has to be spent on capital projects. This would serve to complete some minor capital projects that had already been shelved from our budgets due to the revenue funding situation. The NHS contribution to existing Hospice Care Services will remain at £5.6 million, which is 25 % of total costs.

Nationally we are continuing to campaign for a fairer funding model for Hospices. We received a flat no to the request to exempt Hospices from the NI Employer contribution increases.

In summary since our last report the financial crisis has deepened alongside minimal dialogue with the ICB with changing staffing and structures also resulting in inconsistent commission decisions with wide variations across the hospices.