

Cabinet

10 March 2026

Crisis and Resilience Fund

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer

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Summary

The Crisis and Resilience Fund (CRF) is a new three-year national scheme (1 April 2026 - 31 March 2029) providing grant funding to local authorities in England to deliver preventative financial support and direct crisis assistance to residents. It replaces the Household Support Fund and Discretionary Housing Payments, creating a single framework for crisis and resilience.

This report sets out the spending plans for Medway Council's allocation for the financial year 2026/27.

1. Recommendations

- 1.1. The Cabinet is asked to agree the proposals as the Council's approach to delivering the Crisis and Resilience Fund in 2026/27 as set out in Appendix 1 to the report, and to delegate authority to the Chief Operating Officer, in consultation with the Leader of the Council, to finalise and implement these proposals.
- 1.2. The Cabinet is asked to agree the two new policies required for Crisis Payments and Housing Payments as set out in Appendix 2 - Medway Council Crisis Payment Policy and Appendix 3 - Medway Council Housing Payment Policy. These policies will be implemented on 1 April 2026 and reviewed annually.
- 1.3. The Cabinet is asked to agree to delegate authority to the Chief Operating Officer in consultation with the Leader of the Council, to make minor amendments to the proposals set out in Appendix 1 to the report, to enable them to continue to support vulnerable households in Medway in line with the objectives of the fund.
- 1.4. The Cabinet is asked to agree to delegate authority to the Chief Operating Officer in consultation with the Leader of the Council to provide a delivery plan

to the Department for Work and Pensions in accordance with the fund guidance by July 2026.

2. Suggested reasons for decisions

- 2.1. Due to the short timescales, it has not been possible to fully develop every aspect of the fund's spend in time for 1 April 2026. The spend and activities will require additional refinement which can be achieved with the appropriate delegations.
- 2.2. The delivery plan is due back to the DWP by 1 July 2026, which will be approved by the Leader and Chief Operating Officer (under S.151 duties).
- 2.3. The Cabinet will see the cumulative effect of the Crisis and Resilience Funding presented in Summer 2026 within the Cost-of-Living Crisis Response Plan.

3. Budget and policy framework

- 3.1. The Crisis and Resilience Fund (CRF) three-year fund (1 April 2026–31 March 2029) that replaces the Household Support Fund and Discretionary Housing Payments. It provides long-term, multi-year funding so we can deliver effective, preventative and crisis support to residents.
- 3.2. Medway's allocation is £4.590m and is contained within the final Local Government settlement. The funding is being added to the Council's revenue budget following agreement at Full Council in February.
- 3.3. The allocation for the Housing Payments is set by the Department for Work and Pensions at £484,162 with an additional £78,577.08 for administrative costs relating to Housing Payments. The remaining £4.027m can be split across activities at the discretion of the Council.

4. Background

- 4.1. The fund has three intended outcomes:
 1. Provision of effective crisis support - ensuring residents can access timely, appropriate help during financial crisis.
 2. Improving individuals' financial resilience - helping people build the capability and stability to better withstand future crises.
 3. Bolstering the local-level support landscape— strengthening local systems, partnerships, and services that prevent hardship and support long-term wellbeing.

Authorities must ensure that the CRF schemes are person-centred, needs-based, holistic, adopt a no wrong door approach and be trauma informed.

- 4.2. The fund must be allocated across four components, Crisis Payment, Housing Payment, Resilience Services and Community Coordination.

4.2.1. Crisis Payments

Medway Council must offer support to low-income households to:

- individuals who have experienced financial shock. A financial shock is a sudden, unexpected expense or drop in income, that can place pressure on their budget and wellbeing, or
- prevent individuals from entering crisis. Providing timely support so that people can manage pressures, maintain control and avoid being pushed into crisis or prevent crises from escalating.

These payments are intended to meet occasional or short term needs and cannot provide a regular source of income.

4.2.2. Housing Payments

Discretionary Housing Payments (DHP) will end on 31 March 2026. They will be replaced by Housing Payments from the Crisis and Resilience Fund. The Housing Payments will closely replicate DHP guidelines. Housing Payments will provide financial support towards housing costs and are paid when the authority is satisfied that additional assistance is required. The payments can only be made to those in receipt of Housing Benefit or Universal Credit (with Housing Costs for a rental liability). Medway Council will continue to use our existing DHP form, which will be amended to reflect the new Housing Payments guidance. The Housing Payments application process must accept applications continuously throughout the year. A new Housing Payments Policy has been developed and can be found within Appendix 3 to the report.

4.2.3. Resilience Services

Resilience Services are the services, programmes and activities that support building financial resilience for individuals and local communities. These are often delivered by the Local Authority and through the voluntary and community sector. The authority is expected to use a significant portion of the funding to implement or develop resilience services, this can be investing in new provisions or existing services to expand provision.

4.2.4. Community Coordination

Authorities are required to use part of the funding to create a more connected local welfare landscape, contributing to the third outcome. These activities need to build partnerships and referral pathways that make both immediate crisis responses and long-term resilience possible. This needs to encompass a no wrong door approach that improves access.

4.2.5. Free School Meal Holiday Vouchers

The guidance relating to families in receipt of free school meals specifies that the authority must consider how best to support families in crisis so that the poorest families do not go hungry during the school holidays. This cannot be achieved by providing a blanket provision of vouchers to all that are eligible for free school meals. The aim of the fund is to ensure resilience is also provided and that needs to be factored into Medway's plans.

5. Options

- 5.1. The list of options is available within Appendix 1 to the report.
- 5.2. The Crisis Payments scheme must accept applications continuously throughout the year. Medway's scheme will have three points of access, medway.gov.uk, an internal form for Medway Council staff supporting residents and a form for professional referrals. We will offer access to applications, online and by phone. Anyone accessing crisis payments will be directed to resilience services for wraparound support. The Council has created a Crisis Payments policy for the administration of these payments which can be found at Appendix 2 to the report.
- 5.3. Housing Payments applications can be made online, or in person with an officer. These applications will be separate to Crisis Payments due to the information required however, where required referrals will be made for Housing Payments, Crisis payments and Resilience Services respectively. The Council has developed a Housing Payments policy which reflects the guidance provided from the Department for Work and Pensions. This policy can be found at Appendix 3 to the report.
- 5.4. Resilience Services will be programmes and activities undertaken by the Council and Medway's Voluntary and Community Services designed to build financial resilience helping residents to manage financial shocks, preventing occurrence, recurrence and escalation of crises. The options proposed are:
 - Increasing the capacity within the Financial Welfare Team to provide initial guidance to residents in a crisis.
 - Creating capacity to provide caseworkers to deal with complex welfare benefit, financial welfare and regulated debt advice.
 - Enhance the offer from Medway Adult Education in respect of basic maths, English and ESOL (English as a second language) to support develop skills within Medway to enable employment and financial literacy.
 - A Community Supermarket will be opening within three months with a partner organisation. This will provide an alternative to foodbanks and encourage financial independence. The supermarket will also reduce food waste and align with the priorities of Medway's Food Partnership.
 - A funding pot will be available for Medway's Voluntary and Community Sector for projects which increase financial resilience and reduce the reliance on emergency food provisions. This will be available in 2026 for applications.

- A fund for increased early help and financial resilience projects for those clients accessing both Children's and Adults Social Care. Our local offer for Medway's care leavers is being reviewed. This review will include enhanced financial resilience support for Medway's Care Leavers to provide them with comprehensive skills to become financially resilient.

5.5. Community Co-ordination will be gained by working with the Voluntary and Community Sector to connect services including continued use of the Joy and ReferKent referral systems to create a cohesive welfare landscape within Medway. This element of the work is ongoing and will be developed during the year. Money has been allocated to support this work and spend will be decided under the delegations set out above.

5.6. Free School Meals

The fund moves from blanket provisions of vouchers to a provision of crisis payments and ongoing support for those families in receipt of free school meals. Medway Council is committed to supporting families who are experiencing hardship and will provide alternative options for those who are in receipt of free school meals during the holidays:

- Provision of the Crisis Payment scheme including the ability to accept applications from professionals within schools.
- Holidays and Activities Fund, there are spaces available for those in receipt of free school meals and funding has been ringfenced to provide additional provision. These activities can be provided to the whole family with hot food provided.
- Support through Family hubs.
- Welfare and Debt Advice to ensure that families have maximised their income and are able to budget efficiently.
- Vouchers to enable families to access food and support through local shops where the need arises.

These measures will be proactively communicated to families and schools to ensure awareness of the support that is available.

5.7. There is an unallocated balance of £0.5m. It is proposed that the decision to allocate this balance be made later in the year, based on updated information and to enable the Council to respond to any opportunities to support residents that may arise in the coming months. It is recommended that a delegation be approved to enable the Chief Operating Officer, in consultation with the Leader of the Council, to disburse this balance in due course.

6. Advice and analysis

6.1. A Diversity Impact Assessment, set out as Appendix 4 to the report, has been undertaken concluding that the fund is likely to have a positive impact on financial equality and individual wellbeing, particularly for low-income groups. It is vital that when establishing access routes to funded activities that due consideration is made to ensure accessibility for all.

6.2. The Cabinet is advised to adopt the policies in Appendices 2 and 3 and approve the proposals for spend with the appropriate delegations handed to the Chief Operating Officer in consultation with the Leader of the Council.

7. Risk management

7.1. The following risks could apply:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Overspend	The fund parts may exceed the budget envelope causing additional financial pressures.	Regular monitoring to reduce duplication of provision and ensure spend is on target.	CIII
Underspend	The council may not spend all of the fund within the 2026/2027 financial year leaving vulnerable residents without appropriate support.	Regular monitoring, identification of gaps, communication and working with stakeholders.	CIII
Removal of blanket free school meal vouchers	The guidance states a blanket provision is not appropriate under CRF.	The identification of additional support mechanisms, working with stakeholders, crisis payments and the removal of the two-child limit in Universal Credit.	BII
Failure to identify and support vulnerable customers	If we don't reach those in crisis, those crises may escalate risking hardship to residents.	Communications plan, working with stakeholders, enhanced resilience services, using data to identify those at risk.	CIII
Policy Drift	The plans are not implemented in line with guidance.	Checking of cases, learning from complaints and appeals, feedback from residents.	DIII

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

8. Climate change implications

8.1. The opening of a Community Supermarket has a positive effect on climate change by reducing food waste. The supermarket will rescue surplus food

from suppliers, selling it at a very low cost to people who need it preventing tonnes of food waste being thrown away. When rescued food is purchased, the demand for new production can fall slightly along with the emissions linked to it. The use of a community supermarket shortens supply chains, reducing food miles and transport emissions. The provider of the supermarket also uses an electric vehicle to transport food.

9. Financial implications

- 9.1. The Crisis and Resilience Fund is funded wholly by the UK government. Medway's allocation is £4.590m and is contained within the Final settlement. The funding is being added to the Council's revenue budget following agreement at Full Council in February.
- 9.2. Enhancing financial resilience within Medway can have a positive effect on the council's finances by increasing Council Tax Collection, bringing more money to Medway residents thus boosting the local economy and early intervention can prevent entry to statutory services.

10. Legal implications

- 10.1. Under the Equality Act 2010, all public authorities must comply with the Public Sector Equality Duty. For the purposes of this grant and the distribution of funding, Authorities should have due regard to the need to not cause any adverse impacts, advance equality and foster good relations. A diversity impact assessment has been completed for this grant.
- 10.2. There are legal considerations when administering Housing Payments, reference to the relevant caselaw is contained within the Housing Payments Policy and officers must have regard for this when deciding Housing Payments.

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Appendices

Appendix 1 – Proposed Crisis and Resilience Fund Spend 2026 to 2027
Appendix 2 – CRF Crisis Payments Policy
Appendix 3 – Housing Payments Policy
Appendix 4 – Diversity Impact Assessment

Background papers

[Crisis and Resilience Fund Guidance for Local Authorities](#)