

Local Government Finance: COVID-19 Response Announcements **Updated 24 March 2020**

Please take the time to read through the Government's COVID-19 Local Government Guidance Pack:

<https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-local-government>

Government to pay £3.4bn of COVID-19 response grants in FY19/20 – 24 March 2020

- The Local Government Secretary confirmed on 24 March that the Government is bringing forward the payment of the £3.4bn of grants that were due to be paid to local authorities through 2020/21. These grants will now be paid on Friday 27th March.
- The £3.4bn consists of the already announced £1.6bn of support for local authorities for COVID-19 pressures, and the initial £1.8bn grant for business rates reliefs measures.
- Bringing forward the payment of these grants will help local authorities to get on with meeting the costs associated with the response to COVID 19, including helping to provide support for local businesses through the small business grant.
- BEIS has issued the guidance by email to local authorities to support them in administering the small business support grant and RLH grant and will provide the full £13bn of funding for the scheme at the beginning of April. Local authorities should be confident in contacting businesses and making arrangements for the grants to be paid as quickly as possible to eligible businesses. Guidance can be found online here:
<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

£500 million Hardship Fund – 24 March 2020

- **Link:** <https://www.gov.uk/government/news/government-confirms-500-million-hardship-fund-will-provide-council-tax-relief-for-vulnerable-households>
- The Chancellor announced a £500 million fund for local government to provide support to economically vulnerable households. The Government expects most of this funding to be used to provide more council tax relief, either through existing council tax support schemes or through complementary reliefs.
- Guidance on this can be found here: <https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance>

Business Rates Coronavirus Response and Guidance – 20 March 2020

- **Link:** <https://www.gov.uk/government/publications/42020-coronavirus-response-and-guidance>
- Business rates information letters are issued by the Ministry of Housing, Communities and Local Government at regular intervals throughout the year.
- This letter covers the expanded retail discount 2020 to 2021: coronavirus response, nursery discount 2020 to 2021: coronavirus response and the local authority response.

£1.6 billion for Local Authorities – 19 March 2020

- **Link:** <https://www.gov.uk/government/news/2-9-billion-funding-to-strengthen-care-for-the-vulnerable?>
- On Thursday 19 March, the government announced £1.6bn of additional funding to support local authorities in responding to the Covid-19 pandemic.

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- This funding is un-ringfenced and is intended to help local authorities address any pressures they are facing in response to the Covid-19 pandemic, across all service areas.
- From what local authorities have told us, we expect that the majority of this funding will be spent on meeting the increased demand for adult social care and enabling councils to provide additional support to social care providers who are responding to the Covid-19 pandemic. Councils are able to pool appropriate levels of funding with their CCQ to avoid risks of delay around 'boundary issues'.
- This will complement a £1.3bn fund going to CCGs in the NHS to support discharge from hospitals so patients who no longer need urgent treatment can return home safely and quickly. The NHS has published new guidance to aid this, which can be found here: <https://www.gov.uk/government/publications/coronavirus-covid-19-hospital-discharge-service-requirements>
- The LGA and ADASS have also published guidance for commissioners, on issues such as cash-flow and reduced checks on workers, to help ease pressure on providers: <https://www.local.gov.uk/coronavirus-information-councils/social-care-provider-resilience-during-covid-19-guidance-commissioners>
- However, we also recognise that Covid-19 is leading to additional pressures within children's social care and other services. So this funding can also be used across all services facing pressures, including children's social care, waste, and stepping up support for the most vulnerable including homeless people and those who may soon be asked to self-isolate in their homes for the duration of the pandemic.

Business Rates Expanded Retail Discount – 18 March 2020

- **Link:** <https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-local-government>
- On 11 March, the Budget announced that businesses in the retail, hospitality and leisure sectors, with a rateable value of less than £51,000, would pay no business rates this year.
- On 17 March, the government announced it would go further by removing the £51,000 rateable value threshold. The Treasury are seeking agreement with the European Commission for this to be a notified state aid. Subject to the agreement with the Commission the expanded relief will not be subject to de minimis state aid limits. The Government will confirm the position as soon as possible.
- On 18 March, the Department for Education also announced that, to support nurseries, the Chancellor has decided that they will also now be eligible for a business rates holiday for one year. The guidance on this, which was published on 20 March, can be found here: <https://www.gov.uk/government/publications/business-rates-nursery-childcare-discount-2020-to-2021-coronavirus-response-local-authority-guidance>

BEIS Business Rates support grants

- At Budget, the Chancellor announced that all businesses eligible for Small Business Rates Relief and Rural Rates Relief would receive a grant of £3,000 each to help with the impact of Covid-19. On 17th March, the Chancellor confirmed that the Government would increase the value of this to £10,000 per business.
- All properties occupied by active businesses in receipt of rural rate relief or small business rates relief on [11 March], including those in receipt of tapered relief, will receive the grant.
- Properties which are occupied for personal use, (e.g. private stables, beach huts and moorings) will not receive the grant even if they are in receipt of small business rate relief.
- The Government is also providing those businesses in the retail, hospitality and leisure sectors with an additional cash grant of up to £25,000 per business:
 - For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000.
 - For businesses in these sectors with a rateable value of between £15,000 and £51,000, they will receive a grant of £25,000.
- The cash grant scheme is being delivered by BEIS. BEIS SoS will write to all local authorities shortly to set out the outlines of these grant schemes and then in the coming days will follow up with more detailed guidance.

Deadline Extended for the Publication of Principal Authority Accounts – 16 March 2020

- **Link:** <https://www.gov.uk/government/news/robert-jenrick-reaffirms-support-for-councils-in-their-coronavirus-response>
- Secretary of State gave an audio conference on Monday to LA chief executives and sector organisations. In that, he announced that for the 2019/20 accounting period we would be extending the period for publication of principal authority accounts to 30 September 2020.
- For principal councils, this means that we are amending the whole chain of publication requirements in the Accounts and Audit Regulations 2015 not just the final publication date for accounts. The intention is that the date for the public inspection of draft accounts will move to the first 10 working days of July, which will mean that the accounts themselves will not need to be signed off until 30 June.
- As smaller authorities still publish their accounts to this deadline, we are not planning to make any changes to smaller authority accounts. We are currently drafting amendments to the Accounts and Audit regulations to give effect to these changes and hope to be in a position to lay them in Parliament as soon as possible, dependent on Parliamentary time in this challenging environment.
- We will be in touch with further information as it becomes clearer as to the timetabling and implementation of the changes and, ultimately when the legislation comes into force.