

MEDICINE AND THE MEDIA **Nigel Hawkes**

Why are the media so soft on Circle?

Coverage has uncritically praised the first privately managed NHS hospital—while the company seeks to avoid insolvency

Journalists who specialise in biotechnology quickly learn to recognise “good news flow”—the optimistic press releases from companies that are burning money and need somehow to keep their investors happy. Lacking dividends to distribute, they turn instead to distributing news about the progress they are making, thereby sustaining the hope of dividends to come. Reading good news flow should be met with a raised eyebrow and the question, “Why are they telling me this?”

Little of this scepticism was in evidence last week, when Circle, a company whose own chief executive, Ali Parsa, has compared it to a high tech start-up, pulled off a splendid media coup. In February Circle took over the management of Hinchingbrooke Hospital in Cambridgeshire, as the first private company to run an NHS hospital.¹ Last week’s stories, in the *Daily Telegraph*, the *Daily Mail*, and in prize spots on the BBC (Radio 4’s *Today* programme and BBC Two’s *Newsnight*) were about the transformation achieved at the hospital in the six months since the takeover.²⁻⁵ “Hinchingbrooke Hospital ‘turned round by Circle in six months’” was the *Telegraph*’s main headline. “A revolution on the wards that could heal our public services” headed an opinion piece in the same newspaper by Sean Worth, a former special adviser to the prime minister, now at the think tank Policy Exchange.

The very next day, however, it emerged that Hinchingbrooke is falling short in its savings plan, designed to save almost £10m in the current financial year. A report to the board, available on Hinchingbrooke’s website, warned that it now expects to deliver only £6.5m of this target and will need an additional £3.4m of new savings to fill the gap.⁶ Its cash balance could fall to under £1m by the end of September, which could mean it may need to consider what access it has to loans and other cash injections to bridge the period.

This is bad news for Circle’s investors, who recently stumped up another £46m to keep the company going. Documents supporting the cash call warned that without it Circle would not be able to trade as a going concern and would likely become insolvent. So the last thing

A report to the board, available on Hinchingbrooke’s website, warned that it now expects to deliver only £6.5m of this target [£10m] and will need an additional £3.4m of new savings



Clockwise from top left: a *Daily Mail* news story and *Daily Telegraph* leader, opinion, and news pieces

those investors want to hear is that the company could need more money—even though, in this instance, it would most likely come from some internal NHS pot.

Hinchingbrooke’s problems have always been more financial than clinical. But in recent stories money did not feature large—or indeed at all. Instead the stories focused on the agenda framed by Circle, with its claims of high approval ratings by patients, improved performance in accident and emergency, and shorter waiting times for patients with cancer.

These claims are not without merit, and Circle supplied the *BMJ* with performance reports from NHS Cambridgeshire and NHS Peterborough to substantiate them. For example, Circle says that in emergency waiting times Hinchingbrooke was consistently the worst performer in Cambridgeshire but that it is now the best in the entire Midlands and East region, based on a comparison between the six months before it took over and the six months after. But such comparisons depend heavily on the starting point, which in this case was a period of huge uncertainty while waiting for ministers to sign off the Circle contract. Over the whole of 2011-2, NHS data show that Hinchingbrooke easily met the four hour target in the emergency department,⁷ performing better than the NHS Cambridgeshire average and outperforming Addenbrooke’s (Cambridge University Hospitals NHS Foundation Trust) on this measure.

Similar question marks arise in the cancer comparisons. Although waiting times for cancer treatment hit a poor patch in 2010, by June 2011 98.5% of patients were meeting the two week

urgent referral target at Hinchingbrooke. The most recent figure, for June 2012, was 95.2%.

So it is permissible to question whether Circle has truly transformed Hinchingbrooke or merely restored its clinical performance to what it was before its financial problems became insupportable. This was not a question that any of the recent stories attempted to answer: they simply echoed the claims made by Circle. Interestingly, the company’s press release was not published on its website until two days after the stories that were based on it, so it seems to have been issued first to media outlets likely to be sympathetic. Although this is normal practice in press management, it ought to prompt a moment of doubt in those favoured journalists. “Why are they telling me this?” is once again the question that needs an answer. This is pretty obvious in the case of the *Mail* and *Telegraph*, perhaps, but the BBC ought to have known better. Scepticism is evidently not on the curriculum at its much vaunted College of Journalism.

Circle is attempting a difficult task at Hinchingbrooke, and nobody but an ideologue would wish it to fail. It is walking a financial tightrope from which it could easily tumble, especially if it were to lose the contract to run Nottingham NHS Treatment Centre, which expires in less than a year and which provides the bulk of Circle’s revenues. That is the context in which last week’s good news flow needs to be read.

Nigel Hawkes is a freelance journalist, London
nigel.hawkes1@btinternet.com
References are in the version on bmj.com.

Cite this as: *BMJ* 2012;345:e5351

● NEWS, p 1