

# Blackpool Council

## Balance Sheet / Working capital:

BALANCE SHEET 2016/2017				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
31 Mar 16		31 Jan 17	Movement since	31 Mar 17
Actual		Actual	31 Mar 16	Forecast
£000s		£000s	£000s	£000s
788,036	Property, Plant and Equipment	818,950	30,914	819,927
65	Intangible Assets	65	-	35
22,614	Long-term Assets	28,659	6,045	33,718
	Current Assets			
45,579	Debtors	48,755	3,176	45,000
538	Inventories	537	(1)	500
12,594	Cash and cash equivalents	6,801	(5,793)	10,000
<b>869,426</b>	<b>Total Assets</b>	<b>903,767</b>	<b>34,341</b>	<b>909,180</b>
	Current Liabilities			
(72,126)	Borrowing Repayable within 12 months	(56,500)	15,626	(75,000)
(59,891)	Creditors	(55,785)	4,106	(60,000)
	Long-term Liabilities			
(80,144)	Borrowing Repayable in excess of 12 months	(79,602)	542	(90,000)
(7,885)	Capital Grants in Advance	(7,885)	-	(7,500)
(16,143)	Provisions	(22,025)	(5,882)	(15,000)
(294,549)	Other Long Term Liabilities	(294,549)	-	(280,000)
<b>338,688</b>	<b>Total Assets less Liabilities</b>	<b>387,421</b>	<b>48,733</b>	<b>381,680</b>
(68,297)	Usable Reserves	(60,940)	7,357	(55,899)
(270,391)	Unusable Reserves	(326,481)	(56,090)	(325,781)
<b>(338,688)</b>	<b>Total Reserves</b>	<b>(387,421)</b>	<b>(48,733)</b>	<b>(381,680)</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 10. 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 were told that they 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 had been brought onto the balance sheet in previous months under Property, Plant and Equipment for 2016/17. However, on 14<sup>th</sup> November 2016, CIPFA took the decision to delay the implementation of the accounting for Highways Network Asset until 2017/18. Therefore, these amounts have now been removed from the balance sheet.

Over the 10-month period there has been an increase in spend on capital schemes included within Property, Plant and Equipment of £30.9m and a decrease in short term borrowing of £15.6m, which in the main reflects the timing of the receipt of capital grants and the phasing of the capital programme. Long-term assets have increased by £6m due to the purchase of equity in Blackpool Housing Company and loans being issued to Blackpool Transport Services and Blackpool Housing Company.