

GREENHEAD PARISH COUNCIL

General Power of Competence

1. Background

In 2012 the General Power of Competence was introduced in the Localism Act 2011 to allow a council to do 'anything that individuals generally may do', as long as no other laws are broken. They must act with the general principle of 'reasonableness'. However, they do not have to take into account other specific powers as with s. 137 expenditure. The council cannot use the GPC to impose taxes as this is something an individual cannot do.

In order that a Council can use the power it must first resolve at any meeting that it meets the specified conditions. A further resolution must be passed at each subsequent relevant annual meeting (the meeting in the year of an election). The conditions are:

- (a) that more than two-thirds of the councillors are elected members (not co-opted members).
- (b) the clerk holds an appropriate qualification and has completed relevant training in the exercise of the General Power. Qualifications can include; CiLCA or Certificate of Higher Education in Local Council Administration.

Activities that a council could use the GPC for include; setting up a company to provide a service using a co-operative society and so obeying company law, operate a community shop or post office, invest or lend money (following Government advice). There are other restrictions in place too. If the activity is already covered by a power, any restrictions for that power remain in place. If another authority already has a statutory duty to provide a service, then that stays as their duty.

The Council should be prepared for being challenged, they may find that they could damage local competitors and their own reputation is at risk if a project goes wrong.

2. Current Situation

The Council must resolve at a meeting that it meets the criteria for eligibility. The resolution can be passed at any meeting of the Council but a further resolution must be passed at a every subsequent 'relevant annual meeting'. The meeting, in this case, being the Council's 2022 AGM.

The Council has 7 elected councillors which is over the two third minimum.

The Clerk has the necessary CiLCA qualification.

The Council adopted the policy at the meeting on 20th September 2021.

Minute Reference 70/21