NHS England’s management of the primary care support services contract with Capita
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NHS England’s management of the primary care support services contract with Capita
This report assesses whether NHS England managed the Primary Care Support England (PCSE) contract effectively to secure the intended benefits.
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England contract  15
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This report can be found on the
National Audit Office website at
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## Key facts

<table>
<thead>
<tr>
<th>£330m</th>
<th>35%</th>
<th>39,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>is the estimated value of NHS England’s seven-year contract with Capita for nine primary care support services (approximately £47 million a year)</td>
<td>intended reduction in NHS England’s costs across all primary care support services from day one of the contract agreed by Capita</td>
<td>primary care practitioners are supported by Capita’s primary care support services</td>
</tr>
</tbody>
</table>

5 of Capita’s primary care support services, out of nine, were placed in a formal process under the contract to rectify services by NHS England in September 2016

£5.3 million in contract penalties that were applied by NHS England between January 2016 and April 2017

£60 million in savings that NHS England has made to primary care support services in the first two years of the contract

41 out of 45 performance indicators that Capita considers it met in February 2018 (where information was available) when factors that Capita considers outside its control were taken into consideration

7 severe service failures against performance indicators in February 2018 when factors that Capita considers outside its control are not taken into consideration (this is the performance experienced by service users)
Summary

Primary care support services provide a range of administrative and back-office functions to around 39,000 primary care practitioners. Figure 1 sets out the core services provided, including administering payments to GP practices, opticians and pharmacies; administering the pensions of GPs; and administering entry and changes to national performers lists that provide the public with reassurance that GPs, dentists and opticians in the NHS are suitably qualified and have passed other relevant checks. In 2014-15, primary care support services cost £90 million.

Figure 1
Core primary care support services provided by Capita Business Services Ltd (Capita)

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
<th>Current annual activity levels</th>
</tr>
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<tbody>
<tr>
<td>Cervical screening</td>
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<td>GP and pharmacy payments and GP pensions</td>
<td>Administering monthly contracts and reimbursements to practices and pharmacies, and the NHS Pension Scheme for GPs who are members.</td>
<td>Processing around £9 billion of payments to GP practices and pharmacies, and the pension documentation for 37,000 GPs.</td>
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<td>Medical records</td>
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<td>Moving around 6 million records when patients register with new GP practices.</td>
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<tr>
<td>National performers lists</td>
<td>Administering entry and changes to performers lists on behalf of NHS England. The lists provide information on GPs, dentists and opticians practicing in the NHS, including that they are suitably qualified and have passed other relevant checks.</td>
<td>Processing around 8,000 entries and 15,000 change requests.</td>
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<tr>
<td>Payments to opticians</td>
<td>Administering monthly payments for eye tests, processing continuing education and training payments and deducting local optical committee levies.</td>
<td>Processing around 20 million eye sight service claims.</td>
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<td>Supplies and logistics</td>
<td>Providing NHS stationery, pre-printed forms, and needles and syringes for all primary care providers.</td>
<td>Processing and delivering over 240,000 NHS supplies orders.</td>
</tr>
</tbody>
</table>

Source: NHS England and Capita
In August 2015, NHS England entered into a seven-year, £330 million contract with Capita Business Services Ltd (Capita) to deliver primary care support services. These services are now known as Primary Care Support England (PCSE). NHS England aimed to reduce its costs by 35% from the first year of the contract, to contribute to required savings in its administration costs, and create better quality support services that were more efficient, and easy to use. Capita’s bid depended on it delivering a major transformation of services to meet NHS England’s objective to reduce its costs, such as introducing an online service for submitting GP payments and ordering medical supplies.

In May 2016, primary care providers began raising concerns with NHS England about failures of the PCSE contract, including delays in transferring medical records and problems with the responsiveness of the customer support centre. In September 2016, NHS England served default notes, placing five of Capita’s nine support services in a formal process to rectify services. It also embedded an ‘expert management team’ from NHS England in Capita. In December 2016, NHS England stated that Capita had failed to deliver key aspects of the service, putting primary care services and patients at risk.

In this report, we assess whether NHS England managed the PCSE contract effectively to secure the intended benefits. It examines:

- how the PCSE contract was set up (Part One);
- performance issues, including action taken by NHS England and Capita to address these issues (Part Two);
- the reasons for the contract failures (Part Three); and
- the current status of the contract (Part Four).

**Key findings**

The PCSE contract

NHS England aimed to reduce its costs by 35% from the first year of the contract and transform and modernise the service. The government’s mandate to NHS England required it to make significant reductions in its administrative running costs. NHS England also wanted to provide a high-quality and standardised service. When NHS England took responsibility for primary care support services in 2013 they were being delivered by 1,650 staff from 47 local offices, managed under separate local arrangements, with no national leadership, no common standards in service specification or operating processes, and with limited data on performance. Services were supported by a 20-year-old IT system that NHS England considered was unsustainable and in urgent need of replacement, and many processes relied on the manual processing of paper-based documents. NHS England considered that it would not be possible to deliver the required savings in-house as it did not have the necessary skills in transforming services through better use of IT (paragraphs 1.4 to 1.6 and 1.9).
6 NHS England rated Capita’s bid best on both cost and quality. NHS England put the PCSE services out to tender in 2015 with guidance to bidders that a 40% saving would be expected against current running costs. Capita’s successful bid was worth £330 million over the seven years of the contract (approximately £47 million a year). Capita expected to make a loss of £64 million in the first two years of the contract, which it planned to recoup in later years. It planned to reduce the cost of operating the service by 69%, from £77 million in 2014-15 to £24 million by 2021-22 (year seven of the contract). Its bid involved reducing the number of staff from 1,390 at the start of the contract to 314 by March 2018. The procurement was supported by commercial experts in the Cabinet Office, and subject to reviews by the Major Projects Authority which considered it a well-run programme. The procurement was approved by the then Department of Health and HM Treasury (paragraphs 1.6, 1.7, 1.8, 1.9 and 1.10).

7 NHS England did not know enough about the services it inherited to set achievable service specifications and performance standards from the start of the contract. This was a complex first generation outsourcing. NHS England lacked adequate data on the volume and cost of the services before the contract was awarded, and there were no consistent measures of performance. It told us that it recognised that there was variation in how services were delivered across the country, but that it did not have a detailed understanding of how local processes were different. As a result, it made a number of assumptions about the volume, cost and performance of the services in order to set service specifications and performance standards. To mitigate the risk around the robustness of the activity data, the contract included a clause to ensure that volume data could be reviewed in the first few months and, if necessary, the contract starting volumes could be revised. Capita only requested one ‘allowable assumption’ that permitted future adjustments related to uncertainty in the number of staff to be transferred (paragraphs 1.12 to 1.14 and 3.1).

8 NHS England’s decision to contract with Capita both to run existing services and also simultaneously to transform those services, was high risk. Capita was incentivised through the contract to close existing services to minimise its losses but the interaction between running, closing and transforming services was more complex than Capita or NHS England had anticipated. This was a high-risk strategy, particularly for a set of incompletely understood services being outsourced for the first time (paragraphs 1.9, 3.2 to 3.15).
Performance issues

9 Performance issues emerged shortly after Capita started closing primary care support offices and making other changes to the service. In March 2016, Capita introduced a new online portal for primary care providers to use to order supplies. In April 2016, it introduced a new courier arrangement and labelling system for moving medical records, which replaced different local arrangements. These changes were poorly implemented and providers struggled with the new systems. There were also problems caused by shortages of stock in the NHS supply chain. These issues resulted in a significant increase in the number of calls to Capita’s customer support centre, which could not cope with the increase. Between December 2015 and November 2016, Capita closed 35 of the 38 support offices it inherited and cut staff numbers from 1,300 to 660 (paragraphs 2.3 and 2.4, and Figure 7).

10 Failure to deliver key aspects of the service put primary care services and, potentially, patients at risk of serious harm (Figure 2), but no actual harm has been identified. The service was disrupted by delays in processing new applications and making changes to the performers lists (a record of GPs, dentists and opticians who are considered suitably qualified to practice). As a result, an estimated 1,000 GPs, dentists and opticians were delayed from working with patients and some of these practitioners lost earnings. The failure to update performers lists also potentially compromised patient safety in cases where practitioners should have been removed. In December 2016, one of NHS England’s Medical Directors noted that a review of reported harmful incidents had not identified any situations where serious patient harm had resulted from failures in primary care support services. However he also noted that the full effects of these failures were not known at this time and may not be apparent for some time. No further reviews have been carried out and no further incidents of actual harm to patients have been identified (paragraph 2.11 and Figure 8).

11 NHS England formally intervened in Capita’s management of the contract in September 2016. It told us that by the end of summer 2016, it had become clear that Capita’s improvement plans were ineffectual in some key areas and that issues had become more widespread. NHS England served default notices, placing five of Capita’s nine services in a formal rectification process: the customer support centre; the medical records service; the patient registration service; the national performers lists service; and payments to opticians. It also embedded an ‘expert management team’ in Capita, to work alongside operational staff and provide additional oversight and support (paragraph 2.8).
Figure 2
Impact of service failures on patients, primary care services and providers

Failures to deliver key aspects of the end-to-end service had a detrimental impact on primary care services and primary care providers, and potentially put patient safety at risk

<table>
<thead>
<tr>
<th>Group</th>
<th>Impact of service failures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients</td>
<td>The failure to update performers lists may have compromised patient safety in cases where practitioners should have been removed. 87 women were notified incorrectly they were no longer a part of the cervical screening programme.</td>
</tr>
<tr>
<td>Primary care services</td>
<td>In 2016, NHS England estimated that delays in processing new applications for the national performers lists resulted in around 1,000 GPs, dentists and opticians being unable to work. So far, over 200 applicants have sought recovery of lost earnings from NHS England.</td>
</tr>
<tr>
<td></td>
<td>NHS stationery and medical supplies not being delivered to primary care practices led to shortages of prescription pads, needles and syringes. Backlogs of 500,000 patient registration letters built up.</td>
</tr>
<tr>
<td></td>
<td>62% of GP practices, responding to a 2017 British Medical Association survey, reported that urgent requests for patient records were not actioned within three weeks (out of 748 practices that responded). Some 64% of the practices said that they had received incorrect patient records in the last three months.</td>
</tr>
<tr>
<td>Primary care practitioners</td>
<td>Delays in processing new applications for the national performers lists resulted in around 1,000 GPs, dentists and opticians being unable to work and a loss of earnings. Missed and inaccurate payments to practitioners.</td>
</tr>
<tr>
<td></td>
<td>Primary care providers reported having to spend a lot of time seeking a response to queries from Capita, sending evidence on numerous occasions and still failing to get resolution to their queries.</td>
</tr>
</tbody>
</table>

Source: National Audit Office analysis of Capita, NHS England and British Medical Association documents

Reasons for the service failures

12 Capita underestimated the scale and nature of the task and the impact of closing sites and losing local knowledge. Capita acknowledges that it took longer than anticipated to make changes to primary care support services. It underestimated the number of staff that would be needed to deliver the services, in part due to inaccurate assumptions about the volume of activity. It originally anticipated that it would only need around 314 staff by March 2018, but its actual headcount was 736. Capita also acknowledges that it made performance issues worse, by continuing to close support offices in summer 2016 even though it was aware the customer service centre was struggling to meet demand. The site closures resulted in the loss of local expertise. Procedures in place to retain local expertise did not work effectively as the staff who were retained did not always understand the systems being used in other regions (paragraphs 3.3, 3.4, and 3.11, and Figure 7).
NHS England’s performance measures did not cover all the service areas Capita were required to deliver. Without comprehensive service indicators, NHS England cannot tell whether the services meet the needs of primary care providers. NHS England did include performance measures in the contract, although these did not cover all the activities that Capita was required to deliver. A review of the contract, carried out by NHS England in March 2016, found that of 78 key activities that Capita was contracted to carry out, some 23 were not captured by performance measures and were therefore ‘invisible’ to NHS England. It identified that 13 of the 23 activities without performance measures could affect patient safety if not delivered to standard. NHS England are in ongoing discussions around extending performance monitoring (paragraphs 3.8 and 3.13).

NHS England’s assessment of the contract risk focused on the likelihood of it failing to achieve its financial savings target and did not adequately assess the risk of Capita failing to provide the service to a good standard. Gaps in the data meant that NHS England could not challenge whether assumptions in the contract were reasonable. NHS England considered that Capita had access to existing service expertise that they had used to inform and test their transformation plans. It did not bring in staff with senior-level skills in transforming a service, as it expected this expertise to sit within Capita (paragraphs 3.5 and 3.6).

NHS England did not have the contractual mechanisms to intervene in some of Capita’s service changes. Capita expected to make a loss of £64 million in the first two years of the contract. Its bid involved reducing the number of staff by two-thirds by January 2018. Capita therefore had an incentive to close support offices and cut back on staff as quickly as possible, in order to minimise its losses in the first two years of the contract. In May 2016, NHS England wrote to Capita expressing concerns about the closure of support offices, and asked Capita to reconsider its plans to reduce its number of staff. Although Capita’s site closure programme required NHS England’s engagement throughout the process, the contract did not require NHS England’s agreement to close offices, and between May and November 2016, Capita closed a further 20 offices (paragraphs 1.10, 3.10 and 3.11).
16 Basic principles about the contract are still not agreed, which limits \textbf{NHS England’s ability to hold Capita to account.} NHS England and Capita have still not agreed how to calculate the volume of work carried out in some areas, and how these data should be used to calculate payments owed to Capita for delivering the services. By May 2018, two and a half years into the contract, they have not yet agreed on how to calculate 11 performance measures. There is a contractual mechanism for putting a service in rectification but none for exiting the rectification process. Capita provided NHS England with reports in August and September 2017 setting out why services should be taken out of rectification, but NHS England has not formally responded to three of these service reports. NHS England told us that it was waiting for further evidence from Capita on two services before it could consider if rectification was complete (paragraph 3.15).

Current position

17 \textbf{Capita’s self-reported performance against the contract has improved.} In February 2018, Capita reported that it was meeting 41 out of 45 of its performance indicators (where information was available) when factors that Capita considers outside its control were taken into consideration, with one severe failure. NHS England has not accepted Capita’s reported performance since May 2017 for 11 measures where there is a difference of view about how it should be calculated. NHS England considers that six out of the nine PCSE services are no longer experiencing significant issues, but are still subject to ongoing improvements. However, NHS England remain concerned about three of the services – the national performers lists, payments to opticians and GP payments and pensions. It recognises that some of the issues with GP payments and pensions and the national performers list pre-date the contract with Capita (paragraphs 4.2 to 4.4).

18 \textbf{There are still widespread failures experienced by primary care practitioners.} The service experienced by users (without any adjustments made for factors that Capita considers outside its control) was more unsatisfactory than Capita’s reported position. In February 2018, only 32 out of 45 performance indicators were met and there were seven severe service failures. This compares with November 2017, when Capita met 28 out of 43 performance indicators, with ten areas of severe service failure (paragraph 4.3).

19 \textbf{NHS England has largely secured the financial savings it expected.} In the first two years of the contract, NHS England made savings of £60 million compared with expected savings of £64 million, as the financial risk of increased costs sits with Capita. To date, NHS England has deducted £5.3 million from payments to Capita as penalties for poor performance. The financial penalties are capped at £480,000 a month and were applied in full between July 2016 and April 2017. NHS England noted in its 2016-17 financial statements that it expected that it may have to pay up to £3 million in compensation to primary care providers. Contract penalties have yet to be applied from May 2017 because NHS England does not accept Capita’s reported performance data due to disagreements about the scope of some of the measures. This disagreement only emerged once Capita’s self-reported performance no longer triggered maximum service credits (paragraphs 2.12, 4.2, 4.6 and 4.7).
NHS England has not yet secured the transformation that it wanted. To date, Capita has provided a customer support centre, and a working solution for ordering supplies and transferring medical records. However, the changes were not implemented successfully and Capita’s transformation programme was delayed while it dealt with operational issues. It then had to re-plan the remaining aspects of the programme and secure agreement from NHS England and other stakeholders. Capita also held commercial discussions with NHS England on the scope of transformation and service dependencies. The remaining six transformation work streams, including online services for GPs and opticians, are now due to be delivered in 2018. NHS England removed the pharmacy payments work stream from Capita’s transformation programme. Capita has now developed standard operating procedures for all nine services. Capita told us that it took longer than expected because of the extent of variation in the way services were provided before the contract and the way different NHS area teams comply with guidance. NHS England owns the intellectual property rights to any software created to deliver the primary care support services (paragraphs 4.8 to 4.11, and Figure 14).

NHS England and Capita have reached a settlement on the first two years of the contract but commercial discussions about the future of the service are ongoing. Both parties have agreed a full and final settlement of all known commercial issues for the first two years of the contract, to 31 August 2017. NHS England paid Capita an additional £3.2 million. Capita has absorbed significant additional costs in excess of the £64 million losses it anticipated in the first two years, resulting in a £125 million loss over this period, including write-offs and service credits. Since September 2017, there has been no agreement on the full basis of charging. Capita stopped invoicing NHS England for services from September 2017, but resumed invoicing in February 2018 on the agreement that it would not prejudice the commercial discussions (paragraphs 4.12 and 4.13).

Conclusion on value for money

NHS England’s financial objectives for outsourcing primary care support services were ambitious. However, neither NHS England nor Capita fully understood the complexity and variation of the service being outsourced. As a result, both parties misjudged the scale and nature of the risk in outsourcing these services. The service to primary care practitioners, including Capita’s delivery of PCSE, has fallen a long way below an acceptable standard. This had an impact on the delivery of primary care services and had the potential to seriously harm patients, although no actual harm to patients has been identified. NHS England was unable to stop Capita’s aggressive office closure programme, without cancelling the contract, even though it was having a harmful impact on service delivery.

While some services have now improved, it is deeply unsatisfactory that, two and a half years into the contract, NHS England and Capita have not yet reached the level of partnership working required to make a contract like this work effectively. Although NHS England has saved significant sums of money, value for money is not just about cost reduction. NHS England will need to address the current service failures over the remaining life of the contract if it is to achieve both the savings and service improvements it intended.
Recommendations

Recommendations for NHS England

24 NHS England has secured its financial objective from the service outsourcing. It now needs, with Capita, to secure stable and sustainable service delivery while supporting the transformation of services. Both parties are now much better informed about the service, dependencies and challenges they face. Our recommendations focus on how NHS England and Capita can deliver value for money through the discussions about the future of the contract.

a Determine whether all current services within the PCSE contract are best delivered through that contract or whether some should be taken in-house by NHS England. Experience has now highlighted which services can most easily be delivered by Capita and which have more complex dependencies. The current commercial discussions present an opportunity to revisit responsibilities.

b Agree with Capita performance indicators and targets, and also the data sources and assurance mechanisms which need to underlie these indicators. Disputes over data and assurance were foreseeable but were not well handled. Agreeing sources, assurance and use in advance should support better partnership working.

c Prioritise the stabilisation of existing services when rescheduling transformation programmes. The lack of stability in delivering existing services was in part caused by premature site closures and the push to secure savings from transformation. NHS England should carefully consider the operational readiness of each service before agreeing to the implementation of any further transformation changes.

d Secure user engagement in advance of service changes. Primary care providers are a valuable source of practical feedback and can offer insights that will improve service delivery, especially where changes through transformation are significant.

e Pilot significant transformation changes effectively. Several changes to services were not initially implemented effectively. NHS England could profitably discuss with Capita when pilots would offer the greatest benefit.

f Create a joint risk register which would more thoroughly set out dependencies, mitigations, responsibilities and required actions. NHS England did not adequately assess the risk of service failure and Capita failed to recognise the scale and nature of the task it was taking on. A joint risk register would allow delivery challenges and actions to surface at an earlier stage.

g Improve its management of the factors which influence the overall performance of PCSE, which are outside Capita’s control. NHS England should collect data on how well NHS England area teams and other third parties are performing in the areas they control and, where possible, hold these bodies to account for their performance.
Wider recommendations for government

25  Our recommendations for government aim to ensure lessons are learned more broadly. The government should:

h  Set realistic but challenging expectations by developing an understanding of what is wanted and at what cost before the procurement. For services that are being contracted for the first time, sufficient time should be allowed to collect data on existing services and determine the service specifications.

i  Risk assess the likelihood of bidders being able to deliver their promises and challenge the targets and assumptions of bidders. This should include benchmarking bidders on their capability to deliver their promises, such as by examining past performance. There should also be sufficient modelling to understand the contractor’s cost drivers and incentives.

j  Agree fundamental principles about how the contract works from the start. The contract should be clear with well-defined terms to avoid disagreements about the service specifications, performance standards and the basis for payments.
Part One

Setting up the Primary Care Support England contract

1.1 This part of the report sets out what primary care support services are and who is responsible for providing them. It also describes NHS England’s Primary Care Support England (PCSE) contract with Capita Business Services Ltd (Capita).

Primary care support services

1.2 Primary care support services provide a range of administrative and back-office functions to around 39,000 primary care practitioners. Services include: administering payments to GP practices, opticians and pharmacies; administering the pensions of GPs; administering entry and changes to national performers lists that provide the public with reassurance that GPs, dentists and opticians in the NHS are suitably qualified and have passed other relevant checks; ordering supplies; moving patients’ medical records; and processing patient registrations.

1.3 Before April 2013, primary care support services were commissioned locally by primary care trusts. The primary care trusts kept most services in-house, but about 18% were contracted to other providers. Following the abolition of primary care trusts, all contracts and services transferred to NHS England in April 2013. In 2014-15, the cost of these services was £90 million.

1.4 When NHS England took responsibility for these services they were being provided by 1,650 staff across 47 local offices. Services were provided according to local demands. There was no national leadership, no common standards in service specification or operating processes, and limited data on performance, including on the volume of services being provided. NHS England considered that this had resulted in variation in the way services were being delivered and offered significant scope for savings. Services were supported by a 20-year-old IT system run across 82 local databases that NHS England considered was not sustainable and in urgent need of replacement. Many processes relied on the manual processing of paper-based documents by staff with knowledge of the local processes.
1.5 In January 2013, the NHS England Board agreed to reduce the costs of primary care support services by around 40%, in line with its mandate commitment to reduce administrative costs and focus resources on front-line services. NHS England considered a number of options to achieve these savings, including: services continuing as they were; NHS England carrying out the required changes; using a government shared service provider; and outsourcing the services via the Official Journal of the European Union (OJEU).

1.6 In July 2014, NHS England decided that the best option was to outsource the services to a private sector provider. Its aims were both to transform the services and make savings. It concluded that it would not be possible to deliver the required savings in-house as it did not have the necessary skills in transforming services through better use of IT. It shortlisted three companies, and, in June 2015, it announced that Capita had won the competitive tendering process. Capita’s tender scored best on both cost and quality. By July 2015, primary care support services were being delivered by 1,340 staff across 47 offices.

1.7 The procurement was supported by commercial experts and the Cabinet Office, subject to reviews by the Major Projects Authority and approved by the Department of Health & Social Care and HM Treasury. The final review by the Major Projects Authority noted that this was a well-run programme and that successful delivery appeared probable.

Contract with Capita

1.8 In August 2015, NHS England entered into a seven-year, £330 million contract with Capita to deliver primary care support services (Figure 3). These services transferred to Capita on 1 September 2015 and are now known as Primary Care Support England (PCSE). On that date, all NHS England’s primary care support services staff transferred to PCSE. The contract was based on the Crown Commercial Service’s model service contract.

1.9 NHS England’s aim was to reduce its costs by 35% from the first year of the contract and create support services that were more modern, efficient, and easy to use. It also wanted to provide a high-quality and standardised service. Capita’s bid depended on it delivering a major transformation of services and closing sites to meet NHS England’s objective to reduce costs. Its plans involved:

- moving services from 38 sites across England to three sites (Leeds, Preston and Clacton);
- opening a national customer support centre for all customer queries;
- introducing an online portal to provide access to many PCSE services;
- using one national courier firm to provide a more secure system for delivering supplies and moving GP medical records;
- standardising the way services are delivered nationally; and
- investing in new, modern information technology and updated processes.
Figure 3
Primary care support services provided by Capita Business Services Ltd

Capita operates nine services

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
<th>Current annual activity levels</th>
</tr>
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<tbody>
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<td>Cervical screening</td>
<td>Delivering prior notification lists of patients eligible for screening to GPs and sending out invitation and recall letters and test results to patients.</td>
<td>Sending out over 9 million invitation letters and 3.4 million test results.</td>
</tr>
<tr>
<td>Customer support centre</td>
<td>Single point of contact for all telephone queries for all Primary Care Support England services. Opened in December 2015.</td>
<td>Around 26,000 calls a month on average.</td>
</tr>
<tr>
<td>GP and pharmacy payments and GP pensions</td>
<td>Administering monthly contracts and reimbursements to practices and pharmacies, and the NHS Pension Scheme for GPs who are members.</td>
<td>Processing around £9 billion of payments to GP practices and pharmacies, and the pension documentation for 37,000 GPs.</td>
</tr>
<tr>
<td>Market entry</td>
<td>Validating and processing pharmacy market entry applications on behalf of NHS England, including change of ownership applications.</td>
<td>Processing over 2,000 applications.</td>
</tr>
<tr>
<td>Medical records</td>
<td>Moving hard-copy patient medical records between practices and into storage.</td>
<td>Moving around 6 million records when patients register with new GP practices.</td>
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</tr>
<tr>
<td>Registrations</td>
<td>Processing patient registrations and de-registrations at GP practices.</td>
<td>Around 6 million registrations and de-registrations.</td>
</tr>
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<td>Supplies and logistics</td>
<td>Providing NHS stationery, pre-printed forms, and needles and syringes for all primary care providers.</td>
<td>Processing and delivering over 240,000 NHS supplies orders.</td>
</tr>
</tbody>
</table>

Source: NHS England and Capita
1.10 To meet NHS England’s target to reduce costs, Capita expected to make a loss of £64 million in the first two years of the contract, which it planned to recoup in later years (Figure 4). It planned to reduce the operating cost of the outsourced service by 69%, from £77 million in 2014-15 to £24 million by 2021-22 (year seven of the contract). Its bid involved reducing the number of staff from 1,390 at the start of the contract to 314 by January 2018.

**Figure 4**
Capita Business Services Ltd’s financial model for delivering primary care support services

Capita expected to make losses of £64 million in the first two years of the contract and reduce the operating cost of the service by 69% by year seven

<table>
<thead>
<tr>
<th>Contract year</th>
<th>1</th>
<th>2</th>
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<td>Expected costs</td>
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<td>27</td>
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<td>24</td>
<td>29</td>
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<tr>
<td>Expected income</td>
<td>35</td>
<td>46</td>
<td>47</td>
<td>48</td>
<td>49</td>
<td>50</td>
<td>51</td>
<td>29</td>
<td>30</td>
<td>31</td>
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<tr>
<td>Expected in-year profit (loss)</td>
<td>-55</td>
<td>-9</td>
<td>16</td>
<td>21</td>
<td>24</td>
<td>26</td>
<td>27</td>
<td>0</td>
<td>6</td>
<td>6</td>
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<tr>
<td>Expected cumulative project (loss)</td>
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<td>-48</td>
<td>-27</td>
<td>-3</td>
<td>22</td>
<td>49</td>
<td>50</td>
<td>55</td>
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</tr>
</tbody>
</table>

**Notes**
1 The expected costs include one-off transformation costs of £38 million (£20 million in contract year one and £18 million in contract year two).
2 Income minus costs may not equal profit or loss due to rounding.
3 The contract is for seven years with the option to extend it by an additional three years.

Source: National Audit Office analysis of NHS England documents
1.11 To deliver primary care support services, Capita relies on other organisations to provide some services. For example, it relies on:

- NHS suppliers to have stock available and for the national courier it uses to deliver the stock to the correct place and on time; and
- NHS England to make timely decisions on applications to the national performers lists, and market entry.

NHS England retains overall responsibility for ensuring primary care support services work for the benefit of primary care providers and members of the public.

Service specifications and performance measures

1.12 Our previous reports on the use of contracts in government have highlighted that, without an understanding of what it wants and at what cost, the government will not achieve its desired outcomes. NHS England knew little about how primary care support services were being provided before the start of the contract. It lacked adequate data on the volume and performance of these services, as well as the cost of individual services. The primary care support offices that NHS England took over did not have service standards or measures of performance. In addition, there were no consistent nationwide performance standards across the other providers, as services were delivered according to local needs. NHS England told us that it recognised that there was variation in how services were delivered across the country, but that it did not have a detailed understanding of how local processes were different.

1.13 Because of gaps in its knowledge, NHS England had to make a number of assumptions about the volumes and costs of the services before awarding the contract. For example, it used data on the number of GP practices and the types of contract they held to estimate the number of GP payments that would be needed and the volume of orders for NHS supplies. NHS England told us, that to mitigate the risk around the robustness of the activity data, the contract included a clause to ensure that volume data could be reviewed in the first few months and if necessary the contract starting volumes could be revised. It also told us that it provided all the information and service access that bidders needed to develop their bids and as a result Capita only requested one allowable assumption that allows for future adjustments in cases of uncertainty. This related to the number of staff to be transferred.

1.14 NHS England also made assumptions about current performance in order to set service specifications and measures for assessing PCSE’s performance. The contract set out 58 performance indicators – 24 key performance indicators and 34 standard service levels. NHS England considers that the key performance indicators are more important, as failure to deliver them would result in greater operational and reputational loss to NHS England. Capita must provide NHS England with a monthly report, setting out how PCSE is performing against the performance measures. Figure 5 overleaf sets out NHS England’s governance arrangements for providing oversight of PCSE’s performance.

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There are a number of boards with formal decision-making responsibilities: the Service Management Board, the Transformation Oversight Board, the Joint Design Authority Group and the Service Line Boards.

- **Service Management Board**: The primary mechanism for holding Capita to account for delivering the contract. It is chaired by NHS England’s director of primary care support services and meets monthly.

- **Transformation Oversight Board**: Provides oversight across transformation activities and evaluates the impact on NHS England and stakeholders. It meets quarterly.

- **Joint Design Authority Group**: A forum to help govern and manage the design of the transformation programme.

- **Service Line Boards**: Provide detailed scrutiny of performance for each service line. They meet monthly.

- **Stakeholder Forum**: A governance meeting where stakeholders are able to provide their views on the performance of the service from an end user perspective. It is chaired by a representative of the British Medical Association and meets every other month.

Source: National Audit Office review of NHS England documents
Part Two

Performance issues

2.1 This part sets out the performance issues with Primary Care Support England (PCSE), and the action that NHS England and Capita Business Services Ltd (Capita) have taken in response to these issues. Figure 6 on pages 22 and 23 sets out a timeline of events.

Emerging performance issues

2.2 Capita's contract with NHS England gave a three-month period to agree final service volumes and performance targets with NHS England. At the end of this period, Capita reported that it had not been able to collect sufficient information to complete this exercise.

2.3 However, Capita pressed ahead with its plans to transform the business, some of which were approved by NHS England.

- In December 2015, it opened a customer support centre to take over telephone and written enquiries from its local PCSE offices on a phased programme up to February 2018.
- In February 2016, it introduced a system for processing payments to opticians in batches rather than as individual invoices, to reduce the administrative cost of processing some 20 million claim forms.
- In March 2016, it began trialling a national system for transferring patient paper medical records. The pilot did not go as well as expected and NHS England and Capita decided the new service was not ready to be rolled out.
- In March 2016, it opened an online portal for primary care providers to order NHS forms and some medical supplies. However, the number of orders far exceeded its expectations and there were not enough vehicles to fulfil the orders. This also affected the movement of medical records, as the service used the same vehicles. There was also a shortage of stock in the NHS supply chain which resulted in further delays in fulfilling orders. As a result of these issues, the number of calls to Capita's customer support centre was higher than predicted, and the centre could not cope with the increase in demand.
- In April 2016, Capita implemented a contingency arrangement for moving medical records, following the decision to delay the full roll-out in March. This involved a single courier collecting records from GP practices and taking them all to Capita's Darlington depot for sorting before being distributed. All legacy local couriers ceased to operate at this point. There was a further increase in the number of calls to the customer support centre as GP practices raised queries about the new process.
Figure 6
Timeline of key events in Capita Business Services Ltd delivery of primary care support services

Events

**Mar 2016**
Capita began trialling a national system for transferring patient paper medical records. The pilot did not go as well as expected and NHS England and Capita decided the new service was not ready to be rolled out.

Capita opened an online portal for primary care providers to order NHS forms and some medical supplies. However, the number of orders far exceeded its expectations and there were not enough vehicles to fulfil the orders. This also affected the movement of medical records, as the service used the same vehicles. Shortages of stock in the NHS supply chain resulted in further delays in fulfilling orders. As a result of these issues, the number of calls to Capita’s customer support centre was higher than predicted, and the centre could not cope with the increase in demand.

**Apr 2016**
Capita implemented a contingency arrangement for moving medical records. There was a further increase in the number of calls to the customer support centre as GP practices raised queries about the new process.

**May 2016**
NHS England formally wrote to Capita expressing concerns about performance issues and seeking to enact the recovery arrangements set out in the contract.

NHS England also wrote to Capita expressing concerns about the closure of primary care support offices, and asked Capita to reconsider its plans to reduce its number of staff.

The chair of the British Medical Association wrote to NHS England about the “failure” of the PCSE contract, calling for GPs to be compensated for their extra workload.

**Sep 2016**
NHS England started a formal rectification process for five of Capita’s service lines (payments and pensions, customer support centre, performers lists, registrations and medical records). An ‘expert management team’ from NHS England was embedded in Capita.

**Aug and Sep 2017**
Capita provided NHS England with a report for each service setting out why it should be taken out of formal rectification.

**Oct 2016**
NHS England established an ‘Oversight Recovery Board’, chaired by the NHS England’s finance director to oversee the recovery.

**Feb 2017**
NHS England strengthened its governance arrangements. This included introducing monthly management board meetings for each service line.

**Dec 2016**
NHS England acknowledged that Capita had failed to deliver key aspects of the service, putting primary care services and patients at risk.

**Sep 2015**
Capita took responsibility for delivering NHS England’s primary care support services.

**Dec 2015**
Capita opens its customer support centre.

**Aug 2015**
Capita took over 31 sites from NHS England.

**Jan 2016**
1 site closed

**Feb 2016**
1 site closed

**Mar 2016**
1 site closed

**Apr 2016**
Capita took over 7 sites from NHS Shared Business Services. 6 sites closed

**May 2016**
6 sites closed

**Jun 2016**
5 sites closed

**Jul 2016**
4 sites closed

**Aug 2016**
1 site closed

**Sep 2016**
2 sites closed

**Oct 2016**
2 sites closed

**2015**
Primary care support offices

**2016**

**Jan 2018**
NHS England announced that the embedded management team was being withdrawn.

Source: National Audit Office review of NHS England and Capita documents
Figure 6 shows the Timeline of key events in Capita Business Services Ltd delivery of primary care support services.

Source: National Audit Office review of NHS England and Capita documents

**2015**
- *Dec 2015* 6 sites closed
- *Jan 2016* 1 site closed
- *Feb 2016* 1 site closed
- *Mar 2016* 1 site closed
- *Apr 2016* Capita took over 7 sites from NHS Shared Business Services. 6 sites closed

**2016**
- *May 2016* NHS England formally wrote to Capita expressing concerns about performance issues and seeking to enact the recovery arrangements set out in the contract.
- *Jun 2016* NHS England acknowledged that Capita had failed to deliver key aspects of the service, putting primary care services and patients at risk.
- *Jul 2016* 4 sites closed
- *Aug 2016* 1 site closed
- *Sep 2016* 2 sites closed
- *Nov 2016* 1 site closed
- *Dec 2016* NHS England acknowledged that Capita had failed to deliver key aspects of the service, putting primary care services and patients at risk.

**2017**
- *Jan 2017* 2 sites closed
- *Feb 2017* NHS England strengthened its governance arrangements. This included introducing monthly management board meetings for each service line.
- *Mar 2017* 1 site closed
- *Apr 2017* 6 sites closed
- *May 2017* 1 site closed
- *Jun 2017* 1 site closed
- *Jul 2017* 1 site closed
- *Aug 2017* 1 site closed
- *Sep 2017* 1 site closed
- *Oct 2017* 1 site closed
- *Nov 2017* 1 site closed
- *Dec 2017* 2 sites closed

**2018**
- *Jan 2018* 1 site closed
- *Feb 2018* 1 site closed
- *Mar 2018* 2 sites closed
- *Apr 2018* 2 sites closed
- *May 2018* 1 site closed
- *Jun 2018* 1 site closed
- *Jul 2018* 1 site closed
- *Aug 2018* 1 site closed
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**2019**
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**2020**
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**2021**
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**2022**
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**2023**
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- *Dec 2023* 1 site closed

**2024**
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- *Aug 2024* 1 site closed
- *Sep 2024* 1 site closed
- *Oct 2024* 1 site closed
- *Nov 2024* 1 site closed
- *Dec 2024* 1 site closed
2.4 Between December 2015 and November 2016, Capita closed 35 of the 38 primary care support offices it had inherited. This reduced staff numbers from 1,300 to 660, as their work moved to one of four main sites (Figure 7). The process resulted in the loss of local expertise.

2.5 NHS England told us that it first became concerned about PCSE’s performance in spring 2016. NHS England initially believed that the issues being experienced in processing work in the national offices reflected the inevitable teething problems involved in a transformation. Primary care providers became increasingly critical of Capita’s performance. They raised concerns through user group meetings, articles in trade magazines, and by writing to NHS England.

**Action taken by NHS England and Capita**

2.6 On 21 April 2016, NHS England asked Capita for a recovery plan to tackle the emerging issues with the customer support centre, the medical records and supplies services, and payments to opticians. Capita provided the first version of a recovery plan on 29 April 2016. In May 2016, NHS England wrote to Capita expressing concerns about the closure of primary care support offices, and asked Capita to reconsider its plans to reduce its number of staff.

2.7 On 27 May 2016, NHS England wrote to Capita formally expressing concerns about performance issues and seeking to enact the recovery arrangements set out in the contract. Capita initially denied being in breach of its service obligations. It argued that there were no baseline data from before the contract to benchmark its performance against and confirm whether service standards were being met. In its response of 17 June 2016, NHS England stated that the lack of performance data meant that Capita could not yet prove that it was meeting performance standards. It considered that there was enough evidence to place Capita in a formal rectification process, given the delays in setting up the customer support centre, the medical records service, and payments to opticians. However, NHS England considered that the improvement plan that Capita had developed would be sufficient to resolve the problems.

2.8 NHS England formally intervened in Capita’s management of the contract in September 2016. It told us that by the end of summer 2016, it had become clear that Capita’s improvement plans were ineffectual in some key areas and that issues had become more widespread. NHS England served default notices, placing five of Capita’s nine services in a formal rectification process: the customer support centre; the medical records service; the patient registration service; the national performers lists service; and payments to opticians. It also embedded an ‘expert management team’ in Capita, to work alongside operational staff and provide additional oversight and support.

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2 Capita closed a further two primary care support offices in April 2017 and November 2017. It also opened two new offices in Blackburn and Leeds and continues to operate services from an office that it inherited in Preston. Services are also provided from a fourth office in Clacton, which is owned by ACE Ltd and provides services through a contract with Capita.
Figure 7
Primary Care Support England staff (full-time equivalents), September 2015 to March 2018

Capita reduced staff to 473 in August 2016 but then increased staff to 736 in March 2018

Staff (full-time equivalent)

Note
1 The staff number in September 2015 includes staff that transferred in to PCSE and Capita’s corporate staff.

Source: Capita data
2.9 After being placed in formal rectification in September 2016, Capita reviewed how it could resolve its service issues. By December 2016, NHS England had agreed to Capita’s recovery plans for payments to opticians, the patient registration service and the customer support centre. It agreed plans for the medical records service in January 2017 and for the national performers lists service in April 2017. The plans set out the actions Capita would take to address the specified issues, as well as a number of actions that NHS England would take to improve the end-to-end service.

2.10 Since September 2016, Capita has made a number of changes to the senior management team responsible for managing PSCE, and has put more resources in place to support the contract. It replaced the managing director for PCSE in October 2016 and again in May 2017. It made other changes to the senior management team in September 2016, January 2017 and May 2017. By May 2017, Capita had 832 PCSE staff, up from about 512 in September 2016. It has also introduced additional vehicles for transporting medical records and supplies.

2.11 Failure to deliver key aspects of the end-to-end services had a detrimental effect on providers, put primary care services at risk and had the potential to seriously harm patients. Figure 8 provides historical examples of the service failures and their impact. The examples highlight particular issues at a point in time. In December 2016, one of NHS England’s Medical Directors noted that a review of reported harmful incidents had not identified any situations where serious patient harm had resulted from failures in primary care support services. However he also noted that the full effects of these failures were not known at this time and may not be apparent for some time. No further reviews have been carried out and no further incidents of actual harm to patients have been identified.

2.12 The contract allows NHS England to apply financial deductions if Capita does not meet certain performance standards from January 2016. For example, if Capita processes fewer than 98.25% of GP payments on time, it is deemed a moderate failure and triggers a minimum penalty of £10,800 a month. The maximum penalty that can be applied for service failures was £480,000 a month in the first two years of the contract. From year three, it is set at 20% of payments to Capita, excluding fixed investment changes. Figure 9 on page 28 shows that, by April 2017, NHS England had deducted £5.3 million from payments, represented 7% of the total payable to that point. The maximum penalty was applied between July 2016 and April 2017. Contract penalties have yet to be applied from May 2017 because NHS England does not accept Capita’s reported performance data due to disagreements about the scope of some of the measures.
<table>
<thead>
<tr>
<th>Service</th>
<th>Service failures</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cervical screening</td>
<td>Not meeting required timescales. Instances in which some women have received correspondence that they felt gave unclear instructions regarding further treatment.</td>
<td>As at July/August 2016, 1,963 letters had not been sent out on the date required. 87 women were notified incorrectly that they were no longer part of the cervical screening programme.</td>
</tr>
<tr>
<td>Customer support centre</td>
<td>In spring 2016, the centre could not cope with the number of calls it was receiving and stopped tracking customer enquiries. Primary care providers reported having to spend a lot of time seeking a response to enquiries, sending evidence on numerous occasions and still failing to get a resolution.</td>
<td>Some 259 new complaints were received in July 2016, of which 103 related to records management.</td>
</tr>
<tr>
<td>GP and pharmacy payments and GP pensions</td>
<td>Missed and inaccurate payments to GPs and pharmacies.</td>
<td>64% of GP practices responding to a 2017 survey reported that they had received incorrect patient records in the last three months (out of 748 practices that responded).</td>
</tr>
<tr>
<td>Market entry</td>
<td>Long delays in the new pharmacies being approved and changes in ownership of existing businesses being processed.</td>
<td>Only 41% of applications were processed within 70 days in November 2017. In one case a pharmacist reported being unable to retire.</td>
</tr>
<tr>
<td>Medical records</td>
<td>Delays in moving medical records between GP practices and processing individual requests to access records.</td>
<td>62% of GP practices, responding to a 2017 survey, reported that urgent requests for patient records were not actioned within three weeks (out of 748 practices that responded).</td>
</tr>
<tr>
<td>National performers lists</td>
<td>Delays in processing new applications and making changes to existing performers, resulting in GPs and dentists being unable to work and losing earnings, and potential risks to patient safety in cases where performers should have been removed.</td>
<td>NHS England estimates that around 1,000 practitioners have been delayed from starting work and have experienced a loss of earnings due to the problems with the performers lists.</td>
</tr>
<tr>
<td>Payments to opticians</td>
<td>Missed and inaccurate payments resulted in some opticians having to take out loans.</td>
<td>In July/August 2016, 27% of payments to opticians required correction.</td>
</tr>
<tr>
<td>Registrations</td>
<td>Delays in issuing patient registration letters.</td>
<td>As at July/August 2016, there was a backlog of 500,000 new letters awaiting printing and dispatch.</td>
</tr>
<tr>
<td>Supplies and logistics</td>
<td>Changes introduced were poorly implemented and primary care providers struggled with the new systems.</td>
<td>Not delivering NHS stationery and medical supplies to primary care practices led to shortages of prescription pads, needles and syringes.</td>
</tr>
</tbody>
</table>

**Note**

1 Examples highlight particular issues at a point in time.

Source: National Audit Office analysis of NHS England and Capita documents
Figure 9
Payments made to Capita Business Services Ltd and penalties applied for poor performance

Penalties deducted represent a small percentage of the contract price

<table>
<thead>
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<th>Contract year one</th>
<th>Contract year two</th>
<th>Contract year three (estimate)</th>
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<tr>
<td>Penalties deducted</td>
<td>1.5</td>
<td>3.8</td>
<td>0</td>
</tr>
<tr>
<td>Actual payments</td>
<td>45.0</td>
<td>40.6</td>
<td>46.3</td>
</tr>
<tr>
<td>Gross payable to Capita</td>
<td>46.4</td>
<td>44.4</td>
<td>46.3</td>
</tr>
</tbody>
</table>

Notes
1. No contract penalties have yet been applied for the period after April 2017. Negotiations are continuing on the penalties to be applied for the rest of year two and beyond.
2. The figures may not sum due to rounding.

Source: NHS England
2.13 As well as Capita, a number of other organisations, including NHS England, have contributed to the underperformance of PCSE services. For example:

- For the market entry service, Capita is required to provide NHS England with a file, so that they can make a decision about applications for new pharmacies within 70 days of receipt of the initial application. In November 2017, only 41% of applications were processed on time – either because applicants and referees had not provided key information, or decisions had not yet been received from NHS England.

- The performance of the medical records service has been affected by difficulties retrieving medical records held in NHS England’s archives as well as from current GP practices. It was also affected by poor implementation by Capita of the new national courier arrangement for moving records, and difficulties that GP practices experienced complying with a new labelling system.

- The performance of the national performers lists service has been affected by the lack of timely decisions on removals and suspension requests by NHS England’s area teams.

- NHS England acknowledges that some of the issues with GP payments and pensions are a result of legacy issues predating the contract with Capita. In particular, there are a number of inaccuracies and missing documents affecting GP pension records, which can affect the accuracy of payments.
Part Three

Reason for the service failures

3.1 This part examines the reasons for the failures to provide Primary Care Support England (PCSE) services to an acceptable standard. It draws on lessons from our previous reports on government’s contracted-out services. PCSE was being contracted out for the first time, which adds to the complexity of setting up a contract.

Market management and sourcing

Capita underestimated the scale and nature of the task

3.2 Our previous reports on the use of contracts in government have shown that suppliers need to undertake sufficient testing before agreeing a contract, to ensure they can deliver the contracted service.3

3.3 Capita Business Services Ltd (Capita) acknowledges that it underestimated the number of staff that it would need to deliver PCSE and the time it would take to implement changes. Capita’s bid involved reducing the number of staff from 1,390 at the start of the contract to 314 by March 2018, in order to minimise its losses over the first two years of the contract (Figure 10). As at March 2018, it had 736 staff working on PCSE, as the number it originally forecast was insufficient. Capita told us that contributing factors to this underestimation included higher service volumes than predicted and the significant variation in how services were delivered, including by NHS England area teams. It has also taken longer than it anticipated to make changes to the service, because it underestimated the extent of variation in the way local support offices operated and the time it would take primary care providers to adapt to new ways of working.

3.4 Capita underestimated the expertise that would be needed to deliver PCSE and the impact of losing local knowledge through closing its sites. Although Capita had ensured that some experienced staff and managers were available to its national teams, these staff did not always understand the systems being used in other regions. Capita contracted external suppliers to strengthen its expertise in delivering the transformation programme.

Figure 10
Actual and expected number of Primary Care Support England staff (full-time equivalents), September 2015 to March 2022

Capita Business Services Ltd expects there to be between 457 and 555 PCSE staff by November 2019, representing 143 to 241 more than they anticipated needing in their original bid.

Number of staff (full-time equivalents)

- Expected number of staff in Capita’s original bid
- Actual number of staff
- Upper estimate of future number of staff needed
- Lowest estimate of future number of staff needed

Note
1. Capita’s upper and lower estimates of the future number of staff needed are based on a review carried out in September 2017.

Source: National Audit Office analysis of Capita data
Delivery risks were not adequately identified and managed

3.5 Our previous reports have highlighted the need to challenge bidders on whether they are capable of delivering a contract, rather than accepting their promises of what they can deliver. NHS England’s assessment of the contract risk focused on the risk of it failing to achieve its financial savings target and did not adequately assess the risk of Capita failing to provide the service to a good standard. Capita’s plans for transforming and delivering the service were assessed by service experts within NHS England, as well as primary care provider representatives. However, gaps in the data meant that NHS England could not challenge whether the assumptions in the contract were reasonable.

3.6 NHS England also did little to assess whether Capita had the necessary skills to transform services successfully. Capita had partnered with an existing provider of primary care support services, Anglian Community Enterprise, which Capita was to contract services from. NHS England told us that it therefore considered that Capita had access to existing service expertise that they could use to inform and test their transformation plans. NHS England did not bring in staff with senior-level skills in transforming a service, as it expected this expertise to sit within Capita.

Contract approach

Lack of appropriate performance measures

3.7 Our previous reports have highlighted that without relevant and workable performance measures, business outcomes may fail or perverse incentives may be created. There should be strong evidence which shows that measures are achievable, focus on the outcomes that matter and are clearly defined.

3.8 NHS England did not set appropriate service specifications and performance measures from the start of the contract.

- NHS England lacked data on the volumes, costs and performance of the services and so had to make assumptions about whether service standards and performance measures could be achieved (paragraphs 1.12 to 1.14).

- Performance measures lack indicators on providing a high-quality service, as NHS England’s focus was on efficiency. For example, the performance measure for payments to GPs measured whether Capita is making payments on time but not whether the payments are accurate.

- Performance measures do not always cover the end-to-end performance of PCSE. For example, the contract measures Capita’s performance in delivering patient records only from when the records are picked up from GP surgeries. They ignore any delays before this point. NHS England is responsible for the overall performance of PCSE and for making sure that the service works end-to-end for the benefit of primary care practitioners and the public.
Insufficient mechanisms for intervening in some changes

3.9 Our previous reports have highlighted the importance of having incentives that encourage the contractor to act in the interest of the government, with appropriate checks and approval mechanisms.

3.10 The contract provided incentives for Capita to close primary care support offices and cut back on staff as quickly as possible, so that it could minimise its losses in the first two years. However, NHS England wrote to Capita on 6 May 2016, expressing concerns about Capita’s plans to significantly reduce its staff numbers at a time when there were significant issues with its performance. It also questioned whether Capita’s plans to deliver efficiency savings over a period of a few weeks, to compensate for the reduction in staff, were realistic. Although Capita’s site closure programme required NHS England’s engagement throughout the process, the contract did not require NHS England’s agreement for Capita to close offices or reduce staff.

3.11 Between May and November 2016, Capita closed a further 20 offices and reduced its headcount from 820 to 660 employees. Both NHS England and Capita recognise that Capita made performance issues worse in spring 2016, by continuing to close support offices, as this resulted in the loss of local expertise.

Contract management

Not enough was known about PCSE’s performance when Capita started changing the service

3.12 Our previous work has highlighted the importance of having a mobilisation period from procurement to business as usual. The mobilisation period should allow time to identify good practice, potential contractual changes and problems and risks, and to monitor performance.

3.13 The mobilisation period did not give NHS England and Capita enough time to assess whether Capita was ready to start transforming the service. As a result, neither NHS England nor Capita knew enough about PCSE’s performance when Capita started making changes to the service in March 2016.

- It took longer than expected for Capita to develop consistent information about its performance. The contract allowed a three-month period to assess how performance at the start of the contract differed from expectations set out in the performance measures. Where performance measures were not being met, Capita could propose variations or alternative measures. If agreed, these would be applied for a period of two years (known as the transformation period). However, NHS England told us that it took Capita five months to start providing consistent information about its performance. NHS England considers that the quality of Capita’s data has improved but it still has concerns about its quality and reliability.
• There were still gaps in the performance measures used to monitor Capita’s performance when it started to make changes to PCSE. NHS England’s review of the contract, in March 2016, found that of 78 key activities that Capita was contracted to carry out, some 23 were not captured by performance measures and were therefore ‘invisible’ to NHS England. It identified that 13 of the 23 activities without performance measures could affect patient safety if not delivered to standard.

• NHS England’s performance measures were not flagging issues when stakeholders started raising concerns in April 2016. At this time, Capita was reporting that it was meeting all but 4 of the 49 performance measures set by NHS England. The stakeholders we spoke to consider that there is still a mismatch between Capita’s reported performance that takes into account factors that Capita considers to be outside its control, and the issues that they are experiencing on the ground.

Basic principles about the contract are not yet agreed

3.14 Our previous work has shown that misunderstandings about the contract and how it works and is priced can create confusion and tension, and at worst can lead to contract or service failures.

3.15 More than two and a half years into the contract, NHS England and Capita have still not agreed basic principles about the service that Capita is contracted to provide. NHS England told us that service specifications lack detail in some areas which leads to disagreements, as they are open to different interpretations. Areas of misunderstanding include:

• Performance measures. The contract allowed Capita to use less onerous performance measures during the transformation period, from February 2016 to August 2017. However, as the transformation is not yet complete, it is unclear whether Capita should still be using these measures. The measures that were to be applied from August 2017 set a higher standard of performance.

• By May 2018, NHS England and Capita had still not agreed how to calculate 11 performance measures.

• The method of calculating the volumes of services and payments. NHS England does not agree with the approach that Capita has used to calculate the volumes of services. It considers this approach to be inconsistent with the methodology described in the contract. The volumes being reported by Capita are significantly different to the baselines set out in the contract for some services (Figure 11).
Whether Capita has met the criteria for services to be removed from the formal rectification process. Capita considers that services should be taken out of formal rectification, but NHS England thinks there are still issues that need to be resolved. NHS England told us that the contract does not set out the process for removing services from rectification. Capita provided NHS England with a report for each service in August and September 2017, setting out why it should be taken out of formal rectification. However, NHS England has not formally responded to three of these reports. It told us that it was waiting for further evidence from Capita on two services before it could consider if rectification was complete.

**Figure 11**
Predicted service volumes and Capita Business Services Ltd’s estimate of actual service volumes

For some services there was a big difference between the range of predicted service volumes and Capita’s estimate of volumes in year three

<table>
<thead>
<tr>
<th>Service</th>
<th>NHS England’s predicted volume (from bid)</th>
<th>Capita’s estimated service volumes (year 3)</th>
<th>Difference from maximum or minimum predicted volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments to GPs</td>
<td>83,000 – 124,000</td>
<td>148,000</td>
<td>+19%</td>
</tr>
<tr>
<td>Payments to opticians</td>
<td>15,605,000 – 19,073,000</td>
<td>18,228,000</td>
<td>Within range</td>
</tr>
<tr>
<td>Payments to pharmacies</td>
<td>112,000 – 168,000</td>
<td>43,000</td>
<td>-62%</td>
</tr>
<tr>
<td>Patient registrations and de-registrations</td>
<td>6,000,000 – 9,000,000</td>
<td>17,785,000</td>
<td>+98%</td>
</tr>
<tr>
<td>Medical records moved</td>
<td>4,960,000 – 7,440,000</td>
<td>8,531,000</td>
<td>+15%</td>
</tr>
<tr>
<td>Women invited for cervical screenings</td>
<td>3,566,000 – 5,350,000</td>
<td>5,616,000</td>
<td>+5%</td>
</tr>
<tr>
<td>Maintenance of performers lists</td>
<td>6,000 – 9,000</td>
<td>16,700</td>
<td>+86%</td>
</tr>
<tr>
<td>Number of market entry applications</td>
<td>2,180 – 3,270</td>
<td>1,270</td>
<td>-42%</td>
</tr>
<tr>
<td>Primary care providers’ supplies orders</td>
<td>18,800 – 28,200</td>
<td>242,000</td>
<td>+758%</td>
</tr>
</tbody>
</table>

**Note**

1. NHS England does not accept Capita’s estimate of service volumes as NHS England does not agree with the approach that Capita has used to calculate the volumes.

**Source:** National Audit Office review of NHS England and Capita documents
Part Four

The current status of Primary Care Support England

4.1 This part examines the current performance of Primary Care Support England (PCSE), the costs and benefits that have been secured to date and outstanding issues with the contract.

Current performance

4.2 NHS England told us it considers that PCSE’s performance has improved. In February 2018, Capita Business Services Ltd (Capita) reported that it was meeting 41 out of 45 of its mitigated performance indicators, where information was available (Figure 12), after taking into account factors Capita considered beyond its control. Capita was reporting one severe failure, which was for not notifying opticians that they had submitted an invalid payment claim within 30 calendar days. In November 2017, Capita reported it was meeting 40 out of 43 of its mitigated indicators, with one severe service failure. NHS England has not accepted Capita’s reported performance since May 2017 for 11 measures where there is a difference of view about how it should be calculated.

4.3 The unadjusted underlying performance provides a better indicator of the performance that primary care providers are experiencing on the ground. In February 2018, unadjusted performance was more variable (32 out of 45 indicators being met) with seven severe service failures. In November 2017, only 28 out of 43 unadjusted performance indicators were being met, with 10 areas of severe service failure. Paragraph 2.13 describes how unmitigated performance is influenced not just by Capita, but by other organisations, including NHS England.
In February 2018, Capita was reporting that it was meeting 41 out of 45 of its performance indicators after taking into account factors it considered outside its control.

<table>
<thead>
<tr>
<th>Service line</th>
<th>Mitigated performance – number of indicators by outcome</th>
<th>Raw performance – number of indicators by outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pass</td>
<td>Marginal or moderate failure</td>
</tr>
<tr>
<td>Cervical screening</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Customer support centre</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>GP and pharmacy payments and GP pensions</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Market entry</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Medical records</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>National performers lists</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Payments to opticians</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Registrations</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Supplies and logistics</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41</td>
<td>3</td>
</tr>
</tbody>
</table>

**Note**
1 NHS England has not agreed the factors that Capita considers outside its control.

Source: National Audit Office analysis of Capita data
4.4 NHS England considers that six out of the nine PCSE services are no longer experiencing significant issues, but are still subject to ongoing improvements (Figure 13). However, there remain significant concerns about three of the services.

- **GP payments and pensions.** There are problems with the completeness of GP pension records, including missing documents and inaccurate data, some of which pre-date the contract with Capita.

- **The national performers lists.** Significant issues with the accuracy of the performers lists remain, of which a small proportion pre-date the contract. There have been delays in both adding to and changing the lists that could compromise patient safety.

- **Payments to opticians.** Stakeholders report that the service is inconsistent and unreliable, with some late and inaccurate payments.

NHS England is in the process of agreeing action plans for these services with Capita, excluding GP pensions where it has commissioned consultants to assess the scale of the historic problem.

4.5 NHS England has reduced the support it provides to PCSE, and changed its oversight arrangements, now that it considers performance has improved. NHS England’s Oversight and Recovery Board met for the last time in June 2017, as it considered that the service had moved from crisis into recovery, and therefore the board had fulfilled its role. In January 2018, NHS England announced that it was also withdrawing the embedded management team from Capita. It told us that, while the team added to Capita’s capacity to deliver services, its presence made it more difficult for NHS England to hold Capita to account for its performance because some of its staff were performing key functions within Capita. NHS England has now reverted to contractual governance mechanisms for holding Capita to account, through the Service Management Board and Service Lines Boards. NHS England and Capita are in the process of developing a performance dashboard for each service, which covers operational delivery, quality, stakeholders and workforce.
Figure 13
The performance of Primary Care Support England, April 2018

<table>
<thead>
<tr>
<th>Service line</th>
<th>NHS England’s assessment of current performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cervical screening</td>
<td>Subject to ongoing improvement – NHS England considers that the core service is being delivered to the required service levels. There are no backlogs and letters to patients generally go out on time. Improvements are needed, particularly with respect to the management of screening incidents and communications with screening laboratories.</td>
</tr>
<tr>
<td>Customer support centre</td>
<td>Subject to ongoing improvement – NHS England considers that there has been significant improvement in the handling of phone calls. All queries are now properly logged. However, further improvements are needed to ensure timely and complete resolution of customer queries and complaints.</td>
</tr>
<tr>
<td>GP and pharmacy payments and GP pensions</td>
<td>Performance concerns – There are problems with the completeness of GP pension records, including missing documents and inaccurate data, some of which pre-date the contract with Capita Business Services Ltd (Capita).</td>
</tr>
<tr>
<td>Market entry</td>
<td>Subject to ongoing improvements – NHS England believes that overall the service is being delivered to standard. However, it has concerns that the end-to-end process is taking too long in some cases, sometimes due to factors which it agrees are outside Capita’s control.</td>
</tr>
<tr>
<td>Medical records</td>
<td>Subject to ongoing improvement – NHS England considers that the service has improved over 2017 and it is reasonably satisfied with the service provided. There are no backlogs and urgent requests for medical records are being responded to in expected timescales. Capita has implemented a bar code tracking system and a new patient medical records archive has been established. Over 98% of records are being moved within the 12-working-day target.</td>
</tr>
<tr>
<td>National performers lists</td>
<td>Performance concerns – The service has improved. Processing backlogs have been cleared and urgent removals are now being processed in required timescales, but significant issues with the accuracy of the performers lists remain. There have been delays in both adding to and changing the lists that could compromise patient safety. An online system to manage performers list applications is expected to go live in 2018, with the hope that this will help to better manage new applications.</td>
</tr>
<tr>
<td>Payments to opticians</td>
<td>Performance concerns – Stakeholders report that the service is inconsistent and unreliable. Payments are often late, inaccurate and in some cases not made at all. Service improvements have regressed since the initial rectification actions.</td>
</tr>
<tr>
<td>Registrations</td>
<td>Subject to ongoing improvement – NHS England are reasonably satisfied with the service provided. There are no backlogs. Patient registrations and new patient registration letters are being processed in expected timescales. There are some improvements needed, mainly around the quality of patient data.</td>
</tr>
<tr>
<td>Supplies and logistics</td>
<td>Subject to ongoing improvements – NHS England are reasonably satisfied with the service being provided. There are no shortages of products or backlogs and service level timescales are being met. Some improvements are needed, mainly around the management of stock. The majority of orders are now being placed through the online system.</td>
</tr>
</tbody>
</table>

Note
1 Covers the end-to-end performance of these services, not just Capita’s performance.

Source: National Audit Office review of NHS England documents
Benefits and costs

4.6 In the first two years of the contract, NHS England achieved savings of £60 million compared to expected savings of £64 million. NHS England has reduced the cost of delivering the service by 30% from £87.8 million in 2014-15 to £62.7 million in 2016-17. In 2016-17, NHS England’s costs included £41 million made in payments to Capita. It also spent £22 million on other related costs such as buying NHS forms, records archiving facilities and managing the PCSE contract.

4.7 In calculating net savings we note that NHS England has incurred extra costs as a result of the performance issues. NHS England’s costs include:

- Up to £3 million that it expects to pay providers in compensation or other payments.
- £2 million that it paid to GPs following its decision to pay each GP practice £250 in recognition of the additional workload caused by the issues. NHS England considers that GP practices have been impacted the most by the transformation as they are reliant on the broadest range of services.
- Extra resource spent on supporting the contract. This includes £1.7 million that NHS England spent on the expert management team. Its service management team spent £3.4 million on the day-to-day management of Capita’s performance since the contract started. However, NHS England does not collect data on the time that other NHS England staff have spent managing the contract, where this is incidental to their primary role.

We have taken these costs into account in calculating the net savings NHS England has achieved.

4.8 NHS England has not yet secured all the wider benefits to the service that it wanted to achieve. Capita’s transformation programme was scheduled to be completed by August 2017 but following the service issues in spring 2016, Capita slowed and then ceased any significant transformation work to focus on service recovery and then rectification. Capita has now developed standard operating procedures for all nine services. It told us that it took longer than expected due to the variation in the way providers delivered the service before the contract.

4.9 Capita’s transformation programme was delayed while it dealt with operational issues. It then had to re-plan the remaining aspects of the programme and secure agreement from NHS England and other stakeholders. Capita also held commercial discussions with NHS England on the scope of transformation and service dependencies. For example, the new system for moving patient records between GP surgeries was originally planned to be fully operational from June 2016. It had a phased roll-out completed in March 2018, a delay of 21 months. To provide an incentive to keep the transformation programme on track, some £36 million was held by an external lender and could only be accessed by Capita once it had achieved 29 transition and transformation milestones up to March 2017. The contract also set out procedures for resolving disputes including external arbitration. However, Capita was incentivised to transform as quickly as possible to minimise the cost of any delays, which limited the time that was available to test whether plans for transforming the service were achievable.
4.10 To date, Capita has delivered:

- a customer support centre, underpinned by a customer relationship management system that records previous contact with the customer;
- an online supplies and management portal for ordering NHS supplies and tracking the order; and
- a single courier for moving medical records and a central archive store.

NHS England has approved three more of Capita’s transformation plans, submitted in December 2017, with two yet to be approved (Figure 14 overleaf). NHS England removed the pharmacy payments work stream from Capita’s transformation programme.

4.11 NHS England owns the intellectual property rights to any software created to deliver the primary care support services. However, there are supporting systems, which were not specifically created to deliver these services, such as Capita’s telephony software, where NHS England do not own the intellectual property rights. The contract sets out that upon termination of the contract, if requested to by NHS England, Capita must grant or procure the grant to any software on terms no less favourable than those on which such software is usually made commercially available.

Commercial dialogue

4.12 NHS England and Capita have reached a full and final settlement of all known commercial issues for the first two years of the contract. This involved an additional payment from NHS England of £3.2 million. The settlement does not cover any losses relating to contract breaches such as delays in adding practitioners to performers lists. Capita has absorbed significant additional costs in excess of the £64 million losses it anticipated in the first two years, resulting in a £125 million loss over this period, including service credits and right-offs.

4.13 For the period from 1 September 2017, NHS England and Capita are currently in unresolved commercial discussions. The main areas of disagreement are:

- price bands – NHS England and Capita do not agree on the methodology for calculating the volumes of services (paragraph 3.15);
- uncertainties about which performance measures should apply and the methodology for measuring performance against these measures (paragraph 3.15);
- whether contract changes should be made for services that Capita considers are outside the scope of the original contract; and
- the financial costs of delays in delivering transformation and the dependencies on NHS England and NHS Digital to support transformation.

Because of the absence of an agreed basis for charging, Capita stopped invoicing NHS England for services from September 2017. Capita resumed invoicing in February 2018 on the agreement that it would not prejudice the commercial discussions.
Figure 14
Capita Business Services Ltd’s proposed transformation programme for primary care support services

Two of Capita’s transformation programmes have yet to be agreed by NHS England

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Work migration and site closure programme</td>
<td>Customer support centre</td>
<td>Supplies and logistics</td>
<td>Medical records</td>
<td>Performers lists</td>
<td>Ophthalmic payments</td>
<td>Cervical screening</td>
<td>Market entry</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A new online service for submitting and tracking performers lists applications</td>
<td>Introducing three options for opticians to submit claims for payments</td>
<td>A new online service for administering screening calls and recalls</td>
<td>Replacing multiple application forms for market entry with a single online application</td>
</tr>
<tr>
<td>GP payments and pensions</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>A new online service for submitting GP payments and pension claims, accessing pension information, looking up payment statements and viewing expected payment dates</td>
<td></td>
</tr>
</tbody>
</table>

- Completed
- Proposal approved by NHS England
- Proposal yet to be approved by NHS England

Note
1. Some transformation is outside of Capita’s control. For example, for the registrations service, NHS Digital plans to introduce a new system that simplifies patient registrations and de-registrations at GP practices.

Source: National Audit Office review of Capita documents
Appendix One

Our audit approach

1 This report assesses whether NHS England managed the Primary Care Support England (PCSE) contract effectively to secure the intended benefits. It examines whether NHS England:

- had a clear strategy for contracting primary care support services and understood the risks to achieving its objectives;
- has managed Capita Business Services Ltd’s (Capita’s) performance effectively against the requirements in the contract; and
- is on track to secure the expected benefits of the contract.

2 In reviewing these issues, we have applied an analytical framework with evaluative criteria that consider what arrangements would be best to manage the contract to secure the intended benefits. This framework drew heavily on our previous work on the commercial relationship lifecycle, in which we identified 20 issues that government needs to think about when contracting (Figure 15 overleaf).

3 Our audit approach is set out in Figure 16 on page 45. Our evidence base is described in Appendix Two.
We have identified 20 issues

1. Make time to develop strategy
2. Properly develop strategy
3. Tailor capability to risks and opportunities
4. Clarify commercial and operational balance
5. Maintain ‘organisational capability’
6. Be ‘an attractive client’
7. Be ‘an intelligent client’
8. Properly evaluate bids
9. Keep up competitive tension
10. Ensure shared understanding
11. Understand risks
12. Design performance measures that work
13. Manage your own obligations
14. Know what suppliers are doing
15. Show what you care about
16. Understand suppliers’ motivation
17. Plan for uncertainties
18. Work towards business-as-usual requirements
19. Think about contract end up front
20. Allow time to consider potential end of contract

Figure 15
Issues that government needs to think about when contracting

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

Appendix One

Figure 16
Our audit approach

The objective of government
To reduce the cost of primary care support services by 35% and transform and modernise the services.

How this will be achieved
A seven-year contract with Capita Business Services Ltd (Capita) to deliver primary care support services. Capita’s bid depended on it delivering a major transformation of services.

Our study
We examined whether NHS England managed the contract effectively to secure the intended benefits while reducing costs.

Our evaluative criteria
Does NHS England have a clear strategy for contracting primary care support services and a clear understanding of the risks to achieving its objectives? Did NHS England manage Capita’s performance effectively against the requirements of the contract? Is NHS England on track to secure the expected benefits while reducing costs?

Our evidence (see Appendix Two for details)
As part of our fieldwork we:
- analysed documents from NHS England and Capita;
- reviewed the contract using our contract management framework;
- reviewed the contract and actions taken using our guidance document Commercial and contract management: insights and best practice;
- reviewed lessons from our back catalogue of work on government contracts;
- interviewed officials at NHS England and Capita; and
- interviewed a range of stakeholders representing primary care providers.

Our conclusions
NHS England’s financial objectives for outsourcing primary care support services were ambitious. However, neither NHS England nor Capita fully understood the complexity and variation of the service being outsourced. As a result, both parties misjudged the scale and nature of the risk in outsourcing these services. The service to primary care practitioners, including Capita’s delivery of PCSE, has fallen a long way below an acceptable standard. This has had an impact on the delivery of primary care services and had the potential to seriously harm patients, although no actual harm to patients has been identified. NHS England was unable to stop Capita’s aggressive office closure programme, without cancelling the contract, even though it was having a harmful impact on service delivery.

While some services have now improved, it is deeply unsatisfactory that, two and a half years into the contract, NHS England and Capita have not yet reached the level of partnership working required to make a contract like this work effectively. Although NHS England has saved significant sums of money, value for money is not just about cost reduction. NHS England will need to address the current service failures over the remaining life of the contract if it is to achieve both the savings and service improvements it intended.
Appendix Two

Our evidence base

1 We reached our independent conclusion on whether NHS England managed the
Capita Business Services Ltd (Capita) contract effectively to secure the intended benefits
to cost and service transformation, from evidence collected between December 2017
and March 2018. Our audit approach is outlined in Appendix One.

2 We spoke to a range of staff across NHS England and Capita. This was
to understand:
   - why NHS England chose to contract out these services;
   - the business objectives of the PCSE contract and the award of the contract
to Capita;
   - governance, monitoring and oversight arrangements for the contract;
   - what information was available on services before, and after, the award of
the contract;
   - the root causes and extent of service failures;
   - the impact of service failures on patients and primary care providers;
   - what action was taken by NHS England and Capita to address the issues identified;
   - what progress has been made; and
   - what is the current position with the contract.

3 We requested and reviewed key documentation and data from NHS England
and Capita. Documents requested and reviewed related to the questions set out in the
previous paragraph. Documents included:
   - business case and tender documents;
   - correspondence between NHS England and Capita regarding the PCSE contract
and performance issues;
   - information on costs and benefits;
   - performance reports; and
   - minutes of relevant NHS England board meetings and internal audit reports.
4 We visited Capita’s primary care support offices in Blackburn, Leeds and Preston. This was to better understand each of Capita’s nine primary care support services. Topics covered for each service included key processes, aspects of performance that depend on other providers and challenges.

5 We interviewed a range of stakeholders. This work was designed to obtain views on the issues being experience by primary care providers and the reasons for these issues. We consulted with the British Dental Association, the British Medical Association, the Local Optical Committee Support Unit, the Optical Confederation, the Pharmaceuticals Negotiating Committee and the Royal College of General Practitioners.
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