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Dear Colleagues

ROYAL MAIL: PENSIONS SERVICE CENTRE – TRANSFER OF WORK TO CAPITA - UPDATE

In October 2017 the Cabinet Office announced it had awarded the contract for the administration of the Royal Mail Statutory Pension Scheme (RMSPS) to Capita. Royal Mail Representatives have recently been provided with an update on this matter at the Unit Reps briefings which took place in March and earlier this week in London.

Overview

On 30th September 2018, the following work transferred to Capita:

- The calculation and payment of all pension benefits for those ex-employees and their dependants whose total pension benefits were in the Royal Pension Statutory Pension Scheme (RMSPS), the government backed pension scheme established on 1st April 2012.

The affected population comprised of the following:

- Those who had left Royal Mail, Post Office Limited and associated employers (e.g. Quadrant, RoMEC) on or before 31st March 2012.

Those employees who are still employed by Royal Mail, Post Office and associated employers or who left on or after 1st April 2012 have benefits in both the RMSPS and the Royal Mail Pension Plan (RMPP).

The administration of the RMSPS benefits for these 'dual members' has been retained by the Royal Mail Pensions Service Centre as a temporary expedient, due to Capita's state of readiness in September 2018. In practice this means Royal Mail's Pensions Service Centre has continued to calculate the benefits and has passed the necessary information to Capita to make payment of the RMSPS element.

Complaints from Retired Members of the RMSPS

We have received a number of complaints from our retired members who have had significant problems with Capita's administration of the RMSPS. Complaints have also been received by Royal Mail, a number of MPs, Capita, and the Pensions Ombudsman. As a consequence, we have recently held a number of meetings as we are pursuing

the ongoing issues with both Royal Mail and Capita. It is fair to say that Royal Mail is also concerned about the level of service being provided by Capita and as such has made representations to the Cabinet Office.

On 15th April, a written response was received from the Parliamentary Secretary at the Cabinet Office to a question submitted by John Spellar, Labour MP for Warley as follows:

To ask the Minister for the Cabinet Office, what assessment he has made of Capita's performance in administering the Royal Mail Pension Scheme.

Answered by: Oliver Dowden

Following the transition of services from Royal Mail Group to Capita in October 2017, Capita's performance fell short of expected levels. However, due to the close monitoring that has been in place through the governance arrangements, Capita's performance has improved and is now operating closer to the contracted levels.

There is a robust governance framework in place that provides Cabinet Office with the relevant oversight to manage the contract. This framework enables Cabinet Office to monitor performance and continuous improvement but also provides an escalation route for any issues that may be encountered throughout the term of the contract.

The Governance model includes an advisory board, called the Royal Mail Pension Scheme Governance Group, which is made up of representatives from stakeholders of the scheme including Union (on behalf of members), employer and Pensioner representatives.

In addition to the above, an article appeared in Pensions Age, a leading pensions magazine which referred to the question above. The article can be accessed by using the following link:

<https://www.pensionsage.com/pa/Govt-cites-governance-as-driver-behind-Capita-administration-improvement.php>

Transfer of Additional Work to Capita

The plan was for the RMSPS element to transition in full to Capita on 29th March 2019, leading to Capita taking on responsibility for the calculation of RMSPS benefits, as well as payment. However, the Cabinet Office took the decision to delay this transition for a month – until the end of April. Capita management assured us at a meeting held in the Sheffield Service Centre on 28th March that the number of outstanding cases had reduced significantly and that Capita was now ready to take on this work. The latest position as determined by the Cabinet Office is that Capita needs more time to address the remaining readiness criteria and risks currently being flagged up. Consequently timelines for any future transition are still work in progress.

CWU and Unite have agreed to continue to put pressure on the Cabinet Office regarding the ill-conceived decision to award the Royal Mail Pensions Admin contract to Capita as their quality of service is quite clearly not up standard and potentially our

members will suffer as a result.

We will continue to carefully monitor the situation and we are hoping the government will listen to all concerns as we believe there is a strong case for halting the transition of more work to Capita.

If Branches are aware of any issues our members are experiencing with Capita, please contact ls Sheridan@cwu.org

Further developments will be reported.

Yours sincerely

Andy Furey
Assistant Secretary