

Medway Council
Meeting of Business Support and Digital Overview and
Scrutiny Committee

Thursday, 21 August 2025

6.34pm to 7.43pm

Record of the meeting

Subject to approval as an accurate record at the next meeting of this committee

Present: Councillors: Tejan (Chairperson), Hamilton (Vice-Chairperson), Bowen, Brake, Browne, Finch, Jones, McDonald, Nestorov, Pearce and Mark Prenter

Substitutes: Councillors:
Spring (Substitute for Perfect)
Kemp (Substitute for Hackwell BEM)

In Attendance: Paul Boyd, Chief Information Officer
Steve Dickens, Democratic Services Officer
Michael Kelly, Head of Category Management
David Reynolds, Head of Revenue Accounts
Phil Watts, Chief Operating Officer

236 Apologies for absence

Apologies for absence were received from Councillors Hackwell BEM, and Perfect.

237 Record of meeting

The record of the meeting held on 19 June 2025 was agreed and signed by the Chairperson as correct.

238 Urgent matters by reason of special circumstances

There were none.

239 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests (DPI)

There were none.

Other significant Interests (OSI)

There were none.

Other Interests

There were none.

240 Procurement Strategy 2025-2030

Discussion:

The Head of Category Management introduced the report. The proposals placed an emphasis on delivering the best value for the Council with focusing on innovation and bespoke strategy on a project-to-project basis.

The following issues were discussed:

Risks to the Council – in response to a question how the Council minimised risk the Head of Category Management stated that the service undertook pre-emptive work to minimise the risk to the Council and good contract management ensured the project remained fit for purpose. He that no action against the Council had taken place during his time at the Council.

Review of Progress – it was asked how progress would be monitored. In response the Head of Category Management stated that an annual report outlining progress against the strategy would be considered by the Committee.

Local businesses – The Committee discussed how the Procurement Strategy could promote local business, employment in Medway and apprenticeships. The Head of Category Management stated that the Council would promote positive links with local businesses. Social value was an important consideration in procurement, and this included employment in the area and apprenticeships. However, in making decisions the Council needed to consider social value against the cost of a scheme and the service was keen to measure this effectively. The Head of Category Management undertook to consider how the strategy could prioritise local suppliers whilst considering projects on a case-by-case basis.

It was asked how the Council could avoid reinforcing any bias and power structures already in place through its social value criteria. The Head of Category Management stated that each scheme would be reviewed on a project-by-project basis to ensure it was tailored to meet the needs of the Council and in this way would ensure that decision making did not reinforce current structures.

Small and Medium Enterprises (SME's) – It was asked how the Council could help promote SMEs, the Head of Category Management stated that the Council held discussions with small businesses about the barriers to market and discussed the Council's needs with them, prior to schemes going to tender.

Business Support and Digital Overview and Scrutiny Committee, 21 August 2025

Resources – in response to a question whether the service had the resources it needed to fulfil the proposed strategy, the Head of Category Management stated that the service was adequately resourced and was undertaking artificial intelligence (AI) and other training to improve the service. In addition the service had held some early discussions with Medway 2.0 to look at opportunities related to digital transformation.

Suppliers – in response to a question whether the Council could ensure that sustainable and ethical standards were in place across the supply chain, the Head of Category Management stated that the Council had outlined the criteria for a good supplier and undertook to share this with the Committee. The Council undertook a collaborative approach to ensuring goals such as lower emissions were met.

Decision:

- a) The Committee noted the 2025-2030 Procurement Strategy and provided its comments to Cabinet.
- b) The Committee supported the proposal of annual reporting of the deliverables.

241 Medway 2.0 Update

Discussion:

The Chief Information Officer introduced the report and highlighted that significant progress had been made in a number of projects. He added that Medway 2.0 was not focused solely on technological transformation, but also joining up services and service design to ensure residents had access to the right information in a timely manner when contacting the Council.

The following issues were discussed:

Artificial Intelligence (AI) – Members welcomed the progress made and discussed safeguards for AI to ensure bias was not present in responses. The Chief Information Officer stated that the project was focused on ensuring the data was correct and only Medway data was used, rather than from external sources.

He added that in reference to Special Educational Needs and Disabilities (SEND), AI would be used as a tool in compiling Education, Health and Care Plans (ECHPs) from various reports, but it would not be used to write the report itself, which would remain the responsibility of the relevant professional. The project was proceeding cautiously and the pilot scheme had not yet begun.

Excluded groups – it was asked how the Council would ensure services remained in place for those residents who did not have access to digital services. The Chief Information Officer explained that those digital services

Business Support and Digital Overview and Scrutiny Committee, 21 August 2025

would be used in integrated hubs to improve services to residents that contacted the Council in person. He added that the project sought to ensure that officers could answer as many queries as possible from residents without being referred to other services. Integrated Hubs had already opened, however the Council needed to rationalise its properties and there was a preference to utilise properties it owned rather than leased. The Committee discussed whether the public could access services at Kingsley House or were being referred to other buildings on arrival, the Chief Information Officer stated that the public should have controlled access to Kingsley House and undertook to investigate further.

Resources – in response to a question whether the Council had the capacity and skills to undertake the transformation work required the Chief Information Officer stated that the service had been restructured to support Medway 2.0 and he was confident in the ability of the officers to take forward the service.

Local Government Reform – The Committee discussed what impact Local Government Reform would have on Medway 2.0. The Chief Information Officer stated whilst the impact could not be known at this stage, that other authorities in the region used Microsoft products and the Council was engaged in the Microsoft Partnership Network. He added that it was important as a preparatory step for the Council to ensure it had effective data management.

Measures of success – The Chief Information Officer was asked what he thought would demonstrate success for Medway 2.0. He stated that he wanted any resident to be able to access any Council building and have their issue dealt with at the first point of contact rather than being referred to different offices in Medway. He added that the service redesign phase for customer facing processes was nearing completion and the next phase. Improving data management. was scheduled to start shortly.

Decision:

- a) The Committee noted the progress of the Medway 2.0 Delivery Plan.
- b) The Committee provided comments on the currently prioritised workstreams.

242 Capital Budget Monitoring - Round 1 2025/26

Discussion:

The Head of Revenue Accounts introduced the report, highlighting the round one forecast had resulted in no variance from the budget for schemes under the remit of this Committee.

The following issues were discussed:

Business Support and Digital Overview and Scrutiny Committee, 21 August 2025

Underspend – it was asked whether the projected underspend represented savings in projects or delays in spend. The Head of Revenue Accounts stated that the underspend represented savings in schemes.

Data Centre Refurbishment – in response to a question whether investment in the data centre would continue once the refurbishment had been completed to ensure that it remained effective. The Chief Information Officer stated that the scheme was coming to an end, however, the Council remained committed to ensuring the data centre remained a positive for the Council and a business case was in development to improve cyber security and further server upgrades.

Cost pressures - it was asked how the Council managed inflationary pressures. The Chief Operating Officer stated that costs were monitored on a project-by-project basis, but the Council worked hard to make realistic cost assumptions and ensured cost certainty through the procurement process and regular budget monitoring. If inflationary pressures became unaffordable managers would look to make savings or review the scope for a scheme. If this isn't possible, the service could request additional funding for the capital programme,

It was asked if any schemes were currently considered a risk of significant overspend, the Chief Operating Officer stated that he wasn't aware of any scheme which was at risk and managers were reporting an underspend overall in the capital budget.

Virements – it was asked how virements were monitored to ensure effectiveness, the Chief Operating Officer stated that delegations were in place which managers were required to report on and these were published on a regular basis.

Decision:

The Committee noted the results of the first round of capital budget monitoring for 2025/26.

243 Revenue Budget Monitoring - Round 1 2025/26

Discussion:

The Head of Revenue Accounts introduced the report; he highlighted round one monitoring forecast an overspend of £10.9m. The areas under the remit of this Committee forecast an underspend of £350,000.

The following issues were discussed:

Overspend – in response to a Member question on what action the Council had taken to avoid issuing a Section 114 notice, the Head of Revenue Accounts explained that the Cabinet had requested officers to take action, and

Business Support and Digital Overview and Scrutiny Committee, 21 August 2025

added that round one monitoring represented an early projection and round two monitoring would provide more accurate forecasts.

Reserves – further information was requested regarding reserves. The Head of Revenue Accounts stated that the Council had £10m in general reserves which was a figure set by the section 151 officer. There were also monies in earmarked reserves which the Council may be able to access of around £1.5m – £2m this financial year if required, however this would not be considered at this stage.

The Chief Operating Officer added that forecast spend figures for round one was often higher than later in the year and the projected overspend is significantly lower at this stage compared to last year which resulted in a £5m overspend. The Council was not in a position that required a section 114 notice, and earmarked reserves totalled £30m.

Exceptional Financial Support (EFS)– it was asked if the Council would consider further borrowing, the Chief Operating Officer stated the Council borrowed almost £20m in EFS in 2024-25 and budgeted for a further £18m in the current year. However, he reported that the administration's publicly stated aim was to set a budget for 2026/27 without recourse to further EFS.

Decision:

- a) The Committee noted the results of the first round of revenue budget monitoring for 2025/26.
- b) The Committee noted that Cabinet instructed the Corporate Management Team to implement urgent actions to bring expenditure back within the budget agreed by Full Council.

244 Work Programme

Discussion:

The Democratic Services Officer introduced the report and highlighted proposed updates to the work programme as set out in the report.

Decision:

- a) The Committee agreed the provisional work programme at Appendix 1 to the report.
- b) The Committee noted the work programmes of the other Overview and Scrutiny Committees at Appendix 2 to the report.

**Business Support and Digital Overview and Scrutiny Committee, 21 August
2025**

Chairperson

Date:

Steve Dickens, Democratic Services Officer

Telephone: 01634 332051

Email: steve.dickens@medway.gov.uk