

Cabinet

6 May 2025

One Medway Financial Improvement and Transformation Plan 2025-26 Refresh

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Richard Hicks, Chief Executive

Author: Phil Watts, Chief Operating Officer (Section 151 Officer)

Summary

This report sets out the Council's One Medway Financial Improvement and Transformation Plan refresh for 2025-26. The plan is intended to meet the requirement to produce an improvement and transformation plan, as a condition of the 'exceptional financial support' approved in principle by the Secretary of State. This refresh represents the second year of the Council's journey to financial sustainability.

1. Recommendations

- 1.1. The Cabinet is asked to agree the One Medway Financial Improvement and Transformation Plan refresh for 2025-26, as set out at Appendix 1 to the report.
- 1.2. The Cabinet is asked to note that responsibility for delivering the savings and actions set out within this plan has been assigned to specified Corporate Management Team colleagues and that this plan will be subject to regular and frequent monitoring via Corporate Management Team, along with quarterly reporting to Cabinet.

2. Suggested reasons for decision

- 2.1. The Cabinet is asked to agree this plan, as set out at Appendix 1 to the report, as it represents the plan against which the organisation will monitor achievement of the 2025/26 savings targets and sets out how the Council will deliver the improvements necessary to achieve the One Medway Council Plan objectives. It will also fulfil the conditions attached to the 'exceptional financial support' approved in principle by the Secretary of State and the wider requirements of the 'productivity plans' proposed by Government.

3. Budget and policy framework

- 3.1. Full Council is responsible for agreeing a balanced budget in advance of each financial year. Cabinet is responsible for ensuring that income and expenditure remains within the approved budget. Corporate Management Team is responsible for supporting the Cabinet to achieve this objective through delivery of the savings set out within this Financial Improvement and Transformation Plan.

4. Background

- 4.1. In April 2024 Council agreed the One Medway Council Plan, setting out the Council's vision, ambition and priorities for the period 2024-2028 and Council agreed the refreshed plan for 2025/26 in February 2025. The plan sets out our ambition to make Medway a great place to live, work, learn and visit. The plan sets out our five key priorities:

- 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.

5. The One Medway Financial Improvement and Transformation Plan Refresh 2025-26

- 5.1. This second iteration of the FIT plan presents an update on our progress in the delivery of the targets and actions set last year, alongside our ambitious plans for the year ahead. It is underpinned by a commitment to the following:

- **Transformational change:** ensuring we continuously improve the way we operate, are proactively harnessing leading-edge technologies and approaches so we can deliver better, more streamlined services at lower cost, with improved experiences for our residents.
- **Ensuring value for money:** maximising the economy, efficiency and effectiveness with which we spend our £496m revenue budget and £329m capital programme.
- **Financial Sustainability:** we are committed to using EFS to invest in activity that will set us on the path to balancing budgets without external support over the medium-term including actions recommended by CIPFA through the Resilience and Assurance Reviews and those of the Council's external auditors through their Value for Money reporting. We welcome the Government's promise to deliver funding reforms and multi-year settlements to support this.
- **Partnership and collaboration:** recognising the importance of our partners, we are committed to effective co-production, communication,

and collaboration with all stakeholders.

- **Workforce development:** recognising that our people are our most important asset, at the forefront of delivering the services our communities need we are committed to ensuring our workforce is skilled, qualified and appropriately recognised and remunerated for the work they do as set out in our People Promise.

6. Monitoring achievement of the plan

- 6.1. As in 2024/25, we will be closely monitoring progress and reporting via Cabinet on a quarterly basis throughout the coming year.
- 6.2. If there are any outstanding actions from the 2024/25 FIT Plan, these will be carried forward into this year's FIT Plan monitoring process.
- 6.3. Financial monitoring will continue to be carried out on a monthly basis, with a quarterly comparison against the progress against targets within the One Medway Financial Improvement and Transformation Plan.
- 6.4. Corporate Management Team will continue to dedicate time, initially on all CMT agendas, to discuss progress against the plan, with all directorate management teams expected to provide regular updates against both their 2025/26 savings plans and other key actions.

7. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Medway Council fails to produce an improvement plan.	This plan is a condition of the 'exceptional financial support' and therefore failure to produce one could result in further intervention by the Department.	This plan has been prepared in response to CIPFA's recommendation and to meet the condition of the 'exceptional financial support'.	DII
Medway Council fails to deliver the actions within the plan.	The Council would not deliver the required service improvements and agreed budget savings and would be unable to achieve financial sustainability.	The plan is underpinned by firm actions, with specific targets and deadlines and clear accountability. Performance will be monitored regularly by CMT.	BII

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

8. Consultation

- 8.1. The plan largely builds upon the 2025/26 budget agreed by Council in February 2025, however it has been consulted upon widely with Corporate Management Team colleagues and they in turn have involved their respective portfolio holders.

9. Climate change implications

- 9.1. Some elements of the plan will have specific implications for the Council's climate change agenda, however more importantly climate change is one of the five principles underpinning the One Medway Council Plan and everything the Council does.

10. Financial implications

- 10.1. These are laid out in the body of the report.

11. Legal implications

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

12. Conclusions

- 12.1. The One Medway Financial Improvement and Transformation Plan has demonstrated the Council's commitment to embarking on an improvement journey.

- 12.2. In CIPFA's latest report, published by Government in March 2025, alongside making recommendations which are incorporated into this FIT plan, they note that:

"The council is making great efforts to achieve a financially sustainable position and to balance spending with funding in the medium-term [...] and is both receptive and responsive to the advice given to it, to achieve greater financial resilience [...] Our impression is of a strong leadership at both Member and Officer level, which encourages collaboration and challenge in achieving the council's vision based around a common agenda and common values. [...] In our view, based on the evidence provided and the discussions we have had, the council's governance model is effective and the governance arrangements in place are understood by people at all levels of the council we have interacted with. [...] The quality of reports to

the council and to committees is very good.”

- 12.3. The One Medway Financial Improvement and Transformation Plan has played a key role in achieving this level of confidence from CIPFA, and this refresh of the plan for 2025/26 will continue the journey towards Medway Council's financial sustainability.

Lead officer contact

Phil Watts, Chief Operating Officer, Gun Wharf, 01634
334411, phil.watts@medway.gov.uk

Appendices

Appendix 1 – One Medway Financial Improvement and Transformation Plan

Background papers

[CIPFA Medway Council External Assurance Review September 2024](#)