

Service Delivery Plan 2023-26

Service	Finance	Head of Service	Hannah Doney
Service Purpose and Core Functions			
<p>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.</p> <p>The service provides the organisational expert advice for the following strategic, statutory and transactional processes at Organisational, Service and Project level:</p> <ul style="list-style-type: none"> • Budget Setting and Realignment • Financial Reporting • Financial Monitoring • Treasury Management • Accounts Payable • VAT • Financial Systems • Fraud <p>Our Promise to our Customers:</p> <ul style="list-style-type: none"> • We are trusted advisors who are professional and knowledgeable. • We communicate clearly using language that is accessible to managers and the public. • We are responsive to our customers' needs, with a focus on helping services to deliver their objectives. <p>All staff working within the service demonstrate the following core behaviours:</p> <ul style="list-style-type: none"> • Commitment to personal development and the development of others • Commitment to continuous improvement • Professionally curious – seeks out opportunities, and identifies and resolves risks and issues • Maintain calm whilst under pressure • Flexible and resilient 			

Link to Corporate Framework	Key Action/ Deliverable for 2023-26	Lead Officer	Milestone (Specific and measurable)	Milestone date	Internal/ External Partners	Additional Capital or Revenue cost and/or saving
No Corporate Projects in 2024/25						
Continuous improvement projects are reported to CMT and CMB via the Shared Service Operations Board (SSOB)						

Targets – Key Performance Indicators

Ref	Targets*	Target 2023/24	Projected 2023/24 outturn	Target 2024/25	Target 2025/26	Target 2026-27	Rationale for setting of target / changes to target
FN09	Accounts paid within 30 days	98.0%	98.0%	98.5%	98.5%	98.5%	Gradual improvement year on year – unlikely to ever be 100%
FN15	% of Commercial income received	90%	100%	95%	95%	95%	Target remains prudent in light of challenges faced by businesses with low growth and/or recession expected during 2023/24 into 2024/25.
FN16	General Balances are above the risk assessed level	>£2.0m	£4.7m	>£2.0m	>£2.0m	>£2.0m	Risk assessment is reviewed annually as part of budget process. Finance have a stewardship role in this Indicator but the KPI reflects all services in the Council as well as the wider financial environment

Service Volumes

Three Rivers

Activity / Process	Three Rivers		Watford		Notes / explanation for estimated change	Impact (both service and corporate level)
	Projected annual volume for 2023/24	Estimated annual volume for 2024/25	Projected annual volume for 2023/24	Estimated annual volume for 2024/25		
Supplier Invoices paid	5,602	5,602	6,209	6,209	It is not anticipated that there will be an increase in the volumes over the period of the service plan.	Volumes can be managed within existing resources
FPM Payment Vouchers paid	469	469	519	519		
New Suppliers raised	296	296	300	300		
Procurement card transactions	1,011	1,011	969	969		
Number of faster payments and chaps made out	150	150	204	204		
Number of transactions through the income management system (Aim) for all funds	104,279	104,279	132,806	132,806		
GL journals (not inc budget journals nor cashbook journals)	548	548	481	481		
Insurance claims	26	26	21	21		
National Fraud Initiative	624	624	989	989		

Key Risks to Service Plan delivery

1 = not likely/low Impact 4 = will definitely happen/major service changing impact

No	Description of Risk	With no Mitigation			Mitigation	With Mitigation		
		Likelihood (1-4)	Impact (1-4)	Risk Score		Likelihood (1-4)	Impact (1-4)	Risk Score
1	The Medium term financial position worsens.	4	4	16	Regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process; Audited Statement of Accounts, including Annual Governance Statement. Currently the 2019/20 annual accounts are awaiting sign off from the external auditors and 2020/21 annual accounts are well progressed.	3	2	6
2	Revenue balances insufficient to meet estimate pay award increases	4	3	12	Maintain reserves to guard against risk. Early identification of new pressures. Budget Monitoring	2	2	4
3	Revenue balances insufficient to meet other inflationary increases	3	3	9	Monitor future inflation projections. Actively manage budgets to contain inflation. Maintain reserves.	2	2	4
4	Interest rates resulting in significant variations in estimated interest income	3	3	9	PIB strategy has diversified interest rate risk to provide income security.	2	3	6

5	Inaccurate estimates of fees and charges income cause budget deficit	3	2	6	Budget levels realistically set and closely scrutinised	1	4	4
6	Revenue balances insufficient to meet loss of partial exemption for VAT	2	4	8	VAT Planning and opt to tax on schemes. VAT advisers employed.	1	4	4
7	The estimated cost reductions and additional income gains are not achieved causing a budget deficit	2	3	6	Service Heads to take responsibility for achieving savings. Budget monitoring to highlight any issues to allow corrective action to be taken.	2	2	4
8	The Council is faced with potential litigation and other employment related risks which create a budget pressure	2	3	6	Council procedures are adhered to	1	3	3
9	Fluctuations in Business Rates Retention which creates a budget pressure	3	4	12	Maintain reserves against risk.	3	3	9
10	Failure to deliver the South Oxhey Initiative to desired outcomes and objectives resulting in a delay in the capital receipt	2	3	6	Project management team appointed to advise Council; Project management processes in place and reviewed regularly; Policy and Resources Committee receive regular reports on progress of project	2	2	4
11	Failure of ICT systems resulting in inability to pay suppliers and monitor budgets	3	2	6	System migrated to latest version. Payments system updated.	1	2	2
12	Property Investment risk in relation to capital value and yield that leads to a budget pressure and reputational damage	2	3	6	Portfolio to be actively managed to maintain income levels. Income to be reviewed regularly when MTFP is updated.	1	3	3

13	Commercial Investment risk in relation to capital and yield that leads to a budget pressure and reputational damage.	3	2	6	Oversight mechanisms to be put in place to ensure oversight by PIB or similar mechanism. Council to determine approach to risk and level of income dependency within budget.	2	2	4
14	Loss of Key Personnel resulting in loss of skills and knowledge and failure to apply accounting regulations, adequately manage financial risk and meet statutory deadlines.	3	4	12	Improve depth of skills and knowledge. Bring in temporary additional resources as necessary.	1	3	3

Impact Assessments Required or Reviews Due

Equalities & Diversity	Sustainability & Climate Change
None required for 2024/25	None required for 2024/25