

# Hospice UK's response to Scottish Parliament's Health, Social Care and Sport Committee's Pre-Budget Scrutiny 2024-25

August 2023

The Scottish Government's [Medium-Term Financial Strategy](#) identifies planned increases of 4% per year in real terms for health and social care over the next four years.

6. How would you see these planned budget increases meeting the various challenges facing health and social care over the next four years, including: addressing the treatment backlog; the planned creation of a National Care Service; cost and demand pressures in areas such as NHS pay, drug costs and demographic pressures?

The cost on the health and care system of caring for people at the end of life is huge. Almost one in three patients in hospital are in their last year of life. 95% of people in Scotland use NHS unscheduled care services in their last year of life, representing a total cost of nearly £190 million. Demand for palliative care is rising rapidly and this will place an additional strain and cost burden on an already overstretched health and care system. By 2048, nearly 10,000 more people a year are likely to need palliative care and the care they need will be much more complex.

Charitable hospices support over 22,000 people each year that would otherwise be relying on statutory services. Hospice care lessens demand on acute services by reducing emergency admissions, reducing length of stay in hospital and facilitating discharges, and enables preventative investment that is supporting recovery and benefitting public services. It eases pressures felt in the community by supporting overstretched GPs and district nurses. Hospice care also has wider societal benefits through improving quality of life, mental health and supporting carers to be able to return to work.

On average adult hospices in Scotland receive just over a third of their income from statutory funding, with the remaining two thirds having to come from hospice's own fundraising efforts. Hospice care brings significant investment into local Health and Social Care Partnerships and provides excellent value for money. Children's hospice care generates over £6 in public return for every £1 of statutory funding spent and adult hospice care generates nearly £4 for each £1 of public funding.

Hospices are facing a perfect storm of rising staffing costs, increasing energy and running costs, and a tough fundraising environment due to the cost of living crisis.

To attract and retain skilled and experienced staff, charitable hospices need to ensure their salaries are competitive to those offered by the NHS. Over 70% of hospices' expenditure is spent on staff and staffing costs have been rising at significantly over the rate of inflation over the last decade. To match the NHS pay offer, hospices' wage bill has increased by £15.5m over two years, 2022-23 and 2023-24 but their statutory funding was not uplifted to cover this. This presents a significant and growing challenge for hospices.

We are very disappointed that the Scottish Government has refused our call for urgent funding to help hospices mitigate the impact of the NHS pay award. Hospices can only continue to support

and ease the pressure on the NHS and social care if they can attract and retain staff, by offering a fair, equitable wage in line with those offered by the NHS.

Hospices are experiencing cumulative rising costs and facing deficit budgets year on year. This is unsustainable and means some hospices will be forced to make tough decisions about how they can continue their services in the future. Cutting hospice services will impact patient care and have a knock on effect on an already over-stretched NHS. If charitable hospices were unable to run their services, the statutory sector would need to provide these services at 100% cost, considerably more than what it funds currently via hospices.

The Scottish Government must ensure that staffing costs and pay awards across all sectors of the health and care workforce, including hospices, are fully factored into their financial planning. Given the contribution of the charitable hospice sector, it is disappointing that they are not included in Scottish Government's financial strategy. The hospice workforce must be fully considered and included when Scottish Government are planning for and negotiating NHS pay awards, and hospices must be included in Scottish Government's pay and workforce strategy for 2024-25.

Going forward, a new national framework for hospice funding is urgently needed that incorporates arrangements to ensure that staffing cost increases, in line with NHS pay awards, are fully funded and passed on to the hospice sector.

## 7. Given the short-term and immediate pressures on the health and social care system, how can the Scottish Government take the more radical decisions required around service redesign, or reducing/stopping existing services?

There needs to be a greater recognition of preventative support and the contribution of the third sector, with hospices recognised and valued as equal partners.

Nationally and locally hospices need to be fully included in decisions around service redesign. Hospices provide strategic leadership and significant expertise in palliative care but they are often excluded from service developments and redesign. For example, hospices were seen as an afterthought, or not at all, in last year's winter planning processes and excluded from local winter pressures funding. There has been a lot of recent emphasis and funding attached to expanding Hospital at Home services, to provide a better outcome for patients in their own homes while also reducing pressure on hospital sites. Hospice at Home services, run by hospices in their local communities, also improve outcomes for patients and avoids unnecessary admissions to hospitals but these hospice services are not valued in the same way within local systems, or nationally, despite providing excellent value for money and reducing pressure on acute services.

There is scope for greater partnership working with third sector providers, including hospices, and opportunities to pool resources together more effectively. Everyone is facing the same challenges and the same issues and working in partnership gives much more opportunity for wider impact. For example, hospices might be able to offer available staff to the NHS to respond to winter pressures, or social work and allied health professional resource within hospices could be used more creatively and effectively across the system if there was a partnership approach. There could be better use, resourcing and partnership working with hospice at home and other hospice community services locally to help ease pressures on other parts of the system.

## Financial Sustainability

### 10. How can or should any additional health and social care funding be directed to support alternative models of service delivery?

The year on year cumulative rising costs and deficit budgets facing the hospice sector are not sustainable. Over time this will erode the services hospices can provide and the support they can give to statutory services. Current partnership arrangements do not allow hospices to grow and innovate services to meet rising demand. Investment in hospice care would ensure hospices can grow and innovate services, for example developing community capacity to respond to the increasing number of people dying at home.

To allow hospices to continue to support statutory services to meet palliative care need in their communities, a new national funding framework for hospice care is urgently needed ahead of next year's budget setting cycle. A new national framework would support local negotiations and long-term planning in response to increased need for palliative care, changing models of care and rising costs, and help deliver equity of access to palliative care across Scotland.

## About Hospice UK

Hospice UK is the national charity for hospice and end of life care. We work to ensure everyone affected by death, dying and bereavement gets the care and support they need, when they need it. We believe that everyone, no matter who they are, where they are or why they are ill, should receive the best possible care at the end of their life.

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