



Ministry of Housing,  
Communities &  
Local Government

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***Ministry of Housing, Communities &  
Local Government***

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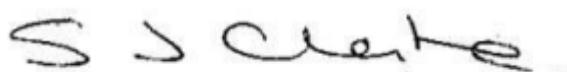
**LOCAL GOVERNMENT ACT 2003 SECTIONS 16(2)(B) AND 20: TREATMENT OF COSTS AS CAPITAL EXPENDITURE**

Dear Gareth,

1. I refer to the South Yorkshire Mayoral Combined Authority's request for a capitalisation direction ("the application") in respect of its Police and Crime Commissioner functions to fund revenue expenditure from its Police Fund in respect of pressures or income losses in 2024-25 (the Authority is hereafter referred to as "the South Yorkshire Police").
2. I can confirm that the application is given approval at a total not exceeding £17.0m with respect to the financial year 2024-25, subject to the conditions outlined below. This direction takes immediate effect.
3. Accordingly, the Secretary of State directs, in exercise of his powers under sections 16(2)(b) and 20 of the Local Government Act 2003 ("the Act"), that South Yorkshire Police treat as capital expenditure, expenditure which:
  - i. is either:
    - a. revenue expenditure and meets the definition of an additional cost pressure as identified and agreed with the Ministry of Housing, Communities, and Local Government (MHCLG) through South Yorkshire Mayoral Combined Authority's formal request for capitalisation support; or
    - b. any revenue expenditure not exceeding the value of income losses in the financial period 2024-25 as identified and agreed with MHCLG through South Yorkshire Mayoral Combined Authority's request;
  - ii. is properly incurred during the financial period 2024-25 and;
  - iii. does not exceed a total of £17.0m with respect to the financial year 2024-25.
4. In a further exercise of the Secretary of State's powers under section 20 of the Act, it is a condition of this direction that:
  - i. South Yorkshire Police may only capitalise expenditure when it is recorded through its statutory accounts.

- ii. where South Yorkshire Police's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction: South Yorkshire Police shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years.
- 5. This direction is given for the purposes of Chapter 1 of Part 1 of the Act only. It does not convey any other consent that may be required or any view as to the propriety of the expenditure. It is for South Yorkshire Police to be satisfied that any amount to which this direction is applied is properly incurred in the financial years concerned.

Yours sincerely,



Suzie Clarke

*Authorised to sign this direction by the Secretary of State for Housing, Communities and Local Government.*