



PRESS STATEMENT

16 March 2016

Sugar levy welcome but NHS Providers raises concern over extra pension costs

Commenting in response to the 2016 Budget, NHS Providers' chief executive Chris Hopson said:

“Obesity is one of the greatest challenges facing our society – today’s announcement of a sugar levy is one important step in helping to combat the problem. With money for public health no longer protected, it is vital that the government finds other ways of investing in prevention and incentivising the public and industry to change their behaviours.”

NHS Providers also welcomed the announcement of additional funding to four NHS hospitals providing essential services to children in England. Chris Hopson said: “There are many more projects up and down the country requiring investment of this kind, but we are pleased that four hospitals have been recognised in today’s Budget.”

However, NHS Providers expressed concern over changes to pensions, with Chris Hopson saying: “Today’s announcement on changes to pensions would add substantial costs to NHS providers from 2019/20 – this makes an already hugely challenging period for NHS trusts and foundation trusts even tougher.

“While the NHS received a good settlement compared to other parts of the public sector in the Spending Review, it is in the middle of the longest and deepest financial squeeze in its history. These extra pension costs will increase the NHS’ liability and, unless additional funding is found, they will represent another squeeze on NHS finances during the latter years of the parliament. The NHS has been charged with achieving £22 billion in efficiency savings by the end of this parliament but today’s Budget has added to that already ambitious target.

“On top of this, the Chancellor has announced a further £3.5 billion of cuts to public services in the last year of this parliament. While we don’t know where the cuts will fall, we are concerned that other public services that impact on the NHS will continue to be starved of funding. Cuts to social care funding have already contributed to increasing demand on health services. This is in addition to cuts in public health funding. Combined with the minimal funding increases planned for the NHS during the latter half of this parliament, these factors will only exacerbate the financial crisis facing NHS providers.”

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 can be viewed in the news section of our homepage www.nhsproviders.org
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