



EMBARGOED UNTIL 00:01 TUESDAY 15 MARCH 2016

PRESS STATEMENT

15 March 2016

All parties must play their part to keep hospital services financially sustainable

Commenting on the Public Accounts Committee report, [Sustainability and financial performance of acute hospital trusts](#), following a National Audit Office (NAO) report published on that topic in December 2015, Chris Hopson, chief executive at NHS Providers, said:

"This report confirms what our members have been saying for the last 18 months: the financial crisis in NHS hospitals and other providers is due to the fundamental mismatch between what NHS providers have been asked to deliver and the resources they have been given. It is not a function of the performance of individual foundation trusts and trusts.

"Therefore, we need corresponding system-wide action to help get all frontline NHS providers – including providers of ambulance, mental health and community care - out of this crisis. There have been some welcome changes in the national approach from NHS Improvement and NHS England. We are evolving from a system that tries to pass financial risk from one part of the NHS to another through fines and undeliverable tariff price reductions, to a system that recognises risk should be shared between commissioners and providers as partners. The introduction of agency controls, the setting of a 2% rather than 4% efficiency factor, and the pausing of the marginal rate for specialised services and contract fines provide some hope for the future.

"But as today's report helpfully identifies, to support truly sustainable services we need to change our approach for tackling financial deficits in providers. We need an approach that addresses the root causes of deficits, such as the underlying disconnect between the supply and demand for staff, rather than the symptoms such as a rising temporary staffing bill. We need an approach that is more transparent and collaborative, with national plans for how we deliver the required £22 billion of efficiency savings tested and validated by leaders of frontline NHS services, and a far greater alignment between the funding provided to the frontline and the new asks required of it such as a paperless NHS, seven-day services and the introduction of mental health access standards. And we need an approach that is based on support for providers rather than blame. We can not continue to run a system using old behaviours and approaches and expect to get a different result."

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 94% of all NHS foundation trusts and aspirant trusts in membership
- Follow NHS Providers on twitter @NHSPROVIDERS and Chris Hopson, chief executive, @ChrisCEOHopson

- A full list of NHS Providers' press releases and statements can be viewed in the news section of our homepage www.nhsproviders.org
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