



Ministry of Housing,
Communities &
Local Government

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Catherine Bell
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20 February 2026

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

Dear Catherine,

1. I refer to Cumberland Council's letter ("the application") of 30 January 2023 applying for a capitalisation direction to fund revenue expenditure incurred by the Council in respect of the pressures or income losses outlined in the request for Exceptional Financial Support.
2. I can now confirm that the application is given approval at a total not exceeding £10.636 million with respect to the financial year 2023-24, 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 Copeland Borough Council ("the Council") treats as capital expenditure, expenditure which:
 - i. is revenue expenditure and meets the definition of an additional cost pressure as identified and agreed with the Ministry for Housing, Communities and Local Government (MHCLG) through the Council's formal request for Exceptional Financial Support;
 - ii. is properly incurred during the financial year 2023-24; and
 - iii. does not exceed a total of £10.636 million.
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. the Council may only capitalise expenditure that has been incurred and recognised under proper practices;
 - ii. where the Council's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction, the Council shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years, in accordance with the Department's Statutory Guidance on Minimum Revenue Provision issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.
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 the Council to be satisfied that any amount to which this direction is applied is properly incurred in the financial years concerned.

Yours sincerely,



Suzanne Clarke
Deputy Director, Local Government Finance

Authorised to sign this direction on behalf of the Secretary of State for Housing, Communities and Local Government