



PRESS RELEASE

20 May 2016

NHS maxing out and mid-term NHS finances look impossible without a proper plan: NHS Providers responds to Q4 performance figures

Commenting in response to the publication of the quarter 4 financial and performance figures from NHS Improvement, NHS Providers chief executive Chris Hopson said:

“Today’s report reveals how the combination of increasing demand and the longest and deepest financial squeeze in NHS history is maxing out the health service. At the same time as treating the highest ever number of patients, NHS trusts are £2.45 billion in the red, with 65 per cent of providers in deficit. Although this figure is lower than the third quarter trajectory suggested, thanks to lots of hard work by trusts, the underlying deficit is actually nearer £3 billion. This record number of trusts in deficit, with a record overall deficit, is simply not sustainable. We have to rapidly regain control of NHS finances otherwise we risk lengthening waiting times for patients, limiting their access to services, and other reductions in the quality of patient care.

“There is a clear plan to address provider finances in 2016/17, supported by the largest funding increase of the parliament. But we need to be realistic about how much can be achieved. The actual increase in total Health Department spend per head of population in 2016/17, according to the Health Foundation and The Kings Fund, is less than 1%. We are therefore predicting that there will still be a provider sector deficit of somewhere between £0.5 and £1 billion by the end of 2016/17. The prospects for the following three years look a lot worse, as spend per head of population drops to 0 in 2017/18 and then falls to -0.6% in both 2018/19 and 2019/20.

“NHS trusts are looking to do everything possible to extract maximum value from every pound they spend. They have a big part to play in turning this round, as they did in the last parliament when they managed to help deliver £20 billion of efficiency savings. But the financial challenge before them today is much tougher than before, so they need more help than ever from national NHS leaders. That includes, in the Public Accounts Committee’s words, realistic efficiency targets and a convincing plan to avoid a black hole in NHS finances.

“We already devote a lower percentage of our nation’s wealth to the NHS than France, Germany, Sweden or Greece, but by 2020 public spending on the NHS is set to drop further to below 7 per cent. This is simply not enough and we need to stop pretending it will be. In the end you get what you pay for. There is now a clear gap between the quality of health service we all want the NHS to provide and the funding available. What we can’t keep doing is passing that gap to NHS trusts – asking them to deliver the impossible and chastising them when they fall short. Not least because it is placing an increasingly intolerable burden on NHS staff whose commitment and discretionary effort are the lifeblood of our NHS.”

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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 95% of all NHS foundation trusts and aspirant trusts in membership
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