

# Commissioning

From A Voluntary Perspective

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(The Rowans Hospice)

# Funding

- In 2006 28% of Independent Hospice recorded deficits, leading to a drop in their free reserves.
- Independent hospices provide two-thirds of the palliative care beds, day care and home care in the UK.
- £1.2m every day is spent from charitable income with £360,000 per day from the Government leaving hospices to raise £840,000 per day (averaging over £4,500 per hospice every day)
- Expenditure funded by Government sources in England has fallen for the past 3 years and is just 32% in adult hospices and 4.5% in children's hospices.

# Funding (cont.)

- Average expenditure per hospice increased by 10% between 2005 and 2006.
- Uplifts on Service level Agreements have varied from <0-2.5%
- Donations and legacy income make up over 50% of the total income.
- Fundraising expenditure is increasing for hospices (10-12%) in an ever competitive market
- The south has the lowest percentage of Government Funding (27% against 40% in London)
- Volunteer Value – Without this expenditure would rise on average by 32% per hospice. (Hospice Accounts April 07)

# COMPACT

(Relations between the Government and  
the Voluntary and Community Sector)

Codes of Good Practice

# The Compact Agreement

- Made in 1998 and sets out the principles for the relationship with the VCS (Voluntary Community Sector) based on mutual advantage.
- Key principles include a healthy voluntary sector is part of a democratic society
- Working in partnership with the VCS can result in better policy and services and better outcomes for the community
- Partnership requires strong relationships (integrity and openness)
- Government can play a role as funder of the VCS
- The independence of the VCS should be respected

# Consultation and Policy Appraisal Code - Government undertakes to:

- Talk with the sector as soon as planning begins by involving VCS representatives in departmental stakeholders groups.
- Produce clear and concise consultation documents
- Give enough time for the sector to respond (minimum 12 weeks)
- Ensure the needs and interests of women, minority and socially excluded groups are included
- Review all feedback and take the results into account in future planning
- Be open with the sector about its findings and the reasons for decisions

# Financial relationship (Key principles)

- Focus on outcome
- Simplicity and proportionality
- Consistency and Co-ordination
- Timeliness
- Transparency and accountability
- Discussion and dialogue
- Empathy

# Charities Delivering Public Services (Stand and Deliver – Charity Commission Survey 2007)

- Government Funding equates to 2% of government expenditure with a manifesto commitment to doubling this investment.
- Commissioning agreements are a mixture of SLAs, Grants and Contracts.
- Two-thirds of charities have one year funding agreements.
- 43% do not obtain the full cost of delivering public services – an important issue for charity regulation.

# Issues of Concern (from survey)

- Charities' focus on delivering their mission and risk of mission drift.
- The implications of under-funding and short term funding for charities' sustainability
- The threat that funders' influence or control over decision making can pose for charities' independence.

# Payment by Results

- What level of tariff will hospices receive – if they ever do?
- Will additional funding be available to implement the national tariff?
- Who will finance the necessary IT upgrades?
- Who will develop the required IT software?
- How will hospices be paid under PbR? Will payments be in advance or retrospectively?
- What ALoS will be used to calculate inpatient HRGs?
- How will non PbR services be funded, such as hospice at home and extended bereavement care

(Help the Hospices April 2006)

# Code of Professional Conduct (ACEVO)

Third Sector Organisation to be:

- Professional and Passionate
- Well Led
- Enterprising and Innovative and
- Well Governed

(Draft Code of Professional Conduct – to be published August 07)

# Public Preferences and Confidence in Hospice Care

- 59% (n: 2000) if someone was seriously ill with a range of difficult and painful symptoms, they would choose to be cared for either in hospice or at home with hospice support.
- 30% of the above would choose hospice care for their loved one.
- 76% overall said that they would feel confident if a family member diagnosed with a terminal illness was cared for by a hospice. (increased with age – correlating with experience).

Help the Hospices – Nov. 06