

## The Funding Reality for 2006/7

### National Survey of the Pressures on NHS Funding of Specialist Palliative Care Services

#### Introduction

The National Council for Palliative Care (NCPC) was invited by the National Partnership Group for Palliative Care (NPG) to build a picture of pressures on funding specialist palliative care services for the year 2006/07. This was to go beyond the monitoring of the extra £50 million allocation in order to identify any underlying problems with core funding, both for NHS services and for services in the voluntary sector.

An initial survey was undertaken early in 2006 but this revealed that a large proportion of services had not at that time been able to reach a final settlement. It was therefore agreed to undertake a second survey well into the financial year in order to be able to draw firmer conclusions about funding pressures. Accordingly, a further survey was carried out in August/September.

#### Voluntary Sector Providers

The following questions were posed:

1. What is the amount of the NHS funding contribution to the running expenses of the hospice for 2006/7?
2. Is this amount finally settled or still subject to change?
3. How does this amount differ from that for 2005/6?
4. What are the reasons for any increase in the funding contribution? e.g. uplift for inflation, start-up of new service
5. What are the reasons for any decrease in the funding contribution? e.g. PCT in financial difficulties

A box was provided for any comments. Responses were received from 107 hospices.

#### Results

##### *Outstanding settlements*

20% of respondents had still not been able to reach final agreement on the NHS contribution for 2006/7. The principal reasons for that were stated to be planned reconfiguration of PCTs and financial difficulties of PCTs. These respondents include some who had been provided with interim settlements. In those cases the data has been included in the results below.

##### *Increased cash contribution*

20% of respondents had received an uplift for inflation of at least 3% including their allocation from the £50 million. There were a small number who had received additional contributions e.g. for a lymphoedema service, new in-patient unit, new outreach services, help with the costs of Agenda for Change.

52% of respondents had received an inflation uplift of less than 3%. In over half of these cases the increase was less than 2%.

##### *No change in cash contribution*

6% of respondents reported no change in the NHS contribution compared with 2005/6.

##### *Decrease in cash contribution*

9% of respondents reported a cash decrease. This ranged from 2.2% less up to 17% less.

##### *Sustainability of the £50 million allocation*

16% of respondents reported difficulties with maintaining their allocation from the £50 million either in whole or in part e.g. completely removed, cut back, held back, no uplift for inflation.

##### *Service Cuts*

Very few service cuts were identified. Charitable funding sources were being employed to make up any shortfall in NHS contributions.

## Conclusions

1. Around 60% of hospices are experiencing a real terms decrease in the value of the funding contribution from the NHS
2. Around one fifth of hospices did not yet know what the NHS funding contribution would be, halfway through the financial year
3. Only 20% of hospices appeared to be maintaining or increasing the value of their NHS contribution
4. There appears to be significant erosion of the value of the extra £50 million
5. The gap is getting wider between the NHS contribution and the full costs incurred by voluntary hospices of the services they provide for NHS patients.

## NHS Specialist Palliative Care Services

The following questions were posed:

1. Has the service received any increase in NHS resources for 2006/7?
2. If so, please quantify that increase in terms of money, staffing or services.
3. Has the service experienced any reduction in NHS resources for 2006/7?
4. If so, please quantify that reduction in terms of money, staffing or services.
5. Are these increases/decreases finally settled or still subject to change?
6. What are the reasons for any increase/reduction? e.g. uplift for inflation, PCT in financial difficulties.

A box was provided for any comments. Responses were received from 91 units and teams

## Results

### *No change*

35% of respondents had achieved settlements which provided for no change in staffing resources plus a Trust wide uplift for inflation on non-staff costs.

### *Increases in resources*

15% of respondents had achieved increases in resources e.g. additional specialist nurses, more consultant sessions, LCP support, psychologist sessions.

### *Outstanding settlements*

30% of respondents reported that financial support for their services was still under review. This was mainly attributed to the financial difficulties of the NHS Trusts concerned. Data from some interim settlements has been included in the results for no change, increases/decreases in resources.

### *Decreases in resources*

35% of respondents had experienced some loss of resources. These losses range from recruitment freezes, redeployment of specialist nurses to general duties, closure of beds, up to a cut of £400,000 from the budget of a unit providing a comprehensive range of services. Many other units still under review expressed concern that they were likely to experience similar cuts.

### *Sustainability of £50 million allocation*

There were a few examples of funding from the £50 million allocation not being sustained.

## Conclusions

1. Around half of all services are experiencing a decrease in resources or are likely to as and when final settlements are reached for those services still under review.
2. There is evidence that NHS units that provide in-patient facilities are having to rely increasingly on non-NHS income to cover the shortfalls in NHS funding.