

PART I - DELEGATED

11. **STRATEGIC, SERVICE AND FINANCIAL PLANNING 2019- 2022**
(DoF)

1. **Summary**

1.1. The purpose of this report is to seek agreement to the process whereby the Council will determine its three-year medium-term strategic plan for 2019-2022, the related service plans, and the allocation of financial resources to achieve them.

2. **Details**

Introduction

2.1. Each year the Council is required to set a realistic, achievable in-year budget and indicative budgets for the following two years. Overall responsibility for the budget setting process is the responsibility of the Director of Finance (shared services).

2.2. The process for agreeing the strategic, service and financial plans relies upon the principles that:

- The Policy and Resources Committee concentrates at a strategic level on how the Council allocates resources between its key objectives, the level of council tax to be set, and the financial reserves to be held.
- Service committees formulate recommendations to the Policy and Resources Committee on the provision and level of services within their remit and validate the details of the budget to achieve this.
- Officers prepare savings & growth proposals for consideration by the service committees.

Strategic Plan

2.3. The Council adopted its three-year Strategic Plan for the period 2018-2021 on 22 May 2018. This was prepared taking into account consultation on priorities with the Local Strategic Partnership and the public and national priorities. The aims within the plan are:

- Better Neighbourhoods,
- Healthier Communities,

2.4. The Strategic Plan consists of two elements,

- an introduction that outlines the purpose of the plan and the internal and external influences that have been taken into account during the plan's development, and
- a tabular representation of each of the themes and corresponding aims and objectives. Various activities, measures and targets are also linked to each objective.

- 2.5. As a part of the Council's corporate planning process a draft Strategic Plan for the period 2019-2022 has now been prepared. This is attached at Appendix 1
- 2.6. At this stage it is presented to the Policy and Resources Committee for consideration and comment and to enable service plans to be prepared.

Service Plans

- 2.7. Officers will prepare service plans based on the Strategic Plan. These will be presented to committees in November. The plans will include:-
- Summary of the latest approved budgets
 - Performance Management including performance indicators.
 - Details of major projects
 - Risk assessment

Financial Plan

Revenue

- 2.8 The Local Government and Finance Act 2012 brought in fundamental changes to the way in which local government is financed. These changes are designed to stimulate growth but they also transfer more financial risk from central government to local government.
- 2.9 With Government funding continuing to reduce and an increasing reliance on generating additional business rates income, then it becomes important for the Council to manage its budgets prudently and services need to continually investigate new initiatives to generate additional sustainable revenue income whilst also looking to realise opportunities to reduce costs.
- 2.10 The Council prepares and monitors a rolling three-year Medium Term Financial Plan (MTFP) consisting of a working budget for the current year and indicative budgets for the following years. This contains budget estimates calculated at a detailed level. The latest budget monitoring report (at end of July – Period 4) is elsewhere on this agenda.
- 2.11 Officers will convert the previous indicative budget for 2019/20 into a detailed plan. They will also add a 'new' third year indicative budget to complete the three-year plan for 2019/20 to 2021/22. **Appendix 2** details the assumptions to be used in preparing these detailed budget figures.
- 2.12 Current plans include annual council tax increases of £5.00 for a Band D equivalent in each year of the MTFP.
- 2.13 In determining a budget strategy, the Committee is asked to consider the following financial objectives:-
- a) if any savings already factored into the three-year medium term financial plan are unlikely to be achieved, then equivalent savings must be identified;
 - b) that the Council should aim to balance its budget over the medium term whilst retaining prudent general fund balances of around £2m.

- c) that any proposals for growth, including those to pump-prime initiatives in the draft strategic plan, should (in the first instance) be matched in service plans by equivalent savings (preferably savings that do not impact on the level of service provided). The scheme used to prioritise revenue and capital growth is shown at **Appendix 3**.

Capital Investment Programme

- 2.14 The budget monitoring reports provide the current position on progress against the 2018/19 capital investment programme and the resources available for future investment.
- 2.15 Officers will carry out option appraisals on the future capital investment schemes. It is proposed to use the method of prioritising schemes that was applied last year.
- 2.16 Officers should note that schemes that are deemed to be as 'invest to save' are likely to be regarded more favourably than those requiring growth in revenue expenditure.
- 2.17 In accordance with the Protocol on Member / Officer Relations, briefings on the strategic, service or financial plans can be requested by party groups.

Budget Consultation

- 2.18 Members are asked to consider whether the Council wishes to carry out any budget consultation, and if so, what form it should take.

Timetable

- 2.19 Attached at **Appendix 4** is the draft timetable. The Strategic and Financial Plans for 2019-2022 will be recommended for adoption to Council on 26 February 2019 by the Policy & Resources Committee resulting from its meeting on 22 January 2019. Final service plans will be approved in March 2019.

3. Options/Reasons for Recommendation

- 3.1 The recommendation, if accepted, allows the planning process to commence.

4. Policy/Budget Implications

- 4.1 The recommendations in this report are within the Council's agreed policy and budgets.
- 4.2 The recommendations in this report do not relate to the achievement of any performance indicators.

5. Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website Implications

- 5.1 None specific.

6. Financial Implications

- 6.1 There are no changes to the budget or the savings targets already agreed by Members as a result of this report.

7. Legal Implications

- 7.1 The Council must set its budget before 11 March 2018 in accordance with Section 32 (10) of the Local Government Finance Act 1992.
- 7.2 The Council's Chief Financial Officer (Shared Director of Finance) has a statutory duty to report to the Council if it is likely to incur expenditure that is unlawful or likely to exceed its resources.
- 7.3 The Localism Act includes powers to allow local residents to veto through a referendum council tax rises that propose to exceed the limit imposed by Central Government.

8. Equal Opportunities Implications

- 8.1 Relevance Test

Has a relevance test been completed for Equality Impact? <i>There is no proposed change to current policy.</i>	No
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9. Staffing Implications

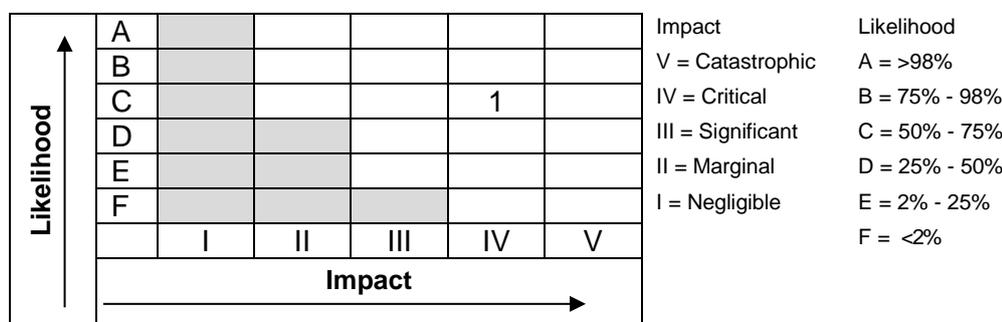
- 9.1 Staff and their representatives will be kept fully aware of the consequences of this year's planning process as it evolves.

10. Risk Management and Health & Safety Implications

- 10.1 There are no risks associated with agreeing the recommendations.
- 10.2 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
1	Failure to agree the Strategic Plan and Service Plans for implementation from 1 April 2019 and failure to meet statutory deadline for setting a legal budget	IV	C

- 10.3 The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.



11. Recommendation

- 11.1 That the assumptions to use in preparing the detailed budgets for the period shown in Appendix 2 be agreed.
- 11.2 That the scheme used to prioritise revenue & capital growth shown in Appendix 3 be agreed.

- 11.3 That the draft timetable at Appendix 4 be agreed.
- 11.4 That the format of any budget consultation if agreed be approved by the Director of Finance in consultation with the Lead Member for Resources and Shared Services.

Report prepared by:
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Data Quality

Data sources: Financial Management System

Data checked by: Alison Scott

Data rating:

1	Poor	
2	Sufficient	
3	High	✓

Background Papers

Medium Term Financial Plan 2018-2021

APPENDICES

- 1 Draft Strategic Plan 2019-2022
- 2 Assumptions to be used in preparing budgets
- 3 Scheme for Prioritising Revenue Growth, Savings and Capital Bids
- 4 Timetable

THREE RIVERS DISTRICT COUNCIL STRATEGIC PLAN 2019-22

What is our Strategic Plan for?

Each year, Three Rivers District Council updates its Strategic Plan, which takes into account the plans of the Government, the County Council and our many partners. Our Strategic Plan sets out what we want to deliver over the next few years and deals with the services where the Council has a lead role, or can play a key part in delivering or influencing the outcomes. We set out our aims below under the two headings of 'Better Neighbourhoods' and 'Healthier Communities'.

Values

To underpin what we want to achieve in the next three years we want to ensure that the Council:

- Addresses the shortage of housing for those needing temporary accommodation and those who have not the means to pay market rates;
- Concentrates on aiding the most vulnerable people in our district;
- Promotes sustainable ways of delivering services, reducing the Eco-footprint of the district,
- Creates diverse and harmonious communities that enable people to live in harmony with each other and with their environment;
- Supports the local economy to create good quality jobs and prosperity
- Increases its income through sound investment in order to provide the services the local community wants;
- Maintains public land and assets in the ownership of the public sector.
- Provides excellent customer care whilst providing great services as efficiently as possible;

The Vision and our Priorities

Three Rivers District Council's vision is that **the District should be a better place for everyone, their neighbourhoods, health, employment and access to services.**

The aims and priorities for the Council are outlined below, and we shall work with public, private and voluntary services to achieve them.

1) Better neighbourhoods – we want to:

- maintain high quality neighbourhoods;
- reduce the eco-footprint of the district;
- create access to good quality jobs and employment
- support businesses and the local economy.

2) Healthier Communities – we want to:

- develop and improve access to good quality housing;
- create prosperity for all and access to opportunities;
- to support the most vulnerable people in the District;
- provide a healthy and safe environment;
- reduce health inequalities, promote healthy lifestyles, support learning and community organisations.

	Cllr. Sara Bedford Leader of the Council		Dr. Steven Halls Chief Executive
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1. Better Neighbourhoods			
Objectives	Measures	Target	Lead Service / Partnership
1.1 We want to maintain a high quality neighbourhoods and reduce the eco-footprint of the district			
1.1.1 Maintain high quality local neighbourhoods and streets.	CP18– Reduce the level of anti-social parking in the District. EP13– Manage the behaviour of dogs in our parks and open spaces. CP01 – Satisfaction with ‘keeping public land clear of litter and refuse’ CP17– Reduce Fly-tipping across the District		Environmental Protection / Community Partnerships Environmental Protection Environmental Protection Community Partnerships
1.1.2 Maintain the number of accredited open spaces, parks and woodland areas.	LL34 – To maintain accreditation for Green Flag LL32 – UK Woodlands Assurance Scheme (UKWAS) accreditation.		Leisure & Landscape
1.1.3 Preserve the green belt.	ESD04 – Percentage of new homes built on previously developed land.		Economic & Sustainable Development
1.1.4 Minimise waste and optimise recycling	EP10 – Percentage of household waste sent for reuse, recycling and composting EP06 – Tonnes of residual waste CP03 – Satisfaction with refuse collection CP04 – Satisfaction with doorstep recycling		Environmental Protection
1.1.5 Minimise energy and water consumption, reduce CO₂ emissions and increase the use of renewable energy.	ESD11 – Greenhouse gas emissions reported as CO ₂ equivalent ESD10 – Home Energy Conservation Authority Report actions		Economic & Sustainable Development
1.2 We want to support local businesses and the local economy			
1.2.1 Encouragement for business	ESD06 – Change in		Economic & Sustainable

	employment floor-space		Development (Indicators support delivery of the Local Plan).
1.2.2 Champion the local economy	ESD09 – Vacancy rate for town and district centres		Economic & Sustainable Development

2. Healthier Communities			
Objectives	Measures	Target	Lead Service / Partnership
2.1 We want to improve access to and develop good quality housing			
2.1.1 Improve or facilitate access to housing.	<p>ESD01 – Net additional homes provided.</p> <p>ESD02 – Number of affordable homes delivered (gross).</p> <p>HN01 – Maximum number of households living in temporary accommodation on the last day of the quarter (snapshot)</p> <p>PS04 – provide additional temporary accommodation in the district.</p>		<p>Economic & Sustainable Development</p> <p>Housing Services</p> <p>Major Projects</p>
2.2 We want prosperity for all and access to opportunities			
2.2.1 Improve access to benefits	<p>RB04 – Time taken to process Housing Benefit and Council Tax Support change in circumstances</p> <p>RB05 – New Claims: average time to process from receipt of claim to date claim processed.</p> <p>CP28 – Clients that now receive full benefits they are entitled to following CAS in Three Rivers Intervention</p>		<p>Revenues and Benefits</p> <p>Community Partnerships and Citizen's Advice Bureau</p>
2.3 We want to support the most vulnerable in our District			
2.3.1 Reduce anti-social behaviour and crime.	<p>CP14 – No of Community Safety Partnership ASB cases recorded on SafetyNet</p> <p>CP47 – Perception of ASB as a problem in the local area.</p>		Community Partnerships
2.3.2 Support vulnerable people	CP16 – No of families supported by Thriving Families and Families First		Community Partnerships and Herts County Council

	<p>CP21– No of victims of Domestic abuse supported Caseworker service</p> <p>CP29 – Number of clients onto a Debt Relief Order</p> <p>CP30 – Number of clients no longer at threat of eviction that were at threat of eviction</p> <p>CP31 – Number of clients still at threat of eviction that were at threat of eviction</p>		<p>Community Partnerships and Herts Mind Network</p> <p>Community Partnerships and Citizen’s Advice Bureau</p>
2.4 We will provide a safe and healthy environment.			
2.4.1 Ensure the safety of people in the district.	<p>EHC12 – Percentage of food establishments in the area which are broadly compliant with food hygiene law</p> <p>EHC04 & EHC05 – All high risk and other food premises inspected</p> <p>CP07 – Perception to the extent to which public services are working to make the area safer</p>		<p>Environmental Health - Commercial</p> <p>Community Partnerships</p>
2.5 We will reduce health inequalities, promote healthy lifestyles, support learning and community organisations			
2.5.1 Improve and facilitate access to leisure and recreational activities for adults	<p>LL31 – Number of attendances by adults at leisure venues and activities.</p> <p>CP02 – Satisfaction with parks and open spaces</p> <p>LL24 – Sheltered Housing Scheme: Percentage of older people reporting specific health benefits.</p>		<p>Leisure & Landscape</p> <p>Community Partnerships</p> <p>Leisure & Landscape</p>
2.5.2 Contribute to partnership working to reduce health inequalities	<p>LL25 a & b – Exercise Referral Scheme: (a) Number of new customers, (b) Number of participants who either complete the 12 week programme or sign up to a leisure venue membership as a result of being on the scheme</p> <p>CP24– number of adults achieving at least 30 minutes of physical activity per week.</p>		<p>Leisure & Landscape</p> <p>Community Partnerships</p>

<p>2.5.3 Provide a range of supervised leisure activities and facilities for young people.</p>	<p>LL33 – Number of attendances by young people at leisure venues and activities.</p> <p>LL28 – Children's play activities will be termed at least 'Good' by Ofsted</p> <p>LL29 – Number of attendances by children from low income families at Easter and summer play schemes.</p> <p>LL30 – Referral children's satisfaction with leisure projects</p>		<p>Leisure & Landscape</p>
<p>2.5.4 Work with the Community and Voluntary sector to meet the needs of local communities</p>	<p>CP26 – Funding to the Community and Voluntary Sector, through leverage, officer advice, match funding and external grants</p> <p>CP27 – Number of clients supported by the Citizens Advice Bureau</p>		<p>Community Partnerships</p>

Our values will be measured by:

Measures	Target	Lead Service
CP05 – Satisfaction with Three Rivers District Council		All Services, monitored by Community Partnerships.
CO02 – Public perception of how well informed they feel about public services		Monitored by Corporate Services (Communications)
CP46 – The perception of value for money from Three Rivers District Council		All Services, monitored by Community Partnerships.

ASSUMPTIONS TO BE USED IN PREPARING BUDGETS

The following assumptions will be made in preparing the detailed estimates for the three-year medium-term financial plan.

Employee Costs

Salary estimates will assume the following pay awards:-

Year	%
	<i>Nil</i>
2019/20	<i>(2 year settlement agreed in 2017/18)</i>
2020/21	1
2021/22	1

A 1% vacancy provision.

The employers pension contributions set at 18.2% and national insurance contributions set at 13.8% are built into the financial projections.

Parish Precepts

This is assumed to increase by 2.5%.

Other Cost Inflation - Supplies & Services

As in past years, a cash freeze will be applied to detailed budgets unless there is a contractual agreement (e.g. in fuel prices) to the contrary or there are known increases or demographic pressures – ie: unavoidable growth.

Fees & Charges

An average increase of 2.5% will be factored into the forecast for all fees and charges that are not set by statute. Heads of Service will be asked to review increases in the light of their effect on demand, affordability and vulnerability. Any request to not increase discretionary fees and charges must be supported by a growth bid.

SCHEME FOR PRIORITISING REVENUE GROWTH, SAVINGS AND CAPITAL BIDS

Criteria	Revenue Growth		Savings		Capital Bids	
	Score	Description	Score	Description	Score	Description
Measure of Quality of Service	3	Maintaining Current Service	3	Reducing External Service	3	Maintaining Current Service
	6	Improved Internal Service	6	Reducing Internal Service	6	Improved Internal Service
	9	Improved External Service	9	Maintaining Current Service	9	Improved External Service
Customer Impact / Quantity of Service	3	Affects < 10% of residents	3	Affects all residents	3	Affects < 10% of residents
	6	Affects < 50% of residents	6	Affects < 50% of residents	6	Affects < 50% of residents
	9	Affects all residents	9	Affects < 10% of residents	9	Affects all residents
Links to Strategic Plan	2	Contributes to General Theme	2	Contributes to Specific Objective	2	Contributes to General Theme
	4	Contributes to General Aim	4	Contributes to General Aim	4	Contributes to General Aim
	6	Contributes to Specific Objective	6	Contributes to General Theme	6	Contributes to Specific Objective
Impact on Partners (as defined in the Community Strategy)	1	No impact on partner agencies or joint priorities	1	Impacts several partners / priorities	1	No impact on partner agencies or joint priorities
	2	Impacts on 1 partner agency / priority	2	Impacts on 1 partner agency / priority	2	Impacts on 1 partner agency / priority
	3	Impacts several partners / priorities	3	No impact on partner agencies or joint priorities	3	Impacts several partners / priorities
Partnership Funding	1	No Partnership Funding	1	Fully Funded by Partners	1	No Partnership Funding
	2	Partly Funded by Partners	2	Partly Funded by Partners	2	Partly Funded by Partners
	3	Fully Funded by Partners	3	No Partnership Funding	3	Fully Funded by Partners
Equalities	1	No impact on vulnerable groups	1	Impacts several vulnerable groups	1	No impact on vulnerable groups
	2	Impacts on one vulnerable group	2	Impacts on one vulnerable group	2	Impacts on one vulnerable group
	3	Impacts several vulnerable groups	3	No impact on vulnerable groups	3	Impacts on several vulnerable groups
Asset Management	1	Not related to asset maintenance	1	Saving means backlog repair remains	1	Not related to asset maintenance
	2	Allowing asset to continue in use	2	Allowing asset to continue in use	2	Allowing asset to continue in use
	3	Expenditure required to bring asset up to standard enabling service to continue (i.e. an element of 'backlog' repair exists)	3	Not related to asset maintenance	3	Expenditure required to bring asset up to standard enabling service to continue (i.e. an element of 'backlog' repair exists)
Statutory/Discretionary Service	1	Entirely Discretionary	1	Entirely Statutory	1	Entirely Discretionary
	2	Partly Statutory	2	Partly Statutory	2	Partly Statutory
	3	Entirely Statutory	3	Entirely Discretionary	3	Entirely Statutory

Criteria	Revenue Growth		Savings		Capital Bids	
	Score	Description	Score	Description	Score	Description
Contractually Committed	1	No Commitment	When proposing a saving, the net saving, i.e. the saving after any costs of withdrawing from a contract should be used		1	No Commitment
	2	Moral Obligation (e.g. SLA)			2	Moral Obligation (e.g. SLA)
	3	Contractually Committed			3	Contractually Committed
Financial Implications					1	Revenue Cost
					2	Revenue Neutral
					3	Revenue Saving
Invest to Save Will your growth PID repay the original capital investment?	6	Return on Investment in 1 Yr			6	Return on Investment in 1 Yr
	4	Return on Investment in 3 Yr			4	Return on Investment in 3 Yr
	2	Return on Investment in 5 Yr			2	Return on Investment in 5 Yr

TIMETABLE – STRATEGIC, SERVICE AND FINANCIAL PLANNING 2019-22

APPENDIX 4

Date	Responsibility	Details
04-Sep-18	Policy & Resources Committee	2018/19 Period 4 Budget Monitoring report
05-Oct-18	PIDs for Revenue and Capital growth items closes	All PIDS added to group share folder by this date
w/c 08-Oct-18	PID scoring meeting	PID scores to go to Committees during November
16-Oct-18	Draft Service Plans Management Board (MB)	Draft service plans considered by MB
23 Oct-18	Council	Recommendation from P&R 4 September 2018
05-Nov-18	Policy and Resources Committee	Review draft service plans for 2019-2022. 2018/19 Quarter 2 Performance report. Budget Management report (period 6). PIDs
20-Nov-18	Infrastructure, Housing and Economic Development Committee	
28-Nov-18	Leisure, Environment and Community Committee	
11-Dec-18	Council	2019/20 Council Tax base agreed
22-Jan-19	Policy and Resources Committee	Draft 2019-2022 Medium Term Financial Plan
26-Feb-19	Council	2019-2022 Medium Term Financial Plan approved
26-Feb-19	Council Tax Setting Committee	Council Tax for 2019/20 approved including Parishes, HCC and Police
11-Mar -19	Policy and Resources Committee	Final Service Plans
13-Mar-19	Leisure, Environment and Community Committee	
19-Mar-19	Infrastructure, Housing and Economic Development Committee	
21- May-19	Council	Final Strategic Plan