

Introduction

On 17 March, the Chancellor announced an unprecedented package of government-backed and guaranteed loans to support businesses, making available an initial £330bn of guarantees – equivalent to 15% of GDP.

This was on top of a series of measures announced at Budget 2020, the Government announced £30bn of additional support for public services, individuals and businesses experiencing financial difficulties because of Covid-19, including a new £5bn Covid-19 Response Fund, to provide any extra resources needed by the NHS and other public services to tackle the virus.

A further announcement was made on 20 March setting out support for businesses and for those employees whose income may be impacted by the crisis.

The Government will take new legal powers in the Covid-19 Bill, enabling it to offer whatever further financial support it thinks necessary to support businesses.

Local Government Funding

The role of local authorities in delivering social care and other vital public services has never been more important than it is now - and will be - in the days and weeks ahead.

The Chancellor has announced £1.6bn of additional funding to support local authorities in responding to the Covid-19 pandemic - the funding has been allocated from the £5bn Covid-19 fund announced previously.

This funding, which will be received on 3 April, is un-ringfenced and is intended to help local authorities address any pressures they are facing in response the Covid-19 pandemic, across all service areas.

The Secretary of State will send a letter to local authorities with confirmation of individual allocations and the letter will also outline expectations of how the grant should be spent to support local authorities' response to Covid-19.

The funding should be used to support the following services:

- Meet the increased demand for adult social care during the pandemic and enable councils to provide additional support to social care providers.
- Meeting the cost of extra demand and higher business-as-usual costs of providing children's social care, including as a result of school closures and the need for increased accommodation to address the need for isolation.
- Providing additional support for homeless households and those who are experiencing rough sleeping, including where self-isolation is needed.
- Supporting vulnerable people, who may be asked to self-isolate in their homes for the duration of the pandemic.
- Meeting pressures across other services, as a result of rising costs or increased demand during the pandemic.
- Replacing lost income as a result of the crisis.

Government anticipate that the majority of this funding will be spent on meeting the increased demand for adult social care and enabling councils to provide additional support to social care providers who are responding to the Covid-19 pandemic.

CCGs will separately be funding social care costs of discharging and keeping people out of hospital - commissioned by local authorities unless existing local arrangements suggest otherwise - it is essential that 'boundary issues' do not cause delays. Funding of £1.3bn has been provided, again from the £5bn Covid-19 fund announced previously.

Therefore, the expectation is that local authorities will place an appropriate portion of the funding they choose to dedicate from the £1.6bn to adult social care into a pooled budget with the local CCG, to ensure that there is no risk of debates about which fund should pay.

However, it is recognised that Covid-19 is leading to additional pressures within children's social care and other services, so this funding can also be used across all services facing pressures, including children's social care, waste, and stepping up support for the most vulnerable including homeless people.

This grant is intended to cover all costs incurred in the first months of the response, but the Government has confirmed that they will keep future funding need under review. To support their understanding of what additional funding is likely to be required Government will be working with local authorities to develop an ongoing assessment of costs. They will be asking local authorities to provide a high level breakdown of how they intend to allocate this grant and asking for further information on longer term pressures in due course. This data collection is purely for planning purposes, and to support the Government's ongoing assessment of costs.

The allocation of funding to Hampshire County Council is estimated to be up to £25m based on previous grant distributions, but the actual amount will need to be confirmed and further details are anticipated very shortly.

Other key areas where funding support has been provided are highlighted below.

Business Support:

- **Business Rates** - There is no Rateable Value (RV) cap on the expanded business rates retail relief
- **Grant scheme** – Guidance is due out very soon and impacts mainly on District Councils and Unitary Authorities but could have knock-ons County Councils. Two schemes are in place :
 - Those that qualify for Small Business Rate Relief / Rural Relief will get £10,000.
 - Those in retail, hospitality and leisure sector will get up to £25,000 tapered – RV up to £15,000 will get £10,000, RV between £15-51,000 will get £25,000.

Cash payments will be made to local authorities in early April as the Government appreciates the cash flow impact this could have on local authorities.

Hardship Fund (£500m) :

- Guidance is due out very shortly, but this is a complex area in terms of how it fits with other benefits.
- Allocations to local authorities will be based on current Local Council Tax Scheme caseload.

Links

If you want the latest information on the government's COVID-19 Action Plan you can go here:

<https://www.gov.uk/government/publications/coronavirus-action-plan>