

One Medway
Financial Improvement and
Transformation Plan 2024/28

Year 3 Refresh: 2026/27

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Introduction

Medway Council has continued to make strong and sustained progress in strengthening its financial resilience while protecting the services that matter most to our residents. We are proud of the advances made through our transformation journey to date, moving decisively from short-term stabilisation to a more mature, planned, and sustainable approach to financial improvement.

Nevertheless, local authorities continue to operate in an exceptionally challenging financial environment. Growing, sustained, demand pressures, rising costs, and national funding uncertainty continue to place pressure on councils across the country.

Following the Resilience Review undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2023, Medway worked constructively with Government to secure Exceptional Financial Support (EFS). This support has enabled the Council to balance its budgets while delivering the fundamental changes required for long term sustainability. Importantly, EFS has not been used as a short term fix, but as a platform for investment in transformation, service redesign, and strengthened governance.

Exceptional Financial Support

EFS has supported the Council to balance its budgets for 2024/25 and 2025/26 and has enabled targeted investment to right-size services, respond to demographic pressures, and address the underlying drivers of financial fragility, particularly within Adult Social Care, Children's Services, and Education. Through this investment, the Council has accelerated delivery of transformational change, reshaping how services are delivered to improve outcomes, enhance the experience for residents, businesses and visitors, and reduce costs over the medium term.

As part of the EFS process, the Council has continued to work closely with CIPFA through a series of assurance reviews. Their most recent report, published in March 2025, recognised the significant progress made and highlighted the Council's strong leadership, effective governance arrangements, and high-quality reporting. The review also made a number of recommendations, which are reflected throughout this refreshed One Medway Financial Improvement and Transformation (FIT) Plan for 2026/27. In particular, this iteration of the Plan demonstrates a stronger and more explicit focus on efficiency, value for money, and delivery assurance, building on the activity and output measures already in place.

One Medway Council Plan 2024–2028

In April 2024, Council approved the One Medway Council Plan, setting out the Council’s vision, ambition and priorities for the period 2024–2028, with a refreshed plan agreed in February 2025. The Plan articulates our ambition to make Medway a great place to live, work, learn and visit, underpinned by five 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 for all,
- living in good quality, affordable homes.

This FIT Plan is a key delivery mechanism for the One Medway Council Plan, ensuring that our strategic ambitions are underpinned by robust financial planning, clear accountability and measurable delivery.

The One Medway Financial Improvement and Transformation (FIT) Plan

Since Cabinet first agreed the FIT Plan in April 2024, it has become a central tool for driving improvement and savings across the organisation. It brings together activity from across divisional plans, the Medway 2.0 Delivery Plan, external assurance recommendations, and wider transformation programmes into a single, coherent framework. Crucially, it is not a statement of intent, but a delivery plan, underpinned by clear actions, defined targets, ownership and timescales, with robust arrangements for monitoring and on reporting progress.

This third iteration of the FIT Plan reflects the Council’s continued progress and increasing confidence in its approach. It provides an update on delivery during 2025/26, alongside a focused and credible set of actions for 2026/27 that support the approved budget and Medium-Term Financial Outlook. It also reflects improvements in how savings are defined, tracked, and assured, strengthening transparency and accountability.

Our Commitment for 2026/27

The 2026/27 FIT Plan is underpinned by a clear commitment to:

- **Transformational change** – continuing to redesign services, embed prevention and demand management, namely but not exclusively, through the children’s services reforms, ambitions for our children with SEND, and the reorganisation of local government, all of which offer significant opportunity when harnessed with digital and data-led approaches to deliver better cost-effective outcomes.
- **Value for money** – maximising the economy, efficiency, and effectiveness with which the Council deploys its resources.
- **Financial sustainability** – using EFS and capital flexibility to invest in change that enables the Council to move towards balancing its budget without external support over the medium term, informed by CIPFA and external audit recommendations.
- **Partnership and collaboration** – working effectively with partners, communities, and stakeholders to co-produce solutions and deliver shared outcomes.
- **Workforce development** – recognising that our people are fundamental to delivery, and continuing to invest in skills, leadership, and engagement in line with our People Promise.

As in previous years, progress against this Plan will be closely monitored, with formal reporting to Cabinet on a quarterly basis, ensuring transparency, challenge, and continued focus on delivery.

Dr Lee-Anne Farach

Director of People and Deputy Chief Executive

Adam Bryan

Director of Place

Local Government Reorganisation and Devolution

Kent reimagined: Bold new local government for the next generation to improve lives

In December 2024, the Government published a [White Paper](#) on the topic of [devolution](#) and reorganisation of local government in England (LGR). The White Paper proposed the extension of devolution and the creation of more Mayoral Strategic Authorities across England giving additional powers to local communities, giving them more control over decision making and implementation of services. The government also outlined plans to create more unitary councils to simplify and streamline local government.

On 28 November 2025, Councils from across Kent and Medway submitted proposals to central government. Medway developed and submitted a business case for the creation of four unitary authorities (referred to as option 4D) across North Kent, East Kent, Mid Kent, and West Kent with boundaries being informed by granular demographic, deprivation, travel-to-work and service demand data and designed around real communities and delivery of critical services such as social care, housing, health and education. It will simplify local government, making it easier for residents to know who does what.

The four authorities proposed by Medway have been specifically designed to reflect travel-to-work areas, housing market geographies, infrastructure corridors, and partnership footprints. Importantly, The proposal reflects a clear and coherent geography:

- North Kent: a growth corridor linked to the Thames Gateway, Medway towns and major infrastructure.
- West Kent: prosperous and knowledge-based, with strong links to London and innovation clusters.
- East Kent: coastal and serving as a gateway to continental Europe, with distinct maritime and visitor economies.
- Mid Kent: the historic heart of the county, centred around Maidstone and civic institutions.

Kent and Medway submitted 5 options for LGR in total with a decision expected from Government in early summer 2026. A full copy of the Medway Business Case, supported by both Canterbury and Ashford Councils, can be accessed [here](#).

Medway's 4D Option

Medway's preferred option, 4D will place Medway and the rest of Kent on a firmer financial footing, achieve efficiencies, and withstand financial shocks.

Residents and stakeholders have consistently prioritised financial resilience and value for money in engagement feedback, and expected reorganisation to reduce duplication and improve efficiency.

Option 4D balances operational grip with strategic capacity. It removes structural duplication across 14 councils and aligns budget responsibility with service delivery accountability. The business case identifies a structural misalignment in the current system. The two-tier system separates service responsibility from cost drivers. Current structural misalignment, for example:

- District-level housing supply decisions increasing homelessness pressures borne by county social care budgets.
- Prevention investment incentives sitting outside organisations that bear high-cost statutory demand.

By integrating housing, homelessness, public health, and social care within each unitary authority, we will be able to grow prevention-led approaches that moderate long-term demand growth. This structural alignment strengthens medium-term financial planning and system-wide sustainability. Option 4D also notes that transition costs are minimised by using existing boundaries where possible. A four-authority structure reduces systemic fragility by:

- Avoiding over-concentration of risk
- Ensuring each authority retains sufficient tax base and growth assets

In developing the business cases, the Section 151 Officers across all 14 councils jointly validated modelling assumptions, ensuring consistency of baseline financial data, conservative assumptions on workforce harmonisation, and sensitivity testing of savings ranges. The financial modelling in option 4D indicates recurring annual savings of £18.9m–£34.6m with a payback period of 7.9–14.5 years. This was derived from:

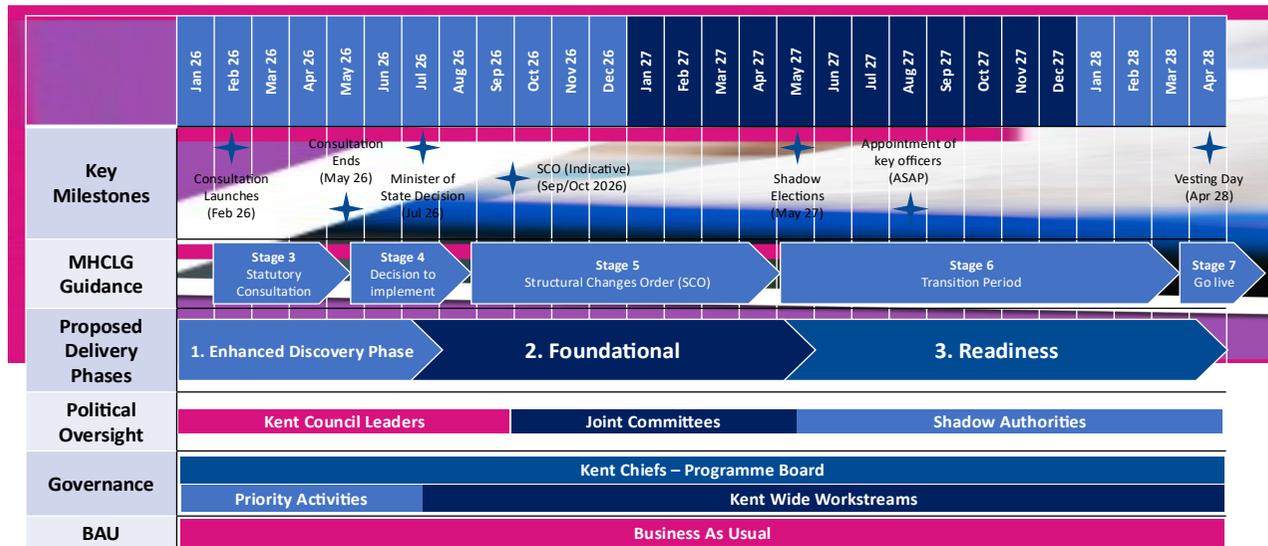
- Senior management rationalisation
- Democratic cost consolidation
- Procurement aggregation
- Back-office alignment

However, the strength of Option 4D lies not only in savings but in structural resilience. It:

- Creates balanced tax bases and population sizes.
- Distributes financial risk across four viable authorities.
- Integrates demand drivers (housing, prevention, public health) with statutory services.
- Avoids concentration of financial exposure within a single mega-authority.

What happens next?

A decision on which option will be taken forward by government into legislation is expected early summer 2026. However, work has already started on ensuring Medway has robust plans and process in place to ensure we are 'Safe and Legal' come vesting day on 1 April 2028, when the new Councils are launched. Each Council is a member of a cross Kent and Medway programme board leading key activity such as a stocktake of policies, benchmarking, and modelling activity for this first phase – called the enhanced discovery phase, prior to decision. Medway has also established its own programme board and workstream leads to ensure optimal preparedness with minimal avoidable risk. In the meantime, Medway Council will continue to provide our vital services as usual, continuing to deliver our commitments set out in our One Medway Council Plan and our FIT plan.



Devolution

LGR and devolution are intrinsically linked. The Leaders of Kent's 14 Local Authorities are all agreed that whilst LGR is an important step for reimagining local government and delivering positive impact for residents, the 'prize' is achieving devolution for Kent and Medway.

Across all the LGR submissions in Kent there was a clear rationale for why devolution is critical to our region, including on housing delivery, transport, education and skills, with economic growth at its core. Through devolution, Kent can streamline service delivery, strengthen financial stability, enhance collaboration across sectors, attract investment, and build a greater sense of place to ensure more cohesive, accountable and community focused local government services.

We will continue to work closely with Government on progressing an agreement for devolution alongside the work to deliver LGR.

How to read this document

This FIT Plan sets out the savings we have agreed to deliver in setting the 2026/27 budget, alongside a wide range of actions drawn together from Divisional Plans, the Medway 2.0 Delivery Plan, the recommendations of CIPFA and other regulatory bodies, and a series of other key activities we will take in the coming year. The Plan is structured around the five priorities for delivering services to Medway as set out in the One Medway Council Plan, followed by sections for our priorities in delivering strategic support services. Where appropriate, for each of these the Plan:

- summarises what the priority aims to deliver,
- sets out the areas for improvement we have identified,
- provides an update on the activity delivered through the FIT Plan in 2025/26,
- details the savings and income generation action plan for the area and how these will be monitored,
- sets out the other key actions for the area along with how these will be monitored.

Local Outcomes Framework

This refresh of the FIT Plan has been written with the Local Outcomes Framework in mind, which was formally published by Government on 12 February 2026 and is now the agreed framework for outcomes-based accountability between central and local government. It is intended to be operational for the current Spending Review period, alongside the 2026/27 - 2028/29 Local Government Finance Settlement, and replaces earlier compliance-led approaches with a shared focus on outcomes. This version of the FIT Plan aligns planning, performance, and assurance arrangements to the Local Outcomes Framework from 2026/27 onwards.

In practical terms, the new approach means a stronger emphasis on what has changed for residents, rather than simply what activity has been delivered. For example, transformation in Adult Social Care will be evidenced not just through the completion of reviews or implementation of new models, but through outcomes such as improved independence, reduced reliance on high-cost care packages, and more timely assessments. Similarly, digital and service redesign activity under Medway 2.0 will be judged by reductions in avoidable contact, faster resolution of issues, and improved customer experience, rather than the number of systems replaced or forms redesigned.

Across the FIT Plan, clearer outcome measures have been embedded alongside financial targets, stronger use of existing national and local data to demonstrate progress, and a more joined-up narrative linking savings, service change, and outcomes, ensuring that financial improvement is demonstrably supporting better results for Medway residents in 2026/27 and beyond.

Tracking savings delivery – cost savings versus cost avoidance

The 2026/27 revenue budget approved by Council in February 2026 assumes the delivery of more than £15.9m of savings and income generation proposals. During the year services will work with the accountancy and business change teams to track and report progress with both the underlying activity designed to generate savings, and the actual level of savings delivered to ensure robust, consistent reporting through both the budget and FIT Plan monitoring processes.

In some areas, the Council's budget is based on an assumed volume of transactions taking place during the year at an estimated average price. Where the 2026/27 revenue budget assumed an action or activity would reduce the volume or average price of those transactions, we refer to these as **budget or cost (cashable) savings**. Some action or activity is incorporated into the FIT Plan or may be identified during the year to prevent the volume or average price of transactions from increasing beyond the level assumed in the budget; we refer to this as **cost avoidance (non-cashable)** and while this is hugely important to delivering within the agreed budget, it is not counted in the delivery of the savings targets in this FIT Plan. In short, budget or cost savings lower the cost now, while cost avoidance mitigates or eliminates potential future costs.

Priority 1: Delivering quality social care and community services

What does this mean?

Demographic change, rising poverty, and the continued impact of the cost of living crisis mean that more children, families and adults across England are needing support from social care services. The increase in demand, growing complexity of need, workforce shortages and higher care costs require us to continue working closely with our partners to ensure a system that supports, protects and safeguards our children, young people and vulnerable adults. We will:

- Provide effective, targeted support for our most vulnerable residents to enable them to fulfil their potential and improve their quality of life,
- Support people of all ages to live the most happy, healthy, independent life possible, utilising assistive technologies,
- Ensure that services support children in care to thrive, fulfil their potential, build meaningful relationships and make good transitions to adulthood, so that they can live as independent lives as possible in their communities,
- Provide creative, cultural and community services and facilities across Medway that everyone can access and benefit from,
- Support our children and young people to ensure they are safe, secure and stable,
- Support all adults, including those living with disability or physical or mental illness to live independently and stay safe,
- Ensure people in Medway live independent and fulfilled lives into an active older age.

In the Assurance Review published in March 2025, CIPFA recommends that we ‘review the preventative and cost reduction measures the council is taking to contain or limit the impact of ... drivers of financial fragility’. However, it also recognises the challenges facing the council, and the focus that is already being placed on prevention: ‘The council has embarked on a number of initiatives to address the pressures in these services. A comprehensive transformation programme continues in Adult Social Care. Demand management is a key focus and includes initiatives to, for example, reduce reliance on care and support through the use of assistive technology and to support younger adults (including care leavers) on the edge of needing social care to enable independent living rather than going into supported living.’

Areas for improvement

Adult Social Care represents the most significant proportion of the Council’s overall general fund budget and correspondingly has seen the most significant budgetary pressures. The CIPFA Assurance Review notes that *“CIPFA’s benchmarking data indicates that Medway Council spends less per capita on both Adult Social Care and Children’s Services than other similar authorities. [...] Whilst the council is focused and taking action to address the underlying drivers of financial fragility, the financial challenges, based on the 2023-24 outturn, the current forecast outturn for 2024-25 and the MTFO together are daunting since these drivers are mostly outside of the council’s control.”* Elsewhere in the March 2025 report, CIPFA recommended that the Council should *“Review the*

preventative and cost reduction measures the council is taking to contain or limit the impact of these drivers of financial fragility” which the report is clear primarily relates to social care; the actions set out in this section therefore represent the Council’s plans in response to this recommendation.

The LGA Adults Use of Resources report confirms that Medway continues to spend below the England average on Adult Social Care. In 2024/25, Medway’s spend per adult was 7.6% lower than the England average. When NHS income is included, Medway’s revised spend per adult remains 9.1% lower than the national figure.

In January 2025 the Care Quality Commission published the report following their assessment of Medway’s Adult Social Care services during August 2024. The service was rated ‘requires improvement’ overall, with some areas achieving good including ‘Supporting people to lead healthier lives’, ‘Partnerships and communities’, and ‘Safe pathways, systems and transitions.’ Feedback from inspectors included how they had felt listened to by ‘compassionate, kind, caring and knowledgeable staff’. However, they also found that reviews of people’s care were not always undertaken in a timely manner so action to improve waiting lists, while working to ensure a consistent approach when carrying out an assessment, has and continues to be prioritised.

Future Plans

We have implemented numerous changes in Adult Social Care in 2025/26 to transform the way we provide adult social care services in our community. We have invested in important structural reforms to ensure the delivery of quality services to support the most vulnerable adults in the most cost-effective way and this will continue in 2026/27.

- Our use of Assistive Technology has increased, and we will continue to increase this further to enable our residents to live independent lives for longer. Working with Kyndi we have introduced Sensor Technology, Circadian Lightbulbs and the Evondos automated medication dispenser which has successfully supported people to live at home, we continue to trial other types of Assistive Technology including smart socks and beech bands.
- We have strengthened the transition arrangements from children’s services to adult social care and have made good progress in strengthening this for children with SEND who transition to adult social care. Effective transition and budgetary control are dependent on enabling earlier reviews and plans so that cost effective arrangements can be organised from the outset. We will be introducing an additional Social Worker in the Transitions Team in 2026/27 so that we can start working with young people earlier.
- Ensuring that all individuals are assessed under the Care Act 2014 and only eligible needs that cannot be mitigated are met through Adult Social Care.
- Ensuring that ‘strength based’ approaches to assessment are embedded, including an effective community led approach to demand management.
- Supporting people to live independently in their own homes for as long as possible or supporting them to return to their own homes with a small package of care when they are enabled to live independently.

In respect of our **Children’s Services**, the latest CIPFA review concluded that: “Spend per capita on children’s services was notably lower than for comparable authorities, and Medway has increased funding in this area to address earlier performance issues. As a consequence, the quality of Children’s Services has improved since 2019 - when it was considered ‘inadequate’ – to be ‘good’ in 2023. [...] Children’s Services appear to be relatively efficient.”

Children's services remain under significant pressure due to increased complexities and continued high demand and the staffing establishment needs to reflect that. We will continue to prioritise effective recruitment and retention of quality staff reducing reliance on agency support.

Medway Council has always prided itself on the wide range of **community services** we provide to Medway residents, from our excellent sports centres, incredible historic attractions, and highly rated theatres, vibrant annual festival programme and supporting our heritage, culture, sports and leisure communities to thrive. As discretionary services, we are not required to deliver these, but we know they are greatly valued by Medway residents. We are taking steps to review how we can continue to deliver these services in more cost-effective ways.

Our statutory library services and community hubs are trusted and welcoming spaces for all our residents providing a wealth of services from welfare and benefits surgeries, public health sessions, free Wi-Fi and public computers, and hundreds of events and activities every month to support young people, families and the most vulnerable.

Public Health

The Public Health department provides a range of services under the A Better Medway brand. This includes a number of physical activity groups, for example walking groups, cycling groups, Nordic Walking, Zumba Gold, etc. Most of these are very cost-effective, using external sources to provide seed funding for groups that then become financially self-sustaining. The department also supports a range of activities to reduce social isolation through the social isolation and loneliness hub. In addition, the healthy child programme provides services to support the development of children, from before birth with healthy pregnancies, a PSHE programme that is now used nationally to support over 7 million children, and our healthy early years award programme, among other services.

Our work in 2025/26

We said....	We did....
We would increase the use of Assistive Technology.	We increased the use of Assistive Technology introducing innovative solutions that support people to remain independent and that can predict possible issues, e.g. Smart Socks.
We would work more closely with teams in SEND and Children’s Services to support young people transitioning to Adult Social Care.	We are now identifying young people at the age of 14 who may transition to Adult Social Care and are working directly with them from the age of 17.
We would complete strengths based, person centred Targeted Reviews to ensure people were receiving the right care at best value.	We have completed 300 Targeted Reviews enabling adults with care and support needs to live more independently and in less restrictive environments. This has also delivered savings of £1,367,490 and cost avoidance of £520,548
We would introduce the Medway Intensive Support Team (MIST)to support people considered hardest to reach and to support people to be more independent.	MIST is working with partners across health and social care, preventing people being admitted to hospital and supporting those ready to be discharged. MIST have supported people to live more independently working with them directly and introducing assistive technology.
We would support young people to move into independent accommodation that meets their needs.	We have supported 8 (so far) young people to move into their own accommodation and delivered savings of £241,136.
We would ensure Children and Young Peoples Placements were reviewed to ensure they were in line with their needs.	With regular oversight and review panels we have ensured placements are appropriately meeting need and delivered savings of £2,196,211.
We would increase our in-house fostering households to keep children closer to Medway and reduce use of external fostering agencies.	We have recruited 11 fostering households and 7 have become home for Medway Children and young People and delivered savings of £245,156.

Priority 1 Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
1.01	Targeted reviews (including CHC)	Adult Social Care	We will check people's care and support to make sure it is appropriate and meets the needs identified under the Care Act.		2,480,000	
1.02	Brokerage - Placement Negotiations	Adult Social Care	We will work to agree fair and reasonable care costs that offer the best value for public funds		350,000	
1.03	Direct Payment Reclaims	Adult Social Care	We will carry out audits of Direct Payments to ensure they are being used to meet people's outcomes and reclaim any money that is no longer required.		250,000	
1.04	Complex Care (LDA &MH)	Adult Social Care	We will make sure that care and support is delivered in the least restrictive way, including reviewing situations where people receive more than 1:1 support to ensure it remains safe and necessary.		600,000	
1.05	Commissioning	Adult Social Care	We will monitor spending and contracts to make sure services are delivered effectively and provide good value.		250,000	
1.06	MIST	Adult Social Care	We help people remain independent in their own homes and communities wherever it is safe and appropriate, avoiding unnecessary moves into residential care or supported living, or support people to move out of services into the community.		800,000	

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
1.07	Assistive Technology	Adult Social Care	We will use technology, such as sensors, smart lightbulbs and other Technology Enabled Care, to help people stay safe at home and reduce care costs where suitable.		350,000	
1.08	Localities	Adult Social Care	We work with partners to ensure people receive fair funding for their health needs, and we support unpaid carers to access the most appropriate services for them.		559,000	
1.09	Front Door	Adult Social Care	We monitor care packages and review them earlier to make sure people receive the right level of care		250,000	
1.10	Management of Placements	Children's Services	Monitoring and review of children and young people's care plan to ensure that placements are in line with their needs.		4,413,000	
1.11	Supported Accommodation Reviews	Children's Services	Supporting young people to transition into independent accommodation by identifying and providing appropriate housing options for them.		300,000	
1.12	Savings from handing back Upnor Castle and Temple Manor to English Heritage	Culture and Community	Hand back of the operational management of Upnor Castle and Temple Manor to English Heritage. Savings generated through staff, day to day operations and maintenance costs.		63,000	

Assumptions

The ASC 2026/2027 budget includes significant demographic growth of £3.317m, however the increasing complexity of the people we support continues to present a challenge, as packages of care can cost upwards of £4,000 per week. In addition, the issues with funding across health and social care is leading to partners reviewing patients, deeming they are no longer eligible for health funding and transitioning the person to be funded by Adult Social Care.

Priority 1 Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
1a	Care for Medway – development of full business case/design to be presented to Cabinet in Q3 26/27	Jackie Brown	Oct 26	
1b	Deliver actions on CQC improvement plan	Jackie Brown	March 27	
1c	Implement first outputs of the Casey Commission findings.	Jackie Brown	April and September 26	

Priority 2: Benefitting from good education, quality jobs and a growing economy

What does this mean?

We want to give local people the best chances to reach their full potential and are committed to creating and fostering opportunities and environments where they can thrive. We will:

- Ensure all children and young people access a high-quality, inclusive education,
- Work with business partners to ensure education and skills development supports children, young people and adults to lead successful lives, and secure employment opportunities, with targeted support for the unemployed and vulnerable groups,
- Develop a strong mixed economy which provides training and work opportunities that support career development, increasing high value businesses and expanding high quality employment,
- Develop Medway's reputation as a home for creative, cultural, and green industries to support a growing economy, maximising our national recognition as a priority place for culture and heritage,
- Support the growth and diversification of business in our town centres, reflecting the importance of placemaking and regeneration.

Areas for improvement

In Autumn 2024 the new business innovation hub Ascend opened at the Pentagon Shopping Centre, providing a modern professional office space and coworking opportunities for small start-up businesses across Medway to help them grow.

During 2024 a review took place to explore the best long-term opportunities for Innovation Park Medway to ensure the most sustainable future for the site and a report to Cabinet in March 2025 agreed the next steps to ensure the most sustainable future for the sites and to achieve the outcomes envisaged from the sites in response to market changes. Work is underway to procure a development partner to deliver industrial and mid-tech units on Northern Site and design for a Medway built and operated care home is being developed for Southern site. The IPM budgets have been reset and reduced following Cabinet's decision in March 2025, and a Full Council has agreed the budget in November 2025 for Care for Medway.

Our work in 2025/26

We said....	We did....
<p>We would listen and responds to the Voice of the Child. One of the key themes that children and young people told us were important to them was aspiration and having opportunities to achieve their hopes and dreams.</p>	<p>With Best Start in Life funding, Child Friendly Medway launched the ‘School Readiness’ initiative, in response to the UK Government target for 75% of children to be ready for the transition into reception at primary school, which provides advice, resources and activities to help prepare children. Information such as applying for schools was also provided to parents/carers.</p>
<p>We would enter into a Safety Valve agreement, supported by additional grant of circa £14.31million, payable over four years on satisfactory delivery against key milestones.</p>	<p>To date, regular monitoring returns to the Department indicate that the Council is achieving in-year financial sustainability against the high needs block of the Dedicated Schools Grant and we forecast to have cleared the deficit by the end of 2026/27.</p>
<p>We would reduce the proportion of children with SEND receiving travel assistance by 5% (forecast number, Jan 26, without reduction 2,464). Number of SEND pupils receiving travel assistance to not exceed 2340</p>	<p>1,888 pupils are receiving SEND travel assistance, and we are on track to remain significantly below the max target of 2340 despite numbers of EHCPs increasing to 4320. Now 43.7% of EHCP pupils accessing travel assistance compared to 60% in 24/25. This has led to a significant reduction in costs for 2025/26 with the budget being £1m underspent against the budget, whilst at the same time ensuring that service levels remain high. A significant reduction in parental complaints and enquiries together with KPIs being met indicates a high degree of success.</p>

Priority 2 Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
2.01	Artificial Intelligence to support the compilation of Education, Health and Social Care Plans	Education	Implementation of AI solutions to pull together information from different sources to support with the production of EHCPs.		140,000	

Priority 2 Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
	To be reviewed at year end, with actions carried over added to the FIT Plan tracker.			

Priority 3: Enjoying clean, green, safe and connected communities

What does this mean?

The places where we live affect our health, well-being and happiness, and residents young and old often tell us that safety and cleanliness in Medway are their priorities. We want to ensure residents can enjoy well connected and sustainable travel system across Medway. We will enable increased walking and cycling networks and work with partners to ensure an integrated, accessible, safe and sustainable public transport system across Medway and beyond. We will:

- Create child-friendly communities, which ensure all people in Medway will feel safe and live free from harm and abuse,
- Celebrate the individuality of each town centre, ensuring services, events and activities reflect and support the diverse communities of Medway,
- Provide improved opportunities to walk, cycle, use public transport and electric vehicles, reducing carbon emissions and improving air quality,
- Engage Medway's residents in ensuring Medway is clean and well maintained. Protect and enhance Medway's River, green spaces and environmental assets as a means of effectively tackling climate change,
- Develop and facilitate easy-to-use and simple digital solutions for residents to access services and engage with the public sector.

We have delivered on Medway Labour and Co-operative's manifesto pledges by maintaining weekly bin collections and implementing free bulky waste collection. This refresh of the One Medway Financial Improvement and Transformation Plan also includes specific actions to tackle crime and anti-social behaviour with a neighbourhood warden for every ward and a community hub in every town, as well as establishing new parks and improve access to green spaces.

Areas for improvement

The CIPFA Assurance Report in March 2025 noted that "Medway has acknowledged CIPFA's previous findings that there had been an undue focus on this area and so its 2024-25 budget includes a greater emphasis on savings in this area. [...] The Regeneration, Culture and Environment Directorate has instigated a range of initiatives to scale back its spending without an undue adverse impact on service delivery."

Introducing our Safer, Healthier Streets Programme to improve safety, health outcomes and meet climate change objectives is not only generating additional income to be re-invested in our highway infrastructure but is proving successful across all three initiatives. Compliance on our Red Routes is high, reducing congestion on our strategic routes, improving bus journey times and keeping Medway moving. Our School Streets are encouraging parents to consider not driving children to school; particularly those within walking distance, contributing to a reduction in vehicle emissions and enabling children to live healthier lives. Our Moving Traffic Enforcement is challenging driver behaviour and continues to penalise those that contravene our yellow box junctions and banned right turns. This is having a positive effect on congestion, particularly public transport movements. Our Safer, Healthier Streets Programme is supported through continued investment in Active Travel initiatives, and the long-term implementation of Medway's Local Cycling and Walking Infrastructure Plan.

The decision to increase car parking charges for a successive year will enable us to continue to maximise revenue whilst still ensuring we remain cheaper than our neighbouring authorities.

We began our journey in 2025/26 to develop a comprehensive Waste Improvement Plan, which will culminate in the creation of a new Medway Waste Strategy. This strategy will help protect our local environment, ensure taxpayers' money is used efficiently, encourage behaviour change to reduce the amount of waste generated, improve recycling performance, and support the local economy. By reducing both the environmental and financial impacts of waste, we can deliver a more sustainable waste management service for Medway.

This programme of work will continue throughout 2026/27 and will include an exploration of alternative delivery models for kerbside waste collection. As part of this, a pilot area will be introduced to test alternative waste management approaches while maintaining existing service standards. The outcomes from this work will contribute to a strategic, evidence-based, approach that will help shape the future direction and wider development of Medway's waste services.

As part of the wider transformation programme, the Council is also reviewing the current Household Waste Recycling Centre (HWRC) network. This review includes assessing a range of options to ensure the sites remain efficient, sustainable, and aligned with future operational needs.

In addition, the Council is considering whether some HWRC sites could accommodate alternative operational models, including the potential introduction of commercial waste services. No decisions have been made at this stage. Any future proposals will be subject to appropriate governance processes and, where required, public consultation.

In 2025/26, our Highways Service completed a comprehensive assessment of its on-street electric vehicle (EV) charging needs, including detailed feasibility studies across proposed priority locations. This work enabled the development of a robust delivery strategy and securing approval of our route to market from the Office for Zero Emission Vehicles (OZEV). Supported by £2.14 million in LEVI Capital Funding, Medway is now positioned to significantly expand its public charging network. From 2026/27, we will begin the phased delivery of more than 400 on-street charge points across Medway, helping residents transition to cleaner transport choices and supporting our long-term ambition for a more sustainable, low-carbon, transport system.

During 2025/26, significant progress was made in preparing Medway's Lane Rental Scheme application. This has involved detailed analysis of our highway network, including the identification of key strategic routes, peak operational timings, proposed charging levels, and supporting traffic count data. This groundwork ensures the scheme is evidence-based and focused on minimising disruption on Medway's busiest corridors. In 2026/27, we will progress the full submission of our Lane Rental application, and we remain optimistic that approval will be granted later in the year, enabling implementation of the scheme to help reduce avoidable congestion, improve network resilience, and incentivise more efficient working practices across the highway.

We successfully implemented new AI-enabled route-reporting technology to support more efficient highway inspections in 2025/26. This system automatically captures and analyses road condition data during routine journeys, enabling faster identification of defects and more targeted maintenance responses. Alongside this, we are introducing a revised repair methodology focused on delivering more permanent, long-term, and right-first-time fixes. This shift is expected to improve overall network condition over the coming year by reducing repeat interventions and extending asset life. Together, these

improvements allow us to prioritise resources where they are most needed, deliver repairs more cost-effectively, and reduce our carbon footprint through fewer site visits and more efficient deployment of our maintenance teams.

Our work in 2025/26

We said....	We did....
We would consult with children and young people on what it is like to live, learn, grow and play in Medway.	Child Friendly Medway relaunched our Signs of Youth Initiative for Earth Day 2025, where children and young people can design a sign on the theme of cleaner and greener. A selection of these signs were installed across Medway, now totalling 150 signs.
We would continue to deliver and monitor our Safer, Healthier Streets' programme, introducing School Streets to promote safe, active travel.	Twelve school streets are now in operation, with a further four school streets subject to consultation.
We would commit to improving opportunities for our residents to walk, cycle and use public transport.	We have invested in our public transport infrastructure, improving bus stops and facilities at Chatham Waterfront Bus Station, and have started work on improved walking and cycling facilities, in line with our Local Cycling and Walking Infrastructure Plan.
We would introduce AI technology to support more efficient highway safety inspections.	We entered into a 2 year contract with Route Reports and installed camera technology into our highway inspectorate vehicles and are collecting data on defects across our highway network on a daily basis, enabling us to prioritise repairs more effectively.
We would deliver and on-street EV charging infrastructure.	Approval from OZEV was obtained and we are about to go to market to appoint a Charge Point Operator to deliver a minimum of 400 charge points in Medway within the first 5 years of the contract, including a minimum of 8 rapid chargers.
We would introduce a new highways licensing policy to make our town centres safer and more accessible.	A report has been submitted to Cabinet and is awaiting approval. This new policy will form part of a wider policy on how we permit the highway to be used.
We would introduce a Lane Rental Scheme in Medway to minimise disruption on the highway network caused by roadworks.	We are working to submit our application to the Secretary of State for consideration of implementation in 2026/27.

We said....	We did....
We would procure a new waste fleet to ensure that Medway’s waste and recycling services remain reliable, efficient, and fit for the future.	We procured a new fleet of 46 RCVs, upgrading from older Euro 5 vehicles to cleaner, more efficient Euro 6 models. The full fleet was implemented into the kerbside collection service by Q4 2024/25.
We would begin developing a Medway Waste Strategy to ensure that our waste and recycling services are sustainable, future-proof, and aligned with both local needs and national policy.	<p>We progressed the development of the Medway Waste Strategy by appointing specialist consultants to carry out detailed service-modelling work, giving us a stronger evidence base for future decisions.</p> <p>We also delivered a household food-waste collection project for flats to ensure Medway is fully compliant with Simpler Recycling requirements by April 2026.</p>
We would review Medway’s garden waste service and implement a revised, standardised container policy—retaining free weekly collections while introducing a charged subscription for residents needing an additional brown bin.	We retained free weekly garden waste collections and introduced the new subscription model for additional brown bins. In the first year, 446 subscriptions were taken up, and registrations for year two will open in April 2026.

Priority 3 Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
3.01	Additional parking income	Front Line Services	Increase in P&D fees; additional income from Safer Healthier Streets tranches 1 & 2 and part-year income from tranches 3 &4	2,147,500		
3.02	Street light energy savings	Front Line Services	Conversion of 26,000+ street-lighting units to LED. Each converted column delivers an estimated saving of 25–30 kWh per month, based on comparison with historical SON lamp consumption. Aggregated annual saving = £250,000.		250,000	
3.03	Medway Tunnel Energy savings	Front Line Services	LED conversion of Medway Tunnel lighting in 2026/27. Based on 2025/26 energy usage and tariff rates, reduced wattage and improved efficiency of LED luminaires are forecast to deliver annual savings of £100,000 once fully operational		100,000	

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
3.04	Street enforcement additional FPNs	Front Line Services	Additional enforcement activities to target litter and other anti-social environmental offences in our town centres via a new contractor	95,000		
3.05	Provision of Kennels service	Front Line Services	Establishment of a kennels facility to meet statutory responsibility for dogs in Medway and a new income stream for those in Kent, Police etc	34,000	76,000	
3.06	Household Waste Recycling Centre (HWRC) Rationalisation	Front Line Services	Review of the HWRC network to assess future service needs and potential alternative operational models. Option is subject to further analysis, governance and consultation.		450,000	

Priority 3 Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
3a	Assessment of Alternative Operational Models - The service will introduce pilot areas to test alternative waste management models that maintain existing service standards while informing future service design.	Amy Mason / Natasha Spencer-Jones	TBC – Project estimated to take 6 months but key dates under discussion	Waste strategy
3b	Delivery of infrastructure improvements along prioritised walking and cycling routes in Gillingham and Chatham and a suite of minor pedestrian and cycle accessibility improvements aligned with Medway’s Local Cycling and Walking Infrastructure Plan.	Michael Edwards/James Sutton	31 March 2027	By 2028, residents and visitors have access to one hundred miles of signed cycle routes in Medway
3c	Delivery of measures and interventions that improve bus journey times, reliability and the provision of information in accordance with Medway’s Bus Service Improvement Plan and Local Bus Infrastructure Plan, leading to increased passenger numbers, decreased congestion and improved air quality.	Michael Edwards/James Sutton	31 March 2027	Increase bus passenger numbers on local services to 8.5 million journeys per year by 2028

Priority 4: Improving health and wellbeing for all

What does this mean?

Central to our vision of enabling people to thrive and realise their potential is improving the health and wellbeing of people who live and work in Medway.

We will:

- Empower people to achieve good health and wellbeing through prevention, with access to local activities and services that will enable and support them to lead independent, active and healthy lifestyles,
- Support families to give their children the best start in life,
- Work collaboratively to grow participation year on year in recreational play, sport and physical activity as a means of promoting improved physical and mental health and wellbeing,
- Work in partnership with communities and organisations to address the issues that negatively affect health and wellbeing, making sure everyone has the opportunity to live long, healthy lives.

We have delivered on Medway Labour and Co-operative's manifesto pledge to deliver the lowest Council tax in Kent, which directly contributes to the financial wellbeing of residents within Medway.

Areas for improvement

Our goal is to promote and improve health and well-being, giving our residents the opportunity to lead healthy, fulfilling and independent lives for longer, whilst knowing that they can connect to the right support at the right time. We recognise that access to health and care services and support is important, but we also know the challenges we face in Medway with areas of relatively high deprivation. Inequality undoubtedly affects people's health, evident in the varying life expectancy and health outcomes across different wards in Medway. We aim to tackle these inequalities through our work and important initiatives now underway in Medway, including working to become a Marmot Place and using the Health Determinants Research Collaboration (HDRC) to conduct research that focuses on the building blocks of health, for example, employment, education, transport and community networks. Working in partnership with our health services and key health partners to tackle these challenges will be a key priority for us in the coming years.

Our work in 2025/26

We said....	We did....
<p>We would listen and responds to the Voice of the Child. Health and wellbeing is a core theme that children and young people have expressed is important to them.</p>	<p>Child Friendly Medway deliver a wide range of physical activities that also support mental wellbeing for children and young people, such as Soft Play and Inflatable Fun Days, which also draws footfall to Medway Park Sports Centre.</p>
<p>We would commit to increasing income across Medway Council-operated sports centres by more than £200,000 in the first year of the FIT Plan and an additional £270,000 in the 2025-26 financial year. This additional income helps to deliver the long-term sustainability of the centres, freeing up Council budget for delivery of key services.</p>	<p>The income targets have been surpassed in both financial years, supported by capital investment which has not only seen the new family-friendly Cozenton Park sports centre open but has enabled investment across all Medway Council’s sports centres, which has also enabled the Council to attract significant external funding to support development of internal and external facilities.</p>
<p>We would improve energy efficiency in order to seek to minimise expenditure within our sports centres.</p>	<p>The development of the new Cozenton Park sports centre included investment in photovoltaics and air source heat pumps, playing a key role in reducing utility costs. There has also been investment in Hoo Sports Centre to improve its energy efficiency.</p>
<p>We would commit to a range of capital improvements across our sports centres to improve facilities for customers.</p>	<p>Medway Park, Strood and Hoo Sports Centres have received and will continue to receive in 2026-27, significant capital investment, improving both the range of activities available and the quality of key customer areas such as changing rooms. The Strand has also seen extensive investment with a new splashpad and upgraded tennis courts; it will also be home to one of three new multi-sport playzones being installed with funding from the Football Foundation, with others to be installed at Deangate Ridge and Maidstone Road sports grounds.</p>

Priority 4 Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
4.01	Additional income from leisure facilities	Culture and Community	Income targets for each Medway Council sports centre, plus The Strand and Watling Park football centre have been increased, reflecting improvement which have been made and which are planned for 2026/27 to improve facilities and attract additional members and customers	692,201		

Assumptions

The financial year 2026/27 will see Medway Sport entering the third year of its plan to increase income and thereby reduce the annual subsidy required. The first two years have seen the service successfully meet the £470,000 increase in income, with further improved income projections set out for 2026/27. This has been by more than £2m capital investment approved by Members to modernise a range of sports centre facilities to support income generation opportunities. This assumes ongoing improvements in FM building efficiency to ensure increased income achieved is reflected in overall performance.

In partnership with Category Management and Property colleagues, we have issued tenders and are working with Finance colleagues to assess the impact of the budget on service expenditure, most notably apprenticeship/living wage increases and employer National Insurance contributions.

Priority 4 Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
4a	Completion of capital works planned for Medway Park, Strood Sports Centre and Hoo Sports Centre in 2026-27 to deliver income targets set out in 4.01	Bob Dimond	Medway Park June 2026 Strood Sports Centre and Hoo Sports Centre December 2026	4.01
4b	Recruitment of additional staff, as agreed in the Council budget, to meet customer needs	Bob Dimond	Medway Park July 2026	4.01
4c	Embed Marmot place in Medway to reduce health inequalities	David Whiting		
4d	Develop and implement the Neighbourhood Health Plan for Medway	David Whiting	Neighbourhood health plan developed and approved: 31 July 2026 Complex needs pilot implemented: 31 December 2026 PNG groups 10 and 11 approach implemented: 31 March 2026	Actions in section 5 related to housing and people with complex and chaotic lives. Actions in section 1.
4e	Improve school readiness and provide universal parenting support (Best Start in Life)	David Whiting	Best Start in Life local plan published: 31 March 2026	Actions in section 2.

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
			Robust processes in place to use evidence from Ages and Stages Questionnaire and School Readiness Survey to target interventions to those who may not achieve Good Level of Development in all areas: 28 February 2027	

Priority 5: Living in good-quality, affordable homes

What does this mean?

Through our Local Plan we will ensure that we provide the right types of homes in the right places for our growing communities and, in the coming years, will work with developers to ensure we get this right. We will also ensure we assist people with specific accommodation needs including older people, people with disabilities, people needing specialist support and those who find themselves homeless. We will:

- Increase the supply of good quality, energy efficient and sustainable homes that reflect the needs of the communities in Medway,
- Implement a Local Plan which reflects the needs of the communities in Medway, supporting a transition to a low-carbon future promoting affordable, energy efficient and sustainable homes,
- Assist people with specific accommodation needs including older people, people with disabilities, people needing specialist support and those who find themselves homeless,
- Engage with communities to identify ways to improve streets, parks and local surroundings which create vibrant places to live and enhance the quality of people's lives,
- Ensure the council's housing stock is good quality, efficient, free from damp and mould and tenants are at the heart of decision making.

Areas for improvement

The 'cost of living crisis' has led to a significant increase in the numbers of families presenting as homeless and the demand for affordable housing is also rising steeply. We have been making significant investment to tackle the rising costs of temporary accommodation which has included a £42million investment purchasing around 180 properties (between 2024-2026) that will be used to provide temporary accommodation to reduce reliance on the private rented sector which is costly and can be volatile. We have also increased the number of long-term leased properties on our books and have launched our own letting agency (One Medway Lettings) in December 2024 to help prevent the need for people to access temporary accommodation in the first place.

In December 2025 the Council submitted its draft Local Plan under regulation 22, to the Planning Inspectorate in preparation for examination in 2026.

Our work in 2025/26

We said....	We did....
We would acquire properties to meet temporary accommodation needs.	150 properties have been completed or pending completion [exchanged] with the final properties going live at the end of May 2026. These properties are providing good quality, affordable and safe temporary homes for residents of Medway who are facing homelessness.
We would move families on from temporary accommodation.	We have moved over 350 households from temporary accommodation in the last year into settled accommodation, this has included moves into the private rented sector, council homes and homes provided by housing associations operating in Medway.
We would use One Medway Lettings to reduce the long term spend on nightly paid accommodation.	One Medway Lettings has supported over 340 households into the new or alternative private rented accommodation; 170 households were at Prevention Duty which meant they did not require temporary accommodation. One Medway Lettings also have a portfolio of 43 fully managed properties as part of our social lettings' commitments.
We would ensure the council's housing stock is good quality.	The council's Landlord Service has increased the number of 5-year stock condition surveys from 42% in April 2026 to 74% in March 2026, with our programme to achieve 100% before our March 2027 target.
We would ensure our tenants voice will be at the heart of our decision making.	We have knocked on over 1800 council homes this year as part of our Big Door Knock, checking in on tenants, checking for repairs, damp and mould and their opinion on our the services we provide. We have also completed over 1100 tenancy audits which is supporting our commitment to improve our understanding of our individual tenants and their households.

Priority 5 Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
5.01	Net saving from Planning service	Culture and Community	Anticipate an increase in large scale planning applications reflecting Local Plan allocations.	80,000		

Priority 5 Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
5a	Configure & Implement Plan X General Enquiries Flow; including embedded “Compliance of Condition Requests” flow and updates to GOV.UK Pay integrations and payment flows.	Lisa Maryott	Flow configuration completed April 2026 Gov Pay integration Updated April 2026 Internal testing completed and signed off May 2026 Go Live June 2026	
5b	Commission and deliver a full health check of the Idox Planning Uniform system, then implement priority recommendations, including configuration improvements, data cleansing, and integration readiness. To stabilise and modernise the core platform, enable smoother adoption of Open Digital Planning services, reduce manual and duplicate processing, and strengthen operational resilience in support of Local Government Review.	Lisa Maryott	Health Checked Commissioned by June 2026 Health Check undertaken between July and October 2026 Actions implemented October 26 to March 2027	

5c	To review Medway Council's existing Planning Validation Checklist, then design, build, and configure a fully electronic, structured version within Plan X.	Lisa Maryott	<p>Checklist Review completed by October 2026</p> <p>Plan X Configuration completed by December 2026</p> <p>Testing completed and signed off March 2027</p> <p>Go Live April 2027</p>	
5d	Local Plan progressing towards adoption	Dave Harris	<p>Appointment of Inspectors January 2026</p> <p>Receipt of Matters, Issues and Questions from Inspectors - expected March/April</p> <p>Examination hearing sessions expecting late spring</p> <p>Inspectors report issued late summer</p> <p>Consultation on main modifications and changes to plan – autumn</p> <p>Adoption by Full Council end 2026</p>	

Our strategic support services

6. Sustainable finance

To remain financially sustainable, local authorities must be able to meet their statutory service obligations within the funding they receive from the Government, locally raised taxes and income from fees and charges for services over the medium term. Each year we update our projections around the future cost of services and likely availability of funding to present in the Medium Term Financial Outlook in August, and alongside the budget for the year ahead in February. This work projected a significant gap for 2024/25 and 2025/26 which led to the Council securing support through EFS for both years.

The Council has used this EFS support to deliver a programme of investment to deliver transformational change so that we can deliver better services at lower costs, however this could only do so much and it is fair to say that the Council's longer term financial sustainability was reliant on a fairer settlement for local authorities such as Medway. The long-awaited Fair Funding Review 2.0 and three-year settlement has delivered an improved financial settlement for Medway and the first multi-year settlement for many years has given local authorities the certainty we've needed. By targeting funding towards local authorities with higher needs and lower resources, the Government has provided Medway with a firmer base from which to formulate future spending plans and build resilience.

In response to CIPFA's recommendation, we increased the frequency of revenue budget monitoring with monthly forecasts being carried out from April 2024, however whilst more frequent monitoring has improved the wider ownership and management of the financial challenges, we have yet to strike the right balance between this and the associated reporting requirements, which has become more onerous and resource intensive. We have reviewed this for the year ahead and landed somewhere in the middle.

The introduction of the FIT Plan has been a 'game-changer' and has allowed the organisation to hold itself and the Corporate Management Team to account for the vast range of activity being undertaken to deliver excellent services and longer-term financial sustainability. It has also assisted the management team to develop an improved understanding of its collective performance and to better 'tell the story'.

The CIPFA report recommended that *"The Council acts to limit spending to within the approved budget and, if this proves unfeasible, undertakes a further review of Earmarked Reserves to fund any shortfall and preserve the General Fund Balance at £10 million."* In addition to the usual management action to reduce the forecast position, the Council has also approved the declassification of circa £2.8 million of earmarked reserves in order to fund any overspend and agreed the use of £2.783million of capital receipts under flexibilities to fund transformational activity in Adult Social Care and Business Support in 2025/26. At Round 3 Monitoring, the final 2025/26 outturn is forecast to be £501.639m.

The CIPFA report also recommended that we “*Identify realistic level of EFS required in combination with radical plans to curb spending and maximise funding.*” The EFS request of just under £10.0 million to balance the 2026/27 Revenue Budget is absolutely consistent with our initial projections in January 2024 and we are confident of being able to deliver a balanced budget for 2027/28 without recourse to EFS or general reserves.

The Finance and Business Improvement (FBI) divisional plan for 2026/27 again focuses on four priorities:

- Sustainable finance,
- Supporting delivery of this plan,
- Attracting, retaining and developing an effective workforce,
- Performance, assurance, risk and governance.

Over the past year, significant progress has been made in enhancing our strategic support services. The Finance and Business Improvement (FBI) division has successfully realigned budgets to address projected shortfalls and deliver recurrent savings.

To support our work to set a sustainable budget, the following actions have been taken to reduce the revenue budget in 2026/27.

Activity	Savings
Budget re-alignment	2,487,000
External Funding	440,000
Remove contribution to reserves	488,366
Use of Capital Receipts to fund Transformation	2,698,474
Total	6,113,840

The actions and targets within this FIT Plan have enabled many of these actions, specifically the flexible use of capital receipts, which is underpinned by our property and asset strategy.

Our work in 2025/26

We said....	We did....
We would develop a detailed Reserves Strategy to support the budget setting process and preserve the minimum General Fund balance.	We set out our Reserves Strategy within the Medium Term Financial Outlook 2025-2030, with the stated aim of growing the General Fund balance to 5% of the budget requirement over the medium term.
We would engage services to increase robustness of projections in the MTFO 2026/27, incorporating a range of scenarios and prepare data driven medium term financial projections and capital requirements in a comprehensive MTFO and Capital Strategy.	We presented the Medium Term Financial Outlook 2025-2030 to Cabinet in August 2025, setting out expected, optimistic and pessimistic scenarios, however in the absence of a multi-year settlement this was difficult. We aim to model a much more robust range of scenarios in the next iteration. The engagement with directorate management teams and portfolio holders has been more robust, with much greater ownership by the services.
We would implement a refined monthly budget monitoring process, underpinned by the introduction of budget accountability statements.	We increased the frequency of revenue budget monitoring, however we have yet to strike the right balance between the more frequent monitoring of expenditure and the associated reporting requirements.
We would develop an authoritative Establishment List.	We already record the budgeted establishment within Finance, however we are still working on a solution in our HR system, so that we can report establishment rather than just head-count data. Target 2026/27.
We would agree a timetable with Grant Thornton to meet the statutory audit deadlines and deliver the elements required by the Council including providing required records and records relating to brought forward balances.	We agreed a timetable with Grant Thornton and met both the statutory deadline for publishing unaudited accounts and the statutory deadline for sign-off of the audited accounts, under the Government's 'back-stop' arrangements.
We would review all current authorised financial limits and introduce standard delegations for different levels, with variations agreed for specific roles as required.	We have started reviewing financial limits, but this work was not concluded and recommendations made to Corporate Management Team by the end of the 2025/26 financial year.
We would develop a Financial Resilience dashboard for the COO to provide quarterly briefings to the Leader and CEO	A suite of financial performance measures has been developed, including some benchmarked data and other standard financial ratios and these are being reported to the COO, however we're now working on a dashboard to help report this complex information more widely.

Key actions 2026/27

	Key action	Responsible Owner	Milestone dates	Supports which target?
6a	Agree and communicate the process, timescales and templates for the 2027/28 budget setting process.	FIN	May 2026 CMT report.	
6b	<p>Prepare data driven medium term financial projections and capital requirements in a comprehensive MTFO and Capital Strategy, underpinned by robust sensitivity analysis, including consideration and presentation of a range of scenarios.</p> <p>Interim Auditor’s Annual Report for the year ending 31 March 2025: <i>“The Council should enhance its scenario planning framework by developing multiple scenarios beyond EFS assumptions and reporting results to Cabinet and Audit Committee as part of the MTFO and annual budget-setting process to support proactive risk management, incorporating:</i></p> <ul style="list-style-type: none"> • <i>Demand volatility in Adult Social Care and Children’s Services.</i> • <i>Variations in income streams (e.g., Council Tax collection, Business Rates).</i> • <i>Inflationary and workforce cost pressures.</i> • <i>Delivery risk on transformation savings.”</i> 	FIN	September 2026 MTFO report to Cabinet.	
6c	<p>Formulate a revenue budget for 2027/28 <i>without</i> recourse to either ‘exceptional financial support’ or general reserves.</p> <p>Interim Auditor’s Annual Report for the year ending 31 March 2025: <i>“Significant weakness in arrangements for achieving a balanced budget were identified and a key recommendation raised relating to acceleration of savings.”</i></p>	FIN	November 2026 Draft Budget report to Cabinet	

	Key action	Responsible Owner	Milestone dates	Supports which target?
6d	Introduce budget accountability statements for all officers at service manager level and above.	FIN	May 2026	
6e	Review the monthly budget monitoring process, in order to strike the right balance between more frequent monitoring of expenditure and the associated reporting requirements.	FIN	May 2026	
6f	Conclude the ongoing action to develop an authoritative establishment list and improved reporting of establishment data. Action carried forward from 2025/26.	FIN/HROC	April 2026	
6g	<p>Conduct a fundamental review of the Finance function, to ensure that it has the capacity and capability to deliver all of its statutory functions to an high level, as well as being able to provide excellent finance business partnering to the rest of the organisations.</p> <p>Interim Auditor’s Annual Report for the year ending 31 March 2025: <i>“The Council should urgently strengthen its financial reporting and audit readiness arrangements by increasing capacity and capability within the finance team and implementing a structured improvement plan.</i></p>	FIN	Q1 2026/27	
6h	Review all current authorised financial limits and introduce standard delegations for different levels, with variations agreed for specific roles as required. Action carried forward from 2025/26.	FIN	September 2026 implemented via Centros system	
6i	Develop a Financial Resilience dashboard to support the COO to provide more effective quarterly briefings to the Leader and CEO, regarding the Council’s financial health. Action carried forward from 2025/26.	FIN	Q1 2026/27	

7. Improving the customer experience: Medway 2.0 Delivery Plan

We want to make it as easy as possible for local people to deal with the Council whether they are looking for information, applying for social care support, paying council tax, applying for parking permits or reporting fly tipping. Our ambitious Medway 2.0 Delivery Plan involves redesigning the user journey our residents take to when wanting to contact us and implementing the latest technologies to make it as simple as possible to use. We will adopt a corporate platform with building blocks that can be used across a range of services, which will:

- Create consistency across different Council services,
- Ensure all e-forms have the same functionality, by rationalising the number of e-forms packages
- Allow services to be “joined up” – e.g. if applying for disability benefits a blue badge can be provided without customers having to complete another form,
- Provide an end-to-end, simplified and digitalised, process design,
- Keep Council staff and customers updated on progress at each stage of the process.

A focus for 2026/27 will be the implementation of a range of Artificial Intelligence solutions, such as AI Search on the Council website to make it as easy as possible for residents to access information from the Council...in over 70 different languages. To prepare for this work, a policy has been written and agreed to cover the use of Algorithmic Tools and Artificial Intelligence (AI), which provide a framework for the use of AI within Medway Council. It promotes a pro-innovation approach while ensuring ethical use, sustainability, and compliance with laws and regulations.

Transformational activity will be funded through the flexible use of capital receipts, generated from the work undertaken within Section 10 (Our corporate property strategy) of this FIT Plan around the sale of assets.

Our work in 2025/26

We said....	We did....
We would develop an Artificial Intelligence policy.	<p>Wrote and implemented Medway Council’s first “Use of Algorithmic Tools and Artificial Intelligence (AI) Policy” to ensure:</p> <ol style="list-style-type: none"> 1. Data Privacy & Security: Prioritizes privacy and security of personal data. 2. Transparency: Ensures algorithmic transparency and public trust. 3. Fairness, Bias, and Discrimination: Supports legal rights and inclusiveness. 4. Ethical Use: Adheres to ethical principles and avoids harm. 5. Accessibility: Ensures AI solutions are accessible to all users.

We said....	We did....
<p>We would redesign customer facing forms and move them out of legacy systems. This will improve the resident experience and deliver efficiencies from rationalising systems and automating workflows.</p>	<p>Forms and processes have been redesigned in a new system to make them easier to use on mobile devices and improve their accessibility. Applying a “service design” approach has allowed us to create forms that are designed for residents and ignore Council structures, which can sometimes be confusing for residents.</p>
<p>We would support with the commercialisation of the Corn Exchange by implementing a booking system upgrade and improved digital presence.</p>	<p>The Corn Exchange and Service Design teams upgraded the Rochester Corn Exchange booking system in JADU. This added new booking forms and features to boost income by improving upselling and removing third-party commission fees. The upgrade gives full administrative control, enabling dynamic pricing and long-term event quoting. It increased booking conversion rates by 35% in 2025/26 and improved commercial viability.</p>
<p>We would implement a modern data platform that will provide the foundation, capabilities, and tools for delivering data and insights across the organisation and with its partners</p>	<p>The Council has recognised data as a strategic asset and a key enabler for achieving its objectives. A single corporate data platform has been implemented so that data can be joined up across systems to support intelligence led decision making. Now that the infrastructure is in place, work on joining up data will commence in 2026/27. One of the first projects will link data held within the Council to create a “single view of the child”.</p>
<p>We would install cameras on vehicles that are travelling around Medway to identify and monitor potholes, road markings, and potentially capture condition data of the road network, which we currently pay a third party to do for us. A Network Hierarchy Review will be carried out as part of this project to ensure the appropriate level of priority is given to Medway’s highways.</p>	<p>Cameras successfully installed on Medway’s highways vehicles to improve the efficiency of the Highways Inspection team by implementing automated road condition monitoring which is also achieving cost reduction through proactive monitoring and maintenance.</p> <p>A Network Highways Review has optimized inspection frequencies and maintenance schedules to improve resource allocation and reduce unnecessary costs through smarter resource use.</p>

<p>We would increase take-up of My Council Tax online – from 21% to 25%.</p>	<p>My Council Tax Online (MCTO) launched in December 2022 to allow council tax payers to manage their accounts online, including reporting moves, setting up direct debits, applying for discounts, arranging payments, and opting for paperless billing. The system updates accounts automatically in most cases, reducing processing time and delays. Approximately 33,000 users (27% of Medway households) have signed up, completing 53,000 transactions online. This has met the One Medway Council Plan target. 22,000 users (18%) also opted for paperless billing, resulting in 84,000 paperless bills and saving £58k in printing and postage costs.</p>
<p>We would establish a Corporate Risk Management Group to link risk registers with internal audits as part of the assurance exercise.</p>	<p>A new Corporate Risk Management Group has been established. A Terms of Reference was produced and agreed at the first meeting on 15 August 2025, which will be followed by quarterly meetings to review the Strategic Risk Register as well as Directorate and Divisional risk registers.</p>
<p>We would implement Wellness AI Agent and HR Advice AI Agents to support staff.</p>	<p>The ICT Development Team have used Microsoft technologies to develop in-house AI assistants to provide instant access to advice using natural language, using only using trusted, Council-approved sources. A “Wellbeing AI Assistant” was developed to support staff, which only uses information from Medway Council’s intranet resources, the Employee Assistance Programme (Care First), and the NHS “Live Well” platform. An HR AI Assistant has also been developed, which uses only trusted HR sources, such as HR policies and procedures.</p> <p>Both solutions allow staff to get instant feedback on questions, which allows HR staff to focus on the more complex questions and case work.</p>
<p>We would use of AI to support with the “purchase to pay” process.</p>	<p>Medway has transformed how it manages the processing of invoices. Through the use of automation and AI, mailboxes are automatically monitored for incoming invoices to the Council. AI then “reads” the invoice to check that all relevant information is present. Following the rules set by the Exchequer Team, if there is any information missing, the invoice is automatically returned to the supplier to request the information. When the AI model is happy with the invoice, all the information is presented to a member of staff to confirm payment.</p>

Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
7.01	Medway 2.0 - Report it service pattern	Finance & Business Improvement	Savings achieved through the rationalisation of CRM and e-forms systems.		93,750	
7.02	Medway 2.0 - Medway Council Tax online - reduction in scanning and indexing team	Finance & Business Improvement	Reduction of a 0.6FTE vacancy due to the reduction in paper documents being sent out by the Council, which has reduced the paper documents being sent back to the Council as digital systems are now available to residents.		20,189	
7.03	Medway 2.0 - Efficiencies from delivery of Revs and Bens and CABS teams	Finance & Business Improvement	A vacancy saving of 1 x R3 FTE from better integration of the CABS and Revenues, Benefits, and Housing Teams, achieving efficiencies in call handling and back-office processing.		38,753	
7.04	Medway 2.0 - Rainham Contact Point	Finance & Business Improvement	Saving from the re-location of Council activities from Rainham Contact Point to Rainham Library.		10,757	
7.05	Medway 2.0 - Efficiencies through Wellbeing AI agent/HR advice agent	Finance & Business Improvement	1 x R3 FTE reduction from the self service and efficiency enhancements of using AI tools to support staff.		38,753	

7.06	Medway 2.0 - Purchase to Pay - AI and automation	Finance & Business Improvement	1 x R2 FTE reduction from the efficiency introduced using AI to support with invoice processing.		33,649	
7.07	Medway 2.0 - Implementation of a modern data infrastructure for Medway Council	Finance & Business Improvement	1 x R5 FTE reduction in the Business Intelligence team from the redesign of the Performance and Risk reporting process and system.		56,198	
7.08	Medway 2.0 - Overall efficiencies from call reduction and administration reduction	Finance & Business Improvement	3 x R3 FTE vacancy reduction achieved through the improvements in our resident facing digital processes, which has resulted in a vast reduction of incoming telephone calls to the Council. AI is also improving the efficiency of back-office processes such as minute taking.		172,434	

Assumptions

The Medway 2.0 Delivery Plan can only be delivered if all of the various Council services and stakeholders work together and are open to redesigning services from the resident's point of view. The delivery plan has been created in collaboration with services and has been agreed by CMT, BSD O&S, and Cabinet, so has buy-in from the highest levels.

Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
7a	Design, build, and implement an AI telephony solution to effectively automate telephone calls.	Paul Boyd	September 2026	7.08
7b	Create a service design process for the Council's first Integrated Hub.	Paul Boyd	August 2026	7.03
7c	Carry out a service redesign of the waste service, including the redesign of the Household Waste Recycling Centre booking process to use the customer account functionality.	David Holloway		7.08
7d	Implement AI search functionality on the Council website.	David Holloway	May 2027	7.08
7e	Ensure digital, data, technology, and cyber-security is "LGR Ready".	Paul Boyd Keith Baker David Holloway	March 2027	
7f	Implement AI solutions, such as a corporate note-taking tool, and increase the adoption of CoPilot to improve productivity and efficiency.	Paul Boyd	September 2026	
7g	Implement a new Performance and Risk Management system.	David Holloway	June 2026	7.07
7h	Provide training to managers and Councillors on how to analyse data in the new Performance and Risk Management system.	Paul Boyd David Holloway	August 2026	7.07

8. Maximising our revenues

Local government funding

The Local Government Finance Settlement for 2025/26 was the seventh successive one-year settlement the sector has received. Following a decade of real-terms reductions in funding and an outdated system for distributing funding between authorities, the lack of ability to make sound projections for income has hampered the delivery of medium-term financial plans and contributed to short-term approaches and decision making across the sector. In November 2024, the Government published a Local Government Finance Policy Statement which set out their intention to reintroduce multi-year settlements and in December 2025, a three-year provisional settlement was announced, reflecting the outcome of the long-awaited Fair Funding Review 2.0.

The Settlement for 2026/27 delivers on the Government's stated aim of a fairer, simpler funding system that targets money where it is most needed. It seeks to take into account the different needs and costs faced by communities across the country, adjusting for the ability of individual local authorities to raise council tax while also resetting business rates income. It was based upon updated formulae used to calculate funding allocations, which were at least a decade out of date. It represents a shift in priority for the distribution of national quantum of funding for local government, with grant funding being targeting towards authorities with greater needs and deprivation and lower abilities to raise taxes locally. Medway has benefited from this shift, however the transitional arrangements designed to protect those authorities on the other side of this redistribution mean that we will only see the full benefit over the medium term.

The Council's 2026/27 revenue budget includes funding through the Collection Fund of over £180 million of Council Tax and circa £70million through Business Rates and related grants. During 2026/27 we will ensure that we continue to administer the Collection Fund as efficiently as we can and that our debt recovery continues to focus on those who are able to pay while supporting the most vulnerable. At the same time as agreeing our updated Corporate Debt Policy, the Cabinet also agreed a clearer and more comprehensive Vulnerability and Financial Difficulty Policy formalising much of our existing policy and practice. A couple of weeks later the Council approved its 2026/27 Revenue and Capital Budgets and alongside these agreed the updated Council Tax Reduction Scheme and a refreshed Discretionary NDR Relief Policy.

In addition to Government grants and the local tax revenues generated from council tax and business rates, the Council also raises around £160 million of revenue from other sources – benefit subsidy, returns on investments, income from rents and a whole range of fees and charges from discretionary services. The extent to which these revenue streams feature in our plans to achieve financial sustainability is incorporated within the FIT plan under the relevant Council Plan priorities.

Our work in 2025/26

We said....	We did....
We would monitor the achievement of budgeted growth in Collection Fund revenues, both in terms of council tax and business rates collection.	We have reflected a £1.7 million carried forward deficit on business rate collection in our budget for next year, however this is more than compensated by a projected £4.0 million surplus in terms of council tax, compared to our budgeted collection rate. We will continue to monitor this in all future iterations of the FIT Plan.
We would introduce a combined, holistic Hardship Policy to support officers working in Debt and Welfare teams and other services responsible for recovering debt and dealing with residents facing hardship.	We introduced a more comprehensive Vulnerability and Financial Difficulty Policy, alongside the updated Corporate Debt Policy.
We would achieve an in-year council tax collection rate of 94.25% and a business rates collection rate of 96.5%.	By the end of February 2026, we had achieved collection rates of Council Tax of 90.88% and Business Rates of 94.52%, so is likely to be close to target at year end.
We would increase take-up of 'My Council Tax Online' from 21% to 25% and increase take-up of direct debit for council tax from 69.45% to 70.00%.	We achieved 27% take up for 'My Council Tax Online', which is 33,302 households. Take-up of direct debit for council tax was at 67.9% in February. Council tax bills have now been sent out with comms around how to sign up for direct debits.
We would increase year on year the level of additional financial gains identified for customers of the Welfare Team, with particular focus / support on those with priority debts to Medway Council.	Macmillan found financial gains of £8.7m across Medway North and West Kent in 2025 and the Financial Welfare and Housing Related Support teams have gained £5.8m since April 2025.

Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)
8.01	Achieve budgeted in-year council tax collection	FIN	Actual Council Tax income collected in-year	£178.870m	
8.02	Achieve budgeted in-year business rates collection	FIN	Actual Business Rates income collected in-year	£71.963m	
8.03	Investment in two additional posts for the debt collection team to enable us to improve collection of outstanding council tax arrears	FIN	Actual collection of arrears delivered by the two new posts	£750,000	
8.04	Decrease in Corporate Bad Debt Provision	Directors Office	Increase income received by the Council by decreasing the amount of corporate bad debt.	93,997	

Key actions 2026/27

	Key action	Responsible Owner	Milestone dates	Supports which target?
8a	Council tax: achieve a collection rate of 94%	FIN	March 2027	
8b	Business rates: achieve a collection rate of 96.5%	FIN	March 2027	
8c	Increase take-up of My Council Tax online – from 27% to 30%	FIN/INFO	March 2027	
8d	Increase take-up of direct debit for council tax – from 67.9% to 69%	FIN	March 2027	
8e	Improve the collection of sundry debt from 88.83% to 90%	FIN	March 2027	
8f	Implement the Crisis and Resilience Fund ensuring that crisis payments are made in a timely manner and that resilience services fully meet the outcomes expected by the DWP. The outcomes should be evidenced and recorded.	FIN	March 2027	
8g	Increase year on year the level of additional financial gains identified for customers of the Welfare Team, with focus/support on those with priority debts to Medway Council. Target £7m	FIN	March 2027	

9. Workforce Strategy

Workforce 2028

With a competitive and unpredictable labour market, along with Local Government Reform the Council faces challenges to ensure our workforce is stable now and is prepared the future. Effective strategic workforce planning will ensure that we recruit and retain the right number of people with appropriate skills, qualifications, and experience; reducing reliance on locums and ensuring we can fulfil our commitment to the community we serve, and best place ourselves for changes in the future years.

We will continue to:

- Strengthen our employee offer, through a regular review of our people promise, focussing on capability development and continuous implementation of our Total Reward and Recognition Strategy, as well as focused activity to address the pay gaps, i.e. ethnicity/gender/disability,
- Transform the way we recruit through reviewing our end-to-end recruitment processes, using data to inform decisions and enhancing our induction process,
- Improve talent identification and management through using talent management tools and strategic workforce designs,
- Map and better understand the workforce to support an agile approach to future service needs, maximising skills, actively encouraging progression, increasing retention and targeted recruitment drives.

Over the period of our Workforce Strategy (2028), we will embed and evaluate our pay approach and keep an ongoing focus on strategic workforce planning, through improved business intelligence, regular review and market positioning.

Developing our people

The Council strives to create a work environment in which staff are enabled to perform to the best of their abilities in support of the provision of a high-quality public service. The role of the manager is vital to improving the performance of the business area and of the individual staff members.

We will ensure that line managers and leaders have the right tools in the form of policies, procedures, guidance and skills, through effective learning, development, and training. We will strengthen the HR offer ensuring expert HR advice and assistance is available to leaders ensuring they are able to manage change effectively.

We will continue to:

- Review our Learning and Development Strategy
- Provide focused leadership induction development programmes so people can lead collectively and are led effectively, with change managed well.
- Ensure fair access and better signposting to quality and timely learning and development opportunities for all.

- Build our early talent pipeline, by working with the community on work experience, internships, and apprenticeships.

Managers at all levels will develop a stronger collaborative management culture by recognising and modelling good people management practices enabling the creation of a high performing work environment with the right conditions for dealing effectively with underperformance.

Engagement, Reward and Wellbeing

The engagement strategy is guided by feedback received from staff and the Council is committed to listening to staff and fulfilling the commitments identified in the Engagement Strategy and the Equality, Diversity and Inclusion Strategy which will build and promote greater engagement and equality and support inclusion.

We will:

- Embed our HR offer to support and address inequality and fairness, through work with the Equalities Board and networks
- Continue to implement feedback loops as an engagement tool to nurture an environment where people feel listened to, and valued,
- Enhance our onboarding experience, and induction, striving to be an employer of choice within our community,
- Reduce turnover and sickness absences by ensuring timely onboarding and sickness absence policy and support is applied well.

Our work in 2025/26

We said....	We did....
We would strengthen two-way communication.	Improved two-way communication across almost all leadership levels — with Directors up +3.2% , Assistant Directors and Service Managers also increasing, and line managers remaining strong at 87.5% good. Expanded opportunities to meet senior leaders: attendance at the Leader & Chief Executive events rose +12.6% Increased updates on plans and progress, helping 73.7% of colleagues feel informed up +6.6% from last year
We would act on staff feedback more visibly.	Engagement with DMTs strengthened significantly: acting on feedback increased +8% to 52.3% . DMT visibility and accessibility also improved, rising +3.4% and +2.2% respectively

We said....	We did....
We would focus on empowerment and trust.	Delivered one of the biggest improvements across the whole survey: empowerment rose +15.5% , from 62.6% → 78.1% Supported teams to innovate, with 80.6% saying they can improve ways of working.
We would improve career development.	Increased access to development opportunities +10% to 60.2% . Strengthened line manager support for progression, improving +8% . Introduced clearer progression and pay pathways through MedPay.
We would invest in wellbeing.	Increased wellbeing support +6.4% , particularly around mental and physical health Improved physical wellbeing support dramatically +15.4% . Encouraged healthier break habits, with +14.8% more staff feeling able to take breaks. Rolled out the Press Pause campaign, helping 36.6% feel more comfortable taking micro-breaks.
We would make recognition and reward fairer.	Improved satisfaction with total pay and reward by a significant +17.5% . Introduced new benefits, including the wellbeing day and leisure discount, contributing to this improvement. Continued to build strong recognition from line managers, now at 84.5% .
We would continue building an inclusive and safe culture.	Increased the number of colleagues who feel comfortable being themselves at work to 82.4% . Improved awareness of where to report discrimination/harassment +2.5% . Saw more colleagues reporting incidents, showing rising confidence in speaking up.

Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
9a	Complete MedPay review implementation to 100% to address perceived inequity and support progression (including leadership pathways).	Samantha Beck-Farley Nicola Trainor	Implementation 1 st April CSC SW TBC	WFS 2028
9b	Healthy Mind & wellbeing Working Group to finalise a Wellbeing Framework (include mental health, physical health, breaks culture, codesigning our Head office to ensure a suitable working environment).	Nicola Trainor	QT3- QT4	WFS 2028
9c	Re-procure health support programmes for mid-2026, informed by sickness trends and usage insight. Working through Healthy workplace criteria and tailoring interventions.	Samantha Beck-Farley Nicola Trainor	Plan implantation QT1	WFS 2028
9d	HR deep-dive analysis to identify pockets/patterns of bullying/harassment and target interventions.	Samantha Beck-Farley	Plan in place for QT2	WFS 2028 Employee Engagement Strategy 2028
9e	Run a data confidence campaign to increase completion of personal equality details on MyView (what, why, how, who sees it).	Nicola Trainor	QT2 campaign	WFS 2028 EDI Strategy 2028

9f	Raise visibility of the Equality Board and staff forums; promote the EDI Strategy and responsibilities under the Equality Act. Standardise induction quality across directorates to close variation (keep what works in BSD; support C&A/RCE uplift); preserve the strong “welcome” experience.	Nicola Trainor EDI Board	TBC	WFS 2028 EDI Strategy 2028
9g	Issue regular, predictable LGR updates prioritising job security, future T&Cs, and role changes; supplement with targeted sessions for affected teams Equip managers with briefing packs and Q&A after each corporate update; maintain a single truth source for timelines and next steps.	Samantha Beck-Farley Communication Team Policy Team	TBC	TBC
9h	Workforce Planning documents to be trailed with ASC, ahead of full role out, embedding PPP and preparing for LGR.	Nicola Trainor	TBC	WFS 2028
9i	Deliver a full workforce data-quality improvement programme through MedPay, including cleansing core HR data, consolidating recruitment MI, and expanding reporting capability.	Lisa Morgan	QT1	WFS 2028

9j	Use skills data captured through the MedPay review—focusing initially on the priority ‘A’ skills—to shape service-level workforce planning and inform a structured annual learning review in Q3/Q4. This review will set learning priorities for the following year and ensure all development activity aligns with CPFs and statutory requirements.	Lisa Morgan SM	QT1 and review in QT3	WFS 2028 L&D strategy 2028
9k	Enhance the council’s overall industrial relations environment by building a more strategic, transparent, and collaborative partnership with trade unions. This includes improving both formal and informal engagement mechanisms and ensuring that unions are proactively consulted on key elements of the WFS.	Samantha Beck-Farley TU	QT1 review	WFS 2028

10. Our corporate property strategy

The Council's property portfolio is an important asset, however running costs and maintenance also represent a significant liability. If these costs do not adequately justify the benefits, then the individual assets need to be reviewed with a view to either using them differently or disposing of them.

In recommending what the Council ought to do to address the shortfall in the revenue budget the CIPFA report said: "The Authority needs to determine what assets it might sell and how it might scale back its capital programme to reduce the cost of borrowing". However, in outlining the action necessary for the Council to achieve financial sustainability in future, it also suggested that the Council should: "review capital commitments to reduce impact on revenue budget – stop, delay, mothball" and "Identify those assets that are no longer cost effective to maintain or can help mitigate the costs of additional borrowing".

CIPFA acknowledged that: "Medway is solely focusing on opportunities within Medway's boundary, and which are consistent with Medway's regeneration ambitions. Such investments are not for purely commercial gain." This is important, as those authorities that have found themselves in the most significant financial difficulties are those that have aggressively pursued commercial investments.

The Council also spends a significant amount on its operational property portfolio. Whilst the decision has been made to invest in our corporate headquarters, this is being done in parallel with a review of our wider operational estate with a view to rationalisation. The headquarters building will eventually need to be used more effectively, and an Integrated Hubs project is being undertaken with the aim of delivering better, more integrated council services from fewer, better-quality buildings. This project will also involve our partners in the NHS and other public services, all of whom are pursuing similar agendas.

The team has also been looking at how best to maximise the income from the Council's existing estate, to mitigate the pressure in respect of the current income targets and rent reviews/lease renewals being conducted across the entire portfolio. There is a strategy of repurposing the first floor of the Pentagon Centre (away from retail), with the Innovation Centre (Ascend) now open and the construction of the James Williams Healthy Living Centre due to open in March 2026.

The corporate property strategy aims to maximise the use and value of the Council's property portfolio, disposing of assets which have been identified so the capital can be re-invested to support the Council's revenue deficits.

Plans for the future of the Pentagon Centre and improvements to Gun Wharf are underway.

Our work in 2025/26

We said ...	We did....
We would that the programme would deliver £20M of capital receipts over 3 years.	During 2025/2026 £14.4M of capital receipts from non-operational property sales were achieved with a further £6.4M agreed with solicitors instructed. This will create a further savings in borrowing costs of £552,000 per annum.

Savings and Income Generation Plan 2026/27

Task ref.	Activity	Division	Description of item monitored	Income (£)	Savings (£)	Supported by which key actions?
10.01	Medway Norse savings from internalising FM contracts	Regeneration			605,629	
10.02	Increase in Medway Norse rebate	Medway Norse Profit Share	As part of the budget setting process, it was agreed that the Medway Norse rebate to Medway Council would be increased.	11,000		

Assumptions

The below targets and key actions are based on the following assumptions.

10.2: The BRMF is no longer subject to spend agreement at the Property Board, and this change also covers items requested by councillors. Currently, we are operating on the basis that spending is approved by the budget holder only if it is:

Compliance & Building Safety Critical

Expenditure that supports critical income which would otherwise be lost

Considering the £426,430 rolled over from last year (23/24) and assuming we are not spending the £750k allocation, we could manage our finances tightly. Including the rollover from 2023/24, we started the 24/25 fiscal year with a total budget of £1,176,430. If we roughly split this amount to cover the two financial years of 2024/25 and 2025/26, we have approximately £588,215 per year to work with.

10a: The Gun Wharf programme delivery date is contingent on several workstreams being delivered on time, including the below rough timings:

RAAC Investigations and Remedial Options Analysis: Spring/Summer 2025

RAAC Immediate Issues (discrete works such as, e.g., Roof Repairs): Spring/Summer 2025

RAAC Major Works: To align with the construction phase of the refurbishment programme

Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
	To be reviewed at year end, with actions carried over added to the FIT Plan tracker.			

11. Procurement and commissioning

The Council has a gross spend of £690m for the delivery of services and a medium-term capital budget of £329m for improvement to the built environment and assets in its ownership. The overwhelming proportion of these budgets are allocated to the delivery of services following a procurement exercise.

Many of the funding streams are ringfenced for the delivery of specific outcomes such as public health grants or planning contributions (known as S106). Whilst historically much of our procurement activity was “silo” based, focused on narrow service requirements, we now have a forward procurement plan which eases identification of synergies and early alert of activity that needs to be undertaken in the coming period. This will allow for more holistic procurement activity, for the council.

Our procurement cycle is split into three segments – Strategic Planning, Procuring Services and Monitoring and Evaluation. Procuring Services is often seen as the ‘core’ procurement function, focusing on compliance and governance within the associated rules and regulations. We have changed our processes following the new Procurement Act. Contract leads will be challenged on engaging in more potential collaborative procurement exercises, the requirement for SMART KPIs, KOIs and greater emphasis on locally relevant social value contributions. Our new processes also encourage premarket engagement to learn from those who partner with us to explore better ways of doing things. Further in 2026, following changes to procurement rules we will explore implementing a locality criteria to keep as much of the Medway Public purse in Medway to help grow the local economy, business’s, increasing employment and developing skills. Simply put, strengthened, consistent and meaningful forward planning and officer engagement could open significant new opportunities.

Strategic Planning

Forward plans are shared with Procurement Board, which has senior officer representation from across the council, to ease early identification of collaboration opportunities, greater advanced planning to facilitate market engagement and provide real opportunities to consider alternatives. With an underlying assumption in our processes that competitive exercises will take place, we can make sure that we get the best value for money.

Procuring services

Market engagement is built into our new processes, allowing us to learn from specialists in the market and explore different solutions. There is continued focus on goals, purpose, and outputs in specifications that facilitate supplier innovation, and require proper contract management to be successful.

Monitoring and evaluation

We have identified when contracts will need retendering and contract management reports are due. Robust but fair contract management culture is being promoted with contract managers being identified at the procurement stage. Training will continue to be provided to support their important roles. Properly designed and implemented contract management frameworks incorporating objectively verifiable indicators (OVI) must become the bedrock to determine performance and scrutinise value for money / outcomes These now be required to be identified before procurement activity starts so that there is broader challenge and improved consistency. An honest critical friend relationship with our partners is not possible without explicit goals, OVIs and regular structured monitoring. These would give contract managers the tools to measure the journey travelled towards the goal. To get to a different destination we need to undertake a different journey.

Improvements in procurement and commissioning processes have been made through training and the update of template documents.

The latest CIPFA report recommends that 'Internal Audit should be invited to review compliance with the revised procurement arrangements and the suitability of the KPIs being developed for key contracts. This is planned for 2025/26.

Our work in 2025/26

We said....	We did....
We would bolster our approach to market engagement to ensure our requirements were deliverable and the market was engaged and encouraged to bid.	Deployed a systematic approach to pre-market engagement for all proportionate contracts to drive market competition and ensure deliverability.
We would work with services to provide a better understanding of the roles and responsibilities and to empower staff with this crucial activity.	Revised our contract management documents and made available key contract management training for all staff responsible for this activity.
We would reflect on our training packages to ensure they meet the needs of a dynamic workforce.	Updated our training programme after reviewing previous attendees' feedback, ensuring the message is clear and concise whilst providing assurance and direction on our procurement processes.
We would work with services to ensure our forward plans are up to date and support proactive planning for our contracts.	Worked with teams and services to ensure the data we hold is accurate and reliable. This opened the door to wider collaborative discussions.

Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
11a	Consideration of locality criteria to be added to procurement exercises	BSG/MK	Sept 2026	
11b	Reports to procurement board to include suite of KPIs to be included procurement	BSG/MK	Sept 2026	
11c	Improve the timeliness and quality to contract review reports	BSG/MK	Sept 2026	

12. Corporate governance

The CIPFA report includes a section on governance and culture and concludes that: “Whilst there was a change in the control and leadership of Medway Council in 2023, there continue to be robust and clear governance arrangements”. It also again cites the auditor’s opinion, remarking that: “The annual review by Internal Audit for 2022-23 confirmed that the Council’s Local Code of Corporate Governance is operating effectively, and that Medway Council’s framework of governance, risk management, and system of internal control were sufficient and effective and contributed to the proper, economic, efficient, and effective use of resources in achieving the council’s objectives.” CIPFA introduced revised guidance for the production of Annual Governance Statements due in 2026 and this mean revising our corporate governance code and the methodology for its production. The council has introduced a conflict of interests register for senior officers and all colleagues undertaking evaluation and awards of contracts. A tool and specific training is being devised for a broad level of assurance for the production of the AGS.

Having said that, it is clear that there are issues for the Council to address if it is to deliver a comprehensive improvement programme and set a course towards financial sustainability. The report starts by saying: *“It is not especially clear from our document review how the financial plans set out in the Medium-Term Financial Outlook for 2023-2028 align with the Council’s strategy and associated plan for 2023-24 and the latter make no reference to the financial challenges facing the Authority.”*

The recent CIPFA assurance review identified the following as one of a number of “key risks”: ‘Plans for the Kyndi’s restructuring, renewed strategic direction and business growth are not finalised in a timely manner leading to delay in the council benefiting from these plans.’

This risk led to CIPFA making the following recommendation to be completed as soon as possible: *‘Ensure Kyndi finalises plans for approval by the Kyndi Shareholder Board.’*

This risk has now been fully addressed. The strategic Plan for the Kyndi Group of Companies was approved by the Cabinet Sub-Committee on 11 June 2024.

The plan highlighted Kyndi Group’s commitment to becoming a leader in providing innovative assistive technology solutions with the introduction of new products and partnerships with equipment designers, diversifying the customer base, and collaborating at an earlier stage with Medway Council and Medway NHS Trust. To support the plan, it was proposed that a Kyndi group re-structure be implemented to allow for future growth while protecting Teckel Status.

Identified risks included cost of transitioning to digital technologies, staff recruitment and retention, compliance obligations and office relocation to Medway Council offices.

Since then, the Group has presented financial and operational highlights and progress against the Strategic Plan quarterly to the Cabinet Sub-Committee, on 26/9/24, 14/11/24, 18/2/25, with further meetings booked for 10/6/25, 18/9/25, 18/11/25 this year. The updates have included:

- The introduction, proof of concept, and roll out of two new products which have saved Medway Council and Medway NHS Trust £1.2m to end of Q3, surpassing initial expectations, with a further two new products being tested, and the launch of a Virtual House which led to partnership conversations being generated with other Local Authorities and care agencies.
- The implementation of an internal re-structuring, including the recruitment of a new CFO and a new Head of Operations, and growth of the Business Development Team
- Re-Accreditation by The Telecare Services Association, performed every three years, which was “passed with flying colours”, achievement of ISO standards 27001 and 9001, and completion of a GDPR review and audit with no issues.
- A new Alarm Receiving Centre (ARC) system provider appointed, and project implementation is underway, which will work with the new digital technologies
- Legal advice has been obtained regarding the process for the group companies’ re-structure which should occur as at the financial year end, incorporating a new holding company, wholly owned by Medway Council, with Kyndi Ltd, Kyndi Care and MPS as wholly owned subsidiaries of this new company
- The group is on target to meet the financial forecasts for 2024/25 and also clear the deficit on retained reserves which will allow the group re-structure to go ahead after the financial year end on 31 March 2025 subject to final Medway Council Sub-Committee approval

The new administration has committed to being more transparent in its decision making and to consulting widely. Changes to the Councils Cabinet rules now provide an opportunity for the public and elected members to raise questions directly with cabinet members at meetings of the cabinet. The role of scrutiny must be strengthened and many of the Council’s policies are due a refresh. There needs to be a clearer, more consistent approach to project management and a robust set of tools for developing business cases and conducting options appraisal. Finally, this plan gives us an opportunity to strengthen the role of Internal Audit.

Monitoring and assurance

This Plan is monitored by the Council’s Corporate Management Team to ensure continuous progress and completion of agreed workstreams. Internal audit will also provide independent validation over completion of non-financial key actions to provide Corporate Management Team with assurance.

Corporate governance has been strengthened with the preparation of a revised Council Plan and a review of performance monitoring. A corporate suite of data has been developed and is available online, providing a single version of the truth for decision-making.

Our work in 2025/26

We said....	We did....
We would ensure the contract for Norse Joint venture was in place.	Negotiations were commenced and progressed well on revising the contract until Norse determined not to enter into the contract.
We would review compliance re local code of governance.	Internal audit undertook a review and made several recommendations to ensure better compliance with the new framework that applies to new AGS produced in 2026.
We would implement Assurance statements for senior leaders.	CMT agreed the introduction of a broader assurance base for the development of an AGS. The recruitment was announced at service managers in 2025 and documented details shared with relevant colleagues in early 2026. It is hoped to launch a tool and training by mid 2026.
We would instruct Internal Audit to validate governance self-assessments completed by LATCo's.	To date the self-assessments for Medway Development Company and Medway Norse have been completed, with the final report issued for MDC. The Norse report and Kyndi validation are expected to be complete by the end of Q1 2026-27.

Key actions 2026/27

Action ref.	Key action	Responsible Owner	Milestone dates	Supports which target?
12a	Revise code of corporate governance	BSG	Oct 2026	NA
12b	Launch tool to record and monitor governance assurance requirements	BSG	July 2026	NA
12c	Launch and monitor conflict of interests register	BSG	July 2026	NA
12d	Launch training supporting the governance assurance	BSG	Sept 2026	NA