

## **BUSINESS SUPPORT AND DIGITAL OVERVIEW AND SCRUTINY COMMITTEE**

**31 AUGUST 2023**

### **COST OF LIVING CRISIS RESPONSE PLAN 2023-2024**

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#### **Summary**

This report presents the Council's Cost of Living Crisis Response Plan 2023-2024 which sets out the activity in place across the Council to support Medway's residents to mitigate some of the impact of the cost of living crisis. The Cost of Living Crisis Response Plan 2023-24 was approved by Cabinet on 11 July 2023 and is presented to Business Support and Digital Overview and Scrutiny Committee for post decision scrutiny.

#### **1. Recommendations**

1.1. The Committee is asked to note the Cost of Living Crisis Response Plan 2023-2024 for Medway as set out at Appendix 1.

#### **2. Budget and policy framework**

2.1. The Cost of Living Crisis Response Plan 2023-2024 seeks to set out a cohesive programme of activities and services across the Council, all of which can be delivered within the existing 2023/24 budget as approved by the Council in February 2023. The Cost of Living Crisis Response Plan 2023-2024 and new developments outlined are matters for the Cabinet.

2.2. On 11 July 2023, the Cabinet approved the following decisions:

2.2.1. The Cabinet approved the Cost of Living Crisis Response Plan 2023-2024 for Medway, as set out at Appendix 1 to the report (Decision 90/2023).

2.2.2. The Cabinet approved the implementation of the Policy in Practice Low Income Family Tracker, as set out in Section 3.2 of the report (Decision 91/2023).

2.2.3. The Cabinet approved the implementation of the ReferKent system for Medway as set out in Section 3.3 of this report (Decision 92/2023).

### 3. Background

3.1. The Institute for Government defines the cost of living crisis as referring to “the fall in ‘real’ disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021... Despite extensive government support, household incomes are not keeping up with living costs and are not expected to return to 2021 levels in real terms until 2027.”

3.2. Shortly after the local elections in May 2023, alongside all other newly elected Labour Council Leaders, the Leader of Medway Council pledged to deliver an emergency cost of living action plan within 100 days of taking control.

3.3. The Cost of Living Crisis Response Plan 2023-2024 for Medway is provided at Appendix 1 to this report. The plan articulates the services and activities in place to help mitigate some of the impact of the cost of living crisis on Medway’s residents across the following four themes:

- Responding to urgent need in Medway,
- Minimising cost and financial support,
- Maximising incomes and supporting health and wellbeing, and
- Building financial resilience and managing debt.

This document will form the basis of a renewed publicity effort to ensure Medway’s residents are aware of all the support available; it will be available on the Council’s website, in leaflet form at Council sites and will be shared with partner organisations to maximise awareness and uptake of Medway’s offer.

### 4. Enhancements to cost of living support in Medway

4.1. In addition to the existing package of support and activities available, there are a number of areas of development to enhance the offer. In July 2023 Cabinet approved the following for implementation in Medway and inclusion in the Cost of Living Crisis Response Plan 2023-2024.

#### 4.2. **The Low Income Family Tracker (LIFT)**

4.2.1. This is a tool developed by Policy in Practice which would enable the Council to review data on households in Medway to identify and encourage applications from households who may be eligible but are not in receipt of existing packages of support at both central and local government level, primarily Pension Credit but also Council Tax Reduction, Free School Meals, Healthy Start and Social Tariffs. The tool is used by 60 local authorities in the UK including many in Kent, and the supplier predicts that the tool would enable Medway’s residents to access £210,000 of additional benefit, and could also result in savings for the Council in avoided care costs.

4.2.2. The tool is available on a procurement framework via G-Cloud and there are no comparable services available, so the tool can be purchased directly in compliance with the Council's contract procedure rules. The cost of the tool is £40,000 for one year, which can be met from the discretionary element of the Council Tax Support Fund. This Fund was introduced alongside the Local Government Finance Settlement on 19 December 2022, with Medway's allocation being £411,292. Councils were required to use the fund to reduce the Council Tax liability for those in receipt of Council Tax Reduction from the beginning of the 2023/24 financial year by a further £25 in 2023/24. Any excess funds are required to be used to provide discretionary support, with local authorities to determine how to treat households that become eligible for Council Tax Reduction during the year. In February 2023, the Cabinet agreed to delegate authority to the Chief Operating Officer, in consultation with the Leader and relevant Portfolio Holder to implement the mandatory scheme, and to distribute any balance remaining through a discretionary scheme. Delivery of the mandatory scheme is projected to cost £315,000 in total, so it was proposed that £40,000 be allocated to purchasing the LIFT platform for one year. It is then proposed that the remaining balance of c£56,292 will be distributed through the policies the Council already operates with the Council Tax Reduction Scheme and the Council Tax Discretionary Relief Policy (decision 40/2022 refers), which provide help using discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

#### 4.3. **ReferKent**

4.3.1. ReferKent is an online referral system that allows simple, safe, and easy referrals to be made to a network of organisations. The ReferKent system was initiated by Kent County Council at the beginning of the pandemic, when it was recognised by a working group that many people were being signposted to advice and support. The working group recognised that signposting was not always the best option and that something needed to be done to mitigate the action of signposting. Kent County Council launched the ReferKent system in September 2022 and have 83 organisations on board including national organisations such as Breakeven (gambling support), Vulnerability Registration Service (VRS) and Stop Loan Sharks. There are a number of organisations working across Kent on board and more organisations in Kent and nationally continue to be onboarded to the system.

4.3.2. Medway Council's Benefits and Financial Welfare team has been working closely with Kent County Council, the Kent District Councils and a range of Voluntary and Community Sector organisations as part of a working group focussed on financial hardship and has been offered the opportunity to join with ReferKent to use the system, include Medway organisations and refer Medway residents.

4.3.3. The cost to Medway Council will be £5,418 for a year which would include:

- Enabling Medway residents to be referred and organisations to onboard for the remainder of the existing Kent County Council contract to 31 July 2024.
- Enabling an additional 20 agencies and 50 referrals to be made per month for Medway’s residents to Medway specific agencies; referrals to national organisations will be covered in Kent County Council’s contract.

Funding this small cost can be met from the Council’s 2023/24 Household Support Fund allocation of £4,524,926, as the conditions allow for the fund to be “used to provide supplementary advice services where appropriate, including signposting to existing advice services funded through other routes.” In April 2023 the Cabinet agreed to the distribution of the Household Support Fund to provide vouchers to those eligible for Free School Meals during the school holidays in 2023/24 and to continue the existing scheme providing direct financial support to residents. The Cabinet also agreed to delegate authority to the Chief Operating Officer, in consultation with the Portfolio Holder for Business Management, to make minor amendments to the proposals to enable them to continue to support vulnerable households in Medway. Cabinet is now asked to approve the use of £5,418 to onboard Medway and local organisations to the ReferKent and Medway system for one year.

## 5. Risk management

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Residents are not aware of or not accessing support available	The Cost of Living Crisis Response Plan 2023-2024 sets out a wide range of support and services, however residents may miss out if they are not aware or able to access.	<p>The Cost of Living Crisis Response Plan 2023-2024 is itself a tool to publicise and support residents to access support.</p> <p>The Low Income Family Tracker Tool would support the Council to identify and encourage uptake among those eligible.</p> <p>A communications campaign will be launched to raise awareness of support available with communications through a range of channels to target audiences.</p>	C3
Demand for support exceeds funds/capacity available	The economic factors driving the cost of living crisis (inflation, energy costs and interest	Robust budget monitoring processes and close monitoring of expenditure against specific grants.	B2

Risk	Description	Action to avoid or mitigate risk	Risk rating
	<p>rates) are impacting the Council's own budgets adding pressure to service budgets.</p> <p>Increased uptake could result in pressure on budgets/grant available to provide support.</p>		
<b>Likelihood</b>		<b>Impact:</b>	
<p>A Very high B High C Significant D Low E Very low F Almost impossible</p>		<p>1 Catastrophic (Showstopper) 2 Critical 3 Marginal 4 Negligible</p>	

## 6. Climate change implications

6.1. There are no direct climate change implications to the Cost of Living Crisis Response Plan 2023-2024.

## 7. Financial implications

7.1. The activity and services set out in the Cost of Living Crisis Response Plan 2023-2024 are within the existing revenue budgets for 2023/24 approved by Full Council in February 2023.

7.2. The Low Income Family Tracker (LIFT) from Policy in Practice will cost £40,000 for one year. This can be funded from Medway's allocation for the Council Tax Support Fund for 2023/24 of £411,292. The grant has been received in full.

7.3. Joining the ReferKent on behalf of Medway and Medway's organisations will cost £5,418 for one year. This can be funded from Medway's Household Support Fund allocation for 2023/24 of £4,524,926. Expenditure in line with the grant determination and guidance is claimable from the government in arrears up to the allocation, as has been the case for all tranches of this funding.

## 8. Legal implications

- 8.1. The Council Tax Support Fund and the Household Support Fund grant are paid to local authorities under Section 31 of the Local Government Act 2003 and are subject to the conditions set out in the Grant Determination and the guidance published by the government.
- 8.2. The Council has powers to provide discretionary support under s13A(1)(c) of the Local Government Finance Act 1992.

### Lead officer contact

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### Appendices

Appendix 1 – Cost of Living Crisis Response Plan 2023-2024

### Background papers

None