

Circle Flees Hospital Fiasco

Schemes for hospital privatisation remain on the agenda despite the humiliating failure of Circle's attempt to run Hinchingsbrooke District Hospital. Two versions of privatisation continue to be considered: so-called "mutualisation" at Tameside and elsewhere; and further franchising deals for loss-making hospitals, as at Hinchingsbrooke.

The private health corporation Circle took control of Hinchingsbrooke in 2012 in the only franchising arrangement at an NHS hospital so far. Circle walked away from its contract on 9 January just hours before the publication of a report by the Care Quality Commission which damned caring, safety and leadership at the hospital.

Under a provision of its contract, Circle are permitted to quit because they have lost £5 million there. The hospital had losses of £40 million before Circle became involved. Sir David Dalton, who last year produced a report for the Government on hospital reorganisation, has denied that franchising is "dead and buried" after Circle's exit. He did, however, suggest that franchised management of a weak hospital trust would most likely be done by another more successful NHS trust.

Where future franchisers come from is now out of Dalton's hands. His report's recommendations including franchising have been taken up by NHS England in its Five-Year Forward View published last autumn.

Future franchising candidates are likely to come from the 65 hospital trusts that made a loss in 2012-13. Franchising was ordered last year at Peterborough and Stamford Hospital, but in January this was put on ice until after the general election. It is possible that both Hinchingsbrooke and Peterborough and Stamford may be put under the wing of Addenbrooke's in Cambridge.

Running a loss-making NHS hospital is no walk in the park. Staff cuts are needed to make the figures add up but endanger patients, as happened at Hinchingsbrooke as well as at financially-challenged hospitals under NHS management, at Stafford and elsewhere.

Mutual confusion

Under the second model of hospital privatisation, Tameside Hospital is one of nine NHS Trusts that have been selected to develop schemes for replacing NHS ownership with "mutual" status.

There remains some mystery about what mutualisation means beyond it involving a nominal staff stake in ownership.

Mutualisation is a project of Tory right-wing Cabinet Office Minister Francis Maude and Lib Dem Minister Norman Lamb. Richard Blogger, writing for the website Our NHS, reports Maude as saying definitely that mutualisation is a form of privatisation and also that private companies might be partners with a hospital's staff.

The nine hospitals including Tameside have brought in consultants to devise how mutualisation would work. Conclusions are to be presented by around the time of the general election. The aim is to develop plans that could be applied to other hospitals as well as the nine "pathfinders".

How far the mutualisation project gets could depend on the outcome of the election. If the present Government continues in office the way will be open for mutualisation and other hospital privatisation plans to be pushed forward quickly.