









Strategy & Performance Scrutiny Panel

22 June 2022

Chris Forrester
Chief Financial Officer

CIPFA resilience index 2021

CIPFA resilience index 2020/21					
	2019/20		2020/21		
	Score	Rank	Score	Rank	Risk rating
		Met districts		Met districts	
Reserves sustainability	6.23	35th	-	-	
Level of reserves as a proportion of budget	22.20%	30th	41.97%	33rd	
Change in reserves	-32.50%	35th	53.41%	30th	
Interest payable / net revenue expenditure	2.71%	33rd	2.81%	34th	
Gross external debt	£148.9m	35th	£156.5m	35th	
Social care ratio	66.30%	12th	71.44%	14th	
Fees and charges to service expenditure ratio	10.50%	11th	7.31%	18th	
Council tax to net revenue expenditure	59.40%	7th	65.20%	4th	
Growth above baseline	6.00%	16th	3.40%	23rd	



Impact of the outturn 2021/22

- **Calderdale's outturn figures currently being prepared for Cabinet**
- **National figures and CIPFA resilience index not available until late 2022**
- **It is likely that the new index will show later this year that Calderdale's reserves will increase**
- **Level of external debt in Calderdale increasing due to prudential borrowing but will still be low relative to other local authorities**
- **Likely increase in proportion of budget spent on social care**



Financial risks 2022/23

- Ongoing impact of Covid on spend and income (including council tax and business rates) – partly mitigated by Covid funding c/f but no new government funding
- Demand for council services and increased expectations
- Delivery of economic recovery plan – need for investment
- Delivery of existing savings and change programmes
- Capacity to deliver transformation, capital projects and national agenda
- Changes in local government finance systems e.g. fair funding, business rates retention
- Impact of high inflation (which is forecast to continue rising) e.g. materials costs, salary increases, energy costs, response from Bank of England increasing borrowing costs



Financial opportunities

- **Stabilisation of longer term financial position including reserves**
- **Appetite for change and transformation**
- **Additional Government funding e.g. Towns funds and shared prosperity fund (but note these are also risks)**
- **Opportunity to help drive economic recovery in the place**



Financial priorities

- **Stabilising or increasing the level of reserves and financial resilience**
- **Deliver on agreed savings targets and actions – regular monitoring and exception reports**
- **Transformation programme and Council priorities by 2024**
- **Economic recovery plan**
- **Grow income**
- **Update the Medium Term Financial Strategy following the Chancellor's Spending Review**
- **Commence the budget process for 2023/24 (and possibly 3 years)**

