



Ministry of Housing,
Communities &
Local Government

Suzanne Clarke
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**Ministry of Housing, Communities and
Local Government**
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Rob Phillips,
Chief Finance Officer,
Office of the Kent Police and Crime Commissioner,
Kent Police HQ,
Sutton Road,
Maidstone
ME15 9BZ

By email

4 August 2026

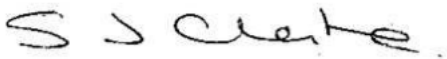
**LOCAL GOVERNMENT ACT 2003 SECTIONS 16(2)(B) AND 20: TREATMENT OF COSTS
AS CAPITAL EXPENDITURE**

Dear Rob,

1. I refer to the Kent Police and Crime Commissioner'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 2025-26.
2. I can confirm that the application is given approval at a total not exceeding £29.0 million with respect to the financial year 2025-26, 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 the Kent Police and Crime Commissioner 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 the Kent Police and Crime Commissioner's formal request for capitalisation support; or
 - b. any revenue expenditure not exceeding the value of income losses in the financial period 2025-26 as identified and agreed with MHCLG through the Kent Police and Crime Commissioner's request;
 - ii. is properly incurred during the financial period 2025-26 and;
 - iii. does not exceed a total of £29.0 million with respect to the financial year 2025-26.

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. Kent Police and Crime Commissioner may only capitalise expenditure when it is recorded through its statutory accounts;
 - ii. where Kent Police and Crime Commissioner's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction: Kent Police and Crime Commissioner 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 Kent Police and Crime Commissioner to be satisfied that any amount to which this direction is applied is properly incurred in the financial years concerned.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'S J Clarke'.

Suzanne Clarke

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