

From: [Cllr Neville, Maurice](#)
To: [clerk](#)
Subject: [OFFICIAL] Re: Information regarding Local Economy
Date: 02 June 2020 10:48:43

Hi Emma

What I was referring to was the statement by the Local Government Minister that parishes and town councils would have to look to Boroughs and Districts for financial support if needed to deal with Covid 19 issues -

see below for an article on this topic from the Local Government Chronicle dated 20th April:

"The third tier of local government is urging the government to give it a cash injection to make up for lost revenue from Covid-19, as it warns that the current shortfall is pitting council tiers against each other to fight for scraps of funding.

Like other councils, parishes are also facing lost income from their revenue raising facilities which are now closed. Some town and parish councils have told their representative body, the National Association of Local Councils, that without financial support from government to make up their losses, they are facing insolvency.

But a [letter from the communities secretary](#) Robert Jenrick to all parish and town councils this week has dashed hopes they could be in line for their own separate pot of funding by implying they should instead turn to other tiers of local government for a slice of their existing funding allocations.

It said: "As local government secretary I want you to know that I am behind you and will support the vital work that you are doing in your communities. That is why I have made £3.2bn of additional funding available to councils, with the latest tranche of £1.6bn including a larger

share for lower tier councils. If you have questions regarding funding I would encourage you to speak with your principal council.”

But LGC has been told that some parish councils’ funding requests to their principal authorities are being turned down. Two county unitary leaders have reportedly already written to their respective parish councils on back of second tranche of £1.6bn to say it will not be available to them, as it is being used to fund their own immediate cost pressures.

One third tier source accused Mr Jenrick of “passing the buck down the line and creating tensions between councils”.

“This is pitching councils against each other. It is happening between county and district councils too and will put relationships in the local government family to the test. We are grappling over shares of money already spent. It throws parishes into difficult conversations with principal authorities - and in three tier areas, do they go to district or county council? It is not clear.”

Nalc claims that the financial pressures are being most acutely felt by larger parishes and in particular town councils.

Coastal or tourist areas are particularly vulnerable as their income from car parking has disappeared. Padstow Council's income is almost solely generated from car parking and rental income of property.

Chippenham TC in Wiltshire is projecting a loss of income of around £350,000 this year if current conditions continue, which amounts to around 10% of their overall budget.

Chippenham’s chief executive Mark Smith claims that the town and

parish sector has been “completely overlooked again”.

“We can’t access financial relief available to the private sector and do not benefit from Gov’t relief funding,” he tweeted. “We appear to be the forgotten sector in the local gov’t family.”

Nalc’s head of policy Justin Griggs told LGC that seeking to extend the current tranche of government funding across the parish and town council tier too “doesn’t resolve the financial challenge all councils face”.

Nalc has been pressing for clarity from Whitehall around whether the [other funding measures the government has put in place](#), such as the grants for small businesses and the retail and hospitality leisure grant fund, apply to parish and town councils.

“The information we have had from government is they don’t expect local councils generally to make use of those funding sources,” Mr Griggs warned. “But some councils are saying that unless they are able to apply for this financial support, they are facing real difficulties and in some cases that could lead to insolvency.”

Mr Griggs said a “more dedicated funding package to support parishes would alleviate pressure on funding being given to county and district councils”. “We want to work constructively with local government bodies on that,” he said.

Nalc is also calling for parish and town councils to be able to defer payment for Public Works Loans Board loans they have taken out.”
