

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

24 SEPTEMBER 2012

1. **STATEMENT OF ACCOUNTS 2011/2012**

Report of the Treasurer.

RECOMMENDED

- 1.1 THAT the Statement of Accounts for 2011/2012 be approved.
- 1.2 THAT the Statement of Accounts summary set out in Appendix A be noted.

2. **PURPOSE OF REPORT**

This report is submitted to seek the approval of Members for the Authority's Statement of Accounts for the financial year ended 31 March 2012.

3. **BACKGROUND**

- 3.1 The Accounts and Audit Regulations 2011 require that the accounts be submitted to Members for approval by the end of September.
- 3.2 It is a further requirement of the Regulations that Members are informed of any material changes required by the external auditors. Audit work on the Statement of Accounts has been substantially completed.
- 3.3 The Accounts show net cost of services in 2011/2012 of £118 million including an appropriation to earmarked reserves of £5.103 million. General balances have increased by £0.945 million to £6.720 million.
- 3.4 The total Provision of Services in 2011/12 shows a deficit of £66.230 million. Within this deficit is £114.8 million on the provision of Fire Services, £73 million on Pensions and £0.3 million on Fire Service Emergency Planning and Civil Defence. Capital expenditure totalled £3.658 million.

3.5 A summarised Statement of Accounts is attached as Appendix A. The full Statement of Accounts is available on the Fire Service Internet and can be viewed at <http://www.wmfs.net/content/statement-accounts>.

3.6 A hard copy of the full Statement of Accounts can be supplied to individual Members on request and will be available to view at the Authority meeting.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report, an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report will enable the Authority to meet its statutory obligations under the Accounts and Audit Regulations 2011. The Clerk has been consulted in the preparation of this report.

6. **FINANCIAL IMPLICATIONS**

These are contained in the report and the Statement of Accounts.

BACKGROUND PAPERS

Accounts and Audit Regulations 2011
Code of Practice on Local Authority Accounting 2011/12
Final Accounts Files – Finance Office

S KELLAS
TREASURER

WEST MIDLANDS FIRE SERVICE

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Summary of Accounts

2011/2012

The full Statement of Accounts can be viewed at
<http://www.wmfs.net/content/statement-accounts>

WEST MIDLANDS FIRE AND RESCUE AUTHORITY **STATEMENT OF ACCOUNTS 2011/12 SUMMARY**

Introduction

This document is a summary of the Authority's Statement of Accounts for 2011/12.

The Authority is responsible for the Stewardship of public money and the production of summary accounts allows it to enhance its accountability to the residents of the West Midlands.

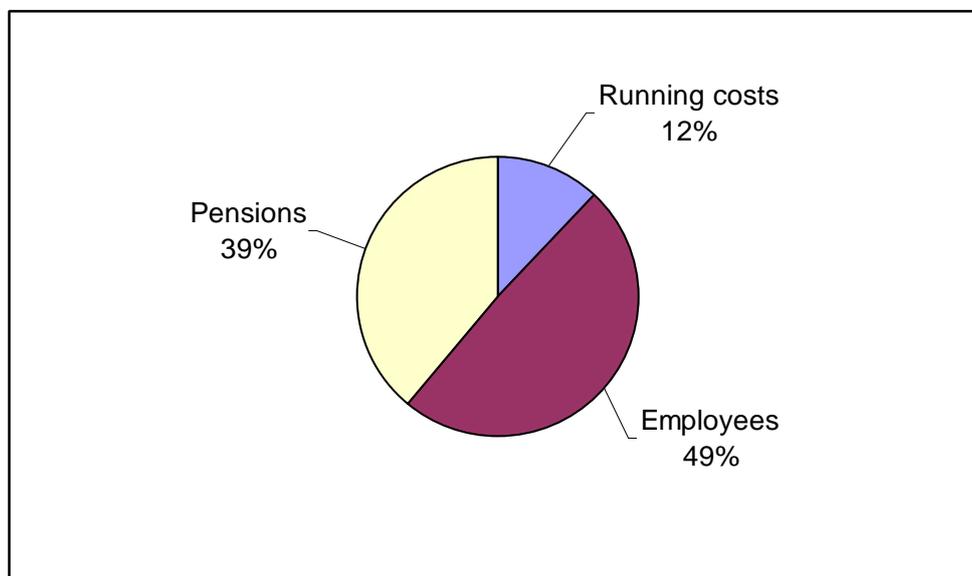
The Authority's 2011/12 Statement of Accounts is prepared in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, under International Financial Reporting Standards (IFRS).

These summary accounts have no legal standing and are not subject to external audit.

How much did the Service cost in 2011/12?

The majority of the net cost of Fire Service expenditure relates to firefighting and rescue operations (£101m) and community fire safety work (£16m).

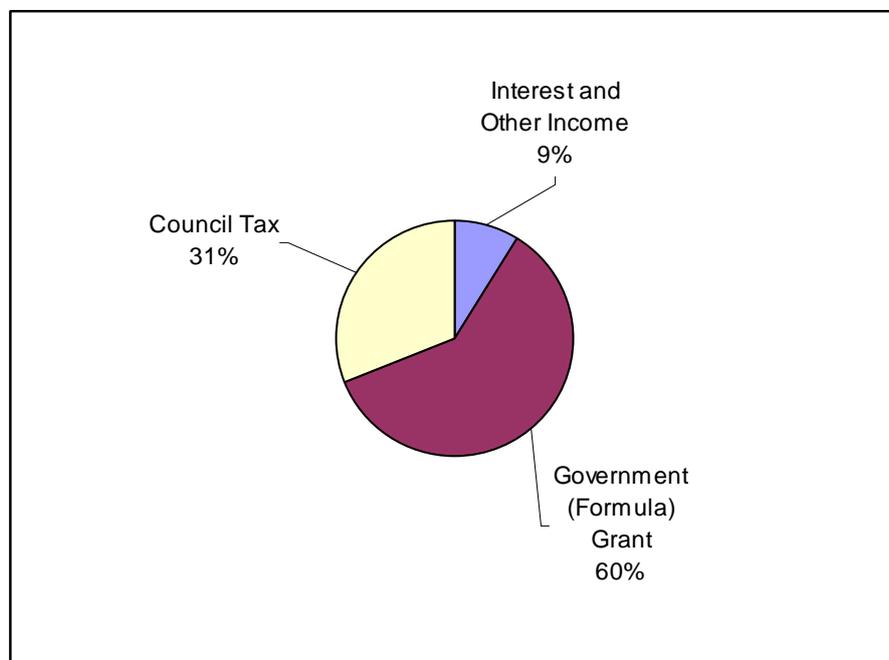
The total Provision of Services in 2011/12 shows a deficit of £66.230m. Within this deficit is £114.8m on the provision of Fire Services, £73m on Pensions and £0.3m on Fire Service Emergency Planning and Civil Defence. The type of costs can be broken down as follows:



How was the Service funded in 2011/12?

The total income of the Authority in 2011/12 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 2011/12 the Authority assumed no movement in general balances. The actual level of general balances increased in the year by £0.945m, leaving £6.720m 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 £5.103m, this brought the total level of these reserves to £23.067m. Interest is earned on any balances until expenditure is committed against the demands identified.

Capital Expenditure and Funding

In 2011/12, the Authority spent £3.658 million on capital projects.

The expenditure was incurred on the following:

	£000s
Land and buildings	1.705
Vehicles	1.771
Equipment	0.182

This expenditure was financed by capital grants £2.996m (82%), and the balance by direct revenue funding £0.662m (18%).

No borrowing was undertaken to assist with purchase of assets during 2011/12. Borrowing in earlier years meant that at the end of 2011/12 the Authority had total loans of £44.644m (the interest and principal on any loans needs to be met from future revenue budgets). The value of long-term assets held by the Authority as at 31 March 2012 which the loans had helped fund was £142m, 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 number 0121 380 6920 or e-mail kal.shoker@wmfs.net.

The Authority's full 2011/12 audited Statement of Accounts can be found on our website www.wmfs.net.