



Ministry of Housing,
Communities &
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Our Ref: 10370758

April 2021

Dear Sarah,

Thank you for your letter dated 16 December, to the Rt Hon Robert Jenrick MP, regarding the governments approach to providing Covid-19 funding for local councils. I have been asked to reply as this matter falls within my ministerial responsibilities.

I am immensely grateful for the way in which local councils across the country have responded to the challenges of the pandemic.

I understand that many local councils will be concerned about ensuring key services can be provided during these unprecedented times. I would like to ensure you that whilst the government does not have the necessary powers to pay parish and town councils directly, the Secretary of State has written to principal authorities to urge them to discuss appropriate funding support for parish councils from within the support we have provided to them. The government has allocated over £8 billion directly to principal authorities since the start of the pandemic and has committed to provide a further £3 billion for 2021/22.

Therefore, I would encourage parish and town councils to continue to liaise with the relevant principal authorities on how this money is allocated in their area.

Furthermore, it is worth noting that parish and town councils are fully protected from the impact of any council tax losses arising from the pandemic in 2020/21. Legislation requires billing authorities to pay each town and parish council's full council tax requirement for 2020/21 regardless of collection rates, and to bear the cost of any associated collection fund deficit on their behalf at the end of the year.

However, the government recognises that higher local council tax support caseloads next year may have an impact on the tax base of parish and town councils. The government is providing authorities with £670 million of new funding for 2021/22, in recognition of the increased cost of providing local council tax support at a time of higher unemployment. As with the other Government funding support, the government is clear that it expects billing authorities to discuss the distribution of this funding with their local precepting authorities (including parish and town councils). Parish councils will also be able to adjust their precepts for 2021/22. Unlike principal authorities, their precepts are not subject to referendum principles, although the government expects restraint to be shown when setting

increases.

Local councils are also eligible for some direct support from government. Parish and town councils who operate a leisure facility that is outsourced to an external provider, and is not operated by council employed staff, were eligible to apply for the National Leisure Recovery Fund (NLRF). More details can be found on the Sport England website [here](#).

Finally, parish and town councils should check their eligibility under the Covid-19 business grant programme where they operate hereditaments that meet the criteria set out in guidance [here](#).

In response to your question around funding for local councils through the Levelling Up Fund, I am pleased to confirm that the Government is launching this new fund which will invest in local infrastructure. The Fund will be open to all local areas and allocated competitively. I appreciate that you would like more information around eligibility of local councils in applying for funding. The prospectus for the Levelling Up Fund can be found [here](#).

Once again, thank you for writing in on this important matter and sharing your concerns.



LUKE HALL MP