

## Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2016/2017				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
DRAFT				
31 Mar 16		31 Jul 16	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	2,368,537	1,580,501	2,284,927
65	Intangible Assets	35	(30)	35
22,614	Long-term Assets	25,716	3,102	30,200
	Current Assets			
45,579	Debtors	48,760	3,181	45,000
538	Inventories	604	66	250
12,594	Cash and cash equivalents	7,780	(4,814)	10,000
<b>869,426</b>	<b>Total Assets</b>	<b>2,451,432</b>	<b>1,582,006</b>	<b>2,370,412</b>
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(61,500)	10,626	(80,000)
(59,891)	Creditors	(56,370)	3,521	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(80,144)	-	(90,000)
(7,885)	Capital Grants in Advance	(7,835)	50	(7,500)
(16,143)	Provisions	(16,335)	(192)	(15,000)
(294,549)	Other Long Term Liabilities	(292,753)	1,796	(280,000)
<b>338,688</b>	<b>Total Assets less Liabilities</b>	<b>1,936,495</b>	<b>1,597,807</b>	<b>1,837,912</b>
(68,297)	Usable Reserves	(63,535)	4,762	(55,479)
(270,391)	Unusable Reserves	(1,872,960)	(1,602,569)	(1,782,433)
<b>(338,688)</b>	<b>Total Reserves</b>	<b>(1,936,495)</b>	<b>(1,597,807)</b>	<b>(1,837,912)</b>

Commentary on the key issues:

In order to provide a complete picture of the Council's financial performance, the above table provides a snapshot of the General Fund balance sheet as at the end of month 4. The key areas of focus are any significant movements in debtors, cash and cash equivalents, bank overdraft and creditors as these impact upon the Council's performance in the critical areas of debt recovery, treasury management and Public Sector Payments Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRSs). Temporary investments are included within cash and cash equivalents along with bank balance and cash in hand. Usable reserves include unallocated General Fund reserves and earmarked revenue reserves. Unusable reserves are those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

From 1<sup>st</sup> April 2016 local authorities must account for the Highways Network Asset in line with International Accounting Standard 16 *Property, Plant and Equipment*. The Highways Network Asset includes carriageways, footways, cycle paths, street furniture, traffic management and land and has been brought onto the balance sheet under Property, Plant and Equipment for 2016/17. The estimated value of the Highways Network Asset is £1,565m. A corresponding credit has been brought into the Capital Adjustment Account within Unusable Reserves. There is no requirement to reflect this in the 2015/16 balance sheet.

Over the 4-month period, in addition to the inclusion of the Highways Network Asset, there has been an increase in spend on Capital schemes included within Property, Plant and Equipment of £15.6m and a decrease in cash and cash equivalents of £4.8m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme.