

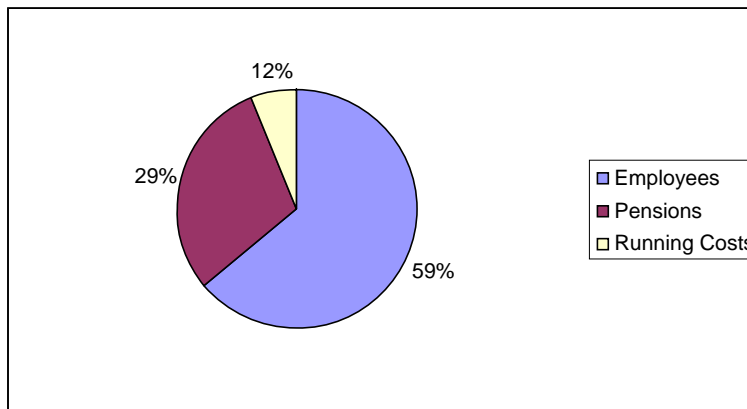
West Midlands Fire and Rescue Authority Statement of Accounts 2008/09 Summary

How much did the Service cost in 2008/09?

The majority of the net cost of Fire Service expenditure relates to firefighting and rescue operations (£100m) and community fire safety work (£18m).

The total Net Operating expenditure for the Fire Service for 2008/09 was approximately £165m. This figure includes pension costs of £60m which need to be shown in accordance with specific accounting requirements.

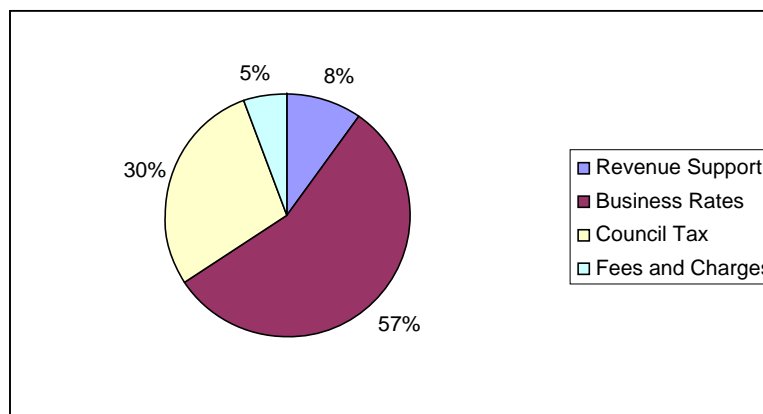
The types of costs can be broken down as follows:



How was the Service funded in 2008/09?

The total income of the Authority in 2008/09 was £122m. 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 2008/09 the Authority assumed no movement in general balances. The actual level of general balances increased in the year by £0.391m, leaving £4.451m 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 decreased by £3.117m, this brought the total level of these reserves to £15.768m. Interest is earned on any balances until expenditure is committed against the demands identified.

Capital Expenditure and Funding

In 2008/09, the Authority spent £9.799 million on capital projects.

The expenditure was incurred on the following:

	£000s
Land & Buildings	8,115
Vehicles	716
Equipment	956
Software Licences	12

A considerable amount of this expenditure was financed by direct revenue funding (50%) and by borrowing (41%). The balance was funded by grants and capital receipts.

In the same way that borrowing was used to help purchase assets during 2008/09, borrowing in earlier years meant that at the end of 2008/09, the Authority had total loans of £49.157m (the interest and principal on any loans needs to be met from future revenue budgets). The value of fixed assets held by the Authority as at 31st March 2009 which the loans had helped fund was £106m, of which approximately 92% related to land and buildings and 8% related to vehicles and equipment.

Further information can be found by contacting the Finance Manager at West Midlands Fire Service Headquarters, 99 Vauxhall Road, Birmingham B7 4HW. Telephone No. 0121 380 6920 or e-mail: kal.shoker@wmfs.net