

Just over half of councils have started making payments from £1.5bn pandemic fund

Just over half of councils in England have started making payments to COVID-hit businesses from a £1.5bn support package – almost 18 months after it was launched.

Businesses in the retail, hospitality and leisure sectors were given a business rates holiday due to the pandemic, but those outside these sectors were told they could not appeal their payments for business rates.

In March last year, instead, a £1.5bn business rates relief fund was announced to help them, with local councils given the responsibility of allocating the money.

A Freedom of Information request by property consultancy Gerald Eve was sent to 309 councils, with 207 responding.

It found that slightly over half – 119 councils – said they had started making payments to businesses under the scheme.

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Those councils account for £632m of the £1.5bn package, but they have collectively paid out just £329m.

Gerald Eve said that if this trend was extrapolated across England's remaining councils, a maximum of £820m from the total £1.5bn available would have been paid out.

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Jerry Schurder, business rates policy lead at Gerald Eve, said: "This fund was supposed to help businesses negatively impacted by the pandemic, but which were denied other business rates support.

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“The government claimed Carf (the COVID-19 Additional Relief Fund) was the fastest and fairest way of getting support to businesses that need it the most, but the past 17 months has shown this to be complete hyperbole.

“In fact, the opposite is true.

“Sadly, it’s a case of too little, too late for the hundreds of thousands of firms that were retrospectively denied their rights to appeal their rates bills but have yet to receive a penny from the local authorities.”

A government spokesperson said: “The government has provided an unprecedented package of support for businesses, including a total of £26bn in grants to those affected by restrictions put in place to tackle COVID-19.

“Councils are responsible for allocating funding and targeting it to businesses, based on local circumstances.”