

## Blackpool Council

Balance Sheet / Working Capital:

BALANCE SHEET 2023/24				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
Draft Unaudited 31 Mar 23		31 Dec 23	Movement since	31 Mar 24
£000s		Actual £000s	31 Mar 23 £000s	Forecast £000s
587,812	Property, Plant and Equipment	669,631	81,819	801,448
279,731	Infrastructure Assets	269,209	(10,522)	283,712
8,540	Heritage Assets	8,540	-	8,600
2,401	Intangible Assets	2,228	(173)	2,171
27,399	Long-term Investments	29,399	2,000	29,650
77,306	Long-term Debtors	83,201	5,895	87,000
42,000	Pension Asset	42,000	-	42,000
	Current Assets			
76,409	Debtors	78,700	2,291	78,000
836	Inventories	607	(229)	850
14,284	Cash and cash equivalents	43,688	29,404	15,000
<b>1,116,718</b>	<b>Total Assets</b>	<b>1,227,203</b>	<b>110,485</b>	<b>1,348,431</b>
	Current Liabilities			
(200,475)	Borrowing Repayable within 12 months	(258,900)	(58,425)	(203,256)
(81,773)	Creditors	(82,500)	(727)	(82,000)
	Long-term Liabilities			
(196,052)	Borrowing Repayable in excess of 12 months	(196,052)	-	(192,796)
(90,961)	Long-term Creditors	(90,961)	-	(88,131)
(50,576)	Capital Grants in Advance	(50,576)	-	(40,000)
(6,106)	Provisions	(6,152)	(46)	(6,100)
(2,566)	Other Long-term Liabilities	(2,566)	-	(62)
<b>488,209</b>	<b>Total Assets less Liabilities</b>	<b>539,496</b>	<b>51,287</b>	<b>736,086</b>
(83,614)	Usable Reserves	(66,701)	16,913	(71,392)
(404,595)	Unusable Reserves	(472,795)	(68,200)	(664,694)
<b>(488,209)</b>	<b>Total Reserves</b>	<b>(539,496)</b>	<b>(51,287)</b>	<b>(736,086)</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 9. 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 Payment Policy.

The balance sheet has been prepared under International Financial Reporting Standards (IFRS/IAS's). Each year an accounting adjustment under IAS 19 is made for the value of the pension fund at year-end. In 2022/23, for the first time, this produced a pension asset rather than a pension liability. Paragraph 64 of IAS 19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. This calculation has now been received from the actuary and £42m has been recognised in the balance sheet as a pension asset.

## **Appendix 2 (s)**

Usable reserves include unallocated General Fund reserves and 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 were sold.

Due to statutory changes regarding the accounting treatment of infrastructure assets which were approved in Parliament in late November 2022, the 2020/21 accounts were not signed off until November 2023. This has meant that the completion of the audits for the 2021/22 and 2022/23 accounts have been delayed. As the audits are still ongoing the balance sheet as at 31 March 2023 may require amendment, therefore the above figures should be treated as draft.

Over the 9-month period there has been an increase in Property, Plant and Equipment of £81.8m due to capital expenditure which is in line with the Council's approved capital programme for 2023/24. Infrastructure assets have decreased by £10.5m which is the net effect of spend to date less depreciation at month 9. Long-term debtors has increased by £5.9m due to new approved business loans. Cash and cash equivalents have increased by £29.4m and short-term borrowing has increased by £58.4m due to the timing of capital and revenue grants and ensuring that sufficient funds are available between Christmas and New Year.