

# Local government financial overview 2016/17

Scrutiny tool for councillors

ACCOUNTS COMMISSION 



This scrutiny tool captures a number of potential questions for councillors and relates to our report [Local government in Scotland Financial overview 2016/17](#) . It is designed to provide councillors with examples of questions they may wish to consider to help them better understand their council's financial position and to scrutinise financial performance.

How well informed am I?		
Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Budget setting (paragraphs 65–68 and 76–80) </b>		
1. Does your council have a medium term financial strategy aligned with corporate objectives?		
2. How does annual budget setting link to medium term financial planning?		
3. How is your council preparing for any further real terms reduction in Scottish Government funding?		
4. If your council plans to raise council tax do you know how much it will raise? How will you communicate and explain the reasons for the rise to constituents?		
5. What impact will savings have on the delivery of services? What are the potential risks?		

Cont.

## How well informed am I?

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Financial and savings plans</b> (paragraph 69–80 and 86) 		
6. What is your council's financial position? What particular challenges does the council face?		
7. Does your council have a savings plan? What are the options to close future funding gaps?		
8. What measures in the council's corporate and transformational plans are aimed at addressing the underlying demand for some services?		
<b>Reserves</b> (paragraphs 36-48) 		
9. What is the councils reserves policy?		
10. What have reserves been used for in recent years? Supporting services and bridging the funding gap or transforming services?		
11. What are the different types of reserves your council holds? Do you know what these can be spent on?		
12. What is the likely use of reserves for 2017/18? How does this compare to forecast funding gaps?		
13. What are the levels of reserves held by your council's IJB? Are these in line with the IJB's reserve policy?		

Cont.

## How well informed am I?

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Levels of debt and affordability</b> (paragraphs 49–54) 		
14. What share of your council's budget is taken up with interest payments and debt repayment?		
15. What proportion of the council's debt is linked to inflation (ie, subject to indexation)? What does that mean for longer term affordability?		
<b>Budget outturn reports and management commentaries</b>		
16. Do budget monitoring reports clearly explain performance against plans and any changes to plans?		
17. Do management commentaries clearly explain council performance and any changes to plans?		
<b>Financial scrutiny</b> (paragraph 84) 		
18. What additional training would you like to receive to develop your knowledge and skills in financial scrutiny?		
<b>Charging for services</b> (paragraphs 23–26) 		
19. Does your council have a charging policy? Is this in line with corporate plans and objectives? When was this last reviewed?		
20. What information do you need to be able to explain increases in fees and charges to your constituents?		

Cont.

## How well informed am I?

Questions for councillors to consider	What do I know?	Do I need to ask further questions?
<b>Exit packages (paragraph 40–42)</b> 		
21. Are staff severances in line with the council's workforce plan?		
22. How does the council ensure that councils have the capacity to delivery transformational change?		
23. Do you know the implications of your council's pension liabilities of staff retiring early?		
<b>Capital programmes (paragraphs 31–33 and 65–66)</b> 		
24. How clearly does the council's capital programme link with the asset management plan and corporate objectives?		
25. Has non-delivery of the capital programme (ie, slippage) been significant at your council in recent years? Why?		



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