



## Report to Healthier Communities & Adult Social Care Scrutiny and Policy Development Committee

**Report of:** Peter Hartland, Chief Executive, St Luke's Hospice

**Subject:** Hospice Care in Sheffield

**Author of Report:** Tony Saunders, Corporate Services Manager, St Luke's Hospice, Little Common Lane, Sheffield, S11 9NE (0114 2357572)

### Summary:

The Committee requested a report on the nature of hospice care in Sheffield, in particular how it is funded in terms of the charitable/donation based nature of funding, and how the situation in Sheffield compares with the picture nationally.

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	√
Other	

### The Scrutiny Committee is being asked to:

We would like the Committee to consider the current situation and it's sustainability in light of the current economic climate, competing demands for charitable funds and uncertainty over future funding from the NHS.

### Background Papers:

None.

**Category of Report:** OPEN

## **Report of the Chief Executive of St Luke's Hospice** **Hospice Care in Sheffield**

### **1. Introduction**

- 1.1 The Committee requested a report on the nature of hospice care in Sheffield, in particular how it is funded in terms of the charitable/donation based nature of funding, and how the situation in Sheffield compares with the picture nationally.
- 1.2 St Luke's is the only adult hospice in Sheffield. It is a charity (registered number 254402) that provides free, specialist palliative care to adults in Sheffield with life limiting conditions, both in patients' homes, out in the community and in the In Patient Centre (IPC).
- 1.3 St Luke's is not an NHS facility. We only receive around a third of our funding from the NHS and have seen a marked decline in NHS funding over the last five years. The remaining two thirds is donated by the people of Sheffield, without which St Luke's would close.
- 1.4 £4.5m is fundraised annually by St Luke's to cover our operating costs. This represents £8 per head of population in Sheffield, every year, just to keep doing what we do now.
- 1.5 We are currently rebuilding and extending our IPC. This is costing £5.3m and is not paid for by any contractual NHS funding; we are fundraising £5m through a capital appeal, in addition to the £4.5m we raise annually to run the charity.

### **2. The nature of hospice care in Sheffield, funding streams and national comparison**

- 2.1 St Luke's was the first hospice to open outside of London, and the current ambition is to retain a/the leadership role in providing specialist palliative care across the city of Sheffield.
- 2.2 Since opening in 1971 St Luke's has been caring for patients aged 18 and over in Sheffield who have life-limiting conditions – as well as their families, carers and friends. Over the years we have grown and in 2013 we cared for over 5,000 people in total, of which 1,400 were patients. The majority of these were cared for in the community.
- 2.3 Our care is offered free of charge in all settings, although we receive less than one third of our funding from the NHS – so we have to raise over £4.5m annually through fundraising just to continue to deliver our services. We aim to be efficient and effective in all we do.
- 2.4 We treat all conditions, not just cancer. We are here for all faiths and none. We employ and develop our own medical, nursing and health professionals, and train students. We have 180 employees, over 600 active volunteers, and thousands of donors and supporters.

- 2.5 St Luke's teams aim to deliver 'holistic' care to the whole person, and whole family, wherever possible; treating body and soul, heart and mind. 'Hospice care' is not about buildings; it is about the people delivering the care aspiring to 'add quality to life' at a time of need.
- 2.6 We provide specialist palliative care – in people's homes and community, through day care services, and ultimately through our highly specialised Inpatient Centre (IPC). We work closely with GPs and other healthcare providers. In many other cities these services are provided by Macmillan Cancer Support. In Sheffield, they are all provided by, and funded by, St Luke's Hospice.
- 2.7 We have entered a period of significant change and uncertainty in the national and local healthcare environment. There are many providers trying to develop support for end of life care, at different levels, within a complex system; NHS funding for end of life care services remains uncertain and under review; competition for funding is growing, from national and local charities, as well as from other providers entering the traditional hospice service areas. The aging population means that more end of life patients have frailty, secondary conditions, and dementia – requiring additional care and assistance.
- 2.8 The year ended 31 March 2013 was another year of decline in our contractual funding from the NHS (now through the local CCG) which is exacerbated in real terms through inflationary pressures. In 2012-13 our total contractual NHS funding of £2.3m provided just 31% of our total expenditure. Our NHS funding is contractual. The current contract is one year in length and ends on 31 March 2014. We are currently in negotiations as to the level of funding and length of contract after this date.
- 2.9 This situation is fairly typical of the national picture. A recent Help the Hospices survey published in the Health Service Journal on 20 June 2013 stated the following: "On average only a third of hospice costs are covered by the NHS - although funding levels vary across the country - with the rest coming from charitable funds. Nearly a fifth of those surveyed (18 per cent) said funding levels had fallen this financial year, and in some instances hospices had seen funding frozen for five years."
- 2.10 The remaining two thirds of our income is donated by the people of Sheffield.
- 2.11 We rely on a wide variety of types of donations from those who simply donate money to those who proactively go out and raise money on behalf of St Luke's. Thousands of people across the city donate in a large or small way each year. The small fundraising team support donors wherever possible, driving income from a wide variety of income streams.
- 2.12 St Luke's runs a national award winning chain of retail charity shops. For three years running it was the most profitable shop chain (of its size) in the country. Current turnover is £1.9m and profit is £1.3m which is an extremely high rate of return compared to other charity shop chains. There are 11 shops across the city from Stockbridge and Chapelton in the north to Gleadless and Crystal Peaks in the south.

### **3 What does this mean for the people of Sheffield?**

- 3.1 St Luke's is valued and respected for its quality of care, and the privacy and dignity this brings. Our services form a core part of 'end of life care' in Sheffield.
- 3.2 St Luke's is not an NHS facility. We only receive around a third of our funds from the NHS – the remainder must be raised from the people of Sheffield.
- 3.3 St Luke's will close if the people of Sheffield do not support us through donations.
- 3.4 It costs over £7m annually to run the charity. The remaining two thirds – over £4.5m – must be raised from charitable donations. Our fundraised income streams rely entirely on the generosity of donors. This includes the charity shops – 98% of all goods sold through the retail chain are donated goods. These goods are donated by the people of Sheffield and bought by the people of Sheffield.
- 3.5 The nature of the hospice movement is that the UK is divided up geographically with local hospices serving the increasingly complex and growing needs of their local populations. St Luke's is Sheffield's hospice. This naturally imposes geographical limits as to where we can fundraise. St Luke's can only fundraise in Sheffield. There are separate independent charitable hospices in Rotherham, Barnsley, Chesterfield and so forth.
- 3.6 This means that, with a population of roughly 550,000, the £4.5m that we need to fundraise each year translates to over £8 per head of population. Given that this population includes children, the unemployed, retired and all manner of socioeconomic groups, the scale of the challenge facing St Luke's every year, just to provide the current level of service, is enormous.
- 3.7 The £8 per head covers the normal running costs of St Luke's. In order to develop our services, to invest in our infrastructure and to be at the forefront of palliative care in order to provide the best possible care for the people of Sheffield, we sometimes incur additional expenditure. For example, the £5m capital appeal to modernise and extend the IPC is being paid for through fundraised income, raised in addition to the £4.5m each year required for running costs.

### **4. Recommendation**

- 4.1 We would like the Committee to consider the current situation and it's sustainability in light of the current economic climate, competing demands for charitable funds and uncertainty over future funding from the NHS.