

RULE LA6

Excess amounts – estimated surpluses

Rule LA6 explains how a fire and rescue authority must make payments to the Secretary of State where estimates show that there is likely to be a surplus in their FPF.

Payment based on initial estimate or estimate

Rule LA6(1) says that if the Secretary of State, having considered the initial estimate, the estimate and any other information available to him, decides that the amount that the fire and rescue authority are likely to have paid in to their FPF in any year exceeds the amount that is likely to be paid out, he will require the authority to pay him an amount equal to 80% of the likely surplus.

In accordance with Rule LA6(5) the Secretary of State will give the authority written notice of the amount that they should pay him. It will be given on or before 3rd March in the year in question. Under Rule LA6(6) the authority should pay it in that same March.

Payment following revised estimate

Rule LA6(2) says that if the revised estimate and any other relevant information indicates to the Secretary of State that the amount likely to be paid in to the FPF will be greater than the amount paid out and 80% of the surplus will be a greater amount than anything payable, or already paid, to him by the fire and rescue authority, he may require the authority to pay him such amount as he specifies.

In accordance with Rule LA6(5) the Secretary of State will give the authority written notice of the amount that they should pay him. It will be given on or before 3rd March in the year in question. Under Rule LA6(6) the authority should pay it in that same March.

Limit on payments

Rule LA6(3) limits the amounts paid under subparagraphs (1) and (2) so that in respect of any particular year they do not exceed 80% of the likely surplus for that year.

Repayment to the Secretary of State

If the Secretary of State requires a payment to be made to him under Rule LA6(2) (payment following a revised estimate) and the fire and rescue authority has already received a payment from him under Rule LA5(1) because it initially appeared that there would be a deficit rather than a surplus, the authority must repay it under Rule LA6(4). Under Rule LA6(6) it must be repaid in the March of the year in question.

(If the Secretary of State was preparing to make such a payment under Rule LA5(1), it will no longer be paid.)

Useful reference source

- FPSC 9/2006: the introduction of new financing arrangements for pensions

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Rule LA6 (continued)

Points To Note

1. The Secretary of State provides guidance on the financing arrangements for firefighters (which may be amended from time to time). Currently this is set out in the booklet "Guidance for Fire and Rescue Authorities on new financial arrangements for firefighter pensions with effect from April 2006" issued by the Department in March 2006.