

NORTH WALES FIRE & RESCUE SERVICE

COMMITTEE:	NORTH WALES FIRE AUTHORITY
DATE:	20 SEPTEMBER 2004
REPORT OF:	TREASURER
SUBJECT:	PENSIONS REVIEW

1. The Pensions Provision was established in 1997-98 to cover the estimated high future cost of retirements so that the impact on future revenue budgets would be minimal, therefore avoiding the necessity to have unacceptable increases in the levy on the constituent Authorities in any one year. The strategy adopted was to make contributions from any revenue underspend that occurred in a year. As part of the pensions review in September 2001 it was agreed to make a contribution from revenue each year to ensure that there would be sufficient funds in the provision to cover future liabilities.

As part of the 2004-2005 budget process it was agreed (minute 11, 15 December 2003) to forego the £160,000 contribution to the Pension Provision for 2004-2005 and increase the contribution by £20,000 over the next 8 years. The balance on the Pensions Provision at 31 March 2004 was £1,954,566.

A review has been undertaken in respect of the current position of the Pensions Provision and the estimated future impact of retirements. With regards to Commutation Payments the Authority will have sufficient funds in the Pensions Provision to cover estimated future liabilities, contingent upon a contribution from the revenue budget of £140,000 for the next eleven years.

2. **RECOMMENDATION**

The Authority reduces the contribution from revenue to the Pensions Provision to £140,000 per year for the next eleven years.

KW FINCH

Treasurer

31 August 2004