

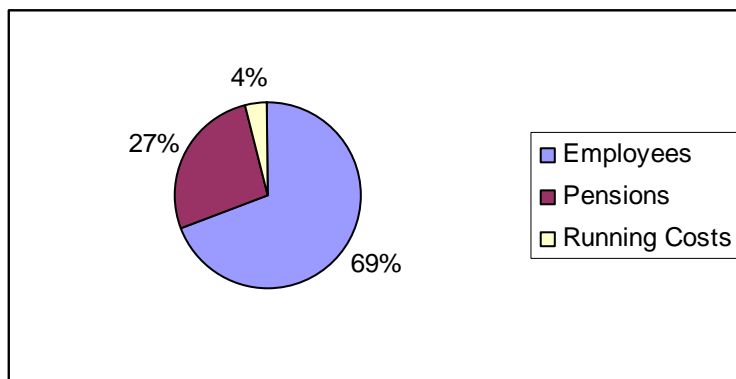
West Midlands Fire and Rescue Authority Statement of Accounts 2004/05 Summary

How much did the Service cost in 2004/05?

Majority of net cost of Fire Service expenditure relates to firefighting and rescue operations (£95.6m) and community fire safety work (£10.1m).

The total Net Operating expenditure for the Fire Service for 2004/05 was approximately £144m. This figure includes pension costs of £39.2m which need to be shown in accordance with specific accounting requirements.

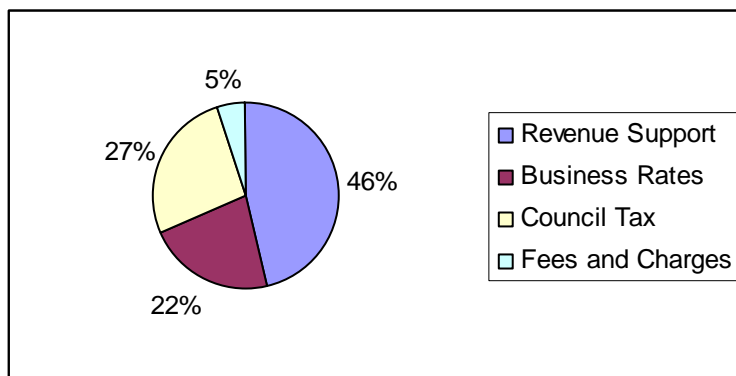
The types of costs can be broken down as follows:



How was the Service funded in 2004/05?

The total income of the Authority in 2004/05 was £112.7m. 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 2004/05 the Authority assumed there would need to be a contribution from general balances of £1m. The actual level of general balances used in the year was a slightly lower figure of £0.911m. This left £3.514m general balances at the end of the financial year.

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 £2.428m. This brought the total level of reserves to £15.312m (full details are on page 25 of the Statement of Accounts).

Capital Expenditure and Funding

In 2004/05, the Authority spent £4.366 million on capital projects.

The expenditure was incurred on the following:

	£000s
Land & Buildings	3,072
Vehicles	729
Equipment	565

The majority of this expenditure was financed by borrowing (84%). The balance was funded by sales proceeds from assets, grants and direct revenue funding.

In the same way that borrowing was used to help purchase assets during 2004/05, borrowing in earlier years meant that at the end of 2004/05, the Authority had total loans of £40.652m (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 2005 which the loans had helped fund was £97.8m, of which approximately 93% related to land and buildings and 7% related to vehicles and equipment.

Further information can be found by contacting the Finance Officer at West Midlands Fire Service Headquarters, Lancaster Circus Queensway, Birmingham B4 7DE. Telephone No. 0121-380-6919 or e-mail: mike.griffiths@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.