

2007/08 Summary of Accounts



West Yorkshire
Fire & Rescue Authority

www.westyorksfire.gov.uk
Making **West Yorkshire** Safer



Summary of Accounts 2007/2008

Each year the Fire Authority publishes a Statement of Accounts in accordance with the proper accounting practices, as set out in the CIPFA LASAAC code of practice for Local Government Accounting. These accounts are available on the Authority website at www.westyorkshirefire.gov.uk

However, we know that the Statement of Accounts is not an easy document to understand and is not widely read. The purpose of this summary is to pick out the key information from the main document and present it in a way that is understandable to a wider section of the community in the hope that it will be more widely read and understood.

To put the financial information in context it is important to understand a little more about the scale of the organisation.

West Yorkshire is the fourth largest Fire and Rescue Authority in the country covering an area of 800 square miles and a population of over 2.1m people. The Authority has 48 fire stations and employs over 2000 staff including over 1,530 whole time and 200 retained firefighters.

Operational Activity

During 2007/2008 the Authority received 84,395 '999' calls, attended 41,373 emergency incidents, completed 60,420 home fire safety checks and fitted 86,816 smoke alarms in homes throughout West Yorkshire. The community safety work done by the Authority has resulted in

- 15% reduction in all dwelling fires
- 35% reduction in accidental dwelling fires
- 43% reduction in the number of injuries as a result of accidental dwelling fires.

Performance Assessment

Once again the Authority was subject to external verification of its performance conducted by the Audit Commission and was the only Fire Authority in the country to move into the highest category for the 'use of resources'



Corporate Governance

4 A key addition to the 2007/2008 statement of accounts is the Annual Governance statement. The purpose of the statement is to provide an assurance to the council tax payers of West Yorkshire that the Authority recognises that it has a responsibility to manage its resources economically, effectively and efficiently. The statement provides details of the systems and procedures that are in place to guarantee that these responsibilities are fulfilled. In addition it provides an assurance that procedures are in place to review these systems and identifies key issues which need to be addressed during the following financial year. Finally it provides the assurance of the Chief Fire Officer\Chief Executive, the Chair of the Fire Authority and The Chief Finance Officer that steps will be taken to address the issues identified.

Financial Performance 2007/2008 Revenue Budget

The 2007/2008 revenue budget process was different from previous years as the Authority had received notification of the level of government grant it would receive before the process commenced. This information coupled with the Minister's statement that any increases in council tax should be limited to low single figures provided

the Authority with strict guidelines in which to produce a budget. This was against a background of pay and price increases being forecast to exceed increases in government grants and increasing demands on the service resulting in the need for further service development.

By careful management of expenditure and the use of balances the Authority delivered a precept increase of 4.7% whilst at the same time funding £0.6m of essential service developments.

2007/2008 Expenditure Outturn

Actual financial performance during 2007/ 2008 resulted in an underspending of £1.4m on the approved revenue budget. Whilst there were a number factors contributing to the underspending the key areas were:-

- Firefighter salaries caused by an increase in the number of retirements early in the financial year.
- Reduced pension costs as a result of the low number of ill health retirements
- Increased income from government grants and charges for services

The overall impact of the underspending left the Authority has revenue balances of £6.3m available at the end of the financial year.

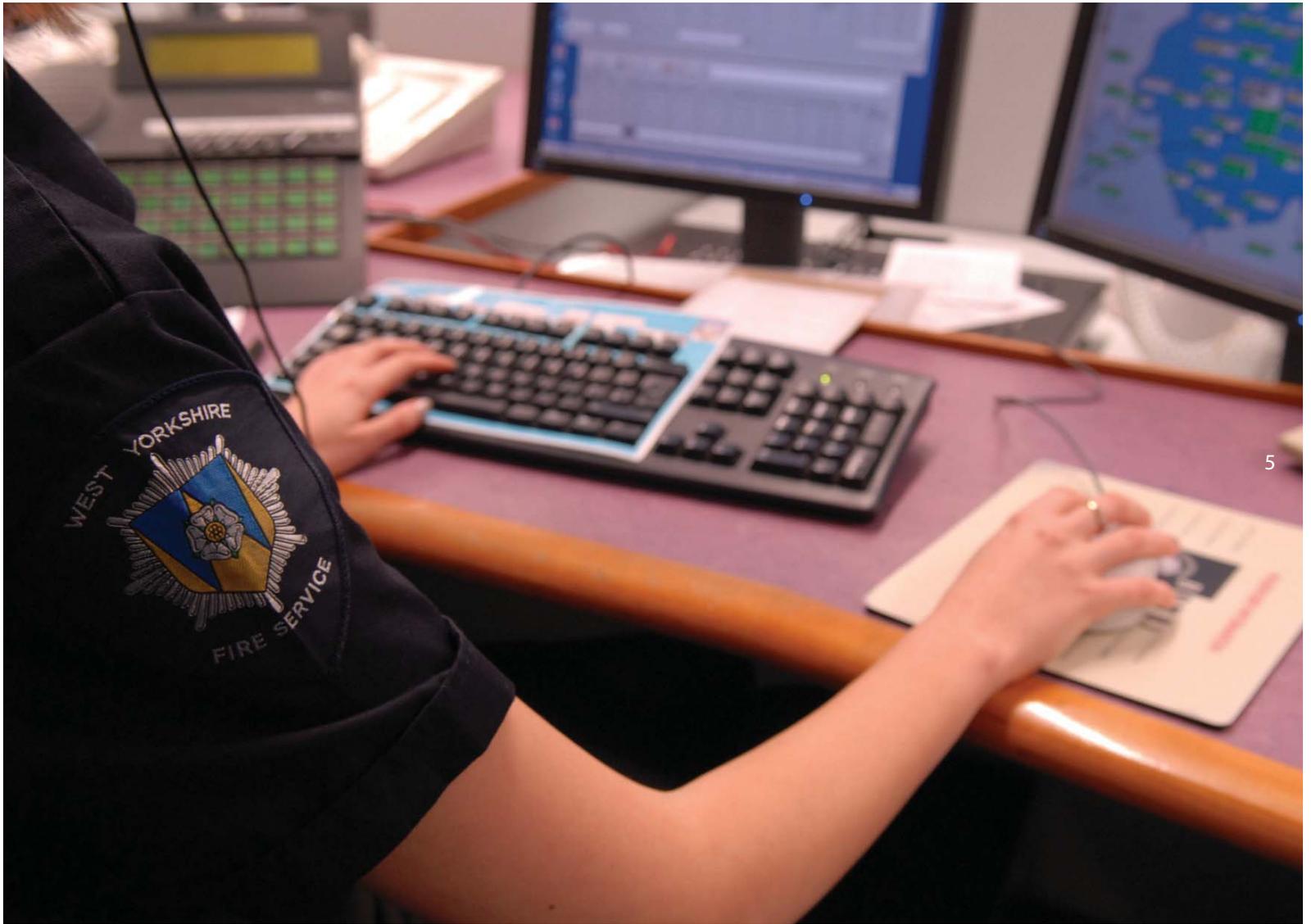
2007/2008 Capital Expenditure

Major work on buildings and the purchase of equipment with a life of more than 12 months is defined as capital expenditure. The nature of capital schemes, particularly major building works, means that very few schemes are started and completed within the financial year. Consequently, as part of the budget process the Authority approves a programme of major capital schemes to be progressed over the following three year period.

In 2007/2008 the Authority spent just over £6.8m on major capital schemes, which represented 53% of the approved capital plan. The majority was spent on building refurbishment and the purchase of fire appliances and operational equipment.

A number of major building schemes planned to start in the year were delayed owing to delays in land purchase and planning approvals. These schemes are not lost but will start in 2008/2009.

The majority of the capital expenditure £5.7m was funded by borrowing with the remainder funded from capital grants and capital receipts.



2007/2008 Financial Statements

Income and Expenditure Account

The following section is an extract from the formal statement of accounts and shows two key statements.

The first is a summary of the Income and Expenditure Account and the Statement of Movement on the General Fund Balance. The purpose of these two statements (which have been merged into one) is to provide 3 key areas of information.

6 The first section of the statement shows the costs of providing the service broken down into the four service areas. The statement shows the largest area of service remains Firefighting and Rescue, accounting for 91% of the expenditure.

The second section of the statement shows how the expenditure was funded through Revenue Support Grant, Non Domestic Rates and Council Tax. This shows that the amount raised through council tax accounts for around 36% of the cost of the service

The final section shows the impact that the actual expenditure has had on the Authority's general fund balance.

	2006/07 Net Expenditure £000s		Gross Expenditure £000s	2007/08 Gross Income £000s	Net £000s
	6,645	Community Fire Safety	7,958	-1,568	6,390
	79,638	Firefighting & Rescue Operations	81,591	-2,372	79,219
	350	Fire Service Emergency Planning and Civil Defence	948	-322	626
	389	Corporate and Democratic Core	465	-23	442
	148	Non Distributed Costs	597	0	597
	87,170	Net Cost of Services	91,559	-4,285	87,274
	1,425	Interest paid and received			1,430
	-7706	Transfer to and from pension reserves			-4,370
	80,889				84,334
		Funding			
	-8,454	Revenue Support Grant			-7,695
	-43,669	Contribution from Non-Domestic Rate Pool			-45,852
	-29,863	Council Tax			-31,662
	-314	Surplus from Billing Authorities' Collection Funds			-276
	82,300	Total funding			85,485
	1,411	Excess of income over expenditure			1,151
	3,784	General balance brought forward			5,195
	5,195	General balance carried forward			6,346

31 March 2007
£000s

31 March 2008
£000s

31 March 2008
£000s

31 March 2007 £000s		31 March 2008 £000s	31 March 2008 £000s
	Fixed Assets		
561	Intangible Assets		554
	Tangible Assets		
86,505	Operational		87,940
8,062	Non-operational		7,352
1,366	Deferred Premiums		0
96,494	Total Long Term Assets		95,846
	Current Assets		
	Stocks	436	
	Debtors & Prepayments	2,812	
	Investments	0	
6,145	Cash in Hand and Bank	4,174	7,422
102,639			103,268
	Current Liabilities		
-2,392	Short Term Borrowing	-326	
-5,600	Creditors	-3447	
-377	Bank Overdraft	-181	-3,954
94,270	Total Assets Less Current Liabilities		99,314
-30,245	Long Term Borrowing		-37,857
-617	Deferred Liabilities		-528
-117	Deferred Discounts		0
-852,623	Net Liability related to Defined Benefit Pension Scheme		-755,184
-789,332	Total Assets Less Liabilities		-694,255
58,096	Capital adjustment account		55,784
0	Financial instruments adjustment account		-1,201
-852,623	FRS17 Pensions Reserve		-755,184
5,195	General Fund Balance		6,346
-789,332	Net Worth		-694,255

Balance sheet

The purpose of the balance sheet is to show the total financial value of the organisation at the end of the financial year, which is 31 March. This is done by comparing the value of all the assets owned by the Authority, with its liabilities, with the difference being the net worth.

The two largest items included in the balance sheet relate to pensions and are the Net Liability to Defined Benefit Pension schemes of £755m and the FRS pension reserve of the same amount shown in the final section.

These figures are an estimate of the total value of all payments which will have to be paid out from the pension scheme over the next 30 years. However, these pension payments will be met directly by grant from central government over this period and therefore will not fall on the Authority, as a result the inclusion of these figures tends to misrepresent the true financial position of the Authority.

If you exclude these items from the balance sheet it shows the Authority in a much healthier financial position having net assets of £60m rather than net liabilities of £695m.



8

Other Financial Information

The Authority is committed to open government and values the opinion of the community it serves. If you require more details about how the Authority spends its money you can find a number of other documents on the Authority website at www.westyorksfire.gov.uk these include :-

- Quarterly financial reviews
- Previous years' statement of accounts
- External audit reports
- Treasury management reports

If you have any comments or questions please contact:

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Should you require this document in an alternative format or language please telephone 01274 682 311



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