

Levelling Up Secretary tightens council accounting rules

Press release

The Secretary of State has written to council leaders amending council accounting rules.



The Secretary of State for Levelling Up Greg Clark has written to all council leaders amending rules which saw some councils attempting to circumvent rules allowing for the flexible use of capital receipts.

The change makes clear these flexibilities can be used to fund transformation projects only where councils do not retain either direct or indirect control of disposed assets.

The move will prevent councils from using novel practices which put taxpayer money at risk and drain resource. It will also help put a stop to accounting firms and consultancies wasting taxpayer money advising councils on creative accounting.

Levelling Up Secretary Greg Clark said:

Every council has a duty to use the tax they receive from hardworking people in a responsible way.

It's not right that some councils have been using unorthodox accounting practices which put taxpayer cash at risk. That's why we've tightened the rules which some authorities have been attempting to bypass.

The Secretary of State retains the ability, on an exceptional basis, to provide councils with permission to capitalise revenue costs where there is a compelling case to do so.

See the [full letter](#).

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