

2005 No. 419

LOCAL GOVERNMENT, ENGLAND

**The Local Authorities (Discretionary Expenditure Limits)
(England) Order 2005**

<i>Made</i> - - - -	<i>28th February 2005</i>
<i>Laid before Parliament</i>	<i>8th March 2005</i>
<i>Coming into force</i> - -	<i>29th March 2005</i>

The First Secretary of State, in exercise of the powers conferred by paragraph 4 of Schedule 12B to the Local Government Act 1972(a) hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Local Authorities (Discretionary Expenditure Limits) (England) Order 2005 and shall come into force on 29th March 2005.

Expenditure limits

2. For the purposes of section 137(4)(a) of the Local Government Act 1972 (power of local authorities to incur expenditure for certain purposes not otherwise authorised), the sum of £5.30 is specified as the sum appropriate to a local authority(b) in England for the financial year beginning on 1st April 2005.

Signed by authority of the First Secretary of State

28th February 2005

Phil Hope
Parliamentary Under Secretary of State,
Office of the Deputy Prime Minister

(a) 1972 c. 70. Schedule 12B was inserted by section 118(2) of the Local Government Act 2003 c. 26.
(b) For the purposes of section 137, except for subsection (3), “local authority”, as respects England, is defined as a parish council, *see* section 137(9) and (10) of the Local Government Act 1972. In subsection (3), “local authority” means, in relation to England, a county council, district council, London borough council, the Common Council or a parish council, *see* section 137(10)(a) of the Local Government Act 1972. However, subsection (3) provides that, for the purposes of that subsection, as respects England, only parish councils are subject to the provisions of section 137(4). The appropriate sum, as respects England, therefore applies only to parish councils.

EXPLANATORY NOTE

(This note is not part of the Order)

Section 137 of the Local Government Act 1972 enables local authorities in England to incur expenditure for certain purposes not otherwise authorised. This expenditure must not exceed the amount produced by multiplying a specified sum by the relevant population of the authority's area. The relevant population is currently the number of electors resident in the authority's area.

In effect, as respects England, this limit applies only to parish councils. Subsections (9) and (10) of section 137 provide that the section, apart from subsection (3), as respects England, only applies to parish councils. Meanwhile, subsection (3) provides that the expenditure limit for that subsection, set out in subsection (4), as respects England, only applies to parish councils.

The appropriate sum has to be calculated in accordance with Schedule 12B to the 1972 Act, which was inserted by section 118(2) of the Local Government Act 2003. Paragraph 2 of Schedule 12B provides that the appropriate sum is £5.00 for the financial year in which section 118 of the 2003 Act comes into force. Thereafter, paragraph 3 of Schedule 12B provides that the appropriate sum will increase annually in line with the retail prices index, unless an alternative sum is specified under paragraph 4.

Section 118 was brought into force in relation to England on 1st April 2004 by article 7(a) of the Local Government Act 2003 (Commencement No. 1 and Transitional Provisions and Savings) Order 2003 (S.I. 2003/2398). This means that, in the case of a local authority in England, the appropriate sum for the financial year beginning 1st April 2004 is £5.00.

Paragraph 4 of Schedule 12B allows an alternative sum to be specified for a financial year by Order, provided the Order is made before the beginning of that financial year. This Order specifies £5.30 as the appropriate sum for the purposes of section 137(4)(a) of the 1972 Act for local authorities in England for the financial year beginning 1st April 2005.

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