



Ministry of Housing,
Communities &
Local Government

Luke Hall MP

*Minister for Regional Growth and Local
Government*

**Ministry of Housing, Communities and
Local Government**

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3440

Email: luke.hall@communities.gov.uk

www.gov.uk/mhclg

Our Ref: 9621995

Councillor Emily Smith
Leader, Vale of White Horse District Council
Councillor Ian Hudspeth
Leader, Oxfordshire County Council
Councillor Barry Wood
Leader, Cherwell District Council
Councillor Sue Cooper
Leader, South Oxfordshire District Council
Councillor Susan Brown
Leader, Oxford City Council
Councillor Michele Mead
Leader, West Oxfordshire District Council

29 January 2021

Dear Councillors Smith, Hudspeth, Wood, Cooper, Brown and Mead,

Thank you for your email dated 2 November, to the Rt Hon Robert Jenrick MP, about the Government's support to local authorities in combatting the Covid-19 pandemic. I appreciate how important this matter is to you and I am grateful to you for contacting my Department with your concerns.

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.

At the Spending Review, the Government announced that local authorities are expected to receive an estimated £3 billion of additional support for Covid-19 in 2021-22, responding both to additional expenditure pressure and to loss of income. This includes an additional £1.55 billion of grant funding to meet additional service pressure, £670 million of new grant funding to enable councils to continue reducing Council Tax bills for more than four million vulnerable households and an estimated £800 million to compensate local authorities for 75% per cent 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 over £8 billion that has already been provided, councils in Oxfordshire have received £74.69 million so far, and under our proposals will receive at least a further £14.91 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. 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.

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

Yours ever,

A handwritten signature in blue ink, appearing to read 'L. Hall', written in a cursive style.

LUKE HALL MP