

Cumbria Fire & Rescue Service

Report to:	Fire Local Pension Board
Report of:	CFO Hancock as Scheme Manager
Agenda Item No:	7
Date:	7 August 2025
Title:	Monitoring Report for the Period from May 2025 to July 2025

1. EXECUTIVE SUMMARY

- 1.1. The monitoring report provides Fire Local Pension Board (“the board”) members detail of any material risk management, policy or governance issues and national regulatory changes relating to the Firefighter Pension Schemes (FPS). Additionally, the report provides any performance issues of FPS for the period May 2025 to July 2025.
- 1.2. Good governance and risk management will aid the Cumbria Commissioner Fire and Rescue Authority (CCFRA) and the Scheme Manager, delegated to the Chief Fire Officer (CFO), in ensuring their regulatory responsibilities are met, a good service is provided to scheme members and costs are controlled.
- 1.3. The monitoring report provides updates on the following areas:
 - McCloud – remediable service statements
 - Matthews – second option exercise
 - Consultations
 - Other work
 - Scheme discretions
 - Internal dispute resolution
 - Legal breaches recorded / reported during the quarter
 - Administrator performance
 - Pensions dashboard programme
 - Training
 - Risk Register

2. MCCLOUD – REMEDIABLE SERVICE STATEMENTS

- 2.1. The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA) came into effect on 1 April 2022. Its purpose was to address the age discrimination identified in the 2015 pension reforms, following the successful legal challenge by the Fire Brigades Union (FBU). The PSPJOA2022 instructed scheme managers to roll back eligible members into their legacy pension schemes (1992, 2006, or Modified Pension Scheme) by 1 October 2023.

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- 2.2. Section 29(1) of PSPJOA states- “Scheme regulations for a Chapter 1 legacy scheme must make provision requiring the scheme manager to provide a statement (a “remediable service statement”) in respect of each member of the scheme who has relevant service.”
- 2.3. Section 10(1)(a) of PSPJOA states that the remediable service statement should be issued, “the day after the final day of the period of 18 months beginning with the day on which section 2(1) comes into force.” As the section 2(1) came into force on 1 October 2023 the statutory deadline to provide was 31 March 2025. As this deadline was not met the scheme manager having consulted with the chair of the board, determined the breach to be material and it was reported to the regulator on 17 April 2025.
- 2.4. The below table provides the number of RSS issued as at 31 March 2025 and the 17 July 2025:

Cohorts	Totals	RSS Sent @ 31/03/2025	RSS Sent @ 17/07/2025	Remaining RSS
Eligible Actives	195	158	160	35
Eligible Deferred	77	57	57	20
Non-Ill Health Pensioners	129	73	79	50
Ill Health Pensioners	7	2	2	5
Deceased members	5	0	0	5
TOTAL	413	290	298	115

- 2.5. It is noted that there is minimal progress on the outstanding RSS, this is in part due to the remaining records being more complex and requiring manual calculations. CFRS Pension team receive updates from LPPA on a fortnightly basis and continue to monitor the progress.
- 2.6. On the 31 March 2025, the scheme manager having consulted with the board Chair, extended the statutory deadline for certain tranches of members. Information on this was previously supplied in May 2025 board meeting. These extensions are in place until September 2025, at this stage a decision will be required if a further breach will need to be reported if the RSS remain outstanding.

- 2.7. LPPA reported for July 2025 the following forms had been received by pensioner members who will need to be an election on what benefits (legacy or reform) that they wish to receive:

Total Forms Received	Status	Description	Numbers	Action
56	Forms Reviewed	Election (Change)	14	Payments to be made
	44	Election (No Change)	26	Member record updated
		Member Query	4	Response provided
	Forms to be Reviewed	Election form	9	Review Form
	12	Member Query	2	
		Request for further information	1	

- 2.8. LPPA previously advised that RSS benefit adjustment payments would begin in July 2025. However, a system issue identified during post-update testing has delayed implementation. LPPA is working with Civica to resolve the issue, with payments now expected between September and November 2025. Affected members have been
- 2.9. LPPA currently preparing the production of 2024-2025 ABS-RSSs to active and deferred members due to be issued by 31 August 2025. The progress of this will be monitored, LPPA state that they believe the majority will be released by the deadline.

3. MATTHEWS – SECOND OPTION EXERCISE

- 3.1. The Firefighters' Pension Schemes (England) (Amendment) Order 2023, Statutory Instrument 2023/986, amended the Firefighter Pension Scheme 2006 with effect from 1 October 2023. The amendment allowed retained firefighters employed between 7 April 2000 and 30 June 2000, and 1 July 2000 and 5 April 2006, to purchase pensionable service from the date of their contracts.
- 3.2. This project is extremely resource intensive, there are many elements to the process both financial and administrative. This has created a large resource pressure on the pension team, driven by the number of calculations to be produced and contacts to be made with the eligible cohort.

3.3. A summary of the overall figures is presented in the below table:

Category	Numbers
Individual located - i.e. have an address on record	634
Individual not located i.e. no address on record	8
Total number of cases which have been sent the initial expression of interest letter	634 - 32 of those are deceased post being notified
Total number of individuals who have replied and expressed an interest	517
Calculators populated	540
Total number of statements issued	510
Total number of cases passed to the administrator for implementation	306
Elections at CFRS	62

- 3.4. It was not until March 2025 until LPPA made payment to one member, and up to and including June only thirteen members had received payment.
- 3.5. At this rate, it would take an estimated 3 years for all pension members to receive payment referred to in 4.4 was discussed in the Local Pension Board on the 8 May 2025, with the Scheme Manager requesting a resolution within a fortnight.
- 3.6. On the 10 June 2025 the scheme manager sent a letter to the Managing Director at LPPA asking for an update on how this issue can be resolved. This letter is included as Appendix A - 20250610 - CFRS Matthews Update.
- 3.7. One of the obstacles to processing a larger volume of payments is due to when the relevant interest file is made available by the Government Actuary Department (GAD) that is required to be upload into the GAD calculator to calculate members benefits.
- 3.8. The small window of time between the interest file being made available and LPPA processing payroll meant only a small number of members could be processed.
- 3.9. To resolve this, CFRS and LPPA agreed to process records based on the previous month calculations. The impact to the member was the loss of interest for the month of payment, but this made up less than 1% of the overall payment to the member. The missing month's interest would be paid at a following date before the end of the financial year.

- 3.10. A decision paper was presented to the scheme manager, and this was formally agreed on the 25 June 2025. The decision paper is attached as Appendix B - 24062025 - Scheme Manager decision - Payment of Pensioner Members.
- 3.11. The pension team arranged a Teams call with affected members on 1 July 2025 to provide an update and an email was sent to all affected members. CFRS did not receive any challenge to this approach.
- 3.12. Due to this, the number of payments in July increased to 26, and currently a similar number of payments are due to be made in August. This should result in all pensioners members who have made a positive election to receive payment within 9 – 10 months.
- 3.13. Below is the number of pensioner payment by month:

Month	Number of Pensioner Members Paid
Mar-24	1
Apr-24	4
May-24	8
Jun-24	4
Jul-24	26
Total	43

- 3.14. CFRS currently await the Home Office's response to the consultation and any amendments to the legislation that closed on 15 February 2025.
- 3.15. A case management hearing was held on 11 July 2025 concerning Employment Tribunal claims related to the aggregation of pensionable service for Retained Duty System (RDS) firefighters who transitioned to wholetime roles. Three categories of claims have been identified, covering transitions before and after 6 April 2006, and concurrent service. Key issues include whether service can be combined across the Firefighters' Pension Scheme (FPS) and the New Firefighters' Pension Scheme (NFPS), the impact of differing retirement ages, and whether separate contracts allow aggregation. The Secretary of State for Housing, Communities and Local Government (SSHC&LG) has proposed a legislative solution, a proposed timeline stretches into late 2027/early 2028.
- 3.16. In addition, unresolved issues remain around tax relief on contributions made during the First Options Exercise and claims for consequential financial loss. The SSHC&LG intends to introduce a compensation scheme to address these matters.

4. CONSULTATIONS

- 4.1. No consultations are recorded as being complete in the reporting period.

5. OTHER WORK

- 5.1. Work has commenced on revising CFRS intranet pages relating to pensions. The work is ongoing with archive information needing to be reviewed.
- 5.2. A review of eligibility to join FPS2015 has been carried out, specifically around temporary and secondary posts not meeting the criteria to be enrolled. Further information on this will be brought in the autumn pension board.
- 5.3. Work has commenced on temporary promotions, and if the correct amendments are being made in the payroll system to ensure correct contributions are being deducted from members pay.

6. SCHEME DISCRETIONS

- 6.1. The scheme manager has approved the release of two pensions due to ill health, one from deferred status and one from active status. Both are a result of appeals to the Fire Medical Appeals Board.

7. INTERNAL DISPUTE RESOLUTION PROCEDURE

- 7.1. No internal dispute resolution procedures (IDRP) have been received or heard during the reporting period.
- 7.2. Pension Ombudsman have contacted CFRS in relation to a complaint initially raised in 2022 relating to the first options exercise and a member's election to convert service. It is likely that this can be resolved without a formal adjudication and further information will be brought in the autumn board.

8. LEGAL BREACHES RECORDED / REPORTED DURING THE QUARTER

- 8.1. No breaches of law have been reported during the quarter.

9. BLUELIGHT BULLETINS

- 9.1. The Firefighters' Pension Scheme (FPS) bulletins are designed to provide important updates and guidance on the managing and administration of the Firefighters' Pension Schemes. These bulletins cover a range of topics including legislative changes, policy updates, and best practices for managing the pension schemes as well as notifying stakeholders of required actions.
- 9.2. The following Firefighters' Pension Scheme (FPS) bulletins have been released during this reporting period, and the following table provides actions identified in the bulletins:
 - April 2025 – www.fpsregs.org/images/Bulletins/Bulletin-92-April-2025/FPS-Bulletin-92-April-2025.pdf
 - May 2025 – www.fpsregs.org/images/Bulletins/Bulletin-93-May-2025/FPS-Bulletin-93-May2025.pdf
 - June 2025 - www.fpsregs.org/images/Bulletins/Bulletin-94-June-2025/FPS-Bulletin-94-June-2025.pdf

Bulletin	Action Item	Detail of Action	Deadline	Status / Comment
April	Contingent Decisions – Opted Out Service Reinstatement Pause	Notify LGA via bluelightpensions@local.gov.uk any contingent decision opt out cases where based on the current understanding they would end up with two legacy schemes in the remedy period.		No cases identified
April	GAD Guidance – Divorce	Ensure administrators use correct guidance.		Confirmed
April	Public Service Pensions and Judicial Offices Act	Assess and implement amendments; notify administrators if not already done.		Completed prior - September 2024
April	GAD Calculator	Use the correct version from the official website; avoid local versions.		Noted
April	FPS Top-up Grant 2025	Ensure returns are completed by 16 May 2025.	16 May 25	Complete
April	Matthews Elections Data	Submit bulk data to GAD by 2 May 2025.	2 May 25	Complete
April	Pension Dashboard Programme	Review and share guidance with dashboard implementers.		Complete
April	TPR Dashboards Campaign	Review toolkit, share content, and complete five preparation actions.		Complete
April	Registration Codes	Review hot topics article and share with dashboard implementers.		Complete
May	Remediable Service Statements (RSS) Data Request	Liaise with administrators to submit data to LGA.		Complete
May	Refer to GAD Manual Cases	Send cases to Firematthewscalculator@gad.gov.uk .		Noted
May	Matthews GAD Calculator – Version 3	Contact GAD if interested in testing new version of calculator.		Not interested
May	Valuation	Engage with GAD on follow-up queries.		Complete
June	HMRC Offsetting Guidance	Ensure awareness for affected cases.		To review
June	Annual Benefit Statement (ABS) & RSS Production	Discuss cut-off dates with administrators for 2024 and 2025 statements.		Ongoing
June	Matthews Project Implementation Data Request	Submit by 22 July 2025 to bluelightpensions@local.gov.uk .	22 July 25	Complete
June	FPS Valuation – Data Collection	Continue collecting data on individual Matthews elections for MHCLG.		Noted
June	Firefighters' Pensions Annual Conference	Save the date: 17–18 September 2025.		In hand

- 9.3. No additional returns have been completed in addition to those identified in the section “Bluelight Bulletins”

10. ADMINISTRATOR PERFORMANCE

- 10.1. Administration of the scheme has been outsourced to Local Pension Partnership.
- 10.2. A representative from LPPA attends the quarterly board meeting to provide the board with verbal updates and to take questions from the Board.
- 10.3. Additionally, LPPA provide a “Quarterly Administration Report” that provides details on, for example:
- Total Fund Membership,
 - Casework Performance,
 - Contact Centre Performance, and
 - Common/Scheme Specific Data
- 10.4. To allow members to perform effective governance and oversight of the scheme administration these reports are shared with the board.
- 10.5. The quarter 1 report for the period April 2025 to June 2025 is provided under Appendix C - LPPA Q1
- 10.6. Overall operational casework performance continues to trend above the overall Service Level Agreement target (SLA) of 95% at 99.1%.
- 10.7. The performance standard for Retirement – Active was at 80%, with 5 active retirements processed this would mean that 1 record has failed to be processed within the 5 target days.
- 10.8. Helpdesk performance for average call wait times and number of accepted calls for Q3 the average wait time for Cumbria Fire members was 3 minutes and 3 seconds. The number of calls increased, likely impacted by the release of RSS to members.
- 10.9. Data quality scores at the end of the quarter had Common Data at 95.4% and Scheme Specific Data at 89.3%. Common Data scores are impacted by “Gender is not Male or Female” and “Missing State Retirement Date”, and Scheme Specific Data are impacted by “Annual Allowance”, Guaranteed Minimum Pension, and “Care Data”.
- 10.10. As part of Monthly reports to CFRS, LPPA have stated they have 3 complaints open at the end of June.

Complaints at LPPA at beginning of June	3
Received in Period	1
Resolved in Period	1
Complaints at LPPA at end of June	3

- 10.11. LPPA did hold an IDRP as being open, but on review this IDRP had previously been resolved in January 2025 and has previously been reported to the board.
- 10.12. For key projects, LPPA have McCloud/Matthews as Amber, Dashboards as Green, Efficiency and Service Improvement Programme (ESIP) as Green. The details for McCloud/Matthews are provided below:

Project	RAG	Summary
McCloud (Police and Fire) / Matthews (Fire only)		- Focus is on the issuing of Immediate Choice RSSs for all blue light pensioners and dependents in scope and processing of option forms that have been returned. - Plan to issue all outstanding RSS by 31st October 25 (subject to receipt of all information to do so). - Unfortunately there is a delay to when LPPA can commence payments to those members that choose to change their benefits (typically from CARE to legacy). Letters will be sent to members advising of a revised timeline for payment between September and November. - Matthew cases continue to be progressed (and Matthews remedy completion is a prerequisite for McCloud remedy). Path to Green - Plan in place and on track to issue remaining IC-RSSs - Successful testing and implementation of software fixes from Civica. - Successful resolution of remaining data issues that impact RSS production. - Delivery of outstanding guidance and clarification to enable it to be adopted. - Progress on Matthews cases.

11. PENSIONS DASHBOARD PROGRAMME

- 11.1. Services are required to connect to the Pensions Dashboard by 31st October 2025. LPPA have put a Project Working Group in place to ensure dashboard compliance.
- 11.2. LGA (Local Government Association) have advised that dashboards should be a standard item on board's agendas going forward.
- 11.3. Dashboards will be included in the monitoring report going forward. However, for the August board meeting, a separate, more in-depth report will be provided
- 11.4. As noted in 10.11, LPPA currently have Dashboards as Green on Key Projects, with the detail provided below:

Pensions Dashboard		- Project status remains Green and on track for connection by October 2025 - Civica development is ongoing (Civica are LPPA's Integrated Service Provider for connection to the dashboard ecosystem). - A dedicated Pensions Dashboard page is available on the LPPA website https://www.lppapensions.co.uk/pensions-dashboards/ - Full Business Readiness assessment for Dashboard Available Point (member go live) is ongoing.
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12. Training

- 12.1. All details of the LPB training sessions are included on the 'Training and Development' section of the FPS Board website. The section sets out the dates that are available and how you book.
- 12.2. The full training is aimed at newer LPB members, where they need a more detailed session on the different areas of FPS and their role. For this session LGA invite other stakeholders to cover certain sessions, including TPR, PDP and the Chair of the SAB.
- 12.3. The refresher training session is aimed at LPB members who have already received LPB training, as they have been a LPB member for a period already and just require a refresher in their knowledge. This training is provided by the LGA Team and will provide a reminder of the purpose of an LPB, the key role and responsibilities of all stakeholders and the current hot topics.
- 12.4. Guidance and training material can be accessed by Board Members via the link below to the dedicated Fire Local Pension Board SharePoint site:
<https://cumbria.sharepoint.com/sites/CLGPS/Shared%20Documents/Forms/AllItems.aspx>

13. RISK REGISTER

- 13.1. The board follows accepted best practice across public sector pension schemes in considering any new risks and reviewing previously identified scheme risks at each board meeting as part of the standard agenda.
- 13.2. The risks are recorded on a risk register and scored based on likelihood and impact. Red, Amber, Green (RAG) status reporting is used to categorise risk levels.
- 13.3. The risk register has been reviewed and updated where necessary to reflect developments since the previous board meeting held in May 2025. The risk register as of April 2025 is attached as Appendix D - Risk Register August 2025.
- 13.4. A summary of the risks shown in the below table:

Risk Category	Number of Risks
Red	3
Amber	3
Green	7
Total	13

13.5. The identified “red” risks on the April risk register are:

- **1.1. Information security arrangements** – risk increased to take into account Corporate Risk register scoring.
- **1.6 Sargeant Judgement** – risk maintained due to missing the RSS deadline and still outstanding RSS to be processed. Delay in payment to members.
- **2.3 Key personnel & systems** – risk maintained as high as hosted services remain with the legacy councils

14. RESOURCE AND FINANCIAL IMPLICATIONS

- 14.1. There are no additional financial implications based on the specific areas covered in this report, however it is noted that both McCloud and Matthews need to be monitored continuously to mitigate any financial cost.
- 14.2. There are no additional resource implications based on the specific areas covered in this report, however it is noted that both McCloud and Matthews continue to be resource intensive.

15. LEGAL & EQUALITY IMPLICATIONS

- 15.1. The Matthews and McCloud cases have significant legislative and equality implications. The McCloud judgment led to the PSPJOA2022, addressing age discrimination by rolling back eligible members to legacy pension schemes. The Matthews case resulted in SI 2023/986, allowing retained firefighters employed between 7 April 2000 and 30 June 2000, and 1 July 2000 and 5 April 2006, to purchase pensionable service.
- 15.2. The service continues to monitor all aspects of the above ensuring regulatory responsibilities are met, a good service is provided to scheme members and costs are controlled.

16. RECOMMENDATION

- 16.1. It is recommended that the Cumbria Fire Local Pension Board receive and note the performance of the Cumbria Firefighters’ Pension Scheme (FPS) and any material policy or governance issues and national regulatory changes.

Appendices:

Appendix A - 20250610 - CFRS Matthews Update

Appendix B - 24062025 - Scheme Manager decision - Payment of Pensioner Members.

Appendix C - LPPA Q1

Appendix D - Risk Register August 202