



PARISH  
COUNCIL

*Section 137  
Expenditure Policy*

Document Configuration Management & Control

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# Hilton Parish Council: Policy for Section 137 Expenditure

## Legal Framework

Under Section 137 of the 1972 Local Government Act, a Council may spend a limited amount of its money on purposes for which they have no other specific statutory power. The amount of money that can be spent is determined annually by the Secretary of State. This amount is quoted as an amount per capita of the village electorate. The total amount that can be spent by a Council under Section 137 is determined by multiplying the amount per capita by the number of electors in the village as at 1 April of the year in question.

## Specific Limitations on Expenditure

The following are specific limitations within the Act:

- No money must be spent to support a political party
- Money spent must have a direct benefit on the inhabitants or the immediate local area.
- Expenditure must not target specific individuals.
- Money spent on a charity must be spent on work in the UK.
- Money spent must be proportional to the direct benefit of a group of inhabitants or the area.
- Money must not be spent on disproportionate sets of limited objectives
- S137 money must be budgeted in the annual budget, and expenditure must be authorized by the Council.
- Expenditure on Section 137 must be separately identified in the statement of accounts.
- Money spent on a voluntary body or a charity must have a statement from that body setting out specifically what the S137 monies have been spent on.

## Hilton Parish Council's Policy for Section 137 Expenditure.

The Council has agreed to observe the following conditions:

- The Council will meet the terms and conditions of the Act.
- The Council will not authorise any monies unless the proposal meets the terms and limitations set out in the Act.
- The Council will ensure that the monies allocated reflect the benefits accrued and will determine the sum to be awarded based on the following formula:

*Numbers of Residents who are likely to benefit x Annual Authorised Amount  
Numbers of Electors on the Rolls*

- The Council will not approve a grant under Section 137 if it believes that it is likely to establish a non sustainable precedent for the Village.
- The Council will not approve an S137 grant if it believes that it would lead to a non sustainable cost of ownership to village public funds.
- The payment of a grant to an organisation or body does not automatically mean that a subsequent grant will be made in subsequent years.
- The Council shall be the sole arbiter as to whether a case for Section 137 meets its policy.
- The policy statement for Section 137 shall be routinely reviewed every four years, or more frequently if needed.