



# ONE MEDWAY FINANCIAL IMPROVEMENT AND TRANSFORMATION PLAN

## 2024/28



*Medway*  
COUNCIL  
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# Introduction

## The Council Plan

The One Medway Council Plan sets out Medway Council's vision, ambition and priorities for the coming four years. It ensures the best outcomes for residents, businesses and communities of Medway and makes Medway a great place to live, work, learn and visit. It's more than just a set of promises. It also sets out the type of place Medway wants to be, how we'll get there and the values that will guide us there.

The plan sets out our five key priorities for the coming years:

- delivering quality social care and community services,
- benefiting from good education, quality jobs and a growing economy,
- enjoying clean, green, safe, and connected communities,
- improving health and wellbeing services for all,
- living in good quality, affordable homes.

In a climate of reducing financial resources and increasing levels of demand for our services, particularly for Adult and Children Social Care Services, Medway Council is embarking on an ambitious improvement journey, rethinking how we operate, support, and deliver high quality services to help us deliver our One Medway Council Plan in a financially sustainable way. This requires us to harness the benefits of new technologies; prioritise resources to where they are most impactful; demand the best value for money and ensure that our services are aligned with our partners such that together we achieve more.

This Financial Improvement and Transformation Plan is underpinned by a commitment to:

- Transformational change,
- Ensuring value for money,
- Financial Sustainability,
- Partnership and collaboration,
- Workforce development.

## Transformational change

Medway is committed to making fundamental changes to the way we operate, proactively seeking opportunities to harness leading edge technologies and approaches to help us deliver better, more streamlined services at lower cost, but with improved experiences for our residents. We will focus relentlessly on improving the way we work together, communicate, and engage with our community to ensure the development and retention of our excellent workforce.

Medway seeks to place itself at the forefront of local authority service delivery. Medway draws on evidence of informed practice and pilot activity from across the country to determine the most impactful activity making Medway a leading-edge provider of services.

We recognise that transformational change is challenging, however it will lead to significant improvements in performance, increased employee engagement, improved performance, and higher levels of creativity and innovation.

## Partnership and collaboration

We recognise the importance of our partners and stakeholders in ensuring the whole system can come together to meet the needs of our residents. Medway is committed to the effective co-production, communication, and collaboration with all stakeholders, improving how we work together.

We will continue to improve the way we set clear goals, foster transparency and mutual understanding, such that it facilitates whole system effectiveness and ensures the services working with our children, young people, adults and their families are jointly effective in improving their quality of life and life chances.

## Ensuring value for money

Medway Council is responsible for an annual revenue budget of £578m to deliver services and a medium-term capital budget of circa £273m for improvement to the built environment and assets in our ownership. These budgets enable the delivery of our services.

It is incumbent on the council to continue to ensure the optimum value for money in how we spend public money. We will continue to improve the way we manage and monitor the allocation, effectiveness, and quality of the services we provide whilst ensuring that efficiency and economy are maintained.

## Financial sustainability

Medway Council is operating within significantly challenging budgets. We are committed to making improvements to ensure a robust system of financial overview and governance together with a closely monitored risk management process, that enables Medway to continue to deliver within its resources whilst maintaining focus on high quality services, inclusion, and ethical business standards. The Exceptional Financial Support funding secured in early 2024 will allow the Council to make important investment to secure our long-term financial sustainability and these measures are outlined in this document.

We have listened and are taking positive steps to respond to the findings from a review of the Council's resilience published in January 2024 by The Chartered Institute of Public Finance and Accountancy (CIPFA) and we are working with central government colleagues to improve the way that long term financial and improvement plans are aligned to maximise the benefits and economies available.

## Workforce development

Our people are our most important asset, at the forefront of delivering the services our communities need. We are committed to ensuring that our workforce is skilled and qualified to provide those services and properly recognised and remunerated for the work they do with opportunities for personal development and achievement. We want Medway Council to become an employer of choice.

## Planning for our future

This plan supports the effective delivery of our One Medway Council Plan setting out the actions we will take to drive improvement and transformation into the way we deliver services to help us achieve long term financial sustainability. It complements the Medium Term Financial Plan and Risk Management Strategy and supports our Workforce Strategy setting out the ambitions and agenda for our workforce over the next four years.

*Lee-Anne*

**Dr Lee-Anne Farach**  
Director of People and Deputy Chief Executive

*A J Bryan*

**Adam Bryan**  
Director of Place



## The case for change

Change is a fact of life, whether driven by technological advances, changes in customer expectations or an evolving economic landscape. Furthermore, in an organisation as large and complex as an upper tier local authority, there is always room for improvement. However, in the case of Medway and many other local councils, that imperative has become much greater. Despite repeated calls from local government and many others, there remains no commitment from central Government to address the under-funding and structural financial inequality for local authorities and local authorities are being denied the revenue generating flexibilities necessary to navigate their own route to financial sustainability.

Local authorities are therefore being driven to change the way services are provided and in some cases reconsider whether certain services remain a priority.

Grant Thornton, in its Interim Auditor's Annual Report 2022/23 in November 2023, commented that Medway Council needs a *"realignment of priorities"*, including making *"politically unattractive decisions in the interest of the authority's future viability"*.

In their [resilience review report](#) published in January 2024, CIPFA concluded that *"Medway needs a robust, credible strategy to secure longer term financial sustainability that shows the Council is prepared to act boldly and make those politically unattractive decisions"*. The key recommendation in the CIPFA report is for Medway to *"Develop an outline recovery plan that sets out how the Council will achieve financial sustainability in future. The Council will need to:*

- *Develop a proposed plan for structural and cultural change in Adults and Children's services,*
- *Develop a plan for significant shorter-term cost reductions and income generation in the Regeneration, Culture and Environment directorate,*
- *Review capital commitments to reduce impact on revenue budget – stop, delay, mothball,*
- *Identify those assets that are no longer cost effective to maintain or can help mitigate the costs of additional borrowing."*

## Alignment with 'productivity plans'

In his statement on 5 February 2024, accompanying the Local Government Finance Settlement, the Secretary of State, Michael Gove MP, announced that *"As part of our efforts to return the sector to sustainability in the future, we are also asking local authorities to develop and share productivity plans."* These will be expected cover four main areas:

- Transformation of services to make better use of resources,
- Opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design,
- Ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants and discredited staff Equality, Diversity and Inclusion programmes – this does not include programmes designed to promote integration and civic pride, and counter extremism, and
- Barriers preventing activity that Government can help to reduce or remove.

This Financial Improvement and Transformation Plan sets out how we are responding to these challenges and address the Government's productivity plan requirements.

# Priority 1: Delivering quality social care and community services

## What does this mean?

Demographic changes, areas of high deprivation and, most recently, the cost-of-living crisis mean that more people in Medway are in need of support from care and social support services. In these challenging times we will ensure we work together with our partners to ensure we have a system that supports, protects and safeguards our children, young people and vulnerable adults. We will:

- Provide effective, targeted support for our most vulnerable residents to enable them to fulfil their potential and improve their quality of life,
- Support people of all ages to live the most happy, healthy, independent life possible, utilising assistive technologies,
- Ensure that services support children in care to thrive, fulfil their potential, build meaningful relationships and make good transitions to adulthood, so that they can live as independent lives as possible in their communities,
- Provide creative, cultural and community services and facilities across Medway that everyone can access and benefit from,
- Support our children and young people to ensure they are safe, secure and stable,
- Support all adults, including those living with disability or physical or mental illness to live independently and stay safe,
- Ensure people in Medway live independent and fulfilled lives into an active older age.

## Areas for improvement

**Adult Social Care** represents the most significant proportion of the Council's overall general fund budget and correspondingly has seen the most significant budgetary pressures. The CIPFA report referenced its benchmarking data, which *"indicates that Medway Council has historically spent less per capita on adult social care than other similar authorities, although this isn't necessarily the case for younger adults with disabilities. Nevertheless, mitigating the impending cost pressures in 2024/25 is dependent on identifying and delivering cost savings and more strategic reforms to avoid the position worsening in subsequent years."*

Measures already being taken to reduce costs in 2024/25 include:

- Actions to mitigate the recurring cost over-runs in 2023/24. The Directorate have been proactive in setting up panels to review the value for money of assessments, and a stipulation that that all care regardless of cost has to be authorised by senior management,
- Enabling social care staff to be more proactive in encouraging families to be more independent,
- Driving efficiencies in brokerage,
- Ongoing panel reviews to ensure that clients are only offered the appropriate provision to meet their eligible needs.

Over the next few years, we will transform the way we provide adult social care services in our community by investing in important structural reforms to ensure the delivery of quality services to support the most vulnerable adults in the most cost-effective way. This will include:

- Ensuring we have the right number of qualified staff to deliver our services.
- Development of a 'Care for Medway' strategy.

- Increased use of assistive technology and artificial intelligence to enable our residents to live independent lives for longer.
- A review and improvement of our commissioning arrangements.
- A review of the commissioning arrangements for young people with mental health issues. We understand that the NHS is willing to engage with a discussion about sufficiency and pressures, financial contributions, and targets but to date there do not seem to be settled protocols about joint funding.
- Better performance data to strengthen the transition arrangements from children's services to adult social care. Effective transition and budgetary control are dependent on enabling earlier reviews and plans so that cost effective arrangements can be organised from the outset.
- Sufficiency planning. A strategic review of the possibility of Medway developing a greater in-house care market to reduce the costs of external provision.
- Workforce restructuring, building in-house capacity to reduce the reliance on temporary staff.
- Reviewing the processing and timing of financial assessments to maximise income collection.
- Ensuring that all individuals are assessed under the Care Act 2014 and only eligible needs that cannot be mitigated are met through Adult Social Care.
- Ensuring that 'strength based' approaches to assessment are embedded, including an effective community led approach to demand management.
- Supporting people to live independently in their own homes for as long as possible.

In respect of our **Children's Services**, the CIPFA review concluded that: *"The financial position in Children's Services appears to have stabilised somewhat following significant overspends in prior years. Medway has made significant investment in the Children's Services budget since the service was assessed by Ofsted as inadequate though this is in the context that CIPFA's benchmarking data indicates that Medway historically spent less per capita on Children's Services than other similar authorities."*

There remains significant pressure on our Children's Services due to rising demand and the staffing establishment needs to reflect that. We will continue to prioritise effective recruitment of quality staff reducing reliance on agency support.

Medway Council has always prided itself on the wide range of community services we provide to Medway residents, from our excellent library services and community hubs to our sports centres, theatres and vibrant annual festival programme. As discretionary services, we are not required to deliver these, but we know they are greatly valued by Medway residents. We are taking steps to review how we can continue to deliver these services in more cost-effective ways.

The report makes a number of observations and suggestions to manage demand and improve throughput. These are reflected in the savings plan and other key actions below.

### Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Targeted reviews	No. of reviews planned to save circa £1.9m: <ul style="list-style-type: none"> <li>• 46 high cost supported living,</li> <li>• 107 low level supported living,</li> <li>• 37 direct payments,</li> <li>• 119 x 56 day reviews of supported living placements,</li> <li>• 344 carers direct payments,</li> <li>• 40 Section 117 funded placements.</li> </ul>	<ul style="list-style-type: none"> <li>• No. of reviews</li> <li>• Average savings per review</li> <li>• ICB funding CHC</li> <li>• Provider engagement</li> <li>• Availability of alternative provision</li> </ul>



Activity	Budget Assumptions	Critical Success Factors
Manage demand: residential	No. of residential placements: 2023/24 current 678 2024/25 draft budget 666 2024/25 final budget 648 18 placements x average savings of £1,408 x 26 weeks = circa £659,000	<ul style="list-style-type: none"> <li>No. of residential placements</li> <li>Average unit costs</li> <li>Availability of alternative provision</li> </ul>
Manage demand: supported living	No. of supported living placements: 2023/24 current 348 2024/25 draft budget 329 2024/25 final budget 321 8 placements x average savings of £1,415 x 26 weeks = £300,000	<ul style="list-style-type: none"> <li>No. of supported living placements</li> <li>Average unit costs</li> <li>Availability of alternative provision</li> </ul>
Manage demand: homecare	No. of homecare placements: 2023/24 current 1,070 2024/25 draft budget 1,033 2024/25 final budget 955 78 clients x average savings of £235 x 52 weeks = £953,000	<ul style="list-style-type: none"> <li>No. of homecare placements</li> <li>Average unit costs</li> </ul>
Brokerage placement negotiation	Negotiate 50 placements x average savings of £290 per week x average 35 weeks = circa £500,000	<ul style="list-style-type: none"> <li>No. of negotiations</li> <li>Average savings</li> <li>Market capacity</li> </ul>
Assessment beds	Use of assessment beds at Admiral Court and Amherst Court. 100 clients x average saving of £400 per week x 26 weeks = circa £1.0m	<ul style="list-style-type: none"> <li>No. of placements in assessment beds</li> <li>Average savings</li> </ul>
Intermediate care – urgent response	Funding sought from BCF – paper to future JCMG.	<ul style="list-style-type: none"> <li>JCMG agreement</li> </ul>
Assistive technology	69 units x 52 weeks x average savings of £350 per week = £1.25m	<ul style="list-style-type: none"> <li>No. of clients</li> <li>Average savings</li> </ul>
Double to single-handed care project	30 clients safely moving from double to single-handed care x average savings of £10,000 pa = £300,000	<ul style="list-style-type: none"> <li>No. of clients</li> <li>Average savings</li> </ul>
Direct payment reclaims	Audits of 250 direct payment claims x average savings of £2,000 pa.	<ul style="list-style-type: none"> <li>No. of claims audits</li> <li>Average savings</li> </ul>
Eden House	Five internal residential places, with an assumed occupancy level of 80%, with effect from April 2024. Saving 208 weeks external placements x an average weekly cost of £4,800 = circa £1.0m	<ul style="list-style-type: none"> <li>Occupancy rate</li> <li>Date of opening</li> <li>Average savings</li> </ul>
Placement cost efficiencies	25 reviews planned to save an average of £4,300 per week x 26 weeks = £2.762m	<ul style="list-style-type: none"> <li>Average unit costs per placement/ package type</li> <li>Average highest and lowest unit costs per placement/package type</li> <li>Package increases and decreases</li> <li>No. of children in care</li> </ul>
Supported accommodation - reviews	56 CYP 18+ to be reviewed. Assume 10 CYP x average saving £27,500 (6mths) = £275,000	<ul style="list-style-type: none"> <li>No. of reviews</li> <li>Average savings</li> </ul>

Activity	Budget Assumptions	Critical Success Factors
Short breaks – targeted reviews	Policy changes are expected to generate a saving of 10% against the draft budget = £100,000	<ul style="list-style-type: none"> <li>• No. of reviews</li> <li>• Total savings per child.</li> <li>• Spend to budget</li> </ul>
Transport – targeted reviews	Assume 29 reviews to be undertaken based on current numbers receiving a service to generate a total saving of £35,000	<ul style="list-style-type: none"> <li>• No. of reviews</li> <li>• Total savings per child.</li> <li>• Spend to budget</li> </ul>
Floating support – targeted reviews	Assume 40 reviews x average saving £3,000 per review = £120,000	<ul style="list-style-type: none"> <li>• No. of reviews</li> <li>• Total savings per child.</li> <li>• Contract review</li> </ul>
Family partnership programme	Working with families and diverting 4 children from escalation to proceedings and needing to be cared for by the council, and 4 children reunified with parents. 8 children x average savings £50k = £400,000	<ul style="list-style-type: none"> <li>• No. of children</li> <li>• Average savings</li> </ul>
Reunification	270 weeks x average saving of £1,000 per week	<ul style="list-style-type: none"> <li>• No. of reunifications</li> <li>• Average savings</li> </ul>
Reducing spend on external specialist assessments	Currently undertake 100 external specialist assessments per annum. Assume a reduction of 30 x average unit costs £4,666 = £140,000	<ul style="list-style-type: none"> <li>• No. of specialist assessments</li> <li>• Average unit costs</li> </ul>
Workforce savings - reduction in project teams	No. of posts in project teams: Release of the project teams consists of 22 agency social workers totalling £2.082m	<ul style="list-style-type: none"> <li>• Reduction in posts over establishment</li> <li>• Reduction in posts filled by agency</li> <li>• Reduction in agency costs</li> </ul>
Regional Adoption Agency – reduce the uplift	Budget assumes £150,000 saving against the draft budget	<ul style="list-style-type: none"> <li>• Spend to budget</li> </ul>
Transition	6 transitions to ASC x average savings £311,000 = £1.869m	<ul style="list-style-type: none"> <li>• No. of transitions</li> <li>• Average savings</li> </ul>
Increased fees and charges across a range of services, including our heritage sites, the Corn Exchange and the Central Theatre	Expected to generate additional income of around £247,000	<ul style="list-style-type: none"> <li>• Income to budget</li> </ul>
Libraries and community hubs – measures to reduce operating costs	Budget assumes a £82,000 reduction	<ul style="list-style-type: none"> <li>• Spend to budget</li> </ul>
Cease tourism service including closure of Visitor Information Centre	This is expected to save £197,000	<ul style="list-style-type: none"> <li>• Spend to budget</li> </ul>
Registration Services – income	Budget assumes £70,000 additional income	<ul style="list-style-type: none"> <li>• Income to budget</li> </ul>

## Other key actions

Key action	Responsible	Milestone dates
Strengthen the panel arrangements, through more robust case documentation and the involvement of senior officers from other services and disciplines to suggest alternative approaches and creative and innovative solutions to meet clients needs.	AD ASC	April 2024
Review of commissioning arrangements for young people with mental health issues, including a revised specification and improved contract management, when the service is reprocured.	Director of Public Health	September 2024
Agree joint funding protocols with the NHS, to ensure a fairer and more consistent allocation of costs.	AD ASC	October 2024
Develop performance metrics to support transition arrangements and facilitate improved monitoring and greater understanding of performance via oversight boards.	DPH / AD ASC	September 2024
Develop a 'Care for Medway' strategy around increased care provision, including a business case for a care home.	AD ASC / DPH	June 2024
Workforce restructuring – 'right-sizing' the division.	AD ASC	September 2024
Implement the recommendations from the review of the process for referral of financial assessments.	AD ASC	May 2024
Undertake practice audits to review a sample of all placement and package types to establish that the end package was the right outcome for the person.	AD ASC	From April 2024
Agree an updated business plan for Kyndi Ltd. with a focus on helping people to live independently in their own homes, using assistive technology, but potentially branching into other areas of service delivery.	Shareholder Board	June 2024
Embed practice audit assessments to ensure a strength-based approach has been applied.	AD ASC	From April 2024
Eden House residential provision is operational and in occupation in accordance with the planned timetable.	Head of Children's Commissioning	1 April 2024 (pending registration)
Review each child's placement package in line with the Children's Review Framework to achieve placement cost efficiencies.	Head of Children's Commissioning	Start 1 April 2024 Review: 6 Monthly End 31 Mar 2026
Strengthen the joint commissioning arrangements including securing fair funding contributions from the NHS for each child.	Head of Children's Commissioning	Start 1 April 2024 Review: 6 Monthly End 31 Mar 2026
Implement the recruitment plan and glidepath to enable the transition from using the agency project team and reduce dependency on agency staff.	Assistant Director Children's Services	Project team: Start:1 April 2024 End: 30 Jun 2024  Reduce agency dependency: Start:1 April 2024 End: 30 Dec 2025
Formulate the Integrated Hubs programme, scheduling a pipeline of projects to review satellite premises, to improve service delivery and achieve savings from property rationalisation.	AD Culture and Community	August 2024
Deliver the pilot phase of the Integrated Hubs programme in Gillingham town centre.	AD Culture and Community	March 2025

## Priority 2: Benefitting from good education, quality jobs and a growing economy

### What does this mean?

We want to give local people the best chances to reach their full potential and are committed to creating and fostering opportunities and environments where they can thrive. We will:

- Ensure all children and young people access a high-quality, inclusive education,
- Work with business partners to ensure education and skills development supports children, young people and adults to lead successful lives, and secure employment opportunities, with targeted support for the unemployed and vulnerable groups,
- Develop a strong mixed economy which provides training and work opportunities that support career development, increasing high value businesses and expanding high quality employment,
- Develop Medway's reputation as a home for creative, cultural, and green industries to support a growing economy, maximising our national recognition as a priority place for culture and heritage,
- Support the growth and diversification of business in our town centres, reflecting the importance of placemaking and regeneration.

### Areas for improvement

Following the **SEND** reforms implemented by the Department for Education in 2014, many upper tier local authorities found themselves in the position of having insufficient funding to meet the escalating cost of providing for children with SEND. By March 2022, Medway Council was carrying a cumulative deficit in a negative DSG reserve of £22.33million. In September 2022 the Council requested support from the Department for Education, through its 'Safety Valve' programme. In January 2023, Medway Council received in principle agreement, from the Secretary of State, to enter into a Safety Valve agreement, supported by additional grant of circa £14.31million, payable over four years on satisfactory delivery against key milestones.

The service was completely restructured during 2023, making significant savings. To date, regular monitoring returns to the Department indicate that the Council is on track to achieve year on year financial sustainability against the high needs block of the Dedicated Schools Grant and clear the accumulated deficit by 2026/27 as planned.

The withdrawal of the £170million Housing Infrastructure Fund and the administration's own decision to pause further investment at Innovation Park Medway has meant a number of consultants have been released, however a handful of permanent staff have been retained to continue to lead the Council's regeneration and economic development activity – developing the strategy, preparing feasibility studies and business cases and bidding for grant funding. However, it has meant that more of this cost now falls back to the revenue budget to fund.

In Autumn 2024 the new business innovation hub Ascend will open at the Pentagon Shopping Centre, providing a modern professional office space and coworking opportunities for small start-up businesses across Medway to help them grow.

During 2024 a review will take place to explore the best long-term opportunities for Innovation Park Medway to ensure the most sustainable future for the site.

## Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Implementation of route planner software to rationalise SEND transport routes.	Average annual costs for 2,203 children are currently £5,615 per child. The budget assumes this the average cost reduces to £5,491 = saving £272,400 per annum	<ul style="list-style-type: none"> <li>Average unit costs</li> </ul>
Restructure the Schools Improvement team to address inherent pressures within the service.	£441,000 pressure to be absorbed within the existing budget.	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Information Advice (IASS Education) – negotiate down the contractual uplift	Budget assumes £35,000 reduction	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Measures to mitigate the impact of the withdrawal of the HIF on the revenue budget	Budget assumes £184,000 savings	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Review of Town Centre Management costs	Budget assumes £8,000 savings	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Review of contributions to external partners	Budget assumes £65,000 savings	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Adult Education Centre – increased income	Budget assumes additional £50,000 income	<ul style="list-style-type: none"> <li>Income to budget</li> </ul>
Business rates on public conveniences	Budget assumes £24,000 reduction	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>

## Other key actions

Key action	Responsible	Milestone dates
Continue to deliver the SEND recovery plan, achieve financial sustainability and clear the accumulated deficit by 2026/27.	AD Education and SEND	March 2027
Agree joint funding protocols with the NHS.	Director of Public Health	September 2024
Commission a strategic review of SEND transport, with a view to identifying options to reduce expenditure.	AD Education and SEND	April 2024
Review development and disposal options for Innovation Park Medway and prepare a revised strategy for the site.	AD Regeneration	March 2025

## Priority 3: Enjoying clean, green, safe and connected communities

### What does this mean?

The places where we live affect our health, well-being and happiness, and residents young and old often tell us that safety and cleanliness in Medway are their priorities. We want to ensure residents can enjoy well connected and sustainable travel system across Medway. We will enable increased walking and cycling networks and work with partners to ensure an integrated, accessible, safe and sustainable public transport system across Medway and beyond. We will:

- Create child-friendly communities, which ensure all people in Medway will feel safe and live free from harm and abuse,
- Celebrate the individuality of each town centre, ensuring services, events and activities reflect and support the diverse communities of Medway,
- Provide improved opportunities to walk, cycle, use public transport and electric vehicles, reducing carbon emissions and improving air quality,
- Engage Medway's residents in ensuring Medway is clean and well maintained. Protect and enhance Medway's river, green spaces and environmental assets as a means of effectively tackling climate change,
- Develop and facilitate easy-to-use and simple digital solutions for residents to access services and engage with the public sector.

### Areas for improvement

The CIPFA report concluded that: *"Our perception is there has been an historic focus on Regeneration Culture and Environment, including place related activities... This is where many of the politically unattractive decisions lie. Without negating the value of these services to the residents of Medway, it is time to reconsider priorities and how they are delivered"*.

The administration has acknowledged this and the 2024/25 budget reflects some of those politically unattractive decisions. However, this plan and indeed the agreed budget for next year also seeks to protect those place-based services, including many non-statutory services, which are so important to the people of Medway. It is also true that some of the decisions that need to be made, would not have an immediate impact on next year's budget anyway and significant work needs to be undertaken to consider options, understand the implications and plan the changes necessary to deliver improved services and increased value for money.

To make the required savings, whilst still maintaining a level of investment in our highways, it was necessary to look at maximising the revenues generated from parking and within our Highways and Integrated Transport services. The introduction of cameras in order to enforce moving traffic offences, the introduction of red routes and enforcement outside schools are all designed to improve safety, meet climate change objectives and generate additional income to maintain investment in our highways.

Following a number of years during which car parking charges had been frozen, the Council has reviewed many of its fees and charges to bring them in line with other local authorities across Kent and more widely and to maximise the revenues generated from this activity. New initiatives including school streets and red routes are being rolled out using new technology to keep Medway's residents safer and keep traffic moving.

A waste strategy will be commissioned, to review our processes. There are opportunities to collect, store, transfer and recycle differently and new technologies that could have implications for our collection fleet, 'waste to energy' and potential for income generation. A fundamental review of our environmental services could impact residents' behaviour and contribute towards meeting Medway's wider climate change ambitions.

Our green spaces are managed and maintained by Medway Norse under a service level agreement and improvements to green spaces, play parks etc. tend to be reliant on Section 106 contributions. All of the Council's contracts with Medway Norse expired in June 2023. Negotiations are ongoing around a five-year extension and whilst a revised specification and contract have not yet been agreed, a 'letter of intent' has been exchanged.

### Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
'Safer, Healthier Streets' – highway enforcement cameras	Full year effect of scheme, expected to generate an additional £954,000	• Income to budget
Increased activity – street works	£110,000 increase based on increased activity	• Income to budget
LED street lighting – energy savings	£550,000 based on revised consumption	• Spend to budget
Highways income – additional income, including lane rental scheme	£40,000 increase in income	• Income to budget
Carriageway and footway patching – reduction in planned work	£580,000 reduction planned	• Spend to budget
Restructure of the Highways team	Expected to save circa £90,000	• Spend to budget
Use of commuted sums to fund surface drainage works	Expected to use £286,000 of commuted sums	• Income to budget
Private Contract Asset Management	Budget assumes £14,000 reduction	• Spend to budget
Salt bin replacement – review criteria	Budget assumes £13,000 reduction	• Spend to budget
Parking fee increases and removal of free parking on Monday	Budget assumes increases of around 50p per hour to generate £1.3m	• Income to budget
Increased revenue from penalty charge notices	£41,000 increase based on current revenues	• Income to budget
Festive decorations – seek continued sponsorship	Budget assumes £60,000 income	• Income to budget
Reduced events programme, including removal of some one-off budgets	£141,000 reduction in budget to reflect a reduced programme	• Spend to budget
Green spaces maintenance budgets	Budget assumes £70,000 reduction	• Spend to budget
Introduce parking charges at our country parks	Budget assumes a net income of £88,000 per annum	• Income to budget

### Key actions

Key action	Responsible	Milestone dates
Commission a comprehensive waste strategy to identify and appraise options and develop a future plan for the service.	DD Front Line Services	September 2025
Deliver the phased acquisition of a new collection fleet (£17m capital, funded from borrowing).	DD Front Line Services	March 2026
Conclude negotiations with Medway Norse regarding a revised specification and SLA for core facilities management and green spaces.	AD Regeneration	June 2024

## Priority 4: Improving health and wellbeing for all

### What does this mean?

Central to our vision of enabling people to thrive and realise their potential is improving the health and wellbeing of people who live and work in Medway. We will:

- Empower people to achieve good health and wellbeing through prevention, with access to local activities and services that will enable and support them to lead independent, active and healthy lifestyles,
- Support families to give their children the best start in life,
- Work collaboratively to grow participation year on year in recreational play, sport and physical activity as a means of promoting improved physical and mental health and wellbeing,
- Work in partnership with communities and organisations to address the issues that negatively affect health and wellbeing, making sure everyone has the opportunity to live long, healthy lives.

### Areas for improvement

Our goal is to promote and improve health and well-being, giving our residents the opportunity to lead healthy, fulfilling and independent lives for longer, whilst knowing that they can connect to the right support at the right time. We recognise that access to health and care services and support is important, but we also know the challenges we face in Medway with areas of relatively high deprivation. Inequality undoubtedly affects people's health, evident in the varying life expectancy across different wards in Medway. We aim to tackle these inequalities through our work and important initiatives now underway in Medway, including signing up to become a Marmot city and a major project focusing on tackling the wider determinants of health, for example employment, education, transport and community networks. Working in partnership with our health services and key health partners to tackle these challenges will be a key priority for us in the coming years.

### Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
New Cozenton Park Sports Centre – measures to reduce operating costs	Budget assumes a reduction in pressure by £200,000 (from £500,000)	<ul style="list-style-type: none"> <li>• Spend to budget</li> </ul>
Reduction in concessionary leisure centre fees and free swimming	This is expected to generate additional income of £218,000	<ul style="list-style-type: none"> <li>• Income to budget</li> </ul>
Lordswood Leisure Centre – remove subsidy completely	Budget assumes a £20,000 reduction	<ul style="list-style-type: none"> <li>• Spend to budget</li> </ul>

### Other key actions

Key action	Responsible	Milestone dates
Develop further proposals to reduce overhead costs for the Council's leisure services, through capital investment and grant funding.	AD Culture and Communities	March 2025



# Priority 5: Living in good-quality, affordable homes

## What does this mean?

Through our Local Plan we will ensure that we provide the right types of homes in the right places for our growing communities and, in the coming years, will work with developers to ensure we get this right. We will also ensure we assist people with specific accommodation needs including older people, people with disabilities, people needing specialist support and those who find themselves homeless. We will:

- Increase the supply of good quality, energy efficient and sustainable homes that reflect the needs of the communities in Medway,
- Implement a Local Plan which reflects the needs of the communities in Medway, supporting a transition to a low-carbon future promoting affordable, energy efficient and sustainable homes,
- Assist people with specific accommodation needs including older people, people with disabilities, people needing specialist support and those who find themselves homeless,
- Engage with communities to identify ways to improve streets, parks and local surroundings which create vibrant places to live and enhance the quality of people's lives,
- Ensure the council's housing stock is good quality, efficient, free from damp and mould and tenants are at the heart of decision making.

## Areas for improvement

The 'cost of living crisis' has led to a significant increase in the numbers of families presenting as homeless and the demand for affordable housing is also rising steeply. We will be making significant investment to tackle the rising costs of temporary accommodation in the coming years including a £42million investment purchasing around 150 properties that will be used to provide temporary accommodation to reduce reliance on the private rented sector which is costly and can be volatile. This builds on a pilot programme of purchasing 20 homes which was agreed in January 2023 and will be funded through prudential borrowing. We will also increase the number of long-term leased properties on our books and set up our own letting agency to help prevent the need for people to access temporary accommodation in the first place.

In February 2024 the Council set out its timetable for the delivery of the Local Plan, committing to the submission of the Draft Plan for independent examination in June 2025. Further consultations take place in June 2024 and January 2025 ahead of submission.

## Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Temporary accommodation strategy: <ul style="list-style-type: none"> <li>• Purchase 150 units</li> <li>• Lease 150 units</li> </ul>	Net cost of placement is circa £10,000 per annum. Achieve additional 25 instances of prevention or transition to cost neutral accommodation per month. Net saving of £1.5m	<ul style="list-style-type: none"> <li>• Spend to budget</li> <li>• No. of purchases</li> <li>• No. of leases</li> <li>• Average unit costs</li> </ul>
Restructure of the Housing team	Expected to save circa £26,000	<ul style="list-style-type: none"> <li>• Spend to budget</li> </ul>
Homelessness Grant - increase	Budget assumes £400,000 increase	<ul style="list-style-type: none"> <li>• Income to budget</li> </ul>
Increases in planning fees	Expected to generate additional income of around £240,000	<ul style="list-style-type: none"> <li>• Income to budget</li> </ul>

## Other key actions

Key action	Responsible	Milestone dates
Deliver the Local Plan.	AD Culture and Communities	Regulation 18 by June 2024 Plan submission by June 2025
Widen public consultation with communities, through greater use of online engagement to reach more people and hear more views.	CIO	June 2024
Deliver current HRA capital programme – 30 additional units per annum.	AD Culture and Communities	March 2025
Set-up a Council owned lettings agency to manage property on behalf of private landlords.	AD Culture and Communities	July 2024
Agree an updated business plan for Medway Development Company Ltd. to plan the pipeline of projects beyond Garrison Point and Chatham Waterfront, potentially including Mountbatten House, Strood Civic Centre and the former Debenhams building.	Shareholder Board	June 2024

## Our strategic support services

### Areas for improvement

Over many years, successive administrations have understandably prioritised Medway’s front line and statutory services over the strategic support services delivered within the Business Support Department.

In terms of financial management, the CIPFA report notes *“that Medway has well established financial management processes that result in detailed reports to the Cabinet and to the Council as a basis for decision-making. Grant Thornton, Medway’s External Auditor, note in their Interim Auditor’s Annual Report 2022/23 (dated November 2023) that the overspend in 2022/23 and forecast overspend in 2023/24 have been predominantly driven by rising costs and demand for Children and Adult Services but that in other areas of the business reasonable budget processes are in place”*.

We will be acting on CIPFA’s recommendation to increase frequency of financial review and forecasting to give us more ‘in-flight’ information during the course of the financial year and to be more flexible at this time of very challenging finances and investment will be made in the Finance team to resource it for a more frequent monitoring and reporting cycle, together with enhanced monitoring of savings plans.

Many of the actions in this plan relate to recruiting, retaining, restructuring, “right-sizing”, developing and rewarding our staff. These aims can only be achieved with a strong and effective Human Resource function and one that is focused on engendering the right organisational culture and we will be strengthening our team to ensure that we can support the effective recruitment, development and retention of our workforce.

The Finance and Business Improvement (FBI) divisional plan for 2024/25 focuses on four priorities:

- Sustainable finance,
- Supporting delivery of this plan,
- Attracting, retaining and developing an effective workforce,
- Performance, assurance, risk and governance.

## Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Schools' HR and payroll services - either full cost recovery or cessation of the service	Full cost recovery £263,000	<ul style="list-style-type: none"> <li>Net spend to budget</li> </ul>
Agree a contract with a single contractor for the delivery of training	Expected to address the £154,000 pressure	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Community Interpreting to deliver a net surplus	Budget assumes a net surplus of £100,000 per annum	<ul style="list-style-type: none"> <li>Net income to budget</li> </ul>
Restructuring of FBI division	Savings plan assumed £120,000 savings, however see 'other key actions' below	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>
Reduction in Mayoral support budgets	Reduction of one car and associated driver time saving circa £20,000	<ul style="list-style-type: none"> <li>Spend to budget</li> </ul>

## Other key actions

Key action	Responsible	Milestone dates
Consult with directorate management teams to ascertain support requirements and devise a structure for the FBI division that provides for this (£1m additional budget available).	Chief Operating Officer	April 2024
Carry out a self-assessment of Medway Council's financial management against the CIPFA Financial Management Model.	Chief Finance Officer	June 2024
Develop a set of tools to support the organisation to prepare business cases and conduct investment appraisal.	Chief Finance Officer	June 2024
Develop a quarterly 'Financial Resilience Report' to provide a more comprehensive picture of the Council's financial health.	Chief Finance Officer	September 2024

## Improving the customer experience

We want to make it as easy as possible for local people to deal with the Council whether they are applying for social care support, paying council tax, applying for parking permits or reporting fly tipping. Our ambitious transformation programme will involve redesigning the user journey our residents take to when wanting to contact us and using the latest technologies to make it as simple as possible to use. We will adopt a corporate platform with building blocks that can be used across a range of services, which will:

- Create consistency across different Council services,
- Ensure all forms have the same functionality,
- Allow services to be "joined up" – e.g. if applying for disability benefits a blue badge can be provided without customers having to complete another form,
- Rationalise the number of forms packages,
- Provide an end-to-end, simplified and digitalised, process design,
- Keep Council staff and customers updated on progress at each stage of the process.

The 2024/25 budget builds the Business Change team back into the base and also provides for £3.0million of investment over a three-year period to deliver this programme and the associated transformation.

## Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Deliver the technology and transformation road map.	£2.15m in 2024/25, increasing to annual savings of £7.0m by year 3	<ul style="list-style-type: none"> <li>• Agreed savings plan</li> <li>• Reductions to service budgets</li> <li>• Buy in from services</li> <li>• Capacity and capability to deliver</li> <li>• Delivery of agreed savings</li> </ul>

## Other key actions

Key action	Responsible	Milestone dates
Consult with directorate management teams to design and develop a Transformation 'Road Map', including detailed investment plans, timelines for each project and agreed savings targets. This road map will need to consider the capacity and resources required to deliver all projects within the Financial Improvement and Transformation Plan.	Chief Info. Officer	June 2024
Create programme management and governance methodologies to successfully manage the Transformation 'Road Map', as well as manage and coordinate the various projects and workstreams within the Financial Improvement and Transformation Plan.	Chief Info. Officer	June 2024
Medway 2.0: Develop a resident focused 'Report It' process, creating new ways of working and utilising new technologies.	Chief Info. Officer	June 2024
Create a programme to identify and establish a single, corporate platform to present a 'single view of the resident.	Chief Info. Officer	June 2024
Develop 'Ward Dashboards' to provide a single view of activity in each ward. This will follow completion of the 'Report It' process.	Chief Info. Officer	June 2025
Define a plan to combine 'Service Request' and 'Service Delivery' into a single, simple, process carried out by staff at the first point of contact, supported by the application of technology to make better use of resources.	Chief Info. Officer	September 2024
Working in collaboration with services, review 'front door' demand management within Adult Social Care, Education and SEND, and Housing to ensure processes and signposting are effective. This action will also encapsulate the Integrated Hubs Project to better manage face-to-face demand.	Chief Info. Officer	September 2024
Identify 2 distinct website platforms (Functional and Commercial) to better meet resident and business needs. The long-term aim will be to rationalise all Council websites into these platforms to improve accessibility, governance, and income generation for commercial services.	Chief Info. Officer	June 2024
Carry out a review of administration tasks across the Council with a view to centralising / harmonising service practice and apply technology to automate processes wherever possible.	Chief Info. Officer	September 2024
Develop a programme of projects to take advantage of advances in technology and make better use of data to inform decision making and service design, specifically targeting supporting families, establishing a single view of debt, reviewing single person discount entitlement errors, and homelessness risk factor analysis.	Chief Info. Officer	June 2024

Key action	Responsible	Milestone dates
Establish an effective platform to manage the internal communications around the Financial Improvement and Transformation Plan and the Transformation Road Map, in consultation with Comms and HR.	Chief Info. Officer	June 2024
Agree the timetable for review of progress and priorities, including DMTs, CMT and Cabinet.	Chief Info. Officer	June 2024

## Maximising our revenues

### Local government funding

The documents published alongside the settlement for 2023/24 stated that: *“The government had previously committed to carry out a Review of Relative Needs and Resources and a reset of accumulated business rates growth. Whilst we can confirm that these will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament”*. The documents published alongside the settlement for 2024/25 again reiterate that message, however in the meantime Medway Council’s Core Spending Power per head of population places it amongst the very lowest funded local authorities under the current arrangements to distribute national funding, despite relatively high levels of deprivation compared to other councils in the South East. In the absence of any realistic prospect for significant change in grant funding from central government, the Council has to look to maximising other sources of income if it is to avoid having to resort to providing only the minimum levels of statutory services.

### Council tax

In addition to increasing council tax by the maximum allowable under referendum rules (just under 5%), the Council also agreed some ‘invest to save’ measures designed to increase council tax yields. This includes increasing capacity within the Council Tax and Business Rates team to proactively review single person discounts and other exemptions being claimed and to carry out routine property inspections to ensure completion notices are issued as soon as practicably possible. The budget also assumes that by strengthening the Debt Recovery team and investing in ‘low-income family tracker’ software to support the work of the Benefits and Financial Welfare team, households which are struggling to pay their debts can be identified and supported and in so doing, increase the Council’s collection rate.

The Council has also agreed to apply pending legislation to maximise the premiums chargeable on empty property. As well as generating additional revenue for the Council, it will act as a deterrent to prevent homes being left empty and encourage them being brought back into use.

### Business rates

When debtors are taken to court for non-payment, the Council can apply for reasonable costs with the amount subject to approval by the Magistrates Court. Medway’s court costs have been set at £80 for both business rates and council tax since 2011 and the 2023/24 budget includes an income target of £1.1million in respect of court costs. This sum no longer represents a recovery of the true cost to the Council of the court action and Medway’s current cost is also well below the level awarded by the other Kent local authorities. It is proposed to increase these costs to £120.

During 2023/24 the Finance team funded an £8,000 contract for specialist advice to validate the collection fund statutory returns. This advice led to adjustments in the level of bad debt and appeals provisions

which meant the Council will receive £495,792 additional top-up grant in each of the financial years 2023/24, 2024/25 and 2025/26. This contract will ensure that no future opportunities will be missed.

### Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Proactively review single person discounts and other exemptions	Percentage of accounts with SPD: 2023/24 current 31.61% 2024/24 final budget 30.00%	<ul style="list-style-type: none"> <li>Percentage of accounts with SPD</li> </ul>
Strengthen Debt Recovery team to improve council tax collection	Bad debt provision: 2023/24 £9.733m 2024/25 final budget £9.037m Council tax in-year collection rate: 2023/24 current 87.66% 2024/25 final budget overall 97.6% - in year 94%	<ul style="list-style-type: none"> <li>Reduction in bad debt provision</li> <li>Improved collection rate</li> </ul>
Increase the number of completion notices	No. of notices issued: 2023/24 NDR = 0, Ctax = 10 2024/25 final budget Target TBC	<ul style="list-style-type: none"> <li>No. of notices</li> <li>No. of additional council tax bills</li> </ul>
Charge 100% premium for long-term empty properties after one year rather than two	100% premium 12-24 months: 341.22 Band D equivalents x £1,754.69 = £598,735	<ul style="list-style-type: none"> <li>No. of properties</li> <li>Average charge</li> </ul>
Removal of 3 month discount for empty (class C) and uninhabitable (class D) discounts	Class C: 615.33 band D equivalents x £1,754.69 = £1,079,713 Class D: 46.22 band D equivalents x £1,754.69 = £81,102	<ul style="list-style-type: none"> <li>No. of properties</li> <li>Average charge</li> </ul>
Increase court costs chargeable in the event of recovery action	Income receivable: 2023/24 current circa 13,750 x £80 2024/25 final budget 13,750 x £120	<ul style="list-style-type: none"> <li>Income to budget</li> </ul>

### Benefits and financial welfare

The financial outlook for many of Medway's households is very challenging, with inflation, energy costs, rent costs and mortgage rates all projected to continue to rise and the combined impact likely to drive up demand for services and reduce the ability of individuals and businesses to meet their liabilities including council tax, business rates, rent and social care contributions.

The Council's Benefits and Financial Welfare Service has been developed in recent years to provide the best possible support, including working to ensure residents are accessing all financial support they are entitled to and maximising the use of grant funding schemes to support the most vulnerable in Medway. Collaborative working, training and support through an in-house service is working to reduce duplication, deliver cost savings and better serve residents.

The team now delivers a wide range of welfare services and supports and improves the Council's budget position as follows:

- Using the Household Support Fund to support the work of council services including Housing, Adult Social Care and Children's Services, maximising the effectiveness of the fund and ensuring we are able to help residents most in need.
- Contributing to Corporate Finance Panels to ensure that benefit take up and grants are maximised to reduce the burden to the Council's budget.

- Making use of discretionary funds to prevent homelessness through working with our Housing team.
- Supporting residents to maximise and correctly budget their income to enable them to pay their rent and council tax and thereby maximise both resident and Council income.
- Supporting the Supported Housing Improvement Programme which is funded through a successful bid with DLUHC and is working to reduce the budget pressure placed by the constraints of Housing Benefit subsidy.
- Renegotiation of the Macmillan contract to be 100% funded by Macmillan, thus reducing the cost to the taxpayer.

## Workforce Strategy

### Workforce 2028

With a competitive and unpredictable labour market and an ageing population, the Council faces challenges to ensure our workforce is stable now and for the future. Effective strategic workforce planning will ensure that we recruit and retain the right number of people with appropriate skills, qualifications, and experience; reducing reliance on locums and ensuring we can fulfil our commitment to the community we serve.

We will:

- Strengthen our employee offer, through a longer term pay and reward strategy, and capability development as well as focused activity to address the pay gaps, i.e. ethnicity/gender/disability,
- Transform the way we recruit through attraction, onboarding and engaging, reviewing our end-to-end recruitment processes,
- Improve talent identification and management through using talent management tools,
- Map and better understand the workforce to support an agile approach to future service needs, using skills, actively encouraging progression, increasing retention and on-going review of all benefits.

Over the period of our Workforce Strategy (2028), we will review our pay approach and keep an ongoing focus on strategic workforce planning, through improved business intelligence, regular review and market positioning.

### Key actions

Key action	Responsible	Milestone dates
Agree on the methodology and tools the council will use to undertake workforce planning.	COCO	June 2024
Strengthen workforce planning with data management, directorate partnering and engagement with teams to ensure resourcing requirements are met.	COCO	December 2024
Complete review of the MedPay to align roles within the competitive market and to enable career progression and retention.	COCO	Ongoing per project plan
Align talent management with strategic workforce planning which will facilitate staff development, upskilling for service needs and future proofing for the future.	COCO	Q1 CMT Q2 SM Q3/4 all others
Identify future skills requirements to meet the changing needs of the council and the digital environment through engagement and partnering with services on a regular basis.	COCO	December 2024
Reduce staff turnover from 17% to 10% through better on-boarding, more competitive pay and career progression.	COO	March 2026



Key action	Responsible	Milestone dates
Review our internal recruitment process and their interaction with external process to improve the process and ensure timely placement of staff and a better onboarding experience, including a induction review.	COCO	Q1 review Q2 data Q3 induction
Refresh the Recruitment Strategy and track data to inform decisions on staff hiring and channels to market.	COCO	Q1 EMC Q2 Implement
Implement Recruitment training with a work towards value-based recruitment.	COCO	Q3/4

## Developing our people

The Council strives to create a work environment in which staff are enabled to perform to the best of their abilities in support of the provision of a high-quality public service. The role of the manager is vital to improving the performance of the business area and of the individual staff members.

We will ensure that line managers and leaders have the right tools in the form of policies, procedures, guidance and skills, through effective learning, development, and training. We will support them with expert HR advice and assistance to lead people and manage change effectively.

We will:

- Provide focused leadership development programmes so people can lead collectively and are led effectively, with change managed well.
- Strengthen line management capability to ensure monthly performance management and career conversations are taking place; empowering our people to develop and grow.
- Ensure fair access and better signposting to quality and timely learning and development opportunities for all.
- Build our early talent pipeline, by working with the community on work experience, internships, and apprenticeships.

Managers at all levels will develop a stronger collaborative management culture by recognising and modelling good people management practices enabling the creation of a high performing work environment with the right conditions for dealing effectively with underperformance.

### Key actions

Key action	Responsible	Milestone dates
Develop a modular programme based on a defined People Manager role - operational and strategic.	COCO	Q1 operational ongoing Q2 strategic
Review and re-design performance and career conversations.	COCO	Q1
Review the Learning and Development Strategy and action plan to align with new pay approach.	COCO	Q2
As part of the MedPay review, services who onboard to conduct skills audits of service areas to identify gaps and single points of failure to enable succession planning and future proofing.	COCO/SMs	Q1 CMT Q2 SM Q3/4 all others
Develop and provide appropriate and timely attendance/absenteeism, grievance/disciplinary, probation/capability reporting, and case conferencing, to enable managers to deal with personal management issues.	COCO	Q3



Key action	Responsible	Milestone dates
Evaluate and analyse all learning undertaken to inform future planning, design and delivery, to ensure value for money for all L&D expenditure and to monitor outcomes for service areas.	COCO	Q1

## Engagement, Reward and Wellbeing

The engagement strategy is guided by feedback received from staff and the Council is committed to listening to staff and fulfilling the commitments identified in the Engagement Strategy and the Equality, Diversity and Inclusion Strategy which will build and promote greater engagement and equality and support inclusion.

We will:

- Embed our HR offer to support and address inequality and fairness,
- Continue to implement feedback loops as an engagement tool to nurture an environment where people feel listened to, and valued,
- Enhance our onboarding experience, striving to be an employer of choice within our community,
- Work together on a set of common behaviours that allow us to live our values every day and express our sense of personal responsibility and pride working at Medway Council.

### Key actions

Key action	Responsible	Milestone dates
Promote the participation in, and address the outcomes of, the Employee Engagement Survey annually via the Employee Engagement Strategy and action plan.	COCO	Q3
Develop a framework to promote well-being and support staff in the areas of physical health, mental health and emotional health.	COCO	Q2
Implement new employee benefits to build on our offer and promote current benefits to increase awareness and usage.	COCO	Q2
Consider employee preferences for recognition at both corporate and directorate level with a view to implementing a recognition strategy that are welcomed and valued by employees.	COCO/SMs	Q2 CMT Q3 EMC/SM Q4 all
Develop and provide appropriate and timely attendance/absenteeism, grievance/disciplinary, probation/capability reporting, and case conferencing, to enable managers to deal with personal management issues.	COCO	Q3
Develop an effective communication and stakeholder engagement plan to embed the new values and shape our culture going forward.	COCO	Q1
Develop a framework and action plan to promote and support equality, diversity, and inclusion in the workplace, first focus on ethnicity.	COCO	Q2

# Our corporate property strategy

## Areas for improvement

The Council's property portfolio is an important asset, however running costs and maintenance also represent a significant liability. If these costs do not adequately justify the benefits, then the individual assets need to be reviewed with a view to either using them differently or disposing of them.

In recommending what the Council ought to do to address the shortfall in the revenue budget the CIPFA report said: *"The Authority needs to determine what assets it might sell and how it might scale back its capital programme to reduce the cost of borrowing"*. However, in outlining the action necessary for the Council to achieve financial sustainability in future, it also suggested that the Council should: *"review capital commitments to reduce impact on revenue budget – stop, delay, mothball"* and *"Identify those assets that are no longer cost effective to maintain or can help mitigate the costs of additional borrowing"*.

CIPFA acknowledged that: *"Medway is solely focusing on opportunities within Medway's boundary and which are consistent with Medway's regeneration ambitions. Such investments are not for purely commercial gain."* This is important, as those authorities that have found themselves in the most significant financial difficulties are those that have aggressively pursued commercial investments.

The Council also spends a significant amount on its operational property portfolio. Whilst the decision has been made to invest in our corporate headquarters, this is being done in parallel with a review of our wider operational estate with a view to rationalisation. The headquarters building will eventually need to be used more effectively and an Integrated Hubs project is being undertaken with the aim of delivering better, more integrated council services from fewer, better quality buildings. This project will also involve our partners in the NHS and other public services, all of whom are pursuing similar agendas.

The team has also been looking at how best to maximise the income from the Council's existing estate, to mitigate the pressure in respect of the current income targets. There is strategy for the first floor of the Pentagon Centre and rent reviews are being conducted across the entire portfolio.

## Savings plan and critical success factors

Activity	Budget Assumptions	Critical Success Factors
Charging project management costs to the capital programme	Budget assumes £224,000 recharges	<ul style="list-style-type: none"> <li>Recharges to budget</li> </ul>
Increase rental income from the Pentagon and other properties in the Council's portfolio	Budget assumes additional income of £488,000	<ul style="list-style-type: none"> <li>Income to budget</li> </ul>

## Key actions

Key action	Responsible	Milestone dates
Prepare a Corporate Property Strategy.	AD Regeneration	June 2024
Identify a list of surplus assets, which no longer provide benefit or value to the Council or its residents and produce a plan for their repurposing or disposal.	AD Regeneration	June 2024
Formulate a plan for the future of the Pentagon Centre.	AD Regeneration	June 2024
Deliver the £22million improvements to Gun Wharf, through the capital programme.	AD Regeneration	March 2026
Formulate a plan to maximise the use of our reconfigured headquarters – more public facing, more collaborative space and repatriate services from MHS Broadside, the Council Chamber and 'the bunker' in Strood.	AD Regeneration	June 2024

# Procurement and commissioning

## Areas for improvement

The council has an annual revenue budget of £578m for the delivery of services and a medium-term capital budget of £273m for improvement to the built environment and assets in its ownership. The overwhelming proportion of these budgets are allocated to the delivery of services following a procurement exercise.

Whilst many of the funding streams are ringfenced for the delivery of specific outcomes such as public health grants or planning contributions (known as S106), with more holistic planning and imaginative procurement, relatively modest gains in efficiency could reap significant financial mobility for the council.

Our procurement cycle is into three segments – Strategic Planning, Procuring Services and Monitoring and Evaluation. Procuring Services is often seen as the ‘core’ procurement function, focussing on compliance and governance within the associated rules and regulations. In future we will put a greater emphasis on ‘Strategic Planning’ as well as the ‘Monitoring and Evaluation’ to be able to fully leverage significant financial sustainability. Simply put, strengthened consistent and meaningful forward planning and officer engagement could open significant new opportunities.

### Strategic Planning

Far too often the organisation relies on ‘reactive procurement’. Anecdotal evidence suggests that a lack of forward planning over the medium term in relation to procurement opportunities coming up hinders capacity to explore new options and more creative solutions for achieving outcomes in different ways. We will put greater emphasis on planning all procurement and commissioning with comprehensive Forward Procurement Plans, which in turn allows us to create Strategic Sourcing Plans (long term contractual aspirations of grouped goods/service/works). By creating more breathing room, earlier visibility and wider engagement, more collaborative work could be undertaken to not only see connections but make new ones and seek the markets input to develop new solutions.

### Procuring services

Market engagement is often an overlooked initial stage of the procurement cycle due to blinkered thinking and compressed timelines. Early engagement would provide an opportunity for officers to take a more systematic approach for the challenges officers are seeking to address. With a greater focus on goals, purpose, and outputs through market engagement there could be a step change shift to defining specifications that are open ended, facilitate supplier innovation, and require proper contract management to be successful.

### Monitoring and evaluation

Properly designed and implemented contract management frameworks incorporating objectively verifiable indicators (OVI) must become the bedrock to determine performance and scrutinise value for money / outcomes. An honest critical friend relationship with our partners is not possible without explicit goals, OVIs and regular structured monitoring. These would give contract managers the tools to measure the journey travelled towards the goal. To get to a different destination we need to undertake a different journey.

## Key actions

Key action	Responsible	Milestone dates
Provide training to officers undertaking procurement on the revised requirements.	AD Legal and Governance	July 2024
Update template documents to capture revised requirement.	AD Legal and Governance	July 2024
Service managers to file forward plans of procurement activity for the next 5 years.	AD Legal and Governance	September 2024
Produce Strategic Procurement Plan.	AD Legal and Governance	December 2024
All specifications must be output based, contain objective KPIs and targets.	AD Legal and Governance	September 2024
Revise contract management guidance and provide training on centralised reporting system.	AD Legal and Governance	June 2024
Contract managers are required to report centrally on their partners performance.	AD Legal and Governance	September 2024

## Corporate governance

### Areas for improvement

The CIPFA report includes a section on governance and culture and concludes that: *“Whilst there was a change in the control and leadership of Medway Council in 2023, there continue to be robust and clear governance arrangements”*. It also again cites the auditor’s opinion, remarking that: *“The annual review by Internal Audit for 2022-23 confirmed that the Council’s Local Code of Corporate Governance is operating effectively and that Medway Council’s framework of governance, risk management, and system of internal control were sufficient and effective and contributed to the proper, economic, efficient, and effective use of resources in achieving the council’s objectives.”*

Having said that, it is clear that there are issues for the Council to address if it is to deliver a comprehensive improvement programme and set a course towards financial sustainability. The report starts by saying: *“It is not especially clear from our document review how the financial plans set out in the Medium-Term Financial Outlook for 2023-2028 align with the Council’s strategy and associated plan for 2023-24 and the latter make no reference to the financial challenges facing the Authority.”*

The new administration has committed to being more transparent in its decision making and to consulting widely. The role of scrutiny must be strengthened and many of the Council’s policies are due a refresh. There needs to be a clearer, more consistent approach to project management and a robust set of tools for developing business cases and conducting options appraisal. Finally, this plan gives us an opportunity to strengthen the role of Internal Audit.

## Key actions

Key action	Responsible	Milestone dates
Prepare a revised Council Plan to be agreed by Council at the annual meeting in May 2024.	COCO	May 2024
Conduct a fundamental review of the Council’s approach to performance monitoring and reporting.	COCO	Q1 2024/25

Develop a corporate suite of data, to inform the assumptions that underpin our financial plans, service plans, the Council Plans and all of the Council's key decisions – 'one version of the truth'.	CIO	June 2024
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## Monitoring and assurance

This Plan will be monitored by the Council's Corporate Management Team to ensure continuous progress and completion of agreed workstreams.

Internal Audit will provide continuous independent assurance of plan delivery by validating the work undertaken in respect of key actions, to ensure it has progressed/been completed as agreed, before being signed off as complete.