

S137 explanation

Section 137 (S137) of the Local Government Act 1972 allows parish councils to spend a limited amount of money on projects that directly benefit their local area or inhabitants, **even if they don't have a specific legal power to do so**, acting as a flexible fund for community initiatives like supporting local groups, charitable causes or amenity improvements, subject to an annual spending cap per elector, which is set by Government.

What is S137

- A discretionary power for parish and town councils to spend money on things not covered by other specific laws.
- It's for projects that bring a "direct benefit" to the community, ensuring the benefit is "commensurate" (proportional) to the cost.

How it works

- The Limit: Councils have an annual spending limit, calculated per elector, set by the government.
- Purpose: Funding can go towards local clubs, charities, community welfare, or small infrastructure projects that benefit residents.
- Criteria: Applications usually require a written proposal, proof of non-profit status (for grants), and clear explanation of community benefit.
- Accountability: Councils must carefully justify S137 spending, as it can be challenged by auditors or electors if the benefit isn't seen as proportionate.

Examples of Use

- Donating to a local youth club, community centre, or park improvement project.
- Supporting local benevolent or philanthropic organisations.
- In essence, S137 gives parish councils a "kitty" to support local needs and opportunities that fall outside their core duties, but it must be used responsibly and within strict financial limits.

Wording from the Council Powers and Duties list:

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| Section 137 of the Local Government Act 1972 | Power to spend a capped amount for which there is no other statutory power. Expenditure must be proportionate and for the direct benefit of the area or the inhabitants | <u>Local Government Act 1972</u> |
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Further information can be obtained from National Association of Local Councils NALC

<https://www.nalc.gov.uk/resource/section-137-expenditure-limit-for-parish-and-town-councils-announced-for-2025-26.html>