

Scheme Advisory Board Annual Report

Chair's Introduction and reflection over the last 12 months

I am pleased to be able to share with you this second Scheme Advisory Board Annual Report. By way of a reminder of the two aims of the report; the first is to share the key work undertaken by the Board, its committees and working groups in one succinct, factual-based overview of the previous 12 months, along with a high-level breakdown of how the budget for the previous year has been spent. The second is to highlight the various workstreams that the Board and the Secretariat have planned for the coming 12 months so the Fire community can engage with and have awareness of the work planned.

This has been another busy year for the Scheme Advisory Board as we try to overcome obstacles to finalizing remedies, prepare for the forthcoming actuarial valuation and focus on governance. We hope that over the coming months we can support the increased focus on creating more support and operational efficiencies within the sector,

Joanne Livingstone, Scheme Advisory Board Chair

Firefighters' Pension Scheme (England) Scheme Advisory Board

The Firefighters' Pension Scheme (FPS) is a national public service pension scheme that is locally administered with 329771 active members², and 44 individual scheme managers across England.

The Scheme Advisory Board (the Board) was introduced by the Public Service Pension Act 2013 and Firefighters' Pension Scheme (Governance) Regulations 2014.

The Board has two main functions:

- Provide advice as requested by the Secretary of State on the desirability of making changes to the scheme
- Provide advice to the Scheme Managers and Local Pension Boards in relation to the effective and efficient administration and management of the scheme.

The Board also have three sub committees that support objectives on cost, administration, and Local Pension Board (LPB) effectiveness. The work of the subcommittees is set out below:

- **Cost-effectiveness Committee** work on valuation assumptions and funding issues.
- **Scheme Management and Administration Committee** work relating to remedy and

¹ As at 1 April 2025 (taken from levy returns)

² Data for pensioner and deferred members at the same date will be forthcoming as part of the actuarial valuation

administration.

- **LPB Effectiveness Committee** work on governance, training and membership reviews.

Key Achievements

During the year the Board:

- Supported implementation of the Matthews Second Options Exercise.
- Continued oversight of Sargeant remedy delivery across all administrators.
- Strengthened governance arrangements through the introduction of new Board policies.
- Expanded support for Local Pension Boards through training, guidance and engagement.
- Influenced national discussions on future scheme reform through the Need for Change programme.

Overview of the last twelve months (May 2025 to June 2026)

The last twelve months have seen a huge amount of work carried out within the fire pensions sector. An overview of the work that the Board has carried out is detailed below:

Meetings and Governance

- Further details of the meetings of the Board are given later in this Review
- Review of our governance arrangements including updating Terms of Reference, publishing of an [Equity, Diversity and Inclusion policy](#), and [Cyber Security policy](#), and well as ongoing scheduled review of all other policies.
- Recruitment to a member representative vacancy and the approval of substitute with voting rights to ensure ongoing coverage of the Board.

Guidance

- Published and maintained guidance and supporting resources to assist the sector in implementing the Firefighters' Pension Scheme amendments associated with the Matthews Second Options Exercise, including revised guidance, template member letters, election forms and benefit statements.
- Commissioned legal advice to support updates to the contingent decisions guidance for members who had previously opted out of the scheme who are eligible for the Sargeant remedy.

- Obtained legal and actuarial advice to inform the development of guidance relating to deemed elections.
- Received ongoing actuarial and legal support to inform Board discussions and decision-making.
- Continued to support the sector through a range of communications initiatives, including the launch of a new Firefighters' Pension Scheme member website to provide members with a central source of scheme information, guidance, resources and updates, helping to improve engagement and access to information.

Working with government and policy development

- Completion of migration to MHCLG
- SAB discussion on the Need for Change paper to NFCC
- Engagement with the fire Minister on the impact of the SCAPE rate changes
- Engagement with MHCLG on the urgent need for progress on the Matthews compensation framework
- Engagement with HMRC on the Matthews exercise
- Ongoing engagement with MHCLG on matters relating to remedy implementation, future scheme reform and pension administration.

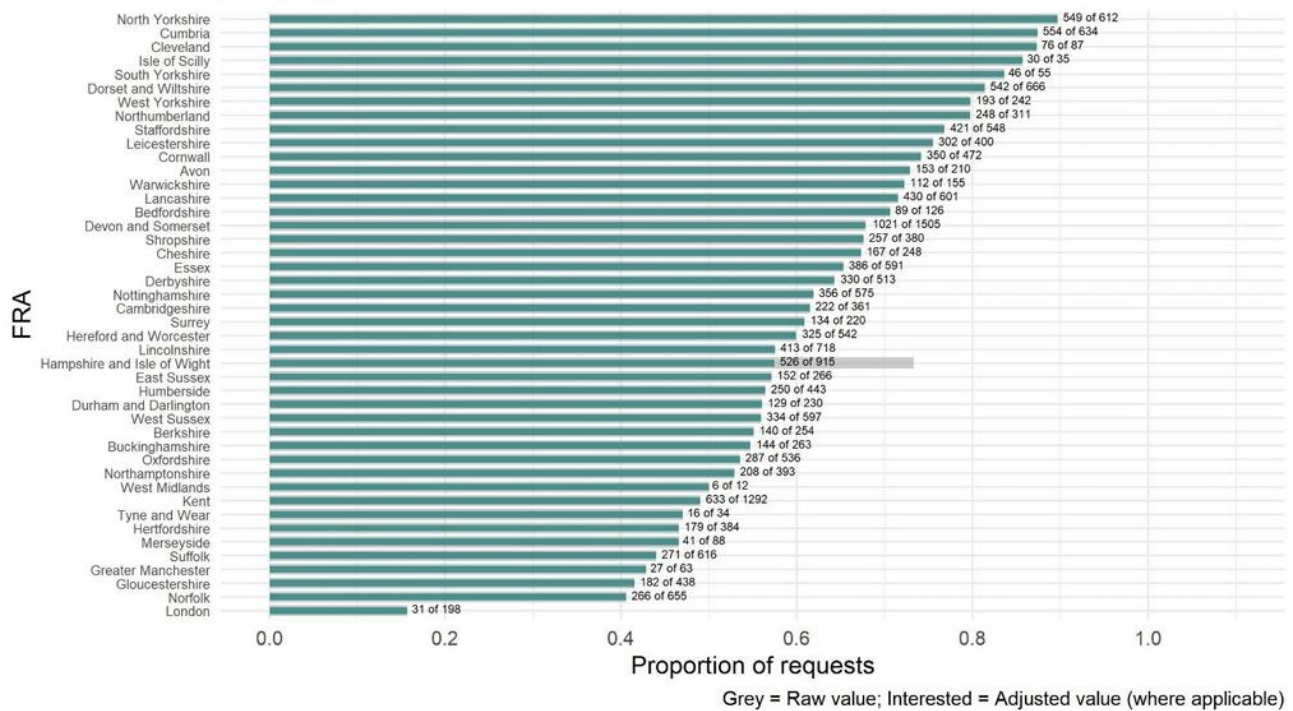
Working with Local Pension Boards (LPBs) and Scheme Managers

- Ongoing attendance at training sessions for new members to explain the work of SAB
- Chairing of the annual conference
- Attendance at LPBs forums.
- Introduction of letter to LPB Chair's following each SAB meeting
- Statement issued with expectations regarding the future provision of member self-service across the Firefighters' Pension Scheme.
- Engagement with scheme managers and LPBs on progressing opt-out cases following the Written Ministerial Statement of 26 March 2026
- Delivery of a programme of Local Pension Board and Scheme Manager training sessions, including refresher training and bespoke authority support.
- Development of a Local Pension Board Training Strategy and Training Needs Analysis framework.

Remedy

The Scheme Advisory Board has continued to monitor implementation of both the Matthews and Sargeant remedies through quarterly reporting received from administrators.

The table below illustrates the number of individuals who have elected to join the FPS 2006 (special), following receipt of their options under the Matthews 2 exercise as at 30 June 2026.



The dashboard below illustrates the progress of remediable service statements required under the Sargeant remedy as at 31 August 2026.

Activity	Progress
Active Benefit Statement RSS	● Substantially complete
Deferred Benefit RSS	● Ongoing
Immediate Choice RSS	● Ongoing
Immediate Choice Elections	● Being processed
Payments Following Election	● Ongoing
Outstanding Cases	● Primarily linked to data, software development and resource challenges

The table on the next page illustrates the main reported reasons for outstanding Sargeant remediable service statements

Reason	Common Issues Identified
Data	Missing or incomplete historical records
Software Development	Functionality not available within administration systems
Resources	Prioritisation of complex cases and staffing constraints
Outstanding Guidance	Awaiting clarification on specific policy matters

By July 2026, the majority of Active Benefit Statement Remediable Service Statements had been issued, with work increasingly focused on more complex cases and the production of Immediate Choice statements. The primary factors affecting outstanding cases continue to be historic data challenges, software development requirements, resource constraints and, in a small number of cases, the need for further policy clarification. The Board remains committed to supporting administrators and monitoring progress through its quarterly oversight arrangements.

Conclusion

The last twelve months have been characterised by significant sector challenges, particularly in relation to remedy implementation and increasing regulatory requirements. Through guidance, training, governance support and engagement with government, the Board has played a key role in supporting FRAs to meet these challenges whilst also helping shape the future direction of firefighter pensions.

Board budget

The Board budget is set each financial year and is agreed by the fire Minister. The budget for 2026/2027 was agreed by the fire Minister in May 2026 at £301,474.87, correlating to £9.02 per active firefighter. FRAs will be invoiced for this alongside the LGA employer's levy later in the year.

The employer levy, which supports the national firefighters' pensions support function provided through the LGA, is currently under review as part of the sector's Need for Change programme. As the outcome of the programme is due to be considered by the National Fire Chiefs Council (NFCC) in September 2026, the final employer levy has not yet been determined.

When the 2026/2027 budget was approved, expenditure was forecast to be higher than the previous year for following main reasons:

- Carry forward from 2025/26 was assumed to be nil for the purposes of setting the 2026/27 levy. While the SAB is currently reporting an underspend, a significant proportion of planned expenditure will fall in the remaining months of the financial year, and it is therefore not possible to reliably project the year-end position at this stage. Any carry forward arising from 2025/26 will instead be taken into account when setting the 2027/28 budget
- Due to the ongoing pressures of the Sargeant/McCloud, Matthews remedy and the member contribution review there is a requirement to keep the budget for

communications and projects at a significant level, as additional support maybe required to assist with keeping these on track. It is noted that this is the same budgeted amount as for 2025/2026.

- Due to the forthcoming work on the valuation, it seems sensible to keep our actuarial budget relatively high as the Board will be utilising their services to support them in the assumption setting process.

Risk Management

The Board actively manages a risk register as a key strategic and operational tool which drives focus on priority issues within Board meetings and day to day activity of the Board secretariat.

The full [risk register](#) can be found on the FPS Board website. This identifies key risks and considers and assesses the significance, likelihood of occurrence and potential impact of the risk. Where possible, measures are put in place to manage or mitigate the risk or provide transparency where the risk is to be tolerated. The approach to mitigation and details of the actions taken are included in the full risk register.

The Board reviews the risk register every other meeting, and the secretariat will consider changes between formal meetings, escalating where appropriate.

Key themes from the risk register are highlighted below:

- Governance, skills and representation
- Remedy delivery and data quality
- Legislative reform, administration resilience and scheme sustainability

Governance

In 2025, the Board formalised its governance arrangements allowing for better oversight of all areas of governance i.e. membership, attendance, Board policy documents, meeting dates and format.

During the year, the Board completed an internal review of its governance framework to ensure policies, procedures and governance arrangements remained proportionate, effective and aligned with good practice.

Board Membership and Attendance

Membership

The Board is required to consist of a chair and at least two, but no more than fourteen persons appointed by the Secretary of State.

The Firefighters' Pension (England) Scheme Advisory Board is made up of:

- Seven employer representatives
 - These seven places have been selected by the Firefighters' Pension Team of the Local Government Association with input from the Chair and Fire Services Management Committee (FSMC)

- Seven member representatives
 - These seven places are split between the four trade unions based on four seats for the Fire Brigades Union (FBU) and one each for the Fire and Rescue Services Association (FRSA), the Fire Officers' Association (FOA) and the Fire Leaders Association (FLA).

The Board meets four times per year in person at the LGA offices at Smith Square. The Board continues to offer hybrid as an exception, for those that cannot make it in person.

Attendance

Board attendance is recorded and published on the [FPS Board](#) website.

In the last twelve months:

- Of the seven employer representatives³ the average attendance was 75%, with four members⁴ attending for all meetings.
- Of the seven member representatives the average attendance was 82.14% with three⁵ representatives attending 100% of the meetings, three⁶ attending 75% of the meetings and one 50% of the meetings.

Pension Board Policy documents

The Board has several policy documents which support their work, these are published on the [About the Board](#) section of the [FPS Board](#) website and are summarised below:

[Terms of Reference](#) – Defines the purpose and structure of the Board.

[Budget Setting Policy](#) – Defines the process to setting the Board budget.

[Code of Conduct Policy](#) – Defines the principles that should be governed in relation to the behavior and actions of the Board.

[Conflict of Interest Policy](#) - Sets out the process to be followed where there may be a potential or actual conflict of interest for Board members.

[Cyber Security Policy](#) – Sets out how the Board maintains effective and proportionate cyber security arrangements to protect the confidentiality, integrity and availability of the SAB website, FPS member website, associated systems and any information processed through them.

[Equity, Diversity and Inclusion Policy](#) – Sets out the principles guiding recruitment, appointments, behaviour, and decision-making to ensure an inclusive and respectful culture across the firefighters' pensions governance framework.

[Knowledge and Understanding Policy](#) – Supports the development and maintenance of

³ Three new Board members commenced at the March 2026 meeting prior to that the Board had been operating on a vacancy for the past twelve months

⁴ Three new Board members commenced at the March 2026 meeting, and have attended all meetings so far

⁵ Inclusive of substitute and new member joining in the March 2026 meeting

⁶ Inclusive of substitute

knowledge and understanding for Board members.

Training

In addition to attending meetings, the Board are expected to participate in training arranged in order to meet and maintain the requirements set out in the Board's [knowledge and understanding policy](#).

On an annual basis the Board are asked to complete a Training needs analysis, to develop a training plan and ultimately allow the secretariat to create an electronic training log. In 2026, the Board received training on governance and EDI. The training strategy forms part of the [Board business plan](#).

Future Challenges

Looking ahead, the Board expects its work to focus on completion of the remedy programmes, future scheme reform arising from the Need for Change programme, the 2028 actuarial valuation preparations, pension administration resilience, and supporting effective local governance arrangements.

Business Plan and priority work over the coming twelve months (April 2027 to March 2028)

The Business Plan approved in June 2025 covered the period from June 2025 to May 2026. As part of a wider review of business planning and governance arrangements, the Board subsequently agreed to align future business plans with the financial year. Accordingly, the Business Plan for 2027/28 covers the period 1 April 2027 to 31 March 2028, aligning the Board's strategic objectives, work programme and budget within a single planning cycle.

The Board's business plan is published on [FPS Board](#) website.

The key workplan items are as follows:

- Sargeant remedy implementation, including contingent decisions;
- Matthews remedy implementation;
- Pensions Dashboards;
- scheme improvements;
- Member Self-Service;
- review of SAB sub-committee arrangements and reinvigoration of committee activity;
- development of the SAB communications strategy; and
- delivery of an accompanying communications plan.

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