

MEDIUM TERM
FINANCIAL PLAN
2026/27 TO 2028/29
Liberal democrat
proposals

24/2/2026

COUNCIL – 24 FEBRUARY 2026

ITEM 3. FINANCIAL PLANNING 2026 - 2029

RECOMMENDATIONS OF THE LIBERAL DEMOCRAT GROUP

1. Council notes the continuing challenges facing the Council's budget and recognises the hard work of officers who have not only delivered a fully balanced budget but have also enabled more than £1 million (capital and revenue) to be invested in enhancing services and projects across Three Rivers over the next two years without compromising the sustainability of our finances.
2. Council recognises that it is likely to cease to exist on 1 April 2028. Alongside maintaining its current high level of services, the Council has therefore focused additional expenditure on improving areas that may not initially be prioritised by a new unitary authority. This includes investment in our parks and heritage, completing parking projects, protecting our trees, updating Conservation Area Appraisals, and continuing to meet the challenges of climate change.
3. Council notes that it operates a twice-yearly Community Infrastructure Fund allocation to support local community groups and essential infrastructure. Over the last four years, more than £6 million has been allocated to such groups and projects.
4. Despite the financial pressures facing councils across the country, Three Rivers has retained the ability to improve services, protect frontline support, and invest in our communities. This has been possible because of strong leadership, careful financial management, and a clear strategic direction. This has included:

Healthy, safe and thriving communities

- Ongoing support for children in need and those on free school meals, including free swimming and free swimming for residents over 65.
- £1 million invested in the new Community Hub, Parish offices and housing at Barton Way.
- Provided grants to community organisations of £327,000 alongside funding for 4 PCSOs
- We will be granting £13,000 to Hearts for Herts to fund defibrillator machines and cabinets.
- Expansion of state-of-the-art CCTV across nine locations in the district.
- Maintenance of the Summer Play Ranger scheme.
- Agreed a new lease for the Three Rivers Museum

A green and sustainable future

- £500,000 per year in capital funding for sustainability projects to help achieve our Net Zero goal, plus additional revenue funding.
- Solar panels installed on council buildings, including our leisure centres, reducing CO₂ emissions along with the introduction of EV charging points on street and across council car parks, with the final car park installation going live next month.
- Retention of prestigious Green Flag and Heritage Green Flag awards.
- Planned expansion of the Beryl Bike hire scheme to Leavesden,

- Rickmansworth, Oxhey Hall and South Oxhey.
- Creation of a new mini-woodland in South Oxhey and planting of over 3,000 new trees across the district.
- Secured £700,000 National Lottery Heritage funding to develop a regeneration programme for a nature reserve, with the ability to bid for a further £4.5 million.

A prosperous and vibrant district

- One of the few councils in England to continue offering free car parking, either all day or for the first hour or two depending on location.
- Expanded resources for parking schemes, footpath and alleyway maintenance and provided bespoke “wayfinding” signage that continues to be rolled
- Secured Harrow Health Care as a tenant at Three Rivers House, which along with the police secures the future of Three Rivers House as a public sector hub post reorganisation.
- The budget retains £500,000 within the capital programme to implement outcomes arising from the South Oxhey Parking Study.

A well-run council

- Retained a skilled and dedicated staff and protected high-quality services, reflected in a 77% resident approval rating.
- Continued Council Tax Support for those least well off, retaining one of the few support schemes that reduces council tax to nil for those most in need.
- We continue to provide concessionary waste collection for those on benefits and reduced hire of grounds charges for not profit organisations.
- Three Rivers remains one of the top recycling councils in the country.

5. Council notes that overall, this is a balanced budget as signed off by the Director of Finance. It will ensure we have sufficient reserves to deal with the key pressures around pay and inflation and the manage the longer term impact of fair funding which moves resources away from Hertfordshire. Three Rivers continues to benefit from investment income from its surplus cash and has minimal external debt.

6. Council agrees the following actions;

- (a) That the MediumTerm Financial Plan (MTFP) and Capital Programme, as presented to Policy and Resources on 26 January 2026, be approved subject to the following changes:
 - (i) That the final parish precept figures are reflected in the MTFP at Appendix 1
 - (ii) That, following the final settlement, the level of Non-Domestic Rates and Revenue Support Grant funding used to support the budget is reflected in the MTFP at Appendix 1 and balanced against the Collection Fund Reserve.
 - (iii) That:
 - a. Provision is made within the revenue and capital budget for a **Heritage and Parks Enhancement Programme**, it will allow a range of projects to be completed, including but not limited to the following:
 - Delivery of an additional dog exercise park.
 - Parking measures most likely to be required at The Green, Croxley Green.
 - Heritage improvements at Dickinson Square.

- Additional entrance improvements at Leavesden Country Park (Furtherfield area).
- Projects relating to The Withy Beds and Stones Orchard.

	2026/27	2027/28
Revenue	100,000	50,000
Capital	150,000	150,000

- b. Additional budget for **arboriculture management** of £90,000 per year for 2026/27 and 2027/28.
- c. Additional money is made available to bring forward the **parking schemes programme**:

	2026/27	2027/28
Revenue	100,000	50,000

- d. Additional money is made available to speed up the programme of **Conservation Area Appraisals**:

	2026/27	2027/28
Revenue	50,000	50,000

- e. An additional £10,000 is added to the rolled forward revenue for **Rickmansworth Town Improvements** in 2026/27.
- f. £5,000 revenue per year in 2026/27 and 2027/28 is allocated to support **community-led litter picking** initiatives.
- g. An additional £5,000 is allocated to the capital programme per year in 2026/27 and 2027/28 for repairing council-owned **footways and alleyways**.
- h. £150,000 revenue per year in 2026/27, 2027/28 and 2028/29 for the **additional capacity** recommended by the Peer Review for the period leading up to and immediately after local government reorganisation.
- i. £2,250,000 is allocated to the capital programme in 2026/27 for the **Local Authority Housing Fund tranche 4** with £1,000,000 of the funding coming from government grant.
- (b) That the revenue budget for 2026/27 totalling net expenditure of **£15,243,445** and the draft revenue estimates for the period 1 April 2027 to 31 March 2029 giving a balance on the general fund at 31 March 2029 of **£4.2M** be approved. (Appendix 1)
- (c) That £2.0m be considered as a prudent minimum balance for the general fund.
- (d) That the capital strategy, including the Minimum Revenue Provision strategy and the Treasury Management Policy, as presented to Policy and Resources Committee on 26 January 2026 be agreed, subject to the changes outlined above, and the total investment programme for 2026/27 be agreed at **£6,794,941**.

- (e) That the arrangements for funding the 2026/29 capital strategy and investment programme resulting in an estimated balance of capital resources at 31 March 2029 of **£1,989,308** be agreed
- (f) That the financial and budgetary risks presented to The Policy and Resources Committee on 26 January 2026 be approved and their management monitored by the Audit Committee.
- (g) That the Council Tax Reduction Scheme remains unchanged other than for the updating of prescribed amounts.
- (h) That the position on the financial reserves as presented to the Policy and Resources Committee on 26 January 2026, as amended by paragraph above, is noted.
- (i) The Director of Finance's advice on the robustness of the estimates and the adequacy of the financial reserves is noted.
- (j) The Director of Finance be authorised to amend individual budget lines to implement the budget as set out above.

STATEMENT OF CHIEF FINANCIAL OFFICER

1. Under Section 25 of the of the Local Government Act 2003, the Council's Chief Finance Officer (designated officer under section 151 of the Local Government Act 1972) must report to Council on the following matters:
 - o the robustness of the estimates made for the purposes of the calculations, and
 - o the adequacy of the proposed financial reserves.
2. The Director of Finance, as the designated officer, confirms the estimates have been correctly calculated under the assumptions used and are robust. The council would have sufficient balances to fund the 2026/27 budget, including the future years of the MTFP.
3. Three Rivers is subject to local government reorganisation and the move to unitary government across Hertfordshire from April 2028. The third year of the MTFP ensures that the council remains sustainable moving into the new unitary authority and provides a baseline for budgeting for that authority. An announcement is expected from Government as to the future structure of Hertfordshire in the Summer of 2026. Until the Change Order is laid, reorganisation is not committed and so the council needs to ensure that it remains sustainable as a single entity should, for any reason, reorganisation not occur.
4. Three Rivers remains in a cash positive position and as such, unlike other councils, has benefited from the continuing high level of interest rates. Interest rates are now beginning to fall and prudent forecasts of investment income have been built into future years. The Council has only £8m of external debt which relates to lending by the council in relation to the joint venture and other housing projects with maturities that match the underlying borrowing.
5. Effective budget management remains key to Three Rivers' strong financial position. All budget managers understand the need to ensure that any unnecessary expenditure is minimised and that income levels are optimised and income collected promptly. The establishment and vacancies remain tightly controlled. Service heads have been successful in identifying and applying for external funding particularly in respect of sustainability, leisure and community

initiatives.

6. The Local Government Finance Settlement for 2026/27 was the first year of implementing the 'Fair Funding' Review and Business Rates Reset. 'Fair funding' moves resources to more deprived areas of the country and the business rate reset takes accumulated business rate growth into the business rate base used to determine redistribution of resources. Both have a negative impact on Three Rivers which is subject to transitional relief to protect resources over the three years of the settlement. As a result, the council has not had to make use of reserves to mitigate the impact on its budgets and has a degree of certainty over its three-year funding period.
7. The council continues to raise council tax in line with the referenda limit and the increase assumed within the funding settlement. It chooses to focus support on those least able to pay through its Council Tax Support Scheme. The council maintains a collection fund reserve to manage fluctuations in business rate and council tax income.
8. The Council will continue to manage the risks within its budget through active budget monitoring, taking steps in year to address any pressures, and through the use of the Economic Impact Reserve and ultimately General Balances. The Economic Impact Reserve and General Fund Balances, together, are currently projected to be approximately £5.2m at the end of the medium-term financial plan.

Alison Betts
Director of Finance (Shared Services)
24 February 2026

APPENDIX 1

Medium Term Financial Plan - Consolidated Revenue Account (General Fund)								
Funding	2025/26					2026/27	2027/28	2028/29
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£	£
Council Tax Base (No.)	40,038.90	40,038.90	40,038.90	40,038.90	40,038.90	40,124.80	40,927.30	41,745.80
Council Tax Base Increase (%)	0.0	0.0	0.0	0.0	0.0	0.21	1.96	1.96
Band D Council Tax (£)	206.36	206.36	206.36	206.36	206.36	212.53	218.88	225.42
Council Tax Increase - TRDC (%)	0.00	0.00	0.00	0.00	0.00	2.99	2.99	2.99
Council Tax (£)	(8,262,427)	(8,262,427)	(8,262,427)	(8,262,427)	(8,262,427)	(8,527,724)	(8,958,167)	(9,410,338)
Parish Precepts (£)	(2,612,285)	(2,612,285)	(2,612,285)	(2,612,285)	(2,612,285)	(2,872,364)	(2,929,820)	(2,988,410)
Total Taxation (£)	(10,874,713)	(10,874,713)	(10,874,713)	(10,874,713)	(10,874,713)	(11,400,088)	(11,887,987)	(12,398,748)
Business Rates/Revenue Support Grant (£)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(4,000,000)	(4,400,000)	(4,150,000)
Collection Fund Surplus/Deficit (£)	124,592	124,592	124,592	124,592	124,592	254,000	0	0
New Homes Bonus Grant (£)	(116,296)	(116,296)	(116,296)	(116,296)	(116,296)			
Government Funding (£)	(419,117)	(419,117)	(419,117)	(419,117)	(419,117)			
Total Grant Funding (£)	(3,410,821)	(3,410,821)	(3,410,821)	(3,410,821)	(3,410,821)	(3,746,000)	(4,400,000)	(4,150,000)
Total Taxation & Grant Funding (£)	(14,285,534)	(14,285,534)	(14,285,534)	(14,285,534)	(14,285,534)	(15,146,088)	(16,287,987)	(16,548,748)
Financial Statement - Summary								
	2025/26					2026/27	2027/28	2028/29
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£	£
Committee - Net Cost Of Services								
General Public Services and Community Engagement	6,030,333	6,106,130	6,363,874	6,377,374	6,377,374	6,101,322	6,086,698	6,086,698
Climate Change and Leisure	1,504,253	1,572,788	1,560,087	1,560,087	1,560,087	1,533,248	1,544,170	1,544,170
Policy and Resources	4,884,726	5,172,239	4,981,013	4,978,713	4,978,713	4,950,123	5,217,540	5,217,540
Period 8 Variances	0	0	0	0	0	(103,305)	452,393	842,207
Additional Budget Items						505,000	395,000	150,000
Sub-Total	12,419,312	12,851,157	12,904,974	12,916,174	12,748,025	12,986,388	13,695,801	13,840,615
Other								
Parish Precepts	2,612,285	2,612,285	2,612,285	2,612,285	2,612,285	2,872,364	2,929,820	2,988,410
Interest Payable & Borrowing costs	755,266	755,266	755,266	755,266	755,266	825,296	864,796	864,796
Interest Received	(1,110,000)	(1,110,000)	(1,110,000)	(1,110,000)	(1,110,000)	(1,060,000)	(1,010,000)	(1,010,000)
Period 8 Variances	0	0	0	0	0	(510,602)	(380,603)	(86,996)
Sub-Total	2,257,551	2,257,551	2,257,551	2,257,551	1,746,949	2,257,057	2,697,620	2,863,210
Net Expenditure	14,676,863	15,108,708	15,162,525	15,173,725	14,494,974	15,243,445	16,393,421	16,703,825
Income from Council Tax, Government Grants & Business Rates	(14,285,534)	(14,285,534)	(14,285,534)	(14,285,534)	(14,285,534)	(15,146,088)	(16,287,987)	(16,548,748)
(Surplus)/Deficit Before Use of Earmarked Reserves	391,329	823,174	876,991	888,191	209,440	97,357	105,434	155,077
Planned Use of Reserves:								
Economic Impact Reserve	0	0	0	0	(347,587)	0	0	0
(Surplus) / Deficit to be funded from General Balances	391,329	823,174	876,991	888,191	(138,147)	97,357	105,434	155,077
Movement on General Fund Balance								
	2025/26					2026/27	2027/28	2028/29
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£	£
Balance Brought Forward at 1 April	(4,408,764)	(4,408,764)	(4,408,764)	(4,408,764)	(4,408,764)	(4,546,911)	(4,449,554)	(4,344,120)
Revenue Budget (Surplus)/Deficit for Year	391,329	823,174	876,991	888,191	(138,147)	97,357	105,434	155,077
Closing Balance at 31 March	(4,017,435)	(3,585,590)	(3,531,773)	(3,520,573)	(4,546,911)	(4,449,554)	(4,344,120)	(4,189,044)
Movement on Economic Impact								
	2025/26					2026/27	2027/28	2028/29
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£	£
Balance Brought Forward at 1 April	(1,382,901)	(1,382,901)	(1,382,901)	(1,382,901)	(1,382,901)	(1,035,314)	(1,035,314)	(1,035,314)
COVID-19 Impact for Year	0	0	0	0	347,587	0	0	0
Closing Balance at 31 March	(1,382,901)	(1,382,901)	(1,382,901)	(1,382,901)	(1,035,314)	(1,035,314)	(1,035,314)	(1,035,314)
Total Reserves Impact								
	2025/26					2026/27	2027/28	2028/29
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£	£	£	£
Balance Brought Forward at 1 April	(5,791,665)	(5,791,665)	(5,791,665)	(5,791,665)	(5,791,665)	(5,582,225)	(5,484,868)	(5,379,434)
Impact for Year	391,329	823,174	876,991	888,191	209,440	97,357	105,434	155,077
Closing Balance at 31 March	(5,400,336)	(4,968,491)	(4,914,674)	(4,903,474)	(5,582,225)	(5,484,868)	(5,379,434)	(5,224,358)
Total Reserves	(5,400,336)	(4,968,491)	(4,914,674)	(4,903,474)	(5,582,225)	(5,484,868)	(5,379,434)	(5,224,358)

