

Cabinet

11 February 2025

Financial Improvement and Transformation (FIT) Plan Monitoring – Round 3 2024/25

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Summary

This report presents a review of the FIT Plan monitoring for Round 3 and should be read in conjunction with the Revenue Budget monitoring for this period.

1. Recommendations

- 1.1. It is recommended that the Cabinet notes the results of the third round of FIT Plan monitoring for 2024/25.
- 1.2. It is recommended that the Cabinet instructs the Corporate Management Team to expedite any of the actions within the FIT Plan, where failure to do so may adversely affect the budget position.

2. Suggested reasons for decisions

- 2.1. Full Council is responsible for agreeing a balanced budget in advance of each financial year. Cabinet is responsible for ensuring that income and expenditure remain within the approved budget, including instructing transformation activities or corrective action to prevent any forecast overspend from materialising.
- 2.2. The FIT Plan, which is reviewed on a monthly basis at Corporate Management Team (CMT), is one of the key tools for ensuring delivery of savings in the current financial year and implementing a range of key actions to ensure the long-term financial sustainability of Medway Council.

3. Budget and policy framework

- 3.1. Cabinet is responsible for ensuring that income and expenditure remain within the budget approved by Council.

4. Background

- 4.1. On 30 April 2024, Cabinet agreed the One Medway Financial Improvement and Transformation Plan and on 1 May 2024, CMT agreed the proposed monitoring system for the FIT Plan.
- 4.2. The savings targets and key actions within the FIT Plan were extracted and added to spreadsheets for each directorate to update. The spreadsheets are stored in Microsoft Share Point and made available for updating via Microsoft TEAMS.
- 4.3. This approach gives all relevant officers access to a live view of the FIT Plan Tracker, enabling them to review and update, automatically updating the FIT Plan Summary, which is reviewed at CMT.

5. Summary of FIT Plan Tracker Position (17 January 2025)

- 5.1. The table below shows that performance against all of the Council priorities has improved since Q2.
- 5.2. Priority 3 (Enjoying Clean, Green, Safe and Connected Communities) has been showing as behind target due to how additional income is shown on the FIT Tracker. Unlike the financial monitoring, which makes a forecast of the financial position at the end of the year, it was decided that the FIT Tracker would only show actual income received or savings achieved.
- 5.3. This has made it difficult to attribute figures to this area. However, Priority 3 is now showing delivered savings of almost £3m, which is a significant improvement on Q2.
- 5.4. There is a total savings target of £26,455,400 within the FIT Plan that relate to the 5 Council Priorities. £19,451,617 is showing as delivered to date on the FIT Plan tracker.

FIT Progress Summary

| Task | Activity (Income gen - gold) | Item tracked | Savings/ Income | Target | | 83% of year elapsed | | | Savings Outstanding (£) | |
|---|---------------------------------|--------------|--------------------|-------------------|-------------|----------------------|---------------------------|----------------|----------------------------|------------------|
| | | | | Items | Savings (£) | Annual total to date | | | | |
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Priorities | | | | | | | | | | |
| Priority 1: Delivering quality social care and community services | | | Savings | 17,904,000 | | 12,786,981 | | 71% | - | 5,117,019 |
| | | | Income | 242,000 | | 130,000 | | 54% | - | 112,000 |
| | | | P1 Total | 18,146,000 | | 12,916,981 | | 71% | - | 5,229,019 |
| Priority 2: Benefitting from good education, quality jobs and a growing economy | | | Savings | 1,029,400 | | 1,588,291 | | 154% | - | 558,891 |
| | | | Income | 50,000 | | 50,000 | | 100% | - | - |
| | | | P2 Total | 1,079,400 | | 1,638,291 | | 152% | - | 558,891 |
| Priority 3: Enjoying clean, green, safe and connected communities | | | Savings | 1,744,000 | | 1,515,000 | | 87% | - | 229,000 |
| | | | Income | 2,607,000 | | 1,361,479 | | 52% | - | 1,245,521 |
| | | | P3 Total | 4,351,000 | | 2,876,479 | | 66% | - | 1,474,521 |
| Priority 4: Improving health and wellbeing for all | | | Savings | 220,000 | | 55,000 | | 25% | - | 165,000 |
| | | | Income | 218,000 | | 344,866 | | 158% | - | 126,866 |
| | | | P4 Total | 438,000 | | 399,866 | | 91% | - | 38,134 |
| Priority 5: Living in good-quality, affordable homes | | | Savings | 1,801,000 | | 1,120,000 | | 62% | - | 681,000 |
| | | | Income | 640,000 | | 500,000 | | 78% | - | 140,000 |
| | | | P5 Total | 2,441,000 | | 1,620,000 | | 66% | - | 821,000 |
| Grand Total | | | | 26,455,400 | | 19,451,617 | | 74% | - | 7,003,783 |

5.5. The following table provides a high-level overview of performance against all savings and income targets within the FIT Plan, including the ones that relate to the 5 Council Priorities shown above.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Target | | Annual total to date | | | Savings Outstanding (£) |
|---|---------------------------------|----------------|--------------------|--------|-------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | Items | Savings (£) | Cumulative Items | Cumulative Savings (£) | % of target | |
| Service Areas | | | | | | | | | |
| People | | | | | | | | | |
| Adult Social Care | | Savings | 8,347,000 | | 6,777,093 | 81% | - | 1,569,907 | |
| | | Income | - | | - | | | - | |
| | | ASC Total | 8,347,000 | | 6,777,093 | 81% | - | 1,569,907 | |
| Children's Social Care | | Savings | 9,203,000 | | 5,703,888 | 62% | - | 3,499,112 | |
| | | Income | - | | - | | | - | |
| | | CSC Total | 9,203,000 | | 5,703,888 | 62% | - | 3,499,112 | |
| Education | | Savings | 748,400 | | 1,331,291 | 178% | | 582,891 | |
| | | Income | - | | - | | | - | |
| | | Ed Total | 748,400 | | 1,331,291 | 178% | | 582,891 | |
| People Total | | Savings | 18,298,400 | | 13,812,272 | 75% | - | 4,486,128 | |
| | | Income | - | | - | | | - | |
| | | People Total | 18,298,400 | | 13,812,272 | 75% | - | 4,486,128 | |
| Place | | | | | | | | | |
| Culture and Community | | Savings | 2,516,000 | | 1,622,000 | 64% | - | 894,000 | |
| | | Income | 1,030,000 | | 974,866 | 95% | - | 55,134 | |
| | | C&C Total | 3,546,000 | | 2,596,866 | 73% | - | 949,134 | |
| Frontline Services | | Savings | 1,533,000 | | 1,304,000 | 85% | - | 229,000 | |
| | | Income | 2,677,000 | | 1,361,479 | 51% | - | 1,315,521 | |
| | | FLS Total | 4,210,000 | | 2,665,479 | 63% | - | 1,544,521 | |
| Regeneration | | Savings | 327,000 | | 327,000 | 100% | - | - | |
| | | Income | 761,810 | | 607,080 | 80% | - | 154,730 | |
| | | Regen Total | 1,088,810 | | 934,080 | 86% | - | 154,730 | |
| RCE Director | | Savings | 24,000 | | - | 0% | - | 24,000 | |
| | | Income | - | | - | | | - | |
| | | Director Total | 24,000 | | - | | | 24,000 | |
| Regeneration, Culture and Environment Total | | Savings | 4,400,000 | | 3,253,000 | 74% | - | 1,147,000 | |
| | | Income | 4,468,810 | | 2,943,425 | 66% | - | 1,525,385 | |
| | | Place Total | 8,868,810 | | 6,196,425 | 70% | - | 2,672,385 | |
| Business Support | | | | | | | | | |
| Finance and Business Improvement | | Savings | 5,783,000 | | 3,573,000 | 62% | - | 2,210,000 | |
| | | Income | - | | - | | | - | |
| | | FBI Total | 5,783,000 | | 3,573,000 | 62% | - | 2,210,000 | |
| Legal and Governance | | Savings | 20,000 | | 20,000 | 100% | - | - | |
| | | Income | - | | - | | | - | |
| | | L&G Total | 20,000 | | 20,000 | 100% | - | - | |
| Business Support Total | | Savings | 5,803,000 | | 3,593,000 | 62% | - | 2,210,000 | |
| | | Income | - | | - | | | - | |
| | | BS Total | 5,803,000 | | 3,593,000 | 62% | - | 2,210,000 | |
| Grand Total | | Savings | 28,501,400 | | 20,658,272 | 72% | - | 7,843,128 | |
| | | Income | 4,468,810 | | 2,943,425 | 66% | - | 1,525,385 | |
| | | Grand Total | 32,970,210 | | 23,601,697 | 72% | - | 9,368,513 | |

5.6. Out of the total savings target of £33m in the FIT Plan Tracker, over £23.5m is showing as delivered after the third quarter. This is 72% of the total target, so is showing as broadly on track.

5.7. Producing the FIT Plan, and implementing the FIT Plan Tracker, continues to be a valuable exercise as it has allowed the Council to track and highlight savings and increases in income, enabling us to identify and celebrate successes without them getting “lost” in the financial monitoring.

5.8. This approach has also moved the culture of the Council away from short-termism, allowing us to identify streams of work that may not deliver in-year savings, or savings for budget setting, but may deliver greater long-term benefits.

5.9. These workstreams are mainly captured in the “Key Actions” section of the FIT Plan.

6. People Directorate

7. Adult Social Care

7.1. The table below shows that Adult Social Care has a savings target of £8.3m in the FIT Plan and has achieved savings of £6.8m at R3, putting it ahead of target.

| Task | Activity (Income gen - gold) | Item tracked | Savings/ Income | Target Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|--------------------------|-------------------------------------|---|--------------------|-----------------|-----------------------|----------------------|---------------------------|----------------|----------------------------|------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Adult Social Care | | | | | | | | | | |
| 1.1 | Targeted reviews | Various placement and payment reviews | s | | 1,900,000 | 154 | 1,874,015 | 99% | - | 25,985 |
| 1.2 | Manage demand: residential | Reduction of residential placements | s | 18 | 659,000 | - | - | 0% | - | 659,000 |
| 1.3 | Manage demand: supported living | Reduction of supported living placements | s | 8 | 300,000 | - | - | 0% | - | 300,000 |
| 1.4 | Manage demand: homecare | Reduction of homecare placements | s | 78 | 953,000 | 62 | 271,568 | 28% | - | 681,432 |
| 1.5 | Brokerage placement negotiation | Negotiate savings on 50 placements | s | 50 | 500,000 | 212 | 1,953,243 | 391% | - | 1,453,243 |
| 1.6 | Assessment beds | Use of assessment beds at Admiral Court and Amherst Court | s | 100 | 1,000,000 | - | - | 0% | - | 1,000,000 |
| 1.7 | Intermediate care - urgent response | Funding sought from BCF – paper to future JCMG | s | 1 | 685,000 | 1 | 685,000 | 100% | - | - |
| 1.8 | Assistive technology | 69 units | s | 69 | 1,550,000 | 96 | 1,530,008 | 99% | - | 19,992 |
| 1.9 | Double to single handed care | Clients move from double to single handed care | s | 30 | 300,000 | 33 | 136,008 | 45% | - | 163,992 |
| 1.10 | Direct payment reclaims | Audit of direct payment claims | s | 250 | 500,000 | - | 327,251 | 65% | - | 172,749 |
| | | | | 604 | 8,347,000 | 558 | 6,777,093 | 81% | - | 1,569,907 |

7.2. Highlights include:

7.2.1. Target annual saving of £1.9m, with £1.8m delivered at R3. This is a slight drop from the R2 figure of £2.04m as delivery against all savings targets associated with the FIT plan have been incorporated into the budget monitoring forecasts for Round 2, reflecting a validation exercise carried out between Finance and ASC.

7.2.2. Brokerage: Target annual saving of £500,000, with £1.9m delivered at R3. These figures are awaiting validation by Finance.

7.2.3. Assistive Technology: Target annual saving of £1.55m, with over £1.53m delivered at R3.

7.3. There are, however, currently 3 lines (1.2, 1.3, and 1.6) with combined target savings of £1.9m, which are showing as no savings delivered to date. The service is currently reviewing these items and if necessary they will be rolled forward into 2025/26 as part of the FIT Plan refresh work that is currently underway.

7.4. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Target Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|------|---------------------------------|--------------|--------------------|-----------------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |

| Other key actions | | | | | | Due | On Track? | | |
|-------------------|---|---------------------|---|----|----|------------|-----------|----------|--|
| 1.27 | Strengthen the panel arrangements | | - | ka | na | 30/04/2024 | - | Complete | |
| 1.29 | Agree joint funding protocols with the NHS | | - | ka | na | 31/10/2024 | - | N | |
| 1.31 | Develop a 'Care for Medway' strategy | ASC with PH | | ka | na | 30/06/2024 | - | Y | |
| 1.32 | Workforce restructuring | | - | ka | na | 30/09/2024 | - | Y | |
| 1.33 | Implement recommendations for referral of financial assessments | | - | ka | na | 31/05/2024 | - | Complete | |
| 1.34 | Undertake practice audits to review placement and package types | Starting April 2024 | | ka | na | | - | Y | |
| 1.36 | Embed practice audit assessments | Starting April 2024 | | ka | na | | - | Y | |

7.5. There are 7 key actions for Adult Social Care, with 2 completed, 4 on track, and 1 not on track.

7.6. The action not on track relates to agreeing the joint funding protocols with the NHS. Discussions are underway and the Integrated Care Board has advised of the need to deliver 10% savings on the Continuing Healthcare Funding.

8. Children's Services

8.1. The table below shows that Children's Services have a savings target of £9.2m in the FIT Plan and have achieved savings of £5.7m at R3, putting the service slightly behind target.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Target | | Annual total to date | | | Savings Outstanding (£) |
|-------------------------------|---|--------------|--------------------|--------|-------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | Items | Savings (£) | Cumulative Items | Cumulative Savings (£) | % of target | |
| Children's Social Care | | | | | | | | | |
| 1.11 | Eden House (ref 1.37) | | - s | na | 1,000,000 | - | 242,000 | 24% | - 758,000 |
| 1.12 | Placement cost efficiencies | | - s | na | 2,762,000 | - | 2,191,969 | 79% | - 570,031 |
| 1.13 | Supported accommodation reviews | | - s | na | 275,000 | 2 | 283,514 | 103% | 8,514 |
| 1.14 | Short breaks targeted reviews | | - s | na | 100,000 | - | - | 0% | - 100,000 |
| 1.15 | Transport targeted reviews | | - s | na | 35,000 | - | 35,000 | 100% | - |
| 1.16 | Floating support targeted reviews | | - s | na | 120,000 | - | 95,000 | 79% | - 25,000 |
| 1.17 | Family partnership programme | | - s | na | 400,000 | - | - | 0% | - 400,000 |
| 1.18 | Reunification | | - s | na | 270,000 | - | 201,870 | 75% | - 68,130 |
| 1.19 | Reducing spend on external specialist assessments | | - s | na | 140,000 | - | 155,000 | 111% | 15,000 |
| 1.20 | Reduction in project teams | | - s | na | 2,082,000 | - | 1,438,000 | 69% | - 644,000 |
| 1.21 | RAA reduce uplift | | - s | na | 150,000 | - | 150,000 | 100% | - |
| 1.22 | Transition | | - s | na | 1,869,000 | - | 911,535 | 49% | - 957,465 |
| | | | | | - | 2 | 5,703,888 | 62% | - 3,499,112 |

8.2. Highlights include:

8.2.1. Placement Efficiencies: Target annual savings of £2.76m, with £2.2m delivered at R3.

8.2.2. Supported Accommodation: Target annual savings of £275,000, with £283,514 delivered at R2.

8.3. Eden House had been an area of concern on the FIT Tracker during the CMT reviews due to the savings target of £1m, and the delays in obtaining Ofsted registration. This has now been achieved, and savings of £242,000 are showing as achieved at R3 from the first placements, with the narrative indicating a further placement is due in February 2025, which will realise further savings.

8.4. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|--------------------------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Other key actions | | | | | | <i>Due</i> | <i>On Track?</i> | | |
| 1.40 | Implement recruitment plan re agency project team | | - | ka | na | 31/12/2025 | - | Y | |

8.5. There is 1 key action, which is showing as on track.

9. Education

9.1. The table below shows that Education has a savings target of £748,400 in the FIT Plan and has achieved savings of £1,331,291 at R3, putting it well ahead of target.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|------------------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|---------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Education | | | | | | | | | | |
| 2.1 | Route planner for SEND routes | | - | s | na | 272,400 | - | 890,291 | 327% | 617,891 |
| 2.2 | Schools improvement team, place planning, KS2 | | - | s | na | 441,000 | - | 441,000 | 100% | - |
| 2.3 | IASS reduce uplift | | - | s | na | 35,000 | - | - | 0% | 35,000 |
| | | | - | | | 748,400 | - | 1,331,291 | 178% | 582,891 |

9.2. Highlights include:

9.2.1. Route Planner for SEND Routes: Target annual savings of £272,400, with £890,291 delivered at R3. This is a significant improvement on the savings of £187,549 achieved up to R2.

9.2.2. Schools Improvement Team, Place Planning, KS2: Target annual savings of £441,000 fully delivered.

9.3. Information, Advice, and Support Service Reduce Uplift: Target annual saving of £35,000 is being reported as unlikely to be achieved following an unsuccessful procurement at a reduced rate. This action will be reviewed as part of the FIT Plan refresh for 2025/26.

9.4. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|--------------------------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Other key actions | | | | | | | | | |
| 2.9 | Deliver SEND recovery plan | | - | ka | na | 31/03/2027 | - | Y | |
| 2.11 | Commission strategic review of SEND transport | | - | ka | na | 30/04/2024 | - | Completed | |

There are 2 key actions, with 1 showing as completed and 1 on track.

10. Public Health

10.1. There are no FIT Plan savings or income targets for Public Health.

10.2. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|--------------------------|---|----------------------------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Other key actions | | | | | | | | | |
| 1.28 | Review commissioning arrangements for YP mental health issues | | - | ka | na | 30/09/2024 | - | N | |
| 1.30 | Develop performance metrics to support transition | PH with ASC | | ka | na | 30/09/2024 | - | Y | |
| 1.37 | Eden House residential provision is operational | Starting April 2024. PH with CSC | | ka | na | | - | Completed | |
| 1.38 | Review each child's placement package | Starting April 2024. PH with CSC | | ka | na | | - | Y | |
| 1.39 | Strengthen joint commissioning arrangements with NHS | Starting April 2024. PH with CSC | | ka | na | | - | Y | |
| 2.10 | Agree joint funding protocols with the NHS | | - | ka | na | 30/09/2024 | - | Y | |

- 10.2.1. There are 6 key actions for Public Health, with 1 showing as complete, 4 on track, and 1 not on track.
- 10.2.2. The key action not on track relates to the review of commissioning arrangement for young people with mental health issues. The Kent and Medway Integrated Care Board have paused the commissioning of Child and Adolescent Mental Health Services whilst they conduct a review. This position was reported at R2 and remains unchanged at R3.

11. Place

12. Culture and Community

12.1. The table below shows that Culture and Community has a savings target of £3.5m in the FIT Plan and has achieved savings of £2.6m at R3.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | | |
|------------------------------|---|---|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|---------|---------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | | |
| Culture and Community | | | | | | | | | | | |
| 1.23 | Heritage review a | Guildhall charging for entry | i | na | 72,000 | - | 30,000 | 42% | - | 42,000 | |
| 1.23 | " b | Upton Castle opening hours reduced | s | na | 25,000 | - | 15,000 | 60% | - | 10,000 | |
| 1.23c | " | Eastgate opening hours reduced | s | na | 50,000 | - | 30,000 | 60% | - | 20,000 | |
| 1.23 | " d | Increased Rochester Corn Exchange income projection | i | na | 50,000 | - | 50,000 | 100% | - | - | |
| 1.23 | " e | Increased Central Theatres income projection | i | na | 50,000 | - | 50,000 | 100% | - | - | |
| 1.24 | Libraries review | Libraries & comm hubs – measures to reduce operating costs | s | na | 82,000 | - | 82,000 | 100% | - | - | |
| 1.25 | Closure of VIC | Cease tourism service including closure of Visitor Information Centre | s | na | 197,000 | - | 179,000 | 91% | - | 18,000 | |
| 3.13 | Reduced events programme | Reduced events programme (inc removal of some one-off budgets) | s | na | 141,000 | - | 141,000 | 100% | - | - | |
| 4.1 | Cozenton Park Sports Centre | Measures to reduce operating costs | s | na | 200,000 | - | 35,000 | 18% | - | 165,000 | |
| 4.2 | Reduction in concessionary fees | Reduction in concessionary leisure centre fees and free swimming | i | na | 218,000 | - | 344,866 | 158% | - | 126,866 | |
| 4.3 | Lordswood Leisure Centre | Remove subsidy completely | s | na | 20,000 | - | 20,000 | 100% | - | - | |
| 5.1 | Temporary accommodation | Placement savings, purchase & lease 150 units | s | na | 1,700,000 | - | 1,019,000 | 60% | - | 681,000 | |
| 5.2 | Restructure Housing team | Restructure of the Housing team | s | na | 101,000 | - | 101,000 | 100% | - | - | |
| 5.3 | Homelessness Grant - increase | Homelessness Grant - increase | i | na | 400,000 | - | 400,000 | 100% | - | - | |
| 5.4 | Planning fee increase and planning performance agreements | Increases in planning fees | i | na | 240,000 | - | 100,000 | 42% | - | 140,000 | |
| | | | | | - | 3,546,000 | - | 2,596,866 | 73% | - | 949,134 |

12.2. Highlights include:

12.2.1. Reduction in Concessionary Leisure/Swimming Fees: annual

increased income target of £218,000, with £344,836 additional income achieved at R3.

12.2.2. Temporary Accommodation: Target annual savings of £1.7m, with just over £1m already delivered at R3.

12.2.3. Planning fee increase and planning performance agreements: £100,000 showing delivered at R3 against a target of £240,000. The narrative, and R3 monitoring, shows that there is confidence that this target will be met.

12.3. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|--------------------------|--|-------------------------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|---|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Other key actions | | | | | | <i>0</i> | <i>On Track?</i> | <i>0</i> | <i>0</i> | |
| 1.41 | Formulate the Integrated Hubs programme | | 0 | ka | na | 31/08/2024 | - | Y | 0 | 0 |
| 1.42 | Deliver pilot phase Integrated Hubs in Gillingham | | 0 | ka | na | 31/03/2025 | - | Y | 0 | 0 |
| 4.4 | Develop proposals to reduce overheads for leisure services | | 0 | ka | na | 31/03/2025 | - | Y | 0 | 0 |
| 5.5 | Deliver the Local Plan | Reg 18 by 30/6/24 | | ka | na | 30/06/2025 | - | Y | 0 | 0 |
| 5.7 | Deliver HRA capital programme | 30 additional units per annum | | ka | na | 31/03/2025 | - | Y | 0 | 0 |
| 5.8 | Set-up a Council owned lettings agency | | 0 | ka | na | 31/07/2024 | - | Y | 0 | 0 |

There are 6 actions for Community and Culture, which are all being reported as on track.

13. Frontline Services

13.1. The table below shows that Frontline Services has a savings target of £4.2m in the FIT Plan and has achieved savings of £2.7m at R3, putting it at 63% of target.

| Task | Activity (income gen – gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|---------------------------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|-----------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Frontline Services | | | | | | | | | | |
| 1.26 | Registration Service increase | | 0 | i | na | 70,000 | - | - | 0% | 70,000 |
| 3.1 | *Safer, Healthier Streets* | | 0 | i | na | 954,000 | - | 599,000 | 63% | 355,000 |
| 3.2 | Increased activity – street works | | 0 | i | na | 110,000 | - | - | 0% | 110,000 |
| 3.3 | LED street lighting | | 0 | s | na | 550,000 | - | 475,000 | 86% | 75,000 |
| 3.4 | Highways income (inc lane charges) | | 0 | i | na | 40,000 | - | 17,979 | 45% | 22,021 |
| 3.5 | Carriageway and footway patching | | 0 | s | na | 580,000 | - | 510,000 | 88% | 70,000 |
| 3.6 | Restructure of the Highways team | | 0 | s | na | 90,000 | - | 90,000 | 100% | - |
| 3.7 | Use of commuted sums to fund surface drainage works | | 0 | s | na | 286,000 | - | 192,000 | 67% | 94,000 |
| 3.8 | Private Contract Asset Management | | 0 | s | na | 14,000 | - | 24,000 | 171% | 10,000 |
| 3.9 | Salt bin replacement – review criteria | | 0 | s | na | 13,000 | - | 13,000 | 100% | - |
| 3.10 | Parking fee increases & review of charges | | 0 | i | na | 1,314,000 | - | 657,000 | 50% | 657,000 |
| 3.11 | Increased revenue PCN | | 0 | i | na | 41,000 | - | - | 0% | 41,000 |
| 3.12 | Festive decorations | | 0 | i | na | 60,000 | - | 60,000 | 100% | - |
| 3.15 | Parking charges at country parks | | 0 | i | na | 88,000 | - | 27,500 | 31% | 60,500 |
| | | | | | | - | - | 2,665,479 | 63% | 1,544,521 |

13.2. Highlights include:

13.2.1. Safer, Healthier Streets: £599,000 delivered so far against a target of

£954,000. The narrative in the FIT Plan tracker indicates that the shortfall will be off-set by increased income from parking, which is reflected in the R3 monitoring.

13.2.2. Parking charges at country parks: R3 now shows additional income received from parking charges at country parks, which has generated £27,500 from season ticket sales. The total target is £88,000, so this will be reviewed as part of the FIT Plan refresh.

13.3. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|-------|--|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|---|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Other | 0 | | 0 | 0 | 0 | Due | 0 | On Track? | 0 | 0 |
| 1.35 | Agree an updated business plan for Kyndi Ltd | | 0 | ka | na | 30/06/2024 | - | C | 0 | 0 |
| 3.16 | Commission a comprehensive waste strategy | | 0 | ka | na | 30/09/2025 | - | Y | 0 | 0 |
| 3.17 | Deliver the phased acquisition of a new collection fleet | | 0 | ka | na | 31/03/2026 | - | Y | 0 | 0 |

There are 3 key actions for Frontline Services, with 1 completed and 2 showing as on track.

14. Regeneration

14.1. The table below shows that Regeneration has a savings target of £1.1m in the FIT Plan and has achieved savings of £934,080 at R3, putting it well ahead of target.

| Task | Activity (income gen - gold) | Item tracked | Savings/ | | | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|---------------------|--|---|----------|-------|----|-----------------------|----------------------|---------------------------|----------------|----------------------------|---------|
| | | | Income | Items | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Regeneration | | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2.4 | Mitigate impact of HIF | | 0 | s | na | 184,000 | - | 184,000 | 100% | - | |
| 2.5 | Town centre cost reduction | | 0 | s | na | 8,000 | - | 8,000 | 100% | - | |
| 2.6 | Contributions to external partners | | 0 | s | na | 65,000 | - | 65,000 | 100% | - | |
| 2.7 | Adult Education centre increased income | | 0 | i | na | 50,000 | 35,000 | 50,000 | 100% | - | |
| 3.14 | Green spaces maintenance | | 0 | s | na | 70,000 | - | 70,000 | 100% | - | |
| 10.1 a | Income capital schemes, dev contributions & consultancy fees | Greenspaces Income Target (Time spent on Capital Schemes funded by Sec 106's) | | i | na | 40,000 | - | - | 0% | 40,000 | |
| 10.1 b | " | Capitalisation of an element of the remaining HIF staff not redeployed | | i | na | 125,592 | - | - | 0% | 125,592 | |
| 10.1 c | " | Reduction in the consultancy fees budget | | i | na | 58,218 | - | 58,218 | 100% | - | |
| 10.2 | Increase rental income from Pentagon and other properties | | 0 | i | na | 488,000 | - | 498,862 | 102% | 10,862 | |
| | | | | | | - | 1,088,810 | 35,000 | 934,080 | 86% | 154,730 |

| Task | Activity (income gen - gold) | Item tracked | Savings/ | | | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|------------|------------------------------------|--------------|----------|-------|----|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | Income | Items | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| RCE | | | | | | | | | | |
| | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.8 | Business rates public conveniences | | 0 | s | na | 24,000 | - | - | 0% | 24,000 |

14.2. Highlights include:

14.2.1. Greenspaces Income: Target saving of £40,000 showing as not delivered, but the narrative states that it is on track as S106 monies are due to be received.

14.2.2. Adult Education: Target saving of £50,000, which is showing as being delivered at R3.

14.2.3. Increase Rental Income From Pentagon and Other Properties: The annual increased income target of £498,862 is showing an over-achievement of £10,862 at R3

14.3. There is a £24,000 annual saving attached to business rates for public conveniences. Work is underway to determine whether this saving will be achieved in 2024/25.

14.4. Key Actions

| Task | Activity (income gen – gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|--------------------------|--|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|---|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| Other key actions | | | | | | 0 | 0 | 0 | 0 | |
| 2.12 | Review development & disposal options for Innovation Park Medway | | 0 | ka | na | 31/03/2025 | - | Y | 0 | 0 |
| 3.18 | Conclude negotiations with Medway Norse | | 0 | ka | na | 30/06/2024 | - | Y | 0 | 0 |
| 5.9 | Agree an updated business plan for Medway Development Company | | 0 | ka | na | 30/06/2024 | - | C | 0 | 0 |
| 10.3 | Prepare a Corporate Property Strategy | | 0 | ka | na | 30/06/2024 | - | C | 0 | 0 |
| 10.4 | Identify a list of surplus assets | | 0 | ka | na | 30/06/2024 | - | C | 0 | 0 |
| 10.5 | Formulate a plan for the future of the Pentagon | | 0 | ka | na | 30/06/2024 | - | Y | 0 | 0 |
| 10.6 | Deliver the £22million improvements to Gun Wharf | | 0 | ka | na | 31/03/2026 | - | Y | 0 | 0 |
| 10.7 | Formulate a plan to maximise use of reconfigured HQ | | 0 | ka | na | 30/06/2024 | - | Y | 0 | 0 |

14.5. There are 8 key actions for Regeneration, with 3 completed and 5 on track.

15. Business Support Department

16. Finance and Business Improvement

16.1. The following table shows that Finance and Business Improvement has a savings target of £5.8m in the FIT Plan and has achieved savings of £3.3m at R3.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|---|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Finance and Business Improvement | | | | | | | | | |
| 6.1 | Schools' HR & payroll services | FB/HR | s | na | 263,000 | - | 263,000 | 100% | - |
| 6.2 | Single contractor for training delivery | FB/HR | s | na | 154,000 | - | 154,000 | 100% | - |
| 6.3 | Community Interpreting net surplus | FB/INFO | s | na | 100,000 | - | 100,000 | 100% | - |
| 6.4 | Restructuring of FBI division | FBI | s | na | 120,000 | - | 120,000 | 100% | - |
| 7.1 | Deliver Transformation 'Road Map' | FB/INFO | s | na | 2,150,000 | - | - | 0% | - 2,150,000 |
| 8.1 | Single person discounts and other exemptions (1x R4fte, net saving £760K) | FB/FIN | s | na | 800,000 | - | 800,000 | 100% | - |
| 8.2 | Strengthen Debt Recovery team (2xR4FTE, net saving €880k) | FB/FIN | s | na | 1,000,000 | - | 1,000,000 | 100% | - |

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) | |
|------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|-------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | | |
| 8.3 | Increase the number of completion notices (1xR4FTE, net saving £106k) | FBI/FIN | s | na | 146,000 | - | 146,000 | 100% | - | |
| 8.4 | 100% premium for long-term empty properties after 1 year | FBI/FIN | s | na | 500,000 | - | 500,000 | 100% | - | |
| 8.5 | Remove 3 month discount for class C & D | FBI/FIN | s | na | - | - | - | - | - | |
| 8.6 | Increase court costs chargeable in recovery action | FBI/FIN | s | na | 550,000 | - | 490,000 | 89% | 60,000 | |
| | | | | | - | 5,783,000 | - | 3,310,000 | 57% | - 2,210,000 |

16.2. Highlights include:

16.2.1. All FBI savings targets are showing as achieved, apart from 8.6: Increase court costs chargeable in recovery action.

16.2.2. Increase court costs chargeable in recovery action: £490,000 showing delivered at R3 against a target of £550,000. There is potential to reach the target if we are given a court date for April 2025 and can issue summonses in this financial year before annual billing in February 25

16.3. The corporate transformation target of £2,150,000 is showing as not achieved. The actual pressure of this target has been reduced by savings on the expenditure budget for transformation and completely off-set within the R3 2024/25 financial monitoring by savings on treasury activity.

- 16.4. A review of transformation savings targets for future years will be carried out as part of the budget setting process for 2025/26 and future years.
- 16.5. Key Actions
- 16.6. The following table shows the key actions for Finance and Business Improvement.
- 16.7. There are 42 key actions, with 19 completed, 19 on track and 4 not on track.
- 16.8. 3 of the actions not on track (6.7 – 6.9) relate to developing tools to support with the self-assessment of the Council's finances, a set of tools to support with the development of business cases, and a quarterly financial resilience report.
- 16.9. These actions have been slightly delayed due to the focus Finance have placed on the monthly monitoring and preparation for the 2025/26 budget build. These actions have been progressed in Q3 and draft documents presented to BSD DMT.
- 16.10. There has been some minor slippage in the MedPay review, which is being discussed at CMT.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|--------------------------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Other key actions | | | | | <i>Due</i> | <i>On Track?</i> | | | |
| 5.6 | Widen public consultation with communities | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 6.6 | Consult with directorate management teams re support requirements | FBI/FIN | ka | na | 30/04/2024 | - | Complete | | |
| 6.7 | Self-assessment of Council's financial management | FBI/FIN | ka | na | 30/06/2024 | - | N | | |
| 6.8 | Develop a set of tools to prepare business cases | FBI/FIN | ka | na | 30/06/2024 | - | N | | |
| 6.9 | Develop a quarterly 'Financial Resilience Report' | FBI/FIN | ka | na | 30/09/2024 | - | N | | |
| 7.2 | Develop Transformation Roadmap | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 7.3 | Programme governance methodologies | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 7.4 | Medway 2.0: Develop 'Report It' process | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 7.5 | Create platform for single view of the resident. | FBI/INFO | ka | na | 30/06/2024 | - | Y | | |

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|------|---|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| 7.6 | Develop 'Ward Dashboards' | FBI/INFO | ka | na | 30/06/2025 | - | Y | | |
| 7.7 | Combine 'Service Request' and 'Service Delivery' into a single, simple, process | FBI/INFO | ka | na | 30/09/2024 | - | Y | | |
| 7.8 | Review 'front door' demand management | FBI/INFO | ka | na | 30/09/2024 | - | Complete | | |
| 7.9 | Identify 2 distinct website platforms. | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 7.10 | Carry out a review of administration tasks | FBI/INFO | ka | na | 30/09/2024 | - | Complete | | |
| 7.11 | Better use of data | FBI/INFO | ka | na | 30/06/2024 | - | Y | | |
| 7.12 | Manage internal communications | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 7.13 | Agree the timetable for review of progress | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |
| 9.1 | Agree methodology for workforce planning | FBI/HR | ka | na | 30/06/2024 | - | Y | | |
| 9.2 | Strengthen planning with data management | FBI/HR | ka | na | 31/12/2024 | - | Y | | |
| 9.3 | Complete review of MedPay | FBI/HR | ka | na | 00/01/1900 | - | N | | |
| 9.4 | Align talent management with strategic planning | FBI/HR | ka | na | 31/03/2025 | - | Y | | |
| 9.5 | Identify future skills requirements | FBI/HR | ka | na | 31/12/2024 | - | Y | | |
| 9.6 | Reduce staff turnover | FBI/HR | ka | na | 31/03/2026 | - | Y | | |
| 9.7 | Review internal recruitment process | FBI/HR | ka | na | 31/03/2025 | - | Complete | | |
| 9.8 | Refresh Recruitment Strategy | FBI/HR | ka | na | 30/09/2024 | - | Complete | | |
| 9.9 | Implement Recruitment training | FBI/HR | ka | na | 31/12/2024 | - | Complete | | |
| 9.10 | Develop modular programme | FBI/HR | ka | na | 30/09/2024 | - | Y | | |
| 9.11 | Redesign performance conversations | FBI/HR | ka | na | 30/06/2024 | - | Complete | | |
| 9.12 | Review the Learning and Development Strategy | FBI/HR | ka | na | 30/09/2024 | - | Y | | |
| 9.13 | Conduct skills audits of service areas | FBI/HR | ka | na | 31/03/2025 | - | Y | | |
| 9.14 | Develop appropriate attendance/absenteeism, etc reporting | FBI/HR | ka | na | 31/12/2024 | - | Y | | |
| 9.15 | Evaluate all learning to inform future planning | FBI/HR | ka | na | 30/06/2024 | - | Y | | |
| 9.16 | Promote participation in Employee Engagement Survey | FBI/HR | ka | na | 31/12/2024 | - | Complete | | |
| 9.17 | Develop framework to promote well-being | FBI/HR | ka | na | 30/09/2024 | - | Y | | |
| 9.18 | Implement new employee benefits | FBI/HR | ka | na | 30/09/2024 | - | Completed | | |
| 9.19 | Consider employee preferences for recognition | FBI/HR | ka | na | 30/03/2025 | - | Y | | |
| 9.20 | Develop appropriate attendance/absenteeism, etc reporting (same as 9.14) | FBI/HR | ka | na | 31/12/2024 | - | Y | | |
| 9.21 | Develop an effective comms & stakeholder engagement plan | FBI/HR | ka | na | 30/06/2024 | - | Complete | | |
| 9.22 | Develop a framework a to promote equality, diversity, and inclusion | FBI/HR | ka | na | 30/09/2024 | - | Y | | |
| 12.1 | Prepare a revised Council Plan | FBI/HR | ka | na | 31/05/2024 | - | Complete | | |
| 12.2 | Conduct a fundamental review of performance monitoring | FBI/HR | ka | na | 30/06/2024 | - | Y | | |
| 12.3 | Develop a corporate suite of data | FBI/INFO | ka | na | 30/06/2024 | - | Complete | | |

Legal and Governance

16.11. The table below shows that Legal and Governance has a savings target of £20,000 in the FIT Plan for the reduction in Mayoral support, which is showing as fully delivered in R3. A post was declared redundant (20 June 2024), with the cost of redundancy capitalised, and the additional vehicle was returned (18 June 2024).

16.12.

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|-----------------------------|---------------------------------|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Legal and Governance | | | | | | | | | |
| 6.5 | Reduction in Mayoral support | LGL | s | na | 20,000 | - | 20,000 | 100% | - |

16.13. Key Actions

| Task | Activity (income gen - gold) | Item tracked | Savings/ Income | Items | Target Savings (£) | Annual total to date | | | Savings Outstanding (£) |
|--------------------------|--|--------------|--------------------|-------|-----------------------|----------------------|---------------------------|----------------|----------------------------|
| | | | | | | Cumulative Items | Cumulative Savings (£) | % of target | |
| Other key actions | | | | | | | | | |
| | | | | | | <i>Due</i> | <i>On Track?</i> | | |
| 11.1 | Provide training on procurement requirements | LGL | ka | na | 31/07/2024 | - | Complete | | |
| 11.2 | Update template documents | LGL | ka | na | 31/07/2024 | - | Complete | | |
| 11.3 | Service managers to file procurement forward plans | LGL | ka | na | 30/09/2024 | - | Complete | | |
| 11.4 | Produce Strategic Procurement Plan | LGL | ka | na | 31/12/2024 | - | Y | | |
| 11.5 | All specifications to contain objective KPIs | LGL | ka | na | 30/09/2024 | - | Complete | | |
| 11.6 | Revise contract management guidance | LGL | ka | na | 30/06/2024 | - | Complete | | |
| 11.7 | Contract managers required to report centrally on partners' performance. | LGL | ka | na | 30/09/2024 | - | Complete | | |

There are 7 key actions for Legal and Governance, with 6 showing as complete and 1 on track.

17. Conclusions

17.1. The third round of FIT Plan monitoring for 2024/25 shows that progress continues to be made across all directorates, highlighting the areas of success, which may have otherwise been lost in the monitoring, and

identifying areas where services need to provide a new level of focus.

17.2. This was the overall objective of the FIT Plan and has addressed the CIPFA recommendation.

18. Risk management

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|---|---|--|--------------------|
| The Council overspends against the agreed budget | Overspends on budget would need to be met from the Council's limited reserves. | The revenue monitoring process is designed to identify and facilitate management action to mitigate the risk of overspending against the agreed budget. | AI |
| Impact on service delivery | An overspend that cannot be funded from reserves could result in a diminution of the scale and quality of services that the Council is able to deliver. | Ensuring investment is prioritised to statutory services and key priorities, reviewing and reducing non-essential spend and maximising income. | All |
| Reputational damage | The challenging financial position of the Council, driven by increased demand for statutory services beyond available funding, could be misconstrued or reported as poor management or leadership, reducing the trust and confidence of residents, partners and regulators. | Clear communications with all interested parties on the cause of the financial position, lobbying the government for an improved funding settlement for local government, including implementation of the fair funding review. | BII |
| Demographic Growth | Further demographic pressures may surface across our statutory services above those assumed in the budget. | Close monitoring of demand for service to identify pressures early, robust budget monitoring. | All |
| Likelihood | | Impact: | |
| A Very likely B Likely C Unlikely D Rare | | I Catastrophic II Major III Moderate IV Minor | |

19. Financial implications

19.1. The third round of FIT Plan monitoring gives detailed updates on specific actions related to savings and increases in income across the Council, as well as opportunities for longer-term savings that can be achieved via the key actions identified.

19.2. This FIT Plan update report should be read alongside the Round 3 Revenue Budget Monitoring 2024/25 report to understand the full financial implications.

20. Legal implications

20.1. The Cabinet has the responsibility to ensure effective budgetary control to contain expenditure within the approved limits set by Council. It is unlawful to set a budget that is not balanced or incur expenditure which results in the budget no longer being balanced.

20.2. The FIT Plan and the FIT Plan tracker are key tools to achieving this.

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Appendices

None

Background papers

None