



National Audit Office

The UK's independent public spending  
watchdog

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## CAPITA'S PUBLIC SECTOR CONTRACTS AND PERFORMANCE

Thank you for your FOI request to the National Audit Office (NAO) dated 30 March 2025. You requested that we provide information regarding “*public sector contracts held by Capita, particularly in relation to the services provided to the NHS, DWP, MOD and local government authorities.*” You also requested the following:

1. Audit reports or assessments of Capita's performance in managing public sector contracts, especially for cost overruns, service failures, or mismanagement.
2. Information on the value for money provided by Capita on contracts, including instances where performance was below standards or expectations.
3. Reports on the assessments of the financial impact of any breaches or potential breaches by Capita and how this may have affected the continuation of their contracts.

The responsibilities of the NAO through the Comptroller and Auditor General (C&AG) are to:

- audit and report on the financial accounts of government departments and other public bodies (this is typically central government departments and their arm's-length bodies)
- examine and report on the value for money of how public money has been spent.

Local public bodies in England (NHS and local government) which fall within the scope of the *Local Audit and Accountability Act 2014* are audited by [local auditors](#) and so do not fall within the remit of the C&AG or the NAO. If you have questions relating to specific local government or NHS bodies you may wish to approach the relevant local auditor for the particular local body directly.

We have set out additional information in response to your request below:

### **1. Audit reports or assessments of Capita's performance in managing public sector contracts**

Since 2013, the NAO has published ten reports that have included assessments of government projects and programmes using Capita as a contractor (*links to these reports are included in the **Appendix** to this letter*).

### **2. Value for money provided by Capita in these contracts, including any instances where their performance may have been below the agreed standards or expectations**

Our reports often focus on the value for money of a particular project or programme, and not on the value for money of a private sector organisations. Therefore, we have not specifically assessed the value for money

Capita provides on contracts, but instead, have focused on the effectiveness of the contracting department's management of projects, and whether the intended policy objective or benefits were achieved. We may, as part of our review, explore performance against contracts. For example, our 2018 report, [\*NHS England's management of the primary care support services contract \(PCS\) with Capita\*](#), looked at whether NHS England managed the PCS contract in England effectively to secure the intended benefits. The report concluded that both NHS England and Capita misjudged the scale and nature of the risk in outsourcing the care support services. This had an impact on the delivery and service to primary care practitioners. We also reported that that Capita's delivery of PCS had fallen below an acceptable standard.

As noted above, the NAO does not audit local government and NHS bodies and we are therefore unable to report about services delivered by Capita to particular NHS trusts or local government bodies.

***3. Investigations that assess the financial impact of Capita's breach or its potential to affect the continuation of their contracts***

Other than as discussed in item 2 above, the NAO has not carried out specific investigations or reviews concerning a breach or potential breach by Capita and therefore has not reported on the assessments of any potential impacts this may have had on contract continuation.

Our policy is to respond to requests as helpfully and promptly as possible. I hope this response is helpful and you are happy with the way we have handled your request. If you are not happy with this response, you can ask for an internal review within 40 working days by writing to the NAO FOI Team at [FOI@nao.org.uk](mailto:FOI@nao.org.uk). If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The primary way of escalating your concerns to the Information Commissioner is at: <https://ico.org.uk/foicomplaints>.

Yours sincerely,

**NAO FOI TEAM**

## Appendix

[Army 2020](#) (2014) | This report examined the MOD's plan to restructure the British Army, as part of the Recruiting Partnering Project, and a £495 million contract was awarded to Capita in 2012 to manage recruitment for the British Army.

[Contracted-out health and disability assessments](#) (2016) | This report examined DWP's management of outsourced health and disability assessments and a contract was awarded to Capita in 2012 to deliver Personal Independence Payment assessment services across certain regions of the UK.

[Delivering the defence estate](#) (2016) | This report examined the MOD management of its estate and specifically assessed the performance of the Capita-led consortium contracted as the Strategic Business Partner for the Defence Infrastructure Organisation.

[Government Interventions to Support Future Retirement Incomes](#) (2013) | This report evaluated the effectiveness of various government initiatives aimed at enhancing retirement savings and ensuring adequate retirement incomes. This report did not look at specific contracts awarded to Capita or other private entities. Instead, it examined broader policy initiatives, such as the introduction of automatic enrolment into workplace pensions and assessed their effectiveness and management across different government departments.

[Investigation into clinical correspondence handling in the NHS](#) (2018) | This report examined the period from May 2015—when NHS England introduced new procedures for misdirected clinical correspondence, focusing on the backlog of unprocessed clinical correspondence and the measures taken to address it. The investigation touched on Capita's contract with NHS England for providing primary care support services under the Primary Care Support England (PCSE) initiative.

[Investigation into members' experience of civil service pension administration](#) (2016) | This report examined the period from September 2014, when the administration of the civil service pension payroll transitioned from Capita to MyCSP.

[Investigation into the British Army Recruitment Partnering Project](#) (2018) | This report examined the period from 2012, when the British Army entered into a partnering agreement with Capita Business Services Ltd (as part of the Recruitment Partnering Project Contract).

[Our enquiries into civil service learnings contract with capita](#) (2015) | This report examined the Civil Service Learning contract awarded to Capita Business Services Ltd in 2012.

[NHS England's management of the primary care support services contract with Capita](#) (2018) | This report examined the performance of the PSCE contract, noted above, and its impact on primary care services between August 2015 and January 2018.

[Personal Independence Payment: early progress](#) (2014) | This report evaluated the DWP's initial implementation of the Personal Independence Payment program, which began in April 2013. Capita was one of the contractors responsible for assessing claimants.