

## Blackpool Council

Balance Sheet / Working capital:

BALANCE SHEET 2022/23				
LAST Y/END		CURRENT	CHANGE	NEXT Y/END
Draft 31 Mar 22		31 Dec 22 Actual	Movement since 31 Mar 22	31 Mar 23 Forecast
£000s		£000s	£000s	£000s
853,513	Property, Plant and Equipment	903,453	49,940	951,804
108,701	Long-term Assets	118,806	10,105	115,000
Current Assets				
62,573	Debtors	55,400	(7,173)	60,000
601	Inventories	481	(120)	450
1,300	Short-term loans	1,300	-	-
39,503	Cash and cash equivalents	21,708	(17,795)	40,000
<b>1,066,191</b>	<b>Total Assets</b>	<b>1,101,148</b>	<b>34,957</b>	<b>1,167,254</b>
Current Liabilities				
(282,947)	Borrowing Repayable within 12 months	(154,000)	128,947	(155,000)
(97,379)	Creditors	(96,200)	1,179	(96,000)
Long-term Liabilities				
(75,534)	Borrowing Repayable in excess of 12 months	(200,534)	(125,000)	(200,500)
(94,914)	Long Term Creditors	(94,914)	-	(91,814)
(40,982)	Capital Grants in Advance	(40,982)	-	(14,000)
(10,157)	Provisions	(9,683)	474	(9,200)
(221,457)	Other Long-term Liabilities	(221,457)	-	(220,000)
<b>242,821</b>	<b>Total Assets less Liabilities</b>	<b>283,378</b>	<b>40,557</b>	<b>380,740</b>
(107,589)	Usable Reserves	(83,922)	23,667	(73,000)
(135,232)	Unusable Reserves	(199,456)	(64,224)	(307,740)
<b>(242,821)</b>	<b>Total Reserves</b>	<b>(283,378)</b>	<b>(40,557)</b>	<b>(380,740)</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 (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 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 a consultation regarding the accounting treatment of infrastructure assets the 2020/21 accounts have not been signed off by the Council's external auditors. The consultation is now complete and the 2020/21 accounts are currently being audited for the changes to the infrastructure assets. As soon as the audit is

complete the 2021/22 and 2022/23 balance sheet will require amendment, therefore the figures above should be treated as draft and will be subject to change.

Over the 9-month period there has been an increase in Property, Plant and Equipment of £49.9m due to capital expenditure which is in line with the Council's approved capital programme for 2022/23. Due to low interest rates the Council has been using temporary borrowing to finance prudentially-funded capital expenditure. With interest rates currently rising and in order to mitigate the impacts of any future interest rate rises, the Council has taken out £125m of long-term borrowing from the Public Works Loan Board. This long-term borrowing will replace the temporary borrowing when it is repaid and is the reason for the increase in long-term borrowing of £125m and reduction in short-term borrowing of £128.9m. Cash and Cash equivalents have decreased by £17.8m due to the timing of capital and revenue grants.