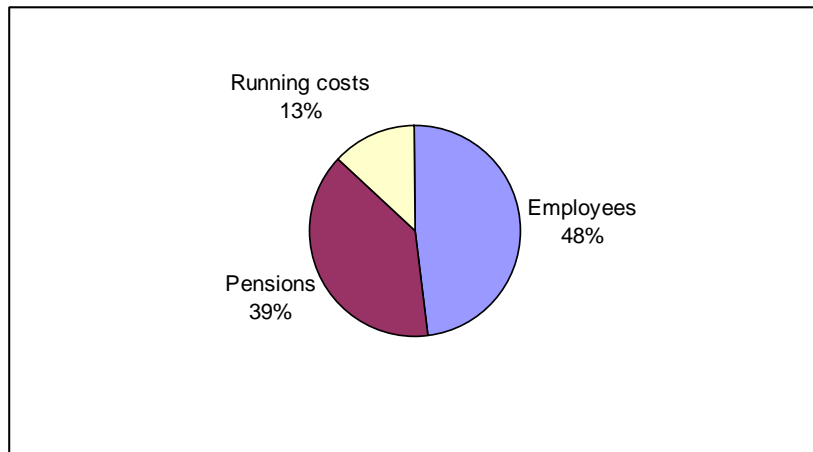


WEST MIDLANDS FIRE AND RESCUE AUTHORITY
STATEMENT OF ACCOUNTS 2010/11 SUMMARY

How much did the Service cost in 2010/11?

The majority of the net cost of Fire Service expenditure relates to firefighting and rescue operations (£108 m) and community fire safety work (£19 m).

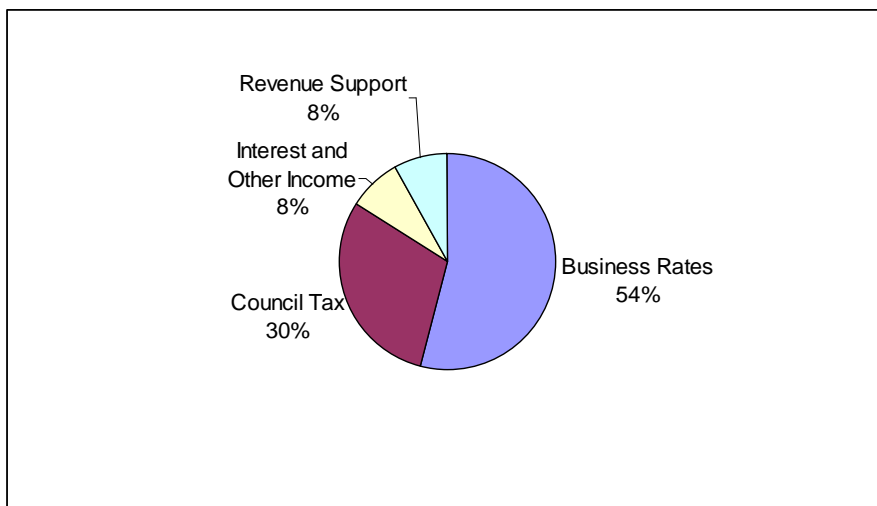
The total Provision of Services in 2010/11 shows a surplus of £73.710m. Within this surplus is (£130.7m) for the provision of a past service gain for Pensions offset by £123.8m on the provision of Fire Services, £79.5m on Pensions and £0.3m on Fire Service Emergency Planning and Civil Defence. Excluding the past service gain for Pensions the type of costs can be broken down as follows:



How was the Service funded in 2010/11?

The total income of the Authority in 2010/11 was £130 m. 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 2010/11 the Authority assumed no movement in general balances. The actual level of general balances increased in the year by £1.085 m, leaving £5.775 m 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 £3.917 m, this brought the total level of these reserves to £17.964 m. Interest is earned on any balances until expenditure is committed against the demands identified.

Capital Expenditure and Funding

In 2010/11, the Authority spent £3.477 million on capital projects.

The expenditure was incurred on the following:

	£000s
Land and buildings	2,298
Vehicles	889
Equipment	290

This expenditure was financed by direct revenue funding £1.848 m (53%), and the balance by grants £1.629 m (47%).

No borrowing was undertaken to assist with purchase of assets during 2010/11. Borrowing in earlier years meant that at the end of 2010/11 the Authority had total loans of £45.430 m (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 2011 which the loans had helped fund was £148 m, 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, 99 Vauxhall Road, Birmingham, B7 4HW, telephone number 0121 380 6920 or e-mail kal.shoker@wmfs.net.