



Local Government Act 2003

2003 CHAPTER 26

PART 8

MISCELLANEOUS AND GENERAL

CHAPTER 1

MISCELLANEOUS

Other

118 Appropriate sum under section 137(4) of the Local Government Act 1972

- (1) In section 137 of the Local Government Act 1972 (c. 70) (which enables local authorities to incur expenditure for certain purposes not otherwise authorised), in subsection (4)(a) (which makes provision in connection with the calculation of the maximum amount of such expenditure in any financial year), for “subsection (4AA) below” there is substituted “ Schedule 12B to this Act ”.
- (2) After Schedule 12A to that Act there is inserted—

“SCHEDULE
12B

Section 137(4)(a)

APPROPRIATE SUM UNDER SECTION 137(4)

- 1 This Schedule has effect to determine for the purposes of section 137(4)(a) above the sum that is for the time being appropriate to a local authority.
- 2 The sum appropriate to the local authority for the financial year in which section 118 of the Local Government Act 2003 comes into force is £5.00.
- 3 (1) For each subsequent financial year, the sum appropriate to the local authority is the greater of the sum appropriate to the authority for the financial

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Changes to legislation: Local Government Act 2003, Section 118 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

year preceding the year concerned and the sum produced by the following formula—

$$\frac{A \times B}{C}$$

- (2) A is the sum appropriate to the local authority for the financial year preceding the year concerned.
 - (3) B is the retail prices index for September of the financial year preceding the year concerned.
 - (4) C is the retail prices index for September of the financial year which precedes that preceding the year concerned except where sub-paragraph (5) below applies.
 - (5) Where the base month for the retail prices index for September of the financial year mentioned in sub-paragraph (4) above (the first year) differs from that for the index for September of the financial year mentioned in sub-paragraph (3) above (the second year), C is the figure which the Secretary of State calculates would have been the retail prices index for September of the first year if the base month for that index had been the same as the base month for the index for September of the second year.
 - (6) References in sub-paragraphs (3) to (5) above to the retail prices index are to the general index of retail prices (for all items) published by the Office for National Statistics.
 - (7) If that index is not published for a month for which it is relevant for the purposes of any of those sub-paragraphs, the sub-paragraph shall be taken to refer to any substituted index or index figures published by that Office.
 - (8) For the purposes of sub-paragraph (5) above, the base month for the retail prices index for September of a particular year is the month—
 - (a) for which the retail prices index is taken to be 100, and
 - (b) by reference to which the index for the September in question is calculated.
 - (9) In calculating the sum produced by the formula in sub-paragraph (1) above a part of a whole (if any) shall be calculated to two decimal places only—
 - (a) adding one hundredth where (apart from this sub-paragraph) there would be five, or more than five, one-thousandths, and
 - (b) ignoring the one-thousandths where (apart from this sub-paragraph) there would be less than five one-thousandths.
- 4 Before the beginning of a financial year, the appropriate person may by order provide for a different sum to have effect as the sum appropriate to a local authority for the year in place of the sum calculated for the year in accordance with paragraph 3 above.
- 5 In paragraph 4 above “the appropriate person” means—
- (a) as respects England, the Secretary of State;
 - (b) as respects Wales, the National Assembly for Wales.

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- 6 An order under paragraph 4 above may make different provision in relation to local authorities of different descriptions.
- 7 An order under paragraph 4 above made by the Secretary of State shall be subject to annulment in pursuance of a resolution of either House of Parliament.”

Commencement Information

II S. 118 in force at 27.11.2003 for W. by S.I. 2003/3034, art. 2, Sch. 1 Pt. I

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