



Ministry of Housing,  
Communities &  
Local Government

**Suzie Clarke**  
*Deputy Director  
Local Government  
Finance Directorate*

**Ministry of Housing,  
Communities &  
Local Government**  
*Fry Building  
2 Marsham Street  
London SW1P 4DF*

Stuart Fair  
Interim Corporate Director of Finance and Resources  
*Nottingham City Council  
Loxley House  
Station Street  
Nottingham  
NG2 3NG*

3 December 2024

**LOCAL GOVERNMENT ACT 2003 SECTIONS 16(2)(B) AND 20: TREATMENT OF COSTS AS CAPITAL EXPENDITURE**

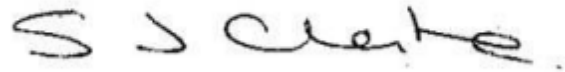
Dear Stuart Fair,

1. I refer to the capitalisation direction issued to Nottingham City Council (“the Council”) for financial year 2020/21 in exercise of the Secretary of State’s powers under sections 16(2)(b) and 20 of the Local Government Act 2003 (“the Act”).
2. I can confirm that in exercise of her powers under section 20 of the Act, the Secretary of State directs that the following condition within your capitalisation direction will no longer apply to any future borrowing undertaken by the Council from the 3 December 2024:

“where the Council’s capital financing requirement is increased as a result of the capitalisation of expenditure under this direction: any further borrowing from the date of the capitalisation letter up to and including, but not exceeding, the increase in the financing requirement must be obtained from the Public Works Loan Board and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to. This requirement does not apply to borrowing in relation to your Housing Revenue

Account. Where any borrowing to which these conditions initially apply is refinanced, the conditions must continue to apply to the resulting borrowing.”

Yours sincerely,

A handwritten signature in black ink that reads "Suzie Clarke". The signature is written in a cursive style with a period at the end.

**Suzie Clarke**

**Deputy Director  
Local Government Finance Directorate**