July 2020

Thank you for contacting me about funding for local authorities during the coronavirus outbreak.

Local authorities have been at the forefront of the response to the coronavirus outbreak in our communities where the most vulnerable and deprived have been particularly at risk. The spread of the virus has placed unprecedented demands on local services and I am proud of our key and public sector workers in Daventry.

Significant additional funding is being provided to local authorities to support them as they respond to the outbreak. £3.2 billion in un-ringfenced funding was provided for councils to immediately relieve local pressures and help vulnerable people as councils see fit.

In total, the Government has committed over £27 billion to local areas to support councils and their communities. This includes £12.3 billion worth of grants payable to small businesses; £10 billion in business rates reduction; £617 million of discretionary funding for local businesses; £600 million to control infections in care homes; a £500 million Hardship Fund to reduce council tax bills for the most vulnerable; a £3.2 million Emergency Rough Sleeping Fund and £318 million to support rough sleepers into sustainable accommodation; nearly £200 million to support bus, tram and metro train services and £6.1 million to support the functioning of Business Improvement Districts.

Over £5 billion has also been provided to support local authorities with immediate cashflow problems and £1.8 billion was provided in March to compensate councils for the business rates relief scheme. This funding builds on the recent Local Government Finance Settlement that provided the largest increase in a decade in spending power for councils in England.

My ministerial colleagues have assured me that they are working on a comprehensive plan to ensure the financial stability of local government through the year. I am confident that these measures will provide local communities with the resources they need to respond to the outbreak.

Thank you again for taking the time to contact me.



Yours faithfully,

**CHRIS HEATON-HARRIS MP**

**MEMBER OF PARLIAMENT FOR DAVENTRY**