

LETTERS

CIRCLE HEALTH

Circle Health's sums do not add up after all

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Eighteen months ago I argued that the business case proposed by Circle Health, the company holding the franchise to operate Hinchingbrooke Hospital, simply did not add up.¹ We now know that, despite asset stripping by selling its car park for £3m (€3.5m; \$4.6m), it not only has failed to clear its budget deficit but also is only the second trust to go to the NHS Trust Development Authority for a loan, for £3.5m.²

In its damning report on the award of the franchise, the Commons Public Accounts Committee expressed its concern that "Circle's bid was not properly risk assessed and that Circle was encouraged to submit overly optimistic and unachievable savings projections."³ This lesson was clearly not learnt when privatising the NHS 111 service. Now that experience is mounting, it is surely time to publish the risk register for the

Health and Social Care Act to judge whether those ministers responsible for the act were misled or simply reckless.

Competing interests: None declared.

- 1 McKee M. Circle Health is not like the John Lewis Partnership. *BMJ* 2011;343:d7897.
- 2 Illman J. Hinchingbrooke applies to DH for £3.5m loan. *Health Serv J* 2013 Jul 29. www.hsj.co.uk/hsj-local/acute-trusts/hinchingbrooke-health-care-nhs-trust/hinchingbrooke-applies-to-dh-for-35m-loan/5061664.article?blocktitle=News&contentID=8805.
- 3 Public Accounts Committee. Report on the franchising of Hinchingbrooke Health Care NHS Trust and Peterborough and Stamford Hospitals NHS Foundation Trust. House of Commons, 2013.

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