

## General Power of Competence for Local Councils Explained

The General Power of Competence (GPC) came into force on the 28<sup>th</sup> March 2012 under SI. 961 of The Localism Act 2011 (Consequential Amendments) Order 2012.

The Government's intention behind the Power<sup>1</sup>, is to provide eligible councils power to take on an enhanced role and to allow them to do things that previously they were unable to do.

The GPC<sup>2</sup> gives local authorities, including eligible local councils, "*the power to do anything that individuals generally may do*" as long as they do not break other laws. The council needs to ask itself **if an individual is allowed to do it**. If 'yes' then the council is, normally, permitted to act in the same way.

A council has to be eligible to use the GPC. The conditions for eligibility are laid out in a Statutory Instrument "Parish Councils (GPC) (Prescribed Conditions) Order 2012" and include:

- a Council Resolution at a "*relevant*" Annual Meeting<sup>3</sup>,
- an Electoral Mandate and
- a Cilca Qualified Clerk.

Below are three activities that may be undertaken under the GPC.

**Activity: Lend or Invest Money**

**Activity: Establish a company or co-operative society to trade and engage in a commercial activity.**

**Activity: Run a community shop or post office.**

Footnotes:

1. The Explanatory Memorandum to the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012 965.
2. Localism Act 2011, section 1(1).
3. A "*relevant annual meeting*" is the annual meeting that takes place in a year of ordinary elections, once every four years.