

**Cabinet Sub-Committee**  
**(Kyndi Ltd Shareholder Board)**

**26 September 2024**

**Financial Monitoring Q1 2024/25**

Portfolio Holder: Councillor Teresa Murray, Deputy Leader of the Council

Report from / author: Phil Watts, Chief Operating Officer (Section 151 Officer)

**Summary**

This covering report introduces the first quarter's financial monitoring for Kyndi Ltd. under new governance arrangements established earlier this year. A summary of the financial forecasts provided by the company is attached as an appendix.

**1. Recommendations**

1.1. The Sub-Committee is asked to note the contents of the report and its appendix.

**2. Suggested reasons for decision**

2.1. In order to fulfil its role as shareholder, on behalf of the Council, the Sub-Committee must be apprised of the financial performance of the company.

**3. Budget and policy framework**

3.1. Medway Council is the sole shareholder of Kyndi Ltd. and its subsidiaries, with the exercise of the shareholder's powers and responsibilities being an executive function of the Cabinet. Cabinet has delegated these powers and responsibilities to this Cabinet Sub-Committee.

**4. Background**

4.1. At its meeting on 24 November 2015, the Cabinet agreed the business case for the establishment of a 100% Council owned trading company to deliver the services provided by the Council's control centre, including the CCTV partnership, telecare and out-of-hours services on a commercial basis.

4.2. The company was incorporated in December 2015 and has now completed its eighth full year of trading, although the company's name was changed to Kyndi Ltd. in March 2021.

**5. Key points to note**

5.1. The Strategic Plan for the company was approved at the Shareholder Sub-Committee meeting held on 11 June 2024. This included financial projections for the three years 2024/25, 2025/26 and 2026/27, against which financial performance is monitored.

5.2. The attached appendix represents an overview of the forecast position provided by the company and presents financial performance in terms of the variance between the first quarter's actuals against the quarterly budget, splitting the company's income and expenditure between telecare, CCTV and head office functions. Net profit for the quarter is broadly in line with the budget, reporting a very modest overspend of £1,779.

5.3. Whilst sales for the quarter were down, due to delays in some projects, however improved performance is predicted for the remainder of the year, with management predicting strong sales growth.

5.4. The net liability on the balance sheet continues to reduce due to the accelerated repayment of the working capital loan from the Council.

## 6. Risk management

6.1. The company's strategic risk register appears elsewhere on this agenda.

## 7. Consultation

7.1. The company's financial performance is reported monthly to the Board, comprising two non-executive directors who both have experience and expertise in a commercial environment.

## 8. Financial implications

8.1. These are laid out in the appendix to the report.

## 9. Legal implications

9.1. There are no legal implications arising directly from the contents of this report.

## 10. Conclusions

10.1. Despite the loss of Gravesham BC from the CCTV partnership, action to mitigate this and strong growth in terms of Telecare through roll out of the of Lilli pilot, means that Kyndi remains on budget and in line with its Strategic Plan projections.

## Lead officer contact

Phil Watts, Chief Operating Officer, Gun Wharf, 01634 334411,  
[phil.watts@medway.gov.uk](mailto:phil.watts@medway.gov.uk)

## Appendices

Exempt Appendix 1 – Kyndi Ltd. 2024/25 Financial Performance Report

## Background papers

None