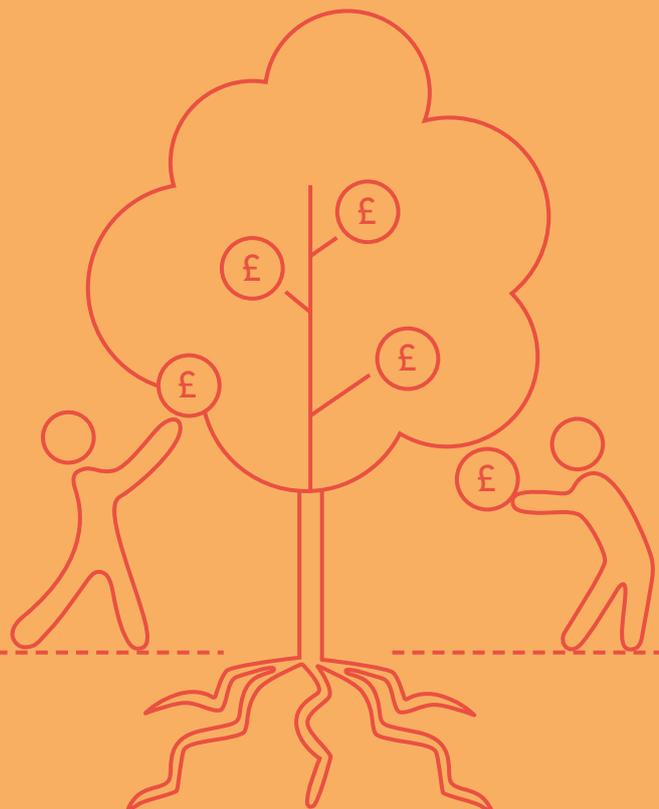


Increasing Financial Resilience



“ Financial resilience and sound public financial management need to be at the core of decision making today to impart financial sustainability for the future.

Jeffrey Matsu
CIPFA Chief Economist

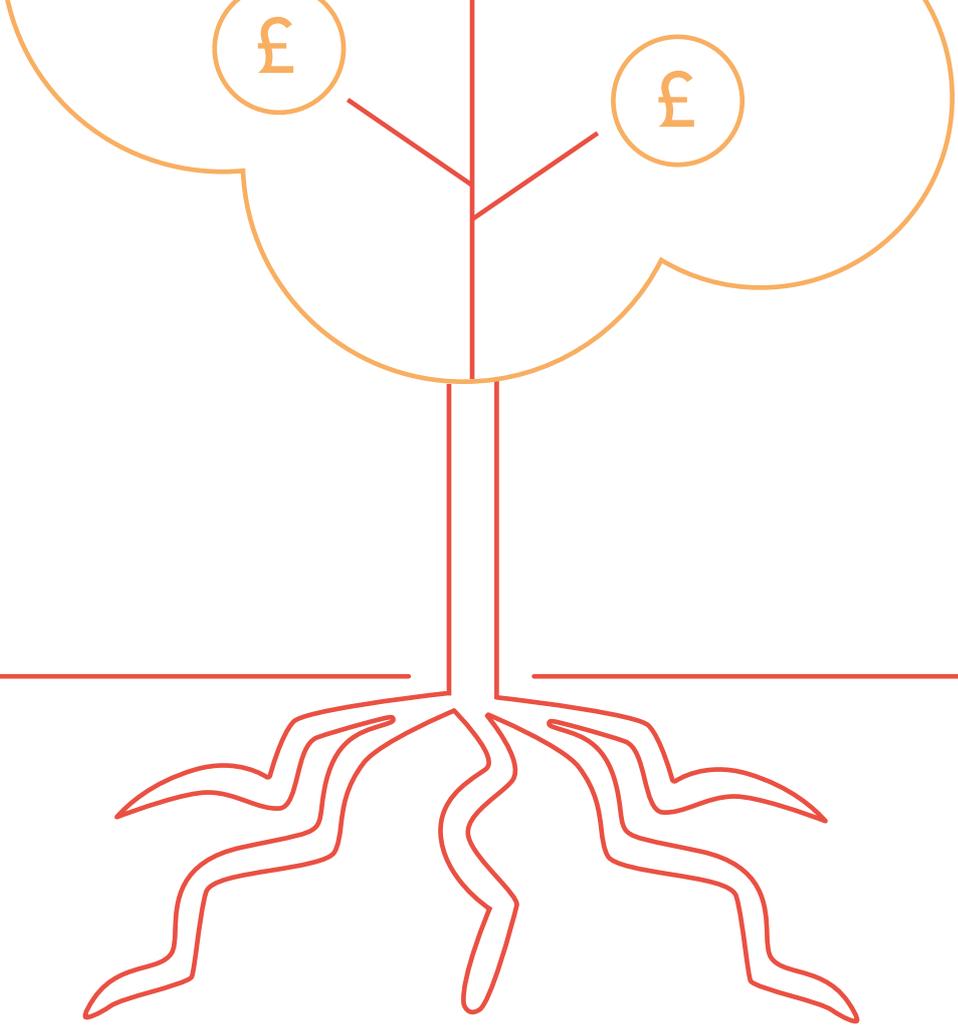




Introduction

Regardless of the problems that present themselves, public sector bodies must keep delivering. Even in the most difficult circumstances, finance professionals must focus on continuity and ensuring they go on providing vital services to their communities.

Forward planning, strategic vision and a strong understanding of financial risk, along with a clear line of sight on its likelihood and impact, allow public sector organisations to focus on what matters most, make good decisions and lock in financial resilience for the long term.



Why does it matter?

Strong financial management helps ensure public sector organisations are able to increase their own resilience and improve outcomes for the people they serve.

Across the world, public sector organisations face, and must tackle, many complex and interconnected challenges. Increased uncertainty and reduced income, combined with a rising and shifting pattern of demand for public services, are placing significant pressure on budget setters to do more with less. The arrival of COVID-19 has shone a spotlight on the importance for public sector organisations to be able to anticipate and cope with external shocks.

Being able to balance the budget and control costs are only part of the story in today's rapidly changing world. It is essential that public sector bodies take a holistic, results-based approach that focuses not only on financial resilience but also on community outcomes. This outcome-based approach means that the raising, allocation and utilisation of revenue is becoming increasingly important to ensure that funding reaches the right places and has the greatest impact. It is this need to balance income and expenditure that is critical to ensuring public bodies can continue to deliver frontline services as well as the right longer-term outcomes for their communities.

The challenges

COVID-19 challenges have widened the gap between the demands that public sector organisations need to address and funding. As they reorganise and prepare for an entirely 'new normal' in the months and years to come, the continued uncertainty stemming from the pandemic and other significant issues is highlighting the need for strong financial management.

In working towards increasing financial resilience, public sector bodies are faced with:



Increasing austerity

Over a decade of austerity and the impact of COVID-19 have significantly impacted the provision of services, and as inflation rises, the real value of budgets is further impacted. As the UK National Audit Office highlights, there is a 'funding gap' between forecast pressures and estimated funding at both local and national levels.



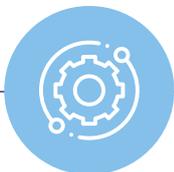
Changing demand patterns

Increasing demands on services, growing care costs, and changes to how we live and work as a result of the pandemic demonstrates the need for constant adaptation in the provision of public services.



Shifting income sources

Income sources and funding for public sector bodies have been severely challenged by the pandemic. This makes strategic planning even more complex when deciding how services need to be delivered.



Supply chain challenges

Rising demand for services creates pressure throughout the supply chain, from initial product procurement through to service delivery.



The ongoing threat of bribery and corruption

Heightened by economic and social distress, as well as by increasing digitisation, the threat of fraud is increasing. A focus on fraud prevention is therefore key.

How can CIPFA help?

CIPFA is the global leader in public financial management and governance. We are committed to making a lasting difference to the communities we are a part of. Find out more below about how we can help your organisation increase its financial resilience.



Advisory and consultancy

At CIPFA, we understand the complexities, issues, risks and pressures that public sector bodies have to overcome in order to increase financial resilience. Our team and subject specialists provide an independent assessment of the current position and support the development and implementation of an improved approach and plan. We use targeted and tailored solutions to help your organisation create robust corporate plans and financial strategies to achieve financial stability and resilience – now and in the future.



Building sustainable social care

Recent events have highlighted the importance of ensuring social care is resilient and sustainable for both the short and long term. With most UK local authorities overspending on adult social care and children's services, planning for and managing the delivery of these volatile and demand-led services is critical.



Fraud and corruption

Building on CIPFA's extensive history of championing excellence in public financial management, we work to help public sector bodies develop counter fraud skills to prevent, detect and recover losses. Through our range of training courses, advisory services and partnerships, including the CIPFA CPRAS Technology Procurement Association (CCTPA) and via Capita's grant management tool GrantIS, we can help you combat bribery, corruption and fraud.



CIPFA Networks

CIPFA Networks is a collection of member-based networks that support public sector professionals in a range of key areas. Each network, led by an experienced technical expert, offers exclusive events and online resources. Stay up to date with the latest legislative developments and technical issues that are important to you.



Property and estates management

CIPFA Property is the leading authority on public sector asset management within the UK. Via our professional networks, our experts help public bodies manage and leverage the value of their estate by tracking changes to legislation and providing guidance.



Data to drive decisions

Through our range of data tools and statistical services, public sector leaders can analyse the past and current performance of their organisation to measure the impact of implemented policies and strategies. Combined with our forward-looking financial tools, discover insights to improve not only the financial resilience of your organisation but also the outcomes for the communities you serve.



Procuring with confidence

CIPFA is committed to supporting public sector organisations in reducing costs and risks associated with procurement through a range of services, including advisory and training. In addition, through the CCTPA, we can help you procure innovative frontier technology solutions that not only help improve financial resilience and community outcomes but also wider sustainability.



Publications

CIPFA plays a vital role in the development of policy and technical guidance in public financial management, governance, financial reporting and audit for public sector finance managers. Within this offering, the CIPFA *Financial Management Code (2019)* provides guidance for good, robust and sustainable financial management in the public sector.



Tackling the housing crisis

CIPFA's unique position in local government finance, together with our public sector property and local authority housing expertise, means we can work with you to join the dots and tackle your housing crisis. We can help you connect finance, planning, delivery and management to help ensure that your local authority achieves the best housing outcomes for your communities.



Lifelong learning

Our educational programmes ensure public finance professionals have the right skills and knowledge to manage and adapt to ever-changing financial risk scenarios and embed robust financial management across their organisations. Our courses and events are driven by experts and informed by the latest developments in the sector.



CIPFA C.Co

As a subsidiary of the CIPFA Group, C.Co is a collaborative change management consultancy staffed by leading practitioners from across the sector. With a focus on supporting the implementation of change management, C.Co offers a package of services for public service reform, improvement and efficiency in the public sector.

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The CIPFA logo is displayed in a dark blue, sans-serif font. A thin, dark blue diagonal line extends from the top right corner of the 'A' downwards and to the right.

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