

Debate Pack

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Funding for Children's Hospices

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Summary

There will be a debate in Westminster Hall on Wednesday 30th October at 9:30am on funding for children's hospices. The debate will be led by Ian Byrne MP.

This debate pack contains background information on funding for children's hospices, as well as some suggested further reading materials which Members may find useful in preparation for this debate.

1

Background

Hospices provide care for people with incurable illness, from the point at which their illness is diagnosed as terminal, until the end of their life.

There are over 200 adult and 50 children's hospices in the United Kingdom. It is estimated that those hospices support over 300,000 people each year, including people at the end of life, their families, carers, and bereaved relatives.¹

Most hospice care is provided at home, but it can also be provided in a care home, as an in-patient at the hospice itself, or as a day patient visiting the hospice. Hospice care is a style of care, rather than something that takes place in a specific building.

In England, NHS commissioning of palliative and end of life care, including hospices, is largely the responsibility of Integrated Care Boards (ICBs). ICBs are NHS organisations responsible for planning health services for their local population. There is one ICB in each of the 42 integrated care system areas within the NHS in England.

The [Health and Care Act 2022](#), added palliative care services to the list of services that ICBs must commission for their local areas. Hospices receive funding for the services they have been contracted to provide by an ICB. In addition to this, some hospices also receive funding from local authorities, often for providing a specific service.

In July 2022, NHS England published [statutory guidance or ICBs on palliative and end of life care](#).² This guidance is intended to ensure a more consistent national approach, and support ICBs to fulfil their legal duty to commission palliative and end of life care services that meet the reasonable needs of their population.

Further background information on [hospice care is available on the NHS website](#).

¹ [PQ 3874 \[on Hospices\] 9 September 2024](#)

² NHSE, [Palliative and end of life care: Statutory guidance for integrated care boards \(ICBs\)](#), updated 29 September 2022

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Funding

Most hospices were established from charitable and philanthropic donations and are primarily charity-funded and independently run. However, they receive around a third of their income from statutory funding from the NHS and central government.

Integrated Care Boards (ICBs) receive a general funding allocation from the government to deliver the services they are responsible for, including palliative and end of life care. The previous government said the amount of funding hospices receive was dependent on various factors, including what other statutory services ICBs in that region provide.³ They noted charitable hospices provided a range of services beyond those that they legally had to provide and this was reflected in the funding arrangement.⁴ Alongside funding through ICBs, some hospices receive funding from local authorities.

In 2022/23 and 2023/24, £1.5 billion additional funding was provided at a national level to support ICBs with inflationary pressures.⁵ It was for ICBs to decide how best to distribute this funding within the system.

[Grant funding was made available by the government](#) to hospices during the covid-19 pandemic.

2.1

Children's Hospice Grant

In 2007 a Children's Hospice Grant was introduced, providing direct funding to children's hospices. The funding was intended to compensate for lower levels of local statutory funding compared to adult hospices.

In July 2019, it was announced that [the Children and Young People's Hospice Grant would increase](#) from £12 million in 2019/20 to £25 million by 2023/24.

2023/24 was the final year of the Children's Hospice Grant.⁶ However, NHS England provided an extra £25 million of funding for children and young people's hospices in 2024/25 to maintain the level of funding. This was distributed through ICBs (rather than directly to hospices from NHS England) for the first time in 2024/25.

³ [PQ 25325 \[on Hospices: Finance\] 30 July 2024](#)

⁴ [As above](#)

⁵ DHSC [Letter from the Secretary of State, Steve Barclay to the Chair of the Health and Social Care Committee](#) (PDF) 19 June 2023

⁶ [PQ 1180 \[Hospices: Finance\] 30 July 2024](#)

In July 2024, the Minister for State under the Labour government, Stephen Kinnock, said it was currently considering the future of the funding stream beyond 2024/25.⁷

2.2 Funding pressures

MPs from all parties and stakeholders have expressed concerns about both the level of funding and the funding model for hospices. There are also concerns about the rising costs of living, particularly in relation to energy bills and inflation, as well as staffing costs, and rising demand for hospice care. In addition, there are concerns about the future of the Children's Hospice Grant and the flow of funding from Integrated Care Boards to hospices.

[Together for Short Lives](#), a children's palliative care charity, reported children's hospices were under financial pressure. It found that inflation, higher energy prices and the rising cost of recruiting and retaining skilled staff meant that, on average, children's hospices in England spent 15% more in 2023/24 compared to 2021/22.⁸ It said that over the same period, children's hospices had received 31% less funding from ICBs and 11% less funding from local authorities.⁹ Meanwhile, there was growing demand for services: since 2019/20, children's hospices had provided end of life care and symptom management to 41% more children and 72% more young people.¹⁰ Together for Short Lives estimated that there would be a total shortfall of just over £30 million across all children's hospice organisations in the UK for 2024/25.¹¹

[Together for Short Lives' overview of children's palliative care in the UK \(2024\)](#) found that the majority of the 42 ICBs in England did not have a published service specification for children's palliative care.¹² The charity found that:

- Whether the right care was available depended entirely on where you lived: only a third of local areas in England were meeting the required standard for 24/7 end of life care for children and young people at home.
- There was an estimated £295 million funding gap for children's palliative care services in England.
- There were significant workforce shortages and inconsistencies in the way support was planned and funded by local NHS and council bodies

⁷ [PQ 764 \[on Hospices: Children\] 24 July 2024](#)

⁸ Together for Short Lives, '[Children's hospice services under threat as NHS funding falls](#)', 19 June 2024

⁹ Together for Short Lives, '[Short lives can't wait: Children's hospice funding in 2024](#)', June 2024, p 3.

¹⁰ As above p4

¹¹ As above p5

¹² Together for Short Lives, '[Short Lives Can't Wait: the state of children's palliative care in 2024](#)', p30

across the UK, which were not being held to account by the UK's governments.¹³

2.3 Recommendations for change

In January 2024 the APPG on Hospice and End of Life Care published a [report on Government funding for hospices](#) (PDF). The APPG's inquiry found that despite the introduction of a legal requirement for ICBs to commission palliative and end of life care, ICB commissioning of hospice services was not fit for purpose, and the value they provided to individuals and the wider health system was at risk.

The APPG made the following recommendations:¹⁴

- The government should produce a national plan “to ensure the right funding flows to hospices” and undertake work to develop reference costs for palliative and end of life care that can be used by commissioners.
- The government should also develop national quality standards and outcome measures for commissioners to assess the services they commission.
- The government should set out a national minimum standard for the level of provision of palliative and end of life care that should be available within all ICBs.
- Emergency funding should be provided to address the pressures of paying increased staffing costs for hospices and consider the impact of the NHS pay review process on the hospice sector.
- The government should commit to maintaining and ringfencing the Children's Hospice Grant for the next five years.

The Health and Social Care Committee's report on [Assisted Dying/Assisted Suicide](#) included some points related to hospice services. In particular, the committee said it heard “compelling evidence that the current funding model for hospices is unsustainable and risks hospice closures.”¹⁵

¹³ Together for Short Lives, [An overview of children's palliative care in the UK in 2024](#)

¹⁴ All-Party Parliamentary Group Hospice and end of life care, [Government funding for hospices](#), January 2024, p5

¹⁵ Health and Social Care Committee, [Assisted Dying/Assisted Suicide](#), Second report of session 2023-4, para 280

The committee said it understood the flexible nature of the current funding model was valued by some hospice leaders. It said that rather than suggesting hospices were 100% government funded, the government should “commit to an uplift of funding to guarantee that support will be provided to any hospices which require funding assistance.”¹⁶

[The Health and Social Care Committee held a one-off session on hospice funding](#) on 23 April 2024. Toby Porter, Chief Executive Officer at Hospice UK, said there was an absence of strategy in funding allocations (in relation to ICBs) and said there needed to be a new model for hospice funding. It was suggested in the session that core clinical services should be funded by the government, with charity funding making up a smaller proportion of funding, used to provide additional services.¹⁷

The [Together for Short Lives charity](#) has called on the government to review the way in which children's hospice care is funded to ensure it is “equipped to provide lifeline care and support to seriously ill children and their families for the long term”.¹⁸ It sought a commitment from the government to maintain a ringfenced children's hospice grant, to increase it in line with inflation and to return it to being a centrally distributed funding stream.

¹⁶ As above

¹⁷ Health and Social Care Committee, [Hospice funding HC 709](#), 23 April 2024

¹⁸ Together for Short Lives, [‘Short lives can’t wait: Children’s hospice funding in 2024’](#), June 2024, p 5

3 Parliamentary materials

3.1 Parliamentary Questions

[Hospices: Finance](#)

30 July 2024 | UIN 1180

Asked by: Sir Christopher Chope

To ask the Secretary of State for Health and Social Care, how much grant funding each Integrated Care Board in England is providing for hospice funding for (a) children's and (b) other hospices over the 2024-25 financial year.

Answering member: Stephen Kinnock | Department: Department of Health and Social Care

Integrated care boards (ICBs) are responsible for the commissioning of palliative and end of life care services, to meet the needs of their local populations. The hospice sector is an important part of the range of providers and services needed. 2023/24 was the final year of the Children's Hospice Grant, which commenced in 2007. In 2024/25, however, NHS England provided an additional £25 million of funding for children and young people's hospices, maintaining the level of grant funding from 2023/24. This funding was distributed, for the first time, via ICBs, in line with National Health Service devolution. The Department does not hold data on how much funding each ICB has provided to children's hospices and other hospices over 2024/25.

To support ICBs in their duty to commission palliative and end of life care services, NHS England has published statutory guidance, as well as service specifications for adults, and children and young people, all of which are available, respectively, at the following three links:

<https://www.england.nhs.uk/publication/palliative-and-end-of-life-care-statutory-guidance-for-integrated-care-boards-icbs/>

<https://www.england.nhs.uk/publication/service-specifications-for-palliative-and-end-of-life-care-adults/>

<https://www.england.nhs.uk/publication/service-specifications-for-palliative-and-end-of-life-care-children-and-young-people-cyp/>

Hospices: Children

21 October 2024 | UIN 8935

Asked by: Shaun Davies

To ask the Secretary of State for Health and Social Care, whether he plans to continue the provision of the Children's Hospice Grant into 2025/26.

Answering member: Stephen Kinnock | Department: Department of Health and Social Care

In 2024/2025, NHS England provided £25 million in funding for children and young people's hospices. This funding was distributed, for the first time, via integrated care boards, in line with National Health Service devolution.

I recently met NHS England, Together for Short Lives, and one of the chairs of the Children Who Need Palliative Care All Party Parliamentary Group to discuss children's palliative and end of life care, and this funding stream was discussed at length at that meeting. NHS England is currently considering the future of this important funding stream beyond 2024/25.

Hospices: Finance

15 May 2024 | UIN 25325

Asked by: Marsha De Cordova

To ask the Secretary of State for Health and Social Care, whether she is taking steps to support hospices with rising costs.

Answering member: Helen Whately | Department: Department of Health and Social Care

Integrated care boards (ICBs) are responsible for determining the level of National Health Service-funded palliative and end of life care, including hospice care, locally, and they are responsible for ensuring that the services they commission meet the needs of their local population. As part of the Health and Care Act 2022, the Government added palliative care services to the list of services an ICB must commission, which will ensure a more consistent national approach, and support commissioners in prioritising palliative and end of life care.

The majority of palliative and end of life care is provided by NHS staff and services. However, we also recognise the vital part that voluntary sector organisations, including hospices, play in providing support to people at end of life, and their families. Most hospices are charitable, independent organisations which receive some statutory funding for providing NHS

services. The amount of funding hospices receive is dependent on many factors, including what other statutory services are available within the ICB footprint. Charitable hospices provide a range of services which go beyond that which statutory services are legally required to provide. Consequently, the funding arrangements reflect this.

The Department, alongside key partners, and NHS England will continue to engage with stakeholders, including the voluntary sector and independent hospices on an ongoing basis, in order to understand the issues they face, including that of future funding pressures. The Department is in ongoing discussions with NHS England about oversight and accountability of National Health Service palliative and end of life care commissioning.

The Government recognises the difficult economic context that organisations such as hospices face, which is why we made the decision to provide additional funding to help deliver non-consolidated pay awards to eligible staff employed by non-NHS organisations, including some hospices. Funding has been made available for over 27,000 staff in non-NHS organisations to receive the two non-consolidated awards agreed as part of the Agenda for Change pay deal. Eligible organisations will receive their funding as soon as practically possible, following the receipt of their invoice.

3.2

Debates

[Hospices: Funding](#)

24th October 2024 | House of Lords | 840 cc797-810

[Hospice Funding](#)

22nd April 2024 | House of Commons | 748 cc700-754

[Hospice Services: Support](#)

14th June 2023 | House of Commons | 734 cc128-153WH

[Hospice Sector: Fiscal Support and Cost of Living](#)

2nd March 2023 | House of Commons | 728 cc360-372WH

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Press and stakeholder materials

The following is a selection of news and media articles relevant to this debate.

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United Kingdom and Great Britain

[Children's hospice services under threat as NHS funding falls](#)

Together for Short Lives

19 June 2024

[Hospice UK fears 'devastating' effects of £77m funding gap](#)

BBC News

15 April 2024

['Unsustainable': Survey reveals huge deficit for UK hospice sector](#)

Nursing in Practice

15 April 2024

['Hospices relying on greater income from charity shops than Government funding'](#)

The Independent

7 October 2024

[Short Lives Can't Wait: the state of children's palliative care in 2024 \(PDF\)](#)

Together for Short Lives

19 June 2024

[An overview of children's palliative care in the UK in 2024](#)

Together for Short Lives

June 2024

England

['It's heartbreaking': Hospices planning cuts to jobs and beds](#)

BBC News

30 August 2024

[Acorns launches campaign to save £2 million funding](#)

Acorns Children's Hospice

30 July 2024

[Children's hospices risk being 'hugely reduced' due to funding and cost issues](#)

The Independent

19 June 2024

Wales

[Welsh hospices 'struggling to meet demand' will receive £4 million from Welsh Government](#)

ITV News

12 April 2024

[Children's hospices unfurl giant butterfly in call for extra funding](#)

Cambrian News

19 June 2024

Scotland

[Children's hospice charity CHAS 'needs to raise £60 million'](#)

The Herald Scotland

12 May 2024

[Hospices in Scotland are 'stretched to the brink' amid £16m funding deficit](#)

Sky News

18 December 2023

Northern Ireland

[NI Children's Hospice to reduce bed capacity due to 'loss of funding'](#)

RTE News

6 February 2024

[Children's Hospice funding back but bed cut remains](#)

BBC News

9 February 2024

[Pressures facing children's hospice go deeper than Stormont funding loss – Swann](#)

The Irish News

12 February 2024

5

Further Reading

All-Party Parliamentary Group Hospice and end of life care, [Government funding for hospices](#) (PDF), January 2024

Health and Social Care Committee, [Assisted Dying/Assisted Suicide](#), Second report of session 2023-4

NHSE, [Service specifications for palliative and end of life care: Children and young people \(CYP\)](#), 26 January 2023

House of Lords Library In Focus, [Hospices: State funding](#), 21 October 2024

POST, [Palliative and end of Life Care](#), 27 July 2022

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