



Ministry of Housing, Communities & Local Government

Suzanne Clarke
*Deputy Director, Local Government Finance
Stewardship*

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

Taryn Eves
Corporate Director of Finance and
Resources
London Borough of Haringey
Alexandra House
10 Station Road
Wood Green
London
N22 7TR

4 August 2026

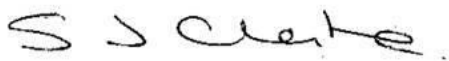
LOCAL GOVERNMENT ACT 2003 SECTIONS 16(2)(B) AND 20: TREATMENT OF COSTS AS CAPITAL EXPENDITURE

Dear Taryn,

1. I refer to the London Borough of Haringey's letter of 14 December 2024 ("the application"), applying for a capitalisation direction to fund revenue expenditure incurred by the Council in respect of the pressures or income losses outlined in your request for Exceptional Financial Support.
2. I can now confirm that the application is given approval at a total not exceeding £40.6 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 her powers under sections 16(2)(b) and 20 of the Local Government Act 2003 ("the Act"), that the London Borough of Haringey ("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 2025-26; and
 - iii. does not exceed a total of £40.6 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 Stewardship

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