HOUSE OF COMMONS

Public Administration and Constitutional Affairs Committee

Oral evidence: The work of the Cabinet Office, HC 463

Tuesday 3 March 2026

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Watch the meeting

Members present: Simon Hoare (Chair); Richard Baker; Charlotte Cane; Sam Carling; Lauren Edwards; Simon Hoare; Peter Lamb; John Lamont; Mr Richard Quigley; Luke Taylor.

Public Accounts Committee member present: Clive Betts.

Questions 494-599

Witnesses

I: Catherine Little CB, Chief Operating Officer for the Civil Service and Permanent Secretary to the Cabinet Office; Caroline Patterson, Chief Financial Officer, Cabinet Office; David Foley, Interim Chief Executive of the Infected Blood Compensation Authority (IBCA); Angela MacDonald, Second Permanent Secretary, HM Revenue and Customs; Ellen Atkinson, acting Director General of Propriety and Ethics.

Examination of witnesses

Witnesses: Catherine Little, Caroline Patterson, David Foley, Angela MacDonald, Ellen Atkinson.

Chair: Good morning, colleagues, and welcome to this stellar line-up of senior faces from the Cabinet Office. You are very welcome, and thank you for joining us this morning for what is going to be a detailed and forensic overview of some pretty key issues at hand currently. We are broadcasting live on Parliament Live and, just to embarrass the permanent secretary, I give a special shout out to Mrs Little, Cat's mum, who watches her avidly on everything. She is probably now blushing to the roots of her hair that she has been named on Parliament television. Wherever you are, Mrs Little, welcome, sit comfortably and watch your little girl perform in front of us. Cat, you are welcome—you can give me that fiver later. Before we begin, do we have any declarations of interest?

Charlotte Cane: I am a member of the civil service pension scheme.

Q494 **Chair:** You said at the beginning of last month that there were around 8,500 pensioners who had not received a payment—that is a terrifyingly high, disappointing signal failure—and that 6,300 death-related payments were outstanding, with further cases of those about to retire or leave the civil service through voluntary exit. The figures seem to be moving around. Who has the definitive, up-to-date, robust and reliable figures?

Catherine Little: Good morning, Committee. I must reiterate my commitment to fixing this very unacceptable situation, as we have discussed previously. I am very grateful to this Committee and the Public Accounts Committee for their forensic investigation and support of the issues. I will turn to my colleague Angela, who is leading the recovery taskforce, but before I do, I would say that a really important part of our work is publicly and transparently sharing both our recovery plan—our milestones—and the very latest data. There is a gov.uk website that has the latest information, and it is updated every couple of weeks, but Angela has the definitive numbers.

Angela MacDonald: Good morning, Chair. Thank you for the opportunity to share. Since the middle of January, my responsibility has been to lead and work together in partnership with Capita to restore the service position. My total focus is on the experience of the members and getting this service back into recovery. Cat is right that there is an awful lot of information that we are trying—

Q495 **Chair:** Sorry to interrupt, but let us pause there. What is your assessment of why it needs to recover? What are the root problems?

Angela MacDonald: I have personally been to Capita and talked to frontline colleagues. I have seen all the core data—everything that we have seen. It is clear that a large number of members have not had their pensions or their deaths in service sorted or whatever for some considerable time—well before 1 December.

Q496 **Chair:** Why?

Angela MacDonald: We will do a review to understand exactly how we got to here. Apologies, but this predates my engagement with the issue. My responsibility is how we pick up those cases and move it forward. There are obviously cases that have accrued since 1 December, but by far the majority of the backlog well predates 1 December. When we therefore look at our complaints and at the members and their families in all sorts of circumstances, it is so important to address the issue, because many of them have been waiting many, many months. We absolutely will be doing a review to get to the bottom of what happened as we got to 1 December, what happened as we moved our way through the transition, and then what has happened under my leadership since. That will happen in early summer, but at the moment, I am focusing all my priority and all my teams on addressing the situation for the members.

Q497 **Chair:** It is laudable that somebody is focused on trying to resolve the backlog, but there are people retiring from the civil service every week and every month. I am now slightly worried that if it is going to be, "Let's clear the backlog first," the backlog will probably only be added to, if there is a root problem in the initial administration. You may clear the backlog, but find it added to as further people retire and find that they are in exactly the same position. We would find ourselves in a rather dystopian version of "Groundhog Day". Surely we can walk and chew gum, and address the backlog while identifying what the key problems are in order to ensure that they are simultaneously being eradicated?

Angela MacDonald: That is absolutely what we are doing. Recovery is not—

Q498 **Chair:** That is not what you said though, with respect. You said that there would be a review afterwards.

Angela MacDonald: No, apologies. What I mean is in terms of decisions made and actions taken. I spent all day yesterday with Capita. I speak to the managing director of Capita Pensions three times a week. We are working very hard on all the plans for improving the automation, making sure that the portal contains everything that is supposed to contain, and driving delivery, because success is not only solving the inherited cases; it is bringing the whole service back into normal service level agreement, and that is what we are doing.

Q499 **Chair:** Let me just ask this question: if these were teething problems on a new phenomenon called "civil service pensions", one would expect those problems, but people in the civil service have been retiring since Adam was a boy. People in the civil service, when they retire, have been receiving their pensions. What nobody seems to have a handle on is: what is the root cause—or causes—of this enormous backlog?

Catherine Little: Could I have a go at answering that question directly? I think that there are a number of things to restate and that build on what I have said to this Committee and the PAC previously. First, the size of that backlog and the issues with performance had been present under the previous administrator, which was MyCSP. What became very clear, closer to the transition and as due diligence was taken on that backlog, was the complexity and the ageing of the cases that had been left outstanding.

From a Cabinet Office perspective, we performance manage and contract manage our suppliers to deliver against a level of service level agreements and outcomes. It is perfectly possible for a supplier to be able to reach its service agreements while there are issues within the outstanding cases that have not been dealt with. We have identified that there were lots of issues with the backlog that were passed over to Capita.

Q500 **Chair:** What is your understanding of why there should be a backlog in the first place? Is it a lack of personnel to process? One knows the date that somebody is going to retire, and one knows the contributions that they have made to their pension scheme. It is not nuclear physics, is it?

Catherine Little: I totally agree. What we saw over the summer of last year was that when we actually signed the agreement with Capita, which was well over two and a bit years ago now, the assumption about the run rate and the level of activity operationally within the contract made a set number of assumptions about the number of people who retire, and the number of people on average who need the services within the outsourced contract.

Two things have happened since then. First, the McCloud remedy has significantly changed the complexity and the resource requirements, which we are paying for separately on top of this contract. There is no doubt about it: it has changed the complexity of the level of inquiries coming into our contract provider. Secondly, the assumption at the start of the contract, when it was signed, was that the backlog would be a running backlog of about 36,000, so Capita managed its resources—its commercial considerations—at 36,000. The previous provider, ahead of transition, got to a point at which the backlog was closer to 86,000.

In the run-up to the transition, we were having conversations with both MyCSP and Capita about the level of resources that would be needed to tackle both the stock and the flow of that backlog. That is when Capita put in more resources, and we prepared contingency plans to provide more support to them.

Chair: I do not want to reduce this to the granular, but you talked about "more resources" being put in by Capita. I am sure that every Member of Parliament, either around this horseshoe or in the Chamber, could refer to constituents who have contacted them recently about this matter. I am going to exploit my position as Chair, however, and share with the panel the stories of two residents of North Dorset.

One constituent, who came to see me the other week, and whose husband died of cancer in November, was told by the person on the death in service branch of the pension bit, "Are you sure? You don't sound old enough to be a widow." Another lady contacted me yesterday to say that, despite having been assured on three occasions by some nameless person at the end of a telephone that all the documentation needed to facilitate a lump sum payment was to hand, she was then told, "I'm frightfully sorry—we haven't got all the information we require. It is going to be delayed by another three to four months."

It seems to me that one can have many people answering the telephones, looking at the portal and engaging with whatever, but the level of care and attention that they are providing could at best, or charitably, be described as patchy, and certainly, in the case of "You don't sound old enough to be a widow", as entirely unacceptable. There was talk of an HMRC surge coming in. What is the appetite among those people who were supposed to be addressing the backlog for addressing this? Are they alert to the enormous levels of distress and worry that they are causing to lots of people who have worked jolly hard on behalf of the state?

Catherine Little: Can I first of all reiterate what you have said? That sort of conversation is utterly unacceptable. It is not appropriate. Obviously both the level of resources and the quality of resources really matter here. I will take that up directly with Capita as an example of the sort of thing that our hard-working former civil servants and families are having to deal with. It is not good enough. Angela can perhaps talk about the surge resources and the training that we put our staff through.

Angela MacDonald: You may be aware, Chair, that HMRC surge resources are actually operational delivery resources that we deploy across Government Departments on an array of issues. We have about 143 of those colleagues deployed. They are all well experienced in being landed into all sorts of circumstances, picking up new training and then providing support. Those colleagues are doing a variety of tasks—only tasks they can be trained to do; obviously, pensions are very complicated, and there are definitely pieces for which this is not suitable, but they are on the call lines at the moment, helping people, for instance, to unblock their access to the portal. They have been going through that.

We have now completed reviewing all the 15,000 inherited unopened emails. Those are all opened and reviewed. About 2,500 required action to be taken, so we will be following that through. They have also been trained to do some pieces of the other processes where it is suitable that people with their training can do that work. We have also mobilised continuous improvement colleagues and data colleagues—pretty much anybody who is necessary to work with Capita to drive this forward. Capita is putting in at least an equal volume of colleagues across the variety of those things.

This is not a quick thing to fix. We have made some progress, but there are still many thousands of members who have not yet had what they need to have, and there is significantly more work to do.

Q501 **Chair:** What happens to those people who are unable to pay their rent or mortgage, service a credit card debt, contribute to a wedding as they had promised, pay the balance of a holiday they had booked, and so on, because the legitimate expectation of their income has not manifested itself? This could have a serious impact on their credit rating going forward. There seems to be an increasingly worrying and patchy series of reports about the delay in processing the emergency loans that you, Ms Little, referenced the last time you were before the Committee. The Committee wants an assurance that those real-time, real-life impacts—where people are lying awake because they do not have the money to pay their bills—are understood.

Catherine Little: First, we set up interest-free transition loans for all the reasons that you have set out. It is not acceptable for hard-working former and current civil servants to be in a position where they have to suffer financially, when they rightly expected financial remuneration through the pension scheme.

Initially, we have set up hardship loans, as I set out. I have written to the Public Accounts Committee with the latest update on numbers. We have set up a departmental scheme, so people should contact their previous Department, and in most cases Departments have reached out directly to former employees so that they can seek out the people whom we know are affected within the past 12 months. The eligibility of the scheme is that, if you were employed in the past 12 months by the civil service, and you are yet to reasonably receive the payment for retirement that you are due, you will automatically be eligible for a £5,000 transition loan. That is interest-free and is paid by your previous Department.

My understanding is that the vast majority of our major employers, and most of the employers across the civil service, have set up a scheme. As this Committee will know, a lot of our arm's length bodies are very small employers, and so a large number have not, merely because they have not had anyone retire in the past 12 months. That accounts for the discrepancy between the total number of employers and those that have set up a scheme so far.

The other thing I should say is that there are exceptional and significantly higher loans of up to £10,000, which are available based on the judgment of the Department and the individual considerations that are presented to it. We have been monitoring the pace and the number, and we have also had some loans paid back already, so I am not aware of any delays per se. As soon as we have the information that we need to make the payments, payments are being made. If I look at my own Department, every single request for payment that we have received has been paid.

Angela MacDonald: I will just add to that. In addition to those loans, if members were deferred members for longer than 12 months, they can apply for support from Capita. To give you some numbers, overall the civil service employers have paid out 547 loans at £2.9 million. I speak to the HR directors, the chief operating officers and the unions every week. In those circumstances, where those colleagues have any issues with their ability to run a loan scheme, manage it or understand the processes, we are directly managing it with them. We still have the odd one or two escalations from that, but those are being immediately resolved when escalated. Capita has taken 458 escalations, which it has then made a payment out on. I am not aware of any employers that have people asking for loans and not getting them. Because I speak to everyone who I think might be able to help me every week, where there are any of those issues, we pick them up immediately and we tackle them.

Q502 **Chair:** What penalty does Capita now face? This is taking up a huge amount of unprogrammed and unforeseen bandwidth of your Department and other Departments which, in effect, have let—one has to presuppose—a lucrative contract to Capita to manage on behalf of the state, and it clearly cannot manage it. Capita seems to need nursemaiding through and to be spoon fed. What is the financial penalty to Capita?

Catherine Little: I will say two things. First, within the contract, we have already withheld transitional milestone payments, which we have set out in more detail as part of our evidence to the Public Accounts Committee. Capita has not delivered against the service-level requirements of the contract since taking it over and, automatically, the contract applies credits to payments made. We will now go through a significant overall discussion with Capita about its performance to look at what the next steps are. I hope you will forgive me for not going into the details of the commercial next steps, but I assure this Committee that we will use the full contractual terms of the service contract.

Q503 **Chair:** Is the ultimate goal that this will be cost-neutral to the public purse?

Catherine Little: My expectation is that the taxpayer should not have to suffer or pay for what we have had to do to get the service level of this contract back to where it needs to be. That will have to be subject to the usual commercial arrangements in place.

The second thing I should say is that Capita is also one of our 39 strategic suppliers to Government. Through the Cabinet Office strategic supplier relationship process, we are obviously also very concerned about making sure that their overall performance is assessed, and that is published on a regular basis.

Q504 **Chair:** Capita appears to be just living up to the sobriquet that *Private Eye* has attached to it.

Catherine Little: If you look at the latest performance of Capita for all Government contracts, they are currently meeting 90% of the KPIs within our contracts. That is obviously a very high level. It does not necessarily set out some of the ongoing deliberations, questions and concerns on the quality of the service. But I think it is important to put on the record that, overall, they are meeting 90% of their KPIs.

Q505 **Chair:** But not on this.

Catherine Little: But not meeting them at all in regard to this.

Q506 **Chair:** What percentage of their KPIs are they meeting on this? Zero?

Catherine Little: I will need to set out all the detailed KPIs. There are quite a large number of them. Overall, it is very clear that they are not meeting the expectations of the service.

Q507 **Chair:** If you could provide us with a note on that, Ms Little, that would be helpful.

Catherine Little: I am happy to do so.

Chair: That is quite enough from me. I could wang on about this for a long time. I am going to turn first to Mr Betts, who is our guest from the PAC.

Q508 **Peter Lamb:** Could I come in on the specific point about the indicators?

Chair: Go on then—you have twisted my arm.

Q509 **Peter Lamb:** Thank you very much. A number of members of this Committee have had experiences of Capita, and it is fair to say that they have been universally poor. When you report back to the Committee on those KPIs, could you outline whether there is any identifiable distinction between the areas where they seem to perform well and the areas where they seem to perform poorly? My experience of past contracts suggests that anything that has a high level of complexity is where they tend to fall down, because they tend to deskill an awful lot of the roles, whereas they can perform effectively on anything that is more rudimentary. It would be interesting to understand how Government contracts with Capita are performing.

Catherine Little: I would be very happy to do that. As I said, this is all publicly available information, which is published by the Cabinet Office for our major strategic suppliers, but I can certainly summarise it.

I suspect that we will not have a general set of circumstances, because there are, from memory, two other contracts that we are closely monitoring, and they are very different in nature from what we are talking about here, but I am very happy to set that out for the Committee.

Q510 **Mr Betts:** I have a couple of questions on responsibility going forward, and on trying to clear up the mess. In terms of responsibility, you indicated that the taxpayer should not be paying for any of this. But, as I understand it, 150 civil servants are currently being seconded to Capita and working with Capita, and being paid for by the taxpayer. Surely, therefore, the taxpayer is picking up part of the bill.

Catherine Little: Angela might want to add to this, but we hold operational surge capacity across Government for any unforeseen operational matters. It is important that the Government and the civil service, given that we provide essential public services, have surge capacity. That is run on behalf of the civil service by HMRC. You are right that there is always a sunk cost to a certain amount of surge capacity for operational support in Government. It is not a new cost to Government. Just to be clear, it is a sunk cost; those people are already employed by HMRC as part of our operational team.

Q511 **Chair:** If Mr and Mrs Smith at 32 Acacia Avenue are listening to that, they will be tearing their hair out. In essence, the modus operandi appears to be that you let a contract to a third party to provide a service, who then fails to provide it, either in whole or in part, and the public purse is paying the salaries of people—whether they are a standing surge force or whatever is immaterial—to go in and mop up the mess of the contractor who is failing to discharge the duties for which they are being paid.

Catherine Little: I agree with you. As I say, I do not think it is right that the taxpayer should have to fund this. Sorry, I am being slightly pedantic about the financial precision here. All I am saying is that this is not new—

Chair: I am glad somebody is.

Catherine Little: Sorry; it is my history as a chartered accountant, I'm afraid. All I am saying is that this is not an additional, over-and-above cost to the civil service.

Chair: But it is.

Q512 **Luke Taylor:** Of course it is, because they are not doing their job; they are not doing their day job.

Catherine Little: No, sorry. Just to be really pedantic about this, we hold operational surge capacity as contingency—

Luke Taylor: But they are not doing something else; they are having to clear up the mess of a private company.

Catherine Little: Yes. Again, to be pedantic, it is therefore a sunk cost and not an additional cost—

Q513 **Luke Taylor:** I don't think that Mrs Jones at Acacia Avenue cares about being pedantic or not. She cares about us paying—

Catherine Little: I am being precise in my language because—

Luke Taylor: She cares about the taxpayer paying to clear up a company's mess.

Catherine Little: I think it is important to be precise about the actual additional financial costs. I completely appreciate the point that, for the public, as I said, it is not okay that the taxpayer is having to use resources to fix this mess. If the Committee does not want me to be precise, that is fine.

Q514 **Chair:** No, we welcome and indeed insist upon precision. This is devastatingly worrying, I think. In essence, the state employs, through taxpayers' money, a phalanx of civil servants who are deployed to buttress people or companies who have won contracts from within the private sector—

Catherine Little: No. That is not what I am saying at all. Perhaps Andrew can explain how the operational surge mechanism works.

Q515 **Chair:** Before this hare starts running around the field and going mad—*[Interruption.]* Hang on. Have I got the wrong end of the stick, or is that what everybody in the Committee understood?

Committee members *indicated assent.*

Chair: Right. So that is what everybody on the Committee has understood from what has been said so far.

Catherine Little: Apologies, because that is not what I am trying to say.

Q516 **Chair:** Right. Let's press pause on that and get some established facts. HMG awards a contract, through due process, to Company A. Company A fails, for reasons that we will not necessarily go into now, to discharge the obligations of the contract. That creates a brouhaha. People then say, "Right, we have the A-Team, the hit squad"—call it what you will—and we have the surge capacity of civil servants in HMRC, who we can deploy as firefighters, as it were. Yes?

Witnesses *indicated assent.*

Q517 **Chair:** So everybody is now on the same page. Right. Mrs MacDonald, over to you.

Angela MacDonald: In terms of where the surge resources that sit within HMRC usually run towards—this is the first time I can remember that we have deployed them on to a private sector contract—when Thomas Cook went down, for instance, we needed to send people to airports to evacuate people and so on. Those colleagues are typically—without exception, actually—doing civil service things, where what you need is to be able to put capacity in.

Q518 **Chair:** What are they doing when everything in the garden is rosy and running smoothly?

Angela MacDonald: Apologies, but everything is never rosy in the garden. There are peaks and troughs in workloads. For instance, surge during January supports HMRC with the self-assessment peak, or it might be a peak of pieces that are going through DVLA. We also know that there are seasonal peaks in immigration cases. So Departments all over Whitehall get an opportunity to say, "I've got a peak coming. I've got a problem. I could do with 200 people"—or 100 people or 300 people. Then we send those people in, and they provide support. These are experienced civil servants; they are security cleared and they are much better value for money than going out to Brook Street or whatever it is to procure that kind of resource. We therefore determined that having that available to support Departments with their peaks and troughs, or indeed when there is an emergency, is actually a very sensible piece of operational resourcing.

Chair: Okay. We will go to Mr Betts. Then, because everybody apart from Mr Baker has indicated that they have questions on this issue, I will hop across the table and call everybody.

Q519 **Mr Betts:** We have established that Capita is failing in its contract to a significant degree, and that it is now being supported by the publicly paid-for civil service to do the job. That is a fairly neutral way of describing it. Where are we up to? We were told initially by Capita that they were going to deal with all the most serious cases—the death in service and forecasted early retirement—by 12 February. On 12 February at the Public Accounts Committee, they shifted that deadline to the end of February, and you confirmed that that will be the case in your letter to the Chair of the Public Accounts Committee on 23 February. Has that now been done? Are all the most serious cases dealt with?

Angela MacDonald: Yes. I told you about death in service. We inherited 350 cases and 294 of those have been completed. The 56 that remain are all within normal service standards. For everybody where we had the paperwork, we went back to the family to decide whether there was anything more to be done, but everything that can be worked on has been done on death in service. On ill health retirement, which was the other priority, there were 610 inherited cases and 510 have been completed. The remaining 100, again, are within workable service level agreement. We have delivered what we said we would for those really distressing cases.

Q520 **Mr Betts:** There is a challenge there about paperwork not being available.

That is not always the fault of the individual; it is often the fault of Capita and the organisation that it is not available, as we have heard in examples.

Moving on to the rest of the cases, we have had a moving feast. At the Public Accounts Committee on 12 February, I pushed Mr Holroyd from Capita very hard on when they would actually get to their service level agreements on all other cases. Eventually we got out of him that it would be the end of March. We then got a letter from you, Permanent Secretary, on 23 February, saying it had shifted to the end of April. Then we had a letter on the same day from Capita, saying it had shifted to the end of June. By what date will all other cases be dealt with in line with the SLAs?

Angela MacDonald: I have detailed plans for all the outstanding cases. I will preface that by saying that is not for McCloud, which has a very particular plan of its own. But for all the remaining operational cases—retirements, the whole lot—I have plans that will put us back into service by the end of June.

Q521 **Mr Betts:** Sorry, but why, then, did the letter from the permanent secretary on 23 February say it would be the end of April?

Angela MacDonald: Because the end of April is for people where there is a retirement process, but as you will appreciate, people want transfer values or divorces—there is a whole array of processes that we manage.

Q522 **Mr Betts:** I think the problem here is that we are starting to get to a position where we have a date, and then suddenly there are caveats and exemptions that were not in the letter on 23 February, and not mentioned when Capita came to the Public Accounts Committee on 12 February. They were pushed very hard, and they gave no caveats about the end of March. It has now slipped three months in a matter of three weeks.

Catherine Little: I am very sorry that we have not been explicit about the caveats in my letter. I would be very happy to provide you with the precise details of what is due in April and what will be done in its entirety by June. Ultimately, every single service level is expected to be back operationally at the end of June. That is what we are performance managing Capita against.

Q523 **Mr Betts:** Chair, at our hearing on 12 February, I asked Capita why we should believe a word they said. It seems I was right, because they said the end of March and it is going to be the end of June.

Catherine Little: I will need to speak to Capita about what they had assumed in giving that date to you, but to answer the PAC's question, according to my assessment and the recovery plans we have put in place, it will not be until the end of June.

Mr Betts: I think there is more to pursue here.

Chair: I just want to put this on the record. I appreciate that this is possibly stating the blindingly obvious, but I do not think it is an eccentric expectation of parliamentarians that we should not get obfuscated by caveats that are not set out, or that there should not be a presumption that we know there are going to be caveats, in arcane or opaque terminology, between contractor and contractee or whatever. There is an absolute expectation now that, as far as this Committee and the Public Accounts Committee are concerned, the fullest possible details are provided, in real time, on a fairly regular basis.

I do not want to hear, the next time we go through this—because I rather fear, as Mr Betts seemed to intimate, that we will be going round this track a few more times subsequent to today—"Well, you know, this is how it usually is." I think we just need to have chapter and verse, set out very clearly in black and white. What are the expectations? What are the penalties? What are the timelines? What reporting will there be from Capita, whether to you, Angela, to you, Cat, or to whoever, about whether they are on target and so on?

The other thing I think we want to make absolutely certain of is that new entrants to the civil service pension are not being adversely hit, as a disproportionate amount of activity, energy and attention is paid to clearing the backlog. Otherwise, we just create volume 2 of the backlog.

Can we take that as an action point going forward? I think everybody gets entirely fed up—with some justification—of moving feasts of deadlines because of this, that and the other. If it is going to be by the end of October, jolly well tell us, but do not salami-slice these things. It increases distrust among parliamentarians, and it increases upset among our constituents and others in the country. Mr Betts, had you finished your question?

Mr Betts: I think so, Chair. I think we have established some of the issues that need resolving.

Chair: Right. Mr Lamb, do you have anything on this?

Peter Lamb: Nothing, Chair.

Chair: Your point has been covered. We will go to Mr Quigley and then Mr Taylor.

Q524 **Mr Quigley:** Thank you all for attending today. I have two questions, aimed at my constituents. I will ask them both together, but please answer both. If you were a pension claimant, how would you feel right now? And what is your message to those of my constituents—of whom there are many—whose lives are on hold while they are waiting for Capita to get their act together?

Catherine Little: First, it is obviously unacceptable that we are in this position. I have spoken to many MPs, civil servants and former civil servants about devastating personal situations. Many of the things that our colleagues and former colleagues are going through are simply unacceptable and are causing severe levels of anxiety and stress. As I have said publicly—and I have written to everyone I can write to—I apologise; I sincerely apologise. This is not how long-serving, hard-working civil servants should be treated by the state, and we are doing everything we can to fix this as quickly as we can; that is my absolute priority. If there is anyone who I need to convey that message to, I am very happy to write to them personally to convey that message and apology.

Q525 **Mr Quigley:** Thank you for that; I am sure that will be appreciated. But if you were to score out of 10 the chances of Capita delivering by the time you want, where do you think they are on that scale?

Catherine Little: Again, this is a joint effort, and I think it is important, as we have discussed, that we are putting in the level of resource that you would expect the civil service and the Cabinet Office to put into this. This is taking up a huge amount of our time, and rightly so, to make sure that this is done properly and with confidence.

That is why, based on what we have done so far—we have achieved everything that we said we would deliver, and I think that is important to put on the record—I have a high level of confidence that we are on track to deliver a recovery plan for all the service levels by the end of June. I clearly need to set that out so that the public, pension scheme members and these Committees can take assurance and comfort from that, but the proof is in the pudding. We are monitoring, on a daily basis, our progress, as well as the call waiting times and access to the portal. Quality, as you have indicated, is an important factor too.

Based on what I have seen today, we are on track, but it is important that I set out, on a timely basis, anything that gives us concern about the June date not being reached.

Q526 **Chair:** Has anybody double-checked the serviceability of the portal?

Catherine Little: Yes.

Angela MacDonald: Yes. I have a group of people with IT backgrounds who are working in lockstep with Capita, in terms of features of the portal—the portal remains still not accessible for all at the moment. There are 122,000 members who may have had more than one stint of service in the civil service who are, as yet, unable to get on to the portal. We are working to tackle that. That is a data issue. We also have detailed plans on features that need to go into the portal, and we get detailed data on the service and performance of the portal.

It is yet to live up to the ambition we have, in terms of our vision for the role it will play. I have detailed plans and there are financial targets for Capita to deliver the portal capability by the end of March. I have plans that I can see progress on. I spent all day at Capita yesterday. We spent a significant amount of time reviewing that plan. At the moment, I remain confident that the end of March will be achieved.

Q527 **Chair:** To which Minister is this reported into?

Catherine Little: It is the Minister for the Cabinet Office.

Q528 **Chair:** Which one?

Catherine Little: The Paymaster General and Minister for the Cabinet Office, and Minister—

Q529 **Chair:** Nick Thomas-Symonds?

Catherine Little: Yes.

Q530 **Chair:** So this is sitting on Nick's desk?

Angela MacDonald: I write to him twice a week with detailed management information on the performance, and also a progress update on everything that is happening. I have regular one-to-ones with him; I am speaking to him tomorrow.

Chair: I am seeing a next session with Minister Thomas-Symonds and the chief executive of Capita, on the same panel at the same time. I think that might be quite interesting, Mr Winter, if we can put that in hand.

Q531 **John Lamont:** Good morning to you all. Cat, last time you were at the Committee, we had an exchange about pensions. In reflecting on that exchange, and listening to you this morning, the impression I get is that the Cabinet Office feels like a neutral actor in all of this. You previously described MyCSP, the operator prior to Capita, as being in distress for several years. We all know how terrible Capita has been since they took over.

The one common element throughout is that the Cabinet Office was responsible for procuring and managing the contract with those two operators. We know from the National Audit Office's analysis and from the work of the Public Accounts Committee that, as the PAC noted last October, the service levels had been "unacceptable" since at least 2023. It also said that the contract the Cabinet Office negotiated with MyCSP lacked financial sanctions to drive up performance. It also noted—we have touched on this already—that in relation to the Capita contract only one of the eight transition milestones had been fully met. It concluded that the Cabinet Office "has now failed on two occasions to adequately manage transition from one supplier to another".

That analysis is not wrong. We are focusing a lot on MyCSP and Capita. The reality is a lot of this is to do with how the Cabinet Office has procured and managed these contracts.

Catherine Little: I entirely agree with you. It is our responsibility to make sure that we learn the lessons of the previous contracts, and, as I put on the record in the PAC, a significant number of lessons were learned in the contracting for MyCSP. I think it was overly simplistic. We did not take into account the complex changes in the pensions market.

Ultimately, the real question is: how did we learn those lessons and apply them to the Capita contract? Again, I have set out on record the things that I believe were learned between the MyCSP contract and the Capita contract. There is a lot in there. For example, we introduced the transitional milestone payments for the first time—that did not exist within the MyCSP contract. There are very detailed, different levels of financial credit and service level provisions within the new contract. I can go back and set out some of that again in detail for this Committee, if that is helpful.

I entirely agree that the way we contract-manage, the way we learn lessons on procurement, and crucially, how the civil service transitions these big, complex schemes, really matters. We must learn more lessons from this situation.

Q532 **John Lamont:** Has the Capita contract gone through that process? Is it better, or more robust, and does it deal with the concerns that previously existed for MyCSP?

Catherine Little: It is much more robust. I have set out quite a lot of that detail to the PAC in response to the NAO findings, and I am very happy to go back into some of that detail for this Committee. I have also offered to do a more commercially sensitive briefing, because some of what I would like to share with you is highly commercially sensitive—

Chair: That would be very helpful.

Catherine Little: I think it is important that you see some of the commercial provisions and exactly how we have enacted it in order to get the sort of confidence and assurance that I think you would expect.

Chair: We would welcome that.

Q533 **John Lamont:** Yes, that would be helpful. Going back to what you said earlier about 90% of the other contracts performing well, the reality is that that measure only means anything if the contract in itself is measuring things appropriately and is robust. If we do not have confidence in those contracts being robust, the 90% figure is meaningless.

Catherine Little: As you will probably be aware, the contracting process on a service of this scale—this is one of the largest pension schemes in the country—takes several years to go from a pre-qualification supplier process right through to actual service delivery, so this contract was devised nearly two and a bit years ago now. My belief is that procurement practice and the world we live in change much more quickly than the procurement practice that we currently have, which is why my Department is putting a lot of effort into both the Procurement Act and how we now interpret and apply it, given that we made substantive changes to it back in 2024, and the contract management that is undertaken by our senior contract managers. The Committee will know that we have a comprehensive scheme for all our contract managers for major contracts, but there is a lot more that we need to do.

Q534 **John Lamont:** Lastly from me, going back to the surge team, there was a story in the *Daily Mail* in January this year that there was chaos in HMRC because the phone lines went down and there were not enough people to deal with people calling up for help as the self-assessment deadline approached. In the light of what you said earlier, is that a consequence of the surge team being shifted away from dealing with the seasonal surge ahead of that deadline, in order to deal with the pensions crisis?

Angela MacDonald: No. The surge team is some 700 or 800 people and we did not remove anybody from the HMRC deployment.

Q535 **John Lamont:** Where were the surge team moved from?

Angela MacDonald: They were in a variety of places. I would have to get you the detail, but the whole purpose of surge is that they are short, sharp deployments, so there is turnover; they shift in and out of different Departments on a regular basis. We pulled in the colleagues who were moving off others. We definitely did not remove anybody from HMRC.

Q536 **Chair:** I will tell you what I think would be helpful, Ms MacDonald. If it is not too onerous, could we have a sort of a year in the life of a member of the surge team?

Angela MacDonald: Everything you would like to know about surge—yes, definitely.

Chair: And were too afraid to ask.

Angela MacDonald: No, no. How long would you like it to be? A page or a book?

Chair: Well, you know, Thomas Cook doesn't—

Angela MacDonald: It doesn't happen very often.

Chair: It doesn't happen very often. You have talked about the seasonality of things. I think there is a danger that unless we have some sort of clarity about the demands on their time, and if the number is now large—700 or 800 people—we have this idea of hibernating civil servants being prodded awake at a moment's notice to fight a fire.

Angela MacDonald: Oh gosh, no.

Chair: We would be fascinated just to see—

Angela MacDonald: Yes, of course. I am very proud of them. I would be very happy to share. They are an excellent group of people.

Chair: Excellent. Maybe we could turn it into some sort of west end show or something.

Angela MacDonald: Yes, absolutely—anything you like. I will give you a couple of pages.

Chair: That would be very helpful.

Q537 **John Lamont:** It would also be helpful to know what capacity there is within the surge team to deal with unexpected events. I understand what you are saying, but if they are dealing with seasonal changes or emergencies—clearly, this pensions crisis was an emergency—is there always capacity in the team to deal with emergencies notwithstanding the seasonal variations?

Angela MacDonald: Yes, there is. Why don't I set that out for you?

Chair: Do us a lovely note. It would be quite interesting to know what the headcount is—how many people are deployed to each catastrophe as it arises.

Angela MacDonald: I am very happy to do that.

Q538 **Sam Carling:** From my constituency experience, there seem to be system data-sharing problems as well, which we have not discussed so much today. I have a constituent who left the civil service in December due to ill health. They have been in touch with Capita several times and have told me that they have got different information and advice every time. It has now emerged that Capita has them down on its system as still being employed and so cannot take the application forward, but the former civil service employer is saying that it has notified Capita. We have got Capita blaming the employer and the employer blaming Capita. Are information-sharing issues like this coming up in lots of cases? If so, how are they being dealt with?

Angela MacDonald: No, they are not. If you would like to write to me with that particular case, I will be very happy to explore it. We have more work to do on the IT-to-IT interchange of information between the employers and Capita.

Sam Carling: That is where the problem is.

Angela MacDonald: Okay, so there is definitely more work to do on that. Quite a few major changes to the IT are happening over the next few days. However, there is sufficient backwards and forwards between the HR departments and Capita to mitigate all of those. I am terribly sorry—it sounds as though your constituent has got caught up in that. If you share it with me, I will make sure it gets sorted straight away.

Q539 **Lauren Edwards:** You spoke earlier about a shared agreement—that the taxpayers should not have to bear the burden of paying for this debacle. You mentioned potential fines for Capita, but from what you said earlier, it sounds as though there were significant issues in terms of the size of the backlog that you were dealing with from MyCSP. Will there be any fines or financial implications for them? They were obviously a huge contributor to the problem.

Catherine Little: I need to take some further legal and commercial advice on how we take that forward. It is a slightly more complex matter and I cannot go into the detail of it in Committee, but as I said, I am very happy to talk you through, in a private session, where we are in our considerations.

Q540 **Lauren Edwards:** We have rightly been looking at how we can fix this problem for all our constituents who are being affected by it, but I would also like to look at some of the issues around the transfer, the decision making and the preparedness, because that obviously has broader implications for how the civil service manages these kinds of contracts and how it approaches contract transfers. We have seen that the readiness milestones were just not being met. Capita had failed to meet seven of the eight readiness milestones, but there was still a decision made to proceed. Why was that decision made when the unions were raising concerns and your metrics were showing that it was not going to be a successful transfer?

Catherine Little: By the time we did our final no go decision, Capita had met the milestones, so the NAO Report was at an earlier stage in the year. I gave evidence to the PAC before summer recess, I think, so that would have been in June or July. We made our final no go decision in November, and there are a few things that are worth reiterating.

First, contractually, we had reached the end of the MyCSP contract. We could not do any more extensions, which meant that we would have run out of a commercial contract for the current service provider on 1 December. So we pushed the decision as far back as we could to give Capita time to meet the milestones and the detailed go/no go considerations that we had in place. At that point, the MyCSP backlog, as you alluded to, had significantly increased, and we were up to the 86,000 mark. Also at that point, Capita had given significant assurances about the level of technological investment and the transition plan, which had gone through our due diligence processes. And we had discussed the level of risks of how that backlog would be managed and what contingency arrangements would be needed directly with the chief executive of Capita.

The very difficult decision that we put to Ministers was, "Do you want to continue with MyCSP without any commercial protections whatsoever and with a backlog that is increasing"—I had had a debate with the PAC about the importance of trade union recognition, which we had failed to secure under the MyCSP contract—"or do you want to move to Capita with more investment, more resource, a much tougher contract and, in our view, an opportunity to get the backlog down and manage the service in a more effective way?"

I do not in any way like giving that sort of advice to a Minister, because in those sorts of situations I am basically saying, "Do you want to continue with a poor service that looks like it is going to get worse with no commercial protection, or do you want to move to a new service that is highly risky and complicated, and has some different challenges?"

Chair: It is sort of death by hanging or electrocution.

Catherine Little: You would have to ask the Minister for the Cabinet Office how he felt, but these are the sort of judgment calls that we have to take in these big service transitions. I saw it as our job to look at all of the risks and to put in place the mitigations that we felt we could put in place, which included preparations for serious service challenges, which sadly is where we ended up.

That is broadly the summary of how we made the decision. There was a huge amount of due diligence and commercial discussions and direct meetings between me, the Minister for the Cabinet Office and the chief executive of Capita ahead of making that decision. Ultimately, we had to take a judgment.

Q541 **Lauren Edwards:** Ultimately, then, you had to choose the least worst option of those that were presented to the Cabinet Office Minister. Obviously, there was progress made towards those milestones just before the go/no go decision. It sounds as though assurances were given by Capita senior leadership, but they do not seem to have been based on any evidence, given the experience that has subsequently come out in the wash.

Catherine Little: I would very much welcome having a hearing alongside colleagues at Capita. We have not yet done that and I am very happy to participate in it. We did seek specific assurances on the backlog and on the contingency plans and, as I said, sadly those assurances on contingency were needed.

Q542 **Lauren Edwards:** You discussed with the Public Accounts Committee the robust contingency plans that would be in place in the event that Capita was not ready by December. Were there any contingency plans for the issues we are now seeing associated with the transfer that you were able to put into place when it was quite evident that things were not working?

Catherine Little: Part of the contingency plans was the use of the operational surge capacity for Government. That is always our backstop for these sorts of arrangements. I have to admit that I did not have that conversation directly with HMRC until early January, where it became very clear—that was the first month of operation, and when we got the first set of results—that we were going to need to provide additional resources. But we knew that the operational surge capacity was available.

Q543 **John Lamont:** This is just a small, connected point: although the contract changed from MyCSP to Capita, around 350 employees transferred over under TUPE. Is that correct?

Catherine Little: That is correct.

Q544 **John Lamont:** Did that include senior management as well?

Catherine Little: I would need to double-check the level of seniority. The overarching senior leadership of the pensions business in Capita was already in Capita. They did not transfer from MyCSP.

Q545 **John Lamont:** They were entirely new.

Catherine Little: The current chief executive of their pensions business is Capita and has not transferred from MyCSP.

Q546 **John Lamont:** Do you acknowledge there might be a risk in terms of the cultural problems that existed before being transferred into the new Capita arrangement?

Catherine Little: Yes, that was part of the considerations and discussions with Capita. They have supplemented the staff that transferred over and topped it up to, I think, about 500 members of staff. They have pretty much matched the level of additional staffing that the civil service has put into the Capita resource requirement.

Q547 **Chair:** Can I check one factual thing? You may have an answer, or you may need to write to us. What assurance can you give the Committee that all the relevant paperwork that Capita requires for individual cases and pensions is held by Capita?

Catherine Little: That is quite a complex answer, I suspect.

Angela MacDonald: It is a complex answer—I can definitely write to you more fully. We have already transferred all the records that we have that were from MyCSP. You will have seen, for instance, that all 732,000 members who were in payment remain in payment. It was a very complex change.

We do, though, still have access and conversations with MyCSP. Where in the odd instance—and we actually have one now—we are trying to track down some paperwork on a complaint that we cannot find, we are able to go back to MyCSP and say, "Is there some other place where you've got that stored? That is not something that we have been given—have you got it?" and conversation goes backwards and forwards. We still have access and should there be anything that we think we cannot find, we can go back and ask whether there is anything that we do not have. So far that has not been our experience on the overall delivery.

Q548 **Chair:** Do you recognise the figure of 8,153 members who had received a quote and were awaiting their pension payment?

Angela MacDonald: Yes, I absolutely recognise that.

Q549 **Chair:** It has come to my attention that Capita now seems to be going back to some people to say, "We have some of your paperwork, but we don't have the final offer."

Angela MacDonald: We received the number that came over—as you say, the 8,000 number—and captured the paperwork that had been returned at that point. When we opened those cases, some of those customers had gone all the way through and ticked all the right boxes, and everything was there. But because those cases had not been reviewed before they were, effectively, put in a bundle and handed over, in some instances we are having to go back and ask the questions that MyCSP should have gone back and asked: "You haven't made the selection," or "It's not clear. You haven't signed this form"—those kinds of things.

When you get to finalisation, there are always those kinds of pieces to be done. That is frustrating for some of the members who have been sat waiting because they should have had those questions asked of them many months ago. As we clear through the backlog—and we have paid out lump sums to 5,854 of those people already—and go through the finish, we will ask any final questions.

Q550 **Chair:** Can I make a request? This does not require an answer, unless it has already been done. I want to talk specifically about cases of bereavement. Can you make sure that, whether it is the HMRC surge people or Capita employees directly, they understand the enormous distress that people go through when having to reiterate time and time again the circumstances of the death of their loved one? It only really needs to be done once. I appreciate that when one is dealing with large numbers and many, many cases, people become just a statistic, but there is a huge difference when somebody has died in service and their surviving relative is trying to sort out the pension having to regurgitate the circumstances of the death and provide this, that and the other in order to prove what it is that they are saying.

Angela MacDonald: I completely agree.

Q551 **Chair:** Has that been raised hitherto, or can it be raised?

Angela MacDonald: It has. When I went to Cheadle last week to sit with colleagues—the people working on the frontline—my experience of them, as is often my experience of frontline colleagues, is that there are a whole load of very junior colleagues trying incredibly hard to do the best possible job that they can. They are often on the end of some very distressed and frustrated people, and our job is to make sure that they get the support that they need. I cannot say that there is not the odd individual case—you brought one up—where there is inappropriate language. All I can say is—

Q552 **Chair:** But there is a specialist team that deals with bereavement.

Angela MacDonald: There is, absolutely.

Q553 **Chair:** These are not just going through—

Angela MacDonald: No they are not. There is a specialist team going through—

Q554 **Chair:** So surely to heaven there must be somebody in HR who can work out the sensitivity that the issue of death involves—

Angela MacDonald: I completely agree.

Q555 **Chair:** And you do not put on the end of the telephone an enthusiastic but young and inexperienced person who does not get all the nuance and sensitivity of that issue.

Angela MacDonald: I absolutely agree with you, and once again, I will go back and have that conversation with Capita.

Q556 **Chair:** Can we have a note on that impact?

Angela MacDonald: Totally. I would be very happy to.

Q557 **Charlotte Cane:** I am pleased that people are receiving their payments now, but I have a constituent who has received some payments but who has not received any paperwork to go with those payments. They are unable to check whether the payments are correct, exactly what they are for or whether any more is due. Do you know how widespread it is that people have had the payments but with no documents to back them up?

Angela MacDonald: No. I have not seen that one before, but again, if you share the details of the constituent with me, I will be very happy to track back and work out what has happened.

Q558 **Charlotte Cane:** Okay. I must pick up on the idea that it will be the end of June when everything is dealt with, and the implication that people waiting for transfer values and information for divorces are less urgent. Actually, if you have changed jobs you have a limited period in which you can transfer your pension, so you need to understand what the transfer value is in good time so that you can consider what is best for you, take professional advice and so forth. If you are waiting to finalise your divorce, that is quite stressful even in a friendly divorce, but in a divorce that has been unfriendly or maybe even involved abuse, that is really stressful. Is there nothing that can be done to resolve these cases before the end of June?

Angela MacDonald: There are about 2,200 outstanding cases where we have been asked for information on divorce. Those will be done by the end of May, so I already have a plan for those; I shared that yesterday, and we went through that in detail. We also understand that the part that can add to the distress is that some of those people can get into trouble with the courts, because it potentially looks to the court as though they are not being helpful and supportive. Where those instances are happening, we are providing letters that the member can take to the court to explain that the problem is not theirs, but ours. However, we must solve the problems, and I have a plan to solve those by the end of May.

The transfer values, as you quite rightly said, are important; they are time-sensitive. However, we can move the deadlines. We have talked to the schemes concerned and explained the situation, so if a transfer value is in, we will shift the deadlines to ensure that nobody is unable to transfer a value in because of these situations. For transfer values out, it is often, because of this kind of scheme, going to another public sector scheme, so we are also starting communication with those schemes to ask them to ensure that nobody will lose out as a consequence.

Q559 **Charlotte Cane:** Thank you. On the wonderful portal, I think you said there are 120,000 people who still could not access it because of a specific issue; how certain are you that it is just that number, and that it is just that issue? I got a lot of complaints early on, and I still have someone who cannot access it.

Angela MacDonald: I am pretty certain that it is only 122,000. As you quite rightly say, we have had a number of issues over time. The thing that is important for us, and that has actually been a feature of this scheme over the prior one, is that we have taken a decision to significantly step up our approach to security. As you can imagine, there is a lot of sensitive and personal information available. Therefore, as we have gone through that process to step up the security, some of the data issues have come through—as you have experienced, the 122,000 saying, "I've got more than one stint of service so I've got more than one number," and so on. As we are fixing the problems—as we have fixed the problems—we have then gone back to those people and reset their passwords. Of the ones that are still coming through where people cannot get in, they are all in the, "I've got more than one stint of service" group.

Q560 **Charlotte Cane:** They are being told, when they ring up, to try again in mid-to-late March.

Angela MacDonald: They are. If all goes according—

Charlotte Cane: They have been through quite a lot of "try again" by this stage.

Angela MacDonald: I get that, and it is very frustrating. The next major update is on 13 March; that is when we are next putting the correction into that. As I say, it is incredibly important that it is secure, so if there is any risk, as we go through the final pieces of testing, that we are not going to be able to do it securely, then we will go back for further testing—hence the end of March date I gave to the Chair. I still need to make sure that it is done correctly and securely. That is the priority.

Q561 **Charlotte Cane:** Just as a minor note, one of my constituents who raised the issue of not being able to get on the portal got an email in reply saying, "This email address is not monitored. If you need to get back in touch with us, do it through the portal." That seemed a bit rich, given that their complaint was that they could not get on the portal. That is just an aside.

Another issue I have come across is that apparently Capita gave a new reference number to many of the people as it transferred them across. This has led to HMRC recording them as having two pensions, and therefore in some cases sending them a tax code change and having to address that. I am told that this is a known issue and HMRC is currently working to correct it automatically. Will the cost of the work that HMRC is having to do to correct for something caused by Capita be re-charged to Capita?

Angela MacDonald: We will be looking at all the consequences when we look at the situation overall in commercial, but I would say—with my HMRC hat on for a moment—that employers and pension schemes move their payrolls around all the time. It is not at all unusual, as a pension scheme moves or an employer shifts around, that we will have teething issues as we go backwards and forwards with that employer. We would normally manage that as HMRC. While this is very unacceptable in this instance of this scheme, it is not an unusual situation for us, and we would simply manage it as HMRC.

Q562 **Charlotte Cane:** Did Capita talk to HMRC in the transfer process about how this was going to work and how it might impact?

Angela MacDonald: Forgive me—I am not involved in that, but I can certainly come back to you with some more information. I do not have that detail to hand.

Q563 **Charlotte Cane:** Okay, thank you. Going back to the contract, I understand, and you have explained, why you continued with the contract even though you were concerned, but I wonder why Capita was ever in the running for the contract, given its history with the MOD pension scheme, the teachers' pension scheme and quite a lot of private sector pension schemes. Did you take up references on Capita and look at its previous public sector pension delivery?

Catherine Little: Yes. Just stepping back a bit, Capita is obviously well known to Government. My Department oversees its strategic supplier performance overall, so we are well versed on the challenges of, in particular, the armed forces recruitment contract and the teachers' pension scheme. Those are publicly well-known challenges. That would have been taken into account in the pre-qualification process for procurement. But I would say that there are not many providers in the private sector that are in this market.

Q564 **Chair:** Why not just give it all to the surge team? They are the hit squad. They could do it almost blindfolded.

Catherine Little: Well, they have done a fantastic job, and we are very grateful to them.

Q565 **Chair:** Ms Cane makes a valid point: "I have visited this restaurant twice and have come away with salmonella on both occasions—they might be better on the third go." You would probably go somewhere else. If Capita finds itself in an almost monopolistic supply situation for a lot of these issues—it is Capita or nobody—at what point does HMG go, "You know what? Let's just repatriate this."

Catherine Little: Two things on that: first, that should always be a consideration—

Q566 **Chair:** Was it in this instance?

Catherine Little: I was not at the Cabinet Office at the time, but my understanding is that it was considered, and we have certainly looked at it in my time ahead of making the decision to—

Chair: Officials behind you are nodding sagely at that point.

Catherine Little: Yes. It is always considered whenever you are looking at these big service contracts. It is always a judgment that the Government have to take on whether you want to insource or outsource. That is the starting point. MyCSP itself was set up as a joint venture between the private sector and the civil service and was established as a private sector organisation. We have done different versions of this in the past, so I would expect those questions to always be considered ahead of an outsourcing decision.

Q567 **Charlotte Cane:** Does that consideration take into account the fact that there are very few suppliers, and that one of the lead suppliers does not have a great history?

Catherine Little: That would have been taken into account. I can double-double check all the decision-making records from the time. That would have been back in 2023. I am happy to go back and answer that question precisely for you.

Q568 **Charlotte Cane:** Did the Cabinet Office at the time really think that in-house civil servants would do a worse job than Capita?

Catherine Little: I will go and check the precise considerations.

Q569 **Chair:** It may not be a qualitative assessment; it might be a quantitative assessment.

Catherine Little: Indeed. My guess would be that it was not as simple as you have just described, but I will go back and check the paperwork.

Q570 **Charlotte Cane:** I would like to go back to the sunk cost argument. Most commercial organisations, even if they had sunk costs, would charge them on if they had the opportunity.

Catherine Little: I agree.

Q571 **Charlotte Cane:** There is opportunity cost anyway. We are going to be talking about infected blood—those people could be helping to surge on that. We have the whole issue of how to evacuate people from the middle east—we could have people working on that. There is an opportunity cost, even if there is not an extra financial cost, to those people helping Capita to get over its mess.

Catherine Little: I entirely agree.

Q572 **Charlotte Cane:** In the light of all of these problems, it has been reported that Capita has got the civil service payroll contract.

Catherine Little: There is a shared service cluster, which is run by the DWP. It is not just payroll; it is the whole shared service back-office arrangement for a number of Departments. The contracting authority is the DWP.

Q573 **Charlotte Cane:** Did they ask the Cabinet Office for your view on Capita before awarding it?

Catherine Little: They did, and very robust, comprehensive due diligence was undertaken by the DWP.

Q574 **Mr Betts:** Given the history of consistent failures of private contractors in running pension schemes right across the board, would it be appropriate for the Cabinet Office to give serious thought to putting in place a civil service scheme of its own to run pension schemes in the future—in other words, a publicly owned, publicly controlled scheme—and to start to plan it now for the future?

Catherine Little: This is an important question related to the state of the market and our experience. This contract is for seven years, but it is important that the civil service sets out all the options strategically for managing not just civil-service-related schemes, of which there are very large numbers—we have teachers, the Royal Mail and the armed forces—but public sector pension schemes in the round. The McCloud remedy and some of the big policy changes that we are now dealing with show how very complicated, high-scale and high-stakes these pension arrangements are. That was a very long way of saying yes.

Chair: Ms MacDonald, a subsequent note on this might be helpful to the Committee, but you explained earlier how individual Departments and ALBs, when they have the scale or it has otherwise been possible, are handling the emergency interim loans in a—I do not use this word disparagingly—siloed way. A monitoring of how many people have applied and how many loans have been made would be very helpful to the Committee.

If no one has already given thought to it, I urge that thought be given to this point: if one misses credit card repayments, the credit agencies view that as effectively a capital offence and your personal credit rating falls, so I am told, and likewise with mortgage companies and others. What, in terms of strategic comms or letters of comfort, is somebody able to provide to those people who, through no fault of their own—maybe because they are waiting for a loan or only recently heard about the opportunity for a loan—are getting into financial trouble that will have an impact on their credit rating, in order to contextualise that their financial difficulties are no fault of their own, but the fault of officialdom, and they should, therefore, bear no personal penalty? There are people—I know of two—who have been unable to make mortgage repayments because their pensions have not come through.

Angela MacDonald: Absolutely. We are monitoring across all Departments. I have a director who is accountable for the management of the hardship.

Q575 **Chair:** A composite note on that would be very helpful.

Angela MacDonald: Absolutely. As those circumstances come through, and we understand them through the complaints process, we will be happy to provide, whatever the situation. I have already had conversations with the Pensions Ombudsman. We are looking at how we ensure that there is proper oversight in approach to any aspect of redress for the experience and losses incurred by anybody caught up in this. We are working on a proposal at the moment, as I say, in line with detailed conversations with the ombudsman, and we will take whatever action is necessary for any consequences that are through no fault of their own. I am happy to write to the Committee.

Q576 **Chair:** With all the big numbers and everything else, there are human personal impacts. One guesses that, if you are having to apply for an interim loan, you are not exactly flush and sitting on a load of savings and heaven knows what.

Angela MacDonald: My entire focus is on ensuring that all members get what they are entitled to get.

Chair: I think we have had a good ventilation of the issues. You will have heard, as a panel, how seriously we are taking this issue. There will obviously be further information coming forward and, alongside friends and colleagues in PAC, we will be keeping a beady eye on this. Looking at the clock, I will turn to our second topic of the morning, which is infected blood. I turn to my friend and colleague, Richard Quigley.

Q577 **Mr Quigley:** Thank you, Chair, and thank you all. There is an opportunity now for you to speak on another topic, which I know will not be easy. For those of you who have had to sit quietly listening, this is perhaps a chance for you to get involved. As part of the infected blood scheme, the Cabinet Office had to make some key assumptions about how to approach the different cohorts, but seemed to struggle to provide evidence of how it made those key assumptions. Is there a reason there was a lack of evidence?

Catherine Little: I will lead on the policy choices. I am grateful to be joined by David Foley, chief executive of the Infected Blood Compensation Authority. When we went through the consideration assumptions for the compensation scheme, we very much took on board the advice of the inquiry. We set up an expert panel that included a number of the experts that had been engaged on some of the assumptions, choices and recommendations as part of the inquiry itself.

We had taken on board both the recommendations to set up our expert panel and to use that as part of our policy advice to Ministers. We have set out and explained a lot of what drove the expert panel. In fact, when we launched the scheme post development of the regulations, our expert panel kindly worked with IBCA and our policy teams to engage with victims groups and a range of different campaign groups, to ensure that we had explained why we had come to the conclusions we had come to.

Q578 **Mr Quigley:** Thank you. Feel free to add anything at any point, Mr Foley, if you wish. In terms of the different cohorts, it is quite complicated. I am not necessarily going to sit here and sympathise, because people are desperate for compensation, but there must be very different challenges with each cohort. How are you coping with those different challenges,? It must be difficult to find some of those cohorts and even to get them to come forward. How are you dealing with that?

Catherine Little: I will just say up front that this is an incredibly human and deeply difficult set of circumstances. Quite often our staff and teams are talking to victims, or relatives or friends of victims who have been affected, in the most tragic of circumstances. Real credit to David and to the policy teams: we have spent a lot of time thinking about how on earth you monetise—which, let's face it, is a very hard transaction—the human impact of what has happened over the past decades. We do not in any way underestimate the level of challenge and difficulty in doing that up front. David, you should say a bit about the affected cohort challenges.

David Foley: I agree, Mr Quigley; it is very complicated. As has been described, this is a compensation scheme to respond to the largest mistreatment scandal in the NHS's history. As Sir Brian Langstaff said in the inquiry, this was not an accident. Indeed, part of the inquiry discovery was that there has been a cover-up, which, of course, makes it difficult to understand exactly how many people there were. As was pointed out, we are talking about people who were infected, or who had a relationship with somebody who was infected and therefore were affected, but the infection happened decades ago, when records were kept in very different ways from the way that they are now. Indeed, medical practices were different, and therefore tests for disease were different. It was also over a span of decades, so record-keeping practices changed.

First, we have worked on taking all the information that is available about the cohorts already. The inquiry asked an expert statistical group to try and assess how many people there were. They gave some clarity about certain cohorts—they were relatively sure about the number of people who were infected with HIV over the period—but there were other cohorts that they said it would be impossible to estimate. For example, they said it was impossible to assess how many people were subject to secondary infections. That gives you an idea of the scale of the difficulty.

After that, the DHSC had a look at whether they could further enhance the estimate of the numbers. Since then, the Cabinet Office IBI team have also had it. We have taken all that good work—just to give you an idea of the statistics, we spent four years working on this for the inquiry, and further trying to enhance it as well.

To give you an idea of how the range of those estimates has changed, when we started, the range for the number of claims that would need to be paid was somewhere between 51,000 and 247,000. That gives you an idea of the uncertainty that there is. We are now working on a figure somewhere between 19,000 and 96,000, so the work we have done has changed the range of uncertainty. What is clear is that there will never be a single answer that says, "This is the definitive number of people." Notwithstanding that, we are continuing to try to refine those estimates, and we are doing that with internal and external data and trying to gather new data.

I will give you some idea of the cohorts. With the living, infected, never compensated group, we are looking at the registration numbers we have got and that is giving us a better idea of how many people are presenting at the moment. With those who were infected and sadly deceased we are looking at other organisations' work, like the Alliance House data, the existing support schemes data, and seeing how, with probabilistic analysis, we can change that. With those who were affected, which is people who had a relationship—parents, partners, children, siblings, carers—we are about to embark on a survey of those infected people that we have paid, to ask them to assess how many of those there will be. That will give us some more granularity about how those numbers might play out.

Q579 **Mr Quigley:** Has the inception of the Infected Blood Compensation

Authority changed your priorities? If it has changed priorities, has that meant you have had to deprioritise other areas in terms of the compensation scheme?

David Foley: The way we are approaching this is that we listen very carefully to what people have said to us. We do a lot of talking to the community. We reach out individually and with their representative groups. We also listened really carefully and looked at the evidence that was presented to the inquiry in its second set of hearings and, when Sir Brian produced further recommendations, we accepted all of those. In there, Sir Brian started on a principle that we accepted: that we should pay as much compensation as quickly as possible to those who are still alive, as a priority, within their lifespan. That manifested in a set of criteria that Sir Brian set out, which we have accepted. In very rough order, those who are sadly at the end of life are a priority, then those who are over 75, and then it goes by severity of disease.

Q580 **Mr Quigley:** In simple terms—this is a leading question, I'm afraid—are you happy with the scheme?

David Foley: The role of the authority and my role is to dispense it as quickly and fairly as possible. We are absolutely focused on making sure that, whatever scheme Parliament agrees, we dispense it in the best possible way. We train all of our claims managers—and we get some great feedback about our claims managers—to say, "In the boundaries of the scheme, look at the case that is in front of you and think how do we get all of the compensation that somebody is due, so that the recognition and acknowledgment of the harms that were done to them can be paid as quickly as possible?".

Catherine Little: If I might add, I suppose the Cabinet Office designs the scheme from a regulation and parliamentary approval perspective. Obviously, Parliament's role is testing the scheme openly and transparently. We have, as David set out, accepted all of the recommendations from the inquiry; I know that the PAC is also doing an assessment of all compensation schemes, for which we will provide further evidence. In terms of the pace at which we have been able to design and discharge a very complex scheme, it has been one of the more successful schemes of recent times.

Q581 **Richard Baker:** Good morning, everyone. Cat, you previously told the Committee in April 2025 that the Cabinet Office needs "to make more payments and to learn more about the uncertainties that we have" so that we can "forecast and estimates can improve." If that is the case, why did it take until mid-December to open a scheme to deceased estates and to affected people?

Catherine Little: First, as we have touched on, we had taken a prioritised approach to when and how we opened the scheme. That was important so that we could control and prioritise the impact. Again, we took the advice from the inquiry on how we approached that. The Government set out our approach up front, and we have delivered on the way in which we openly and transparently set out the approach to prioritisation. It was important that parliamentary transparency and clarity about the approach was agreed every step of the way. That is why it has taken a bit of time, and that is important from an operational perspective as well. David gave a good example of how the range of the sort of people who might be eligible for compensation has changed. That will continue to change. My experience of complex operational schemes, where you are trying to forecast large unknowns, is that the numbers do need to constantly adapt to the information you have as you make payments and find people.

Q582 **Richard Baker:** I appreciate those points, Cat, but I am certainly in touch with people in my constituency who have been in the cohort of affected people and are concerned about the length of wait they face. Why has the scheme still only been open to so few people in each of the cohorts? That is 60 people who have never been compensated and 15 people each in the deceased cohort and the affected people cohort. Those are quite low numbers.

David Foley: First, I will point out the progress that we have made on the living registered infected cohort, which gives you an idea why we are taking this approach. In August of the year before last, the first set of regulations that gave us the power to make payments came in. By taking the test-and-learn approach, in less than two months we were able to start the first claim journey, and in less than four months we were able to pay the first person. By March of last year, we had 244 cases that we were progressing. We have now paid more than 3,000 claims to the tune of £1.99 billion.

That is the progress you can make with this, if you are able to develop the system in a way that understands the particularities of how cases present, rather than assuming that you can sit in a dark room and know the circumstances of everybody. And bear in mind that in this particular case we are talking about the circumstances of people decades ago, and particularly with the deceased infected claims the people are no longer here, so it is very complicated. That is what we are now doing for these as well.

Last year we were asked to progress as quickly as we could with the living, registered infected, which we did. We are now taking the same approach with all the other cohorts. All cohorts are now open, which means they are now starting in a private beta, and we expect the same sort of progression to happen in those cases. We will start by learning with those small numbers of cases, because it is really important to understand the particular problems that cases present when they arrive, and then with that learning we will be able to progress very quickly into rapid numbers of people being paid.

Q583 **Richard Baker:** It is good to hear about that progress. You mentioned the importance of gathering data to develop the system further. Reflecting on what you know now, what things do you think the Cabinet Office might have done differently to improve the quality of its data?

Catherine Little: David might want to add to this. One of the core approaches that we have taken is to prioritise data integrity and make sure we use AI and digital tools right from the start. It is a good lesson learnt. We have learnt that when you test, learn and grow, and when you adapt your data models and your technology as you go, we have been able to accelerate delivery as a result. There are some really positive lessons that we have also shared with other compensation schemes across Government.

Q584 **Richard Baker:** Perhaps I will follow that up with David. How will Cat's reflections on using AI to improve the understanding of the data feed into what you are doing this year, and what structures are in place now to ensure you routinely reflect on how to improve delivery?

David Foley: You are quite right to point out that data is incredibly important here. We have transferred more than 8 billion records into our organisation from other organisations to be able to do it, and we are looking at our complex and complicated records. What we are asking, really, is about people's medical records and what diseases they contracted. We are asking about the severity of that disease and when they contracted it. We are asking whether they received a transfusion and whether they used blood products in the period at risk—and of course that period at risk spanned decades and was decades ago. The records are kept in very different formats in different organisations. The records and the tests changed over time as well, so there is not a single thing that you can point at and say, "Will that give us the answer to this question?"

The data is really important. People hold a lot of data and organisations hold a lot of data. We transferred a lot of data in from the existing support schemes from the Alliance House organisations. We receive a lot of data from NHS trusts and from the haemophilia centres across the UK as well. We also have people who present, particularly with their legal representatives, information that they have kept. Sometimes the packages of information can be hundreds if not thousands of pages long.

One of the things that we have used is automation and AI to help with the packaging of that information for a claims manager. When a claims manager starts the journey of somebody claiming compensation, and we have worked really hard to make sure that that journey works well for every individual, we do not want this to be retraumatising. People have been through an enormous amount of trauma already, so we make sure that they have a single claims manager who sees their case through from start to finish.

Those claims managers get incredible feedback. We have a survey at the end and people who have been through the journey speak very highly of the claims managers who have worked with them. Getting that data package so they can start that journey is one of the ways automation has helped.

Q585 **Richard Baker:** Thank you. The final issue I wish to cover is the recommendations from the independent review of the compensation authority, which was carried out in October. It found that IBCA was "only in the foothills of the work required" to scope, build and test elements of the service in terms of some of the most uncertain elements of the scheme, such as appeals and dealing with contested beneficiary claims, for example. Can I ask what the Cabinet Office has done over the last three months to respond to the challenges raised in that report?

Catherine Little: We invited the reviewers to our Cabinet Office board with Ministers to deep-dive this with David and the chair of IBCA. We need to scale up and do more to test, as the report sets out. We have worked very closely with IBCA to make sure that that work is under way, and I expect it to come back to the Cabinet Office board to update us on how IBCA has taken on board the recommendations very shortly.

David Foley: I will give you some specifics. Particularly with the affected cohorts, we are about to embark on work surveying the people that we have paid out to and are affected to better understand how many there were. All of the starting points of the new cohorts—we call them private betas—are now open, so we are progressing cases in the affected cohort and are learning enormous amounts from them. Qualitatively, it is a different test in the affected cohort. In the affected cohort we are trying to understand whether somebody had a particular relationship with somebody who was infected, so qualitatively it is a different set of questions that we are asking.

Q586 **Richard Baker:** Finally, the review also found that current methodology cannot be scaled up for future cohorts without substantial intervention across multiple lines of operation. Some of the response to that may have been what you have just described. What does a substantial intervention look like in practice?

David Foley: In particular the review was thinking about some of the approaches that we have taken on data management. We use a particular tool for storing data at the moment. We could have taken a decision to wait until we have got the highest level of data storage that we expect to get to before we started making compensation payments, but we took a judgment call that said it was much more important to start making compensation payments. We are planning to roll out a more advanced data-storage platform, which will be fit for purpose for all future cohorts as well. It was in the interests of getting on with paying compensation that we took that decision.

Richard Baker: It would be good if the Committee could be kept updated on that work as well.

Q587 **Mr Quigley:** I have two final questions. I do not think it is unusual for IBCA, but resource challenges were identified in the report as well, especially around digital project delivery and back-office staff. What are you doing to cope with those resource challenges, so they do not affect service delivery?

David Foley: You are quite right that this is something that applies across borders and is not unique to IBCA. We are doing three things. First, we are looking at and trying to improve the way that we recruit and attract people into the organisation. Secondly, we are working with our partners; we partner with a number of commercial organisations to see how we can bring in some of the most specialist and niche skills, which are the hardest to attract. Thirdly, we are looking at how we can second people in from other organisations.

Q588 **Mr Quigley:** So you are doing some cross-departmental working, as we would want in Government?

Catherine Little: Yes. I should say that IBCA is not a civil service organisation. We set it up by recruiting from the civil service initially, but one of the things that civil servants are keen on is that, if they leave the civil service for what is intended to be a short period of time, they are able to have continuous service and return into the civil service at some point in the future. People value that level of stability. We have done our very best to set out the assurances that we can about people's ability to come back to the civil service. When it comes to the professions, the functions and the ways of working, the civil service works very closely with IBCA.

Q589 **Mr Quigley:** Thank you. That makes a lot of sense. Finally, the additional infected blood inquiry report back in July stated that trust in the state had not been regained by the compensation scheme. Going back to your point about it being a very human system that you are operating, what reassurances can you give to the infected blood community that you can rebuild trust?

Catherine Little: We follow every bit of advice that we can, and, as David said, we work very closely with victims' representation groups and individuals. I think the issue is about time, and people seeing that we are taking the due care with a human, consistent approach. We have caseworkers who take people from start to finish and develop a personal relationship with victims and their relatives. Ultimately, that is how we build trust: we follow through on what we said we were going to do, and we do it by putting humanity and individuals at its heart.

David Foley: I entirely agree. Our claims managers are absolutely pivotal in doing that. We also work to try and keep the community fully informed about what is happening and involved in the decision making as well. We have our regular community update and community-developed design. That means that before we take any big decision, we go out and talk to the community about how we do it. We have been running face-to-face drop-ins up and down the UK which allow people to come in, have a personal conversation with a claims manager, director or the chief executive of the organisation and ask them directly about the thing that they are worried about. We also started holding our boards in public so that people can see how we take decisions and how they are arrived at. We have just appointed a community advisory panel to the board as well and it will advise the board on all matters that it could take decisions on.

Alongside that, we have contracts with user consultants. Those are people who have lived experience and are available within the organisation to say, "This is how that looks or feels to somebody who has lived experience." We are constantly thinking about how we can do that and how we can improve that. We ask Ipsos to survey the community to see what has happened. When we started, as you would expect, those numbers were really low. About a third of the community said they had any form of positive trust with IBCA. I am pleased to say that has grown to 54% now. There is still an incredibly long way for us to go. However, there is all that effort that we are making because we see this as really important.

Chair: Thank you for the work that you are doing. We will keep that under review as well, given the history and the sensitivity of the issue.

We are going to change now to not quite the quick-fire round, but what the Committee's briefing pack tells us are "current issues"—we could be here till teatime, couldn't we? The questions will be broadly in relation to Cabinet Office involvement in the delivery of the two Humble Addresses that the House has agreed to recently.

Q590 **Luke Taylor:** Humble Addresses are back in fashion. Cat, you agreed the process that the Cabinet Office is leading to respond to the two Humble Addresses. The first was agreed by the House on 4 February and was related to papers on Lord Mandelson's appointment as His Majesty's ambassador to the United States of America. Can you give the Committee an update on that process? Is there any indication of when we are going to start to see the release of documents? As you answer, can you also reference how the changing of the Cabinet Secretary impacted the timeline and the process of getting documents to see the light of day?

Catherine Little: On the day that the Cabinet Secretary stood down with the mutual agreement of the Prime Minister, I was jointly asked to discharge the responsibilities of the Cabinet Secretary with Dame Antonia Romeo and James Bowler, the Permanent Secretary to the Treasury, as the most senior members of the Permanent Secretary group. I specifically took on the role of discharging the Humble Address. I should reiterate that the process to deliver the spirit of the Humble Address is operationally, and in policy terms, what I lead every single day.

However, ultimately, it is a political process and up to Parliament to decide whether its will has been discharged. When Antonia Romeo was appointed as Cabinet Secretary, she asked me to continue to discharge those responsibilities on her behalf to ensure that there was continuity and that momentum was not lost in how we were addressing the issue. I continue to lead as the lead official for the Humble Address.

In terms of where we are, the Chief Secretary to the Prime Minister gave an oral statement on Monday last week. I can give you a bit of an update since the oral statement as well. Information gathering across Government is proceeding at pace. There was a deadline last week for our first information gathering request for documents to be sent to the Cabinet Office for triaging.

There are four buckets that that information goes into. First, we assess whether it is in scope or not; secondly, if it is in scope, it is tested for consideration of whether it might be relevant to the Metropolitan police's criminal investigation. Thirdly, if it is in scope and does not prejudice national security or international relations, it will be considered for publication as swiftly as possible. The fourth bucket is in-scope information that triggers potential prejudice to the national security or international relations of the country and that is therefore submitted to the ISC.

That triaging is currently under way. The first and most important step that we undertake is, if something is in scope, we will assess it for that criminal investigation. It obviously matters deeply that we work very closely with the Met police to ensure that information is secure and discharged in the right way. The Government have committed to publish the first tranche of information in early March. I would define that as within the first two weeks—the first half—of March. You can therefore expect the Government to publish a first set of information shortly.

Q591 **Luke Taylor:** On the appointment of Lord Mandelson, is there a reflection within the Cabinet Office on the use of non-corporate communication channels by Ministers and senior officials for the discussions that lead up to incredibly important decisions, such as the appointment in the first place?

Catherine Little: Sorry, I should have introduced Ellen Atkinson—my acting director general of propriety and ethics—who supports me, day to day, on the Humble Address, ministerial appointments and all matters of propriety. Perhaps you might want to respond to that question, Ellen?

Ellen Atkinson: As the Chief Secretary to the Prime Minister said when he updated the House on our work on standards, we are keen to look at non-corporate communication channels within Government to make sure that there is absolute clarity about how they are used.

Catherine Little: We do have guidance. We work very hard with Departments, and certainly in the Cabinet Office, to make sure that guidance is applied. If we see examples where we think guidance is not being applied, that is of course for the permanent secretary of the Department to pursue and to take action on.

Q592 **Luke Taylor:** Part 2—the sequel: last Tuesday we had a second Humble Address relating to the creation of the role of special representative for trade and investment, and Andrew Mountbatten-Windsor's appointment to that role. What role does the Cabinet Office have in fulfilling the response to that Humble Address? I also have similar questions around process, progress and when we will start to see some of those documents released.

Ellen Atkinson: That Humble Address is being discharged by DBT and we are working incredibly closely with DBT because, obviously, there are lessons learned from the commissioning process. In the way that we are, for example, handling information security, we are supporting DBT in going through the same triage process with Thames Valley police so we make sure that no documents are released that would prejudice the police investigation.

Q593 **Luke Taylor:** Obviously that is a much more historical investigation. We have seen that some of the broader investigation has been hampered by the availability of documents; have you found any challenges in accessing original versions of documents from the time?

Ellen Atkinson: We are very much still working that through, but there are some documents that we are starting to triage. We need to get them through the triage and see what we have in that material. As you say, it is much older and you will understand the position that we have on document retention. What we are seeing reflects the documents that you would expect to be retained, but they are obviously not as comprehensive as the more contemporary materials.

Q594 **Luke Taylor:** Is there a review and reflection process happening around documents that are held and may be the subject of future requests, so that when that does occur the documentation is easier to find and the information easier to provide to interested parties, making sure that as we deal with this we improve the process for future incidents?

Catherine Little: We are very much live in making sure we comply with the Humble Addresses. That is a very intensive and important job. I do not think we are yet at the full lessons learned, but to your implicit point there will need to be a lessons-learned exercise. Of course, we will need to consider what that means for document retention, for GDPR, for data control and for Government guidance. To assure the Committee, that process will happen. At this stage, it is important that we swiftly expedite the will of Parliament and discharge our responsibilities as quickly as we can.

Q595 **Chair:** Just before we close, I have two requests for updates on two other matters that appear to have fallen into the lap of the Cabinet Office—and when do things not fall into the lap of the Cabinet Office?

The Government's position on the removal of titles in the Lords started a few weeks ago as being fiercely complicated, almost like a Gordian knot, and is now less so, with a ministerial promise at the Dispatch Box that legislation is forthcoming. We are moving towards the end of the parliamentary Session and the Easter recess is not far away in the general scheme of things. A word or two on what to expect?

Ellen Atkinson: We are advising Ministers on the ways you can remove peerages. You will understand that this is not a straightforward policy to develop, but we have provided advice and are moving as swiftly as possible to get towards legislation we can introduce.

Q596 **Chair:** It was put to me, and I raised this in my contribution to that debate—though, forgive me, I cannot now remember the clause of the Life Peerages Act—that because the wording, I think, says a barony is conferred for life, retrospectively setting a cessation date for the barony might address the point in a pretty easy way. I thought there was merit in that. Has that been looked at as a route to salvation?

Ellen Atkinson: I will take that away, Chair. Thank you.

Q597 **Chair:** The other request is this. I appreciate we do not want to put the cart before the horse, and that this is a complex issue requiring free-standing legislation across the Commonwealth, but what, if any, pitch-rolling is being done in relation to legislation to enact changes to the line of succession?

Ellen Atkinson: We are in a position where there is currently a police investigation. We are waiting for its conclusion before taking further steps. Ministers have made a commitment to look at the position in terms of the line of succession.

Q598 **Chair:** Is any pitch-rolling being done with Commonwealth friends and colleagues?

Ellen Atkinson: We talk to them regularly about all matters constitutional—often very late in the evening, Chair, given the time differences—but we have regular conversations with colleagues in the realms on all sorts of matters.

Chair: That was a wonderfully Delphic answer.

Q599 **Luke Taylor:** Can I ask for a bit of clarity? How does the police investigation impact questions of the line of succession? Are they not separate? One is a matter of principle; the other is entirely separate.

Chair: Correct me if I am wrong, but I think Ministers have said they would only bring forward legislation were there to be a trial. Whether they are right to link the two, or whether alteration to the line of succession should happen irrespective of a trial is, I think, a political decision for the Government. But Mrs Atkinson may be able to correct me.

Ellen Atkinson: We are very conscious, as we are with the material for the Humble Address, that there is a live police investigation, and we want to ensure that process concludes before we take final decisions.

Chair: We have possibly exhausted that line of questioning on the line of succession for this stage.

We have had a fairly mammoth session, but on some meaty and weighty issues. We are encouraged by progress on infected blood, but we are not out of the woods yet. The point colleagues made about trust in the operation of the state is a very live issue, and you are clearly cognisant of that. You took a lot of questions on the civil service pension, and a lot of questions then flowed from your answers.

Between us and the PAC, I hope that officials and, through you, Capita, are fully seized of the seriousness with which Parliament is taking this issue and the concerns we have around the whole topic. Further monitoring and cross-examination will be undertaken. But at 12.05 pm, as we await the jollity of the Chancellor's spring statement—it never rains, but it pours—I want to thank all our witnesses for attending this morning, and colleagues for their questioning. Thank you very much indeed.