

# The General Power of Competence

Empowering councils to make a difference



# Foreword



This paper is published at a critical time for local government. Councils have taken significant cuts to their funding during a period of economic austerity with yet more to come and face continued pressure

on funding alongside increased demand. Yet, as this paper demonstrates, through the use of the new General Power of Competence (GPC) they have sought to continue to deliver services efficiently and in new ways.

The Local Government Association (LGA) has been a driving force behind the introduction of a general power of competence; in March 2010 we presented a Draft Local Government (Power of General Competence) Bill to Parliament. This helped shape the Power that was introduced under the Localism Act 2011.

Although it has only been in place for a short time we have seen what councils can do when they are given greater freedom to make a difference.

Giving more power to local councils to enable them to make changes locally is vital if we are going to be able to design and deliver more efficient public services and help local areas innovate and, in particular, promote growth in their local area.

The LGA recently launched a new model for local government to address the question of democratic fairness and provide a blueprint for revitalising our democracy.

Entitled 'Rewiring Public Services', it contains ten key propositions that will radically transform local government and its relationship with Whitehall and Westminster.

What has become clear is that those working in local government agree we need a fundamental rethink about the current system, both to safeguard the future delivery of services and to make sure that local government is sustainable. The use of the General Power of Competence by councils in this paper shows that a new, locally led approach can yield positive outcomes and change for our communities.

However, despite the impressive examples in this paper, use of the General Power of Competence is limited by significant constraints set by central government. Local government needs far greater independence from central interference. The command and control, parent child relationship must be changed if local government is to be fully empowered to make a difference for local people.

But notwithstanding these constraints the GPC is an improvement on what we had before. I would therefore encourage councils up and down the country to make full use of the freedom it does give to innovate and think differently about how we can serve our communities.

**Councillor Sir Merrick Cockell**  
LGA Chairman

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# Key messages

These are challenging times for councils. They are playing a major part of the national deficit reduction plan. Grant to councils is being cut by 33 per cent in real terms during the four years of the Spending Review 2010 period, from April 2011 to March 2015. The spending review for 2015/16 continues the pressure to produce savings, with a reduction of 10 per cent in real terms of the grant going to local government. The continuing sluggish economy is putting further pressure on council's revenue streams and services.

In response to these factors, councils recognise that radical service transformation is required and that they have a key role to play in promoting and facilitating local economic growth. This difficult economic and financial environment presents both opportunities and barriers to the provisions included in the Localism Act 2011.

Among these provisions, the General Power of Competence (GPC) is an important legislative statement that councils have the power to do anything an individual may do, unless specifically prohibited. The GPC is welcomed across the sector, as a wider statement of their powers than the previous wellbeing powers. But to date it may be characterised as an evolutionary rather than a revolutionary change.

The LGA, on behalf of the sector, campaigned for a power such as the GPC. This was in recognition of the unique position of councils as locally elected bodies to act in the best interests of their communities, and their track record of delivering efficiencies and innovation and in providing good value for money. Further progress in such areas could have been at risk if the uncertainties around council's powers to act were to remain.

This paper explores whether councils have been taking advantage of the GPC since its introduction in February 2012, and if they have, how and to what purpose; if they haven't, why was this; the barriers councils may still be experiencing and any lessons which can be drawn. It is hoped that it will encourage wider use of the power by providing examples of how councils are using it to make a difference.

## Using the power to innovate

Councils demonstrated innovation to meet community needs and financial pressures prior to the Localism Act 2011 and will continue to do so. Some councils believe they can bring about, and have in practice achieved, significant innovation using pre-existing powers. For other councils, the debate leading up to the Localism Act and the GPC itself has been an important spur to innovation.

There is wide recognition that the right mindset – an entrepreneurial approach, a willingness to take managed risks and ‘think outside of the box’ are at least as important as the existence of a power or otherwise in enabling innovation.

## Giving greater confidence to change

Councils generally share the view that the GPC does give greater confidence to work in new ways, and develop new services and partnerships. It is also a symbolic statement which promotes innovation and frees up thinking, whether or not the power is used to provide the specific legal basis for the actions taken.

There are some indications that this growth in confidence may have been felt most by smaller councils – districts and town/parish councils rather than ‘upper tier’ councils which have enjoyed a wider range of powers and resources to begin with. There are examples of the use of the GPC in partnership across the different tiers of local government.

The GPC is also a challenge to the instinctive caution of some in local government, by clearly showing that just about anything is possible (unless specifically prohibited) and not constrained by the need to ensure that it is permitted by specific legislation. Members may see this as an opportunity to challenge the caution of some officers – even though the caution might nonetheless be valid. The GPC may provide statutory officers the assurance they require to endorse some more innovative and radical approaches.

## Constraints on the use of the GPC

In addition to limited resources, councils report a number of constraints on the use of the GPC in practice.

- **Trading restrictions:** the types of company structures which may be employed in trading or other activities under the GPC are restricted to companies limited by shares or guarantee or industrial or provident societies. This prevents the use of community interest companies or similar, which councils may find more appropriate in some circumstances.
- **Charges** made under the GPC may only be made for discretionary services and should be set at a level which simply recovers costs and does not generate a profit or surplus, which limits the ability of the power to raise additional revenue.
- **Legal restrictions:** the need to check for pre- and post-commencement limitations can take time, and may lead to a more specific power being used anyway. The GPC does not extend the ability of councils to create byelaws or undertake enforcement.

It is important to recognise that the GPC is a means to an end. Councils do not – nor should they – seek out opportunities to apply the new power. Rather they should begin with what they want to achieve and then see if the GPC is a tool which will help them to get there.

If the power is used in this way, in support of reasonable and accountable decision making in line with public law principles, with an awareness of the remaining limitations on the power, then it should be robust and less susceptible to successful legal challenge such as those which gave rise to increased uncertainty around the application of the previous wellbeing powers in some situations.

Notwithstanding the constraints, there are encouraging signs that councils will continue to use the GPC, and take advantage of the environment for change which it is helping to foster, to deliver further innovation despite the unfavourable financial climate.

For the avoidance of doubt, this paper is not intended to nor does it constitute legal advice. Councils will need to obtain their own independent legal advice on any matters of a legal nature arising in connection with the General Power of Competence.





# What is the General Power of Competence?

The General Power of Competence (GPC) was introduced by the Localism Act 2011 and took effect in February 2012. In simple terms, it gives councils the power to do anything an individual can do provided it is not prohibited by other legislation. It applies to all principal councils (district, county and unitary councils etc). It also applies to eligible<sup>1</sup> parish and town councils. It replaces the wellbeing powers in England that were provided under the Local Government Act 2000.

The scope – and some limitations – of the General Power are set out in sections 1 to 6 of the Localism Act 2011.

In summary, the GPC enables councils to do things<sup>2</sup>:

- an individual may generally do
- anywhere in the UK or elsewhere
- for a commercial purpose or otherwise, for a charge or without a charge
- without the need to demonstrate that it will benefit the authority, its area or persons resident or present in its area (although in practice councils will want to realise such benefits).

But there are some limitations on the General Power, either because they are not things which an individual can do or because they are excluded by the Act. The GPC will not:

- provide councils with new powers to raise tax or precepts or to borrow
- enable councils to set charges for mandatory services, impose fines or create offences or byelaws, over and above existing powers to do so
- override existing legislation in place before the Localism act 2011, so-called ‘pre-commencement limitations’ (however powers enacted after commencement of the GPC will only limit the GPC if this explicitly stated in the legislation).

Where using the GPC for charging or trading purposes, the recipient should agree to the service being provided, the income from charges should not exceed the cost of provision and, where things are done for commercial purposes, this must be done through a specified type of company.<sup>3</sup>

Notwithstanding the limitations outlined above, the GPC remains a broad power.

1 An eligible council is one which has resolved to adopt the GPC, with at least two thirds of its members being declared elected and the Clerk must hold an appropriate qualification (Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012).

2 Further discussion of the legal implications of the GPC can be found in the Local Government Association (LGA) essay ‘Power to make a difference’, October 2011: <http://tinyurl.com/nppcc4b>

3 Either as required by the Companies Act 2006 or a society registered under the Co-operative and Community Benefit Societies and Credit Unions Act 1965 or the equivalent in Northern Ireland.



As part of the Government's wider localism agenda, the GPC is intended not only to increase local authority powers but to give greater confidence in the scope of those powers and to signal that how those powers are used is a matter for local authorities (Department for Communities and Local Government, November 2011).

It should encourage more managed risk taking by councils. In enacting the GPC, the Government intended to remove the uncertainty which had arisen around the scope of the previous wellbeing powers – to promote the economic, environmental and social wellbeing of a council's area – where the courts had found that these powers did not enable councils to enter some arrangements such as a mutual insurance company across several councils – the so-called London Authorities Mutual Ltd (LAML) case in 2009<sup>4</sup>.

## What is the GPC being used for?

Although at the time of writing the GPC has been in place for a little under a year and a half, since February 2012, it is still possible to discern some emerging patterns in how the power is being used. The key benefits of the GPC to councils can be summarised under the following headings:

### **Extending services and support into new areas**

Stating that councils can do anything an individual can do (unless specifically prohibited) in legislation has given greater confidence to do new things and do things differently – the default setting is now 'yes

we can unless...' rather than 'we can't unless specifically permitted'. The ultra vires issue becomes less of a concern. For instance, the GPC has already given a number of councils the specific legal basis and confidence to extend their services and support beyond the arena traditionally seen as the responsibility of the authorities like them.

### **Oxford City – helping to tackle poor attainment in primary schools**

The GPC has given Oxford City Council (a district council) the confidence to develop a school improvement support programme to raise attainment and assurance to statutory officers that it had the power to do so. The city council is thus making a contribution in an important service area previously regarded as the preserve of an upper tier council

Major local employers were concerned that local young people did not have the skills they require. Consultation with schools identified that the root of the problem lay in under achievement in primary schools, especially in the most deprived areas of the city. Working with the two local universities, good local schools and a specialist education consultancy, the city council has put in place a programme of improvement support for schools. The programme has two main elements – leadership and teaching skills – and represents an investment of £1.6 million over four years. For more information and contact details please refer to the case study included in the Annex to this report available at: [www.local.gov.uk/localism-act](http://www.local.gov.uk/localism-act)

<sup>4</sup> Brent LBC v Risk Management Partners Ltd and London Authorities Mutual Ltd and Harrow LBC as interested parties, Court of Appeal 2009 (which took a narrow view of the scope of wellbeing).

Parish and town councils, in particular, have found being eligible to adopt GPC (as outlined in the previous section) a major boost to their confidence to act and also that of their members in general. They have used the GPC to provide the basis for taking on responsibility for services previously provided by one of the principal authorities for the area, for example because these are being withdrawn as a result of financial pressures and a review of priorities. Clerks to town and parish councils have found it positive to be able to advise members that it is possible for their councils to do more things, where this is aligned to council and community priorities and at reasonable cost. Even when not used to support new services or innovation, it has saved time and resources in searching for more specific powers.



**Parish councils** – ensuring continuing youth service provision and improving community facilities

Adopting the GPC has given town and parish councils the confidence and power to take on additional services, including where principal authorities have had to reduce provision.

**Crewkerne Town Council** has taken over the running of youth clubs previously provided by Somerset County Council, to be offered through a purpose build sports and community centre.

**Sprowston Town Council** has acquired a former youth and community service building from Norfolk County Council which it is refurbishing to provide a multi-use community centre.

In both instances, the GPC gave councillors the power and confidence to act and the Town Clerks the assurance that they could recommend this course of action. These services were priorities for both councillors and the community. The GPC enabled Crewkerne to fund the youth service by avoiding the limitations on discretionary spend imposed by s137 of the Local Government Act 1972. Sprowston used other provisions in the Localism Act 2011 – the Community Right to Bid – to enable it to acquire the building from Norfolk County Council.

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A further area that has been stimulated by the GPC is councils leading on energy switching schemes (although some councils have proceeded with such schemes without explicit reference to the GPC).

Taking advantage of the buying power presented by bringing together residents from within their area and others, councils have been able to secure better energy deals for domestic users. Working with specialist energy switching companies, this is helping households to limit the costs of a major element of family budgets in difficult times, whilst securing reputational benefits for the authorities.

Estimates from some of the councils participating suggest savings of over £150 per household a year are possible.

One such scheme involves 12 councils from across the country, including Hertfordshire County Council and South Holland District council, which both cited GPC in support of the scheme. Over 8,500 households have participated in this particular switching initiative.

## Regeneration and supporting the local economy in difficult times

A number of councils are finding the GPC helpful in building greater economic growth and resilience in their local communities, providing both a legal power on which to act and / or giving greater confidence to work in new and innovative ways.

### Newark and Sherwood – thinking ‘BIG’ to help local businesses grow

For Newark and Sherwood District Council, the existence of the GPC gave a further stimulus for innovation and encouragement to think about doing new and different things.

The district is a growing community, with 14,000 new homes planned. It has many smaller businesses, which the council wants to help realise their growth potential. Consultation with local businesses and other stakeholders identified the availability of finance as a key challenge. The council therefore established a £2 million fund, financed by the New Homes Bonus. Called ‘Think BIG’ (Business Investment in Growth), the fund aims to provide loan finance to local businesses with growth potential, where they have not been able to secure the funding elsewhere such as from the banks. Acting on the advice of an independent panel of experts, following 20 applications, four loans have been made to date worth £285,000 in total. The average turnover of businesses supported is £672,500. These loans have safeguarded 40 jobs and there is the potential to create 43 new jobs.

Hertfordshire County Council has used the GPC to provide the basis for its participation in the Local Authority Mortgage Scheme (LAMS), working in partnership with most of the district councils in the county, Lloyds TSB and the Leeds Building Society.

The scheme is intended to support the local housing market and economy through help to first time buyers and key workers in particular. The scheme indemnifies lenders and enables buyers to access the terms of a 75 per cent mortgage with only a 5 per cent deposit, the balance of the funding coming from the indemnity scheme. The indemnity lasts for five years (the period of greatest risk) during which time the council earns interest on the amount of the indemnity.

The funding plus interest accrued is then returned to the council. Including £12 million from the county council, councils in Hertfordshire have made available £16.5 million in funding to the scheme. Begun in East Hertfordshire in March 2012, the scheme aims to help over 500 first time buyers into the housing market. Other councils reported that they had used the GPC as the basis of loans or grants to local employers to help secure jobs and support the wider local economy.

## Delivering greater value for money

The GPC saves time on searching for more specific powers – making it easier for lawyers to say ‘yes’ given the existence of the GPC as a power of first resort. More importantly, it frees up time to think about should we do this, how best do we do it and how do we manage the risks – rather than expending time and effort on determining do we have the power to do this. However, councils still need to check that pre- and post-commencement limitations do not apply and adhere to established public law principles in decision making.

Several councils cited the broader definition of the General Power compared to the previous wellbeing powers (where it was necessary to identify a specific link to the economic, environmental or social wellbeing of the area) as providing a more secure legal basis for entering shared services or similar arrangements. It had reduced the uncertainty arising from previous litigation in this area, such as the LAML case. It is also important that the GPC gives private sector and other potential partners greater confidence in the validity of contractual and other relationships, reducing the risk that they will be declared void by the courts and supporting longer term partnerships.

Many councils stress that the GPC is a simpler power than those previously intended to help councils promote general wellbeing. The wellbeing powers in the Local Government Act 2000 required councils to demonstrate a link to the economic, environmental or social wellbeing of the area. The courts took a restrictive interpretation of this and ruled that it did not provide a basis for mutual and similar arrangements intended to reduce councils costs – such as the LAML case.

The GPC is much simpler than the earlier powers under s137 of the Local Government Act 1972, which covered activities ‘incidental to their functions’. This stated that ‘councils may incur expenditure which, in their opinion, is in the interests of and will bring direct benefit to, their area or any part of it or all or some of its inhabitants’. Moreover, such expenditure ‘had to be commensurate to the benefit arising’. For town and parish councils, there was a maximum amount for such spending which does not apply to the GPC<sup>5</sup>.

<sup>5</sup> Set by DCLG at £6.80 per registered elector for 2012/13 in accordance with the provisions of the Local Government Act 1972

## Further innovative and other uses of the GPC

The GPC has the potential to counteract bureaucratic inertia and what can be the instinctive caution of local government in some cases, but it needs an entrepreneurial mindset to be given full effect. Some members see it as a tool to challenge officers' caution – this puts a responsibility on political leadership to make sure that councils take advantage of the GPC, alongside respect for the statutory officers' responsibilities to ensure sound, lawful decision making.

The Royal Borough of Windsor and Maidenhead has established a Challenge Prize, endorsed by its Big Society Panel in September 2012, to promote innovative solutions by members of the community to problems identified by local residents.

A total of £20,000 has been allocated to support the challenge prize process. One council had used the GPC as the basis for supporting a successful legal challenge to the proposed closure of the Leeds Children's Heart Surgery Unit, which is outside that authority's own area.



### Stoke City – sustainable energy and regeneration

Stoke on Trent City Council is using the GPC to provide the legal basis for the development of a range of initiatives to take forward the green energy agenda through a council owned holding company and to promote regeneration.

It sees access to sustainable energy at predictable prices as a powerful factor in attracting and sustaining employment including the development of a new central business district. The GPC gives greater confidence to both the council and potential partners from the private sector and elsewhere when entering into long term agreements. The council has provided a loan facility to help The Princes' Regeneration Trust access other sources of finance to restore the Middleport Pottery as part of a regeneration project.

For more information and contact details please refer to the case study included in the Annex to this report available at: [www.local.gov.uk/localism-act](http://www.local.gov.uk/localism-act)

In April 2013, Birmingham City Council adopted a Living Wage for Birmingham policy, which extended the living wage to contractors to the council in support of the wellbeing of citizens, productivity and the wider city economy. The report to the city council's Cabinet included reference to the GPC as an enabling power for such action, although in this instance the Public Services (Social Value) Act 2012 was also important as this addressed what would have been 'pre-commencement limitations' on the GPC arising from the exclusion of non-commercial matters under the Local Government Act 1988.

### **Breckland and South Holland – increasing scope to apply the GPC**

Breckland has recently used it (in conjunction with other legislation such as the Local Government Act 2003) to provide the legal justification for a scheme to charge for the provision of new and replacement wheeled bins. Both councils see scope for further use of the power.

Breckland and South Holland District Councils have a shared management team and see increasing scope to apply the GPC. Breckland's policy to charge for the provision of new and replacement wheeled bins is intended to both help recover the costs of the service and to promote further re-cycling. They needed to design the scheme so that the council retained ownership of the bins to best manage the waste management stream whilst still securing users agreement to a discretionary service.

Both councils have participated in energy switching schemes. There will be increasing scope to apply the GPC as the councils develop radical transformation plans in response to the challenging financial environment and both will continue to foster the entrepreneurial approach from members and officers that this will require. For more information and contact details please refer to the case study included in the Annex to this report available at: [www.local.gov.uk/localism-act](http://www.local.gov.uk/localism-act)

These examples from both Birmingham and Breckland illustrate the important observation from a number of councils that the GPC is not used in isolation – it is often used in conjunction with other powers to achieve wider policy objectives, including other provisions in the Localism Act 2011.

A number of councils referred to the GPC as the basis for making grants to voluntary and other organisations and other instances where it was used in place of the previous wellbeing powers.

### **Building on existing innovation**

Local government has a track record of innovation, which pre-dates the introduction of the General Power of Competence. A significant proportion of councils interviewed, which had implemented new and innovative ways of doing things, cited this as the reason for not having used the GPC in their decision making processes. Essex County Council, for example, provided a local authority banking service and supported post offices and provided library services to another authority prior to the Localism Act.

Similarly, Woking Borough Council had used the wellbeing powers under the Local Government Act 2000 and earlier powers to establish the Thamesway Group of holding companies to take forward a range of green energy and sustainable and development projects on behalf of the borough.

Councils that had not used the GPC stressed the importance of the right mindset in being innovative – a willingness to 'think outside of the box'. Taking managed risks and an entrepreneurial approach are more important than the existence or otherwise of a particular power to do something. In other words, organisational culture is key. If you want to do something, the business case is in place and it aligns with the council's priorities and those of the community, you can usually find a legal power to do it.

Notwithstanding this, all councils interviewed welcomed the introduction of the GPC through the Localism Act 2011 and most envisaged they would use the power in future. Many described the GPC as a symbolic 'can do' power which confirms that councils can do just about anything they wish to do – provided it is not illegal and is the right thing to do for their communities. This had been factored into their thinking, without necessarily citing the GPC during decision making processes.

### **Richmond – how the GPC is encouraging further innovation**

The London Borough of Richmond provides an example of a council which has undertaken a number of innovative, community focussed projects, encouraged by the GPC as a 'can do' power which gives implicit permission to fresh thinking.

The GPC has enabled a shift in focus from 'can we do this?' to concentrate on 'should we do this and how best to realise our objectives?' which is a much more creative environment. Richmond wants to further encourage civic pride and citizen engagement. It has introduced a scheme to offer Civic Pride grants to individuals in addition to constituted groups and is making Empty Shop Grants for short term, community use of empty shops to both boost creativity and entrepreneurial activity and enliven high streets.

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Existing legislation such as the Local Government Act 2003 has provided sufficient powers for several councils to have established local authority trading companies to provide adult social services in accordance with the personalisation agenda. Section 75 of the Health Act 2006 has provided sufficient flexibility to share funding and enable joint working between health and social care, where the will to work in close partnership exists, for example the establishment of Care Trust Plus in North East Lincolnshire.

A number of councils referred to the need to search for any pre-commencement limitations on the GPC when seeking to establish the legal basis for a proposed action. In such circumstances, when a more specific power exists, some councils preferred to cite this as a stronger basis for action. In one instance, where a transfer of land and planning powers from the Homes and Communities Agency (HCA) was sought by Milton Keynes Council, amendments to primary legislation were required and the GPC was clearly insufficient in this case.

Councils and key partner organisations are developing new delivery models with support from the Government, such as using Social Impact Bonds and mutual organisations which are not wholly reliant on the GPC.

It can be seen that some councils have already done things that others are now doing with the support of the GPC. If the power extends the willingness to innovate and the confidence to do so to more councils, and helps embed a culture of change across the sector, that will be no small thing.

## Scope for further use of the GPC

Notwithstanding the constraints identified above and the financial challenges which councils will continue to face, almost all councils contacted, whether using the General Power already or not, envisage using the power in future.

Beyond continuing current applications and use in place of the previous wellbeing powers, councils do see potential for new uses of the power. For example, to extend trading beyond an authority's own area and the use of social enterprise models – although this will require the constraints around permitted company models (and possibly state aid) to be thought through. They may well focus on gaps in the existing market or other aspects of market failure.

It may assist in further developing the cooperative council models under consideration in some areas, and in councils' efforts to reinvigorate economic growth. It could support efforts to engage citizens in taking on more civic and community responsibilities, with some limited assistance from councils.

Some councils are considering 'Innovation Plans' and transformation strategies to help meet the challenges of protecting key services and outcomes in times of increasing financial pressures. The GPC is seen as an important 'tool in the box' to help such innovation, although by its very nature the details of such use cannot be predicted at this time. However, it is likely to become more widely used as more councils recognise its potential.

## Constraints on the wider use of the GPC

While welcoming the GPC, a number of councils noted some constraints which had or could present barriers to its wider use. The main issues identified were:

- **The need to use company structures as specified in the Localism Act 2011** – when using the GPC as the basis for trading activities a limited number of company structures are permitted, namely companies limited by shares or guarantee or industrial or provident societies. Several councils and a Fire and Rescue Service have wished to extend their services using more modern community interest company structures – for example to achieve more community engagement or to develop governance structures further removed from the political arena for commercial reasons. They believe such structures would not meet the requirements of the Localism Act to exercise the GPC in this way, and hence have used different powers in order to proceed. A number of commentators argue that in the area of trading and commercial activities, the GPC has not moved much beyond what was already possible under the Local Government Act 2003. The National Association of Local Councils – NALC – does not agree that the Localism Act 2011 gives effect to DCLG's intention to extend the power to trade to town and parish councils. NALC recommends that town and parish councils wishing to pursue a trading activity seek independent legal advice.



- **Charging only permitted for a discretionary service and on a cost recovery basis** – the GPC can only be used as basis for charging for a discretionary service – ie not one which it is required to provide by statute or otherwise. The potential service user must be able to decline the service and so avoid the charge. The GPC is subject to a duty that, taking one year with another, charges do not exceed the costs of provision<sup>6</sup>. In other words, any charges should be set at a level which does not generate a profit or surplus, although it is recognised that more than one financial year may need to be taken into account.
- **Limitations on the use of state aid** – in terms of both undertaking trading activities and in supporting local business and employment in difficult economic times. Councils have realistic expectations that, due to wider policy considerations and EU rules, these limitations will remain in place. But it does mean that care is required to keep within these limits, which may have more bearing in regenerating deprived communities where more support is required to ‘de-risk’ development projects.
- **The need to check for pre- and post-commencement limitations** – this takes time and often leads to the identification of a more specific power which is used in place of the GPC anyway. Some councils suggested that there is a case to rationalise the large body of legislation affecting local government. Where common barriers are identified it may be appropriate for the Secretary of State to use his powers under s5 of the Localism Act 2011 to amend, repeal, revoke or disapply such provisions.
- **Does not enable the creation of byelaws or enforcement activity** – a number of people, including some elected members, had anticipated that the General Power would allow this. As enacted, the GPC does not permit this as it simply extends councils powers to do what individuals normally can do. Many councils have provided briefing sessions on the implications of the Localism Act 2011 for leading members and senior officers which have quickly clarified this misunderstanding. It is generally felt that those who need to know are familiar with the extent of the General Power and can advise elected members and other officers on how best to achieve the council’s agreed objectives.
- **The GPC has been introduced at a time of severe financial constraints** – councils’ attention had been focused on the need to manage major budget reductions and so where the GPC has been used it has often been to minimise the impact of spending cuts or support improved efficiency. More creative use of the GPC – to widen councils’ responsibilities – may be limited at this time because of local priorities, although developing economic resilience and growth emerges as a clear theme in its early use. Some councils found that other provisions of the Localism Act have attracted greater interest among elected members, officers and the wider public, such as the Community Right to Challenge and the Community Right to Bid for assets of community value and the associated asset register.

<sup>6</sup> Sec 3 (3) of the Localism Act 2011

# Making good use of the GPC – top tips

The experience of councils making use of the General Power suggests the following guidelines for its effective use:

- ✓ Be clear about what you want to achieve – and that this is aligned with the priorities of the council and local community. The GPC is not an end in itself, merely a means to an end.
- ✓ Develop and support an environment which promotes an innovative and entrepreneurial approach.
- ✓ Recognise the potential of the GPC as a lever to tackle excessive caution or fixed ways of doing things.
- ✓ Check for any pre-and post-commencement limitations (and consider modifying the approach where necessary).
- ✓ Where used as a basis for charging, ensure that charges are not being made for a statutory service, that the recipient agrees to receive the discretionary service and charges are on a cost recovery basis.
- ✓ Consider implications of different company structures and state aid provisions as appropriate.
- ✓ Parish Councils should ensure they meet the conditions for eligibility as set out in the Statutory Instrument, Parish councils (General Power of Competence) Prescribed Order 2012.





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