



Department  
of Health

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To: South and London Trust CEs and CIOs

Vantage  
Via Email

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2nd December 2013

Dear Colleague,

**RE: Update on the arrangements for exit from the BT Local Service Provider (LSP) contract**

I am writing to set out the current position regarding exit from the BT LSP contract. This letter follows those sent by Dame Ruth Carnall to London Trusts and Candy Morris to Southern Trusts in January this year. I am also asking you to provide information on your Trust's position by 13<sup>th</sup> December to enable detailed planning to commence.

**Planning for exit**

We have now gained agreement in principle to an approach for managing and funding exit from the BT LSP contract and more details of this approach are given below. Additionally I have recently met with Ian Dalton, President of BT Health and BT have committed to work with us to plan and cost the activity for the remaining contract term by the end of January 2014, to enable a business case to be developed for the exit arrangements.

I have notified BT that, subject to business case approval, our intention is to pay service charges for the services deployed under the contract through to expiry, to minimise any breakage costs for the early exit of Trusts. Where a replacement supplier will theoretically receive two service charge payments (from BT and direct from a Trust) for the same period, for broadly the same product or service, Trusts supported by the Department will need to negotiate with the replacement supplier to ensure that duplicate payments are not made.

Due to the number of Trusts in the contract a phased exit will be required prior to contract expiry. All Trusts should therefore be making progress with preparations to exit before the contract expires on 31<sup>st</sup> October 2015.

It is our intention to negotiate a mutually agreeable exit arrangement with each Trust and that, subject to achieving this, the Department will not seek to claim compensation from your Trust for any breakage costs claimed by BT. There is an assumption that Trusts will exit in the final year of the contract, with the exception of a small number of earlier “pilot” Trusts to enable exit processes to be tested.

Where Trusts have not taken appropriate action to transition to alternative service arrangements by 31<sup>st</sup> October 2015, they will need to cover the costs of any continuation of service beyond the contract expiry.

### **Action required**

We are now commencing detailed planning and budgeting activity for the remainder of the contract to secure funding for exit and transition. I would therefore like to confirm your Trust's plans for any remaining deployment activity under the current contract and your exit plans. I understand that there are dependencies that could mean you are not able to declare firm intentions however please confirm the following by **13<sup>th</sup> December 2013**:

- 1. Your replacement supplier, or, if not known, your procurement plans;**
- 2. Your deployment intentions for the remainder of the BT LSP contract (whether these can be supported will be subject to demonstration of a suitable investment case);**
- 3. For London Acute Trusts: please confirm which of the elements of your Trust's CCN4 roadmap you are committed to deploy and by what dates;**
- 4. For Southern Acute Trusts: please confirm whether you are considering the deployment of any additional Cerner modules and by what dates;**
- 5. For Community and Mental Health Trusts (that have not submitted a RiO Release 2 Slot Notification Form): please confirm whether your Trust will take the RiO R2 upgrade and whether, if your Trust has multiple instances of RiO, your Trust wishes to merge the instances before exit;**
- 6. Your preferred exit date (this will be considered an intended date until your Trust has awarded a contract to a replacement supplier and BT has confirmed their capacity to support the date).**

You may feel that you have already provided this information, however it is important we baseline the exit plans with BT with information provided directly by your Trust.

Please email your organisation's response to Clare Cottrell ([clare.cottrell@hscic.gov.uk](mailto:clare.cottrell@hscic.gov.uk)).

## **Benefits realisation**

Achieving better patient outcomes and greater operational effectiveness is central to making the investment case for ICT. As part of the exit, I will be seeking your assistance in quantifying benefits achieved to date, and your forecast outturn to when you plan to stop using the product. I anticipate this work will be helpful in making the investment case for your replacement system and I will provide more information on this in due course.

## **Support available and next steps**

The HSCIC team (acting as DHs agent on the BT LSP contract) are available to support your response or decision making as needed. Please do not hesitate to contact either the BT LSP Exit Manager for London ([kiron.briggs@hscic.gov.uk](mailto:kiron.briggs@hscic.gov.uk)) or for the South ([sarah.jackson6@hscic.gov.uk](mailto:sarah.jackson6@hscic.gov.uk)).

At the point at which a formal agreement is made with BT on behalf of your Trust, you will be asked to sign a simple Memorandum of Understanding with the Department which will set out any liabilities for changes to that agreement. As a general principle, priority will be given to Trusts who can use their agreed exit slot. If a delay is incurred because of a Trust operational decision that take them outside their agreed slot, then the Trust may be liable for the costs incurred.

I would urge you to continue to progress with your local procurement activity in a timely manner to ensure that your future options are not limited because of the relatively short time remaining before contract expiry.

I will continue to keep you updated with developments from the London and Southern Exit Board over the coming months. In the meantime if you require any further information, please do not hesitate to contact me.

Yours sincerely,

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