



## CABINET OFFICE

Catherine Little CB  
Civil Service Chief Operating Officer  
and Cabinet Office Permanent Secretary

**24 March 2026**

Sir Geoffrey Clifton-Brown MP  
Chair, Public Accounts Committee

Dear Sir Geoffrey,

### **Administration of the Civil Service Pensions Scheme**

Thank you for your letter of 12 March regarding the Civil Service Pension Scheme. I appreciate the opportunity to provide the Committee with clarity on our recovery progress and the underlying causes of the issues leading up to and following the handover to Capita. I want to reiterate that the service levels experienced by members have been unacceptable. The Cabinet Office has prioritised the restoration of service, standing up an expert recovery taskforce to ensure the service returns to the standards our members expect.

### **Transitional Support Loans and oversight of Capita**

One of our key focus areas has been on the delivery of the Transitional Support Loan scheme to assist members impacted by delays. As of 17 March 2026, 58 employers have reported issuing 769 loans with a total value of £4 million. A further 76 employers are set up to issue loans if required, while 25 employers have confirmed they are not set up as they have no members currently in scope. We continue to follow up with the remaining 68 smaller employers to ensure all members in need can access support.

As you are aware, a specialist taskforce led by the Second Permanent Secretary at HMRC and the Managing Director of Capita Pension Solutions is operating through a series of three-week agile sprints to restore service levels. There is daily contact between the Cabinet Office and Capita to oversee delivery and ensure immediate escalation of issues. Through this approach we have been able to prioritise the most vulnerable cohorts through a daily triage system, which ensured that all existing death-in-service cases were addressed by 28 February 2026.

### **Handover and Data Integrity**

Both the Cabinet Office and Capita knew that the volume of work in progress transferred by MyCSP would exceed the assumed 37,300 cases, and Capita was specifically instructed in July 2025 to prepare for volumes of up to 100,000. This was reflected in Capita's own correspondence to the Committee dated 25 November 2025, in which they acknowledged that 'the volume of the WIP left by MyCSP will be more than double the previously agreed figure of 37,000 items at the time of contract

signature.' Capita were required to carry out a discovery phase with the previous provider, where they had the opportunity to ask questions about all aspects of the work in progress levels and prepare for taking over the service. This was first carried out in mid 2024 and no concerns were raised about work in progress at that time. Capita did not deliver the full levels of IT, automation and portal functionality at go live. This significantly impacted Capita's ability to manage the volumes of work inherited and the new work delivered since go live. As I stated in my evidence to PACAC, we knew, and notified Ministers, that there were shortcomings in the IT solutions but we were unable contractually to continue the service through MyCSP and the level of service from MyCSP was deteriorating. The situation was further challenged by industrial action at MyCSP from June 2025, which reduced their capacity to process work and increased the final backlog. We implemented an exit plan but the legacy contract with MyCSP provided limited commercial levers to manage performance during their final months.

We acknowledge there is a difference of position regarding the scale of data errors at the point of transfer from MyCSP to Capita. MyCSP wrote to the Cabinet Office after Capita made the statement to the Committee on 12 February about there being 20 million lines of corrupt data. MyCSP stated it was aware of around 1 million data errors. While a large number of exceptions and potential data validations are to be expected on a data transfer of this volume, we are continuing to work closely with Capita on data reconciliation as a path to building full service recovery.

### **Recovery Progress**

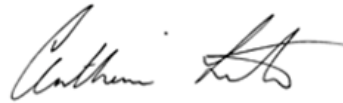
You asked about the two initial “sprint” phases - both phases achieved their objectives, clearing the 15,000 unread emails by 27 February and restoring death-in-service and ill health retirement cases to normal service levels. Regarding the 12 February date, these were early dates set at the very beginning of the recovery process. We aimed to be transparent in our replies to the Committee and shared our view at that time. As the recovery work has matured, our planning approach has improved and we have since moved to shared revised timelines (between Capita and the Cabinet Office). We are now seeing substantial improvements in contact centre performance, with average wait times reduced to 1 minute 28 seconds and call answer rates reaching 99.68%. Additionally, all inherited retirement lump sum payments have been processed where full information was provided.

My clear expectation is that all core pension functions, including new retirement processing and quotations, return to standard contractual levels by the end of June 2026, and we are continuing to work closely with Capita towards this. We will also continue to use every commercial lever available. This includes the ongoing withholding of transition milestone payments and the application of service credits for performance failures. The deployment of the 143 surge staff is being kept under continuous review as part of our agile recovery process, and we will only begin to transition these resources once we are satisfied that the recovery is sufficiently robust. The final decision regarding the costs for these resources and other costs will be determined based on the commercial negotiations.

Finally, regarding the Synergy contract award, the process followed a procurement under existing regulations. Prior to the award, the Cabinet Office shared lessons learned from the pensions implementation with DWP officials, and that department sought its own specific assurances from Capita before proceeding. Each contract is managed on its own merits with specific protections to ensure delivery.

I hope this provides the Committee with the necessary clarity on our progress.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Catherine Little'.

**Catherine Little CB**

Civil Service Chief Operating Officer & Cabinet Office Permanent Secretary

Copied to: Simon Hoare MP  
Chair, Public Administration and Constitutional Affairs Committee