



Llywodraeth Cymru  
Welsh Government

Clerks of Community and Town Councils,  
Directors of Finance,  
County and County Borough Councils

26 November 2020

Dear Clerk,

**Appropriate Sum under Section 137(4) (A) of the Local Government Act 1972 -  
Section 137 Expenditure Limit for 2021-22**

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 2021-22 is £8.41.

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 or 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 2021-22 will be £8.41 per elector.

For the financial year 2021-22, the appropriate sum for the purposes of section 137(4) is calculated by applying the formula set out in Schedule 12B to the 1972 Act.

The Retail Prices Index increased by 1.1% between September 2019 and September 2020. This means that, by application of the formula, the maximum sum for 2021-22 increases from £8.32 to £8.41 per elector.

Yours sincerely

**Judith Cole**  
**Local Government Finance & Workforce Partnerships Division**