



To all Town and Parish Councils in Cornwall

Date: 29 July 2020

Dear Colleagues,

Position on Financial Support for Town and Parish Councils through the Covid-19 Pandemic

I wanted to write to you today to clarify the position on financial support for town and parish councils through the Covid-19 pandemic.

As an authority, Cornwall Council has already made clear we will work to ensure all of our town and parish councils are financially sustainable during this crisis.

We are conscious that the impact of Covid-19 is different for every council given the wide variations in precepts, reserves, expenditure and income-generation. Working closely with colleagues at CALC, we have tried to ensure that the following funding policy is fair and targeted at those most adversely affected to make best use of the limited resources available.

Our primary aim is to ensure no authority faces a financial crisis. We are looking to reflect the Government criteria in relation to grants for Covid-19 related expenditure and lost income when calculating the level of support we can provide to town and parish councils. We will also be taking into account the levels of reserves held by local councils. It should be noted that the grants made available by the Government to Cornwall Council are already over-committed and the Council will be drawing extensively on its reserves to make up the shortfall.

Therefore, we are asking local councils to have depleted their reserves down to the minimum recommended levels, as set out as good practice in the Town and Parish Council good practitioners guide, before support from Cornwall Council can be applied for.

For councils with net revenue expenditure of less than £200,000, then usable reserves equivalent to six months expenditure should be held and for those where it is greater than £200,000 usable reserves should be equivalent to three months expenditure.

Any reserves already formally committed for projects do not count as usable reserves for this calculation. Claims can then be made for Covid-19 related expenditure and lost income with a limit of up to 6 months of the Council's annual net expenditure.

This mirrors the expectation placed on Cornwall Council by the Government and has been drawn up working closely with our partners in the Cornwall Association of Local Councils (CALC).

The new guidance will be in place for claims relating to the first and second quarters of the current financial year, and the policy will be reviewed during quarter three.

If this proposal still does not resolve an individual Council's financial position to a point where they avoid an unfunded deficit then please make contact with us for a more detailed discussion and we can work with you to resolve the situation.

I hope this clarifies the position for you and reassures you that we will do all we can to ensure we all come through these challenging times together.

Claims can be submitted to Russell.Ashman@cornwall.gov.uk.

Yours faithfully
Dhywgh hwi yn IeI



Tracie Langley
Interim Chief Operating Officer (S.151 Officer)
Customer and Support Services
Tel: 01872 323352
Email: Tracie.Langley@cornwall.gov.uk