

Supporting Report: Section 137 Expenditure Limit 2026/27

Section 137

Section 137 of the Local Government Act 1972 provides a discretionary power for parish and town councils in England to incur expenditure for purposes that, in their opinion, are in the interests of their area or part of it, and for the benefit of inhabitants. This power applies only where no other specific statutory power exists.

The Ministry for Housing, Communities and Local Government (MHCLG) sets an annual expenditure limit per elector for Section 137 purposes, as enabled under Schedule 12B of the Local Government Act 1972. For the year 2026/27 the notified limit is £11.60 per elector.

The expenditure limit operates as a cap on the total amount a council may spend under Section 137 during the financial year. It is used as a fallback power for councils that do not have access to the General Power of Competence (GPC) and helps ensure that discretionary expenditure remains proportionate.

General Power of Competence (GPoC)

Hullbridge Parish Council currently holds the General Power of Competence. Under the Localism Act 2011, qualifying councils with GPoC may do anything that individuals may lawfully do, subject to specific statutory restrictions. Where GPoC applies, Section 137 is not normally relied upon for discretionary spending because GPoC provides wider legal authority.

Because Hullbridge Parish Council holds the General Power of Competence, the Section 137 expenditure limit does not constrain or govern the majority of the Council's discretionary spending. However, it remains relevant to note the annual limit for awareness, for audit trail purposes, and in the event circumstances change in future regarding GPC eligibility.