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CIVIL SERVICE PENSIONERS' ALLIANCE

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GROUP CIRCULAR 990 / 26

To: Branches, Groups and Executive Council **22 July 2026**

Dear Colleague

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1) **PAC/PACAC Joint Session on 8 July to Review Capita's Performance**
The Public Accounts Committee and the Public Administration and Constitutional Affairs Committee held a joint evidence session (8th July) on the administration of the Civil Service Pension Scheme. The session focused on Capita's failure to deliver acceptable service levels, the scale of unresolved pension and bereavement cases, the Cabinet Office's response, and the longer-term question of whether the service should be brought back in-house.

The Committees heard from the Rt Hon Nick Thomas-Symonds MP (Cabinet Office Minister), Cat Little CB (Cabinet Office Chief Operating Officer/ Permanent Secretary), Andrew Forzani (Cabinet Office Chief Commercial Officer) and Angela MacDonald (HMRC Deputy Chief Executive/Permanent Secretary) who has been heading up the Government's Recovery Taskforce.

Later in the Session, the Committees also questioned Adolfo Hernandez (Capita Group's CEO), Richard Holroyd (CEO of Capita Public Services) and Chris Clements (Capita Pensions MD).

You can view a recording of the Session here - Parliamentlive.tv - Public Accounts Committee and Public Administration and Constitutional Affairs Committee and you can access CSPA's news item on the website here - Parliamentary Scrutiny Intensifies Over Civil Service Pension Scheme Failures - CSPA

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In the lead up to the joint session, the GS wrote to the Chair of the Public Accounts Committee, Sir Geoffrey Clifton-Brown MP and to the Chair of the Public Administration & Constitutional Affairs Committee, Simon Hoare MP.

The day before the session, CSPA's DGS and Pensions Manager met with Sir Geoffrey Clifton-Brown MP and Clive Betts MP, Deputy Chair of the Public Accounts Committee, to discuss both individual member cases and our broader concerns. We highlighted ongoing difficulties experienced by members and outlined continuing failures of the Scheme's administrators.

During the Session, members from both Committees expressed significant concern about the continued impact on pension scheme members and bereaved families and questioned both the Cabinet Office and Capita on accountability, recovery plans and the future delivery of the Scheme.

The scale of the backlog remains substantial. Paymaster General and Minister for the Cabinet Office, Rt Hon Nick Thomas-Symonds MP, confirmed that service levels had not returned to normal by the end of June, with more than 6,700 outstanding pension quotations for past retirement dates and over 4,100 unresolved bereavement cases. Officials reported around 111,700 outstanding pieces of work, compared with a normal operating level of approximately 55,000. There were also 3,127 delayed pension payments, including 1,800 delayed by more than 30 days, alongside 16,876 bereavement cases awaiting action, 618 death-in-service cases and 429 ill-health retirement cases. Since Capita assumed responsibility for the contract, around 377,000 items of work have accumulated, including approximately 90,000 inherited cases.

CSPA member cases were highlighted by Clive Betts MP with the Minister for the Cabinet Office, with Nick Thomas-Symonds requesting that the member case examples raised were passed on to him.

The Cabinet Office outlined the actions it had taken since January, including deploying the Taskforce recovery team and 140 additional staff. They stated that whilst telephone waiting times had reduced and operational performance had improved, the service remains far from acceptable. Capita is expected to fail 16 of 21 key performance indicators (KPIs), has been placed into contractual default, and has already had £9.9million of payments withheld, with further financial penalties being considered.

A key focus of the session was Capita's failure to deliver the technology and automation promised during procurement. Cabinet Office officials said they had received assurances that systems would be ready, but technology and data issues emerged following transition and played a major role in

creating the current backlog. Independent auditors and Remedial Advisers have now been appointed to scrutinise Capita's recovery plans, data, technology and operational processes.

Capita apologised for the disruption caused and attributed the failures to scheme complexity, poor-quality historical data and technology problems. The company stated it has increased processing capacity and expects to clear most existing retirement cases by 1 September, although around 600 highly complex cases may take longer to resolve. It also expects to resume normal Service Level Agreements from 30th September.

The hearing also highlighted growing Government interest in alternative delivery models. Ministers confirmed that all options remain under consideration, including bringing the administration of the Civil Service Pension Scheme back in-house. The contract was described as a strong candidate for future insourcing, subject to building sufficient capability to manage a scheme serving around 1.7 million members.

Overall, the session reflected strong cross-party frustration at the ongoing service failures, with both Committees making clear that confidence will only be restored through demonstrable improvements in delivery and the reduction of the substantial backlog facing scheme members.

2) **CSPA in the media**
The joint session has also led to increased media requests to CSPA. Below is some of the latest media coverage.

The Times article – including a CSPA member interview - Capita share price slides after pension scheme failings

Daily Express article - Deputy General Secretary quote - Outrage as thousands of pensions payments delayed for months – 'persistent failures' | Politics | News | Express.co.uk

BBC Reporting Scotland – Deputy General Secretary interview – 8th July – Approximately 8 minutes in. BBC iPlayer - Reporting Scotland - News at Seven: 08/07/2026

BBC Radio Scotland – Pensions Manager interview – 8th July - Approximately 13 minutes in. Lunchtime Live - 08/07/2026 - BBC Sounds

3) **Latest Recovery Taskforce Update #12**
Taskforce Update #12 was published on 10 July 2026 and can be viewed on the CSPS website here - Recovery Plan Updates
As Angela MacDonald is retiring, the update was from Richard Vianello, the newly appointed Director of Civil Service Pensions at the Cabinet Office, who will be leading work to improve the service going forward. He said he would

continue issuing fortnightly updates on the Scheme's recovery, to keep members informed, and thanked Angela MacDonald for her work.
In response to the Ministerial Statement of 6 July (see below), the update reported on the next stage of continued contractual interventions, which includes:

- The execution of contractual rights to deploy independent auditors to review Capita's systems, IT infrastructure, data integrity and statutory compliance, and
- The appointment of an on-the-ground Remedial Advisor, at Capita's expense, to force day-to-day operational rectification.

The update went on to say that Richard Vianello would be meeting with Capita within a week to review their workplans in detail. As a bare minimum, he said he was expecting Capita to demonstrate at a 'granular level' what they were putting in place to improve productivity and the throughput of cases, alongside a realistic timeline with regular milestones.
The Cabinet Office's core Pensions Team was to be increased, to offer the necessary capacity and capability to hold suppliers to account, improve services and plan for the future.
A copy of the full Taskforce update is attached for your information.

4) **Ministerial Statement on 6 July and House of Commons Briefing Paper**
Paymaster General and Minister for the Cabinet Office, Nick Thomas-Symonds MP, told the House of Commons on 6 July that Capita had 2 years of transition to prepare, with their senior leadership having given him "explicit personal assurances" ahead of the handover that they were ready for the transition and capable of managing the workload.
He said it was clear that non-delivery of technology had been a fundamental part of Capita's inability to deliver the service required, with their systems being overwhelmed and the backlog skyrocketing to 120k unresolved cases.
The Minister set out the ways in which he had intervened by establishing the Recovery Taskforce but said that Capita had subsequently failed to meet the two critical recovery targets they had committed to, in both April and June.
He said he knew that many MPs were calling for the immediate termination of Capita's contract and the insourcing of the service, and that if he could he would do this straightaway. However, he could not do so without causing severe disruption to the payroll, so he had to manage this in ways that would allow the payroll to continue to operate effectively.
The Minister said that he could not "create an immediate, catastrophic operational vacuum" or "replace a complex pension operation overnight". However, he would bring together a broad range of stakeholders and

experts to consider, in line with the Government's strategy, how scheme members can best be served by a long-term, durable delivery of the scheme. "Let no one think that I or the Government are accepting the status quo. This episode highlights the severe limitations of outsourcing the civil service pension scheme. I say openly to the House that if I could insource this operation today, I would do so. Nonetheless, it is Government policy to insource, in line with our manifesto commitment to deliver "the biggest wave of insourcing of public services in a generation", and this pension scheme could be a prime candidate for insourcing in the future."

You can access the full Statement on Hansard here - Civil Service Pensions - Hansard - UK Parliament
A copy of the House of Commons Research Briefing, published on 20 July, which also contains the Ministerial statement, is available here - https://commonslibrary.parliament.uk/research-briefings/cbp-10479/

5) **Civil Service Pension Board**
On the 26 June, the GS had an hour-long meeting with Alan Pickering, Chair of the CSPB. He expressed his sincerest thanks to CSPA for their hard work in supporting members through this difficult time, which he was aware of, and he praised CSPA's approach towards him, Cabinet Office colleagues and others battling to cope with the crisis – saying it was "supportive" but not "in a supine way but in a thinking way", being both "proactive and pragmatic" in the face of the issues.

The GS outlined CSPA's over-riding concerns about the way the transition had been handled, saying questions had to be asked and lessons learnt, once proper account had been taken of:

a) The state of the service under MyCSP, prior to the transition to Capita,

b) The quality of the data sets that were held and why so much service-related data seemed to be missing from members' records,

c) Whether the transfer could have gone better if Capita had been given access to Scheme data earlier, to enable proper systems testing to take place,

d) Whether there had been adequate resourcing on both sides of the contract, especially management expertise – as the need for the Taskforce intervention suggested it was a failure of management, on the part of both Capita and the Cabinet Office,

e) Whether the established pattern of 7-year contract cycles was fit for purpose for the Scheme's administration and whether the risk of disruption to services at each point of transfer could be avoided,

f) The need to consider insourcing the service as the only option which avoided transition risks in the longer term,

g) The need to have planned for a possible over-run of work on The Remedy (McCloud) as a contingency within Capita's appointment from the start, reducing the consequent and ongoing delays to the implementation.

CSPA's request (GS letter dated 27 January), for CSPA to be granted a seat on the Civil Service Pension Board, in view of the many retired members we represent was also discussed. Alan Pickering said he had no objection to CSPA representation, but it was not within his powers as Chair to grant such a request. He tasked Mick Mulligan from the Cabinet Office with providing CSPA details of who to write to in this regard.

We will keep the members updated on further progress on this, further to last year's AGM motion A20/25.

A follow up, introductory meeting is to be arranged with the incoming GS.

6) **Further reading on the CSPS situation –**
i) Civil Service World – 9 July 2026 – CSPS 'months' away from recovery
Civil Service Pension Scheme 'a few months' away from recovery, MPs told
ii) Civil Service World – 17 July 2026 – Cabinet Office details 'capacity boost'
Pension scheme crisis: Cabinet Office explains 'capacity boost' for compensation claims
iii) The Guardian – 20 July 2026 – Retired UK civil servants failed by pension outsourcing, government says
Retired UK civil servants failed by pension outsourcing, government says | Civil service | The Guardian

7) **New Prime Minister's Appointments, Priorities and Announcements**
As you will likely be aware, Andy Burnham became Prime Minister on 20 July and delivered his first speech outside Downing Street that afternoon.
In his remarks, he:

- acknowledged the need to "raise his game" and meet the challenges facing the country
- said politicians had not been good enough for too long and pledged to change this
- reiterated his criticism of the political and economic approach of the past 40 years
- announced that he would publish a 10-year plan for Britain later this year, setting out his long-term vision and how the Government intends to deliver it
- confirmed that he would set out his first major policy proposals later today

- committed to ending rough sleeping as his first major policy priority
- called on the country to work together to build a Britain that works for everyone

The Prime Minister subsequently appointed his Cabinet. Appointments likely to be of particular interest include:

- Chancellor of the Exchequer – John Healey MP
- Secretary of State for Work and Pensions – Pat McFadden MP
- Secretary of State for Health and Social Care – Yvette Cooper MP
- Secretary of State for Transport – Heidi Alexander MP
- Secretary of State for Housing, Communities and Local Government – Angela Rayner MP
- Home Secretary – Shabana Mahmood MP
- First Secretary, Chancellor of the Duchy Lancaster – Louise Haigh MP
- Chief Secretary to the Treasury – Emma Reynolds MP
- Minister of State, Ministry of Housing, Communities and Local Government – Matthew Pennycook MP

You can access the BBC's interactive web page on these appointments here – Who's in Andy Burnham's new Labour cabinet? - BBC News

Further junior ministerial appointments are expected over the coming days.

During Andy Burnham's Makerfield by-election campaign, and subsequently, he has indicated his commitments to:

- Tackling the cost-of-living as a matter of urgency,
- Maintaining the triple lock to uprate State Pensions (although there are also indications to the contrary),
- Bring forward urgent social care reform and the delivery of a national care framework,
- Consider uplifting the Personal Income Thresholds that are dragging those on lower incomes into both the lower and higher tax brackets,
- Meet commitments to increase spending on defence,
- Look again at how WASPI women might be compensated.

Predictions are that there will be a stream of announcement through the summer and in the run up to the new Chancellor's Autumn Budget Statement.

Andy Burnham has already announced, on the 21 July, action to cut VAT on electricity bills from the 1st October – this is to be funded by savings generated by his scrapping of the Digital ID Programme.

CSPA and LLA are to write to the new Prime Minister and Cabinet Ministers, welcoming them to their posts and setting out our campaign 'asks'.

8) **Group and Branch Feedback – Recruitment Initiatives**
In **GC 988/26** (item 9), we shared the Recruitment Strategy Work Plan, which had a range of ideas and activities that Groups and Branches might be able to undertake at a local level. Local activity complements the national recruitment plan, with the shared goal of growing membership, retaining existing members and encouraging greater involvement in Groups and Branches.

We'd really appreciate getting any feedback on the actions your Group or Branch has taken:

- What worked well in your area?
- What didn't work so well?
- Were there any barriers or challenges that made local recruitment more difficult?
- What activities generated the most interest or engagement?
- Are there any examples of good practice you'd like to share?
- What other actions or ideas could we try next?
- What support, resources, or guidance would help your Group or Branch with future recruitment activity?

Please feedback to the Deputy General Secretary, Jonathan Safir - jonathan.safir@cspa.co.uk

9) **New General Secretary's Appointment**
I am nearing my last week as your General Secretary before I retire at the end of July. It has been an immense privilege to serve CSPA members in this role over the past 3 years, which have presented both challenges and opportunities. I am pleased to announce that my replacement will be Josie Irwin, who is to take on the role from the 24th August. Josie comes to CSPA from UNISON, where she headed up their Equalities Unit, including responsibility for supporting the work of 170,000 retired members. This has involved her in campaigning on issues aligned with many of CSPA's priorities. I am sure that you will make Josie feel welcome and I wish her every success in taking our work on behalf of CSPA members forward.

If you have any questions or require any further information about the matters covered by this Group Circular, including printed copies of documents and articles on web links, please don't hesitate to contact me, either by email at sally.tsoukaris@cspa.co.uk or by telephone on **020 8688 8418 (Office).**

Yours sincerely

Sally

Sally Tsoukaris, General Secretary, **Civil Service Pensioners' Alliance**