Benchmarking your arrangements for securing Financial Resilience – Ribble Valley Borough Council

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Introduction

Value for Money conclusion

Our work supporting our Value for Money (VfM) conclusion, as part of the statutory external audit, includes a review to determine if councils have proper arrangements in place for securing financial resilience.

In so doing we consider whether councils have robust financial systems and processes in place to manage their financial risks and opportunities, and to secure a stable financial position that enables them to continue to operate for the foreseeable future.

The definition of foreseeable future for the purposes of these financial resilience reviews is 12 months from the date of our reports to clients.

Our Financial Resilience Ratings

We use a red/amber/green (RAG) rating with the following definitions:

- **Green**: Arrangements meet or exceed adequate standards. Adequate arrangements identified and key characteristics of good practice appear to be in place.

- **Amber**: Potential risks and/or weaknesses. Adequate arrangements and characteristics are in place in some respects, but not all. Evidence that the Council is taking forward areas where arrangements need to be strengthened.

- **Red**: High risk. The Council's arrangements are generally inadequate or may have a high risk of not succeeding.

Benchmarking for Ribble Valley Borough Council

This benchmarking pack should be considered alongside our Financial Resilience report which we reported to the Audit Committee in September 2013, and in the light of the issue of our national report on financial resilience in the sector, "2016 tipping point? Challenging the current".

The benchmarking compares Ribble Valley with the total population of over 130 councils and also with sub-populations as follows:

- Lancashire councils only;
- District councils type only.
Executive summary

Main conclusion
Ribble Valley has arrangements that meet or exceed adequate standards in all the thematic areas of financial resilience reviewed in 2012/13:

• key indicators of financial performance;
• strategic financial planning;
• financial governance; and
• financial control.

This is a good rating and is in line or exceeds the ratings achieved for other comparable councils. The detailed results, including benchmarking, are shown on the following pages.

Please note - This report needs to be read in the context that our financial resilience reviews fell in the second year of the four-year SR10 period, where some of the potential risks and challenges over the medium term may have yet to materialise for Ribble Valley and the wider sector.
How did you perform?

What is the picture for 2012-13?

We have reviewed:
- key indicators of financial performance;
- strategic financial planning;
- financial governance; and
- financial control.

Within these thematic areas we have looked at 22 different categories and the graph below shows your performance in these categories. To the left are the overall ratings for the four themes, and to the right are the 22 categories.

Ribble Valley has a green rating in all areas with regard to:
- key indicators of financial performance;
- strategic financial planning;
- financial governance; and
- financial control.

A green rating indicates that Ribble Valley’s arrangements meet or exceed adequate standards.
Benchmarking against all councils

The graph below shows how Ribble Valley performs against the results for all councils in 2012-13. Your scores are plotted as the black squares overlying the population performance: the colour that your black square lies in indicates the level you achieved.

You can draw the following conclusions about the population:

• local government’s performance overall is good – in all categories the majority of councils achieve green status, and the incidence of red ratings is very small;
• none of the thematic areas is demonstrably weaker than any other;
• previous reviews show that the Key indicators of performance theme has seen every one of its categories weaken since 2011-12, notably in the Workforce category.

Ribble Valley is in line with the overall good ratings for the majority of councils, in all the areas reviewed.
How do you compare?

**Benchmarking against Lancashire councils only**

The graph below shows how you perform against the results for the Lancashire councils that we audit.

Overall, the Lancashire councils have higher ratings than all councils and there are no red ratings in Lancashire.

The one area where Lancashire councils have a lower rating is "Adequacy of planning assumptions".

Ribble Valley is in line with the overall good ratings for the majority of Lancashire councils, in all the areas reviewed.
How do you compare?

**Benchmarking against District councils type only**

The graph below shows how you perform against the results for our District council clients.

The overall performance of District councils is good and is very similar to the performance of all councils (see page 6) — in all categories the majority of councils achieve green status, and the incidence of red ratings is very small.

Ribble Valley is in line with the overall good ratings for the majority of District councils, in all the areas reviewed.