

No. 122/26

23<sup>rd</sup> April 2026

Dear Colleague,

## **ROYAL MAIL STATUTORY PENSION SCHEME (RMSPS): GOVERNMENT ANNOUNCEMENT – CAPITA**

Branches and Representatives may be aware from the publicity late yesterday that Nick Thomas-Symonds, the Government's Paymaster General and Cabinet Office Minister, announced to Parliament that he was terminating the recent extended contract with Capita for "*failure to meet critical transition milestones*" and a "*lack of confidence*" in Capita's ability to move to a new operating model. To avoid any confusion as to who this impacts, the RMSPS is managed by the Cabinet Office, but administered on their behalf by Capita since 2018. The RMSPS was introduced at the point of the privatisation of Royal Mail and has been in operation since 1<sup>st</sup> April 2012.

The Minister stated "*Capita had an 18 month transition [period]. They failed to deliver on numerous milestones, including a failure to implement required IT automation.* Furthermore, the Minister said "***To ensure members are protected, we will ensure continuity of the existing contract, but let the message be clear: We will not tolerate delivery failure from contracted partners.***"

As members of the RMSPS Governance Group, myself and Steve Halliwell, Postal Executive member, were notified of the Government's decision also late yesterday afternoon in a letter from Simon Claydon, Director of Civil Service Pay, Policy & Pensions. The letter states "*The Cabinet Office is writing to formally advise the Board of the decision to terminate the new RMSPS administration contract with Capita*". Simon Claydon stated "*Since the transition programme commenced in September 2024, the provider was required to deliver 10 specific milestones. To date, only four have been delivered, and all of those were significantly past their due date*" He also said "*Service delivery failure from contracted partners cannot be tolerated*".

Crucially, Simon Claydon confirmed "*As the existing service is currently operating without issues, members are not expected to be detrimentally impacted by this decision.*" He went on to say "*The Cabinet Office will now carry out a comprehensive assessment to identify the optimal delivery model for this service*".

Firstly, I consider this development to be significant, bearing in mind the contract to administer the RMSPS was originally awarded to Capita by the Conservative

Government and Capita have administered the scheme since October 2018. Recently, the Labour Government extended the contract, but in doing so, insisted on Capita delivering significant improvements to its service, including automation. At the time of the Conservative Government's decision, we were very critical of the decision to move the work from Royal Mail Group, as we felt that the service provided by our members in the Pension Service Centre in Sheffield was excellent and we had severe reservations that this would be matched by Capita.

The actions of the current Labour Government to terminate the new contract should be applauded, as this is a positive and brave decision. That said, our concern now turns to what the future holds and what the long-term arrangements will be for the administration of the RMSPS. In this regard, we intend to discuss this development with Royal Mail to ascertain what their views are in regard to bringing the work back in-house as the scheme was originally managed by Royal Mail from 2012 to 2018, prior to Capita being awarded the contract.

The Governance Group (which Simon Claydon refers to as "The Board") is due to meet next Thursday, and this will afford Steve Halliwell and myself the opportunity to pose questions about the Cabinet Office's assessment for future service provision.

The Postal Executive is meeting on Tuesday 28<sup>th</sup> April, and will carefully consider this matter, and determine our policies for next steps.

Further developments will be reported.

If you have any queries in relation to this LTB, please contact Samantha Nicholas at [snicholas@cwu.org](mailto:snicholas@cwu.org) or Heidi Maughan at [hmaughan@cwu.org](mailto:hmaughan@cwu.org)

Yours sincerely,

**Andy Furey**  
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