

Mr Frank McAveety  
Convener  
Public Petitions Committee  
TG.01  
The Scottish Parliament  
Edinburgh  
EH99 1SP

30 April 2009

Dear Mr McAveety,

**St Margaret of Scotland Hospice (Petition PE1105)**

In response to letter from Ms Nicola Sturgeon, MSP, Cabinet Secretary for Health and Wellbeing, dated 16 March 2009, I wish to make it clear only one of the options, which the Health Board agreed to look at during their meeting on 24 February 2009, would be appropriate for the Hospice and that is "additional Palliative Care provision."

It has been highlighted to the Health Board on numerous occasions that the Hospice is not a "care home with nursing beds" nor is it appropriate for "NHS care for older people with dementia" to which Ms Sturgeon refers as the other two "alternative service provision options for St Margaret's to replace these beds" which is expected "sometime in early 2012."

Regarding funding arrangements for the provision of Palliative Care, a representative of St Margaret of Scotland Hospice will make a presentation on Hospice Funding at the next meeting of the Scottish Hospices Forum on Friday, 8 May 2009. It is apparent from feedback from other Hospices that the HDL (2003) 18 as it currently stands is not working. It is heartening that the Cabinet Secretary will be "happy to consider any approach" made through the Scottish Hospices Forum regarding the funding arrangements which presently apply to the provision of Palliative Care.

The response from Audit Scotland dated 3 April 2009 was encouraging particularly given the Auditor General noted "some Boards and Hospices had difficulty agreeing what should be included in 'agreed running costs'".

The term "agreed" was always one which St Margaret of Scotland Hospice disputed during the discussions on the 50% agreement. The Public Audit Committee's recommendation for the Government to issue guidance on what should be included is welcomed and will, it is hoped, go some way towards closing the disparity in funding.

However, the table enclosed with the Auditor General's letter does not show the true position with regard to funding. As explained in previous correspondence, whilst St Margaret of Scotland Hospice can be seen to receive 50% funding, this is set from an extremely low cost base which has been a historic problem and one which the Hospice has tirelessly tried to address. St Margaret of Scotland Hospice is, in fact, being punished for being cost effective.

Many Hospices are of course now finding the 50% funding is not what they thought it would be as since the cost base was agreed, only 1-2% inflationary uplifts have been awarded by the Health Boards. There has been no new agreement of base costs and, as everyone will be aware, many costs have risen substantially in excess of 1-2%, such as utility costs, salaries, produce costs. The HDL states quite clearly agreement should be reached between both the Hospice and the Board and this is how it should be. Furthermore, the

funding arrangements within NHS Greater Glasgow and Clyde for Palliative Care must be agreed through the MCN, which means service improvements cannot be implemented

without the prior agreement of the MCN. The Hospice has applied to the MCN for necessary funding for the last 2 years and has been denied on both occasions. It is not for any other Hospice or organisation to make decisions regarding other Hospices.

St Margaret of Scotland Hospice provides 30 Specialist Palliative Care beds and receives around £31,000 per bed. This is Scotland's oldest and largest Hospice and yet it receives the least amount of funding, with other Hospices receiving well in excess of £100,000 per bed. It is this comparison which needs to be published. It is neither fair nor just for one organisation to receive far in excess of others.

The Auditor General's response was extremely helpful and hopefully the plans to update the HDL will help to ensure funding from Health Boards is provided on a fair, reasonable and just basis. I look forward to hearing the outcome of the Auditor General's response to the Public Audit Committee.

It really is time for someone to stand up and take note of these figures and because it is so very important, I have again included the table from my previous correspondence. For the purposes of clarity however, I have noted only those Hospices within the NHS Greater Glasgow and Clyde area. Whilst NHS Greater Glasgow and Clyde repeatedly state the differences in funding are as a result of the different services within each Hospice, the Audit Scotland Report noted all Hospices provide a substantially similar service. Look at these figures – how can anyone consider this range of funding to be fair?

Hospice	2007-08 Estimated total revenue expenditure	Total Health Board Funding	Contribution from voluntary hospices	Number of Beds	Cost per Bed	Funding per Bed
<b>Accord</b>	2,075,938	958,190	1,117,748	<b>8</b>	259,492	119,774
<b>Ardgowan</b>	2,209,265	959,510	1,249,755	<b>8</b>	276,158	119,939
<b>Marie Curie Hunters Hill</b>	3,857,501	1,815,997	2,041,504	<b>35</b>	110,214	51,886
<b>Prince &amp; Princess of Wales</b>	3,396,050	1,399,800	1,996,250	<b>14</b>	242,575	99,986
<b>St Margarets *</b>	1,943,624	938,040	1,005,584	<b>30</b>	64,787	31,268
<b>St Vincents</b>	1,686,400	826,121	860,279	<b>8</b>	210,800	103,265

I would reiterate the simplest way of controlling and understanding costs for a Hospice is to work on a cost per bed per annum considering this is the method the Health Board continually use and have used when producing and reporting on their own figures. Whilst the Health Board have refused to discuss this method with the Hospice, they continue to use a similar system in the Blue Book. Having discussed this with many accountants, not one feel it an appropriate way to allocate funding and surely this is the time to put it right once and for all so there is no disparity. Any normal accountant in a commercial situation would use a cost per bed method.

I urge the Petitions Committee, the Auditor General, Audit Scotland and the Public Audit Committee to appreciate the current HDL does not work and therefore the terms of the HDL must be improved.

Yours sincerely  
Marjorie McCance  
Campaign Manager