



Briefing Note - General Power of Competence

Date 28 July 2025
Prepared by Town Clerk

1. BACKGROUND

- 1.1. The General Power of Competence (GPC) gives a local council the power to do anything which an individual¹ can generally do without breaking the law. This means an eligible council can undertake activities where there is no specific power permitting them to do
- anywhere in the UK; and
 - for commercial purposes (such as running a shop, lending or investing money, or establishing a company or co-operative society to engage in commercial activity)
- 1.2. GPC is a power of first resort; it can be used for most activities when there is overlap with existing powers.

2. ELEGIBILITY

- 2.1. To be eligible to use GPC a local council must make
- A resolution at its “relevant” annual meeting².
 - Reaffirm the resolution at each subsequent “relevant” meeting.
- 2.2. At the time of the time of the aforementioned resolution:
- At least two thirds of the council must hold office as a result of being declared elected.³
 - The clerk to the council must hold a relevant qualification and have completed the relevant training
- 2.3. Relevant qualifications are:
- The Certificate in Local Council Administration (CILCA)
 - The Certificate of Higher Education in Local Policy.
 - The Certificate of Higher Education in Local Council Administration; or

¹ An adult with capacity

² A relevant meeting is the meeting following an ordinary election (which takes place every 4 years).

³ The number should be rounded up to a whole person and co-opted or appointed councillors are not elected and therefore cannot be included.

- The first level of the foundation degree in Community Engagement and Governance awarded by the University of Gloucestershire or its successor qualifications.
- 2.4. Training, if not undertaken during acquisition of the above qualification, should be in accordance with the National Association of Local Councils national training strategy.

3. LIMITATIONS

- 3.1. There are restrictions to the activities which can be undertaken. The GPC does not overwrite other statutory restrictions, prohibitions, or duties or allow alterations to arrangements for governance or the discharge of functions provided by other legislation.
- 3.2. GPC cannot be used to raise the precept.

4. RISKS

- 3.3. There are also risks that could arise when a council becomes more innovative and uses GPC.
- Challenge as to whether activities meet the Council's main aims
 - Being competitive could damage other local business
 - Failure of projects could damage the Council's reputation
 - Projects may be perceived as unnecessarily risking public money

5. LEGISLATION

- 4.1. The General Power of Competence provided by the Localism Act 2011 (Chapter 1, Sections 1 – 8)⁴
- 4.2. The conditions of Eligibility are specified in The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012 (S.I 2012 No. 995)⁵

6. EQUALITY AND DIVERSITY, CRIME AND DISORDER AND BIODIVERSITY

- 6.1. There are no specific implications. Council will still be required to adhere to its duties under this legislation.

7. SECTION 137

- 7.1. Monies that can be spent under s.137, Local Government Act 1972 are limited and have to be budgeted for separately, they are restricted in that they cannot be used to give money to individuals and expenditure must be commensurate with the benefit.
- 7.2. s.137 is a power of last resort.
- 7.3. A council that is eligible to use the general power of competence can no longer use s.137 as a power for taking action for the benefit of the area or its community except in relation to s.137(3).

⁴ [Localism Act 2011 - Explanatory Notes](#)

⁵ [The Parish Councils \(General Power of Competence\) \(Prescribed Conditions\) Order 2012](#)

7.4. S.137(3) provides for expenditure incurred in making contributions to UK charities and bodies providing a public service that does not directly benefit the council's area or residents.

8. FINANCIAL IMPLICATIONS

8.1. There are no direct financial implications and existing financial and procedural duties remain in place.

9. OPTIONS

9.1. The Council can continue to operate as it has been, activity specific legislation to undertake activities.

Or

9.2. The Council can confirm it is satisfied the eligibility criteria has been met and resolve to:

RECOMMENDATION

(i) THAT all the eligibility criteria for using the General Power of Competence has been met.

(ii) THAT Council use General Power of Competence.