

Skipton House
80 London Road
London
SW1 6LH

Henrietta Alderman
Chief Executive
Association of Optometrists

Sir Anthony Garrett
Chief Executive
Association of British Dispensing Opticians

David Hewlett
Chief Executive
Federation of (Ophthalmic and Dispensing) Opticians

Katrina Venerus
Managing Director
Local Optical Committee Support Unit

7 September 2016

Dear Henrietta, Sir Anthony, David and Katrina,

Re: Concerns regarding the Primary Care Support England (PCSE) service being delivered by Capita.

Thank you for recently meeting with me to discuss your continued concerns regarding the Primary Care Support England (PCSE) service, which is provided for NHS England through a contract with Capita.

I absolutely share those concerns. I would like to reiterate the apology I made personally when we met recently for the issues that have persisted over recent months with getting PCSE to make timely and accurate payments to optical practices, and subsequently to swiftly respond to and resolve any queries. I recognise the significant impacts these issues can have on cash-flow for the many small businesses, as well as the burden of having to spend time resolving the payment issues.

Capita has delivered an unacceptable service recently, which falls way below the standard of service that we commissioned them to provide. It is a top priority for me to ensure Capita address their performance and resolve all the current issues as fast as possible. Progress has been made but we know that the level of queries relating to missed or incorrect payments is still too high.

We have been rigorously holding Capita to account since the start of the contract. When Capita took over the service, NHS England established a dedicated Service Management Team and regular service management processes to monitor the operational performance and transformational changes to the service. These include monthly Boards, which I chair, to hold Capita to account for operational performance, against contractually agreed measures, and their transformation plans. I also hold regular meetings with Capita's Chief Operating Officer about performance. We have also continued the Stakeholder Forum we set up last year, to ensure that the views of stakeholders with respect to the operational service and transformational changes are heard.

Our management scrutiny and processes are underpinned by a number of robust contractual mechanisms designed to ensure that PCS services are delivered in line with our expectations. These include applying financial service credits where agreed performance targets across service lines have been missed. We are already applying such regimes to Capita. There are also mechanisms to monitor and ensure compliance with information governance requirements, and a 6-monthly user satisfaction survey which is part of the performance indicators.

Since April, when issues started to emerge, we have scaled up the operational management scrutiny such that there are now daily performance meetings. This is working to drive improvement, albeit not as fast as we would all wish. In May, Capita developed an Operational Improvement plan for the issues then experienced in the Customer Support Centre, supplies and ophthalmic payments. As a result we have seen improvements in these areas though there remains more to do as we know the improvements are not complete or consistent.

More recently, issues have emerged in other areas, including managing the applications to the National Performers List, especially for trainees. These services are included in the daily performance meetings.

I am reassured that Capita has recognised the scale of the issues, are very committed to resolving them and has accordingly taken significant steps to bolster their operational capacity and capability within PCSE. I think it is important that Capita provide more detail to practices on the changes they have made and the steps they are taking over coming weeks. I know they plan to do this imminently.

We are grateful for all the help and support Katrina has provided and most recently for input into a refreshed action plan that we have agreed with Capita, covering the key actions needed to fully affect recovery of the service. This includes increasing the management and operational resources, process improvements including greater use of batch submission headers, and tighter tracking on submitted claim forms. We expect that the action plan will deliver an ophthalmic payments service which is stabilised by the end of October and that all the residual issues relating to recent months fully resolved by the end of December. This will need to include the full

reconciliation of payments made against claims for the affected period. We have committed to share the weekly performance information we receive with Katrina to provide visibility of progress over coming weeks.

I also know that many practices and LOCs are frustrated that they are unable to get some issues addressed in a proactive and timely way. I have, therefore, also commissioned an assurance review to look at the interfaces between PCSE and local stakeholders to ensure that robust mechanisms exist for the feedback and resolution of local issues and promote more proactive communications.

I know that you and your members will be concerned about further changes to the services. We are taking stock of the remaining planned changes, with Capita, to ensure their plans reflect learning from recent experience. As a result, more time is being built into plans for testing and managing local transition. I will also ensure there is greater stakeholder representation within the Project Boards which will oversee changes to each service line, to ensure that stakeholders have a strong voice to influence the design and implementation of future changes.

I am confident that there is now real commitment and resource going into driving recovery across PCSE. I do expect you to see improvement over the coming weeks as outlined above. I remain committed to working closely with you and our stakeholders and we will continue to pay close attention to your feedback to validate that necessary progress is being made.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Karen Wheeler". The signature is written in a cursive, flowing style.

Karen Wheeler
National Director: Transformation and Corporate Operations