
Report To:	Policy and Resources Committee	Date:	6 August 2019
Report By:	Head of Legal and Property Services	Report No:	LP/094/19
Contact Officer:	Peter MacDonald	Contact No:	2618
Subject:	2019 Inverclyde Community Council Elections and Review of Administrative Grant Funding		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the Committee's approval of a timetable for community council elections in the Inverclyde area (the 2019 Inverclyde Community Council Elections), to appoint the Chief Executive as Returning Officer for those elections, and to seek the Committee's approval of discussions being undertaken on a review of the administrative grant funding and potential future review of the Scheme for the Establishment of Community Councils in Inverclyde.

2.0 SUMMARY

- 2.1 The four year term of the community councils in Inverclyde is coming to an end, with the previous elections having been held in October 2015. In terms of the Scheme for the Establishment of Community Councils in Inverclyde, the Council therefore requires to hold elections during the course of this year in line with that four year term.
- 2.2 It is proposed that the elections be held in the October this year, in accordance with the Election Timetable included at Appendix 1 and that the Chief Executive be appointed as Returning Officer to administer these elections.
- 2.3 In light of Elected Member approaches and feedback from the community councils, officers intend to progress discussion with the community councils and the community at large on possible changes to the funding structure currently in place for community councils. Following the elections, officers also intend to seek views on any desired changes to the existing scheme, with a view to a seeking of a formal scheme review in the course of the upcoming community council term.

3.0 RECOMMENDATIONS

It is recommended that the Committee:

- 3.1 appoints the Chief Executive to act as Returning Officer for the 2019 Inverclyde Community Council Elections and delegates authority to him to administer these on the Council's behalf;
- 3.2 notes and approves the Provisional Election Timetable as shown at Appendix 1 and delegates authority the Chief Executive (as Returning Officer) to make such changes to this timetable as are considered appropriate for the effective administration of the election; and

3.3 notes the terms of Parts 5 and 6 of this report in relation to a possible future review of the current Scheme for the Establishment of Community Councils in Inverclyde and the financing of community councils, and approves the proposals for discussion with the community councils and the communities on these matters.

Gerard J Malone
Head of Legal and Property Services.

4.0 BACKGROUND - ELECTIONS

- 4.1 The current Scheme for the Establishment of Community Councils in Inverclyde (the Scheme) was adopted by the Inverclyde Council on 14 April 2011, which Scheme provides that elections for the community councils are to be held on a four yearly cycle, on dates to be determined by the Council. As elections were held in 2015, the current community councils' term is therefore due to come to an end in the course of this year and it is therefore necessary for the Council to:
- a) fix dates for the 2019 Inverclyde Community Council Elections; and
 - b) appoint a Returning Officer for the purposes of these elections.
- 4.2 A draft Election Timetable has been prepared and is included in this report at Appendix 1 for the Committee's approval. As arrangements proceed it may be necessary for the Returning Officer to vary the terms of this timetable.
- 4.3 Nomination Forms will be made available on the Council website, from all Council libraries, from the Customer Service Centre and directly to the current community councils. Completed nomination forms (signed by a qualifying nominee and qualifying proposers and seconders) will require to be submitted to the Returning Officer by the Close of Nominations, as per the Election Timetable.
- 4.4 In terms of the Scheme, to be nominated as a member of a community council, or to act as a proposer or seconder on a Nomination Form, an individual must:
- a) be resident in the community council area;
 - b) be named on the Electoral Register for the community council area;
 - c) be aged 16 or over; and
 - d) not currently be elected as a Member of this Council, or of the Scottish, UK or European parliaments.
- 4.5 In terms of the Scheme, there is a maximum number of members for each community council. For each community council area, following the Close of Nominations:
- a) if the number of validly nominated candidates is less than half the maximum number of members, no community council will be formed for that area;
 - b) if the number of validly nominated candidates is between the maximum and half the maximum numbers of members (inclusive) then the election for that area will be uncontested, and all the valid nominees will be elected as members of the community council, as from the date of close of nominations; and
 - c) if the number of validly nominated candidates is greater than the maximum number of members, then the election for that area will be contested and a ballot will be arranged in accordance with the Election Timetable.
- 4.6 Officers will liaise with each of the existing community councils to arrange availability of their usual meeting venues in line with their usual cycle of meetings, in order that:
- a) for areas with a contested election, that venue may be used to host a poll; and
 - b) for areas with an uncontested election, that venue may be used for the first meeting of the newly formed community council.
- 4.7 In terms of the Scheme, to vote in a community council election, an individual must:
- a) be resident in the community council area;
 - b) be named on the Electoral Register for the community council area; and
 - c) be aged 16 or over.
- 4.8 Any polls will proceed by way of secret ballot and voting in person. The elections will proceed on a modified first past the post system, in that:
- a) voters will be allowed to make a number of votes (up to the maximum number of members for that community council) on one ballot paper; and

b) each vote will be of equal ranking.

- 4.9 Officers in Legal and Property Services are in regular liaison with colleagues in Community Learning and Development (CLD) to promote participation in community councils, and following appointment of the Returning Officer will continue to be so with a focus on the upcoming elections. Potential candidates have been identified by CLD Service staff and are being supported to put themselves forward for election. CLD has a key role in supporting this process.
- 4.10 It is recognised, however, that there is a need to reach the wider community and in liaison with Corporate Communications, promotion of participation will be progressed through the Council website, social and local media.
- 4.11 If for one or more of the community council areas a community council is not formed as part of this election process, the Council may issue a further call for nominations in respect of such areas within a period of 6 months from the date of the Close of Nominations in this first call. Should this circumstance arise, officers will submit a further report to the Committee.

5.0 BACKGROUND – SCHEME REVIEW

- 5.1 Having regard to changing circumstances or to any representations made to it, the Council is required from time to time to review the Scheme, in terms of Section 53 of the Local Government (Scotland) Act 1973, and bring forward amendments to that Scheme, where it considers that it ought to be amended. The Council is required to consult on any such amendment, and to have regard to responses to such consultation in any decision to amend. Any formal decision to review, or to subsequently amend, the Scheme requires to be made at a special meeting of the Council for that purpose, and to be passed by resolution with at least a 2/3 majority.
- 5.2 The Scheme in current form was implemented following such a process, and as stated above was adopted on 14 April 2011. The Scheme as adopted follows closely the Model scheme published and promoted by the Scottish Government in 2009, following the review of Community Councils undertaken in 2005, and the subsequent recommendations put forward by the Scottish Government's Community Council Working Group. The current Scheme is published on the Council's website at www.inverclyde.gov.uk/communitycouncils .
- 5.3 As the last review of the Scheme was 2011, consideration should be given to completing a formal review at some point prior to the next round of anticipated community council elections in 2023. Any such review would consider any need for changes to:
- (a) the terms of the Scheme itself; and
 - (b) the community council area boundaries.
- As regards (a), specific points officers anticipate being subject of discussion are the maximum and minimum numbers of members, and permitted levels of co-option. As regards (b), officers anticipate a desire for some changes to boundaries to take account of changes to local government ward boundaries that have taken place since 2011, and to both encourage establishment of community councils in areas where they are not yet established, and improve the sustainability of community councils in areas where they are.
- 5.4 A formal decision by the Council to review the Scheme is subject to the specific requirements detailed above, however following completion of the election process Officers intend to start a discussion with the community councils and the communities at large as to any issues they have with the current scheme, and any changes they would wish considered in any future review. These discussions and views can be taken account of in any future report seeking a formal decision to review. The purpose of this report is to seek approval of this approach.

6.0 BACKGROUND – FINANCING COMMUNITY COUNCILS

- 6.1 The Scheme in present form provides that the Council may provide an Administrative Grant to community councils, at such level as it may from time to time determine. The current structure of such grant funding was approved at the meeting of the Regeneration Committee on 1 September 2011.
- 6.2 The current structure of annual Administrative Grant is made up as follows, namely following the deduction of certain costs (primarily election and insurance expenses) the annual budget community council budget is divided amongst the community council areas by way of the grant, which is made up of an initial sum of £700.00 per area, with the remaining sums available divided according to population (based on figures as at 2011). The community council budget is set annually and both election and insurance costs vary from year to year.
- 6.3 The Regeneration Committee also approved guidance for the community councils on the permitted uses of the Administrative Grant at its meeting of 19 January 2012, which was itself based on the Scottish Government's "Good Practice Guidance for Local Authorities and Community Councils", also published after the 2005 review. This sets out the broad headings of administrative costs that it is permissible for community councils to apply their Administrative Grant to. This guidance is shown at Appendix 2.
- 6.4 The terms of the guidance do restrict the ways in which community councils can spend the funds provided by the Council (although not funds they may raise in other ways). Officers are on occasion approached to consider whether or not proposed projects which, whilst often desirable projects with identifiable community outcomes, are not at first reading permitted uses of the Administrative Grant. Officers do work with community councils, as often such projects can be structured in such a way as to provide a promotional benefit for the community council, meaning they are permissible spends. These are looked at on a case by case basis, and the important considerations are the promotional benefit that can be objectively anticipated, and the proportionality of the spend in the circumstances. Examples of such projects are provided at Appendix 3.
- 6.5 Under this structure, the exact level of grant provided does vary from year to year, but for each community council area broadly approximates to an initial figure of £700.00 plus a further figure in the region of 10p to 11p per head of population. It is not possible to confirm figures for this financial year as election costs have not yet been finalised, however a breakdown of the grants calculation for year 2018-19 is set out at Appendix 4.
- 6.6 This does appear to be a greater allocation than neighbouring authorities provide, for example:
- Renfrewshire provide an initial grant of £600 plus 6p per head of population;
 - North Ayrshire provide an initial grant of £200 plus £30 per 1000 head of population;
 - East Ayrshire provide an initial grant of £200 plus 3p per head of population (based on population >16 years of age).
- A number of the community councils do carry significant balances from year to year which would suggest that the sums currently provided exceed that required for strict administrative costs. This is also evidenced by the varied scope of projects which have been progressed as promotional activity.
- 6.7 The Chief Executive has been approached by Councillor Ahlfeld seeking discussion of possible changes to the funding structure currently in place to afford greater flexibility as to their expenditure. Officers recognise the benefits that community led projects bring to the communities, and that they assist community councils in their role, raising their profile and sustainability.
- 6.8 Officers therefore intend to enter discussion with the community councils and the wider community on a possible restructuring of the funding package presently available. The

purpose of this report is to seek approval for such a process, with a further report being brought to the Committee in due course with feedback from those discussions and more detailed options for consideration. Officers will at that time also address any proposals in the context of the Council's programme of participatory budgeting.

6.9 A number of options can be considered in this context:

- Leaving the funding structure entirely as is;
- Retain the existing budget and grant level but remove all restrictions on use;
- Retain the existing budget but split each grant to have part as constrained administrative grant and part to be spent as the community councils see fit; and
- Retain the existing budget and reduce the individual grants, leaving the remaining budget as a fund to which Community Councils can apply to fund projects; or
- Reduce the overall budget and the level of the grant.

Each of these options have pros and cons, and further options may of course emerge from the discussions with the community councils and communities. The approach of officers to such consideration will be a balancing of maintaining robust and proper stewardship of the public pound whilst at the same time affording flexibility to encourage community councils to bring forward community led projects with community benefits. This more detailed consideration of options will be the subject of the future report to the Committee and will have regard to the feedback received from the community councils and communities.

7.0 IMPLICATIONS

Finance

7.1 Advertising costs will be incurred as part of the election process, but will be contained within existing budgets for community council funding. Similarly, staffing requirements for ballots held will be met from existing Council resources. It is not possible to accurately forecast the advertising costs or staffing requirements as the numbers of notices and ballots required will be dependent on the outcome of the nomination and election processes.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

Legal

7.2 The Council is required to administer community council elections in terms of the Scheme.

7.3 The Council is required from time to time to review its Scheme in terms of Section 53 of the Local Government (Scotland) Act 1973, and where the Council considers it appropriate to do

so, amend the Scheme having regard to changing circumstances and any representations made to it. Amendments to the Scheme do require to follow the statutory process set out at that Section. Decisions to either review or to amend the Scheme require to be passed by a resolution of not less than 2/3 majority at a special meeting of the Council convened for this purpose.

- 7.4 In terms of the Scheme, the Council may provide an Administrative Grant to community councils, at such level as may from time to time be determined by the Council. This can be varied by the Council **without** formal amendment of the Scheme.

Human Resources

- 7.5 None.

Equalities

- 7.6 As it is open to any individual:

- residing in a community council area;
- aged 16 or over; and
- named on the Electoral Register for that area,

to seek election as a member of that community council (subject to the comments at part d) of paragraph 4.4 above) **and** to vote in community council elections, these elections promote equality, diversity and inclusion in the communities.

- 7.7 Officers will take reasonable steps to make nomination forms are available in alternative formats on request. All venues for ballots will be reasonably accessible to members of the public.

Repopulation

- 7.8 None.

8.0 CONSULTATIONS

- 8.1 The Head of Culture, Communities & Educational Resources and the Chief Financial Officer have been consulted in the preparation of this report.

- 8.2 The Corporate Management Team have approved the terms of this report.

9.0 LIST OF BACKGROUND PAPERS

- 9.1 None.

Appendix 1

Election Timetable – 2019 Inverclyde Community Council Elections.

No	Task	Comment	Date
1	Appoint a Returning Officer and start the formal election process.		6/8/19
2	Make nomination forms available at libraries, online and directly to community councils.		not later than 2/9/19.
3	Notice of Election.	<p>Public notice online, in libraries and in the Customer Contact Centre and inviting nominations.</p> <p>This will include:</p> <ul style="list-style-type: none"> • details on how to obtain nomination forms; • the date and time of close of nominations; and • the dates of any polls that may be held. 	2/9/19
4	CLOSE OF NOMINATIONS	Nominations received later than the date and time of close will not be accepted.	4.00pm on 16/9/19
5	Notice of Validly Nominated Candidates.	Public notice online, in libraries and in the Customer Contact Centre.	As soon as practicable following 4.
6	Declaration of Result for uncontested community councils.	For community council areas where the number of validly nominated candidates is between the maximum number and half the maximum number of members (inclusive), public notice online, in libraries and in the Customer Contact Centre will confirm the formation and membership of the community council. This will include details of the first meeting to be held and, if practicable, will be combined with the notice at item 5 above.	Per 5.
7	Notice of Poll for contested community councils.	For community council areas where the number of validly nominated candidates exceeds the maximum number of members, public notice online, in libraries and in the Customer	Per 5.

		<p>Contact Centre will confirm the place date and time at which a poll will be held, and a time and place in each case for a count.</p> <p>If practicable, this notice will be incorporated in the notice at item 5 above.</p>	
8	For contested community councils, last date for withdrawal of a nomination.		4pm on 23/9/19
9	First meeting of uncontested community councils/polling date for contested community councils.	Officers are liaising with the each existing community council to arrange for these to take place in the normal cycle and venues for the community council meetings.	October 2019 (first anticipated 2/10/19)
10	Count for contested community councils.	These will be held as soon as practicable following any poll, however where polls are held in close succession, the counts for more than one community council may be held on the same day.	As soon as practicable following 9.
11	Declaration of Result for contested elections.	Public notice online, in libraries and in the Customer Contact Centre. If practicable, this will include details of the first meeting to be held.	As soon as practicable following 10.
12	First meeting of contested community councils.	Officers are liaising with the community council to accommodate this in the normal cycle and venues for meetings.	November 2019.

Appendix 2

Existing Guidance on the use of Administrative Grant

COMMUNITY COUNCIL FINANCE

Section 12 of the Scheme for the Establishment of Community Councils in Inverclyde refers to the provision of an 'initial administrative grant to community councils to assist with the operating costs of the community council.' The following guidance is intended to assist Community Councils in their interpretation of what is acceptable expenditure of their administrative grant.

Grants - Acceptable Areas of Expenditure

The purpose of the administrative grant is to cover the costs in administering community council business. Examples of such costs are detailed below:

- Insurance
- Auditors' fees
- Production and circulation of minutes, agenda and annual reports
- Stationery
- Photocopying
- Postage
- Travel costs
- Telephone costs
- Accommodation lets
- Affiliation fees
- Subscriptions
- Bank charges
- Advertising
- General Publicity and promotional activities
- Consultation with the community

Community councils may generate income from sources other than Inverclyde Council. This income may be applied towards expenditure not contemplated by the grants awarded by the Council. The accounts of the community council will, however, disclose all income from whatever source it is obtained and will show all expenditure even where it is not simply the expenditure of the Council grant.

Accounting Procedures – Cash

- Each community council should have a cash book and all income and expenditure should be recorded in it. The date, description, amount and receipt number should also be recorded.
- The community council should nominate three unrelated office bearers to act as signatories to the community council bank accounts. All cheques and withdrawals should require two from three signatures. Any changes to authorised signatories should be approved by the community council.
- The level of cash held should not be excessive and should be in proportion to the monthly expenditure.

- Banking should be made intact. All income received should be banked and should not be used to meet expenditure. If funds are required for incurred expenditure they should either be paid by cheque or alternatively cash should be withdrawn from the bank.
- Once a banking has been made the stamped bank pay-in slip should be retained and checked against the bank statement or bank book to ensure that the income has been credited correctly.

Accounting Procedures – Expenditure

- All expenditure must be approved in advance by the community council.
- All expenditure must be accompanied by proof of purchase, either an expenditure voucher or receipted invoice.
- Receipts should be given a sequential number and filed accordingly.
- Details of the expenditure should be recorded in the cash book as soon as the expenditure is incurred. Where a receipt is not available, the person making the purchase should complete a form stating the nature of the expenditure. The form should be authorised by a member of the community council committee.
- A current account will normally be used for day to day transactions with a further deposit and/or saving account, as required, so that interest may be attracted on accumulated funds.
- The treasurer should await the bank statements and once received should carry out a bank reconciliation to ensure that the bank balance agrees with the balance recorded in the cash book. All bank statements should be retained.
- Where petty cash is issued all petty cash vouchers should be signed by the person requesting the money and countersigned by the treasurer or other authorised signatory - this must not be the person who is requesting the expenditure. All receipts for items of expenditure should be retained and attached to the appropriate petty cash voucher.
- Reimbursement of travel expenses should only be available to persons on official community council business. Claimants should submit a detailed record of dates, times, destination, reason for travel and mode of transport. Reimbursement of travel expenses (for example bus, taxi, train, parking fees etc) should only be awarded if accompanied by an appropriate receipt.
- If the community council requires telephone calls to be made, reimbursement of expenses can be made at the discretion of the community council. The person making the claim should submit the itemised telephone statement highlighting the calls claimed. Reimbursement will be authorised by the community council.

Accounting Procedures - Annual Accounts

The following paragraphs merely reinforce income and expenditure matters dealt with earlier in this guideline.

- An annual income and expenditure statement of all accounts including all income and expenditure must be prepared at the end of the community councils' financial year and must be examined by a person unconnected with the fund.

- The audited accounts must be presented to the community council and in course a copy passed to the Local Authority officer.
- An example of an annual income and expenditure statement is detailed in the attached appendix. All of the information within the account is fictitious and used only as a guide on how to prepare accounts.

Accounting Procedures – Inventory

The community council must maintain an inventory detailing all the assets of the community council. The inventory should be updated on an ongoing basis for additions and deletions. An example for an inventory is provided below.

**COMMUNITY COUNCIL
STATEMENT OF ACCOUNTS**

**Income Expense Account
for period of ___ to__**

	£'s	£'s
Balance brought forward		
Income		
Admin Grant	0.00	
Discretionary Grant	0.00	
Bank Interest	0.00	
		<u>0.00</u>
Expenditure		
Insurance	0.00	
Accommodation Costs	0.00	
Auditors Fees	0.00	
Subscriptions	0.00	
Travel Expenses	0.00	
Publication of Minutes & Agendas	0.00	
Publication of Newsletters	0.00	
Stationery	0.00	
Photocopying	0.00	
Postage Costs	0.00	
Telephone Costs	0.00	
Other Expenses	0.00	
Other Expenditure	0.00	
		<u>0.00</u>
	Balance Surplus	<u><u>0.00</u></u>
Represented by:		
Cash In Bank		
Cash In Hand (Treasurer's Float)		
		<u><u>0.00</u></u>

As Prepared by _____

Examiner's Details

Name
Designation
Organisation
Address
Telephone

The above statement has been compiled from the available books and records and explanations.

Signed
Date

_____ (Examiner)

Chairperson's Signature

Date

Treasurer's Signature _____

Date _____

Appendix 3

Examples of Promotional Expenditure

The following are examples of activities which have previously been considered allowable expenditure for promotional purposes:

- Paying for school prizes at a school in their area (approx. £50 to £75 per prize) - the community council funding of this prize should be made clear, e.g. a member of the community council presenting it at a prize giving attended by both pupils and parents.
- Paying for a children's entertainer (Santa at a community Christmas event, cost was approx. £200 to £250) - the provision by the community council should be made clear at the event.
- Contributing to the cost of providing posters to decorate the classrooms at a local primary school (cost was approx. £75) – again to be made clear by the school that they were provided with community council assistance.
- Organising a prize at a Christmas "best shop window" competition. In this example, the community council worked in partnership with the local shops and the competition was funded in conjunction with a raffle.
- Contribution to the installation and maintenance of community accessible defibrillators. Costs and level of contribution vary. There have been a number of these in recent years. A dedication plaque is placed at the site, and the community councils get promotional benefit from attendance at an unveiling and/or local press coverage.

Appendix 4

Community Councils Administrative Grant Calculation 2018/19

Total CC Budget	£17,660.00
LESS Deductions	
(a) Annual Insurance Policy	£637.78
(b) Election Costs	Nil
Total Deductions	£637.78
Total Grant Budget	£17,022.22
Basic Grant per CC	£700.00
Basic Grant Budget (11 x above)	£7,700.00
Total Grant Budget	£17,022.22
LESS Basic Grant Budget	£7,700.00
Enhanced Grant Budget	£9,322.22

	Community Council Area	2011 Population	% of Grant	Basic Grant	Enhanced Grant	Total Grant
1	Gourock	8600	0.106068	£700.00	£988.79	£1,688.79
2	Greenock Central	11838	0.146004	£700.00	£1,361.08	£2,061.08
3	Greenock East	8217	0.101344	£700.00	£944.75	£1,644.75
4	Greenock Southwest	6135	0.075666	£700.00	£705.38	£1,405.38
5	Greenock West & Cardwell Bay	11263	0.138912	£700.00	£1,294.97	£1,994.97
6	Holefarm & Cowdenknowes	2351	0.028996	£700.00	£270.31	£970.31
7	Inverkip & Wemyss Bay	5314	0.06554	£700.00	£610.98	£1,310.98
8	Kilmacolm	5107	0.062987	£700.00	£587.18	£1,287.18
9	Larkfield, Braeside & Branchton	7050	0.086951	£700.00	£810.58	£1,510.58
10	Port Glasgow East	8215	0.10132	£700.00	£944.52	£1,644.52
11	Port Glasgow West	6990	0.086211	£700.00	£803.68	£1,503.68

Total		81080	1	£7,700.00	£9,322.22	£17,022.22
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