

Lancashire Combined Fire Authority

Resources Committee

Meeting to be held on Monday 29 June 2026

Local Pension Board Annual Report 2025-26

Contact for further information – Elizabeth Sandiford, Director of People and Development

Telephone: 01772 866804

Executive Summary

The role of the Local Pension Board, as defined by the Public Service Pensions Act (PSPA) 2013 Sections 5(1) and (2), is to assist Lancashire Combined Fire Authority (CFA) in its role of Scheme Manager, in ensuring the effective and efficient governance and administration of the Firefighters' Pension Scheme. The role of Scheme Manager is delegated to the Director of People and Development.

This report provides an overview of the work and effectiveness of the Local Pension Board for the period 1 April 2025 to 31 March 2026. The Pension Board provides oversight and assurance to support the effective and efficient governance of the Firefighters' Pension Schemes.

The work of the Board has been heavily focused on the continued implementation of the McCloud/Sargeant age discrimination remedy and the Matthews Second Options exercise. These programmes have required significant organisational focus and resource.

Despite these challenges, the Board has continued to provide effective oversight of the governance and administration of the Firefighters' Pension Schemes. The Board is satisfied that appropriate governance arrangements are in place to support the Scheme Manager in meeting their statutory responsibilities, although risks remain in relation to data quality, resource capacity, and dependency on national guidance.

The Board has maintained oversight of key risks, monitored the performance of the pension administrator (LPPA), and ensured that compliance requirements continue to be met.

The Board will continue to focus on delivery of national remedy programmes, data improvement, and ongoing compliance with The Pensions Regulator's requirements during 2026/27.

Recommendation(s)

The committee is asked to note the report.

1. Information

The role of the Local Pension Board, as defined by the Public Service Pensions Act (PSPA) 2013 Sections 5(1) and (2), is to assist Lancashire Combined Fire Authority as

Scheme Manager, in ensuring the effective and efficient governance and administration of the Firefighters' Pension Scheme.

The Board's role includes assisting the Scheme Manager in securing compliance with:

- The Pension Scheme regulations.
- Other legislation relating to the governance and administration of the Pension Scheme.
- Requirements imposed by The Pensions Regulator.

The Board is not a decision-making body but provides oversight and assurance to support the effective and efficient governance of the Firefighters' Pension Schemes.

The Combined Fire Authority has delegated its Pension Scheme Manager responsibilities to the Director of People and Development.

2. Governance Overview

The Board met twice during 2025-26 as set out in its Terms of Reference. Meeting activity focused on:

- Maintaining oversight on key pension risks, including review of the pensions risk register
- Receiving regular updates on the implementation of age discrimination remedy and the Matthews Second Options exercise
- Receiving and reviewing quarterly pension reports from the Local Pensions Partnership Administration (LPPA) relating to the performance of LPPA.
- Receiving regular updates on Internal Disputes Resolution cases and Pension Ombudsman matters.
- Monitoring compliance with statutory requirements and emerging issues.

3. Board Membership

Bob Warren retired from his role as Scheme Manager and Pensions Advisor in September 2025. From that date, Elizabeth Sandiford, Director of People and Development, assumed the role of Scheme Manager. Elizabeth joined the Board in November 2024 as an advisor to the Board.

4. Key Areas of Activity 2025-26

4.1 McCloud/Sargeant Age Discrimination Remedy

Age Discrimination Remedy (McCloud/Sargeant)

The McCloud/Sargeant judgment confirmed that the transitional protections introduced under the 2015 Firefighters' Pension Scheme reforms were unlawfully age discriminatory. As a result, from 1 April 2022, all active members were moved to the reformed scheme (FPS 2015), with retrospective remedy now being implemented for the period 1 April 2015 to 31 March 2022.

The Pension Board has actively monitored progress and performance in relation to the implementation of the McCloud/Sargeant remedy.

During 2025-26, the Board received updates on implementation progress, administrative impacts, and emerging risks associated with the remedy programme.

4.2 Matthews Second Options Exercise

The Matthews remedy provides eligible on-call (retained) firefighters with the opportunity to access pension benefits under the Modified Pension Scheme. Legislative changes introduced by the Government from 1 April 2026 require the Second Options exercise to be completed by 31 March 2027.

The Board will continue to monitor progress and performance closely, particularly in relation to legislative changes, outstanding cases and emerging risks.

4.3 Internal Dispute Resolution Procedure and Pensions Ombudsman

In 2020-21, the Service implemented the pensionable allowances project, applying pensionable allowances retrospectively for a six-year period. As a result, the Service has received several Internal Dispute Resolution Procedures (IDRP) appeals from current and former employees. These applications relate to members who are dissatisfied that they were not included in the pensionable allowances exercise, either because of the type or temporary nature of the allowance, or because their service falls outside of the backdating period, 01 June 2015 to 31 May 2021. The Board has been kept informed of several complex cases considered at Stage 1 and Stage 2 of the Disputes Procedures. The Service has also been contacted by the Pensions Ombudsman regarding several cases.

During 2025-26, the Board also received updates on IDRP cases arising from contingent decision issues linked to remedy implementation, including the potential impact of delayed national guidance on case progression and member communications.

4.4 Pensions Dashboard

The Board continues to receive regular updates on progress with the Pensions Dashboard Programme (PDP). LPPA completed connection of its schemes to the dashboard infrastructure in December 2025 and is awaiting further confirmation from the PDP on the date the dashboard will become publicly available.

The Board continues to monitor progress of the development of the Dashboard against key project milestones.

4.5 Risk Management and Administration Oversight

The Board has maintained oversight of:

- The pensions risk register, which is reviewed at each meeting
- The performance of the pension administrator (LPPA)
- Key risks relating to data quality, programme delivery and resource capacity.

The following key risks have been identified during the year:

- Data quality, particularly in relation to historic records required for the Matthews Second Options exercise and the Pensions Dashboard Programme, much of which is outside the direct control of the Service.
- Resource capacity, considering competing demands arising from major national projects relating to pensions activity.
- Dependency on national guidance, particularly relating to contingent decisions, which may result in delays in decision making.
- Complexity of legislative changes, increasing the administrative burden, which then creates a risk of non-compliance.
- Member expectations and communication challenges, particularly where outcomes are uncertain, or legislation is awaited.

Mitigating actions include enhanced governance oversight, additional resourcing, and continued engagement with national bodies.

4.6 Training

Maintaining a high level of knowledge and understanding is a statutory requirement for Local Pension Board members. In 2025-26, all Board members continued to develop their pension knowledge through a variety of ways, including:

- Attendance at Local Government Association (LGA) training sessions
- Access to regular LGA bulletins
- Use of The Pensions Regulator's Public Service Toolkit
- Ongoing engagement with the Scheme Manager and HR teams

5. Work Programme for 2026/27

The Board's work plan will focus on:

- Continued implementation of the McCloud/Sargeant age discrimination remedy.
- Continued implementation of the Matthews Second Options exercise, including legislative changes arising from the Government's consultation process.
- Improvement of data quality and pension administration processes.
- Monitoring and responding to national consultations.
- Preparing for and responding to Pensions Dashboard requirements.
- Enhancing member communication and engagement.
- Ongoing development of the Board's knowledge and skills.
- Reviewing compliance with The Pensions Regulator's data quality expectations.

The work plan will be reviewed regularly to respond to emerging risks and priorities.

Business risk

Pension reforms and remedy programmes continue to present risks to the organisation, including impacts on employees and other stakeholders.

The pensions risk register remains a standing item at each Board meeting to ensure ongoing oversight and mitigation.

Sustainability or Environmental Impact

Nil.

Equality and Diversity Implications

An equality impact assessment has not been undertaken because this report is not associated with a policy, function or decision.

Data Protection (GDPR)

Will the proposal(s) involve the processing of personal data? Y

The report involves the processing of personal data in line with established working practices.

HR implications

There are no human resources implications arising directly from this report as the report is for information only.

Financial implications

The training of Board members is largely carried out in house at no direct cost, and to date, national events such as the LGA conference have been free of charge.

The Authority continues to pay a levy to the Scheme Advisory Board (SAB), and this will cover the cost of the national fire pensions technical advisor post and support the work of the SAB. The aim of the SAB in setting the levy is to help fire authorities to achieve cost savings by producing guidance and communications centrally for authorities to share. The cost in 2025-26 was £12,000, which has been provided for within the revenue budget.

No out-of-pocket expenses were paid to Board members.

Legal implications

The Local Pension Board is a statutory board established under section 5 of the Public Service Pensions Act 2013 to assist the Scheme Manager in securing compliance with the Firefighters' Pension Scheme regulations and other legislation relating to the governance and administration of the scheme.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: Insert Exemption Clause