

CIPFA\ Financial Resilience Index

Tier Group

☐ UPPER
 ☒ LOWER

Authority

Tonbridge & Malling

Comparator Group

Non Metropolitan Districts

Methodology

Ranked

Year

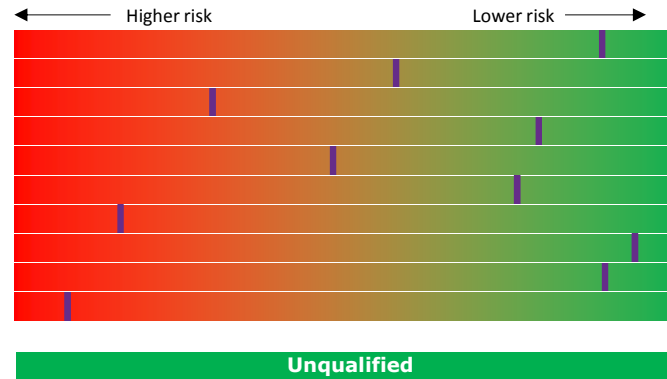
2017-18



Results Breakdown

- ☒ Reserves Depletion Time i
- ☐ Level of Reserves i
- ☐ Change in Reserves i
- ☐ Unallocated Reserves i
- ☐ Earmarked Reserves i
- ☐ Change in Unallocated Reserves i
- ☐ Change in Earmarked Reserves i
- ☐ Grants to Expenditure Ratio i
- ☐ Council Tax Requirement / Net Revenue Expenditure i
- ☐ Retained Income from Rate Retention / Net Expenditure i
- ☐ Auditors VfM Assessment i

Indicators of Financial Stress



Min	Authority	Max
0.00	100.00	100.00
16.6%	144.5%	300.0%
-100.0%	7.2%	360.8%
0.0%	59.3%	300.0%
6.4%	85.2%	300.0%
-84.5%	33.4%	400.5%
-63.2%	-5.7%	1946.3%
0.0%	0.0%	24.8%
37.0%	92.5%	100.0%
2.1%	17.7%	100.0%

Indicator	Description	Relationship to risk and interpretation
Reserves Burn Rate	This indicator is the ratio between the current level of reserves and the average change in reserves in each of the past three years. A negative value (which implies reserves have increased) or one greater than 100 is recoded to 100.	The indicator provides a measure of how long (in years) it will take for a council to completely denude its reserves, if they continue to use reserves at the same rate as in the previous three years. A low value suggests that there is a risk that the authority will run out of reserves. A high value says, that on current trends, they are unlikely to deplete their reserves.
Level of Reserves	This is the ratio of the current level of reserves (total useable excluding public health & schools) to the council's net revenue expenditure. We have set the figure at 100% for a small number of district councils to remove the impact of extreme outliers.	A low level of reserves may indicate that a council has low capacity to cope with financial shocks. It will also face a risk should expenditure exceed income.
Change in Reserves	This indicator shows the average percentage change in reserves (total useable excluding public health and schools) over the past three years	A council that is using up its reserves may be at risk if they do not move to a more balanced budget.
Unallocated Reserves	This indicator is calculated as the ratio of unallocated reserves to net revenue expenditure	This indicator provides some further information on the reserves indicator. A low level of unallocated reserves may be a sign that a council will struggle with financial shocks.
Earmarked Reserves	This indicator is calculated as the ratio of earmarked reserves (excluding public health and schools) to net revenue expenditure	This indicator provides some further information on the reserves indicator. A low level of earmarked reserves could mean that a council will struggle with financial shocks or that they have not planned effectively for their use of reserves.
Change in Unallocated Reserves	This indicator is the average percentage change in unallocated reserves over the past three years	This indicator provides some further information on the reserves indicator. A council that is using up its reserves may be at risk if they do not move to a more balanced budget.
Change in Earmarked Reserves	This indicator is the average percentage change in unallocated reserves over the past three years	This indicator provides some further information on the reserves indicator. A council that is using up its reserves may be at risk if they do not move to a balanced budget.
Social Care & Interest payments ratio	This indicator is the ratio of total spending on adults' social care, children's social care and debt interest to net revenue expenditure.	This indicator provides a measure of the degree of flexibility within a council's budget. Spending on these items is less likely to be reduced compared to other categories. A high ratio suggests that the council has little flexibility to make further savings, potentially leading to risk
Children's Social Care Ratio	This indicator is the ratio of spending on children's social care to net revenue expenditure	This indicator provides a breakdown of the total ratio to allow councils to understand their relative position for this component
Adult Social Care Ratio	This indicator is the ratio of spending on adult social care to net revenue expenditure	This indicator provides a breakdown of the total ratio to allow councils to understand their relative position for this component
Grants to Expenditure Ratio	This indicator shows the proportion of net revenue expenditure funded by central government grants.	Grants are a diminishing source of funding. However, a relatively high level of grants may suggest that a council may experience financial difficulties in the future as grants continue to be a declining source of income.
Council Tax Requirement / RSG	This indicator shows the ratio of council tax to RSG	This indicator provides a measure of the relative importance of council tax and grants. A low ratio suggest higher dependency on grants which may suggest that a council may experience financial difficulties as grants diminish further
Retained Income from business Rates/ Net Expenditure	This indicator shows the ratio of retained income from business rates as a proportion of net expenditure	As locally raised business rates become more important, a lower ratio may be associated with difficulties in raising the income necessary to support spending.
Children's Social Care Judgement	This indicator shows the latest OFSTED judgement on the quality of children's social care	A rating of inadequate or requires improvement may be associated with future higher spending on children's social care adding to council funding pressures
Auditors VfM Assessment	This indicator shows whether auditors have produce a non-standard conclusion on a council's accounts	A non-standard judgement may indicate some concern over the financial management and decisions within a council.