

Hospice UK briefing on National Audit Office report on the financial sustainability of England's adult hospice sector

On Wednesday 29th October 2025, the National Audit Office (NAO) published its report into the financial sustainability of England's adult hospice sector following its investigation. Through the report, the NAO has focused on the distribution of hospices across England, trends in funding, spend and delivery of services, and financial challenges.

Data was collected by the NAO between March and August 2025. Much of the data drawn on in the report has been provided by Hospice UK.

The NAO has focused heavily on how government funding is spent and the lack of oversight. The report has confirmed hospice funding pressures, the increasing cost of delivering care and the national importance of the hospice sector. Given the NAO's focus on how public funds are currently used, it does not talk about the sufficiency of current funding and stops short of recommending greater investment in the sector.

Key findings of the report

Lack of oversight

Due to the role of the NAO as an auditor, the main thrust of the report was how the **Department of Health and Social Care (DHSC) and NHS England do not have oversight** over how much and where palliative and end-of-life care is provided, as well as how much is spent on it. Data from Hospice UK enabled the NAO to understand the financial resilience of the sector but the public spending watchdog is clearly concerned about how little data government collects itself.

The NAO reported a lack of government understanding about how much palliative and end-of-life care is delivered by the NHS, as NHS spending on this care is included in broader health budgets. This results in **government not knowing how reliant on charitable hospices it is for palliative and end-of-life care delivered in England.**

Financial resilience of hospices

The NAO agrees with Hospice UK that there is a financial crisis in the sector, repeatedly pointing to the figure of nearly **2/3 of hospices recording a deficit** in 2023/24. This is supported by increased spending in the sector, with 2023/24 the highest yearly amount to that date. The NAO recognises that, since then, inflation, policy changes, wage costs and energy prices have all put increased cost pressures. It also recognises the increasing demand for services, along with an increasing mismatch between people's preferred place of death and where they die.

It also recognises challenges with charitable giving, pointing repeatedly to the falling amounts raised by hospices compared to their investment in fundraising. In 2023-24, for the first time, **the sector generated less than £2 for every £1 spent on fundraising** (excluding the peak Covid-19 period).

The NAO also raises concerns about a reduction in the volume and range of services the sector can provide, pointing to a **reduction of 300 inpatient beds** in 2024 and 11 hospices announcing service reductions or staff redundancies in 2024/25. Since the evidence gathering for this report, this number has increased.

Poor contracting

The report emphasises that Integrated Care Boards (ICB) don't have sufficient oversight of hospice provision within their local area due to funding mechanisms. It highlights that **35 ICBs use the NHS Standard contract** for funding some or all of their hospices, with the remaining **7 are just using grants**. The NAO comments that the use of grants prevents ICBs from collecting sufficient data on how funding is being spent. While positive that there is a recognition of the lack of proper contracts, there is no commentary that contract reform should ensure that funding is increased and reliable.

How hospices are responding

The report does recognise that hospices are responding where they can, primarily through working in partnership in collaboratives where multiple hospices operate within one ICB. This allows them to speak with a single voice, plan provision collectively and share risk.

Recommendations

The NAO does not make recommendations in the report yet do make it clear that it supports ***"standardising the commissioning and funding of palliative and end-of-life care from hospices across all ICBs"***. This is linked to providing fair access to care across England, and helping create an understanding of what service are required and how the funding can be best spent. Along with this, the NAO does say *"the sustainability of the independent adult hospice sector is of national importance."*

Hospice UK's response

We continue to campaign for [fair funding for hospices](#) and encourage responses to the Public Accounts Committee [investigation](#) into the financial sustainability of the sector. We anticipate the Committee will hold an evidence session on the report in the future, likely December or January.

We issued a response to the report that was carried across media and you can see on the [website](#).

Media coverage

The story was ran through PA, including the quote from Toby Porter, and was picked up by many outlets including the [Independent](#).

Toby was also interviewed, with the story appearing on BBC Breakfast, and on the Today Programme ([listen here](#) from 2:38).

For more information, please email our Policy team at policy@hospiceuk.org.