

Circular number	39-2006	Date issued	10 July 2006
This circular is	For Action	By	15 September 2006
This circular is	Relevant to the National Framework		
Status	Request for Fire and Rescue Authorities (FRAs) to complete the top-up grant estimate form by 15 September 2006.		

Financial arrangements for firefighter pensions – request for FRAs to complete the attached top- up grant estimate form.

Issued by:

**Kate Hepher,
Fire and Resilience Policy Division**

Addressed to:

**The Chair of the Fire and Rescue Authority
The Chief Executive of the County Council
The Clerk to the Fire and Rescue Authority
The Clerk to the Combined Fire and Rescue
Authority
The Commissioner of the London Fire and
Emergency Planning Authority
The Chief Fire Officer**

Please forward to:

**Treasurers
Finance Directors**

Summary:

This circular requests FRAs to complete both the financial and non-financial sections of the attached top-up grant estimate form by 15 September 2006.

For further information, contact:

**Kate Hepher or Charlotte Albone
Fire and Resilience Directorate
Department for Communities and Local
Government
PO Box. 50200
4C Allington Towers,
19 Allington Street,
London, SW1E 5WY**

Direct line **0207 944 8895 or 020 7944 4183**

Fax **0207 944 5599**

E-mail firepensionsfinance@communities.gsi.gov.uk

General helpline **020 7944 8194**

Website www.communities.gov.uk

1.0 Introduction

- 1.1 The new arrangements for financing firefighter pensions were introduced on the 1 April 2006. Guidance on these new arrangements can be found on DCLG's website: <http://www.communities.gov.uk/index.asp?id=1165001>
- 1.2 As detailed in the guidance, payment of the new top-up grant, or the recouping of any surpluses, will be in the first instance made on the basis of estimates provided by FRAs. In October 2005 we asked for initial estimates of the top up grant FRAs would require in 2006-07 and 2007-08.
- 1.3 The first payment of the top up grant will be made on the 28 July 2006 at which time FRAs will receive 80% of the top up grant they were estimated to require in 2006-07. Details of how much grant will be paid to each individual FRA can be found in Fire Service Circular 62/2005.

2.0 Estimates

- 2.1 We now require FRAs to submit revised estimates for 2006-07 and 2007-08 as well as initial estimates for the Comprehensive Spending Review period 2008-09 to 2010-11.
- 2.2 If there are significant variations between your initial estimates for 2006-07, submitted in October 2005, and your revised estimate due to be submitted on 15 September 2006 then DCLG will consider making an additional top up payment to an individual FRA to ensure that they do not incur any cash flow problems in year.
- 2.3 Any surpluses will be recouped at the end of the financial year.
- 2.4 Further adjustments to the pension fund will be made in July 2007 on the basis of un-audited accounts with final adjustments on the basis of audited accounts made in July 2008. At this point all FRAs individual pension funds should be balanced at zero.
- 2.5 FRAs are required to complete both the financial and non-financial sections of the attached top-up grant estimate form by 15 September 2006. Notes explaining how the figures should be calculated are on the second sheet of the form. Please include any assumptions you made in order to project these figures.
- 2.6 Please can you send your estimate forms to firepensionsfinance@communities.gsi.gov.uk by 15 September 2006. In addition please can you send a signed copy to Charlotte Albone at the address above.
- 2.7 If you have any questions or would like further information, please contact Kate Hepher on 020 7944 8895 or Charlotte Albone on 020 7977 4183.

Kate Hepher

Fire and Resilience Directorate