

Councils given greater financial relief against cash flow pressures

New measures to help ease immediate financial pressures faced by councils in England due to the coronavirus outbreak have been announced by the government today (16 April 2020).

Councils will be allowed to defer £2.6 billion in business rates payments to central government, and £850 million in social care grants will be paid up front this month in a move aimed at helping to ease immediate pressures on local authority cash flows.

Councils are doing crucial work to help vulnerable people and the wider communities get through this crisis. This includes delivering essential supplies to the vulnerable, paying out financial relief to local businesses and get rough sleepers into accommodation. The government wants to ensure that they have the support they need at this unprecedented time.

Local Government Secretary Rt Hon Robert Jenrick MP said:

Whether it be caring for the elderly, providing outpatient services, councils are providing vital support to the most vulnerable people in our society throughout this pandemic.

I am determined councils get the support they need which is why I am taking action to ease some of the immediate financial pressures they face in responding to coronavirus, helping to protect the NHS and save lives.

These new measures mean councils will be able to defer £2.6 billion of payments they are due to make to central government over the next 3 months as part of the business rates retention scheme.

Additionally, the government will bring forward care grant payments to councils worth £850 million for both children and adults. These will now all be paid this month, rather than monthly in April, May and June, and will help provide immediate support for core frontline social care services.