

Branch Briefing BB-71-26

To: Branch Chairs, Secretaries and Workplace Representatives

12 October 2026

Capita Performance and Ongoing Pension Administration Issues

The latest meeting between unions and the Cabinet Office highlighted continuing concerns about Capita's performance in administering the Civil Service Pension Scheme. While the Cabinet Office maintains that some service levels are within those required by the Service Level Agreement, PCS and other unions remain concerned that this is only being achieved through substantial intervention by civil servants and does not reflect sustainable improvements within Capita itself.

A new 'dashboard' is being produced, which, we are told, will allow unions to chart progress against backlog clearance targets.

It is estimated that the cost to the public purse of deploying civil servants to support Capita, including opportunity costs, runs to around £12 million. Simply put this means that the taxpayer is paying twice for this chaos to carry on.

Two 'independent' reports – a technical audit and a report by the Remedial Advisor – will be published imminently. Unions have called on the Cabinet Office to share the reports with unions, but the department is currently resisting doing so.

PCS are meeting directly with Capita to discuss the escalation of a number of members' cases, where those members are suffering real hardship, because of Capita's failures.

1. Capita Performance Update

New Performance Dashboard

The Cabinet Office confirmed that, by the **week commencing 12 October 2026**, a new performance dashboard will be introduced. This is intended to provide greater transparency around:

- Progress in clearing case backlogs.
- Resolution of cases that have become "stuck in the system".
- Performance across different categories of pension administration work.

This, we are told, should provide unions with clearer evidence of whether the recovery plans are delivering meaningful improvements.

Six-Week 'Quote Clearance' Target

Capita has committed to processing pension quotes within six weeks; and unions stressed that this commitment provides a clear test of Capita's recovery progress. If quote requests

submitted in **early October** are not completed by **mid-November**, it will indicate that the processing problems remain unresolved.

Concerns Over Service Level Agreement (SLA) Claims

PCS challenged repeated Cabinet Office claims that in a number of areas, Capita is now operating within agreed Service Level Agreement (SLA) standards. The union's position remains that even if this is happening, these targets are only being met because:

- More than 150 Surge and Rapid Response Team staff remain deployed.
- Additional support has been provided by a number of Senior Civil Servants.

PCS once again argued that Capita should not be regarded as genuinely meeting contractual standards until it can achieve them without extensive and direct support from government staff. The Cabinet Office rejected this interpretation, arguing that there is a distinction between the service delivered to scheme members and the fact that the contractor requires external assistance to deliver it.

Civil Service Support - Cost to the Public Purse

PCS secured confirmation that civil servant support provided to Capita is estimated to cost approximately **£12 million** over the full year.

While the Cabinet Office stated that efforts are being made to recover costs from Capita, the final amount remains subject to ongoing commercial negotiations.

Trade Union Concern: Members may reasonably question why taxpayers and civil servants are carrying significant costs to support a private contractor that is already being paid to deliver the service.

2. Independent Technical Audit Report

The Cabinet Office advised that the independent technical audit report was expected to be received on **9 October 2026**.

Officials acknowledged multiple failures within Capita's operation, stating that:

- Performance has been poor.
- Communications have been poor.
- Technical capability has been insufficient.
- Change management processes have been inadequate.
- Workload forecasting has been poor.

This represents one of the strongest official acknowledgements to date of the breadth of failings that have contributed to the current crisis.

PCS will be seeking full transparency regarding its findings.

3. Remedial Advisor's Report

A second report, prepared by an independent Remedial Advisor, is also due.

Scope of the Report

The report is expected to:

- Assess actions already taken to address the crisis.
- Identify further improvements that remain outstanding.

- Evaluate whether Capita achieved its latest recovery milestone, which was set for **30 September 2026**.
- Ministerial Statement Expected

The Cabinet Office confirmed that a more detailed statement from the responsible Minister is expected later in October.

PCS again requested publication of the Remedial Advisor's Report; but the Cabinet Office again refused to commit to publication. However, the department added that the request would be considered further, following discussions with Commercial colleagues.

4. Escalated Member Cases and Complaints

Escalation Meeting

PCS confirmed that it would be meeting Capita later on **9 October**, to pursue a range of unresolved member cases that had already been escalated.

Delays to Compensation Payments

PCS raised concerns about Capita's approach to ex gratia compensation payments. Capita has stated that compensation claims must pass through multiple levels of review before being approved. PCS expressed concern that this appears to be another example of unnecessary bureaucracy delaying resolution for affected members.

Complaints Process Concerns

Some members have reportedly been told that they cannot submit complaints until they have received a response from the Pensions Ombudsman. The Cabinet Office confirmed that:

- It is aware of these reports.
- Such advice is unacceptable.

This is an important clarification for members seeking redress.

5. Other Procedural Issue

Injury Benefit Scheme Review

The Cabinet Office confirmed that administration of the Injury Benefit Scheme is currently under review. Officials stated that the existing process is considered inefficient and improvements are being explored.

6. PCS Position

PCS continues to argue that:

- Capita are still incapable of delivering the contract for the administration of the Pension Scheme
- Capita's apparent performance improvements are heavily dependent on civil service support.
- True recovery can only be demonstrated when contractual standards are achieved independently of Civil Service support.
- Greater transparency is needed around both technical failings and remedial measures.
- Members affected by delays deserve prompt compensation and effective complaint resolution.

Over the coming weeks, PCS will be closely monitoring:

- The new performance dashboard and whether it demonstrates genuine backlog reduction.
- Whether six-week quote processing targets are actually achieved.
- Whether the Technical Audit and Remedial Advisor reports.
- The Minister's statement later in October.
- Progress on escalated member cases and compensation claims.
- Whether Capita can sustain performance without substantial civil service intervention.

7. Conclusion

Although the Cabinet Office is claiming signs of improvement, unions remain unconvinced that the underlying problems have been resolved. We believe these claims are based around a “make Capita work” approach, one we do not accept.

Significant concerns remain about transparency, accountability, compensation for affected members, and the extent to which the current service relies on government resources rather than Capita's own capability.

PCS, alongside other unions, will continue pressing for full disclosure of the independent reports, proper accountability for contractor failings, and a resolution for members who continue to experience delays and administrative errors.

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