

1. What, in your opinion, has been the impact of the Welsh Government's 2025-2026 Budget?

(We would be grateful if you could keep your answer to around 500 words).

Welsh Government's 2025-2026 Budget committed an additional £3m in recurring funding for commissioned hospices operating in Wales. This money has yet to be allocated, awaiting the development of a governance and assurance specification by the National Programme Board for Palliative and End of Life Care and NHS Wales Joint Commissioning Committee.

The £3m amounts to a very small increase in the statutory funding Welsh hospices receive. On average, charitable donations to hospices meet nearly 70% of the care costs of delivering their services, while just 30% of their expenditure comes from government. Collectively, hospices invest approximately £30m of charitable money into the health and care system in Wales each year.

Overall, hospices in Wales receive less government funding as a proportion of expenditure than those in England and Scotland. At the same time need for palliative care is projected to increase by approximately 25% over the next 25 years, driven by an ageing population, increasing complexity of conditions, and growing health inequalities.

To address these challenges, Welsh Government have committed to developing a National Commissioning Framework and Sustainable Funding Settlement for hospices by April 2026. However, they haven't clarified if there will be any money allocated in the 2026-27 Budget to underpin this commitment.

Whilst Hospice UK welcome the £3m commitment, we have been very clear that it cannot be described as a sustainable funding settlement, consider Welsh hospices continue to face far larger government related cost pressures. These include the £1.3m impact of National Insurance increases on Welsh hospices and over £7.2m impact of Agenda for Change increases on hospice staffing costs since 2022.

In summary, Welsh hospices have yet to feel the impact of Welsh Government's 2025-2026 Budget and the yet to be distributed £3m. At the same time they are absorbing the impact of National Insurance rises and cumulative staffing cost increases driven by Agenda for Change totalling over £8.5m for 2025-26, as well as wider cost of living impacts, such as energy cost.

If the Welsh Government are to meet their commitment to put hospices on a "firm and sustainable footing" then they need to prioritise their existing pledge to "find a sustainable funding settlement" for hospices as part of the 2026-27 Budget.

2. How financially prepared is your organisation for the 2026-27 financial year, how confident are you that you can deliver planned objectives, and how robust is your ability to plan for future years?

(We would be grateful if you could keep your answer to around 500 words).

The 15 charitable hospices operating in Wales continue to face unprecedented financial difficulties at the same time as providing essential care and support to 20,000 people affected by terminal illnesses each year. Whilst the Welsh Government's one off support packages for commissioned hospices have been greatly appreciated in recent years, the impact of national insurance rises, increased staffing costs and cost of living pressures continue to threaten the services our members deliver and the communities they care for. It is also worth noting that the Welsh Government support packages (£4m for 2023-24 and £5.5m for 2024-25) were one offs, agreed right at the end of each financial year, creating a high level of uncertainty year on year, and making budget and service planning very difficult.

In September 2025, Hospice UK undertook a survey of Welsh hospices to build a better picture of the immediate and future challenges facing the sector in Wales and the people they support. The findings are based on responses from 14 hospices delivering services in every Health Board of Wales. This survey helps paint a picture of how financially prepared hospices are for the 2026-27 financial year, how confident they are about delivering planned objectives and planning for future years.

Below are some of the key findings from the survey:

- All voluntary hospices operating in Wales are budgeting for a deficit in 2025/26 and are drawing on reserves to meet a forecast £9.2m shortfall.
- Nearly 30% of hospices are reducing the number of inpatient beds or wider hospice services as a result of increasing costs and workforce pressures.
- 12 out of 14 hospices agree that cost of living pressures over the next twelve to twenty four months are highly likely to result in them having to reduce the volume of certain services delivered.
- Three-quarters of Welsh hospices agree that cost of living pressures over the next twelve to twenty four months are highly likely to result in reduced support being available to the wider system, such as hospitals and care homes.

- Over 70% of those with in-patient units agree that cost of living pressures over the next twelve to twenty four months are highly likely to result in one or more in-patient bed(s) being temporarily or permanently unavailable.
- 57% of respondents agree that cost of living pressures over the next twelve to twenty four months are highly likely to negatively impact the quality of the services they are able to provide.

On the ground, we are already seeing the impact of these cost pressures, most notably St David's Hospice in North Wales announcing the closure of their 4 bed in-patient unit in Holyhead this Summer. In a public statement on this difficult decision, St David's said:

"The combination of rising running costs and reduced income have made it economically unviable to continue operating all three hospice sites - despite St David's Hospice's best efforts to mitigate these factors."

3. What action should the Welsh Government take to:

- **help households cope with cost of living issues;**
- **address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?**

(We would be grateful if you could keep your answer to around 500 words).

4. Have Welsh Government business support policies been effective, given the economic outlook for 2026-27?

(We would be grateful if you could keep your answer to around 500 words).

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

(We would be grateful if you could keep your answer to around 500 words).

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

(We would be grateful if you could keep your answer to around 500 words).

The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

7. Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

(We would be grateful if you could keep your answer to around 500 words).

8. How could the budget further address gender inequality in areas such as healthcare, skills and employment?

(We would be grateful if you could keep your answer to around 500 words).

9. Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

(We would be grateful if you could keep your answer to around 500 words).

10. How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

(We would be grateful if you could keep your answer to around 500 words).

11. How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

(We would be grateful if you could keep your answer to around 500 words).

12. How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

(We would be grateful if you could keep your answer to around 500 words).

13. Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning?

(We would be grateful if you could keep your answer to around 500 words).

14. Has there been adequate investment from the Welsh Government in basic public sector infrastructure?

(We would be grateful if you could keep your answer to around 500 words).

15. How should the Budget support young people?

(We would be grateful if you could keep your answer to around 500 words).

16. How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

(We would be grateful if you could keep your answer to around 500 words).

17. Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and additional costs following increases to National Insurance Contributions, sufficient?

(We would be grateful if you could keep your answer to around 500 words).

The support provided by the Welsh Government to charitable hospices in Wales isn't currently sufficient to meet the ever increasing demand for palliative and end of life care services. Whilst the Welsh Government's policy ambitions and one off hospice support packages over the last couple of years have been very welcome, they have only enabled hospices to tread water at best, and have not addressed the fundamental sustainability challenges facing the sector going forward.

Welsh hospices remain committed to raising funds to innovate, to enrich, and to expand their services in line with the needs of local communities. But the core of what they provide, which is the essential clinical care that ensures dignity at the end of life, must no longer depend on the uncertainty of charitable fundraising.

Welsh Government has rightly committed to developing a National Commissioning Framework and Sustainable Funding Settlement for hospices to address these issues, however progress to achieve this has been very slow.

Going forward, it is essential that Welsh Government work at speed to address the following priorities and ensure they are prioritised in the 2026-27 Budget:

- o Pay parity with NHS for relevant hospice staff, so they can maintain high quality care and continue to competitively recruit and retain staff.
- o Develop a funding model that recognises and values the unique specialist, generalist and wraparound holistic care offered by hospices.

- o Apply consistent and sustainable contracting arrangements across Wales.
- o Work with the sector as partners to address inequalities in access to palliative care and stimulate innovation and partnership working to meet future demand.

18. What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations (Wales) Act 2015?

(We would be grateful if you could keep your answer to around 500 words)

