

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

Thursday, 26 March 2026

6.30pm to 9.47pm

Record of the meeting

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

Present: Councillors: Tejan (Chairperson), Hamilton (Vice-Chairperson), Bowen, Brake, Browne, Hackwell BEM, Jones, Lammas, Lawrence, McDonald, Nestorov and Pearce

Substitutes: Councillor:Field (Substitute for Mark Prenter)

In Attendance: Paul Boyd, Chief Information Officer
Steve Dickens, Democratic Services Officer
Wayne Hemingway, Head of Democratic Services
Andy McNally-Johnson, Head of Corporate Accounts
David Reynolds, Head of Revenue Accounts
Phil Watts, Chief Operating Officer

824 Apologies for absence

An apology for absence was received from Councillor Mark Prenter.

825 Record of meeting

The record of the meeting held on 29 January 2026 was agreed and signed by the Chairperson as correct.

826 Urgent matters by reason of special circumstances

There were none.

827 Disclosable Pecuniary Interests or Other Significant Interests and Whipping

Disclosable pecuniary interests (DPI)

There were none.

Other significant Interests (OSI)

There were none.

Other Interests

There were none.

828 Attendance of the Leader of the Council

Discussion:

The Leader of the Council introduced the report, he highlighted that the government had made announcements in relation to Local Government Reform (LGR) that week which proposed the structure and boundaries in a number of areas. In Essex there would be five authorities, in Hampshire and the Isle of Wight there would be five authorities, and in Norfolk and Suffolk areas there were three authorities proposed for each area. The government had sought additional consultation in East and West Sussex. Whilst the government had stressed that no precedent was set by the decision in these instances, the Leader was confident that this indicated that the option chosen by the Council, known as 4D, was viable.

The Leader thanked officers and the Committee for its hard work during the year and scrutiny it provided, both pre decision scrutiny and holding Members to account. He also thanked the Head of Revenue Accounts Dave Reynolds who was leaving Medway, for all of his hard work.

The following issues were discussed:

Meningitis outbreak – a Member thanked the Leader for the leadership he had shown, and the work undertaken by officers during the recent meningitis outbreak. The Leader stated that whilst the outbreak was not finished, the evidence was that the hard work undertaken by officers was working, he added that his thoughts were with the families of those affected and the University of Canterbury. When the outbreak had been resolved, lessons would be learned but Public Health teams in Medway and Kent had done excellent collaborative work, as had the Communications team in ensuring the messages were delivered effectively.

Pride In Place – Members welcomed the Pride in Place funding which provided additional investment for deprived areas in Medway. A Member asked if the Council would be responsible for decision making in relation to allocation of funds. The Leader stated that he was proud to have worked closely with local MPs to receive additional grant funds, decisions would be managed by three Independent Boards which would deliver funding directly and include local resident representation.

Exceptional Financial Support (EFS) – it was asked how the Leader could consider the multi-year settlement positive when the Council was one of 30 authorities which required EFS to balance the budget and this had been used on multiple occasions. The Leader stated that he was confident that the Council would not require further EFS for 2027/28. The multi-year settlement meant

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that the budget gap for the 2027/28 year was £8m, which was a lower figure than previous years and was achievable. In addition, the Council had a Financial Improvement and Transformation (FIT) Plan to improve financial sustainability with 81% of actions complete through the first three quarters of the year.

Borrowing Costs – the Committee discussed borrowing costs, it was commented that the finance and interest budget was overspent by £500,000 because Public Works Loans Board (PWLB) rates had not fallen as expected, it was asked whether the Council was at risk because the PWLB had no requirement to follow base rates in its lending. The Leader stated that he had worked with the Chief Operating Officer and had written to the PWLB to request a more consistent approach in their lending policies.

It was asked if there was a risk to frontline services including the weekly bin collection and the Council declaring bankruptcy if the Council lost control of finances. The Leader stated that the Council had clear plans which were transparent and he was confident that the Council would balance the budget in 2027/28.

it was asked what stress testing the administration had undertaken when considering the current policy. The Leader stated that potential risks of increased costs and increased finances had been considered during wider consideration of proposed projects. The impact of borrowing and interest costs on the revenue account and potential risks was considered as part of spending and budget priorities. For example, the Kennel Service scheme had been brought forward, which had incurred a capital cost, that would be offset by increased revenue generation.

A Member commented that the Council was scheduled to spend £25m on debt repayment next year and was scheduled to borrow £487m over the next three years, with interest rates likely to rise, he asked if further EFS would be required to cover the additional costs. The Leader stated that the Council considered the cost of borrowing, it also took into account the cost reductions which resulted from investment, such as lower temporary housing accommodation costs.

In response to a question whether the lack of cash reserves had required the Council to borrow to ensure liquidity, the Leader stated that over the lifetime of Medway Council there had been a number of occasions when the Council had borrowed on a very short-term basis to ensure liquidity. The Chief Operating Officer added that an element of the Council debt included working capital, but he did not envisage a situation or have any risk where the Council was not able to borrow to fulfil its responsibilities.

Capital Programme - it was asked whether the Council should consider the viability of the Capital Programme given the likely increase in borrowing costs and its impact on the revenue budget. The Leader stated that the programme was always under review, and the administration was prepared to make difficult choices. Where possible the administration prioritised income generation over

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cutting services. The Leader stated that he was confident that the budget for 2027/28 would be balanced without the need for further EFS.

It was asked if the Council was charged a higher rate for borrowing due to its financial difficulties, the Chief Operating Officer stated that the Council was not charged a higher rate by the PWLB because of its financial position. The Council would borrow from other local authorities if it could achieve a lower rate and some local authorities had been less willing to lend to the Council than previously, however, he did not foresee any circumstances in which the Council could not borrow from the PWLB.

Crisis Resilience Fund – a Member commented that the Crisis Resilience Fund succeeding the Household Support Fund had meant that free school meals during the holidays would be discontinued and he had been contacted by a number of worried families. He asked whether ending free school meals during the school holidays had been a Cabinet decision. The Leader stated that guidance provided by the Department of Work and Pensions (DWP) had been against a blanket policy of free school meals during the holidays. There was a recognition that help and support was required but that it needed to be focused on those in the most need and the government wanted to move away from vouchers and help families build resilience. The Leader added that vouchers would be available to those in need for the upcoming Easter holidays. The Council was in the process of setting up a community supermarket, and the locations would be announced shortly. If this worked well there was scope to add further locations. The Leader thanked the Finance Welfare team for the work they did in relation to the Household Support Fund.

Online Council Tax – a Member expressed disappointment that only 25% of people received their council tax bills online. The Leader stated that the Council continued to promote the scheme at various Medway events. The Chief Information Officer added that the target for the year was 25%, the number of residents which now received Council tax online had risen to 27%, and previous experience had shown that there was an uplift during annual billing which was about to be undertaken.

Medway 2.0 – an update was requested on progress in relation to completion of forms as part of Medway 2.0, the Chief Information Officer stated that four forms were due to be completed, and this would be done by the 1 April target.

External Audit – the Leader was asked whether he was confident that the work required for external audit would be completed within the required timeframe. The Leader acknowledged there were national difficulties in the sector, however, it remained a key objective for the Council to regain assurance. A Member added that the external auditor Grant Thornton had reported that the Council had made progress and the objective remained to regain assurance prior to LGR.

Electoral Services – a Member raised concern that 25% of postal voters had chosen not to reapply for a postal vote and asked whether this represented a disenfranchisement of voters, particularly vulnerable or elderly voters. The

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Leader stated that the process was a new national requirement that every postal voter reaffirmed they wanted to continue voting by post every three years. He was not surprised the figure was 25% as this was a new requirement. He added that he did not accept that postal votes were less legitimate than other votes and noted that electoral vote fraud was very rare. A Member requested that the Committee receive a report from Electoral Services to consider the issue of disenfranchisement related to postal votes, on being put to the vote the recommendation was lost.

Town and Parish Councils – the Leader was asked for his thoughts regarding the possibility of Town and Parish Councils being developed in response to LGR to ensure local decision making and representation. The Leader stated that the Council had a good track record of developing neighbourhood plans with residents and engaging with the public. Rochester had relatively recently, rejected the opportunity to establish a Town Council. The Leader wanted to empower residents to work for the local community, however, development of further Town and Parish Councils was not a priority for the administration prior to LGR and thus it would be a decision for the successor authority. In his view LGR included the potential for area committees as part of the successor authorities.

LGR - a Member asked whether the recent government decisions which included changes to boundaries aligned with the Medway proposal, option 4D. The Leader stated that the recent government decision outlining the structure of local government in a number of areas including Essex and Norfolk included changes to boundaries in some areas which was part of Medway's proposal. The government had stated that no precedent had been set, however, those decisions did suggest that Medway's proposal remained a viable and strong option. The Leader added that if the decision was a different option than the one put forward by Medway, he would not legally challenge that decision.

Devolution – the Leader was asked for an update on the progress of the devolution deal which would provide opportunity for the region to obtain more powers from central government. The Leader stated that 13 of the 14 councils in the region had signed an agreement for a Foundation Strategic Authority, he understood why Kent County Council had not signed at this time, but the Councils continued to work together collaboratively.

Risk – it was asked what risks had been identified and added to the risk register in relation to LGR and what mitigations were in place. The Leader stated that LGR had a number of risks attached, and Portfolio Holders were dealing with those risks on an ongoing basis and on an issue-by-issue basis. He explained that in relation to procurement, the Council was ensuring that contracts did not end on 31 March 2028, to ensure continuity of service but also included break clauses to allow for flexibility for the successor authority to make decisions as required.

Whoever would be running the new authority, scrutiny would have an important role in ensuring that the creation of the new authority was both safe and legal and positive for residents.

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The Leader stated that in relation to Finance, disaggregation was a significant issue, and he highlighted the experience of Cumbria which had taken around five years to complete disaggregation. He remained confident that the senior management team managed those risks and highlighted that residents principal concern was that frontline services continued to run effectively.

Armed Forces – a Member thanked Councillor Stamp for her work as Armed Forces Champion, and all that she and the Leader had done for armed forces families in Medway. The Leader agreed, and added that he was proud that Medway had created its own Armed Forces Partnership Board and continued to be a part of the Kent and Medway Armed Forces Partnership Board

Decision:

The Committee noted the report.

829 Review of the Council's Petitions Scheme

Discussion:

The Head of Democratic Services introduced the report, he highlighted the proposed changes to the scheme which included acceptance of e-petitions from third party websites. He added that the scheme would also be considered by Cabinet and Full Council.

The following issues were discussed:

Third Party websites – a Member commented that some third-party websites reflected particular political views and provided push notifications promoting petitions which contained factually incorrect information. He asked whether the purpose of the change was to increase choice for the public or a decision made by the administration to promote a political stance. The Head of Democratic Services stated that the request to review the scheme had been made by the Committee in June 2025, the purpose of allowing petitions from third party websites was to widen choice, though it was for Members to consider whether this would be supported.

A number of Members welcomed the proposed changes to the scheme, it was commented that the addition of third-party websites was a sensible and helpful way to expand choice for the public and enable more engagement. A Member commented that she had previously assisted a group of residents to organise a petition which was then refused, so anything which made the process easier for the public was positive.

A Member commented that he believed the proposals exposed the Council to frivolous national and international talking points instead of issues of local concern and further consideration was required to protect the Council from this risk.

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Petition thresholds – the Committee discussed whether the threshold for petitions to be considered by Full Council and Overview and Scrutiny of 5% and 2% of signatures of Medway's population respectively, was too high a bar. A Member commented that the number of signatures required for a petition to reach Full Council could only be met by petitions which received national attention. The Head of Democratic Services stated that that the threshold for review by Full Council and Overview and Scrutiny had remained the same since the scheme was introduced in 2010. It was proposed that the Committee provide a comment to Council for a review of thresholds in 12 months, and this was agreed. In response to a question whether children were included in the population figure, it was confirmed that the population threshold included all Medway residents.

Lead petitioner - a Member commented that the scheme proposed that if the lead petitioner was not known then the first signature would be contacted as the lead petitioner and also stated that that the lead petitioner had to be a Medway resident. Further clarity was sought by the Committee as to whether this meant the lead petitioner could be someone from outside the area. The Head of Democratic Services stated in practice difficulties regarding the identification of the lead petitioner only arose for paper petitions. He added that the current scheme did not restrict all signatories to Medway residents, signatories could be from anywhere, however, the change ensured that lead petitioners would be Medway residents.

A Member commented that petitions were a good way to engage residents, however, there was a risk that the Council would be overwhelmed with petitions. The Head of Democratic Services stated that when petitions were received the team checked that they met the criteria and ensured there was a response from the relevant department, this was the end of the process in most cases. In the event of the lead petitioner being unhappy with the outcome of the petition, they could request a review from the relevant Overview and Scrutiny Committee. This meant that all petitions received a response. Petitioners had the right to request a review by the relevant Overview and Scrutiny Committee independent of the thresholds for consideration by the Full Council and Overview and Scrutiny Committee.

Security – a Member proposed a comment to Cabinet that the Council give further consideration to enhanced security for e-petitions on the Council system. This would include a captcha to ensure that all signatories to a Council e-petition were valid. The Head of Democratic Services undertook to discuss this with the Council's software provider.

Decision:

- a) The Committee considered the revised petition scheme as set out in Appendix B to the report and submitted comments to Cabinet as set out in the minutes.

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- b) The Committee requested Cabinet consider adding a review of signature thresholds contained within the scheme a year from final approval of the new scheme.
- c) The Committee requested Cabinet consider whether further ICT security measures such as a captcha be added to the Council's e-petition system to enhance security.

830 Revenue Budget Monitoring - Round 3 2025/26

Discussion:

The Head of Revenue Accounts introduced the report. He highlighted that the Council projected an overspend against a budget of £15.6m in quarter three prior to migration via capital receipts and declassification of reserves which meant the budget projected an overspend of just under £10m. The areas under the remit of this Committee projected an overspend of £3.6m.

The following issues were discussed:

Timeliness - Members commented that the report for quarter three was received shortly before the end of the financial year. The Committee requested that the report be brought to Committee at an earlier stage next year to promote effective scrutiny. The Head of Revenue Accounts acknowledged that the report was considered by the Committee at a later stage, he explained that it was the first meeting following consideration of the report by Cabinet.

Capital Receipts – it was asked whether funding the transformation programme through capital receipts was sustainable. The Chief Operating Officer stated that whilst capital receipts had been used for investment, this could not be used as an ongoing source of funding, but he was confident that the 2027/28 budget would not require the use of EFS or capital receipts to build a balanced budget.

Benefit overspend – in response to a question whether the overspend on benefits would continue, the Chief Operating Officer stated that under migration to universal credit the Council retained responsibility for complex cases, which did not attract 100% funding from government for Council costs, so there would always be a funding gap. The Council was part of a pilot programme which had led to government's impending legislative changes in respect of supported accommodation.

Medway 2.0 – it was asked if the Council was on target for savings as part of the Medway 2.0 programme. The Chief Operating Officer stated that the Council had invested in automation and AI, so it had invested in the right areas to make savings. However, investment in prevention and demand management within adult social care remained the most obvious way of delivering long term financial sustainability. He reiterated that the multi-year settlement was positive and savings were being made through the Medway 2.0 programme. He was confident that the 2027/28 budget would be balanced without recourse to EFS.

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Capitalisation Policy – further information was requested regarding the flexibility over capital receipts. The Chief Operating Officer stated that the government's policy had been extended to 2030 to increase flexibility so he was not concerned.

Council financial position - the Head of Revenue Accounts was asked for his view on the Council's financial position. The Head of Revenue Accounts stated there had been significant pressure on demand led services over a number of years which had caused the current financial pressures.

It was asked whether the Council's financial position was a risk to front line services, specifically the weekly bin collection. The Chief Operating Officer explained that prior to the EFS, the Council commissioned a report from CIPFA on its financial resilience. The report stated that the administration had made tough decisions, and the government accepted the Council was on the right path to financial sustainability. The Chief Operating Officer added that he expected a further CIPFA assurance review would be undertaken in the summer and the Council would then consider the recommendations. CIPFA had cited the ending of weekly bin collections as an example of a tough decision the Council could consider, but concluded the Council was progressing in the right direction and service delivery remained a decision for the Council.

Accuracy of projections – in response to a question how accurate previous quarterly monitoring reports had proven and had any changes been made as a result, the Chief Operating Officer stated that following the CIPFA review the Council had moved to a monthly budget monitoring process. This had created more accurate projections, however, it also created a tension between the frequency of monitoring and its impact on resources. Finance was currently reviewing how it could use its resources most effectively to deliver all of its functions.

Decision:

- a) The Committee noted the results of the third round of revenue budget monitoring for 2025/26.
- b) The Committee noted that Cabinet had instructed the Corporate Management Team to implement further urgent action to bring expenditure back within the budget agreed by Full Council.
- c) The Committee noted that officers had submitted an Exceptional Financial Support request to the Government seeking a further £9.9million in respect of 2025/26, in addition to the £18.184million incorporated into the budget.
- d) The Committee noted that Cabinet had recommended that Full Council approves the use of £2.783million of Capital receipts under flexibilities to fund transformational activity in Adult Social Care and Business Support.

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- e) The Committee noted that Cabinet had recommended that Council declassified the following amounts currently held in earmarked reserves and transfers them to general reserves:
- £1,597,513 held in the Collection Fund reserve;
 - £450,000 held in the severance reserve;
 - £750,000 held in the SELEP reserve;
 - £27,000 held in the unrepresented Cheques reserve.
- f) The Committee recommended that the quarter three monitoring cycle be reviewed to enable the Committee to consider the monitoring report at an earlier stage.

831 Capital Budget Monitoring – Round 3 2025/26

Discussion:

The Head of Corporate Accounts introduced the report. He highlighted that the Capital Budget projected an overspend of £177,000 against a total budget of £333m. In relation to items within the remit of this Committee the budget was projected to be within budget of £138,000.

The following issues were discussed:

Highways – a Member commented that Abbey Road was in a poor condition and asked for further information as to the difference between highways spending on pothole repairs from capital and revenue budgets. The Head of Corporate Accounts stated that capital grants were intended to produce or enhance an asset, this included extending the life of an asset such as pothole repair. The capital budget was used for planned repair and maintenance of highways the revenue budget spending for repairs following regular inspections.

ICT – further information was requested regarding the delay in the CCTV scheme. The Chief Information Officer stated that there had been a delay in providing flooring for the centre, however, this had now been dealt with, and the data centre project was almost complete. The Council was currently looking at humidity and monitoring temperature in the data centre.

It was asked why there was no forward budget for ICT development. The Chief Operating Officer stated that the Capital Strategy outlined the Council requirements and aspirations and included development of ICT. However, the extent to which these requirements and aspirations would feature in the capital programme was subject to the availability of funding and would have to be prioritised. There was no grant funding available for local authorities for ICT so it would need to be funded through borrowing.

Overspend – in response to a question why the projected overspend had risen in quarter three, the Head of Corporate Accounts stated that the rise in projected overspend was caused by schemes under the remit of the Children

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and Young People Overview and Scrutiny Committee. The causes had been discussed by that Committee in detail, however, in summary a number of unforeseen events had increased costs. This was standard in capital schemes and officer were confident of bringing this back within budget.

It was asked if any projects had been significantly changed, delayed or paused due to financial restraints of the Council. The Head of Corporate Accounts confirmed that there had been no significant changes or delays because of the Council's financial position.

Disposal Programme – further information was requested regarding the disposal of assets programme. The Chief Operating Officer stated that the disposal programme had been delivered at a faster pace and greater income had been realised than had been expected so it had been positive.

Decision:

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

832 The One Medway Council Plan Performance Monitoring Report and Strategic Risk Summary - Quarter 3 2025/26

Discussion:

The Chief Information Officer introduced the report which provided a performance and risk summary for round three for indicators under the remit of this Committee. He highlighted that all targets were annual targets, and work was underway to look at changes to the reporting structure to provide more useful information.

The following issues were discussed:

Telephone Calls – in response to a question what evidence was there to support that residents using digital rather than phone services had a positive experience, the Chief Information Officer stated that a user survey had been undertaken, and 80% were satisfied with the service, meeting the Council's target.

Chief Executive Delegation – it was asked under what circumstances would the Chief Executive use his delegation of powers to include new KPIs would be used. The Chief Operating Officer stated that the delegation gave the Chief Executive Officer the power to include new measures and interim targets, he added that he did not expect that the delegation would be used to remove targets.

The Chief Information Officer added that the report included all the targets agreed at Full Council and none had been removed to ensure transparency.

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Strategic Risks – in response to a question what the biggest risk was that faced the Council, the Chief Information Officer stated that finance remained the biggest risk factor for the Council and there had been no risks escalated in the quarter.

Decision:

- a) The Committee considered the Quarter 3 2025/26 progress of the performance indicators used to monitor progress of the Council's priorities, as set out in Appendix 1 to the report.
- b) The Committee noted the Strategic Risk Summary as set out in Appendix 2 to the report.

833 Work Programme

Discussion:

The Democratic Services Officer introduced the report.

The following issues were discussed:

Attendance of the Chief Executive – it was asked whether the Chief Executive could be requested to attend the Committee to provide an update on areas of responsibility. The Chief Operating Officer stated that the Committee could request the Chief Executive to attend a future meeting under the terms of the Constitution. The Head of Democratic Services stated that there was an informal meeting of Chairpersons, Vice Chairpersons and Opposition Spokespersons scheduled to be held in April, and it was agreed that the meeting would consider the most effective way for Overview and Scrutiny Committee's to facilitate attendance by the Chief Executive.

LGR – in response to a question whether LGR could be included in the work programme, the Head of Democratic Services stated that Overview and Scrutiny would have a role in LGR, however, the extent of the role had not yet been decided. It was agreed that this could be discussed further at the Informal Overview and Scrutiny Chairperson Vice-Chairpersons and Opposition Spokespersons meeting in April to ensure a consistent approach. LGR would be considered by the Committee following the government's decision which was expected in July 2026.

Decision:

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

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- c) The Committee approved improving Scrutiny of Performance Monitoring as the focus of the Medway 2.0 Task Group.
- d) The Committee agreed that the proposed finalised scope and terms of reference of the task group be circulated in writing to the Committee for comments.
- e) The Committee agreed that delegated authority be granted to the Head of Democratic Services, in consultation with the Chairperson of the Task Group, once elected, to approve the finalised scope and terms of reference of the Task Group, subject to their being no objections, to enable the work of the task group to begin as soon as reasonably practicable, to avoid delay.
- f) The Committee requested that the Informal Overview and Scrutiny Chairperson, Vice-Chairperson and Opposition Spokesperson meeting consider the invitation to the Chief Executive to a future Committee meeting
- g) The Committee requested the Informal Overview and Scrutiny Chairperson, Vice-Chairperson and Opposition Spokesperson meeting consider the options to consider how LGR would be scrutinised by Overview and Scrutiny Committees.

Chairperson

Date:

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