

**RULE LA7**  
**Excess amounts – actual deficits**

Rule LA7 explains the action to be taken if unaudited or audited information shows a deficit.

**Action based on unaudited information**

Rule LA7(1) looks at the action required after the Secretary of State has taken into account the unaudited information provided under Rule LA4(1)(c), (e) and (f) and has decided that the total amount likely to be paid out of a FPF in the year in question exceeds the amount likely to be paid in. Then –

- (a) if the unaudited deficit exceeds the total of the amount paid, or payable, to the authority in relation to that year under Rule LA5(1) or (2), the Secretary of State will pay the difference to the authority.
- (b) if the unaudited deficit is less than the amount paid or payable to the authority in relation to that year under Rule LA5(1) or (2), the amount will no longer be payable and the authority must repay any amount received under Rule LA5(1) or (2) to the Secretary of State.
- (c) if the Secretary of State has not paid any amount to the authority under Rule LA5(1) or (2) for that year, he shall pay them the amount of the unaudited deficit.
- (d) any amount paid or payable to the Secretary of State under Rule LA6(1) or (2) will not be payable; if such an amount has already been paid, the Secretary of State will refund it.

Under Rule LA7(3), the amount payable or repayable by the Secretary of State to an authority, or by the authority to the Secretary of State must be paid or repaid in the July of the financial year following the year in question ("the second year").

**Action based on audited information**

Rule LA7(2) looks at the action required after the Secretary of State has taken into account the audited information provided under Rule LA4(1)(d), (e) and (f) and has decided that the total amount paid or payable out of a FPF in the year in question exceeds the amount paid in. Then –

- (a) if the audited deficit exceeds the total of the amounts paid (but not repaid or repayable) or payable to the authority in relation to the year in question as the unaudited total, i.e. under –
  - Rule LA7(1)(a) or (c) (as explained above), or
  - Rule LA5(1) or (2),the Secretary of State will pay the audited deficit less the unaudited total.
- (b) if the audited deficit is less than the unaudited total, the unaudited total less the audited deficit will not be payable under
  - Rule LA7(1)(a) or (c) (as explained above), or
  - Rule LA5(1) or (2),and, if this amount has already been paid, the authority must repay it to the Secretary of State.
- (c) if the Secretary of State has not paid any amount to the authority in relation to the year in question under
  - Rule LA7(1)(a) or (c) (as explained above), or
  - Rule LA5(1) or (2),he shall pay them the amount of the audited deficit.

**RULE LA7**  
**Excess amounts – actual deficits**

<b>Rule LA7 (continued)</b>
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**Action based on audited information (continued)**

- (d) any amount paid or payable to the Secretary of State under
- Rule LA6(1) or (2), or
  - Rule LA8(1)(a) or (c)
- will not be payable; if such an amount has already been paid, the Secretary of State will repay it.

Under Rule LA7(4), the amount payable or repayable by the Secretary of State to an authority, or by the authority to the Secretary of State will be paid or repaid in the July of the financial year following the year in question ("the second year").

**Useful reference source**

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

<b>Points To Note</b>
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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.