Use of the LGBF

# Using LGBF Data to Support Financial Decision Making

East Ayrshire Council

## Background

As part of a review exercise, East Ayrshire Council set out to strengthen how Local Government Benchmarking Framework (LGBF) data is used to support financial planning and strategic decision making. While the data was available, it was not consistently used to understand how cost and performance link across services.

At the same time, increasing financial pressure and ongoing service review work created a need for clearer evidence to support longer-term financial planning. Bringing together financial and performance information provided a more structured way to assess how services were performing and where resources could be targeted.

## Key activities

### Creating service-level datasets

The Council developed datasets that combine financial information with LGBF indicators for each service area. These gave services a clear view of how cost and performance are changing over time and support more informed planning discussions.

### Linking funding and performance

Grant Aided Expenditure analysis was brought together with LGBF data in resource planning discussions. This allows services to see how funding changes relate to performance and supports decisions on where savings or investment could be made as well as assess accuracy of data submissions.

### Using data in structured discussions

The combined data is used in discussions with senior management teams, providing a consistent evidence base. This keeps conversations focused on performance, cost and potential areas for change.

### Using comparison to prompt deeper analysis

LGBF data is used to compare performance with other councils and identify areas of higher cost or weaker performance. This highlights where further analysis is needed and supports a better understanding of what is driving results.

### Supporting wider financial planning

LGBF data is used within broader cost and performance reviews linked to the medium-term financial strategy, bringing together financial, demand and performance information. This supports a more complete view of service sustainability.

## Benefits and impact

### Stronger evidence base for financial decision making

Bringing together cost and performance data has improved discussions and considerations in financial planning. By combining LGBF indicators with local financial information, services and senior leaders can now see both what is being delivered and what it costs. This creates a clearer evidence base for decisions.

### Clearer understanding of the relationship between cost and performance

Presenting financial and performance data in a single view allows services to better understand how their costs compare with others and how this relates to outcomes. This supports more informed discussion about efficiency and effectiveness, helping to identify where there may be opportunities to improve performance or reduce cost.

### More informed and structured budget discussions

Using combined data has strengthened how discussions are framed. Services are able to consider their position in terms of both cost and performance before decisions are made. This helps move discussions beyond headline savings and towards a clearer understanding of the potential impact of different options.

### Stronger basis for challenge and constructive dialogue

Having a clear, shared dataset supports more open and constructive conversations between services, finance teams and senior leaders. Rather than relying on assumptions, discussions are informed by evidence, making it easier to test proposals, challenge positions and explore alternatives.

### Improved integration of benchmarking into core processes

Embedding LGBF data within financial planning and service review activity has reduced the gap between performance reporting and decision making. The value of developing the work to further integrate it into future routine budget resource discussions is clear.

### Increased transparency in how decisions are made

Using benchmarking alongside local data helps make the rationale for decisions clearer. When performance and cost information are considered together, it is easier to explain why certain choices are being made or where difference choices should be considered. This supports clearer communication with both internal stakeholders and elected members.

### Stronger foundation for ongoing development

The work has established a practical approach that can be developed further over time. Bringing together financial and performance data creates a foundation for deeper analysis, including exploring trends and identifying areas for improvement. This positions the Council to continue strengthening how data is used to support decision making.

## Learning and reflections

### Data is most useful when it is part of the conversation

A key learning has been that LGBF data adds most value when it is used as part of wider discussions, rather than as a standalone report. It works best when combined with financial data and local knowledge, supporting a more informed and balanced conversation. This reinforces the importance of embedding LGBF data within planning and improvement processes rather than treating it as a separate exercise.

### Using LGBF data as a starting point, not an answer

The Council's experience shows the value of treating LGBF indicators as can-openers. The data highlights areas for further exploration but does not provide the full explanation on its own. This approach has supported better understanding of performance and avoided assumptions based on headline figures. It has also encouraged a more questioning approach across services.

### Context matters in benchmarking

Comparisons with other councils can be useful. Differences in demand, service models can affect how data appears. This highlights the need to supplement LGBF data with local knowledge and additional information. It also underlines the importance of learning from others while recognising local context.

### Balancing data with priorities

The work has also highlighted the role of political and strategic choices in decision making. While data can inform local decisions, it does not determine them. In some cases, decisions about service levels or staffing are shaped by national policy regardless of the local evidence. Having access to clear information on cost and performance supports better informed debate. It allows members and officers to understand the implications of different options more clearly.

### Contact for enquiries

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