



Llywodraeth Cymru  
Welsh Government

To:  
Clerks of Community and Town Councils  
Directors of Finance  
County and County Borough Councils

16 December 2016

Dear Clerk

### **Appropriate Sum under Section 137(4)(A) of the Local Government Act 1972**

#### **Section 137 Expenditure: Limit for 2017-18**

This is to notify you that the appropriate sum for the purposes of section 137(4)(a) of the Local Government Act 1972 (the 1972 Act) for Community and Town Councils in Wales for 2017-18 is £7.57.

Section 137(1) of the 1972 Act permits each Community or Town Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of and will bring direct benefit to the area or any part of it or all of some of its inhabitants, providing that the benefit is commensurate with the expenditure. Community and Town Councils are also permitted under section 137(3) to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2017-18 will be £7.57 per elector.

For the financial year 2017-18, the appropriate sum for the purposes of section 137(4) is calculated by applying the formula  $(A \times B) / C$  as set out in Schedule 12B to the 1972 Act. The Retail Price Index increased by 2% between September 2015 and September 2016. This means that, by application of the above formula, the maximum sum for 2017-18 increases from £7.42 to £7.57 per elector.

Yours sincerely

**Robert Hay**  
**Local Government Finance Policy Division**

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