

## **Cabinet**

**29 July 2025**

### **One Medway Financial Improvement and Transformation Plan 2025-26 Q1 Update**

Portfolio Holder: Councillor Vince Maple, Leader of the Council

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

Author: Paul Boyd, Chief Information Officer

#### **Summary**

This report presents a review of the Council's One Medway Financial Improvement and Transformation Plan (FIT Plan) monitoring for Round 1 and should be read in conjunction with the Revenue Budget monitoring for this period. This is the second year of the Council's journey to financial sustainability by producing and monitoring a FIT Plan.

#### **1. Recommendations**

- 1.1. The Cabinet is asked to note the results of the first round of FIT Plan monitoring for 2025/26.
- 1.2. The Cabinet is asked to agree the new approach to monitoring the FIT Plan.
- 1.3. The Cabinet is asked to instruct 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 decision**

- 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 Council.

### 4. Background

- 4.1. In April 2024 Full 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. The second iteration of the FIT plan was approved at the Cabinet on 6 May 2025. 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 £662m gross revenue expenditure budget and £230m 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

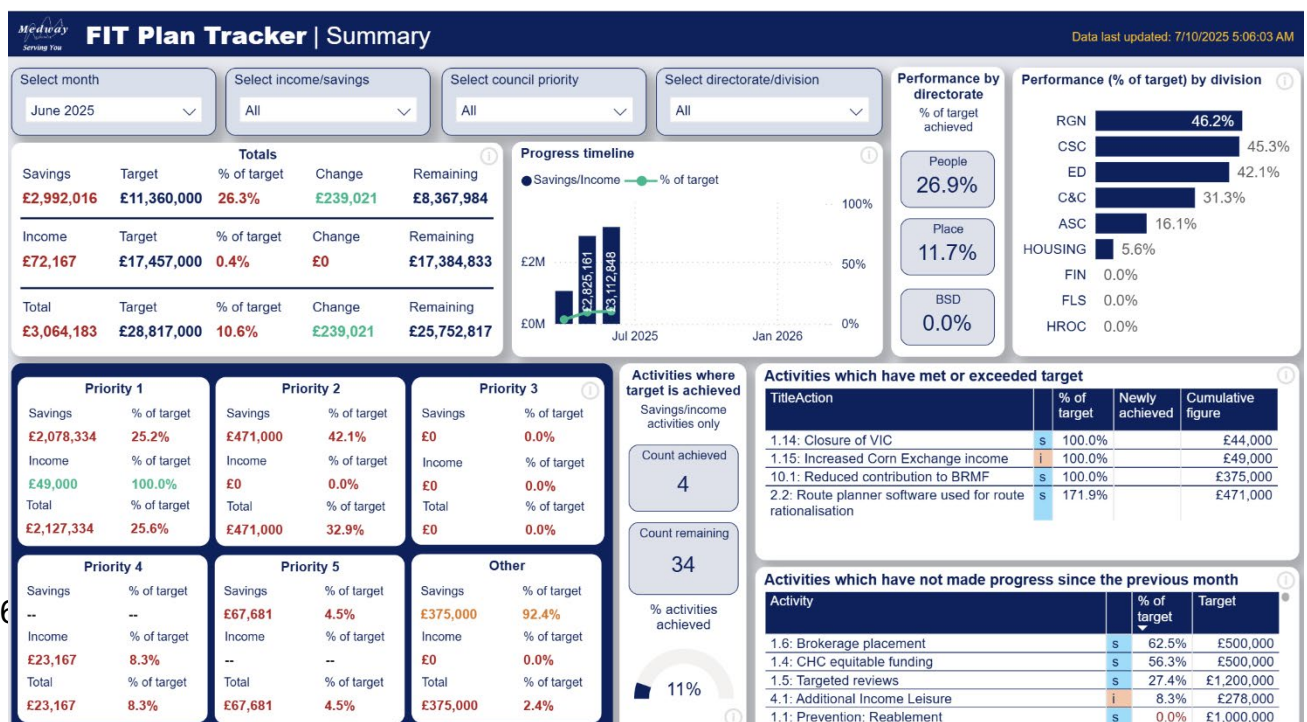
partners, we are committed to effective co-production, communication, and collaboration with all stakeholders.

- **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.

- 5.2. Following feedback from officers and Members during the first year of tracking the performance of the FIT Plan, a new approach has been adopted for 2025/26, which takes advantage of our investment in Microsoft technologies such as SharePoint, Power Apps, and Power BI.
- 5.3. Last year's approach relied on 3 separate spreadsheets that were manually linked to a summary spreadsheet. The new approach includes a "single version of the truth" within a SharePoint list, which can detect who is viewing the FIT Tracker and only show the actions relevant to them.
- 5.4. FIT Plan actions are now updated via a Power App form that presents the user with the relevant information and asks them to add their updates.
- 5.5. The data and performance of the FIT Tracker is now presented via Power BI dashboards, which will be used through this report.
- 5.6. This has made the updating and monitoring of the FIT Plan more efficient and effective, allowing staff to focus on the actions and has enabled us to present the data in a more engaging and informative way.

## 6. Summary of FIT Plan Tracker Position (10 July 2025)

- 6.1. The dashboard below shows a summary overview of the performance of the FIT Plan Tracker.



£72,167 have been recorded in the tracker, which is 10.6% of the overall annual target of £28,817,000.

- 6.3. Performance is shown by directorate, division, and against each of the Council Priorities. The “Other” section within the priority section of the dashboard refers to the other chapters of the FIT Plan, which are: sustainable finance, improving the customer experience, maximizing our revenues, workforce strategy, corporate property strategy, procurement and commissioning, and corporate governance.
- 6.4. This dashboard shows that 11% of activities have achieved their targets. It also highlights the areas that have met or exceeded targets and activities that have not made progress since the previous month.
- 6.5. This report includes screenshots of the Power BI dashboards. Work is currently underway to make some iterative improvements to the dashboard and then it will be shared with users, allowing them to dynamically analyse the data by using the filters and tools that have been developed as part of the Power BI dashboard.

## People Directorate

### 7. Adult Social Care

- 7.1. The dashboard below shows that Adult Social Care has a savings target of £5,752,000 in the FIT Plan and has achieved savings of £923,581 at Q1, putting it at 16% of target.

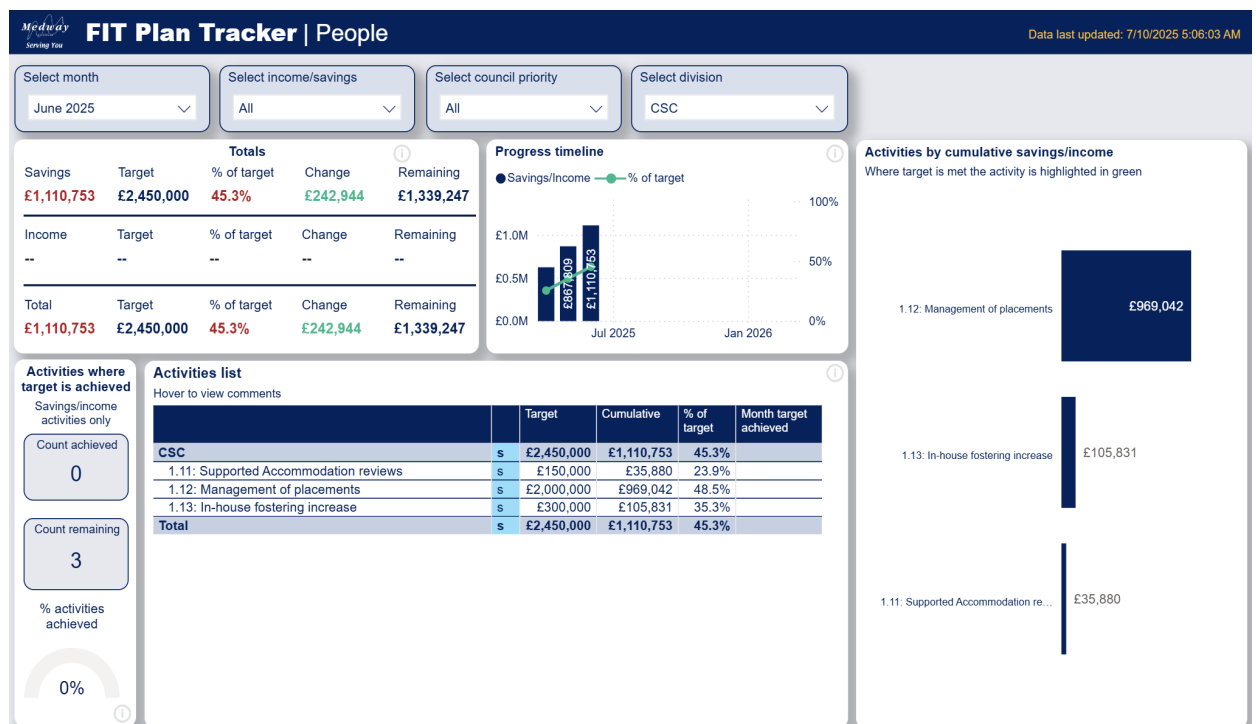


## 7.2. Highlights include:

- Targeted reviews have achieved savings and cost avoidance of £329,333 by ensuring that Medway's residents are receiving the right and least restrictive care at best value.
- £312,676 of savings and cost avoidance have been achieved from brokerage placements by ensuring that costs of care are appropriate for the type of care being received.
- £281,572 of savings have been achieved by carrying out a deep dive of current NHS Continuing Healthcare (CHC) packages. This will identify areas of focus and challenge to ensure Medway's residents are receiving appropriately funded care & support and that the council is only funding Care Act eligible needs.
- Further savings have been identified and are currently being verified by Finance before being added to the FIT Plan.
- Cashable Savings and Cost Avoidance will be shown separately in future iterations of the FIT Plan tracker to avoid confusion and increase transparency.

## 8. Children's Services

- 8.1. The dashboard below shows that Children's Services has a savings target of £2,450,000 in the FIT Plan and has achieved savings of £1,110,753 at Q1, putting it at just over 45% of target.



## 8.2. Highlights include:

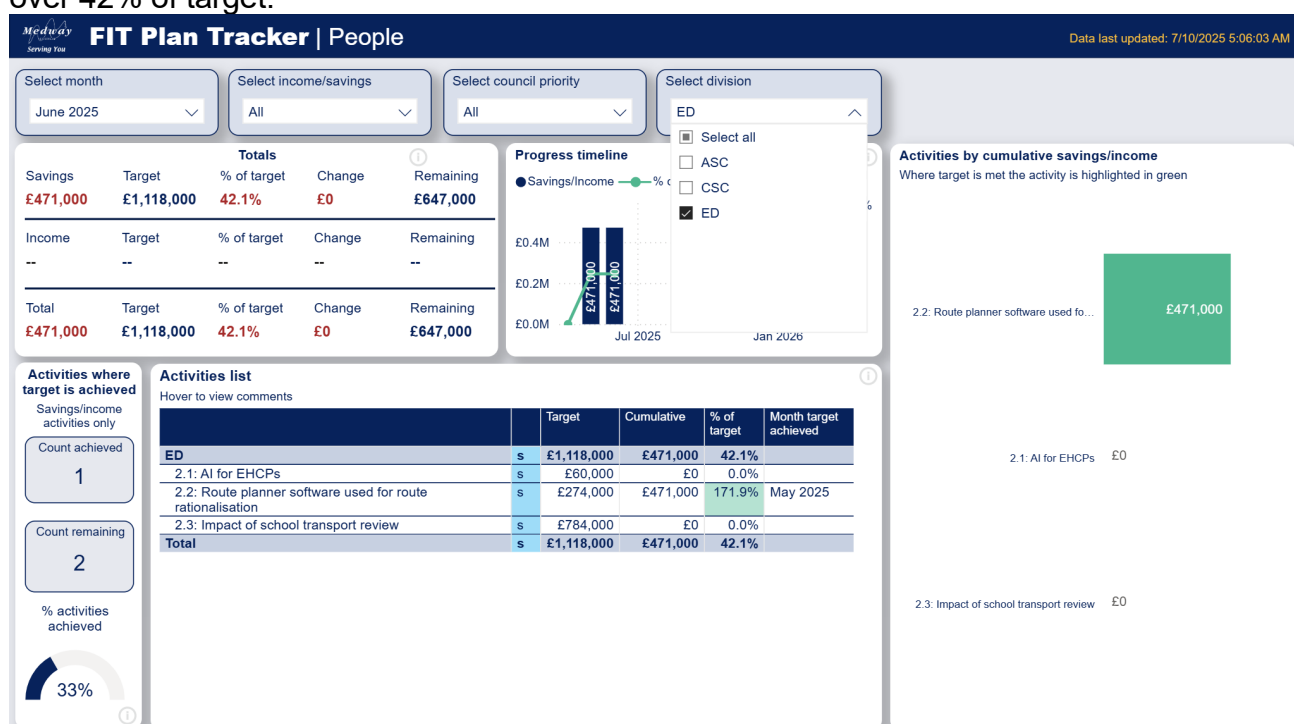
- Recruiting and Management of placements to ensure care plans are relevant

and continue to meet the needs of children and young people have achieved savings of £969,042.

- Recruiting and approving more inhouse foster carer to keep children closer to home and to reduce the use of IFA placements has achieved savings of £105,831.
- £35,880 of savings have been achieved by identifying and providing appropriate housing options for young people.

## 9. Education

- 9.1. The dashboard below shows that Education has a savings target of £1,118,000 in the FIT Plan and has achieved savings of £471,000 at Q1, putting it at just over 42% of target.



- 9.2. Highlights include:

- Route planner software used for route rationalisation has achieved savings of £471,000. Although these savings will cease in July 2025, this activity is already beyond the annual target of £274,000.
- We are working with a supplier to pilot an Artificial Intelligence tool to provide assistance with the production of Education Health and Care Plans (EHCPs). A Data Protection Impact Assessment is currently being completed to ensure that the appropriate data protection and cyber security arrangements are in place.

## 10. Public Health

- 10.1. Public Health does not have any savings targets in the FIT Plan, but there are 5

## key actions included:

Directorate	Service	Action	Priority	Status	Comment
People	PH	4c: 2 prevention-related projects	Priority 4	No status	(Comment carried over from previous month) Discussions on-going with staff from several teams across the council to explore research ideas and determine which have the highest probability of being funded if developed.
People	P&I (Lead)	1k: Develop performance metrics to support from SEND	Priority 1	No status	(Comment carried over from previous month) Not clear what this relates to. One guess is that it might relate to the new SEND strategy that is currently being developed. The SEND strategy has been developed using a logical framework approach. A key element of this approach is the creation of strategic indicators that will measure our progress and success in delivering the strategy's goals and priorities.  These indicators will be aligned with the strategy's overarching goal, purpose, and thematic areas; they will be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound); and designed to reflect the level of ambition we aim to achieve by the end of the strategy's lifecycle.
People	PH	4a: Improve flu vaccination uptake	Priority 4	No status	(Comment carried over from previous month) Recruitment to team almost complete. Plan developed for the coming year. Insight work to begin soon.
People	PH	4d: Smoking cessation AI tool	Priority 4	No status	(Comment carried over from previous month) Technical development almost complete, content being uploaded, aiming for launch in the summer.
People	PH	4b: primary falls prevention service	Priority 4	No status	(Comment carried over from previous month) The Medway FaME service launched on 1st April 2025 with the first fully booked class of 20 participants attending the Academy of Woodlands in Gillingham. The FaME service is now being delivered in four locations across Medway and is being promoted to GPs and other clinical teams in Medway alongside targeted promotion through various channels to reach those with greatest need.  The service currently has 200 people either going through the sessions or on the waiting list.  Medway Valley PCN are supporting the build of searches used in the successful pilot for roll out across primary care. These searches will identify patients 'mildly frail' within clinical records.

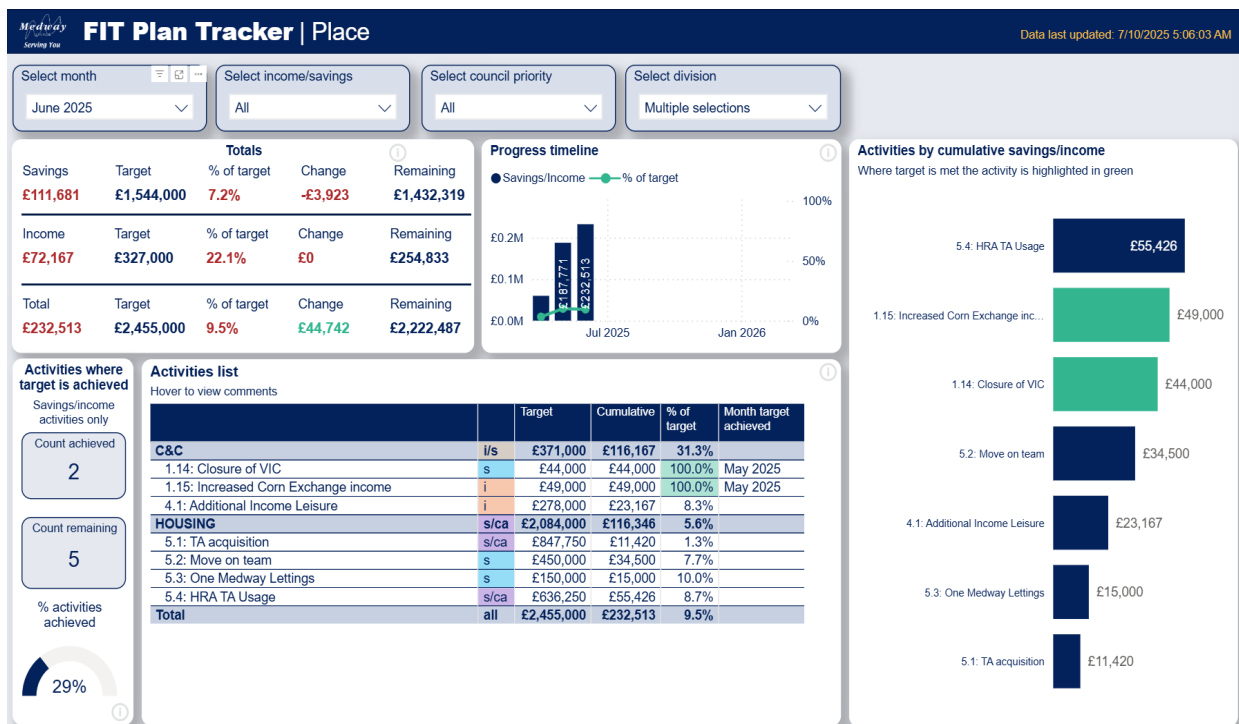
10.2. The next iteration of the FIT Plan tracker will include a progress status update on Key Actions.

## Place

## 11. Culture and Community

11.1. The dashboard below shows that Culture and Community has a savings and income target of £1,871,000 in the FIT Plan and has achieved £183,848 at Q1, putting it at nearly 10% of target.

Total	Target	% of target	Change	Remaining
£183,848	£1,871,000	9.8%	£-3,923	£1,687,152





## 11.2. Highlights include:

- Achievement of £44,000 savings on the final elements of full withdrawal from 95 High Street.
- £49,000 showing as achieved from bookings at the Corn Exchange.
- Additional income of £23,167 has been achieved, even though performance at Hoo Sports Centre has been impacted by the closure of the swimming pools for repairs.
- £55,426 of savings and cost avoidance has been achieved through the use of HRA properties for temporary accommodation.

## 12. Frontline Services

- 12.1. The dashboard below shows that Frontline Services are yet to show figures within the FIT Plan because these are still being collated and verified and will be shown against the targets within the dashboard below when available.



## 13. Regeneration

- 13.1. The dashboard below shows that Regeneration has a savings and income target of £811,000 in the FIT Plan and has achieved £375,000 of savings at Q1, putting it at just over 46% of target.





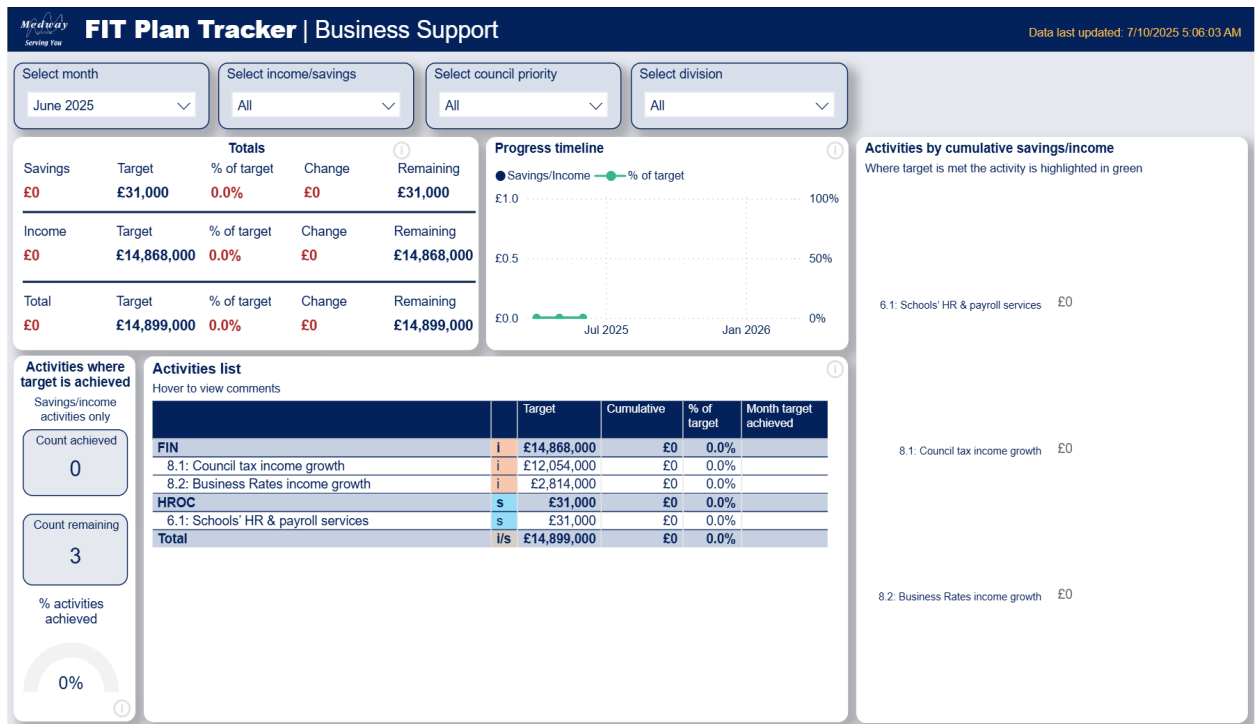
### 13.2. Highlights include:

- Savings of £375,000 have been achieved as the Building Repairs & Maintenance Fund (BRMF) will be allocated exclusively to compliance, building safety, and income-critical works.
- We are currently awaiting the outcome of rent reviews and renewal negotiations before determining the income from the property portfolio review.
- We have had funding cuts of £177,000 from our Department for Education contract which is causing budget pressures for the Medway Adult Education (MAE) additional income target of £15,000. Work is being undertaken to ensure we still grow our income by the planned 10%. Enrolments opened at the start of the month and are looking positive. A clearer picture will form by the end of Q2.

## Business Support Department

### 14. Finance and Business Improvement

- 14.1. The dashboard below shows that Finance and Business Improvement has a savings and income target of £14,899,000 in the FIT Plan. No figures are currently showing because the Q1 income from Council tax and Business Rates is still being collated.
- 14.2. When figures are added for these targets, it will have a significant positive impact on the performance of the Business Support Department and the overall FIT Plan figures, which will be presented in the Q2 report.



## 15. Legal and Governance

15.1. Legal and Governance does not have any savings targets in the FIT Plan, but there are 2 key actions included:

Directorate	Service	Action	Priority	Status	Comment
Business Support	LGL	11a: Ensure contract for Norse JV	Priority 11	No status	No comment found
Business Support	LGL	12g: Assurance statements for senior leaders	Priority 12	No status	No comment found

15.2. The next iteration of the FIT Plan tracker will include a progress status update on Key Actions.

## 16. Conclusions

16.1. The first round of FIT Plan monitoring for 2025/26 shows that progress is being 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.

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

16.3. The Q1 figures currently exclude income for Frontline Services, Council Tax, and Business Rates as they are still being collated due to this report being written so close to the end of Q1. When these figures are added, it will have a significantly positive impact on the FIT Plan targets, which will be highlighted in the Q2 review.

## 17. Risk management

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
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
<b>Likelihood</b>	<b>Impact:</b>		
A Very likely	I Catastrophic		
B Likely	II Major		
C Unlikely	III Moderate		
D Rare	IV Minor		

## 18. Financial implications

- 18.1. The first 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.
- 18.2. This FIT Plan update report should be read alongside the Round 1 Revenue Budget Monitoring 2025/26 report to understand the full financial implications.

## 19. Legal implications

19.1. 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.

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

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### Appendices

None

### Background papers

None