

LOCAL PENSION BOARD

FIREFIGHTER PENSION SCHEMES



DATE: 27 AUGUST 2026

TITLE: SCHEME MANAGER REPORT

REPORT OF: SCHEME MANAGER

For Noting

1. PURPOSE

- 1.1 To inform and update the Board.

2. GOVERNANCE AND ADMINISTRATION

- 2.1 Terms of Reference** For Approval
The Terms of Reference has been reviewed and is attached at Appendix 1 for the Boards approval.
- 2.2 Annual Work Programme** For Approval
The Annual work programme has been reviewed and is attached at Appendix 2 for the Boards consideration.
- 2.3 Discretions – None** For Noting
- 2.4 Ill Health - None**
- 2.5 Appeals - None**
- 2.6 IDRP - A Stage One Internal Dispute Resolution Procedure (IDRP)**
application was received on 12 May 2026. The dispute related to the member's belief that they had not been given the opportunity to participate in the first Matthews exercise. The Scheme Manager investigated the concerns raised and concluded that the complaint was not upheld. Copies of the Stage One IDRP application and the response are attached at Appendix 3.
- The member subsequently appealed to Stage Two of the IDRP. This appeal was considered by the Fire Authority's Executive (Appeals) Committee on 31 July 2026, and the original decision was upheld. Copies of the Stage Two IDRP application and the response are attached at Appendix 4.
- 2.7 Administration Contract -** The current contract with XPS is due for renewal in April 2027. Preparatory work has commenced on the development of the tender specification to support the forthcoming procurement process.

3. REVIEW OF BREACHES

For Noting

3.1 No breaches to report at this time.

3.2 The statutory deadline for issuing Annual Benefit Statements is 31 August and for issuing Pension Savings Statements is 6 October. Delivery remains under review and progress is being monitored. If these are not issued by the deadlines, a breach assessment will be undertaken to determine whether the failure is material and requires reporting to the Pensions Regulator, with appropriate remedial actions implemented as necessary.

4. REVIEW OF RISK REGISTER

For Noting

4.1 At the internal Pensions Management Team meeting on 23 July 2026 it was agreed to increase two of the current risks and add an additional risk to the Risk Register at Appendix 5, as detailed below:

- **Risk 11 - IF the authority experiences limited capacity, resources, or in-house pension knowledge, THEN** key actions and statutory responsibilities may not be addressed in a timely or effective manner, increasing the risk of non-compliance and operational inefficiencies.

Increase the likelihood score from 2 to 3, reflecting the increased probability of occurrence. Limited internal pensions expertise and resource constraints reduce confidence that significant pension changes and related communications are being effectively monitored, understood, and acted upon within required timescales.

- **Risk 12 - IF actions and updates from LGA bulletins and circulars are not identified and acted upon, THEN** the authority may miss critical regulatory or procedural changes, increasing the risk of non-compliance and operational oversight.

Likelihood increased from 2 to 3 as limited internal pensions knowledge and resource capacity reduce assurance that LGA bulletins and circulars are consistently monitored, understood, and acted upon in a timely manner. This increases the probability of missing key regulatory or procedural changes, resulting in compliance and operational risks.

- **New risk added – Risk 34 – If market capacity constraints and the complexities associated with the McCloud remedy and wider pension regulatory changes reduce supplier appetite for the forthcoming pensions administration contract, THEN** the authority may be unable to secure a suitably qualified provider at a competitive cost, resulting in service delivery risks, increased expenditure, and potential compliance issues. Scored as a major impact (4) and moderate likelihood (3).

5. UPDATES

5.1 Scheme Changes

For Noting

5.2 Sargeant/ Mccloud

For Noting

5.2.1 Immediate Choice (IC) - RSS Issuance

All statements have now been issued, and members were given a 12-month period in which to make their election. At present, 2 members have not made an election within the required timeframe and therefore fall within the category of a deemed election.

Where a member does not make an election by the Immediate Choice deadline, the Fire and Rescue Authority, acting as Scheme Manager, is required under the scheme regulations to apply a default decision on the member's behalf.

Although XPS have developed their proposed approach for these cases, further clarification of the guidance is still awaited. As a result, it has been agreed with the LGA to defer any further action until the final version of the guidance has been issued.

In the meantime, both members have been contacted and encouraged to make an active choice before a default decision is applied.

5.2.2 Deferred Choice (DC) - RSS Issuance

We still have 6 members who have yet to be issued with an RSS, XPS have continued to work on these cases to resolve any data and/or calculation issues/complexities.

On 29 July 2026 correspondence was received from the Pensions Regulator setting out their clear expectations on Scheme Managers and suggested the following actions in order to support good member outcomes:

- **Continue to focus on the delivery of RSSs** by ensuring that any deadlines extended through the exercise of statutory discretion are met in line with the agreed action plan and that timescales do not drift further.
- **Consider and address the impact of McCloud / Sargeant implementation** when transitioning to business-as-usual scheme governance and administration.
- **Ensure clear and timely communications are issued to affected members**, including relevant signposting to the scheme's Internal Dispute Resolution Procedure and The Pensions Ombudsman.

5.2.3 Contingent Decisions

To date, CFA has received nine Contingent Decision applications, all relating to members who opted out of pensionable service. These applications now require consideration by the Scheme Manager.

CFA has agreed to the proposal submitted by XPS to undertake this work. Processing will commence once the Scheme Manager has determined whether the applications should be accepted.

On 27 March 2026, a Written Ministerial Statement was published addressing legislative issues affecting certain members who opted out of pensionable service as a result of the 2015 pension reforms. Under the current provisions of the Public Service Pensions and Judicial Offices Act 2022, some FPS 1992 members cannot be reinstated into their original legacy scheme through the Contingent Decision process and are therefore unable to receive a full remedy.

The statement confirmed the Government's intention to address this issue through the use of the Act's special case powers. Regulations will be introduced to enable eligible members who opted out due to discrimination to elect to reinstate their opted-out service during the remedy period (1 April 2015 to 31 March 2022) and have it treated as pensionable service in the legacy scheme in which they last accrued benefits. A Statutory Instrument will be brought forward when parliamentary time allows.

During the sector coffee morning held on 12 May, an update was provided on the legal advice obtained by the Scheme Advisory Board (SAB). The advice concluded that Fire and Rescue Authorities can proceed with Contingent Decision cases ahead of the legislative changes and that the risks associated with doing so are low. FRAs were advised to identify affected cases and, where members are nearing retirement consider how cases will be handled.

CFA has identified one member who is approaching retirement and, given the timescales involved, has commenced processing the case in advance of the legislative changes.

5.3 Matthews

For Noting

The current case numbers are as detailed below:

Category	No. Cases	No. issued	No. Complete
Deceased	5	0	0
Pensioner	42	41	39
Deferred Not immediate / imminent	26	26	25
Active	3	3	3

To date, CFA has issued statements to all active and deferred members. One pensioner case remains outstanding and is currently with the Government Actuary's Department (GAD) for calculation due to the complexities arising from a pension sharing order following divorce.

Progress has also been made in obtaining guidance on the processing of death cases. Members of the HR team are scheduled to attend a specialist workshop on 25 August 2026, which is expected to provide greater clarity and support in resolving the remaining outstanding cases. Subject to the outcomes of the workshop, the Authority is hopeful that these cases can then be progressed and concluded in a timely manner.

SIMON WEASTELL - SCHEME MANAGER