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PRESS STATEMENT

18 February 2016

Kings Fund quarterly monitoring report indicates 2016/17 to be seminal year for NHS financial challenge

Commenting on How is the NHS performing?, The King's Fund performance report for the third quarter of 2015/16, Siva Anandaciva, head of analysis, NHS Providers, said:

"The King's Fund findings once again show the precarious position of NHS finances; with the majority of NHS providers expecting to be in deficit by the end of 2015/16, the challenges of increasing demands upon frontline services should not be underestimated.

"The focus of our members during these challenging times remains on seeking long term financial and clinical sustainability. However, despite these best efforts it is still possible that the final 2015/16 provider deficit will exceed the £2.3 billion estimated by the Kings Fund and providers enter 2016/17 with a substantial recurring deficit. It is welcome that we are finally moving away from financial policies based on punitive contract fines and marginal payment rates to a more credible system of tariffs that reflect increased costs, and greater support to control the costs of temporary staff. But these policies will take time to make an impact and in the interim the demand for services continues to escalate.

"The report rightly notes the impact on productivity and, crucially, on quality of patient care as the financial crisis deepens. The many pressures on providers including unplanned growth in hospital demand, a significant increase in the use of agency staff and addressing systemic issues such as delayed transfers of care are issues of overriding concern. 2016/17 is set to be a seminal year for the NHS and providers will need significant support to meet the vast and complex task ahead. If we are to get out of this negative sequence of increasing deficits, the centre and the sector must work in strong collaboration and in a way that fully funds the new framework needed for truly sustainable health and social care."

Ends

Notes to editors

About NHS Providers

- NHS Providers is the membership organisation for NHS acute hospitals, community, mental health and ambulance services
- NHS Providers acts as the public voice for those NHS trusts, helping to deliver high quality care by promoting shared learning, providing support and development and shaping the strategic system in which our members operate
- NHS Providers has more than 90% of all NHS foundation trusts and aspirant trusts in membership

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