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**To:** Finance and Corporate Services Scrutiny Board (1)

**Date:** 15<sup>th</sup> February 2023

**Subject:** CIPFA Resilience Index Analysis

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## **1 Purpose of the Note**

- 1.1 The Scrutiny Board 1 work programme include an item to review the position in relation to the Chartered Institute of Public Finance and Accountancy (CIPFA) Resilience Index. Information has been provided in a separate presentation provided alongside this report which shows the Council's relative performance or ranking in a series of risk categories defined within the index. Scrutiny Board are invited to consider the information provided.

## **2 Recommendations**

Members of Scrutiny Board are recommended to:

- 2.1 Note the contents of the presentation.
- 2.2 Identify any recommendations for the Cabinet Member (Strategic Finance and Resources)

## **3 Information/Background**

- 3.1 CIPFA produce the Resilience Index on an annual basis. The Index is a comparative analytical tool that is intended to be used by chief financial officers to support good financial management. The index shows a council's position on a range of measures associated with financial risk highlighting where additional scrutiny may be required. CIPFA puts forward the indicators selected as having been informed by extensive financial resilience work undertaken by CIPFA, public consultation and technical stakeholder engagement.
- 3.2 Section 151 officers are invited to use the index for instance in setting out the proposed budget for the year, producing their medium-term financial strategy or for in preparing their statements of the robustness of the budget and the adequacy of reserves. The data for the resilience index is obtained from the Revenue Expenditure and Financing England Outturn Report 2021-22 ("RO Forms") and reflects figures submitted by Local Authorities to the Department for Levelling Up, Housing and Communities (DLUHC) as at 31 March 2022.
- 3.3 CIPFA recognises some limitations in the returns (e.g. reflecting the previous financial year) but justify it as being a consistent and transparent starting place for a discussion on financial resilience that can be tracked over time. The index is made up of a set of indicators which take publicly available data and compares similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance.

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