

BCP COUNCIL FINANCIAL RESILIENCE INDEX DATA COMPARISON

| Indicator | 2019/20 (unitary authority group) | | | 2020/21 BCP | BCP direction of travel | CIPFA Interpretation Notes |
|--|--------------------------------------|----------|------------|----------------|-------------------------------|--|
| | Min | BCP | Max | | | |
| | Level of Reserves * | 10.8% | 31.2% | | | |
| Interest Payable / Net Revenue Expenditure | -1.0% | 1.0% | 17.5% | 1.2% | ↑ | <ul style="list-style-type: none"> This shows the interest payable in 2019/20 as a % of the net revenue expenditure for that year |
| Gross External Debt (£000) | £2,000 | £270,426 | £1,572,304 | £202,934 | ↓ | <ul style="list-style-type: none"> This is actual external debt which includes short term (non-capital) borrowing 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 | 28.75% | 69.28% | 87.93% | 82.0% | ↑ | <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 & Charges to Service Expenditure Ratio | 6.2% | 13.3% | 24.1% | 11.5% | ↓ | <ul style="list-style-type: none"> Local authorities have greater control over their own ability to put charges up or down, giving more control over budget. Local authorities have the ability to raise income through certain fees and charges. Fees and charges across different sources may reduce risk. During the pandemic (after the period covered by this data) grants have underpinned income losses. |
| Council Tax Requirement / Net Revenue Expenditure | 34.1% | 73.9% | 94.2% | 81.0% | ↑ | <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. |
| Growth Above Baseline | -4.0% | 2.0% | 66.0% | TBC | TBC | <ul style="list-style-type: none"> Local authorities have been able to maintain 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. Business rates changes have been delayed along with the fair funding review. |
| Auditors VFM Assessment | Qualified 'except for' | | | TBC | TBC | <p>This indicator shows whether auditors have produced a non-standard conclusion on a council's accounts</p> <p><u>Explanation:</u> OFSTED undertook a targeted review of the Council childrens services and identified significant weaknesses. Although this is not a full inspection, the weaknesses identified are considered significant enough to warrant an except for conclusion. This was agreed by a Grant Thornton independent Panel.</p> |
| Children's Social Care Judgement | Requires Improvement | | | TBC | TBC | This indicator shows the latest OFSTED judgement on the quality of children's social care |

Comments

2020/21 values were submitted 27.08.21 as part of the Revenue Outturn data collection. These are still undergoing MHCLG validation checks and benchmarking information will not be available until at least November 2021.

Caution required in benchmarking reserves for these periods due to the accounting treatment of significant covid grants - e.g. BCP total for 2020/21 includes £40.4m relating to S31 business rate relief grants

Difference between 2019/20 and 2020/21 is mostly short term borrowing which is at lower interest rates

This represents both adults and children's social care

Greater control over ability to raise fees and charges, but this income stream has become volatile due to Covid-19

BCP is at the very top of the 3rd quartile

Work ongoing with CIPFA to understand the basis of this calculation

Key:

- Adverse indicator / BCP is in the 4th quartile of all UAs
- Cautious indicator / BCP is in the 3rd quartile of all UAs
- Favourable indicator / BCP is in the 1st or 2nd quartile of all UAs



Note:

* Adjusted value shown, original 2019/20 BCP value incorrectly deducted DSG deficit balance