

Cabinet

3 June 2025

Financial Improvement and Transformation (FIT) Plan Monitoring – Round 4 and Full-Year Outturn 2024/25

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer (S151 Officer)

Author: Paul Boyd, Chief Information Officer

Summary

This report presents a review of the FIT Plan monitoring for the financial year 2024/2025 and should be read in conjunction with the Revenue Budget monitoring for this period.

1. Recommendations

- 1.1. The Cabinet is asked to note the results of the final (fourth) round of FIT Plan monitoring for 2024/25.
- 1.2. The Cabinet is asked to note the positive outcome of the independent Internal Audit Assurance review validating the work undertaken in respect of key actions.
- 1.3. The Cabinet is asked to instruct the Corporate Management Team to continue focused oversight of FIT Plan, carrying over residual actions to the 2025/26 FIT Plan where appropriate.

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 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 full 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 Year End FIT Plan Tracker Position

- 5.1. The table below shows that performance against all of the Council priorities has improved since Q3.
- 5.2. There is a total savings target of £26,455,400 within the FIT Plan that relates to the five Council Priorities. £24,350,859 is showing as delivered for financial year 2024/25 on the FIT Plan tracker, representing 92% achieved.

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

Priorities								
Priority 1: Delivering quality social care and Savings			17,904,000		14,624,301		82%	3,279,699
	Income		242,000		132,000		55%	110,000
	P1 Total		18,146,000		14,756,301		81%	3,389,699
Priority 2: Benefitting from good education Savings			1,029,400		2,323,821		226%	1,294,421
	Income		50,000		50,000		100%	-
	P2 Total		1,079,400		2,373,821		220%	1,294,421
Priority 3: Enjoying clean, green, safe and c Savings			1,744,000		1,599,000		92%	145,000
	Income		2,607,000		3,523,871		135%	916,871
	P3 Total		4,351,000		5,122,871		118%	771,871
Priority 4: Improving health and wellbeing Savings			220,000		133,000		60%	87,000
	Income		218,000		344,866		158%	126,866
	P4 Total		438,000		477,866		109%	39,866
Priority 5: Living in good-quality, affordable 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		24,350,859		92%	2,104,541

- 5.3. In addition to the five priorities, there are supplementary targets attributed to our strategic support services. The table below provides a high-level overview of performance against **all** savings and income targets within the FIT

Plan.

Task	Activity (Income gen - gold)	Savings/ Income	Target		Annual total to date			Savings Outstanding (£)
			Items	Savings (£)	Cumulative Items	Cumulative Savings (£)	% of target	
People								
Adult Social Care	Savings			8,347,000		6,812,140	82%	- 1,534,860
	Income			-		-		-
	ASC Total			8,347,000		6,812,140	82%	- 1,534,860
Children's Social Care	Savings			9,203,000		7,495,161	81%	- 1,707,839
	Income			-		-		-
	CSC Total			9,203,000		7,495,161	81%	- 1,707,839
Education	Savings			748,400		2,042,821	273%	- 1,294,421
	Income			-		-		-
	Ed Total			748,400		2,042,821	273%	- 1,294,421
People Total	Savings			18,298,400		16,350,122	89%	- 1,948,278
	Income			-		-		-
	People Total			18,298,400		16,350,122	89%	- 1,948,278
Place								
Culture and Community	Savings			2,516,000		1,711,000	68%	- 805,000
	Income			1,080,000		976,866	95%	- 53,134
	C&C Total			3,546,000		2,687,866	76%	- 858,134
Frontline Services	Savings			1,533,000		1,388,000	91%	- 145,000
	Income			2,677,000		3,523,871	132%	- 846,871
	FLS Total			4,210,000		4,911,871	117%	- 701,871
Regeneration	Savings			327,000		327,000	100%	-
	Income			761,810		715,578	94%	- 46,232
	Regen Total			1,088,810		1,042,578	96%	- 46,232
RCE Director	Savings			24,000		24,000	100%	-
	Income			-		-		-
	Director Total			24,000		24,000		-
Regeneration, Culture and Environment	Savings			4,400,000		3,450,000	78%	- 950,000
	Income			4,468,810		5,216,315	117%	- 747,505
	Place Total			8,868,810		8,666,315	98%	- 202,495
Business Support								
Finance and Business Improvement	Savings			5,783,000		3,630,324	63%	- 2,152,676
	Income			-		-		-
	FBI Total			5,783,000		3,630,324	63%	- 2,152,676
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		3,650,324	63%	- 2,152,676
	Income			-		-		-
	BS Total			5,803,000		3,650,324	63%	- 2,152,676
Grand Total	Savings			28,501,400		23,450,446	82%	- 5,050,954
	Income			4,468,810		5,216,315	117%	- 747,505
	Grand Total			32,970,210		28,666,761	87%	- 4,303,449

- 5.4. Out of the total savings target of £33m in the FIT Plan Tracker, over £28.6m is showing as delivered after the fourth quarter. This is 87% of the total target.
- 5.5. 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 financial monitoring.
- 5.6. 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.

- 5.7. It has been recognised that there is value in continuing to monitor our key targets and actions, as evidenced in the year 2 version of the FIT Plan for 2025/26. This refreshed plan builds on our results from 2024/25 and incorporates recommendations and insights from the latest CIPFA financial review.

People Directorate

6. Adult Social Care

- 6.1. 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. This is only a slight increase since R3. Some figures have been adjusted downwards due to the review and validation of the figures by Finance colleagues to only include cashable savings. This provides increased assurance in the figures.

Task	Activity (income gen - gold)	Item tracked	Savings/ Income	Target Items	Savings (£)	Annual total to date			Savings Outstanding (£)	Comments (Current period)
						Cumulative Items	Cumulative Savings (£)	% of target		
Adult Social Care										
1.1 Targeted reviews		Various placement and payment reviews	s		1,900,000	279	1,874,015	99%	25,985	Targeted reviews continues to deliver significant savings/cost avoidance. Work will continue in 2025/26
1.2 Manage demand: residential		Reduction of residential placements	s	18	659,000	-	-	0%	659,000	Ongoing challenges with identifying residential cases that could be reduced have resulted in non-achievement of this target this year. The target will be carried over to next year.
1.3 Manage demand: supported living		Reduction of supported living placements	s	8	300,000	-	-	0%	300,000	Ongoing challenges with identifying supported living cases that could be reduced have resulted in non-achievement of this target this year. The target will be carried over to next year.
1.4 Manage demand: homecare		Reduction of homecare placements	s	78	953,000	73	280,507	29%	672,493	The reablement pilot is planned to be rolled out to all localities within Early Help and Prevention which will enable additional savings deliver in 25/26. The remainder of this target will therefore be rolled over to next year.
1.5 Brokerage placement negotiation		Negotiate savings on 50 placements	s	50	500,000	212	1,296,823	259%	796,823	Brokerage placement negotiation continues to deliver significant savings/cost avoidance. Work will continue in 2025/26.
1.6 Assessment beds		Use of assessment beds at Admiral Court and Amherst Court	s	100	1,000,000	-	-	0%	1,000,000	Ongoing challenges have led to the closure of Amherst assessment beds. BCF funding had only been agreed to the end of March 2025, and MFT determined that they did not want to continue this funding. Discussions are taking place to explore whether these savings could be made through stretch targets in other areas.
1.7 Intermediate care - urgent response		Funding sought from BCF – paper to future JCMG	s	1	685,000	1	685,000	100%	-	This piece of work was completed and savings achieved in June 2024.
1.8 Assistive technology		69 units	s	69	1,550,000	106	1,936,387	125%	386,387	Assistive technology deployment continues to deliver significant savings/cost avoidance. Work continues with Kyndi to identify additional technologies that can support continued delivery of outcomes. Work will continue in 2025/26.
1.9 Double to single handed care		Clients move from double to single handed care	s	30	300,000	39	137,325	46%	162,675	A review of Double to Single Handed Care is commencing to determine actions to be taken to ensure achievement of future savings targets.
1.10 Direct payment reclaims		Audit of direct payment claims	s	250	500,000	-	602,082	120%	102,082	The focus on Direct Payment reclaims has delivered significant savings within both the budget and the FIT Plan, across Children's and Adults.
				604	8,347,000	710	6,812,140	82%	1,534,860	0

6.2. Highlights include:

- Brokerage: Target annual saving of £500,000, with £1.296m delivered at R4. These figures have been validated by Finance.
- Assistive Technology: Target annual saving of £1.55m, with over £1.93m delivered at R4.
- Direct Payment reclaims: Target annual saving of £500,000, with £602,000 delivered at year end.

- 6.3. There are 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 has reviewed these items, and the refreshed FIT Plan 2025/26 includes clearer targets for

prevention, broken down into different workstreams.

6.4. Key Actions

Other key actions				Due		On Track?		
1.27 Strengthen the panel arrangements	-	ka	na	30/04/2024	-	Complete		0
1.29 Agree joint funding protocols with the NHS	-	ka	na	31/10/2024	-	N		0
1.31 Develop a 'Care for Medway' strategy	ASC with PH	ka	na	30/06/2024	-	Y		0
1.32 Workforce restructuring	-	ka	na	30/09/2024	-	Y		Adult Social Care rightsizing was completed on 1 March 2025. Work is ongoing to recruit to vacant roles.
1.33 Implement recommendations for referral of financial assessments	-	ka	na	31/05/2024	-	Complete		0
1.34 Undertake practice audits to review placement and package types	Starting April 2024	ka	na		-	Y		0
1.36 Embed practice audit assessments	Starting April 2024	ka	na		-	Y		0

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

6.6. The action not on track relates to agreeing joint funding protocols with the NHS. This has been carried over to the FIT Plan 2025/26 (1a: 'Agree joint funding protocols with the K&M NHS ICB, resulting in a signed protocol'), as a key action to be achieved by end of Quarter 2 (September 2025).

7. Children's Services

7.1. The table below shows that Children's Services had a savings target of £9.2m in the FIT Plan. Savings of just under £7.5m have been achieved, a significant improvement from R3.

Task	Activity (income gen - gold)	Savings/ Income	Target Items	Target Savings (£)	Annual total to date			Savings Outstanding (£)	Comments (Current period)
					Cumulative Items	Cumulative Savings (£)	% of target		
Children's Social Care									
1.11	Eden House (ref 1.37)	s	na	1,000,000	-	513,209	51%	486,791	The fourth young person has now moved into Eden House.
1.12	Placement cost efficiencies	s	na	2,762,000	-	2,404,186	87%	357,814	No additional savings. Ongoing review of placements efficiencies will continue throughout 2025/26 and will be continued to be reported on through the FIT plan tracker.
1.13	Supported accommodation reviews	s	na	275,000	2	286,914	104%	11,914	Ongoing reviews will ensure that young people are receiving the right level of accommodation to meet their needs/entitlement.
1.14	Short breaks targeted reviews	s	na	100,000	-	50,319	50%	49,681	Ongoing review of the backlog is in progress and the aspiration is for this to be cleared by November. Ongoing savings will be evidenced.
1.15	Transport targeted reviews	s	na	35,000	-	23,000	66%	12,000	Ongoing transport reviews is part of business as usual
1.16	Floating support targeted reviews	s	na	120,000	-	122,000	102%	2,000	This robust reviewing process will remain in place as business as usual ensuring that packages of support meet the needs of our children and young people.
1.17	Family partnership programme	s	na	400,000	-	252,885	63%	147,115	The 4 children who remained with their families achieved actual savings of £68,231, figures have been amended to reflect this.
1.18	Reunification	s	na	270,000	-	303,971	113%	33,971	During Q4, the 5 children that left care achieved savings of £102,101. Reunification remains a significant area of focus for the service.
1.19	Reducing spend on external specialist assessments	s	na	140,000	-	219,000	156%	79,000	The specialist assessment service will continue to ensure that where possible parenting assessments will be completed inhouse. This will continue to support savings.
1.20	Reduction in project teams	s	na	2,082,000	-	1,441,500	69%	640,500	There are no project teams within the service.
1.21	RAA reduce uplift	s	na	150,000	-	200,600	134%	50,600	
1.22	Transition	s	na	1,869,000	-	1,677,577	90%	191,423	Transitions main area of focus for Children and Adults services, and the teams will continue to work together to ensure transitions are efficient, effective and meet the needs of young people.
			-	9,203,000	2	7,495,161	81%	1,707,839	

7.2. Highlights include:

- Placement cost efficiencies: £2,404,186 of FIT target achieved.
- Reducing spend on external specialist assessments: Savings target of £140,000 exceeded: £219,000 achieved.

7.3. Key Actions

Other key actions		Due		On Track?			
1.40 Implement recruitment plan re agency project team	ka	na	31/12/2025	-	Y		0

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

8. Education and SEND

8.1. Education has a savings target of £748,400 in the FIT Plan and has achieved savings of £2,042,821 at R4, significantly over target.

				100% of year elapsed					
Task	Activity (income gen - gold)	Savings/ Income	Target		Annual total to date			Savings Outstanding (£)	Comments (Current period)
			Items	Savings (£)	Cumulative Items	Cumulative Savings (£)	% of target		
Education									
	2.1 Route planner for SEND routes	s	na	272,400	-	1,601,821	588%	1,329,421	Not to be carried over, cost avoidance for the next 5 months. included in budget. not ongoing savings as BAU after 1 year.
	2.2 Schools improvement team, place planning, KS2	s	na	441,000	-	441,000	100%	-	not included in next years budget, expected to get schools forum approval for this funding for 25/26, although some risk (new SF members)
	2.3 IASS reduce uplift	s	na	35,000	-	-	0%	- 35,000	Not able to be achieved. Extend existing contract at current rate.
			-	748,400	-	2,042,821	273%	1,294,421	0

8.2. Highlights include:

- Route Planner for SEND Routes: Target annual savings of £272,400, with £1,601,821 delivered at R4. The FIT plan for 2025/26 includes a full-year saving delivered by this item.
- Information, Advice, and Support Service Reduce Uplift: Target annual saving of £35,000 is reported as not achieved following an unsuccessful procurement at a reduced rate. This action will be reviewed as part of the FIT Plan refresh for 2025/26.

8.3. Key Actions

Other key actions		Due		On Track?			
2.9 Deliver SEND recovery plan	ka	na	31/03/2027	-	Y		0
2.11 Commission strategic review of SEND transport	ka	na	30/04/2024	-	Completed		0

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

9. Public Health

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

9.2. Key Actions

Other key actions		Due		On Track?			
1.28 Review commissioning arrangements for YP mental health issues	ka	na	30/09/2024	-	Completed		0
1.30 Develop performance metrics to support transition	ka	na	30/09/2024	-	Y		0
1.37 Eden House residential provision is operational	ka	na		-	Completed		0
1.38 Review each child's placement package	ka	na		-	Completed		0
1.39 Strengthen joint commissioning arrangements with NHS	ka	na		-	Completed		0
2.10 Agree joint funding protocols with the NHS	ka	na	30/09/2024	-	Y		0

9.3. There are 6 key actions for Public Health, with 4 showing as complete, and 2 on track.

Place

10. Culture and Community

10.1. The table below shows that Culture and Community has a savings target of £3.5m in the FIT Plan and has achieved savings of £2.68m at year end.

Culture and Community									
1.23a Heritage review	i	na	72,000	-	32,000	44%	-	40,000	The new charge has significantly impacted foot fall. Staff have been testing new ways of engaging visitors, however the removal of all tourism resource has impacted significantly alongside incidents such as the cancellation of Dickensian Christmas. The shortfall is being offset through savings across the service. 2025/26
1.23b "	s	na	25,000	-	20,000	80%	-	5,000	It was a slow summer season for Upnor Castle, put down mostly to poor weather, the impact of the removal of all tourism resource and cancellation of Dickensian Christmas. The shortfall is being offset through savings across the service. Discussions about the future of Upnor with English Heritage have started and will look to impact post October 2025. Further updates will be available as discussion progress.
1.23c "	s	na	50,000	-	36,000	72%	-	14,000	The reduction in hours and removal of all tourism resource has impacted tickets sales. The shortfall is being offset through savings across the service. 2025/26 will look to further test visitor engagement and ticketing programmes as part of a full review of the success of implementing reduced hours.
1.23d "	i	na	50,000	-	50,000	100%	-	-	Additional income has been achieved and improved on.
1.23e "	i	na	50,000	-	50,000	100%	-	-	Additional income has been achieved and improved on.
1.24 Libraries review	s	na	82,000	-	82,000	100%	-	-	Savings made with no direct impact on front line services
1.25 Closure of VIC	s	na	197,000	-	179,000	91%	-	18,000	VIC lease surrendered and a strategic review of Medway-wide visitor economy has started and will proffer a series of recommendations in late Summer 2025.
3.13 Reduced events programme	s	na	141,000	-	141,000	100%	-	-	Savings achieved as part of budget setting, however there is a significant revenue in year pressure on festivals and events that is being supported elsewhere in the C&L service budget.
4.1 Cozenton Park Sports Centre	s	na	200,000	-	113,000	57%	-	87,000	Target not achieved due to NNDR above budget, and need to recruit staff prior to the centre opening in July. Suggest target is changed for 2025-26 to concentrate on income generation, as expenditure factors eg NNDR, salary increases, national insurance contributions are applied centrally and therefore cannot be influenced by service. Target suggestion for 2025-26 is for the centre to exceed £1m income - this can then be accurately measured monthly for FIT plan reporting.
4.2 Reduction in concessionary fees	i	na	218,000	-	344,866	158%	-	126,866	Complete, no further action required.
4.3 Lordwood Leisure Centre	s	na	20,000	-	20,000	100%	-	-	Complete, no further action required.
5.1 Temporary accommodation	s	na	1,700,000	-	1,019,000	60%	-	681,000	Cost avoidance due to investment under section 5.2 totalled £1,479,400 [after the reduction in staffing costs of £178,000], TA acquisition & use of HRA properties - cost avoidance of £226,393 and One Medway Lettings - £16,895. Total cost avoidance £1,722,688.
5.2 Restructure Housing team	s	na	101,000	-	101,000	100%	-	-	Additional staff (5 housing options officers) recruited over April - July 2024 period to increase homeless preventions baseline of 25 per month. Outturn for additional preventions based against 2023/24 was 313 cases prevented from entering temporary accommodation placements.
5.3 Homelessness Grant - increase	i	na	400,000	-	400,000	100%	-	-	Grant received.
5.4 Planning fee increase and planning performance agreements	i	na	240,000	-	100,000	42%	-	140,000	Income from planning applications continued to be strong through to end of the year. Income from planning application fees was £1,557,685 against a budget of £1,225,000. This has allowed for £37,063 to be accrued into 25/26. As many of the applications received were large scale they also came with PPA payments which are used to support staff resources.
	-		3,546,000	-	2,687,866	76%	-	858,134	0

10.2. Highlights include:

- Reduction in Concessionary Leisure/Swimming Fees: annual increased income target of £218,000, with £344,836 additional income achieved at year end.
- Temporary Accommodation: Target annual savings of £1.7m, with just over £1m delivered at year end. If we factor in cost avoidance, the total figure achieved is £1,722,688.

10.3. Key Actions

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

1.41 Formulate the Integrated Hubs programme	ka	na	31/08/2024	-	Y	0	0	Decision made to move project activity to Digital. Remove from C and C as lead. Engagement still needed, await confirmation of future model.
1.42 Deliver pilot phase Integrated Hubs in Gillingham	ka	na	31/03/2025	-	Y	0	0	As above.
4.4 Develop proposals to reduce overheads for leisure services	ka	na	31/03/2025	-	Y	0	0	0
5.5 Deliver the Local Plan	ka	na	30/06/2025	-	Y	0	0	Reg 18b was delivered in July 24. Now working towards reg 19 by June 25
5.7 Deliver HRA capital programme	ka	na	31/03/2025	-	Y	0	0	Phase 5 - Lennoxwood onsite with ground work preparations. Grant application to Homes England to support delivery of the scheme including a number of social rented units (larger properties) Aburound House further ecological works are required (bat survey) which can not be concluded till May 2025. Phase 6 - Britton Farm continues to progress towards an early summer handover. A number of sites are being reviewed and considered for additional delivery & section 106 purchase
5.8 Set-up a Council owned lettings agency	ka	na	31/07/2024	-	Y	0	0	Completed - soft launch October 2024. 8 Properties procured and occupied at EOY. Cost avoidance included in Section 5.1. Continuous to grow with next Medway Council Landlord Forum in May 2025

11. Frontline Services

11.1. Frontline Services has a savings target of £4.2m in the FIT Plan and has exceeded its income and savings targets, achieving £4.9m at year end, as seen in the table below.

Task	Activity (income gen - gold)	Savings/ Income	Target Items	Target Savings (£)	Annual total to date			Savings Outstanding (£)	Comments (Current period)
					Cumulative Items	Cumulative Savings (£)	% of target		
Frontline Services									
1.26 Registration Service increase	i	na	70,000	-	-	0%	-	70,000	0
3.1 'Safer, Healthier Streets'	i	na	954,000	-	1,115,194	117%	-	161,194	Income target of £1.94m. This includes £954k FIT requirement and £986k legacy from 23/24). End of year income achieved £1.1mk, therefore target of £954k achieved. However, there is still a risk that the majority of the budget income of £986k will not be achieved.
3.2 Increased activity – street works	i	na	110,000	-	70,789	64%	-	39,211	This income did not materialise this year due to a delay in the implementation of new licences and a reduction in the number of defects on the highway as a result of utility works. This figure excludes the permit scheme and applies to skips, scaffolding, hoarding, defects and overrunning road works
3.3 LED street lighting	s	na	550,000	-	475,000	86%	-	75,000	Saving of £300k from energy and £250k from maintenance put forward. Maintenance was overspent by £27k and Street Lighting Energy is expected to be £118k under budget once March energy bill is received. Final outturn is expected to be £405k (shortfall of £145k).
3.4 Highways income (inc lane charges)	i	na	40,000	-	56,025	140%	-	16,025	Highways Income target was £69k with £40k additional identified in the FIT as an assumption that Lane Rental would be implemented (£109k). Lane Rental is still being worked up with implementation not likely until late 2025/25 or early 26/27. Additional income has been achieved through vehicle crossing applications resulting in a total income of £125,025 (£16,025 above target).
3.5 Carriageway and footway patching	s	na	580,000	-	510,000	88%	-	70,000	Savings identified from £300k carriageway patching and £280k footway patching. Overspend on carriageway patching of £167k at year end following cold period Jan-Mar, but an additional saving of £93k achieved on footway patching. Final outturn is a saving of £510k.
3.6 Restructure of the Highways team	s	na	90,000	-	90,000	100%	-	-	The removal of 2 posts within the Highways Structure at the start of the year facilitated this saving. Work within the team has been reallocated to bring further efficiencies.
3.7 Use of commuted sums to fund surface drainage works	s	na	286,000	-	286,000	100%	-	-	Savings from commuted sums have been used to cover drainage
3.8 Private Contract Asset Management	s	na	14,000	-	14,000	100%	-	-	Original budget of £29k reduced to £15k to give £14k saving. Actual spend at end of year was £15,268 therefore achieved saving of £13,714 at year end.
3.9 Salt bin replacement – review criteria	s	na	13,000	-	13,000	100%	-	-	0
3.10 Parking fee increases & review of charges	i	na	1,314,000	-	1,961,017	149%	-	647,017	Additional income target has been overachieved.
3.11 Increased revenue PCN	i	na	41,000	-	168,620	411%	-	127,620	Additional target has been overachieved
3.12 Festive decorations	i	na	60,000	-	60,000	100%	-	-	Sponsorship was successfully achieved again for festive decorations this year and we hope for this to continue for the coming years.
3.15 Parking charges at country parks	i	na	88,000	-	92,226	105%	-	4,226	0
			-	4,210,000	-	4,911,871	117%	701,871	0

11.2. Highlights include:

- Parking fee increases and review of charges: the original income target of £1.3m has been exceeded, with £1.96m achieved.
- Increased revenue from PCNs: £168,620 has been achieved against a target of £40,000.
- Parking charges at country parks: additional income received from parking charges at country parks has generated £92,226 from season ticket sales.

11.3. Key Actions

Other	0	0	0	Due	On Track?			0
1.35 Agree an updated business plan for Kyndi Ltd	ka	na	30/06/2024	-	C	0		
3.16 Commission a comprehensive waste strategy	ka	na	30/09/2025	-	Y	0		
3.17 Deliver the phased acquisition of a new collection fleet	ka	na	31/03/2026	-	Y	0		

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

12. Regeneration

12.1. The table below shows that Regeneration has a savings target of £1.1m in the FIT Plan and has achieved savings of £1.04, just slightly below target.

Task	Activity (income gen - gold)	Savings/ Income	Target Items	Target Savings (£)	Annual total to date			Savings Outstanding (£)	Comments (Current period)
					Cumulative Items	Cumulative Savings (£)	% of target		
Rege									0
2.4	Mitigate impact of HIF	s	na	184,000	-	184,000	100%	-	This is completed
2.5	Town centre cost reduction	s	na	8,000	-	8,000	100%	-	This is completed
2.6	Contributions to external partners	s	na	65,000	-	65,000	100%	-	This is completed
2.7	Adult Education centre increased income	i	na	50,000	35,000	50,000	100%	-	This is completed
3.14	Green spaces maintenance	s	na	70,000	-	70,000	100%	-	This is completed
10.1a	Income capital schemes, dev contributions & consultancy fees	i	na	40,000	-	28,000	70%	- 12,000	0
10.1b	"	i	na	125,592	-	80,498	64%	- 45,094	0
10.1c	"	i	na	58,218	-	58,218	100%	-	This is completed
10.2	Increase rental income from Pentagon and other properties	i	na	488,000	-	498,862	102%	10,862	This is completed
			-	1,088,810	35,000	1,042,578	96%	- 46,232	0

12.2. Highlights include:

- Increase Rental Income from Pentagon and Other Properties: The annual increased income target of £498,862 shows an over-achievement of £10,862.

12.3. Key Actions

Other	0	0	0	Due	0	On Track?	0	0
2.12 Review development & disposal options for Innovation Park Medway	ka	na	31/03/2025	-	Y	0	0	This is dealt with. went to March Cabinet
3.18 Conclude negotiations with Medway Norse	ka	na	30/06/2024	-	Y	0	0	This is ongoing.
5.9 Agree an updated business plan for Medway Development Company	ka	na	30/06/2024	-	C	0	0	This will be relooked at annually at the MDC Subcommittee
10.3 Prepare a Corporate Property Strategy	ka	na	30/06/2024	-	C	0	0	This is completed
10.4 Identify a list of surplus assets	ka	na	30/06/2024	-	C	0	0	This is completed and work on disposals is underway
10.5 Formulate a plan for the future of the Pentagon	ka	na	30/06/2024	-	Y	0	0	0
10.6 Deliver the £22million improvements to Gun Wharf	ka	na	31/03/2026	-	Y	0	0	This is ongoing.
10.7 Formulate a plan to maximise use of reconfigured HQ	ka	na	30/06/2024	-	Y	0	0	This is ongoing.

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

13. RCE Director

13.1. There is a £24,000 annual saving attached to business rates for public conveniences, attributed to the Director of Place. However, the Director's office does not monitor the budget for this area. The budget has been realigned for 2025/26 to reflect this. Value and Asset Management colleagues have incorporated this action into the operational property disposal review.

Task	Activity	Savings/Income	Target	Annual total to date			Savings	Comments
	(income gen - gold)		Items Savings (£)	Cumulative Items	Cumulative Savings (£)	% of target	Outstanding (£)	Final end of year narrative for CMT 7 May 2025

RCE Director								
2.8 Business rates public conveniences	s	na	24,000	-	24,000	100%	-	Removed as part of budget realignment. VAM business rates advisors are reviewing and will appeal any liabilities which are incorrect. Some sites will be disposed of under the cabinet approved operational property review.

Business Support Department

14. Finance and Business Improvement

14.1. The table on the next page shows that Finance and Business Improvement (FBI) had a savings target of £3.63m and a Corporate Transformation target of £2.15m in the FIT Plan and achieved savings of £3.37m.

14.2. Highlights include:

- All FBI savings targets are showing as achieved, apart from 8.6: Increase court costs chargeable in recovery action, which was just £2,676 short of the target of £550,000.
- The corporate transformation target of £2,150,000 is showing as not achieved, however, the actual pressure of this target has been reduced by savings on the expenditure budget for transformation and the remaining savings have been completely off set by savings on treasury activity.
- A review of transformation savings targets for future years has been carried out as part of the budget setting process for 2025/26 to ensure

that savings associated with the Medway 2.0 delivery plan are considered jointly with service savings.

- Work is underway with services to include savings for 2026/27 and beyond in the Medium Term Financial Outlook (MTFO).

Task	Activity (income gen - gold)	Savings/ Income	Target Items	Savings (£)	Annual total to date			Savings Outstanding (£)	Comments (Current period)
					Cumulative Items	Cumulative Savings (£)	% of target		
Finance and Business Improvement									
6.1	Schools' HR & payroll services	s	na	263,000	-	263,000	100%	-	Decision to be made about withdrawing from HR advice for Schools. no longer viable
6.2	Single contractor for training delivery	s	na	154,000	-	154,000	100%	-	Not to be carried forward
6.3	Community Interpreting net surplus	s	na	100,000	-	100,000	100%	-	Budget saving delivered. The historic and unachievable income target for CIS has been addressed by making savings in CABS.
6.4	Restructuring of FBI division	s	na	120,000	-	120,000	100%	-	Budget realignments to deliver this saving completed as part of the 2025/26 budget build.
7.1	Deliver Transformation 'Road Map'	s	na	2,150,000	-	-	0%	- 2,150,000	The actual pressure of this target has been reduced by savings on the expenditure budget for transformation and completely off-set within the 2024/25 financial monitoring by savings on treasury. A Medway 2.0 Delivery Plan has been agreed by CMT and Cabinet, which aligns with savings identified by services in 25/26. Work is underway with services to include savings for 2026/27 and beyond in the MTFO.
8.1	Single person discounts and other exemptions (1x R4fte, net saving £760k)	s	na	800,000	-	800,000	100%	-	2024/25 budget outturn includes council tax income as per budget, including reduced rate of SPD, and collection fund outturn for the year was a surplus compared to projections. New staff appointed and trained, and delivering additional reviews, with new module in NEC system implemented to automate reviews process increasing increased volumes and faster processing of reviews in future years.
8.2	Strengthen Debt Recovery team (2xR4FTE, net saving £880k)	s	na	1,000,000	-	1,000,000	100%	-	The bad debt provision was not increased in the 2025/26 budget, delivering this saving based on activity planned. New staff appointed and trained, delivering significant activity including: - 400 text messages sent via campaign driving customers to the welfare hub, - categorising £7m of debt returned by Enforcement Agents using the LIFT platform to determine bespoke actions depending on debtor circumstances, - Tracing absconded payers via Enforcement Agents on a trace and collect basis, returning updated address details for 50% of cases, - collection of more than £300k debt that would not have been recovered without the additional resource, - Council tax bad debt provision increase required to set 2025/26 budget was held at c£1m despite significant growth in council tax liabilities raised in recent years.
8.3	Increase the number of completion notices (1xR4FTE, net saving £106k)	s	na	146,000	-	146,000	100%	-	2024/25 budget outturn includes council tax income as per budget, including increased number/speed of issue of collection notices, and collection fund outturn for the year was a surplus compared to projections. New staff appointed and trained, delivering 701 completion notices since June, delivering an estimated additional income of £225,000, in excess of the target and contributing to the surplus on the collection fund.
8.4	100% premium for long-term empty properties after 1 year	s	na	500,000	-	500,000	100%	-	2024/25 budget included an estimate of the impact of this premium delivering the £500,000 target. Monitoring during the year confirmed that the debit raised through the premia in 2024/25 was £499,595 and the council tax collection fund was in overall surplus at the end of 2024/25.
8.5	Remove 3 month discount for class C & D	s	na	-	-	-	-	-	Class C & D exemptions were removed from April 2024, so the change and full impact were delivered in 2024/25.
8.6	Increase court costs chargeable in recovery action	s	na	550,000	-	547,324	100%	- 2,676	Court costs increase agreed with Courts in July 2024. 2024/25 income outturn £1.647m compared to income budget of £1.650m.
				-	-	3,367,324	58%	- 2,152,676	0

14.3. Key Actions

14.4. The following table shows the key actions for Finance and Business Improvement.

Other key actions			Due	On Track?			
5.6 Widen public consultation with communities	ka	na	30/06/2024	-	Complete		Following discussions with the administration it has been decided not to undertake wider consultations. Statutory consultations will continue as normal.
6.6 Consult with directorate management teams re support requirements	ka	na	30/04/2024	-	Complete		Right-sizing activity concluded with all posts filled.
6.7 Self-assessment of Council's financial management	ka	na	30/06/2024	-	N		Self Assessment against CIPFA's Financial Management Code completed and discussed at Business Support DMT in January 2025 with actions identified incorporated into the FIT Plan 2025/26.
6.8 Develop a set of tools to prepare business cases	ka	na	30/06/2024	-	N		HM Treasury Green Book model adopted and report template including guidance prepared. Additional tools/templates produced and being shared with CMT in May 2025.
6.9 Develop a quarterly 'Financial Resilience Report'	ka	na	30/09/2024	-	N		Template Resilience Report created, to be populated with Q4 data and shared with the COO/CE in Q1 2025/26 - reflected in 2025/26 FIT and FBI Divisional Plans.
7.2 Develop Transformation Roadmap	ka	na	30/06/2024	-	Complete		Medway 2.0 Transformation Roadmap has now been approved by CMT, BSD O&S (20 June 2024) and Cabinet (30 July 2024).
7.3 Programme governance methodologies	ka	na	30/06/2024	-	Complete		<p>Programme governance methodologies have been developed and made available to the organisation via the MedSpace Intranet:</p> <p>https://medway2.sharepoint.com/sites/Intranet/SitePages/Business%20Support/Business%20Improvement/Business%20Change/Business-Change-and-Transformation.aspx</p> <p>Training delivered to some teams and working with Internal Comms to raise awareness of the guidance and templates.</p>
7.4 Medway 2.0: Develop 'Report It' process	ka	na	30/06/2024	-	Complete		<p>The first "Report It" process (nuisance vehicles) has now gone live. This new process has incorporated 4 separate processes into 1 (abandoned vehicles, illegally parked vehicles, vehicles being sold on the highway, and vehicles being repaired on the highway), making it much easier for residents to report issues.</p> <p>The new "report it" service pattern will now be used to develop all future report it processes, utilising the new service design and technology.</p>
7.5 Create platform for single view of the resident.	ka	na	30/06/2024	-	Y		A report was taken to CMT on 2 October 2024 outlining the proposed roadmap for implementing a modern data infrastructure for Medway Council, using the Microsoft Azure cloud platform and the Microsoft Fabric solution, to support the achievement of the Council's data and analytics ambitions. The report provides recommendations, costs, and benefits of the project and CMT has agreed to release £240,000 of funding from the £1.0 million transformation fund to implement this project. The procurement process is almost complete and implementation plans are being developed.
7.6 Develop 'Ward Dashboards'	ka	na	30/06/2025	-	Y		Development likely to commence in 2025/26.
7.7 Combine 'Service Request' and 'Service Delivery' into a single, simple, process	ka	na	30/09/2024	-	Y		Supports and enables 7.1. Service efficiencies delivered will be considered for the MTFO by September 2025.
7.8 Review 'front door' demand management	ka	na	30/09/2024	-	Complete		<p>Themed discussion on demand management held with CMT on 21/08/24. Some interesting discussions and points raised.</p> <p>Paul Boyd and Carolyn Jarvis wrote a report summarising the discussion, identified the current work being carried out around "demand management" and "prevention", and presented this information to CMT on 13 November 2024. It was decided that Lee-Anne Farach would now lead the production of the Prevention Strategy.</p>
7.9 Identify 2 distinct website platforms.	ka	na	30/06/2024	-	Complete		Due to right sizing within the development team, we have enabled the council to leverage both the Jadu solution as well as in house development using Microsoft .NET. An example of where this has worked where the team has rebuilt the Medway Tickets web site for the theatre team. The platform will be continually evaluated based on the requirements of the service areas business case.
7.10 Carry out a review of administration tasks	ka	na	30/09/2024	-	Complete		Supports and enables 7.1. Review carried out and will feed into the prioritisation of the Medway 2.0 Delivery Plan.
7.11 Better use of data	ka	na	30/06/2024	-	Y		This action is directly related to the work within 7.5 above. Establishing the correct data platform will enable the Council to make better decisions using up to date information.
7.12 Manage internal communications	ka	na	30/06/2024	-	Complete		A "champion" from the Information Section has been identified and has published the first case study, which is the redevelopment of the MedwayTicketsLive website for the theatres service.
7.13 Agree the timetable for review of progress	ka	na	30/06/2024	-	Complete		It has been agreed with the Leader and Portfolio Holder that there will be a 6 monthly review at Cabinet and BSD O&S via the Portfolio Holder being held to account. This will be happening at BSD O&S on 24 October 2024. It is proposed that the frequency of the Cabinet updates will be increased to quarterly as the pace of delivery increases.

- 14.5. There are 42 key actions in all, with 19 completed, 19 on track and 4 not on track.
- 14.6. 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.
- 14.7. These actions have been slightly delayed due to the focus Finance has placed on the monthly monitoring and preparation for the 2025/26 budget build.
- 14.8. These actions have progressed significantly in Q4, and draft documents were presented to the Business Support Departmental Management Team and will be incorporated into the FIT Plan for 2025/26.
- 14.9. HM Treasury Green Book model adopted and report template including guidance prepared. Additional tools/templates produced and shared with Corporate Management Team (CMT) in May 2025.
- 14.10. Template Resilience Report created, to be populated with Q4 data and shared with the Chief Operating Officer / Chief Executive in Q1 2025/26 - reflected in 2025/26 FIT and FBI Divisional Plans.
- 14.11. There has been some minor slippage in the MedPay review, which has been discussed at CMT. Ranges 1 – 8 are expected to be completed by the end of May 2025 and work has commenced on the next phase of the review, which will cover the Council's leadership.

Other key actions			Due	On Track?		
9.1 Agree methodology for workforce planning	ka	na	30/06/2024	-	Y	Tools to now be put together in a guide. 9.1, 9.2, 9.4, 9.5 to be combined - Strategic Workforce Planning
9.2 Strengthen planning with data management	ka	na	31/12/2024	-	Y	Using workforce data to future proof. This will be when HRBPs will be back with Directorates
9.3 Complete review of MedPay	ka	na	00/01/1900	-	N	R1-R8 End of May. Leadership to be done
9.4 Align talent management with strategic planning	ka	na	31/03/2025	-	Y	merge
9.5 Identify future skills requirements	ka	na	31/12/2024	-	Y	merge
9.6 Reduce staff turnover	ka	na	31/03/2026	-	Y	0
9.7 Review internal recruitment process	ka	na	31/03/2025	-	Complete	change to review new careers hub
9.8 Refresh Recruitment Strategy	ka	na	30/09/2024	-	Complete	Completed to be removed
9.9 Implement Recruitment training	ka	na	31/12/2024	-	Complete	BAU
9.10 Develop modular programme	ka	na	30/09/2024	-	Y	Develop complimentary training to the complete Medway manager - change overall objective to leadership development
9.11 Redesign performance conversations	ka	na	30/06/2024	-	Complete	Complete BAU
9.12 Review the Learning and Development Strategy	ka	na	30/09/2024	-	Y	Due to EMC June
9.13 Conduct skills audits of service areas	ka	na	31/03/2025	-	Y	repeat - to be merged
9.14 Develop appropriate attendance/absenteeism, etc reporting	ka	na	31/12/2024	-	Y	change objective slightly - remains a priority
9.15 Evaluate all learning to inform future planning	ka	na	30/06/2024	-	Y	remove BAU
9.16 Promote participation in Employee Engagement Survey	ka	na	31/12/2024	-	Complete	CF new survey Summer 25
9.17 Develop framework to promote well-being	ka	na	30/09/2024	-	Y	To remain - draft due summer
9.18 Implement new employee benefits	ka	na	30/09/2024	-	Completed	2 implemented - another due around health support
9.19 Consider employee preferences for recognition	ka	na	30/03/2025	-	Y	Paper circulated for comment
9.20 Develop appropriate attendance/absenteeism, etc reporting (same as 9.14)	ka	na	31/12/2024	-	Y	duplicate remove
9.21 Develop an effective comms & stakeholder engagement plan	ka	na	30/06/2024	-	Complete	0
9.22 Develop a framework to promote equality, diversity, and inclusion	ka	na	30/09/2024	-	Y	EDI strategy in place BAU
12.1 Prepare a revised Council Plan	ka	na	31/05/2024	-	Complete	0
12.2 Conduct a fundamental review of performance monitoring	ka	na	30/06/2024	-	Y	0
12.3 Develop a corporate suite of data	ka	na	30/06/2024	-	Complete	0

15. Legal and Governance

15.1. 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 achieved.

Task	Activity (income gen - gold)	Savings/ Income	Target Items	Target Savings (£)	Annual total to date			Savings Outstanding (£)	Comments (Current period)
					Cumulative Items	Cumulative Savings (£)	% of target		
Legal and Governance									
6.5	Reduction in Mayoral support	s	na	20,000	-	20,000	100%	-	0

15.2. Key Actions

Other key actions		Due		On Track?			
11.1	Provide training on procurement requirements	ka	na	31/07/2024	-	Complete	0
11.2	Update template documents	ka	na	31/07/2024	-	Complete	0
11.3	Service managers to file procurement forward plans	ka	na	30/09/2024	-	Complete	0
11.4	Produce Strategic Procurement Plan	ka	na	31/12/2024	-	Y	0
11.5	All specifications to contain objective KPIs	ka	na	30/09/2024	-	Complete	0
11.6	Revise contract management guidance	ka	na	30/06/2024	-	Complete	0
11.7	Contract managers required to report centrally on partners' performance.	ka	na	30/09/2024	-	Complete	0

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

16. Assurance Review

16.1. The original FIT Plan states: *“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”*.

16.2. Appendix 1 contains the report from the Internal Audit team, validating a sample of key actions from the 2024/25 FIT Plan.

16.3. To summarise, it was found that, from a sample of 13 actions representing 37% of the 35 actions reported as completed at the time the review was undertaken, *“there was suitable evidence available to validate their completion”*.

17. Conclusions

17.1. The latest CIPFA financial assurance review noted that: *The FIT Plan is a comprehensive and detailed plan to transform and achieve savings across the Council. A great deal of effort and focus went into developing the FIT Plan and a similar level of effort and focus is going into delivering it.*

17.2. The FIT Plan outturn for 2024/25 shows that progress throughout the year was consistently tracked across all directorates, highlighting areas of success, which may have otherwise been lost in budget monitoring, and identifying areas where services need to provide a new level of focus. In some cases,

key actions have been carried forward into the FIT Plan 2025/26, separating out individual targets where this makes tracking clearer and more transparent.

17.3. This was the overall objective of the FIT Plan, which has addressed the original CIPFA recommendation.

17.4. Going forward, the 2025/26 FIT Plan incorporates the recommendations from the latest CIPFA financial assurance review.

18. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
The Council has overspent against the agreed budget	Overspends on budget would need to be met from the Council's limited reserves.	The revenue and FIT Plan 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, transparent, 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, impacting on future years.	Close monitoring of demand for service to identify pressures early, robust budget monitoring.	All
Likelihood		Impact:	
A Very likely		I Catastrophic	
B Likely		II Major	
C Unlikely		III Moderate	
D Rare		IV Minor	

19. Financial implications

- 19.1. The FIT Plan outturn gives a detailed update 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 year-end FIT Plan report should be read alongside the Round 4 Revenue Budget Monitoring outturn 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.

Lead Officer Contact

Paul Boyd, Chief Information Officer, 01634 33 3938,
paul.boyd@medway.gov.uk

Appendices

Appendix 1: One Medway Financial Improvement and Transformation Plan (FIT Plan) Validation

Background papers

None