



**forget me not
children's hospice**

Acting **now** to protect our future

**Information for Forget
Me Not families,
staff, volunteers and
supporters, members
of the public**



Registered Charity No. 1110457



Summary

For as long as we're here, no family in West Yorkshire will have to face the loss of their child alone.

This is the promise that we make, but our ability to deliver that promise in the future is under threat.

Due to rising costs, uncertainty over future sustainable government funding and a tough year for fundraising and in our shops, we face a **funding gap of £1 million**. We are, therefore, having to enter a period of consultation to permanently reduce our cost base by 12% (**approx. £750,000 per year**) and launching an urgent appeal for help from our local community.

It is with deep regret that we're having to take this action, which will potentially mean losing some highly skilled and valued team members. We're doing everything we can to support everyone who's affected by this.

But right now, we face some impossible choices – and if we don't act now, we face an even bleaker future.

By taking this action now, we can make sure that children and families continue to receive the high quality, expert care they need and deserve, today, tomorrow and in the years ahead.

If you'd like to get in touch, ask a question or offer your support, please email: contact@forgetmenotchild.co.uk





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1. Context

Forget Me Not children's hospice supports children with life-shortening conditions, their families and families living with the loss of their child across West Yorkshire. Rated 'outstanding' by the Care Quality Commission in January 2024, we provide expert clinical care to help manage symptoms, ease pain and improve quality of life for children with complex health conditions, as well as offering respite care and short breaks, days out and memory-making activity.

We also provide end of life care, creative therapy, counselling and bereavement support. We were the first children's hospice in Europe to employ a midwife to support families during and after pregnancy and our support for families devastated by the sudden and unexpected death of a child is unique and award-winning.

Our hospice in Huddersfield was built in 2011 and since then we've been supporting families there as well as in hospital, in the community and in their own homes. We supported 808 individuals last year – not just babies and children, but mums, dads, grandparents and siblings.

Our promise is that for as long as we're here, no family in West Yorkshire will have to face the loss of their child alone.

But thanks to a number of factors outside our control, we find ourselves facing into a perfect storm that puts our ability to deliver that promise at risk. Put simply, our income is not keeping pace with rising costs.

This is in common with many other hospices across the UK. Nationally, adult and children's hospices are in the midst of the worst funding crisis in 20 years. **Facing a £77million gap in funding**, many are having to make difficult decisions, including changing their service offer to increase sustainability and doing only what they can afford to do.

At Forget Me Not, we find ourselves at the centre of that financial crisis and we too are being forced to make difficult decisions.

Only **around 10% of our income** is currently generated through recurrent statutory funding – and even that small amount is currently under threat.

Most of that statutory funding is made up of the NHS England national children's hospice grant, which is not guaranteed beyond this year. Despite tireless lobbying of the government, we still don't know whether this will change and even if it does, the funding is unlikely to increase to meet our significant rising costs. The current reality is that, despite children's hospices providing the highest quality of specialist palliative care for children and their families, their current funding model is simply not fit for purpose.

It's because of this that we rely entirely on our local community to generate the remaining 90% of the income we need, and for that, we are of course incredibly grateful.

Recent government budget announcements have further compounded pressure on the hospice sector. The uplift in employers national insurance alone will increase Forget Me Not's costs by upwards of £150,000 in the next financial year.

2. The problem we currently face

The cost of running our children's hospice keeps rising, with increases in wages and energy significantly impacting on the charity over the last 2 years. Our plan to mitigate this, and to maintain current levels of service delivery, has been to increase our income. But, with statutory funding becoming increasingly uncertain and failing to increase in line with costs, we simply can't generate charitable income at a fast enough rate to fill the gap.

This year we needed to raise £6million, 78% of which are staff costs.

At the start of the year, we set a marginal deficit budget (as is common for the charity sector) and had confidence in our income generation strategies. However, in the first half of the year, we have seen a decline in some of the income streams that we depend upon, largely due to external factors relating to the current financial climate.



We entered the year with a reserves position that was supportive of our budget, although as a charity where 70p from every £1 generated goes directly to supporting children and families, we do not have the levels of reserves to be able to sustain us for prolonged periods of deficit against budget.

The combined impact of all the above is that we are currently facing a real term funding gap of £1 million heading into the next financial year.

As the current funding gap continues to widen, and with no certainty or urgency on a longer term, sustainable funding model coming from the government, we must act now to protect our future so that we can continue to be here for the children and families who need us.

3. Our plan to protect (and be fit for) the future

Despite recent government announcements and speculation, we cannot see any solutions on the immediate horizon that would provide enough certainty to change our current position. Therefore, the Board of Trustees has agreed that we need to reduce our cost base by 12% (around £750,000 per year). We also need to build our reserves to an adequate level so that we are resilient and sustainable in the future.

To achieve this, the Senior Leadership Team have conducted a thorough end to end review of the organisation and have identified 4 key immediate priorities:

- **Re-modelling of service delivery & associated costs**

Because of the pressures that we currently face, and the proportion of costs that are attributed to service delivery, we are being forced to review the way that we deliver services and how we support children and families.

To achieve the required cost saving, we will unfortunately need to review, and reduce the number of roles within the charity that deliver frontline care and support services to children and families. This will mean that inevitably, we will not be able to sustain current levels of service delivery in the future.

As we conduct this review, our priority will be to ensure that we are still able to deliver our promise to the families who most need our help and to ensure that any impact on the children and families that we are currently supporting is minimal. Our commitment to children and families as we take these steps is presented later in this document, along with more detail about the potential impact that this may have on them.

- **Rationalisation of support structures & associated costs**

Although we believe that our support structures and functions (e.g. HR, IT, finance, facilities management etc) are already relatively cost efficient, we have identified several areas where costs can be reduced.

This cost saving will be achieved through a reduction in colleague numbers within selected support functions as well as a full review of productivity and efficiency across all areas. Alongside this, we will embrace technology, AI and collaboration with other organisations to ensure maximum cost efficiency across all support areas.

It has never been more imperative for us to protect and increase our charitable income. This forms 90% of the funding we rely on. Because of this, our income generation team and trading subsidiary will not be affected by this action.

- **Cost saving measures on non-staffing cost lines**

A cost saving target across all non-staffing cost lines has been set. All lines have already been reviewed, and savings will be achieved through a mixture of cost rationalisation, procurement and contract reviews and collaboration with other organisations.

- **Launching an urgent public appeal to bridge the funding gap**

We have launched an urgent public fundraising appeal. The aim of this appeal will be to help bridge the £1 million funding gap that we currently face and ultimately reduce the impact that this current financial crisis has on our ability to support children and families today, tomorrow and in the future.

Despite the changes that we are forced to make to achieve the identified 12% cost saving, our public appeal will be critical in helping us to ride out this period of uncertainty and be in a stronger position to deliver our promise to children and families in the future.

Our charity only exists thanks to the generosity of our local community who campaigned and fundraised to build our children's hospice 13 years ago. We are incredibly grateful for their ongoing commitment and support and we hope that they continue to stand by us through this difficult time.

Our appeal will be underpinned by a media campaign that we hope will keep the pressure on the government to make immediate, sustainable changes to the funding model for hospices, and in particular, children's hospices.



4. Our commitment to families

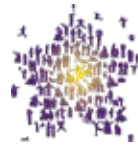
Unfortunately, it is highly likely that these changes will impact on our ability to deliver short breaks and respite stays in the way that we do now. This service currently costs us £1 million per year and this is an area that we will need to reduce.

We are currently considering what this change in service will look like, and as soon as we know more, we will inform families. We know how vital this service is to families caring for a child with a complex life-shortening condition and we are committed to minimising the impact any changes will have on families we already support in this way.

As we navigate these changes, we make the following commitments to all the children and families who continue to need our help, day in, day out:

- All families who are currently receiving support will continue to do so.
- We will continue to make sure that we are still able to support those who need our help in the best possible way that we can.
- Our outstanding quality of care or support will not be compromised.
- We will roll out a personalised short breaks assessment to all families who we are currently supporting within the next 4 months.
- And we'll commence an immediate pilot of a wider, holistic assessment with families who are referred to us over the next 6 months. This new process will ensure a more tailored approach to assessing the needs of each family we support.
- We will continue to fight for our families. They deserve the best possible support, and we will continue to lobby the government to make sure that children's hospices services like ours are sustainably and appropriately funded in the future.
- We will keep families informed throughout this difficult time about any changes to service delivery, and how it will impact them.
- If there are any immediate changes to short breaks arrangements for families who already have confirmed bookings with us, we will be in touch with those affected within the next 2 weeks.





5. Our commitment to colleagues

The changes we are making will regrettably impact some of our colleagues directly. Our priority will be to support those affected during this difficult and uncertain time in the best way that we can.

As well as giving this support, we make the following commitments to colleagues:

- We will work through the required processes as soon as we can.
- Colleagues will know very quickly whether they are affected or not, and we will continue to provide the best possible support we can to those directly affected. This support will include priority signposting and access to internal and external support packages.
- We will communicate regularly with colleagues throughout the period of change.
- Our income generation teams including our trading team will be unaffected.
- SLT and SMT colleagues are committed to supporting their individual teams through this period of uncertainty and will be the main points of contact for colleagues.
- Where possible, we will work with system partners and organisations to create fast track routes to employment for those directly affected by these changes.

6. Information for volunteers, supporters & members of the public

It was our local community who fought, campaigned and fundraised for a children's hospice to be built in Huddersfield, to provide vital care and support to children and families across West Yorkshire. Since then local people, businesses, groups and organisations have continued to help us be here for families in their darkest times. 90% of our income is generated by our local community, enabling us to be the lifeline that children and families need. Without this support, we simply wouldn't be here.

And right now, we have never needed our community more.



That's why we're making this urgent appeal to the public – please support us today. You'll help children and families to continue to receive the high quality, expert care they need and deserve, that they simply can't get anywhere else.

Here's how you can help:

Donate & support:

- Make a one-off donation by visiting www.forgetmenotchild.co.uk and hitting the 'donate now' button on the home page.
- You can also set up a [regular donation](#) by doing the same. Regular donations help to increase our future sustainability by providing regular, reliable income.
- Businesses can support us by either of the above, or by partnering with us through our Platinum Partner and 99er Business Club schemes. You can email us on contact@forgetmenotchild.co.uk for more details.

Advocate:

- Share our story – we will be shouting from the rooftops over the coming weeks. Please help us by sharing our messages on social media.
- Write to your MP – we want to keep up the pressure on the government to introduce a more sustainable funding model for hospices, and in particular children's hospices. By writing to your local MP, you can show your support and help to increase this pressure on the government and increase the urgency of any decisions that are currently on the table.

7. How we will communicate with stakeholders throughout this journey

Over the coming weeks, we will issue frequent updates to families, staff, volunteers, supporters, key stakeholders and the public.

If you'd like to get in touch, either to ask a question, or to offer your support, please email contact@forgetmenotchild.co.uk



8. Questions & answers

Why are you in this position and why has it happened so quickly?

This year, we are seeing the realisation of a perfect storm. With rising costs, a challenging financial climate and increasing uncertainty to the already minimal level of statutory income which we receive, we have no choice but to act now to protect the future of our children's hospice. Our reserves are simply not able to sustain a deficit budget position for any length of time.

Have you asked for support from the ICB?

Yes. We raised this risk with the West Yorkshire Integrated Care Board several weeks ago. They have been able to support us with additional in-year non-recurrent funding. This, however, does not ensure future sustainability – the only thing that will is a long term, statutory recurrent funding model for children's hospices.

Are you still progressing future plans for the hospice?

As a pioneering and trailblazing organisation, we know that we could do so much more to support more children and families. We have plans to extend our facilities at Russell House, so that we can do just that, but unfortunately, these plans are now on hold indefinitely as well as other capital plans such as the much-needed extension to our car park.

Will the hospice be forced to close?

The sad fact is that if we don't take this action now, it's possible that our children's hospice would not survive. But we are confident that with the right mitigations in place, and the support of our local community, we can weather this storm. By acting now, we can still be here to deliver our promise to children and families today, tomorrow and in the future too.

I've seen things in the news about changes to hospice funding coming at Christmas – won't this help?

We have been actively involved in lobbying with the government both locally and nationally. We are lobbying for the retention and certainty of the national children's hospice grant as well as a sustainable future funding model for hospices. Over the last few weeks, and particularly since the recent budget announcements, hospice lobbying has escalated and there have been some more positive indications from the Secretary of State for Health amongst others that there may be some news about hospice funding around Christmas. If this speculation comes to fruition, then we will assess the changes and what impact they will have on our sustainability at the time they are confirmed.

Why are you doing this now?

By acting now, we can strengthen our financial position before the end of the current financial year in March 2025. This will put us in a better place to cope with ongoing challenges such as rising costs as well as additional pressures such as the recently announced changes to employers national insurance contributions.

Will you be cutting services?

We know how essential all our services and support are to the children and families who use them. We do not therefore intend to completely remove or stop any of the services that we currently provide.

However, we are going to be reducing the staffing resource across our frontline care services. Inevitably, this will impact either the volume of support and/or the type of support we are able to provide to children and families. At this stage, we know that the changes will affect our capacity for short breaks and respite care which may mean a reduction in the number of breaks families receive, or the prioritisation of support. Earlier in this document, we have outlined our commitment to families – this is paramount as we navigate these changes.

Why don't you make bigger cuts to your support services?

Our support services are already quite modest compared to other, similar sized organisations. While we have identified some instances where we can make cost savings in these areas, we are concerned that to make further cuts in them would leave the organisation vulnerable.

Why are income generation unaffected?

Generating income has never been more important. We recognise that, to increase our sustainability, we must continue to grow our income capability and diversify income streams to fund services and build reserves.

Will your shops be affected?

For the reasons outlined above, our trading subsidiary, FMNT Trading Ltd, is not affected by changes at this time.

What have you done to try and avoid this?

We have already taken several steps

- Continued government lobbying to try and secure the national children's hospice grant beyond this year, and push for a sustainable funding model that is fit for purpose.
- Increased media activity to support the above.
- We have implemented a recruitment freeze on non-business critical roles.
- A full cost saving review across all non-staff related lines.
- Conversations with West Yorkshire ICB.
- Diversification of income streams to try and mitigate demand of rising expenditure.
- We have paused all non-essential activity including capital works and projects.

What other cost savings are you making?

We will continue to review costs across all areas of the organisation. This includes a full review of non-staff cost lines.

What will the consultation process look like?

We will be consulting with staff in affected roles and aim to have completed the consultation process by the end of January.

We will also be reaching out to local authorities to discuss how the families we support may be affected by the changes we're having to make to identify what support might be available.

What impact will this have on families?

It is inevitable that these changes will have an impact on our ability to deliver services to the same level as we do right now. We know that the changes will certainly impact on our ability to deliver as many short breaks as we do currently, however we have made a series of commitments to our families, and it's those commitments that will be at front of mind throughout this process.

What is the aim of the urgent appeal?

We estimate that we currently have a real term funding gap of £1 million. We have launched an urgent appeal, and we hope that people will do all that they can to support us in any way they can. Every penny donated will help us to lessen the impact of this crisis on children and families today, tomorrow and in the future.

If the urgent appeal is successful, will you reverse any of these decisions?

There are currently several factors that are interdependent on each other – including the appeal, potential future announcements from the government and ongoing dialogue about funding both locally and nationally. As these factors continue to evolve, we will closely monitor their impact on our plan and, if necessary and appropriate, adjust it accordingly.

Our priority will always be to lessen the impact of this situation on children, families and our staff. Our appeal will help us to protect core services for children and families who need them while we continue to advocate and fight for a more sustainable model of funding.

What happens if you don't bridge the £1 million funding gap?

We are taking action now to reduce our costs, as well as appealing to our local community for support, to help us bridge the funding gap. If we don't, we face having to make even more drastic choices in the months to come as costs continue to rise and the uncertainty over sustainable statutory funding continues.

Why can't you use your reserves?

We went into this financial year with reserves that supported our budget position. However, because we receive only 10% of our funding from statutory sources, and 70p of every £1 is spent directly on supporting children and families, our reserves simply aren't at a level where we can sustain a significant deficit budget position for very long. That's why we need to act now.

Will you be reducing management and leadership roles?

As part of this review, we have considered all areas of cost saving, including our leadership and management roles. This review has already resulted in a number of changes, including not replacing vacant roles and the re-profiling of existing roles to cover a wider scope. Whenever we have a vacancy in our SLT or SMT, we fully review the role before replacing it, and this is something that we will continue to do in the future.



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