



**FINANCE SERVICE PLAN
2022 - 2025**

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INTRODUCTION

The progress of this service plan will be monitored in the following ways:

- Through regular discussion at departmental management team (DMT) and Section Heads meetings and logged in the version control section of this document
- Performance indicator monitoring by the Council's Management Board on a quarterly basis
- By Committee reports twice a year (at the end of quarters two and four)

Service Plans will be formally updated on an annual basis, taking into account internal and external influences arising from monitoring arrangements throughout the year.

SECTION 1: THE SERVICE CONTEXT

1.1 Service Overview

The Role of the Service

The Finance Service is part of the Shared Services arrangement for Three Rivers District Council and Watford Borough Council and is overseen by the Shared Director of Finance who acts as Section 151 Officer for both authorities.

The Finance Service is an enabling service that supports the organisation to deliver its strategic objectives and service delivery targets through leading on a range of strategic, statutory and transactional processes:

- Budget Setting
- Financial Reporting
- Financial Monitoring
- Treasury Management
- Accounts Payable
- Financial Systems

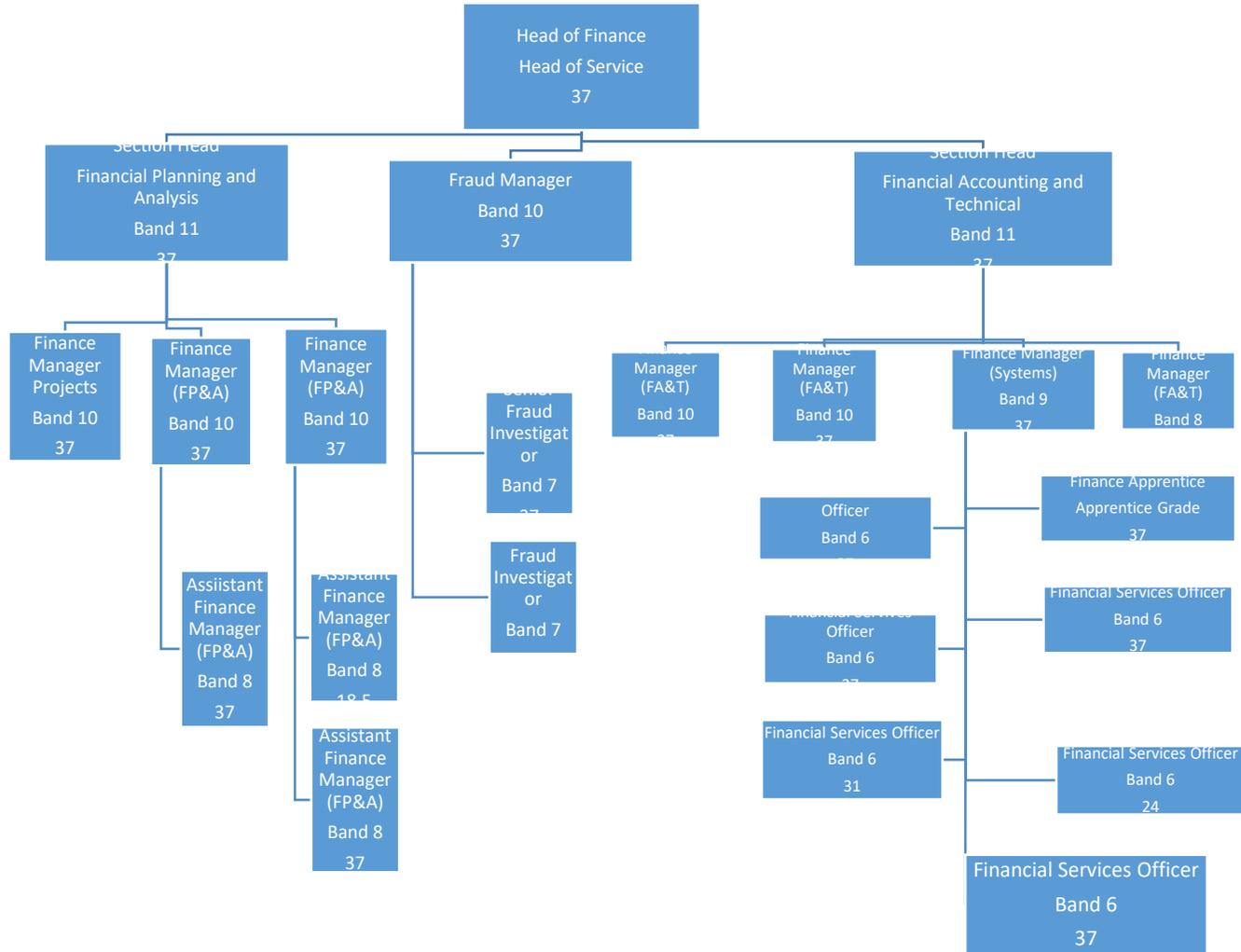
1.2 Budgets

| | 2022/23 | 2023/24 | 2024/25 |
|-------------------------------------------------------------|----------------|----------------|----------------|
| | Latest | Latest | Latest |
| | £ | £ | £ |
| <hr/> Net Cost of Service (Direct cost / Income Only) <hr/> | | | |

Further financial analysis can be found by using this link

1.3

Service Structure Chart



SECTION 2: SERVICE DELIVERY

2.1 Performance Management

2.1.1 Contribution to the Councils' Strategic Aims and Objectives

| Corporate Framework Priority theme | Corporate Objectives | Service contribution to the Corporate Themes |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Housing and Thriving Communities | <ul style="list-style-type: none"> • We will work on a local plan to deliver sufficient housing and adopt that plan by 2021 • Through our joint ventures and partnerships we will take all available practicable action to increase the supply of affordable homes in the district • We will complete the delivery of the main and learner pools and refurbishment to the leisure venue at South Oxhey • We will seek to increase the number of Green Flag accredited parks and open spaces • We will work towards reducing inequalities, prevent homelessness and encourage healthy lifestyles • We will continue to work with partners to tackle crime and anti-social behaviour and secure investment in priority interventions | <p>Finance will support services in the delivery of corporate plan objectives through:</p> <ul style="list-style-type: none"> • The realignment of budgets to support priorities, effective budget management and identification of resources. • Direct involvement in commercial delivery of housing, governance of joint ventures and income generation. • Development of the Commercial Strategy. • Being a representative on any working groups project boards etc. for any new workstreams and initiatives to provide advice and support e.g. on VAT, budgets etc. • Finance projects to improve access for customers to pay for services • Review of financial regulations and procedures to make sure they are up to date and relevant for the way we operate and to have in place the appropriate safeguards for the Council and its staff. |
| Sustainable Environment | <ul style="list-style-type: none"> • We will produce and deliver a Climate Change Strategy and action plan 11 • We will continue to improve the energy efficiency of the Council's buildings • We will deliver and implement a Cycling and Walking Strategy | |

| | | |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • We will seek to maintain our position as the highest recycling authority in Hertfordshire | <ul style="list-style-type: none"> • Internal audits to assist managers in improving service delivery and in providing assurances that services are operating efficiently and effectively and are adequately protected from fraud and misuse. |
| Successful Economy | <ul style="list-style-type: none"> • We will undertake a review of the Council's role in relation to the economy and agree an economic strategy • We will continue to participate in the Hertfordshire Growth Board and South West Herts Partnership and engage the Hertfordshire Local Enterprise Partnership to support the economy • Three Rivers will be recognised as a great place to do business • We will continue to improve our relationship with the local business community • We will continue to support Visit Herts and promote Three Rivers as the home of the internationally significant Warner Bros Studios. | |
| High Performing, Financially Independent Council | <ul style="list-style-type: none"> • We will generate enough income to continue to provide services for the district • We will develop and deliver an improved Property Investment Strategy to maximise income from our assets and support the Commercial Strategy • We will progress our Customer Service Strategy that provides a range of contact channels for 12 customers and sets out corporate expectations of how they should be treated • We will produce an Organisational Development Strategy to support the Council in delivering its priorities and objectives | |

| | |
|---------------------------------------|-----------------------------------------------------------------------------|
| Watford Borough Council | <i>“To create a bold and progressive future for Watford”</i> |
| Manage the borough’s housing needs | We will support and enable the service departments to meet these priorities |
| Enable a thriving local community | |
| Enable a sustainable Town and Council | |
| Celebrate and support our community | |

2.1.2 Performance indicators

Performance indicators are used to aid the decision making process as well as assess the efficiency and effectiveness of service delivery. The data that we use must be accurate, reliable and timely. To meet these requirements we have adopted the Audit Commission's Standards for Better Data Quality. Further details of the Council's commitment to data quality can be found via the link above.

Key Performance Indicators (KPIs) supporting the Corporate Framework - Three Rivers

| Ref | Description | 2020/21 Actual | 2021/22 Target (Current year) | 2022/23 Target (Next Year) | 2023/24 Target | 2024/25 Target |
|-----------|------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------|----------------------------|----------------|----------------|
| FN04 SSF7 | Auditor Approval of the annual Statement of Accounts | Outstanding | Yes | Yes | Yes | Yes |
| | Private investment, leveraged through the capital investment by the council (simple calculation of amount) | New for 2021/22 | | | | |
| | % of Commercial income received | New for 2021/22 | 85% | 85% | 85% | 85% |
| NEW | General Balances are above the risk assessed level | N/A | >£2.0m | >£2.0m | >£2.0m | >£2.0m |
| NEW | Variance to budget <1% | N/A | <1% | <1% | <1% | <1% |

Service Performance Indicators (PIs) - Three Rivers

| Ref | Description | 2020/21 Actual | 2021/22 Target (Current year) | 2022/23 Target (Next Year) | 2023/24 Target | 2024/25 Target |
|---------------|--------------------------------------------|----------------|-------------------------------|----------------------------|----------------|----------------|
| FN09 (1) SSF2 | Creditor Payments paid within 30 days | | 97.5% | 97.5% | 97.5% | 97.5% |
| FN08 SSF3a | Compliance with Treasury Management Policy | | 100% | 100% | 100% | 100% |

Service Performance Indicators (PIs) - Watford

| Ref | Description | 2020/21 Actual | 2021/22 Target (Current year) | 2022/23 Target (Next Year) | 2023/24 Target | 2024/25 Target |
|---------------|------------------------------------------------------|-----------------------|--------------------------------------|-----------------------------------|-----------------------|-----------------------|
| FN09 (1) SSF2 | Creditor Payments paid within 30 days | | 97.5% | 97.5% | 97.5% | 97.5% |
| FN08 SSF3a | Compliance with Treasury Management Policy | 100% | 100% | 100% | 100% | 100% |
| FN03 SSF5 | Budget Monitoring | | 100% | 100% | 100% | 100% |
| FN04 SSF7 | Auditor Approval of the annual Statement of Accounts | Outstanding | Yes | Yes | Yes | Yes |

Please note that Performance Indicators are currently under review and some changes may be made for the final service Plans in March 2022

The **Head of Finance** is responsible for the source data, data entry and checking the data. The purpose of collating this data is to ensure that our services improve.

2.2 Project Management

Three Rivers

| | | | | | |
|-----------------------------------------------------------------------------|------------------|------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Project details | | | | Project Manager: | |
| Project title | | | | Project Sponsor: | |
| Fixed Asset Property System and implementation of IFRS 16 | | | | To procure or develop a Fixed Asset module that categorises all the Council's assets including leasing terms and conditions. Two systems to be procured for Three Rivers and Watford as needs are different for each authority. | |
| 2022/23 Milestones | | | | 2023/24 Milestones | 2024/25 Milestones |
| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | |
| Identification of all lease and contracting arrangements impacted by IFRS16 | | | System is used to provide data for final accounts and external audit | System forms part of BAU processes | |

| | | | | | |
|--------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Project details | | | | Project Manager: Hannah Doney | |
| Project title | | | | Project Sponsor: Alison Scott | |
| Adoption of the Financial Management Code of Practice | | | | The CIPFA FM Code of Practice sets out the gold standard for financial management within local authorities. All authorities are expected to comply with the code by 2021/22 and to develop an action plan where there are opportunities to improve practise and processes. | |
| 2022/23 Milestones | | | | 2023/24 Milestones | 2024/25 Milestones |
| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | |
| Production of Action Plan to enable compliance | Implementation and monitoring of action plan | Implementation and monitoring of action plan | Full compliance demonstrated and reported through the Annual Governance Statement | Ongoing compliance with best practice | Ongoing compliance with best practice |

| | | | | | |
|-----------------------------------------------------|------------------|------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Project details | | | | Project Manager: | |
| Project title | | | | Project Sponsor: | |
| Joint enforcement and intelligence functions | | | | Resilience and economies in a shared enforcement team across the Council who bring cases forward to Court for prosecution – trees, environmental protection, Licensing, planning etc. This will further improve intelligence, share best practice and improve out turn prosecutions and enhance reputation of the Council with customers. | |
| 2022/23 Milestones | | | | 2023/24 Milestones | 2024/25 Milestones |
| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | |
| | | | | | |

| | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Project details | | | | Project Manager: Alison Scott | |
| Project title | | | | Project Sponsor: Joanne Wagstaffe | |
| Commercial Strategy | | | | The Commercial Strategy is an ongoing project that needs to evolve to meet the latest statutory guidance whilst continuing to generate opportunities for investment within Three Rivers. • | |
| 2022/23 Milestones | | | | 2023/24 Milestones | 2024/25 Milestones |
| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | |
| Refresh commercial strategy to reflect updated Prudential Code for Capital, Minimum Revenue Provision guidance and PWLB borrowing guidelines. | | | | | |

| | | | | | |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Project details | | | | Project Manager: Hannah Doney Project Sponsor: Alison Scott | |
| Project title | | | | Proposed outcome | |
| Team Development | | | | <p>To improve resilience and provide opportunities for career development within the team to maximise retention of staff and reduce the risk of not being able to recruit to key positions.</p> <p>Team development will be include formal training, shadowing and mentoring, knowledge and skill sharing.</p> <p>Project will run alongside the implementation of Office 365 which will give the opportunity to engage in the use of new tools to support communication within the team.</p> | |
| 2022/23 Milestones | | | | 2023/24 Milestones | 2024/25 Milestones |
| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | |
| Development of formal training programme including prioritisation and identification of necessary budget | Identification of opportunities within Office 365 roll out | | | Undertake an annual review training programme | Embed training programme |

| | | | | | |
|-------------------------------------|------------------|-----------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Project details | | | | Project Manager: Customer Contact Programme Manager Project Sponsor: Joanne Wagstaffe | |
| Project title | | | | Proposed outcome | |
| Customer Experience Strategy | | | | Improved processes and procedures, combined with utilising technology to further channel shift and customer access points into service; for more self-help accessibility | |
| 2022/23 Milestones | | | | 2023/24 Milestones | 2024/25 Milestones |
| Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | |
| | | Completion of project | Lessons learned | | |

Summary of key projects delivered to Watford Borough Council under Shared Service Arrangements

| Project title | Proposed outcome |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Riverwell | Continue to manage and develop relationship with Kier. |
| Town Hall Quarter | Development of solution to deliver housing and public realm improvements based on the Town Hall site |
| Watford Commercial Services and Hart Homes | Explore new opportunities for Watford Commercial Services and deliver a sustainable business plan for Hart Homes. |
| Temporary Accommodation and Complex Needs | Work with Housing to deliver accommodation to meet the Temporary Accommodation Strategy, including the complex needs scheme |
| West Herts Crematorium | Provide financial support to the West Herts Crematorium Joint Board, including the project to build a new crematorium |

2.3

Contracts

| Title of Agreement | Service Area | Description of the goods and / or services being provided | Supplier Name | Contract Sum | Start Date | End Date | Review Date | Option to extend and length of extension |
|--------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------|--------------|--------------------------|-------------------------|-------------|------------------------------------------|
| Office supplies and stationery | Accountancy | Office stationery | Lyreco | 114,000 | 23/05/2018 | 02/04/2023 | 01/04/2022 | |
| Cash in transit | | Cash in transit | G4S | 14,300 | 29/10/2014 | 31/03/2023 | 28/09/2022 | |
| Banking | | Banking | Lloyds | 11,000 | | | | |
| Brokerage Services | | Brokerage services | Aon | 3,000 | 01/04/2019 | 02/01/2024 | 31/03/2023 | |
| Insurance | | Computer, Liability, Motor and Property | Zurich Municipal Ltd | 190,000 | 01/04/2019 | 31/03/2025 | 31/03/2024 | |
| | | Personal Accident, Engineering and Fidelity | | 190,000 | 01/04/2019 | 31/03/2026 | 31/03/2025 | Option for 2 years |
| | | Insurance - Terrorism | Aon | 6,630 | 01/04/2019 | 02/01/2027 | 31/03/2026 | |
| Internal Audit Services | | Internal Audit Services for TRDC and WBC | SIAS | 135,000 | 01/04/2013 | Annual rolling contract | Annually | |
| External Audit Services | | External Audit Services | Ernst & Young | 50,000 | 01/04/2018 | 31/03/2023 | 31/03/2022 | |
| Treasury Management Advice | | Specialist Advice | Link Asset Services (formerly Capita) | 9,200 | 01/11/2011 | Ongoing | Annually | |
| Treasury Management | | TM system | Logotech | 1,500 | 01/01/2015 | | | |
| VAT advice | | VAT specialist advice | LAVAT | 1,650 | | | | |
| National Anti-Fraud Network | | Intelligence Organisation | Tameside MBC | 2,500 | | | | |
| National Fraud Initiative | Cabinet Office data matching | Cabinet Office | 2,200 | | | | | |
| ID Scan | Document verification | ID Scan Biometrics | 1,200 | | Annual rolling contracts | Annually | | |
| JSP Law | Solicitors | JSP Law | 7,000 | | | | | |
| Transcription Services | Preparation of Interview under caution transcripts | Transcription Services | 1,500 | | | | | |
| Translation services | Interview translation services | Language Direct | 250 | | | | | |
| Vehicle leases | Staff Vehicle leases | Alphabet (UK) Fleet Management Ltd | 10,800 | | | | | |
| Finance Accounting Systems | Finance | Finance accounting systems for TRDC and WBC | Advanced Business Solutions | 321,620 | 01/06/2009 | 31/05/2021 | 01/04/2020 | Contract extended |
| Income Management system (AIM) | | Income management, card processing and merchant services for TRDC and WBC | Capita | 37,500 | 1/04/2011 | 1/04/2022 | 01/04/2021 | |

2.4 Risk Management

| Risk Description | Residual Likelihood Score | Residual Impact Score | Residual Risk Score |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------|---------------------|
| The Medium term financial position worsens. | 3 | 2 | 6 |
| Revenue balances insufficient to meet estimate pay award increases | 2 | 1 | 2 |
| Revenue balances insufficient to meet other inflationary increases | 1 | 2 | 2 |
| Interest rates resulting in significant variations in estimated interest income | 3 | 2 | 6 |
| Inaccurate estimates of fees and charges income | 2 | 2 | 4 |
| Revenue balances insufficient to meet loss of partial exemption for VAT | 1 | 4 | 4 |
| The estimated cost reductions and additional income gains are not achieved | 2 | 2 | 4 |
| The Council is faced with potential litigation and other employment related risks | 1 | 3 | 3 |
| Fluctuations in Business Rates Retention | 3 | 3 | 9 |
| Failure to deliver the South Oxhey Initiative to desired outcomes and objectives resulting in a delay in the capital receipt | 2 | 2 | 4 |
| Failure of ICT systems | 1 | 2 | 2 |
| Property Investment | 1 | 3 | 3 |
| Commercial Investment | 2 | 2 | 4 |
| Loss of Key Personnel | 1 | 3 | 3 |

| | | | | |
|-------------------------------------------------------------------------------|----------|-------------|-----------------|-----------------|
| Very Likely ----- Likelihood ----- ----- Remote | Low 4 | High 8 | Very High 12 | Very High 16 |
| | Low 3 | Medium 6 | High 9 | Very High 12 |
| | Low 2 | Low 4 | Medium 6 | High 8 |
| | Low 1 | Low 2 | Low 3 | Low 4 |
| Impact -----> Unacceptable | | | | |

| Impact Score | Likelihood Score |
|------------------|------------------------|
| 4 (Catastrophic) | 4 (Very Likely (≥80%)) |
| 3 (Critical) | 3 (Likely (21-79%)) |
| 2 (Significant) | 2 (Unlikely (6-20%)) |
| 1 (Marginal) | 1 (Remote (≤5%)) |

Version Control

| Version No. | Date | Reason for Update / Significant Changes | Made By |
|-------------|------------|-----------------------------------------|---------|
| 1 | 14/10/2021 | First version 2022/23 | HLD |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |