

Checklist for elected members

Local government in Scotland: Budget bulletin 2026/27



As set out in the Local Government budgets 2026/27 bulletin, councils are legally required to set a balanced budget for each upcoming financial year. Councils take a wide range of approaches to budget-setting but set out below are the Commission's expectations on the principles of good budget setting.

It is designed to support you in scrutinising and understanding how your council is setting its annual budgets and its overall financial health.

| Questions to consider | What do I know? | Do I need to ask any further questions? |
|--|-----------------|---|
| <p>Do I have enough detailed information to effectively scrutinise the financial health of the council?</p> <ul style="list-style-type: none"> • Am I aware of the current underlying financial performance of the council against its annual revenue and capital budget limits? • Does the council have a detailed three-year financial plan in place setting out the projected position at the end of each year? • Am I aware of all significant cost and demand pressures facing the council and their implications? • Do I know the extent to which the council is using short-term approaches / one-off measures to achieve financial balance? | | |

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- Am I satisfied that appropriate action is being taken to address potential future budget gaps?
- Do I have a good understanding of the current condition and future investment needs of the councils assets?

Do the budget papers and financial monitoring reports provided to me include:

- clear and understandable headline figures that state the impact of specific budget decisions on the overall financial position of the council?
- clear and transparent forecasts of the income that the council expects to generate from fees and charges?
- clarity about how the council plans to use reserves, including for what purpose and the likely impact in future years?

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| <p>Does the council have a robust process for identifying and reporting on efficiencies and savings?</p> <ul style="list-style-type: none"> • Where savings are identified, do plans demonstrate how savings will be achieved within the timescales given? • Given the importance of prioritising recurring savings to ensure the sustainability of the council's financial position, am I confident that the council has an appropriate balance between recurring and non-recurring savings to ensure future savings targets will be met? | | |

Is the following information set out clearly in publicly available budget papers?

- The annual revenue budget, comprising funding and income, prior to savings and other 'bridging' actions
- The associated budget gap, prior to 'bridging' actions such as savings and use of reserves.
- The savings plan, clearly setting out the split between recurring and non-recurring actions.
- Projected revenue budget gaps, both annual and cumulative.
- The assumptions used in calculating projected budget gaps.

Questions to consider**What do I know?****Do I need to ask any further questions?****Is the council engaging with the public, stakeholders and staff about the need for change when setting budgets?**

- Am I aware of what the council is doing to engage with the public, stakeholders and staff about the need for, and the benefits of, changing how services are provided?
- Are public consultations supplemented by targeted consultations with the groups most impacted by changes to specific services, and is consideration given to how to encourage participation?
- Are consultations with communities carried out in the most effective way and are you satisfied that consultation with communities is meaningful?

Are you satisfied that the ongoing impacts of budget decisions are fully assessed, including through Equality Impact Assessments?

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