



**FINANCE SERVICE PLAN
2021 - 2024**

CONTENTS

Section	Item	Page
	Introduction	3
1	Inputs	3
1.1	Budgets	3
1.2	Human Resource Management	4
1.2.1	Summary of Team Skills	5
1.3	Organisational Chart	5
2	Outputs and Outcomes	5
2.1	Performance management	6
2.2	Project Management	8
2.3	Contracts	9
2.4	Risk Management	9
	Version Control	11

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: INPUTS

1.1 Budgets

	2021/22	2022/23	2023/24
	Latest	Latest	Latest
	£	£	£
Net Cost of Service (Direct cost / Income Only)	632,940	599,970	

Business Continuity and Single Points of Failure

Head of Finance:

Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Development of Section Heads and Finance Managers to build experience and competencies.	Loss of commercial skills and investment knowledge resulting in poor decision making. Loss of cover for Director of Finance and reduction in overall ability to respond to the large number of new initiatives. Qualified accountant with significant post qualification experience including political sensitivity, management skills, commercial and treasury management.	Management of the Finance Function. Detailed knowledge of key commercial projects and joint ventures, including finance and legal structures. Overview and understanding. Extensive networks with partner organisations, professional advisers and fellow finance professionals. Technical accounting knowledge.	Reduction in service levels. Risk to successful delivery of commercial agenda. Failure to meet due diligence requirements for investment management.	Continue to evolve finance function to improve depth of skills and knowledge.

Section Head Financial Planning and Analysis:

Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Development of Finance Managers to build experience and competencies	Failure to deliver core budget setting and management (revenue and capital). Loss of knowledge of organisations and financial arrangements. Qualified accountant with significant post qualification experience including political sensitivity and management skills.	Management of the Finance Function. Detailed knowledge of core funding and budgets. Extensive networks with Budget Managers and senior leadership.	Reduction in service levels. Risk to delivery of budgets.	Continue to evolve finance function to improve depth of skills and knowledge

Section Head Financial Accounting and Technical:

Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Development of Finance Managers to build experience and competencies	Failure to successfully close the authority's accounts and secure an unqualified audit opinion. Potential loss of financial investment Loss of knowledge of organisations and financial arrangements. Qualified accountant with significant post qualification experience including political sensitivity and management skills.	Management of the Finance Function. Detailed knowledge of full closedown process. Detailed knowledge of treasury management. Extensive networks with Budget Managers and senior leadership.	Reduction in service levels. Risk to closure of accounts. Risk of loss of financial investment	Continue to evolve finance function to improve depth of skills and knowledge

Fraud Manager:

Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Development of fraud team to build experience and competencies.	Failure to deliver service and manage fraud risks leaves Council exposed to both financial and reputation losses. Knowledge of statutory legislation and accredited counter fraud training. All investigations will comply with relevant legislation and Council Policies	Detailed knowledge of emerging risks and best practice. Collaboration, joint working. Sharing of best practice, data, fraud alerts and new threats.	Reduction in service levels. Risk of increased loss due to fraud.	Continue to develop and look at sharing intelligence and enforcement functions within the Council.

Finance Managers:

Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Development of assistant finance managers. Recruitment of apprentices.	Inability to provide support to budget managers and financial reporting. Qualified accountant.	Detailed knowledge of systems and forms and associated processes. Support networks and consultants.	Significant impact on front line services.	Develop additional capacity and succession planning.

Finance Officer (Insurance):

Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Some assistance from other Finance Officers. Develop other learning.	Inability to provide advice, claims not dealt with and renewals not completed. Increased insurance costs.	Detailed knowledge of insurance contracts and risk management.	Risk of insufficient insurance and consequential loss of assets.	Develop additional capacity and succession planning.

Customer Contact Programme Manager (directly reports to Director of Finance):

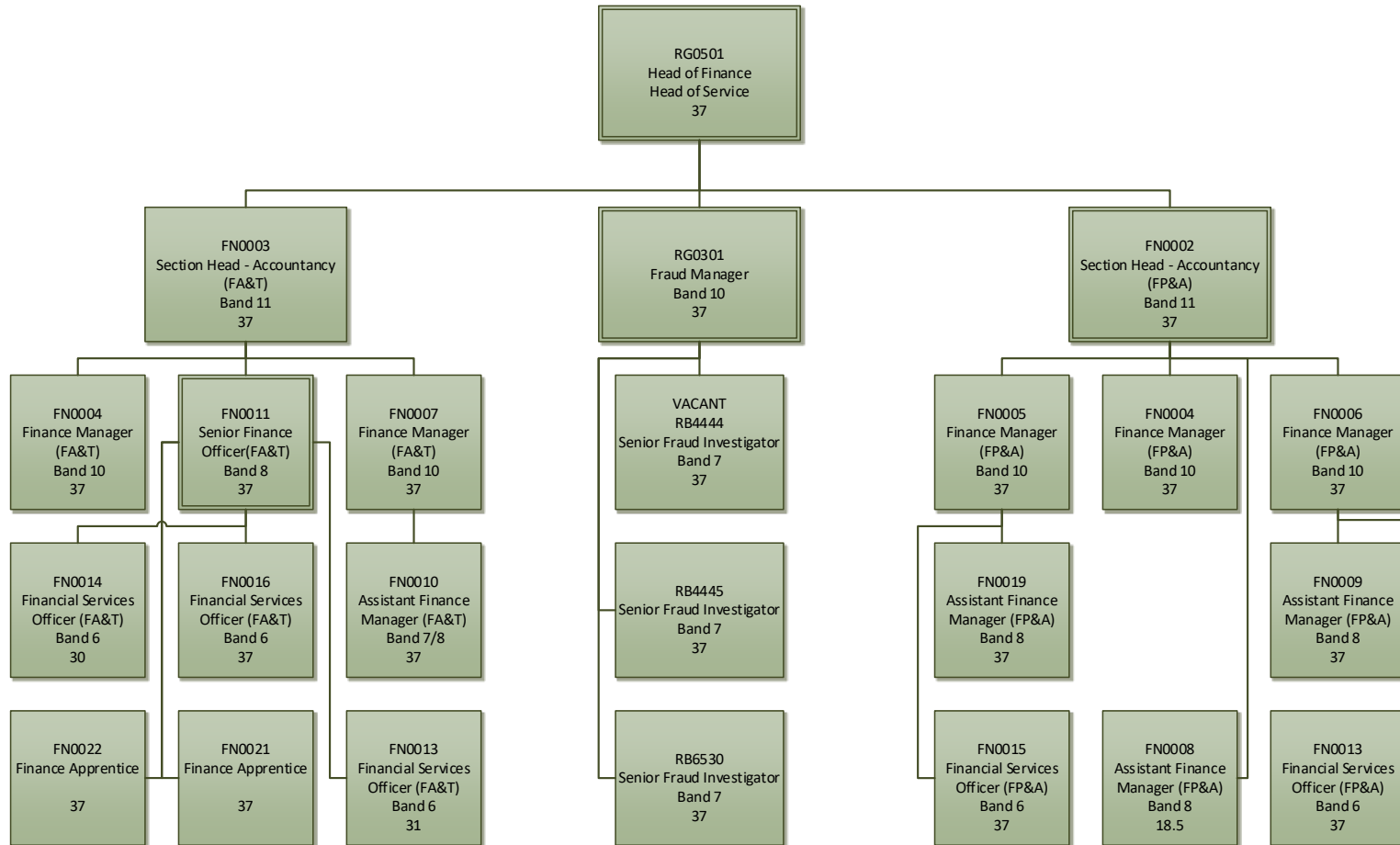
Succession Planning for this post	Risks, Skills required,	Knowledge and Networks	Impact on Service	Future options for providing the services
Bid made for apprentice otherwise none	Customer contact systems fail with no detailed knowledge or back up internally to reinstate. Would have to rely on consultants subject to availability. Individual form failure – consultants would struggle to fix. CRM and API knowledge. Social media.	Technical accounting knowledge, knowledge of budgets and processes, knowledge of financial systems. Budget holders, auditors, systems suppliers, banks and finance networks.	Reduction in support provided to budget managers. Risks of failure to deliver budgets and financial reporting.	Develop breadth of knowledge and ability to cover within team.

1.2.1 Summary of Team Skills/Qualifications

Please provide a summary of the Skills and Qualifications you require in order to provide your service to your customers.

Job Title	Qualification	Continuing Professional Development required?
Head of Finance	Qualified accountant from an IFAC member body (preferably CIPFA).	Yes
Section Head		Yes
Finance Manager		Yes
Assistant Finance Manager	Part Qualified/Accounting Technician (AAT)	Yes
Finance Officer	Part Qualified/Accounting Technician (AAT)	Yes
Apprentice		
Fraud Manager	Accredited Counter Fraud Specialist, Professionalism in Security, Knowledge of, and ability to implement, relevant legislation including Police and Criminal Evidence Act 1984., Human Rights Act 1998, Data Protection Act 2018, Regulation of Investigatory Powers Act 2000, Proceeds of Crime Act 2002, Fraud Act 2006,	Yes

Finance



Note: The Customer Contact Programme Manager reports directly to the Director of Finance

SECTION 2: OUTPUTS AND OUTCOMES

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 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.</p>
Sustainable Environment	<ul style="list-style-type: none"> • We will produce and deliver a Climate Change Strategy and action plan 	

	<ul style="list-style-type: none"> • We will continue to improve the energy efficiency of the Council's buildings • We will deliver and implement a Cycling and Walking Strategy • We will seek to maintain our position as the highest recycling authority in Hertfordshire. 	
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 	

	<p>customers and sets out corporate expectations of how they should be treated</p> <ul style="list-style-type: none"> • We will produce an Organisational Development Strategy to support the Council in delivering its priorities and objectives. 	
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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	2018/19 Actual	2019/20 Target (Current year)	2020/21 Target (Next year)	2021/22 Target	2022/23 Target
FN04 SSF7	Auditor Approval of the annual Statement of Accounts	Yes	Yes	Yes	Yes	Yes
New PI	Private investment, leveraged through the capital investment by the council (simple calculation of amount)		New PI	TBA		
New PI	% of Commercial income received		New PI	TBA		

Service Performance Indicators (PIs) (Three Rivers)

Ref	Description	2018/19 Actual	2019/20 Target (Current year)	2020/21 Target (Next year)	2021/22 Target	2022/23 Target
FN09 (1) SSF2	Creditor Payments paid within 30 days	98.47%	95%	97.5%	97.5%	97.5%
FN08 SSF3a	Compliance with Treasury Management Policy*.	New PI	New PI	100%	100%	100%

Service Performance Indicators (PIs) (Watford)

Ref	Description	2018/19 Actual	2019/20 Target (Current year)	2020/21 Target (Next year)	2021/22 Target	2022/23 Target
FN09 (1) SSF2	Creditor Payments paid within 30 days	98.47%	95%	97.5%	97.5%	97.5%
FN08 SSF3a	Compliance with Treasury Management Policy*.	New PI	New PI	100%	100%	100%
FN03 SSF5	Budget Monitoring	100%	100%	100%	100%	100%
FN04 SSF7	Auditor Approval of the annual Statement of Accounts	Yes	Yes	Yes	Yes	Yes

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.

* Amended to cover compliance with all Treasury Management Policies.

2.2 Project Management – Three Rivers

Project details				Project Manager: tbc Project Sponsor: Alison Scott	
Project title				Proposed outcome	
Fixed Asset Property System				To procure an integrated FA module that categorises all the Council's assets including leasing terms and conditions. To be jointly procured between Three Rivers and Watford.	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		
System identified and procured.		System implemented to use for 2020/21 closure.			

Project details				Project Manager: Alison Scott Project Sponsor: Joanne Wagstaffe	
Project title				Proposed outcome	
Joint Venture (JV) with Thrive				Joint Venture established with Thrive to develop out its first site.	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Joint Venture established and business plan approved.	Start on site.	Future opportunities identified	Business Plan agreed for future years.	Development of next opportunity.	Finish initial development.

Project details				Project Manager: Alison Scott Project Sponsor: Joanne Wagstaff	
Project title				Proposed outcome	
Commercial Strategy				To develop and implement a commercial strategy including: <ul style="list-style-type: none"> • Concluding exploration of current income generation opportunity • Identifying further options for Three Rivers Homes • Identifying opportunities for Three Rivers to become active partners in the development of the borough • A review of fees and charges. • Continue to develop commercial reporting as part of budget monitoring 	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Strategy approved and current income generation opportunity concluded.	Review of fees and charges to feed into budget setting process	Opportunities identified as part of budget process.	Agreement of Three Rivers Homes business plan	Exploitation of opportunities	Exploitation of opportunities. Update to strategy.

Project details				Project Manager: Project Sponsor: Alison Scott	
Project title				Proposed outcome	
Finance System				<ul style="list-style-type: none"> • The Council's Finance System contract is due to expire in March 2022. Work will need to progress in 2020/21 to review the current framework opportunities to renew the contract for the system. 	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Review of options and recommended procurement route.		If renewal under framework contract, contract renewed or procurement process launched.		System provision beyond March 2022 in place.	

Project details				Project Manager: Finance Manager Project Sponsor: Alison Scott	
Project title				Proposed outcome	
Team Development				<ul style="list-style-type: none"> To improve resilience within the team and provide opportunities for career development within the team, Finance will instigate a range of measures. 	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Complete mentoring and shadowing pilots and obtain feedback.	Develop a longer term framework in response to feedback received on pilots.	Implement new schemes.		Review after year 1 and continue to develop.	

Project details				Project Manager: Fraud Manager Project Sponsor: Alison Scott	
Project title				Proposed outcome	
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.	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		

Project details				Project Manager: Carl Harris 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	
2020/21 Milestones				2021/22 Milestones	2022/23 Milestones
Quarter 1	Quarter 2	Quarter 3	Quarter 4		
Awaiting agreement of Strategy to complete action plan	Awaiting agreement of Strategy to complete action plan	Awaiting agreement of Strategy to complete action plan	Awaiting agreement of Strategy to complete action plan		

2.2 Summary of Projects delivered to Watford Borough Council under Shared Service Arrangements	
Project details	Project Manager: Anne Collins Project Sponsor: Alison Scott
Project title	Proposed outcome
Fixed Asset Property System	To procure an integrated FA module that categorises all the Council's assets including leasing terms and conditions. To be jointly procured between Three Rivers and Watford.
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
Riverwell	Continue to manage and develop relationship with Kier. Develop solution for provision of multi storey car park at Riverwell.
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
Cultural Hub	Development of solution to deliver cultural hub for Watford based on Town Hall site
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
Sustainable Transport	Development of the Pyramid Site to develop a transport hub.
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
Watford Commercial Services and Hart Homes	Explore new opportunities for Watford Commercial Services and deliver a sustainable business plan for Hart Homes.

Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
Temporary Accommodation and Complex Needs	Work with Housing to delivery accommodation to meet the Temporary Accommodation Strategy, including the complex needs scheme.
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
New Hope	Provide assistance to New Hope to develop a business case to build 'The Hub'.
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
Community Facilities Review	Provide financial input into the Community Facilities Review
Project details	Project Manager: Project Sponsor:
Project title	Proposed outcome
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	28/10/2019	28/09/2019	Option for 2 years
Brokerage Services		Brokerage services	Aon	3,000	01/04/2019	31/03/2022	31/03/2021	Option for 2 years
Insurance		Computer, Liability, Motor and Property	Zurich Municipal Ltd	190,000	01/04/2019	31/03/2022	31/03/2021	Option for 2 years
		Personal Accident, Engineering and Fidelity		190,000	01/04/2019	31/03/2022	31/03/2021	Option for 2 years
		Insurance - Terrorism	Aon	6,630	01/04/2019	31/03/2022	31/03/2021	Option for 2 years
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	PSAA	50,000	01/04/2018	31/03/2023	31/03/2022	
Treasury Management Advice		Specialist Advice	Capita (Sector)	9,200	01/11/2011	Annual rolling contracts	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				
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	
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

As identified in the Risk Management Register for your Service. Simply add the information below

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

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	1/10/19	Draft	NP
2	23/10/19	Draft	GT
3	26/11/19	Final Draft	AS
		Add projects document WBC	
4	25/02/2020	Corporate Objectives, Performance Indicators and Budgets added	GG