

S137 for 2024

The Department for Levelling Up, Housing and Communities has notified the National Association of Local Councils (NALC) that the appropriate sum for section 137(4)(a) of the Local Government Act 1972 (the 1972 Act) for local (parish and town) councils in England for 2024/25 is £10.81.

The amount is a result of increasing the amount of £9.93 for 2023/24 by the percentage increase in the retail index between September 2022 and September 2023 under Schedule 12B to the 1972 Act.

Cllr Keith Stevens, NALC chair, responded, "I welcome this notification from the government on the increase to section 137 expenditure for England's 10,000 local councils. This enables the first tier of local government to spend a limited amount of money for purposes for which they have no other specific statutory power, helping them continue to invest their small share of council tax to support and improve their communities."

1.3. Section 137 Local Government Act 1972

If a council is considering expenditure for which there is no statutory power councillors may use Section 137 of the Local Government Act 1972, which states: *A local authority may, subject to the provisions of this section, incur expenditure which in their opinion is in the interests of their area or any part of it or all or some of their inhabitants, up to a total of [redacted] per elector Register of Electors.*

* Set by ESBC each year.

The expenditure must bring some direct benefit to the area or part of it, or to some or all of the inhabitants; this means that it must be possible to point to some way in which, in the broadest sense, the area or its inhabitants will be better off as a result of the expenditure.

Direct benefit must be commensurate with the expenditure involved; it is for the council, acting reasonably, to judge whether this test is met, but they need to consider whether the expenditure is reasonable in relation to the degree of direct benefit that it will produce. Expenditure within the stated financial and legal parameters must be included within the budget of the council.

The important thing to remember is that s137 cannot be spent on an individual. E.g. a young scout may ask the council for financial help to enable a visit to an international jamboree in South America. Worthy as this may be the council cannot agree because the statute says s137 money must benefit 'some or all of the inhabitants.' However if the request came from the scout troop the parish council could consider a grant to the troop as a whole; it would then be benefiting 'some' inhabitants.