

Nottingham University Hospitals & Allied Services Branch
The Union Offices (Old HPA Building)
Nottingham University Hospitals NHS Trust (NUHT), City Hospital
Campus, Hucknall Road, Nottingham, NG5 1PB

For immediate release:

May 2nd 2019

UNISON is shocked and appalled at the "scandalous" behaviour of Circle who deliver health services at the Nottingham Treatment Centre.

A Nottingham branch of UNISON, Britain's largest public sector trade union, that represents staff who work at Nottingham University Hospitals NHS Trust (NUHT), today responded to the news that Circle, the private company who currently run and deliver health services at the Nottingham Treatment Centre, are upset by the fact that they have not been awarded a renewal of the contract and are to raise a legal challenge.

The contract to run the Nottingham Treatment Centre for the next five years has been awarded to Nottingham University Hospitals NHS Trust (NUHT). NUHT is the NHS organisation that runs Nottingham's two main NHS hospitals, the Queens Medical Centre and the Nottingham City Hospital. However, the decision to award the new contract to run the Centre which is situated in the grounds of the Queens Medical Centre to the Nottingham Hospitals instead, is to be legally challenged through the courts by the current contract-holder, Circle a private health care company.

According to this week's Health Service Journal May 1st issue, Circle, who came second in the procurement process, cited the following reasons for raising the legal challenge regarding the decision by Nottingham Commissioners to award the contract to NUHT:

- NUHT had not achieved a positive, in-profit trading position in the past two financial years (reporting a shortfall of £20.9m and £2.3m in 2016-17 and 2017-18 respectively);
- NUHT had suffered "material adverse change" in its financial standing in 2018-2019;

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- NUHT had "withheld payments to suppliers" since 15 October 2018;
- NUH's financial position was "so perilous" it was at risk of being placed in special measures.

UNISON Branch Secretary Martin Hallam-Benn said "We are appalled by this scandalous news and it confirms everything that UNISON has been saying about what happens when you allow private profit-making companies in to run our NHS health services. We have been accused in the past of scaremongering and spreading propaganda when we have said that there is a deliberate policy of starving the NHS of funding in order to allow the private sector to come in and run public services. Well, here we have it straight from the horse's mouth!!"

Martin added "The company claims it is familiar with the "actual cost of delivery" as it is the incumbent provider. It alleges NUHT's costs would be higher overall due to the Trust's staff qualifying for "improved NHS terms". This is a blatant admission that Circle has been giving their employees worse terms and conditions than NHS employees. This statement by the company is a surprise, but UNISON knows that Circle do in actual practice pay the staff they employ less and give them worse terms and conditions than what staff employed on NHS contracts receive. Pay the staff less, give them fewer holidays and keep the profits!!"

The Health Service Journal reports that Circle said in its court papers "The NUH savings on which the financial scores were calculated are not achievable without a cross-subsidy being provided from NHS loans or funding." Martin Hallam-Benn commented "So in other words, if the NHS was correctly and fully-funded, then the NHS Trust would not be in financial peril. Well, yeah, that's pretty obvious isn't it!! The company also states that any cross-subsidy from central NHS funds to the Treatment Centre would "distort competition", so again, in other words, if the NHS was fully-funded, then private companies would not have an advantage. Well, yeah, that's obvious too!"



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Martin continued: "Circle does not mention that the underfunding of the NHS already distorts competition. Their actual complaint is that the advantage that they already have is not being taken in to account and they think that is unlawful!! This entire episode clearly shows that private contractors running public services simply do not work and this is clear evidence that private companies do not run public services for the benefit of patients but for the benefit of their profit margins".

UNISON welcomes the award of the Treatment Centre contract to NUHT and look forward to welcoming Circle employees in to the NHS family. This is obviously not the first time public services at NUHT have been brought back in house, and we look forward to all other services at NUHT that are in the hands of private contractors being brought back in-house too.

ENDS

Notes for Editors:

- Nottingham University Hospitals NHS Trust UNISON Branch Secretary Martin Hallam-Benn Contact details: Branch office City Hospital 0115 784 4014, Mobile: 0798 424 1619. Visit Nottingham University Hospitals NHS Trust UNISON Branch Facebook page – UNISON NUH&AS https://www.facebook.com/UNISONNUH/
- 2. UNISON is Britain's largest trade union with more than 1.3 million members who provide public services from public, private and voluntary sector organisations.
- 3. Circle Nottingham Treatment Centre is the largest day-case Treatment Centre in Europe. The Centre has 70 consultation rooms, 5 main theatres, 3 skin surgery theatres, recovery facilities, an 11 bedded short stay ward and dedicated diagnostic and therapeutic facilities. It operates under a Standard Acute Contract, providing a wide range of outpatient, inpatient, diagnostic and therapeutic services. Circle has been running the Treatment Centre since 2007, and in June 2014 it was announced that Circle had won the contract for another 5 years.