

Use of the LGBF

Using LGBF data to target spending and improve value

Fife Council

Background

Fife Council has been strengthening how the Local Government Benchmarking Framework (LGBF) is used to support financial planning and decision making. While the data was available, it was not yet being used consistently to inform budgeting or to understand how cost and performance relate across services.

At the same time, increasing financial pressure created a need to move beyond across-the-board savings towards a more targeted approach. This required better use of comparative data and a clearer understanding of where resources could be adjusted without undermining outcomes.

Key activities

Using benchmarking to guide financial decisions

LGBF data is used to identify areas where performance or cost differs from other councils. This helps highlight where further analysis is needed and where there may be opportunities to adjust spending or review how services are delivered.

Linking cost and performance in analysis

Financial and performance data are considered together when reviewing services. This allows the Council to assess whether current spending levels are delivering the expected outcomes and where changes could be made to improve value.

Using data to test assumptions in budgeting

Historical LGBF data is used to understand the impact of previous budget decisions. This helps inform future discussions by showing where savings have been made without significantly affecting performance, supporting more targeted financial planning.

Moving towards more targeted savings approaches

The Council is shifting away from applying uniform savings across services. Instead, LGBF data is used to identify where resources can be reduced or protected based on performance and priorities, leading to more focused decision making.

Using LGBF to support discussions with services

Data is shared with services and business partner accountants to explore differences in performance and cost. This supports more informed conversations about what is driving results and where changes may be needed.

Combining finance and performance perspectives

The Council brings together finance and performance teams in joint reporting and analysis. This creates a more consistent view of performance and supports a stronger link between service outcomes and financial decisions.

Benefits and impact

Stronger link between performance and financial decision making

Using LGBF data alongside financial information supports a more joined-up approach to budgeting and decision making. Rather than looking at performance in isolation, the data is used to test whether current levels of spending are delivering the outcomes the Council wants, and whether resources are being directed to the right areas. This creates a clearer basis for financial decisions and helps move discussion beyond broad savings targets towards more informed choices about priorities, service redesign and investment.

Better understanding of what sits behind comparative performance

One of the main benefits of the approach is that it prompts closer examination of why Fife appears to perform differently from other councils. The data is not treated as a simple ranking exercise. Instead, it is used to ask what is driving variation, including differences in scale, council circumstances and local choices. This supports a more intelligent use of benchmarking and helps avoid drawing the wrong conclusion from headline comparisons alone.

More effective challenge around where money can be reduced or needs to be protected

Bringing financial and performance information together helps the Council ask harder and more practical questions about where change is possible. The discussion is no longer just about applying a uniform percentage reduction across services. Instead, the focus shifts to whether there are areas where spending can be reduced without a material impact, where redesign may be needed, or where additional investment is required because essential standards are not being met. This supports a more deliberate and strategic approach to difficult budget decisions.

Clearer link between data, service standards and local choices

The approach helps make explicit the trade-offs between cost, performance and local priorities. Looking at a service that continues to perform strongly despite budget reductions creates a basis for asking whether current standards need to be maintained at the same level, or whether resources could be redirected elsewhere. Equally, it helps identify areas where performance is weaker and where further investment or service change may be needed. This gives the Council a firmer basis for making choices about what it can afford, what it wants to protect and where it may need to do things differently.

Stronger shared understanding between finance and performance

A key benefit of the approach is that it brings finance and performance perspectives together rather than treating them as separate conversations. Joint reporting and shared sign-off create a wider context for understanding what the data is saying. This supports more joined-up discussions across the organisation and helps ensure that financial implications are considered alongside performance implications. As a result, the Council is better placed to look at the wider picture rather than viewing performance or cost in isolation.

More balanced and contextual use of benchmarking

The Council's approach reflects an understanding that benchmarking data needs explanation and context. Comparative data is useful, but it cannot be interpreted properly without understanding wider local and sector factors. Using LGBF in this way helps the Council look beyond whether it appears high or low in the data and instead focus on what is actually happening, whether the pattern is unique to Fife, and what that means for decision making locally. This creates a more balanced and credible use of benchmarking information.

Stronger basis for longer-term financial planning

Using LGBF data as part of the budgeting exercise helps the Council think beyond immediate savings and towards longer-term sustainability. The data supports questions about future demand, essential services and where there may be growing pressure to invest. This is particularly important in the context of tighter budgets and increasing statutory pressures, where decisions need to be based on a clearer understanding of both current performance and future risk.

Learning and reflections

Data is most useful when linked to decisions

LGBF data adds most value when it is used to inform real decisions, particularly around budgeting and resource allocation. Using the data in isolation has limited impact, whereas linking it to planning processes makes it more meaningful.

Understanding context is essential

Benchmarking data highlights differences between councils, but these need to be understood in context. Factors such as service design, geography and policy choices all influence performance and cost, and need to be considered alongside the data.

Using data to ask better questions

LGBF indicators are most valuable when used to prompt further analysis. They highlight areas of interest, but the real insight comes from exploring what sits behind the figures and understanding the drivers of performance.

Engagement and capability take time

Using data effectively requires ongoing engagement with services and support from leadership. Building understanding and confidence across the organisation is an important part of embedding this approach.

Moving from reporting to active use

The Council is moving from reporting LGBF data to using it more actively. This shift supports more informed and targeted decision making, particularly in a challenging financial environment.

Contact for Enquiries

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