



Cabinet

29 July 2025

Cost of Living Crisis Response Plan 2025-2026

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer

Author: Gemma Gilley, Head of Benefits and Financial Welfare

Summary

Medway Council approved its Cost of Living Crisis Response plan 2023/24 in July 2023 with an annual refresh. This report presents a refreshed Cost of Living Crisis Response plan for 2025/26, summarising the activity delivered to date along with plans for the coming year.

1. Recommendations

- 1.1. The Cabinet is asked to approve the refreshed Cost of Living Crisis Response Plan 2025/26 for Medway as set out in Appendix 1 to the report.
- 1.2. The Cabinet is asked to delegate authority to the Chief Operating Officer, in consultation with the Leader of the Council to continue the use of the ReferKent platform for Medway, subject to the availability of a suitable budget as set out in section 5.6 of this report.
- 1.3. The Cabinet is asked to agree to the Leader of the Council writing to the Secretary of State for Work and Pensions, Liz Kendall MP to support Trussell's campaign, Guarantee Our Essentials.

2. Suggested reasons for decision

- 2.1. Approving a refreshed Cost of Living Crisis Response Plan 2025/26 for Medway will continue to help ensure residents are aware of and are encouraged to access all support and services available to help mitigate the cost-of-living crisis.

3. Budget and policy framework

- 3.1. The Cost of Living Crisis Response Plan 2025/26 seeks to set out a cohesive programme of activities and services across the Council, all of which can be delivered within the existing 2025/26 budget as approved by the Council in

February 2025. The decision to approve the Cost of Living Crisis Response Plan 2025/26 and new developments outlined are matters for the Cabinet.

4. Background

- 4.1. 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.”
- 4.2. 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. Medway’s response plan was agreed on 11 July 2023 by Cabinet.
- 4.3. As a part of the Chancellor’s Spending Review, the government has pledged £842m to launch a new Crisis and Resilience Fund which will replace the existing Household Support Fund from April 2026. This is the first ever multi-year funding of discretionary support delivered through local councils. The long-term funding will enable the council to work with partners to provide preventative support as well as crisis support.
- 4.4. Trussell’s campaign in collaboration with the Joseph Rowntree Foundation, Guarantee Our Essentials is asking the government to increase the basic rate of Universal Credit to ensure it covers the cost of essentials. The campaign highlights the shortfall between living costs and income with the consequence being increased use of food banks.

5. Cost of Living Crisis Response Plan 2025/26

- 5.1. The plan has been refreshed, highlighting the positive actions and achievements of the 2024/25 plan, the work that continues and Medway’s plans for the future.
- 5.2. The Cost of Living Crisis Response Plan 2025/26 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 optimising 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.

5.3. In agreeing the plan for 2023/24, Cabinet agreed to the introduction of two initiatives to enhance the Council's ability to support vulnerable people in Medway.

5.4. The Low Income Family Tracker (LIFT) was procured (funded for 2024/25 at a cost of £35,000 from the Household Support Fund) is a tool that can 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. Using the system, 1,832 vulnerable pensioners were identified and provided with Household Support Fund payments to assist with food and fuel costs during the winter of 2023. In the first half of 2024/25, the system identified 3,600 households, including 2,500 carers to provide direct awards of £145. In late 2024/25, 1,537 pensioner households, who just missed out on receiving Pension Credit and the Winter Fuel Payment were identified and awarded £200 from the Household Support Fund. The cost has been built into the Council's base budget for 2025/26, and the system will be reprocured to support its use in the coming year.

5.5. 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, and there are currently 83 organisations on board including national organisations such as Breakeven (gambling support), Vulnerability Registration Service (VRS) and Stop Loan Sharks. Medway was able to join ReferKent in 2023/24 at no cost and since joining ReferKent, Medway's Financial Welfare team are working with partner organisations to encourage sign up to the system and building the network within Medway. This will enable Medway Council and partner organisations to safely and securely refer residents between organisations for specific assistance. The system offers assurances to those referring that the resident has engaged with the organisation referred to.

5.6. ReferKent cost £5,000 in 2024/25. At this stage the cost is not known for 2025/26, however we do not expect a significant increase. Cabinet is asked to delegate authority to the Chief Operating Officer, in consultation with the Leader of the Council to explore Medway continuing this scheme subject to the availability of a suitable budget.

6. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Residents are not aware of or not accessing support available	The Cost of Living Crisis Response Plan 2025/26 sets out a wide range of support and services, however residents may miss	The Cost of Living Crisis Response Plan 2025/26 is itself a tool to publicise and support residents to access support.	B3

Risk	Description	Action to avoid or mitigate risk	Risk rating
	out if they are not aware or able to access.	A refreshed communications campaign will be launched to raise awareness of support available with communications through a range of channels to target audiences.	
Demand for support exceeds funds/capacity available	<p>The economic factors driving the cost-of-living crisis (inflation, energy costs and interest 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>	Robust budget monitoring processes and close monitoring of expenditure against specific grants.	B2
Likelihood		Impact:	
A Very likely B Likely C Unlikely D Rare		I Catastrophic II Major III Moderate IV Minor	

7. Climate change implications

7.1. There are no direct climate change implications to the Cost of Living Crisis Response Plan 2025/26.

8. Financial implications

8.1. The activity and services set out in the Cost of Living Crisis Response Plan 2025/26 are within the existing revenue budgets for 2025/26 approved by Full Council in February 2025. The cost of the Low-Income Family Tracker (LIFT) of £40,000 is incorporated in the budget for Finance. At this stage, the cost of

8.2. ReferKent is unknown, however could be funded from the Household Support Fund under delegation given to the Leader and the Chief Operating Officer under decision 40/2025

9. Legal implications

9.1. There are no direct legal implications arising from this report.

Lead officer contact

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Appendices

Appendix 1 – Cost of Living Response Plan 2025/26

Background papers

None