



## Briefing:

# The power to promote well-being

The Local Government Act 2000<sup>1</sup> provides significant new powers for local government to “do anything which they consider is likely to achieve” the promotion or improvement of the economic, the social or the environmental well-being to their area”

*The well-being power is a significant resource and freedom for authorities to use in order to improve public services, and encourages councils to look beyond their immediate service delivery responsibilities to the wider economic, social and environmental well-being of their areas.*

*It significantly widens local authority powers and gives councils confidence to improve the quality of life, opportunity and health of communities by undertaking both new and traditional activities in innovative ways<sup>1</sup>*

The fact that the power has been launched alongside the requirement to produce a community strategy is particularly important. It puts local authorities in a community leadership role rather than their traditional service delivery approach. “It is a remarkable power, and has the potential over time to transform the role of local authorities”<sup>2</sup>

**Much of the material in this briefing is taken from: *Powering up: making the most of the power of well-being* produced by LGA in December 2003. Another useful publication is *Promoting well-being: making use of a councils’ new freedom*” by Hilary Kitchen, published by the School of Public Policy Institute of Local Government Studies at the University of Birmingham (Inlogov) April 2003.**

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<sup>1</sup> *Powering up: making the most of the power of well-being*, Local Government Association, December 2003.

<sup>2</sup> *Promoting well-being: making use of a councils’ new freedom* by Hilary Kitchen, published by the School of Public Policy Institute of Local Government Studies at the University of Birmingham (Inlogov), April 2003.

What does the new power allow?

The power of well-being is part of the sea change that local government modernisation has brought. It allows rather than proscribes. It is often described as a power of first resort. This means that “rather than having to search for a specific power elsewhere in statute in order to take a particular action, councils can instead look to the well-being power in the first instance. The key question is no longer *do we have the power?* but *is there anything to prevent us from doing what we want to do?*”<sup>3</sup>

The Local Government Act 2000 says that the actions local authorities may take include, but are not limited to:

- incurring [unlimited] expenditure
- giving financial assistance
- entering into arrangements or agreements
- cooperating, facilitating or coordinating any activities
- exercising functions on behalf of any person or organisation
- providing staff, goods and services or accommodation to any person or organisation

The Local Government Act 2003<sup>4</sup> extends the opportunities for using the power, by allowing local authorities to:

- charge for a service where there is no other power to charge (subject to certain restrictions)
- trade (by providing goods, materials, staff, accommodation and services on a commercial basis) provided this is for the purpose of promoting well-being. The Government has indicated that this power will not be available to authorities judged poor or weak under CPA.

There are some limits to the use of the power. Detail on these can be found in the Government guidance on the power<sup>5</sup>, and in the LGA and Inlogov documents already quoted. The Government guidance outlines four tests for using the power:

- Is the activity likely to promote or improve well-being in the area? (Yes)
- Is the primary purpose to raise money? (No)
- Is it explicitly prohibited by other legislation? (No)
- Are there any explicit limitations or restrictions in other legislation? (No)

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<sup>3</sup> ibid

<sup>4</sup> [The Local Government Act 2003](#)

<sup>5</sup> [The Government guidance on the power](#)

So what does this mean for sustainable development?

The power is very good news for sustainable development because it removes many previous actual or perceived barriers to local authorities' direct involvement.

However, as always it depends **how** it is used. Integration is the key to the power being used sustainably. This means that whenever a Council uses the power, it should look at the social, economic and environmental implications of what it is doing

Some examples<sup>6</sup> of its use to date include:

**Tourism and regeneration in Torbay:** A public private sector partnership has been set up to promote tourism and address deprivation in the area.

**Employment in Greenwich:** A temporary employment agency has been set up by the London Borough of Greenwich to provide the Council with temporary workers. The agency will improve the terms and conditions of temporary workers and its profits will be invested in the local community.

**Suntan lotion in Hastings:** the Borough Council has run a campaign to promote safe sunbathing by distributing suntan lotion, either for free or at low prices. It has done this by working in partnership with a local pharmaceutical manufacturer.

**Housing in Wakefield:** Wakefield MDC has used the power to acquire houses on a local housing estate which was in decline, in order to provide improved accommodation.

Of course it is still early days. There are many possible ways the power could be used to make an area more sustainable. Some potential examples are:

- **Direct involvement in energy savings companies.** The new flexibility and the power to promote well-being mean that local authorities will be able to finance and own renewable energy plants and sell electricity directly to householders in its area. They will also be able to sell cheaper energy and provide energy effecting support as part of a strategy to tackle fuel poverty.
- **Powers to bring empty properties back into use.** Again, the ability to act within a trading company and to transfer assets will mean that councils will be able to buy, renovate and sell properties. Proposed changes to give councils the discretionary power to charge full council tax on second homes and long-term empty homes will help bring properties back into use. More information is available from <http://www.emptyhomes.com>

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<sup>6</sup> Taken from *Powering up: making the most of the power of well-being*, Local Government Association, December 2003.

- **Community level action and development.** The power and ability to transfer assets to other agencies will make it more possible to develop Community Development Trusts, Community Trusts etc through which to take forward sustainable development action.
- **Use of income from civil penalties:** The Local Government Act 2003 provides greater freedoms for the use of income from fines for dog fouling, litter and parking offences, for use for local environmental improvement. High performing councils are likely to have discretion in how this income is used than other councils.

The [LGA Power Pack](#) suggests various opportunities for taking forward sustainable development such as farmers markets and recycling schemes.