



Ministry of Housing,
Communities &
Local Government

Rt Hon Sir George Howarth MP
House of Commons
London
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Luke Hall MP
*Minister for Regional Growth and Local
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Our Ref:10083526

1 February 2021

Dear Sir George,

Thank you for your email dated 21 December, to the Rt Hon Robert Jenrick MP, on behalf of your constituents, regarding the Government's funding for local authority services. I appreciate how important this matter is to your constituents and I am grateful to you for contacting my Department with their concerns. I am replying as this matter falls within my ministerial responsibilities.

I am immensely grateful to local councils across the country for all that they have done throughout the Covid-19 pandemic. From shielding the most vulnerable to accommodating rough sleepers and supporting businesses, their tireless efforts have kept the nation safe during what is undoubtedly the most trying time in many of our lifetimes.

The Government has allocated over £8 billion directly to councils since the start of the pandemic alongside additional funding support to businesses as part of the move to national restrictions. As part of our support package, councils have access to the co-payment scheme, which has been extended until the end of June 2021, through which the Government will cover local councils for 75% of losses beyond the first 5% of previously planned income from sales, fees and charges.

The Spending Review also announced over £1.5 billion in un-ringfenced grant for ongoing Covid-19 pressures, £670 million of new grant funding to enable them to continue reducing Council Tax bills for more than 4 million vulnerable households and an estimated £762 million to compensate local authorities for 75% of irrecoverable loss of Council Tax and business rates revenues.

This takes the total support committed to councils in England to tackle the impacts of Covid-19 to over £10 billion. Of the £8 billion that has already been provided, Knowsley Council has received over £27.1 million so far, and under our proposals will receive at least a further £6.1 million in un-ringfenced funding next year.

I am also pleased to be able to provide further details of the Provisional Local Government Finance Settlement for 2021-22 published by my department on 17 December, and the impact this will have in Knowsley Council. These proposals provide local government with a 4.5% cash terms increase in Core Spending Power next year. The real terms increase builds on the largest year on year increase in spending power in a decade last year and recognises the resources councils need to meet their pressures and maintain current service levels. In total, we expect Core Spending Power to rise from £49.0 billion to £51.2 billion next year. For Knowsley Council, this corresponds to a £8.18 million, or 5% increase.

Once again, I appreciate how important this matter is to your constituents and I am grateful to you for writing in with their concerns.

A handwritten signature in blue ink, appearing to read 'L Hall', with a stylized flourish at the end.

LUKE HALL MP