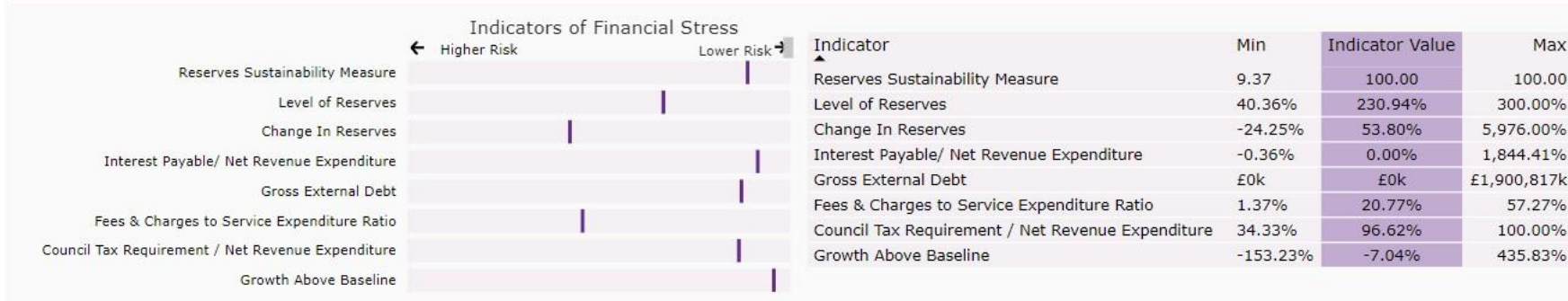


CIPFA Financial Resilience Index

Tier: Lower | Authority: Tonbridge and Malling | Comparator Group: Non Metropolitan Dis... | Year: 2021-22

Results Breakdown



Auditors VFM Assessment
[Refer to local authority website](#)

CIPFA Financial Resilience Index

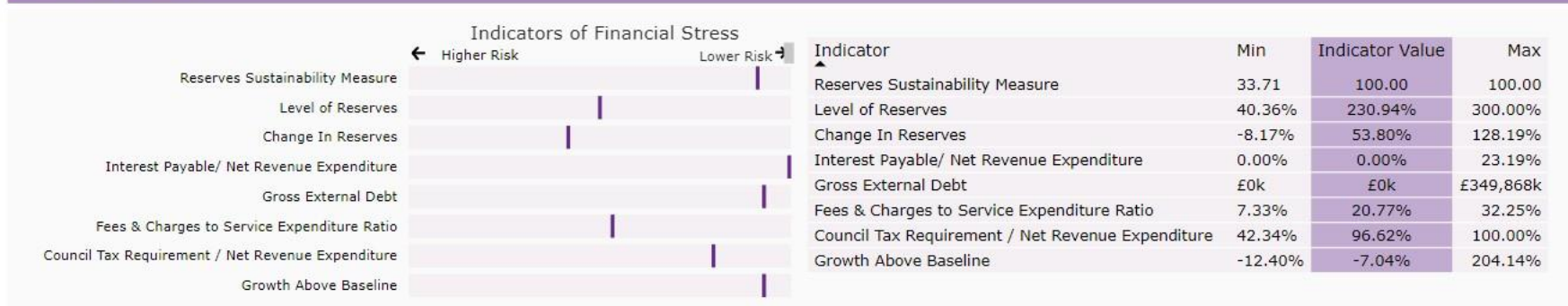
Tier: Lower | Authority: Tonbridge and Malling | Comparator Group: Non Metropolitan Dis... | Year: 2021-22

Results Breakdown



CIPFA Financial Resilience Index Tier: Lower | Authority: Tonbridge and Malling | Comparator Group: Nearest Neighbour | Year: 2021-22

Results Breakdown



Auditors VfM Assessment
Refer to local authority website

CIPFA Financial Resilience Index Tier: Lower | Authority: Tonbridge and Malling | Comparator Group: Nearest Neighbour | Year: 2021-22

Results Breakdown



Local context: support notes for the Financial Resilience Index

CIPFA has always emphasised the need for a local narrative to accompany the figures in the [Resilience index](#). The table below shows our rationale for the indicators and is intended to support explanation and understanding of the index.

We are aware that due to COVID-19, additional questions may be raised about the timeliness and relevance of the data. We have sought to address these questions alongside the indicators.

The timing of the index follows the release of DLUHC statistics (i.e Revenue Outturn 2020/2021) is based on publicly available data. We are aware that the pandemic has fundamentally altered the local authority funding landscape in 2020-2021, and any interpretation of the data should be viewed through this lens.

In this context, we would emphasise that the Resilience Index reflects a local government financial landscape in the middle of a global pandemic. This is particularly true of reserves where the picture for 2020-2021 has been distorted by the timing of significant COVID-19 payments received late in the financial year.

Indicator	Detail	Impact	Additional supportive note
Reserves sustainability measure	How long an authority's reserves will last if they continue drawing them down at the same rate	The longer an authority's reserves will last, the less risk	<ul style="list-style-type: none"> • Without reserves, councils have no ability to weather financial storms. • It is the responsibility of the S151 officer to utilise good financial management and decide what is an appropriate level of reserves. • Reserves may have been increased as a result of COVID payments.

Level of reserves	Earmarked + unallocated	Lower levels of reserves imply higher risk	<ul style="list-style-type: none"> • It is the responsibility of the S151 officer to utilise good financial management and decide what is an appropriate level of reserves. • Good financial management can be achieved with relatively low reserves, while high reserves do not always indicate good financial management. • COVID payments paid at the end of March 2021 will have an impact on this indicator if the local authority recorded them as reserves such as section 31 payments for business rate relief.
Change in reserves	Percentage change in reserves over the past three years	Negative changes imply higher risk	<ul style="list-style-type: none"> • This indicator shows the degree of change in reserve levels as an average over the last three years. • An increasing use of reserves over this period indicates a higher risk to financial sustainability. • The indicator should be viewed with the MTFP, total reserves, planned use of reserves, and the level of reserves which the authority determines to be an appropriate minimum. • We would not suggest inter-authority comparison, as each will have differing reserves policy, reserves levels and planned use.

			<ul style="list-style-type: none"> This figure will be impacted by the increase in reserves as a result of the COVID payment.
Gross external debt	Level of gross external debt	The higher the gross debt level, the higher the risk	<ul style="list-style-type: none"> The Prudential Code is clear that local authorities should borrow within their means. Minimum revenue provision ensures that there is suitable debt cover. Substantial debt must be monitored, and effective risk management must be evident.
Social care ratio	Amount of expenditure on demand-led services – this determines the level of flexibility in the budget	More flexibility, less risk The higher the ratio, the higher the risk	<ul style="list-style-type: none"> Relevant for those with responsibility for social care, therefore not relevant for districts. There are areas of demand where councils have limited control. Demand for social care is increasing. Social care is a statutory obligation, therefore it is difficult to reduce this spend. Demographic growth will show a trend towards increased expenditure. Post-COVID, there is expected to be a rise in demand for social care for both adults and children
Fees and charges	Total fees and charges as a proportion of service expenditure	The higher the ratio the lower the risk (income)	<ul style="list-style-type: none"> You have greater control over your own ability to put charges up or down, giving more control over budget.

		A greater amount of fees/charges will make councils more resilient as they have more control over budgets	<ul style="list-style-type: none"> Local authorities have the ability to raise income through certain fees and charges. Fees and charges across different sources may reduce risk. CIPFA is aware of the alternative argument that councils with low fees and charges have greater scope to generate more income, but this approach was supported by the working group. CIPFA is aware that during the pandemic this has not proven to be true as grants have underpinned income losses but over the longer term we continue to support the principles of this indicator.
Council tax	Council tax requirement/net revenue expenditure	Higher the ratio the lower the risk (income)	<ul style="list-style-type: none"> Council Tax is a stable form of income. Collection rates and hardship schemes have resulted in minimal impact across the board. Awareness of the pressures from COVID and the requirement for Government support.
Business rates	Percentage growth in business rates above the baseline	The higher the ratio the higher the risk	<ul style="list-style-type: none"> Local authorities have been able to maintain their growth in business rates. There is an issue that in a reset, those with greater income above the baseline will face a greater negative impact. This makes them more vulnerable.

			<ul style="list-style-type: none"> • Business rates changes have been delayed along with the fair funding review but the risk continues to exist.
Children's social care	Ofsted judgement on overall services	The lower the rating, the higher the risk	<ul style="list-style-type: none"> • Possible correlation between the ruling and large requirement to invest spend. • Many authorities with adverse children's social care judgements have increased spending to improve services. • The pandemic has resulted in a significant reduction in inspections and therefore the last available report has been used
Auditors VFM assessment	Auditors VFM assessment	Lower assessment, the higher the risk	<ul style="list-style-type: none"> • The single judgement for Audit has been replaced with a narrative and these are no longer collected at a central point. • As there is no single governance judgement this indicator provides a proxy to support the understanding of resilience. • Where not know readers are signposted to the council website for the latest information. • Where the record reads N/A this indicates that the information was not available at the time.

All calculations are based on the latest available annual data unless otherwise stated.

Reserves measures exclude public health and schools reserves. These reserves are ring-fenced and cannot be used to support expenditure in other areas.

CIPFA will continue to discuss opportunities for improving the RO form data collection.

If there are any inaccuracies in the auditors VFM assessment, please contact our data team on resilienceindex@cipfa.org with evidence and we will update our records.

