Capital Grants Update

Big Conversation
Wednesday 5th February 2025

HospiceUK

Initial announcement 19 December

The biggest investment in a generation for hospices has been announced by the government today, ensuring that hospices can continue to deliver the highest quality end of life care possible for their patients, families, and loved ones.

The £100 million funding will help hospices this year and next to provide the best end of life care to patients and their families in a supportive and dignified physical environment

Hospice UK goals for the funding

Every hospice is able to benefit, in proportion to their size and need

Money is spent on items that will have a long term transformative benefit for sector

Money is also budget relieving for the sector

Sign off Process

1. DHSC palliative and end of life care team – **received**
2. DHSC finance team - **received**
3. Secretary of State – **received**
4. Joint investment committee for DHSC & NHSE - **pending**
5. HM Treasury - **pending**

Eligibility criteria

Funding is for hospices in England only

Only open to charities whose main purpose is to provide palliative care directly to those who have a terminal illness (note: this includes children's hospices)

Service must be led by a registered medical practitioner or registered nurse

Therefore, not open to NHS hospices – DHSC advise they should instead apply for capital funding via the trust they are attached to

Eligible expenditure

Generally accepted definition of capital items for charities is:

An asset that provides a benefit to the charity on an ongoing basis (more than one year) by contributing to the charity's objectives

Normally a physical asset, but can also include software, data architecture or digital infrastructure

DHSC examples of eligible funding

•Renovation, refurbishment and potentially replacement of buildings, equipment, and accommodation to ensure that patients continue to receive the best care possible – e.g. refurbishing bedrooms and bathrooms for patients and providing comfortable overnight facilities for families

•Capital schemes that generate a revenue benefit such as insulation, heating and lighting upgrades and energy efficiency

•Improving garden and outdoor spaces so patients and their families can spend time outdoors in greener and cleaner spaces.

•Develop and improve outreach services to support people in their own homes when needed for example with mobile equipment.

•Support the Government's shift from analogue to digital, through the digital upgrades including the purpose of laptops, digital equipment and the upgrading of internet access.

•Digital investment also encompasses improving IT and data systems making it easier for GPs and hospitals to share vital data on patients.

Allocation of funding across financial years

£25M in financial year 2024/25

£75M in financial year 2025/26

Any funding not spent by the sector as a whole by 31 March of relevant year will be LOST

So £25M must be spent by the sector by 31 March!

Approximate expected allocation

Each hospice's share will be decided by allocation not application

Hospice UK is not seeking or wanting a role of determining allocation or deciding eligible expenditure for our members

2024/25: Divide charitable expenditure in your 23/24 audited accounts by 45. This is likely to be your approximate allocation

2025/26: Multiply whatever you are allocated for 24/25 by three (note: method may modified to take accounts of reserves / financial deprivation next year)

To prevent funding being lost to sector

We will be asking all hospices at 15 March whether they are on track to spend their allocation or not

And whether they are able to spend any extra funds if available to them this year

We will do our best to ensure that hospices who give back any of their allocation will not lose out financially, so long as they do so by the deadline

Funding example

Two identically sized hospices, Hospice A and Hospice B

Both are allocated £100,000 in 2024-25 and £300,000 in 2025-26

Hospice A has cut back on all capital expenditure this year, and is only able to usefully spend £20,000 in capital before the year end

Hospice B is in the middle of a multi-million capital build

Funding example (cont)

Hospice A will give up £80,000 of its allocation in 2024-25 and we will add that to its allocation in 2025-26

This will give it time to plan and usefully spend its allocation in 2025-26

Hospice B will be given the additional £80,000 allocation in 2025-26. This will be purely budget relieving for Hospice B and will also give it a cashflow benefit.

We will reduce Hospice B's allocation for 2025-26 accordingly.

Expected reporting criteria

- Complete finance return by 15 March
- Any funding shown as additions to tangible fixed assets in your audited accounts
- Complete initial benchmarking (before any capital spend)
- Complete evaluation at end of project (to compare to benchmark)
- Provide breakdown of how money spent
- Provide brief case studies and photo's evaluating impact
- Others requirements TBC
- Return any unspent funds to Hospice UK

Actions for hospices to take immediately

- Make a plan as to how you will spend your anticipated allocation by 31 March
- Prepare your Board for their sign-off and risk management role
- If in doubt as to whether any item will qualify as capital spend, discuss with your auditors before 15 March
- Any surprises after 15 March – funding will be lost to your hospice and the whole sector

Next steps

- We will ask you to complete a basic registration form – sending out this Fri
- 2024/25 allocation will be confirmed as soon as possible
- Complete baseline assessment – sending out in Feb
- 15 March financial return
- Funds distributed soon after 15 March

Further information

Please send all questions regarding this grant programme to:

nhsegrants@hospiceuk.org

HospiceUK