Dear Chair,

NHS England’s management of the primary care support services contract with Capita

Following the publication of the National Audit Office (NAO) report on 17 May 2018 and the committee’s report of 25 July 2018, we are writing to you with an update on changes to our partnership working with NHS England and progress on outstanding areas of difference.

**Partnership working**
Capita and NHS England continued to improve our partnership throughout 2018. Monthly service management board meetings are held between our respective management teams to review service performance, joint risks and to take collaborative decisions on future service developments and direction.

Regular leadership meetings are also now in place between Jon Lewis, CEO of Capita and Emily Lawson, National Director of Transformation and Corporate Operations, NHS England, which has further improved partnership ways of working.

**Agreement on performance measures and service credits**
We are continuing to make good progress to address the issues highlighted in the NAO report and many previous areas of difference have been resolved.

Capita and NHS England have reached agreement on all performance measures. These have been reported on monthly since 1 September 2018.

We have also jointly agreed a position regarding Capita’s performance against contracted service levels for the period up to 1 September 2018 and the treatment of associated service credits.

In addition, a significant number of the outstanding change controls have been agreed.

**Ongoing commercial discussions**
With regards to banded pricing, NHS England and Capita jointly commissioned NHS Benchmarking to review banded pricing data. A report was issued at the end of November 2018, which will be used to inform follow up contractual discussions. Capita is working with NHS England to finalise a resolution on this.
Screening incident
We would like to make the committee aware that in November 2018, Capita publically reported on a delay in issuing cervical screening correspondence. As part of the PCSE contract, Capita provides administrative support for the National Cervical Screening Programme by producing and sending around 9 million invitation, reminder and result letters to women each year. Approximately 51,000 items of correspondence in total were not sent in 2017 and 2018 due to the correct process for uploading, organising and checking datafiles not being properly followed. This issue has now been resolved.

The clinical panel convened in response to this incident says there is no current evidence of any harm having resulted from these issues. All women affected, and their GPs, have been written to and Capita has apologised to the women affected by this administrative error. We investigated the managerial handling of the matter and took appropriate disciplinary action. A senior executive responsible for the contract has left Capita.

Capita is committed to getting this contract right, so we can continue to save the health service money over the long-term and help NHS England deliver their objective of transforming locally managed, manual paper-based operations into a modern and efficient national customer-focused service. Improvements have been made, and we are now regularly meeting the vast majority of our service measures.

Yours sincerely

[Signature]

Jon Lewis
CEO Capita