



Department  
of Health

[www.dh.gov.uk](http://www.dh.gov.uk)

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Dear Colleague

**RE: Expiry of the CSC Local Service Provider Contract in August 2016**

I am writing to inform you of the expiry of the CSC Local Service Provider (LSP) contract on 7th July 2016 and the need for you to take action in order to secure continuity of these services after the contract expires.

The LSP contract provides a range of fourteen solutions to over 180 NHS organisations across the North, Midlands and East region, including your own. The Department of Health (DH) has paid all supplier costs for the initial implementation of the systems and will pay service management charges (including licence costs) up until contract expiry. The exception to this is new deployments of Lorenzo going live after the signing of the Interim Agreement with CSC on 31st August 2012. These deployments will continue to receive centrally funded service for a period beyond July 2016 based on their implementation date.

Your organisation needs to establish its own arrangements and funding for future service provision. Given the complexity and the time required for organisations to secure replacement services and the process of safely managing a timely exit from the contract, it is essential that you start planning for replacement services now.

If you have not already done so, you are advised to ensure that your organisation:

- Understands the benefits it gets from the existing service;
- Understands the benefits the replacement system can deliver articulating them clearly in a future business case;
- Undertakes planning to ensure continuity of critical clinical services post 7th July 2016;
- Plans for procurement of replacement services and exit and transition from current service providers;
- Develops business cases and secures funding to cover all the costs associated with the procurement of a replacement service and the transition of service.

There is considerable clinical, financial and operational risk to your organisation for failing to put in place a successor service. Similarly, there will be a considerable risk during the exit from the current service and during the transition to a new service.

The investment to be made by your organisation in any replacement will be significant, and the solution chosen will have a major impact on Trust performance during its lifetime. Focus on delivering benefits during the remaining contract life is essential given the significant amount of public money invested. Understanding the benefits the replacement service will deliver should be a key part of your future business case.

There is a commitment to provide your organisation with support and guidance to make the transition to a replacement service as efficient and seamless as possible. CSC LSP Programme Benefits Teams are available to help your organisation understand the benefits achieved to date, and how these might be built on. .

To ensure that we are fully engaged with the right people in your Trust, I would be grateful if you would confirm the name of your lead for CSC LSP exit and service transition (email [CSCExit@hscic.gov.uk](mailto:CSCExit@hscic.gov.uk)). HSCIC's Exit and Transition Team will then work with your lead to ensure the safe and orderly exit and transition to your future service.

If you have any specific questions at this time, could you please direct them to [CSCExit@hscic.gov.uk](mailto:CSCExit@hscic.gov.uk) in the first instance.

Yours sincerely,

**Tim Donohoe**  
**SRO for the Local Services Provider Programmes**