



DEBATE PACK

Number CDP-2018-0232, 30 October 2018

Hospice funding and the NHS pay award

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Summary

This House of Commons debate pack briefing has been prepared in advance of a debate entitled "Hospice funding and the NHS pay award". This will be led by Liz McInnes MP and will take place in Westminster Hall on Wednesday 31st October 2018, starting at 9.30am.

This debate pack contains background information on hospice funding, as well as on the NHS pay deal announced in March 2017. It also provides parliamentary and press material, as well as further reading suggestions which Members may find useful when preparing for this debate.

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Background

1.1 Hospice funding from the NHS in England

The vast majority of hospices are funded primarily through charities, although they receive some statutory funding from NHS Clinical Commissioning Groups (CCGs) for providing local services. The level of NHS funding for hospices varies across England but a recent PQ response from the Department of Health & Social care estimated that, on average, adult hospices receive approximately 30% of their overall funding from NHS sources.¹

In December 2012, [commissioning guidance](#) on specialist palliative care services – including, but not limited to, hospices – was published jointly by Marie Curie Cancer Care, the National Council for Palliative Care, and a number of other organisations. It noted that specialist palliative care in England is provided through a combination of NHS and voluntary sector provision, with adult hospices receiving on average a third of their funding from the NHS. However, the guidance noted that provision does not reflect patterns of need and, in addition, there is considerable inequity of provision. The 2011 [independent review of palliative care funding in England](#) identified more than 30-fold variation in NHS spend on specialist palliative care, ranging from £186 to £6,213 per death, although most areas (61%) spent less than £1,000 per death.²

CCG expenditure on end of life care (for children and adult services in hospices, and in hospitals and the community) was collected for the first time in 2013/14, with CCG total expenditure in 2013/14 reported as £473 million.³ Data for subsequent years has not been published, however.

Children's hospices receive, on average, less statutory funding than adult hospices due to differences in their development and type of non-NHS supportive care they provide. A recent PQ response states that in addition to NHS funding for services commissioned locally, children's hospices will receive £11 million in 2018/19 through the Children's Hospice Grant, which is awarded and administered annually by NHS England. Hospice UK estimates that on average children's hospices in the UK receive 15% of their funding from the Government.⁴

Hospice UK also estimates that Government funding for hospices was £333 million in 2016, compared with £327 million in 2015, £345million

¹ [PQ 157792 \[Palliative Care\], 26 June 2018](#)

² Marie Curie Cancer Care, the National Council for Palliative Care, et al, [Commissioning Guidance for Specialist Palliative Care: Helping to deliver commissioning objectives](#), December 2012, p21

³ [PQ 33332 \[Palliative Care\], 11 April 2016](#)

⁴ ['Facts and figures'](#), Hospice UK webpage

in 2014, and £310 million in 2013. Hospice UK estimated that hospices received just over £1 billion in fundraising income.⁵

1.2 Government policies on funding palliative care

In recent years the Coalition and Conservative governments have reformed the funding system for palliative care. The [2010 Coalition Agreement](#) included a commitment to introduce a new per-patient funding system. This would apply to all providers of palliative care, including hospices, and cover care for both adults and children. To take this work forward the then Secretary of State for Health, Andrew Lansley, set up the independent Palliative Care Funding Review (PCFR), which published its report in July 2011. The review made a number of recommendations designed to create a new funding system based on patient need.⁶

Following this, the Government established eight pilot sites, of which seven covered adult services and one covered children's services. Further information on the pilot areas chosen to test out new funding arrangements was provided available in a Department for Health [press release](#) from 20 March 2012:

The Government recognises that it is important that people approaching the end of life, their families and carers get the right care and support where and when they need it.

In the past, Government funding for palliative care services has often been poorly distributed and varies greatly across the country. The Government is committed to introducing a per-patient funding system that will ensure all qualified providers of palliative care, whether they be statutory, voluntary or independent, are fairly funded.

Ministers decided to set up the Palliative Care Funding pilot sites following a recommendation from the independent Palliative Care Funding Review. The review, chaired by Tom Hughes-Hallett, Chief Executive of Marie Curie Cancer Care, reported in July 2011 and made a number of proposals on how to make sure that the funding of hospices and other palliative care providers, for both adult and children's services, is fair and transparent. The report recommended that pilots be set up to collect information and refine its proposals due to the lack of good quality data currently available.⁷

In April 2013 the Coalition Government made available £60 million of capital funding to providers of palliative care to be shared among 176 hospices.⁸

On 23 October 2014, a [discussion document](#) from NHS England was published outlining plans for the introduction of a new palliative care

⁵ *Ibid.*

⁶ Department of Health, [Independent Palliative Care Funding Review](#), 1 July 2011

⁷ '[Palliative care pilot sites announced](#)', Department of Health press release, 20 March 2012

⁸ '[Hospices to review £60 million funding boost](#)', Deputy Prime Minister's Office press release, 10 April 2013. See the funding breakdown: Department of Health, [Hospices Funding Breakdown](#), April 2013

funding system, and the pilots set up to gather data to create a currency framework. This would involve grouping the healthcare interventions that patients receive into units that are clinically similar with broadly similar resource needs and costs. This would then inform discussions between commissioners and providers. In November 2016, the then Health Minister, David Mowat, [said](#):

NHS England is developing a per-patient funding system for palliative care, which will support greater quality and choice in the end of life care. The aim has been to ensure that palliative care in all settings, including hospices, is funded fairly and transparently.⁹

The final report on a new funding care system – [Developing a new approach to Palliative Care Funding](#) – was published by NHS England in March 2017. This outlined the outcomes from the pilots and announced that specialist palliative care currencies for adults and children would be available to use from April 2017.¹⁰ Each currency model would cover three settings: acute in-patients, hospice in-patients, and non-in-patient community care.¹¹ NHS England produced two guidance documents, for both adult and children’s palliative care, to help organisations who wish to use the currencies to support the commissioning of these services.¹²

1.3 Effect of the NHS Pay Award

On 21 March 2018 the then Secretary of State for Health & Social Care, Jeremy Hunt, announced a new pay deal for NHS staff. The Royal College of Nursing [summarised](#) this deal as follows:

Every member working for the NHS in England will get a pay rise. Around 50%, who are at the top of their bands, will get 6.5% over three years. Others could get much more, up to 29%.

It’s because the number of pay points in each band is being reduced. So, over three years, some points will disappear. If you’re on a point that goes, you’ll automatically move up, so get more money.

[...]

The pay structure is being simplified as part of the deal. The number of points in each band is being reduced, so you’ll be on the highest rate for your band sooner and get more money faster.

Overlaps between pay bands are being removed so when you’re promoted you’ll be properly rewarded for it.¹³

Jeremy Hunt [outlined](#) that as part of the deal:

...the lowest starting salary in the NHS will increase by more than £2,500, from £15,404 this year to £18,040 in 2020-21, and a newly qualified nurse will receive starting pay 12.6%—nearly £3,000—higher in 2020-21 than this year. But this deal is about retention as well as recruitment. It makes many other changes that NHS staff have been asking for—such as shared parental

⁹ [PO 54688 \[Palliative Care: Finance\], 24 November 2016](#)

¹⁰ NHS England, [Developing a new approach to Palliative Care Funding – Final Report 2015/16 Testing](#), March 2017

¹¹ *Ibid.*, p11

¹² ‘[Palliative Care Currency](#)’, NHS England webpage

¹³ ‘[Nursing Pay](#)’, Royal College of Nursing webpage

leave and the ability to buy extra or sell back annual leave—so they can better manage their work and family lives, work flexibly and balance caring commitments.

The additional funding that Chancellor announced in the Budget to cover this deal—an estimated £4.2 billion over three years—cements the Government’s commitment to protecting services for NHS patients, while recognising the work of NHS staff up and down the country. This is only possible because of the balanced approach we are taking—investing in our public services and helping families with the cost of living, while getting our debt falling. Rarely has a pay rise been so well deserved for NHS staff, who have never worked harder.¹⁴

Whilst welcoming the “pay boost” for non-medical NHS staff, various hospice charities, such as Charities Hospice UK, Together for Short Lives, and Marie Curie announced in July 2018 that they believed this deal could have “a damaging impact on charitable hospices in England and put vital services at risk unless they receive financial help to meet extra costs for hospice staff”. Hospice UK estimated that the pay increases which were part of the NHS deal would result in 200 of their member hospices having to spend an additional £100 million over three years, in order to follow the NHS pay rises, which they asserted as “equivalent to 2% of the funding that the Government has put aside to fund the increase for staff working in the NHS.”¹⁵

In a ministerial statement made on 27 June 2018, Jeremy Hunt announced that the Government would allow non-NHS providers which provide NHS services and employ staff on the Agenda for Change contract (the national pay system for non-medical healthcare staff employed by the NHS) would be eligible to access part of £800 million which would be made available to the NHS for staff pay:

We know that there a small number of non statutory non NHS organisations that provide NHS services, employ existing and new staff on the AfC contract and will be required to implement the reforms.

I believe it is right that these organisations should receive a share of the additional funding made available for AfC staff employed by NHS bodies listed at Annex 1 of the NHS terms and conditions of service handbook; each employ existing and new staff on the AfC contract, are required to implement the deal and will need to meet the costs of doing so.

From 2018/2019, the AfC pay deal will apply to existing and new staff on the AfC employment contract employed in both NHS bodies and non-statutory non NHS organisations that provide NHS services, the terms and conditions of which are set out in the NHS terms and conditions of service handbook.

I have asked my officials to write directly to all NHS commissioners and provide them with further detail of the eligibility criteria for additional funding during the three years of the pay deal, that will apply to those non statutory non NHS providers of NHS services.

In line with the Chancellor’s commitment at Budget 2017, the Government will release the £800m already set aside to support

¹⁴ [HC Deb 21 March 2018 c285](#)

¹⁵ ‘[Charities warn that NHS pay award could hit hospices hard](#)’, Hospice UK press release, 10 July 2018

the pay deal for 2018/2019 in England. Barnett consequentials will flow to the devolved administrations in the usual way. Following the recent announcement on the NHS long term funding settlement, for the remaining two years of the deal (2019/2020 to 2020/2021) funding will be met from the settlement. The long term settlement will provide the NHS with increased funding of £20.5 billion per year in real terms by the end of 5 years.¹⁶

The above mentioned hospice charities noted, however, that most hospices use Agenda for Change terms and conditions as a guide to their local pay policies, rather than following them exactly, and so they believed that “the majority of hospices would not be able to access this funding”. In a statement released in July 2018 Tracy Bleakley, the Chief Executive of Hospice UK, called for the Government to “take action to mitigate the impact of the NHS pay award on charitable hospitals in England”.¹⁷

The Government subsequently responded to these concerns in answer to a written PQ on 11 September 2018 with the following:

We recognise that the hospice sector faces particular challenges in relation to funding, given the need to consider pay rates for nursing staff in the light of the Agenda for Change pay agreement.

Organisations that must implement the entire pay deal, not just headline pay, will receive additional funding for 2018/19 directly. However, from 2019/20 funding is included in the long-term funding settlement and will be provided through the NHS England mandate.

It will be a matter for NHS England to consider arrangements for hospice funding as part of the National Health Service long-term plan linked to the funding settlement that will see funding for the NHS rise by an average 3.4% per year; £20.5 billion a year extra in real terms by 2023.

We expect that clinical commissioning groups and NHS England, who commission hospice services, will consider pay pressures as part of wider contract discussions.¹⁸

This issue was also discussed in the House of Lords on 18 June 2018, where Health Minister Lord O’Shaughnessy said the following:

We estimate that around 9,000 nurses work in hospices, and clearly we want to make sure that that number not only stays level but increases so that we can start to deliver the choice that we have committed to in palliative care for people.¹⁹

¹⁶ [Written Statement HCQS803 \[NHS Pay Body Report 2018/19 and Agenda for Change Multi-Year pay deal\], 27 June 2018](#)

¹⁷ [Charities warn that NHS pay award could hit hospices hard](#), Hospice UK press release, 10 July 2018

¹⁸ [PQ 169056 \[Hospices: Pay\], 3 September 2018](#)

¹⁹ [HL Deb 18 June 2018 cc1843-1846](#)

2. Parliamentary material

2.1 Parliamentary Written Questions

- [Hospices: Nurses](#)

Asked by: Field, Frank | **Party:** Independent (affiliation)

To ask the Secretary of State for Health and Social Care, what recent assessment Health Education England has made of the adequacy of (a) staff numbers, (b) pay and (c) employment terms and conditions in the hospice and associated voluntary sector as part of its long-term workforce planning for (i) nurses and (ii) children's nurses.

Answering member: Caroline Dinenage | **Party:** Conservative Party | **Department:** Department of Health and Social Care

Clinical commissioning groups (CCGs) determine the level of National Health Service-funded hospice care locally and are responsible for ensuring that the services they commission meet the needs of their local population. CCGs are best placed to understand local needs and to fund services to meet those needs from the overall resource allocations they receive.

Health Education England's (HEE's) role is advising the health care system to ensure a sufficient supply of registered nurses are in the labour market, from which palliative care nurses can be drawn. HEE does not specifically plan for the numbers of palliative care nurses. Palliative care training is a professional development activity that is often funded by employers. This specialism is open to registered nurses. HEE has worked with partners at a national and Cancer Alliance level to develop Stage 1 of the Cancer Workforce Plan. This stage has focused on the supply issues related to seven occupations who are central to cancer care.

Reforms to healthcare education funding that started to take effect from 1 August 2017 have unlocked the cap which constrains the number of pre-registration nursing, training places allowing students to gain access to nurse degree training courses. To support this, we announced additional clinical placement funding to make available 5,000 more training places each year from September 2018.

11 Sep 2018 | Written questions | Answered | House of Commons | 169057

Date tabled: 03 Sep 2018 | **Date for answer:** 05 Sep 2018 | **Date answered:** 11 Sep 2018

- [Hospices: Children](#)

Asked by: Reeves, Ellie | **Party:** Labour Party

To ask the Secretary of State for Health and Social Care, pursuant to the answer of 12 July 2018 to Question 162133 on Hospices: Children, what assessment he has made of the adequacy of funding for the Children's Hospice Grant; and if he will make a statement.

Answering member: Caroline Dinenage | **Party:** Conservative Party |
Department: Department of Health and Social Care

No specific assessment has been made. The Children's Hospice Grant is awarded annually and administered by NHS England. During 2016/17, NHS England worked with Together for Short Lives, the leading children's end of life care charity, on a consultation on allocation method for the grant in 2017/18. All children's hospices were invited to participate in the consultation.

Following the consultation, NHS England decided to maintain the grant funding at its then current level of £11 million per year for 2017/18 and 2018/19, and review the grant allocation again in 2019/20.

19 Jul 2018 | Written questions | Answered | House of Commons | 164516

Date tabled: 16 Jul 2018 | **Date for answer:** 19 Jul 2018 | **Date answered:** 19 Jul 2018

- [Palliative Care: Children](#)

Asked by: Harman, Ms Harriet | **Party:** Labour Party

To ask the Secretary of State for Health and Social Care, if he will take steps to increase the allocation of funding for palliative care services for children.

Answering member: Caroline Dinenage | **Party:** Conservative Party |
Department: Department of Health and Social Care

As with the vast majority of NHS services, the funding and commissioning of palliative and end of life care is a local matter, over which individual clinical commissioning groups (CCGs) have responsibility. CCGs are best placed to understand the needs of local populations and commission services to meet those needs accordingly, and as such, decisions to fund an increase for palliative care services or hospice provision are for the local National Health Service.

Much of the palliative care patients receive will be provided either in outpatient or community settings, by nurses, community teams or general practitioners (GPs) as part of general NHS services provision, rather than as an identified palliative care service. In such services, data are either not available or does not identify palliative treatment. In addition, social and voluntary sector organisations can provide additional support to patients and the end of life. Therefore, figures for the total cost of palliative care service for children nationally, or across boroughs, is not available.

16 Jul 2018 | Written questions | Answered | House of Commons | 162952

Date tabled: 11 Jul 2018 | **Date for answer:** 16 Jul 2018 | **Date answered:** 16 Jul 2018

- [Palliative Care](#)

Asked by: McGinn, Conor | **Party:** Labour Party

To ask the Secretary of State for Health and Social Care, what his policy is on the funding of hospices; and what levels of funding his Department plans to provide for palliative care in each financial year until 2025.

Answering member: Caroline Dinenage | **Party:** Conservative Party |
Department: Department of Health and Social Care

The vast majority of hospices are primarily charity-funded but receive some statutory funding from clinical commissioning groups (CCGs) for providing local services. The amount of funding varies between CCGs, but on average adult hospices receive approximately 30% of their overall funding from National Health Service sources. CCGs are responsible for determining the level of NHS-funded hospice care locally and they are responsible for ensuring that the services they commission meet the needs of their local population.

Children's hospices tend to receive less statutory funding than adult hospices due to differences in their development and type of non-NHS supportive care they provide. Therefore, in addition to NHS funding for locally commissioned services, children's hospices will receive £11 million in 2018/19 through the Children's Hospice Grant, which is awarded annually and administered by NHS England.

As with the vast majority of NHS services, the commissioning of palliative and end of life care is a local matter, over which individual clinical commissioning groups (CCGs) have responsibility. CCGs are best placed to understand the needs of local populations and fund services to meet those needs from the overall resource allocations they receive.

02 Jul 2018 | Written questions | Answered | House of Commons | 157792

Date tabled: 26 Jun 2018 | **Date for answer:** 02 Jul 2018 | **Date answered:** 02 Jul 2018

- [Hospices: Pay](#)

Asked by: Field, Frank | **Party:** Independent (affiliation)

To ask the Secretary of State for Health and Social Care, what steps he is taking to ensure that the proposed NHS pay award works favourably for charitable hospices whose staff are not employed on an Agenda for Change contract.

Answering member: Stephen Barclay | **Party:** Conservative Party |
Department: Department of Health and Social Care

We recognise that the hospice sector faces particular challenges in relation to funding, given the need to consider pay rates for nursing staff in the light of the Agenda for Change pay agreement.

Organisations that must implement the entire pay deal, not just headline pay, will receive additional funding for 2018/19 directly. However, from 2019/20 funding is included in the long-term funding settlement and will be provided through the NHS England mandate.

It will be a matter for NHS England to consider arrangements for hospice funding as part of the National Health Service long-term plan linked to the funding settlement that will see funding for the NHS rise by an average 3.4% per year; £20.5 billion a year extra in real terms by 2023.

We expect that clinical commissioning groups and NHS England, who commission hospice services, will consider pay pressures as part of wider contract discussions.

11 Sep 2018 | Written questions | Answered | House of Commons | 169056

Date tabled: 03 Sep 2018 | **Date for answer:** 05 Sep 2018 | **Date answered:** 11 Sep 2018

- [Hospices](#)

Asked by: Fitzpatrick, Jim | **Party:** Labour Party

To ask the Secretary of State for Health and Social Care, what assessment he has made of the effect of the proposed NHS pay increase on voluntary sector hospices.

Answering member: Stephen Barclay | **Party:** Conservative Party | **Department:** Department of Health and Social Care

The proposed Agenda for Change pay framework, which includes contract reform and pay awards over three years, is currently out to consultation with the National Health Service trades unions and the outcome will be known in June.

The Chancellor was explicit that additional funding was tied to extensive reforms to the terms and conditions of staff employed on the Agenda for Change contract.

We are considering the impact of the agreement on non-NHS organisations such as hospices that may be affected by the proposed deal however no decisions have been made.

Staff in hospices do a fantastic job in delivering world-class care. The Department remains fully committed to improving palliative and end of life care.

23 May 2018 | Written questions | Answered | House of Commons | 145520

Date tabled: 18 May 2018 | **Date for answer:** 22 May 2018 | **Date answered:** 23 May 2018

- [Hospices: Finance](#)

Asked by: Baroness Finlay of Llandaff | **Party:** Crossbench

To ask Her Majesty's Government whether charitable hospices will be able to access the additional funding that is being set aside to pay for the proposed increases in the NHS Agenda for Change pay rates.

Answering member: Lord O'Shaughnessy | **Party:** Conservative Party | **Department:** Department of Health and Social Care

National Health Service trades unions are currently consulting their members on the proposed Agenda for Change pay framework, which includes contract reform and pay awards over three years. We expect the outcome of the consultation exercise by early June.

Staff in hospices do a fantastic job in delivering world-class care and the Department remains fully committed to improving palliative and end of life care.

Levels of NHS-funded hospice care provision are a matter to be determined locally by clinical commissioning groups and they are responsible for ensuring that the services they commission meet the needs of their local population.

We are considering carefully the impact of any agreement on non-NHS organisations such as hospices that may be affected by the proposed deal; however no decisions have been made.

10 May 2018 | Written questions | Answered | House of Lords | HL7387

Date tabled: 30 Apr 2018 | **Date for answer:** 15 May 2018 | **Date answered:** 10 May 2018

- [Hospices: Finance](#)

Asked by: McKinnell, Catherine | **Party:** Labour Party

To ask the Secretary of State for Health, what plans he has to increase the parity of funding of children's hospices and adult hospices.

Answering member: Jackie Doyle-Price | **Party:** Conservative Party | **Department:** Department of Health

The Government strongly values the crucial role of the children's hospice sector in providing excellent end-of-life care across the country. Clinical commissioning groups (CCGs) are responsible for determining the level of National Health Service-funded hospice care locally and they should ensure that the services they commission meet the needs of their local population.

In addition to NHS funding for locally commissioned services, children's hospices received £11 million in 2017/18 through the Children's Hospice grant, which is awarded annually and administered centrally by NHS England. NHS England engaged with children's hospices through the children's charity Together for Short Lives prior to a consultation on the allocation method for the 2017/18 grant.

In April 2017 NHS England made available a new children's specialist palliative care currency for local areas. CCGs may choose to use this when working with providers, such as hospices, to establish a framework for understanding specialist palliative care service need locally, and providers may find the currency model useful as a tool for demonstrating the increasing complexity of care provision and to make the case for local investment.

07 Sep 2017 | Written questions | Answered | House of Commons | 8162

Date tabled: 04 Sep 2017 | **Date for answer:** 07 Sep 2017 | **Date answered:** 07 Sep 2017

2.2 Oral Parliamentary Questions

- [Hospices: Impact of NHS Pay Increases](#)

Asked by: Lord Goddard of Stockport | **Party:** Liberal Democrats

To ask Her Majesty's Government what representations they have received from the hospice movement about the impact of the proposed increases in NHS pay; and whether voluntary hospices will also be able to access any additional funding being set aside to fund the proposed NHS pay increases.

Answered by: The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con) | **Party:** Conservative Party

My Lords, the Government received a number of written representations from hospices regarding NHS pay. The majority of NHS trade union members have now voted in favour of the Agenda for Change pay deal. This is welcome news that will help the NHS to reward, recruit and retain the staff it needs. We are now considering the impact of the agreement on non-NHS organisations such as hospices, and will consider carefully the NHS Pay Review Body's report before making any final decisions.

18 Jun 2018 | Oral questions - Lead | Answered | House of Lords | House of Lords chamber | 791 cc1843-6

Date answered: 18 Jun 2018

- [Carers: Health and Well-being](#)

Asked by: Lord Touhig (Lab) | **Party:** Labour Party

My Lords, almost 50,000 babies, children and young people need palliative care, yet children's hospices receive less statutory funding than adult hospices, and the lack of collaboration between support services is a major challenge. Carers and those they care for would benefit if we had a children's palliative care strategy that was family-centred and had a holistic focus on health, education and social care. Does the Minister agree with that?

Answered by: Lord O'Shaughnessy | **Party:** Conservative Party

Children's hospices do an extraordinary job. They get less statutory funding as a percentage of their total; there are good reasons for that, both historically and to do with the type of care they provide. The Government are providing £11 million of support in 2018-19 through the children's hospices grant to support them, in addition to funding from

local clinical commissioning groups. But I will take his proposal for a palliative care strategy back to my right honourable friend the Minister for Care. I know that she is very interested in this issue.

12 Jun 2018 | Oral questions - Supplementary | Answered | House of Lords | House of Lords chamber | 791 c1577

Date answered: 12 Jun 2018

2.3 Written Parliamentary Statements

- [NHS Pay Review Body Report 2018/19 and Agenda for Change Multi-Year pay deal](#)

I am responding on behalf of my Rt. Hon. Friend the Prime Minister to the 31st Report of the NHS Pay Review Body (NHSPRB). The report has been laid before Parliament today (Cm9641). I am grateful to the Chair and members of the NHSPRB for their report.

The Government welcomes the 31st report of the NHS Pay Review Body, which endorses the Agenda for Change multi-year pay and contract reform deal (2018/2019 to 2020/2021).

NHS staff do a fantastic job in delivering world-class care. Even with increasing pressures on the NHS due to, amongst other things, an ageing population and changing public expectations, they work incredibly hard, always putting patients first and keeping them safe whilst providing the high quality care we all expect.

We have already announced that, to secure the future of the health service as it approaches its 70th birthday, we have increased NHS funding by an average 3.4 per cent per year, which will see the NHS receive £20.5 billion a year in real terms by 2023.

The Government accepts the NHSPRB's observations and is very pleased to confirm its acceptance of the Agenda for Change multi-year pay and contract reform deal.

The new deal will see nearly one million NHS workers benefit over three years and help deliver better value for money from the £36 billion Agenda for Change pay bill, with some of the most important changes to working practices in a decade.

The deal includes a range of pay and non pay proposals that will benefit staff and patients. Most NHS staff below the top of their pay band will benefit from pay increases through the re-structuring of the pay bands – higher starting pay, removal of overlapping pay points and shorter pay scales.

- From this year the lowest NHS starting salary will increase year on year from £15,404 to £18,005 in 2020/2021.
- The starting salary of a nurse will rise to £24,907 in 2020/21 which will have a significant impact on retention and recruitment issues.

The deal also guarantees fair basic pay awards for the next three years to staff who are at the top of pay bands—a cumulative 6.5% over three years.

The agreement will put learning and development right at the heart of local annual appraisals, helping to improve the experience for staff, ensuring they demonstrate the required standards for their role before

moving to the next pay point. We know that getting appraisals right helps improve staff engagement and through that better outcomes for patients. The deal also commits NHS employers to support staff to improve their physical and mental health, helping to reduce sickness absence, increasing capacity for patient care.

This is a major step forward. The agreement reflects the Government's public sector pay policy that pay flexibility should be in return for reforms that improve recruitment and retention and boost productivity.

During the NHS trades unions consultation on the AfC framework agreement, the Department of Health and Social Care received a number of representations from non-statutory non NHS organisations that provide NHS services seeking additional funding on the same basis as NHS bodies.

It is important to stress that the AfC reforms were those, based on the AfC employment contract (and all the terms and conditions) the NHS Staff Council agreed could help the NHS recruit, retain, motivate and boost the productivity/capacity of its workforce.

We know that there a small number of non statutory non NHS organisations that provide NHS services, employ existing and new staff on the AfC contract and will be required to implement the reforms.

I believe it is right that these organisations should receive a share of the additional funding made available for AfC staff employed by NHS bodies listed at Annex 1 of the NHS terms and conditions of service handbook; each employ existing and new staff on the AfC contract, are required to implement the deal and will need to meet the costs of doing so.

From 2018/2019, the AfC pay deal will apply to existing and new staff on the AfC employment contract employed in both NHS bodies and non-statutory non NHS organisations that provide NHS services, the terms and conditions of which are set out in the NHS terms and conditions of service handbook.

I have asked my officials to write directly to all NHS commissioners and provide them with further detail of the eligibility criteria for additional funding during the three years of the pay deal, that will apply to those non statutory non NHS providers of NHS services.

In line with the Chancellor's commitment at Budget 2017, the Government will release the £800m already set aside to support the pay deal for 2018/2019 in England. Barnett consequentials will flow to the devolved administrations in the usual way. Following the recent announcement on the NHS long term funding settlement, for the remaining two years of the deal (2019/2020 to 2020/2021) funding will be met from the settlement. The long term settlement will provide the NHS with increased funding of £20.5billion per year in real terms by the end of 5 years.

27 Jun 2018 | Written statements | House of Commons | HCWS803

Member: Mr Jeremy Hunt

Department: Department of Health and Social Care

2.4 Early Day Motions

- [SUPPORT FOR CHILDREN'S HOSPICES IN ENGLAND](#)

That this House notes that across England, 40,000 babies, children and young people with life-limiting and life-threatening conditions rely on palliative care to enhance their quality of life, manage symptoms and provide their families with much needed help and rest; expects demand for children's palliative care to grow as the number of children with life-limiting conditions increases; is concerned that the funding for services has not kept pace with this demand and has become a postcode lottery; further notes the NICE calculation that investing £12.7 million in end of life care for infants, children and young people, would release non-cash savings worth £34.7 million back into the NHS in England and therefore calls on the Government to increase the Children's Hospice Grant to at least £25 million per year, which would cover 14 per cent of the cost of the clinical care provided by children's hospices, equal to the contribution originally made by the Department of Health in 2006; and urges the Government to address the funding disparity between children's and adult hospices, whereby children's hospices currently receive only 22 per cent of their funding from statutory sources, compared to 33 per cent in adult hospices and put in place a funded children's palliative care strategy to ensure that seriously ill children can access the care and support they need, when and where they need it, in hospitals, children's hospices and in the community.

04 Sep 2018 | Early day motions | Open | House of Commons | 1564 (session 2017-19)

Primary sponsor: Martin, Sandy | **Party:** Labour Party

Other sponsors: McKinnell, Catherine · Bottomley, Peter · Cadbury, Ruth · Green, Kate · George, Ruth

Number of signatures: 35

2.5 Parliamentary debates

- [Hospices: Impact of NHS Pay Increases](#) (HL Deb 18 June 2018 cc1843-1846)
- [NHS Staff Pay](#) (HC Deb 21 March 2018 cc285-297)

3. Press material

[Hospice staff to lobby for change at Westminster](#)

ITV News, 23 October 2018

[Hospices care for 200,000 people a year, but they're powered by voluntary effort](#)

The Guardian, 8 October 2018

[Pay Deal For NHS Staff Will Have Unintended Consequences For Hospices](#)

The Huffington Post UK, 15 August 2018

[Blog post by Jonathan Ellis, Director of Advocacy & Change at Hospice UK]

['25% of entitled patients miss out' on palliative care](#)

BBC News, 11 July 2018

[Report of a study by a cross-party group of AMs in the National Assembly for Wales]

[Charities warn that NHS pay award could hit hospices hard](#)

Hospice UK press release, 10 July 2018

[NHS pay award could hit hospices and palliative care charities hard](#)

Together for Short Lives press release, 10 July 2018

[Pay rise for NHS staff could add £100m to hospice bill, charity says](#)

National Health Executive, 10 July 2018

[Hospice charities face £30m-a-year bill over NHS pay deal](#)

Civil Society Media, 10 July 2018

[More than 100,000 terminally ill patients denied hospice care](#)

Sky News, 2 August 2017

[How NHS and hospice teamwork can make end-of-life care as easy and painless as possible](#)

The Telegraph, 6 February 2017

[Statutory Funding for Adult and Children's Hospices Is Persistently Patchy](#)

The Huffington Post UK, 20 July 2015

[Blog post by Jonathan Ellis, Director of Policy and Advocacy at Hospice UK]

4. Further reading

4.1 Parliamentary publications

- Commons Library debate pack CDP-2017-0165, [NHS Pay](#), 12 September 2017 (this was published for an Opposition Debate in September 2017, before the announcement of the new NHS pay deal in March 2018)
- POST note PN-481, [Palliative and End of Life Care](#), 8 October 2014

4.2 Government reports

- NHS Pay Review Body, [National Health Service Pay Review Body 31st: 2018](#), 27 June 2018
- NHS England, [Developing a new approach to Palliative Care Funding – Final Report 2015/16 Testing](#), March 2017
- Department of Health, [Independent Palliative Care Funding Review](#), 1 July 2011

4.3 Sector reports

- The NHS Staff Council, [NHS Terms and Conditions of Service Handbook \(Pay Advisory Notice \(01/2018\) and TCS Advisory Notice \(01/2018\)\)](#), 1 Jul 2018 (Agenda for Change handbook)
- Hospice UK, [Hospice care in the UK 2017: From numbers to insight](#), November 2017
- Marie Curie Cancer Care, the National Council for Palliative Care, et al, [Commissioning Guidance for Specialist Palliative Care: Helping to deliver commissioning objectives](#), December 2012

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