

West Midlands Fire and Rescue Authority

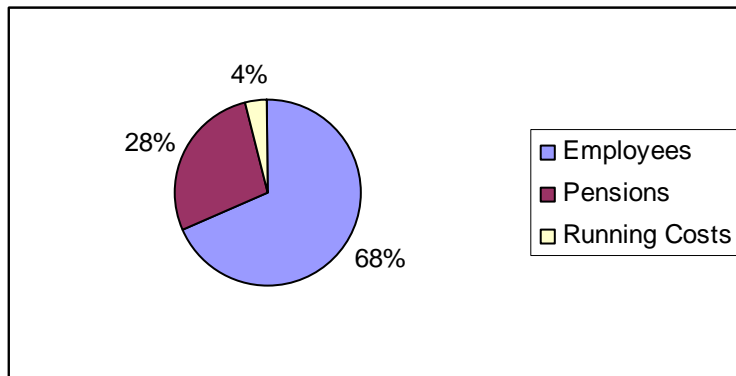
Statement of Accounts 2006/07 Summary

How much did the Service cost in 2006/07?

The majority of the net cost of Fire Service expenditure relates to firefighting and rescue operations (£107.32m) and community fire safety work (£14.865m).

The total Net Operating expenditure for the Fire Service for 2006/07 was approximately £175.0m. This figure includes pension costs of £49.5m which need to be shown in accordance with specific accounting requirements.

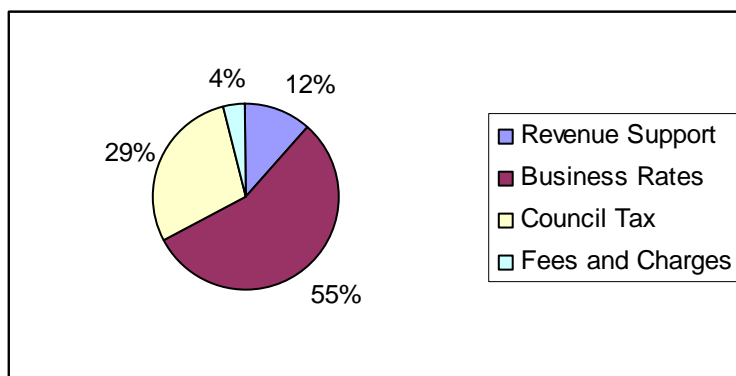
The types of costs can be broken down as follows:



How was the Service funded in 2006/07?

The total income of the Authority in 2006/07 was £114.1m. The majority of funding comes from the Government in the form of grant and a share of business rates.

The various sources of funding are shown below:



Balances and Reserves

The Fire Authority must consider the level of general balances it wishes to maintain before it can decide the level of Council Tax to charge in any year.

In order to set a balanced budget in 2006/07 the Authority assumed no movement in general balances. The actual level of general balances increased in the year by £0.078m, leaving £3.633m general balances at the end of the financial year. The Authority holds general balances as funding to meet any unforeseen events which it may need to respond to. Interest is earned on any unused balances.

In addition, as part of the closedown of accounts process, consideration needs to be given to the level of earmarked reserves required. These are amounts set aside to meet specific anticipated future demands. The level of earmarked reserves increased by the end of the year by £2.790m. This brought the total level of these reserves to £17.501m (full details are on page 33 of the Statement of Accounts). Interest is earned on any balances until expenditure is committed against the demands identified.

Capital Expenditure and Funding

In 2006/07, the Authority spent £8.034 million on capital projects.

The expenditure was incurred on the following:

	£000s
Land & Buildings	5,309
Vehicles	1,715
Equipment	740
ICT Software Licences	270

A considerable amount of this expenditure was financed by borrowing (46.5%). The balance was funded by grants and direct revenue funding.

In the same way that borrowing was used to help purchase assets during 2006/07, borrowing in earlier years meant that at the end of 2006/07, the Authority had total loans of £44.946m (the interest and principle on any loans needs to be met from future revenue budgets). The value of fixed assets held by the Authority as at 31st March 2007 which the loans had helped fund was £93.9m, of which approximately 91% related to land and buildings and 9% related to vehicles and equipment.

Further information can be found by contacting the Finance Manager at West Midlands Fire Service Headquarters, Lancaster Circus Queensway, Birmingham B4 7DE. Telephone No. 0121 380 6920 or e-mail: dennis.bishop@wmfs.net.

This information can also be made available in other languages and formats including large print, Braille and audiotape. Please phone 0121 380 6007