



## Islington Council to make £3m saving supported by Advanced's budgeting and forecasting solution

Although Government funding cuts have placed relentless pressure on local authorities to adopt transformative change, the dilemma of how to maintain frontline services and realise substantial efficiency savings has coincided with positive reform at Islington Council.



By investing in our budgeting and forecasting solution Collaborative Planning, the Council has been able to replace inefficient, manual processes to better interpret its financial position and improve decision making. As a result Islington is firmly on track to reduce its core finance costs by 40 per cent, amounting to £3 million in efficiency savings, supported by our system.

### Background

Covering an area of just over six square miles, the London Borough of Islington is the third smallest local authority in the capital with an estimated population of 215,000. Its neighbouring boroughs are Camden, Hackney, Haringey and the City of London.

Despite its condensed size, Islington is the eighth most deprived borough in England and a significant proportion of the Council's finances are required to support children and adult social care services.

### The challenge of reducing controllable spend

Government restrictions imposed in 2010 caused by the economic crisis required Islington to reduce its controllable spend by 35 per cent. The savings figure equated to £112 million over a four year period - much larger than the proportion of the Council's budget that was allocated for protecting frontline services.

Urgent action was needed, however Islington's ability to interpret its financial position and make informed decisions was restricted by convoluted manual processes. It was also almost impossible for the organisation to gather accurate forecasting information within a reasonable timescale due to its reliance on complicated Excel spreadsheets.

### From spreadsheets to Collaborative Planning

Islington considered a number of budgeting and forecasting systems, including an automated Excel-based application, before selecting Collaborative Planning. The cloud-based solution was built, tested and implemented in

### Client >

Islington Council

### Sector >

Local government

### Project >

Improve budgeting and forecasting processes with Collaborative Planning

*"Collaborative Planning has eliminated various labour intensive processes, which will enable us to reduce our core finance costs by 40 per cent, amounting to over £3 million."*

Alan Layton > Director of Financial Management > Islington Council

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five months before being rolled-out in a phased approach to all Council departments. The system went fully live in November 2009.

It decided on a full council-wide roll-out through a swift but structured plan, initially for monthly forecasting before later moving to capital programme forecasting and detailed budget setting. A key driver was to streamline processes and encourage managers to take ownership by requiring them to approve and submit forecasts within a unified system to increase budgetary transparency and control.

More than 500 members of staff use the system on a daily basis to monitor revenue and budget setting. The solution's flexibility enables users to pre-populate financial forecasts to focus on any exceptions or anomalies, making it quicker and easier to determine where efficiency savings can be made. As a relatively large organisation, the Council allowed a mixed approach for the input of updated financial data to reflect the preferences of different departments. For example, business managers from the environmental department wanted to take full control of their forecasts in contrast to social care managers who wanted to enlist support from the finance team.

*Layton says, "Cultural change can be the biggest obstacle to delivering the benefits of a modern finance function in the public sector. We were able to secure management buy-in from the highest level which resulted in a very successful implementation and subsequent roll-out".*

## Reshaping Finance achieves £3 million in efficiencies

By replacing spreadsheets, our solution has automated and devolved Islington's entire financial monitoring process, significantly improving efficiency and making it easier to access and analyse information in real-time.

Data entry errors have been largely eliminated, ensuring comprehensive and reliable financial integrity throughout the budgeting cycle.

Managers are now empowered to submit, approve, and compare budgets with forecasts to monitor performance against targets, enabling the finance team to focus on adding greater value. In addition, Collaborative Planning can be configured to consider 'what if' scenarios to assess the impact of potential changes to funding. Data is automatically extracted and displayed across related plans, budgets and forecasts so that remedial action can be prepared for well in advance.

Devolving responsibility to managers has also allowed Islington to disband departmental focused teams and create a small centralised finance group. This core team of finance employees are focused on monitoring, closing and transaction processing and provide business partnering and strategic support services to each Council department.

## Approaching the future in confidence

In December 2014, Chancellor George Osborne confirmed in the Government's Autumn Statement that an additional £15bn will be cut from Whitehall budgets in the first two years of the new parliament. While all local authorities face an anxious wait to discover if further austerity measures will follow, Islington can approach the future having confidence in its financial information having embraced leading technology.

In preparation for having to make an additional £34 million worth of savings in 2015, the organisation has recently upgraded to the latest version of Collaborative Planning 7 to move to a single revenue model to further reduce risk and improve efficiency.

*"Collaborative Planning far exceeded the functionality of the Excel-based system we considered and crucially integrated into the general ledger within our accounting system, also provided by Advanced. The consistent look and feel throughout ensured all departments quickly embraced the system as it is simple to analyse financial information in a clear, standardised format."*

Alan Layton >  
Director of Financial  
Management >  
Islington Council

## More information

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