

CIPFA data analytics and consulting helps  
Leeds City Council refine its funding strategy

# Informed decisions

## Customer case study

Covering an area of 552 square kilometres, Leeds City Council is the second largest metropolitan district in England. It delivers over 500 different services to residents and faces many of the spending challenges experienced by local authorities across the country.

In March 2018, Richard Ellis, Head of Finance at Leeds City Council, approached CIPFA to discuss how its analytics, consultancy, advisory and support service could help the authority achieve efficiencies through a fresh approach to balanced budget delivery. The Council's Medium Term Financial Strategy, received by the Council's Executive Board, identified an estimated budget gap during this period and work commenced on the identification of budget savings options to tackle the deficit. As the authority had been regular users of CIPFA benchmarking services for a number of council functions, Leeds City Council used these analytics to identify which services were high-cost and/or low-performing and also whether there are opportunities to realise additional income.

Richard explains how Leeds City Council made use of this comparative data:

**'We used CIPFA's comparative data sets to evaluate cost against performance to ultimately determine robust budgets, a process that had previously been successfully implemented within the authority's Adult Social Care function. The use of metrics and indicators also played a key role in the delivery of a fully balanced budget position for Leeds City Council's social care division.'**



**'The purpose of involving CIPFA was two-fold: to act as a critical friend and provide any relevant context to further explain the *'if, why, how'* elements of the benchmarking information to hand that related directly to any services under review. It has given us food for thought and an independent perspective on the data in front of us.'**

**Cath Roff**, Director of Adult Social Care,  
Leeds City Council

## The importance of comparison

David Caplan, Head of Research & Analytics for CIPFA, underlines the value of analysis and insight when it comes to dealing with budgeting issues like the ones facing Leeds:

**‘Without a framework for comparison, it is impossible for an organisation to gain any meaningful insight and perspective from its own data to help inform decisions and actions. Is it good or bad that it costs £x to process an invoice? How does £y compare when considering the cost of placing a child with a foster carer? To start answering these questions, an organisation needs to be able to make comparisons – not just in relation to its own past performance, but also with other, similar organisations.**

**We help organisations gain meaning from their data, providing the factual basis for planned strategy, policy and transformation projects.’**

## Delivering a balanced budget

As the budget strategy was prepared at Leeds City Council, other teams repeated the benchmarking process and rolled out this technique across as many services and functions as possible. Cath Roff, Director of Adult Social Care, led a process that resulted in a CIPFA expert being invited to provide an internal third-party diagnostic at planning meetings: “The purpose of involving CIPFA was two-fold: to act as a critical friend and provide any relevant context to further explain the *‘if, why, how’* elements of the benchmarking information to hand that related directly to any services under review. It has given us food for thought and an independent perspective on the data in front of us.”

## The value of collaboration

It was this collaborative approach from different CIPFA teams that proved particularly helpful for Leeds City Council. As CIPFA’s senior consultant Stuart Fair points out,

‘Many local authorities are entering new territory in the formulation of budget-setting and financial strategy. For Leeds City Council, we were able to provide an independent challenge to service planning and related financial strategy. Whilst it may feel counterintuitive for some authorities (in the context of perceived effective working practices), to seek an independent view on the robustness of financial strategy, it is an indicator of real strength when organisations do so.

With the combination of CIPFA data and expertise, Leeds City Council was able to cross-reference statistics, use predictive analytics and consider alternative delivery models to identify where savings could be achieved. The findings proved beneficial and insightful, helping the local authority to tackle funding issues head-on.’

### About CIPFA consultancy and analytics

Our team of finance experts provide direct support for Finance Directors through the application of a range of key diagnostic and improvement planning assessment services. We help local authorities to:

- Optimise resources
- Create financial stability,
- Deliver consistent and robust governance
- Foster an environment for further efficiency savings
- improve stakeholder confidence financial performance.

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