

## **Financial scrutiny advice – extracted from publications of the Centre of Public Scrutiny**

In preparation of the work before the Overview and Scrutiny Committees in discussing the [existing service plans](#) in September, and onto the draft budget and prepared service plans in January 2020, the advice is set out below.

**The role of the overview and scrutiny function** is to:

- reality check budgets and financial plans prior to their approval
- ensure that there are clear links between budget setting and strategic/operational plans
- assess the value for money provided by local public services
- oversee how the council is pooling its resources with partner agencies to tackle jointly agreed priorities

Being a good financial scrutineer does not require you to be a financial expert. But it does require you to ask questions and challenge when you are not clear about how the council is spending its money and how it is ensuring that there are sufficient financial resources to fund its current and future plans. Similarly, don't be put off by the columns of detailed figures you may be presented with as a member. The same principle applies – if the key messages are not clear to you, ask your cabinet members or financial officers to explain what the information is supposed to tell you. Good financial scrutiny will require you to develop a reasonable knowledge of the council's financial standing, but it will require you to ask pertinent questions even more.

**Undertaking this work** will require you to review draft financial plans (e.g. the medium term financial plan) to challenge the forecasts, affordability, risks, clarity and feasibility of what is proposed. In particular, how any financial plans will affect other important corporate or service plans.

This work can involve:

- challenging how the budget has been constructed before it is agreed and before
- the level of council tax has been set. In particular, probing any assumptions that lie
- behind the budget strategy, for example:
- is the approach incremental or is it starting from a base budget;
- what are the main savings proposals;
- how will any growth be funded;
- are the financial implications of proposals from departments or committees
- built into the overall budget and;
- has an appropriate level of reserves been set?

The key is to maintain a 'big picture' view of the financial pressures affecting the council and challenge how these might impact on existing budgets and budget setting in subsequent years.

**Useful questions to ask when considering service plans and associated budgets** are:

- Do the proposed spending plans fit with the council's overall aims, objectives and priorities?
- Is it clear how outcomes/outputs will be measured?
- What opportunities are there to generate income for the council?
- Have targets been established? Are these targets acceptable and how will they be monitored by members?
- What changes outside of the Council's control (such as new legislation) are taken into account in the service plans?
- How well does the budget link with expected service demand?