



NORFOLK PARISH TRAINING & SUPPORT

TOPIC BRIEFING

Local Government Act 1972 – Section 137

The s137 allowance for 2018/19 is £7.86 per elector.

Local councils can only do what they have been given a specific power to do by statute...but they have a limited power to do whatever they chose using Section 137. “A local authority may incur expenditure which in their opinion is in the interests of, and will bring direct benefit to, their area or any part of it or all or some of its inhabitants.” The power to spend this money was amended by the Local Government and Housing Act 1989. This stated that the benefit obtained must be commensurate with the expenditure incurred.

The Department for Communities and Local Government confirms the appropriate sum for the purposes of section 137(4) (a) of the Local Government Act 1972 (‘the 1972 Act’) for parish and town councils in England. For the financial year 2018-19 the limit is £7.86 per elector. The increase each year is the amount that results from adding the percentage increase in the Retail Prices Index.

Historically known as the ‘free resource’, it certainly is not! It is part of a Council’s budget calculation in order to determine the precept. The word ‘free’ was applied, as the s137 power gives a Council the opportunity to do things ‘freely’ for which otherwise it has no specific power. It must also be recorded in the minutes and entered as a separate column in the cash book.

For example, the Local Authorities (War Memorials) Act 1923 permits a local council to incur expenditure on maintenance of war memorials within its area. S137 would thus have to be used for expenditure on a war memorial which was outside the parish. However, where there is a statutory prohibition on a council carrying out a function, s137 cannot be used to avoid the prohibition. For example, a council cannot publish material which appears to affect public support for a political party (Local Government Act 1986). Therefore s137 could not be used to circumnavigate this. Contrary to previous advice it is now accepted that a council has a power under Section 142 of the Local Government Act 1972 to support a Citizens Advice Bureau. It also has a power under Section 214 of the Local Government Act 1972 to contribute towards a cemetery. S137 also allows contributions to be made to public appeals in connection with particular events affecting UK residents where the appeal is made by the Lord Mayor of London or the Chairman of a principal council or by a committee of which such a person is a member. One example of this was the 2004 tsunami in South East Asia.

There are nearly 100 examples of the use of s137 in the book ‘Local Council Administration’ ranging from a duck house for a village pond to meals-on-wheels. A donation to the Royal British Legion for a poppy wreath is probably one of the more commonly used examples of a s137 payment. Where a council undertakes activities using the General Power of Competence (Localism Act 2011 s1(4a)) then s137 ceases for that council.