

## **PRESS RELEASE**

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# **Bright future secured for Hinchingsbrooke hospital in groundbreaking franchise deal**

History was made today as Circle was appointed recommended bidder for Huntingdonshire's Hinchingsbrooke Hospital. Circle will bring a new future to the hospital, combining health care and business expertise to secure the best of public and independent sector partnership.

This is the first time that an operating franchise has been offered for an NHS acute hospital in England, and uniquely it was achieved via an open and competitive process.

Dr Stephen Dunn, Director of Strategy at NHS East of England, said:

“Hinchingsbrooke has major debts and might have had to close, or receive a large subsidy paid for by the taxpayer. Thanks to this process this is not the case. We have selected a cutting edge partner with an innovative approach that will propel Hinchingsbrooke into the premier league. This is not privatisation. Staff and assets will be protected, and the taxpayer will not be forced into bailing out Hinchingsbrooke. This could be a model for hospitals that face similar challenges.”

“NHS East of England's board has recommended that Circle's appointment be for a 10 year franchise term, and within that period the company is planning to repay all Hinchingsbrooke's historic debt. No subsidy will be required. This recommendation will be forwarded to the Department of Health and is subject to its formal approval”.

Ali Parsa, Circle's Managing Partner, said:

"Circle's co-operative model offers a Big Society solution for Hinchingsbrooke - liberating doctors and nurses to deliver the best services for the patients they know best. This is a great opportunity for a social enterprise and local clinicians to come together to lead the next chapter in the long and successful history of the NHS. Working in partnership, we are confident that we can unleash innovation that delivers real quality gains for patients in Huntingdon."

Dr Gerry McSorley, interim Chief Executive at the hospital, said:

"Hinchingsbrooke has not stood still while our new partner has been sought, and we are pleased that we can now start to work in partnership with Circle in making Hinchingsbrooke great. Patients can be reassured that they will continue to receive quality NHS services from NHS staff in the hospital they know, on their doorstep. I would like to thank all the staff, volunteers and patients who have been so supportive during this process."

Dr Paul Zollinger-Read, Chief Executive of NHS Cambridgeshire, which commissions services at the hospital said:

"This is a good solution for staff, patients and taxpayers. The thorough and robust tender process has secured a sound foundation from which we can continue to commission services at the hospital."

David Monks, Chair for the independent stakeholder panel said:

"I am pleased that a franchise partner has been successfully found, which can help secure the future of services at Hinchingsbrooke. All of the key partners have sought public engagement around this project. The independent panel, the primary care trust and the strategic health authority have all worked together to enable the public to hear about and comment on the process."

Circle will take over the operation of the hospital from 1 June 2011, subject to approvals from the Department of Health and other regulators. After this approvals process more details about Circle's proposals for the hospital can be made public. Until that time they remain commercial and in confidence, in accordance with UK and international purchasing law. However, Circle will immediately start discussing transition plans with the hospital and NHS East of England's Strategic Projects Team, which has managed the project throughout.

An information sheet summarising the Hinchingsbrooke Next Steps project stages can be found at [http://www.strategicprojectseoe.co.uk/index.php?id\\_sec=92](http://www.strategicprojectseoe.co.uk/index.php?id_sec=92)

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#### **Notes for editors**

1. Circle is an employee owned social enterprise that forms the largest partnership of clinicians in Europe - over 2000. Circle is co-owned and managed by the doctors, nurses and all staff who work in Circle's hospitals, treatment centres and clinics. Circle has significant experience of transforming NHS services from their Nottingham and Burton day surgery hospitals, where they treat around 130,000 NHS patients per annum.
2. Hinchingsbrooke Health Care NHS Trust has a historic debt of £38.8 million, accumulated before 2007. The Trust which has an annual turnover in the region of £90 million.
3. Hinchingsbrooke Health Care NHS Trust, NHS Cambridgeshire and NHS East of England have been working together to find a new partner to operate Huntingdonshire's Hinchingsbrooke hospital, via a unique operating franchise. This unique process proposes that the clinical and non-clinical services at Hinchingsbrooke Hospital - other than where identified below - will be provided via an operating franchise agreement with an experienced healthcare provider from the NHS, independent or third sectors. This proposal will ensure that a full range of high quality acute hospital services - including accident and emergency and maternity services - will continue to be provided for local people at

Hinchingbrooke, as agreed at the end of the public consultation process on Hinchingbrooke in 2007. The agreement is subject to approvals from the Department of Health and other regulators.

4. Services on the Hinchingbrooke hospital site provided by other organisations, such as Cambridgeshire Community Services NHS Trust, through contractual arrangements with NHS Cambridgeshire, are unaffected by this franchise offer.
5. Hinchingbrooke hospital, which opened in 1983, is modern and purpose-built, with 369 beds providing quality up-to-date healthcare - including accident and emergency and maternity services - for approximately 161,000 people in Huntingdon and the surrounding areas.
6. The Hinchingbrooke Next Steps project is being managed by NHS East of England's Strategic Projects Team led by Andrew MacPherson, Director of Strategic Projects. This team of experts works in partnership to develop and deliver positive change for NHS services in the east of England. Working closely with the healthcare marketplace and the stakeholders, it develops, supports and delivers transactions that drive up the quality of patient experience, safety and care, clinical excellence, public service and value for money.
7. Further information about the Hinchingbrooke Next Steps project can be found at [www.eoe.nhs.uk/strategicprojects](http://www.eoe.nhs.uk/strategicprojects) or by calling 0800 923 3001.

**For more information please contact the NHS East of England Press Office**

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