Dear Chairman,

Supporting Primary Care Services: NHS England's contract with Capita

In June 2018 the Committee reviewed NHS England’s management of the primary care support services contract with Capita. I am writing to update you on progress NHS England has made with implementing your recommendations, published on the 25 July 2018.

All recommendations from the Committee are being actively addressed.

NHS England should assess the likely impact on users of a service before outsourcing and should update the Committee by July 2019 on how it is involving stakeholders at an earlier stage in changes to the service, for example by seeking and responding to their views on transformation plans and getting them involved in pilots.

NHS England has strengthened oversight arrangements to ensure stakeholders are engaged in the design and development of the transformation programme. This includes a senior bi-monthly Stakeholder Forum, chaired by a representative of the BMA, and direct stakeholder involvement in monthly Project Boards for each service line undergoing transformational change. Specific User Groups are also in place, to enable wider participation from across the stakeholder communities, and are providing feedback on plans and detailed designs for new online services. For the optometry payments service line, an optometry industry expert is working alongside the PCSE teams to help redesign the current processes and shape the transformation programme.

For all future major procurements, NHS England will continue to adopt the HM Treasury Five Case Model for business cases, and any outsourcing requirements will be undertaken in line with the Cabinet Office best practice guidelines.

30 January 2019

Meg Hillier MP
Chair
Committee of Public Accounts
House of Commons
London
SW1A 0AA
NHS England should report back to the Committee by January 2019 on how it will improve its future contracting, including, for example, by understanding what is already working well locally, collecting sufficient data on the services being outsourced, setting appropriate performance measures and ensuring that service changes are sufficiently piloted.

NHS England is strengthening its contracting approach by developing an integrated approach to collecting information on planned procurements as part of the business planning process. This will enable NHS England to undertake collaborative procurement projects to drive greater value and improve outcomes. The procurement process has been reviewed end-to-end through a series of continuous improvement workshops. Systems have been improved and all new procurements are subject to commercial review and assurance through an internal governance panel.

In consultation with the wider business, commercial specialists and the Government Commercial Function, NHS England’s Commercial Department has developed a Third Party Assurance Framework and Contract Management Framework. This provides all the necessary tools, information and guidance to enable clear and effective management of contracts across the organisation. NHS England is taking steps to build commercial capability across the organisation through access to training designed to enable staff to manage the whole contract lifecycle successfully. It has also established the NHS England Commercial Centre of Excellence which provides templates, policies, analysis and guidance. Dynamic dashboards have been introduced to improve visibility of reporting to all budget holders and contract performance will be monitored through systems so that information on the performance of all strategic contracts is available to senior managers.

**NHS England should write to the Committee by January 2019 setting out what they have done to compensate primary care practitioners for the disruption to the service.**

NHS England has established a process, run jointly with Capita, to consider claims from primary care contractors detrimentally affected by the service issues, principally in 2016-2017. This process has to date received, and reviewed around 200 claims, of which 88 have resulted in a goodwill payment.

Alongside this process we are considering around 300 late payment claims from opticians relating to 2016-2017. Between now and summer 2019, we are undertaking a reconciliation exercise around optometry payments in 2016-17 and any claims are being considered as part of that process.

**NHS England should, by January 2019, update the Committee on whether there is evidence of any harm to patients.**

NHS England continues to work closely with Capita to identify if there is any evidence of actual harm to patients arising from the delivery of the services.
We have identified one incident of harm to a patient as a result of the incorrect merging of two patient records. Those affected have been contacted and NHS England, NHS Digital and Capita are discussing amendments to the system settings to prevent this from recurring in the future.

In November 2018 NHS England declared a serious incident after being notified by Capita that they had failed to send out over 47,000 cervical cancer screening invitation and result letters. Capita have now identified around 51,000 total items of correspondence that have been delayed. The clinical advice we have received is that the risk posed by missing these letters remains low in the context of the development of cervical cancer, which takes place over many years. Every case is being reviewed, but there is no current evidence that this incident has led to harm to the women involved. NHS England has contacted all affected women and their GP practices.

NHS England is investigating differences between two patient databases that underpin administrative services across the NHS – the Patient Demographics Services and National Health and Infrastructure Services (NHAIS). About 122,000 differences were identified between the two systems, an investigation is underway to establish the cause of the differences. Patients not correctly registered with a GP practice are at risk of missing invitations to NHS services or having errors in their Summary Care Record. A serious incident has been declared and NHS Digital, Public Health England, Capita and NHS England are working to reconcile the differences and assess any impact on patients. There is currently no evidence of actual harm to patients arising as a result of these differences.

NHS England and Capita should write back to the Committee by January 2019, showing whether changes to their partnership working has improved the relationship, and whether they have agreed outstanding areas of difference.

NHS England and Capita have continued to build a more productive relationship in respect of the primary care support service, supported by monthly executive level meetings. Partnership working has enabled better understanding and better interventions in response to incidents. Many of the previous areas of difference have been resolved, including reaching agreement on the reporting of performance indicators and resolving many of the outstanding commercial issues from Contract Years 2 and 3.

A process is underway to enable NHS England and Capita to reach resolution on the remaining differences around volumes of activity and pricing. Both Capita and NHS England are committed to continuing to work together to reach resolution on this.

Yours sincerely,

Emily Lawson
National Director: Transformation and Corporate Operations