

# **Inverclyde Council**

## **Scheme of Funding for Community Councils <sup>1</sup>**

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<sup>1</sup> Approved at the 11 August 2020 meeting of the Policy and Resources Committee

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## Part 1 – Introduction

Community Councils were established in Scotland by the Local Government (Scotland) Act 1973 (referred to in this document as “**the 1973 Act**”).

Section 51 (2) of the 1973 Act provides that:

“In addition to any other purpose which a community council may pursue, the general purpose of a community council shall be to ascertain, coordinate and express to the local authorities for its area, and to public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible, and to take such action in the interests of that community as appears to it to be expedient and practicable”

Inverclyde Council (referred to in this document as the “**Council**”) has adopted a Scheme for the Establishment of Community Councils in the Inverclyde Area<sup>2</sup> in terms of the 1973 Act, and this scheme (or such variation or substitution of this scheme as may be in effect from time to time) is referred to in this document the “**the Scheme**”.

A community council or community councils established under the Scheme is/are referred to in this document as a “**Community Council**” and “**Community Councils**”.

The Council makes available annual operational grant funding for Community Councils. This document details the scheme under which Inverclyde Council will provide such funding from 1 April 2020. The operational grant provided in terms of this document is referred to as the “**Community Council Grant**”.

The funding scheme set out in this document was approved by the Council’s Policy and Resources Committee on 11 August 2020, and is referred to in this document as the “**Funding Scheme**”.

References in this document to the “**Head of Service**” are to the head of the Council’s service from time to time with operational control of the community council budget.

The Council has appointed a **Community Council Liaison Officer** who can be contacted on [community.councils@inverclyde.gov.uk](mailto:community.councils@inverclyde.gov.uk) or using the contact details shown on the Council website at [www.inverclyde.gov.uk/communitycouncils](http://www.inverclyde.gov.uk/communitycouncils).

Any questions about this document, or more generally about Community Councils, should be directed to this officer.

Community Councils should note this document deals only with the annual Community Council Grant, and that they may be able to apply for other forms of grant funding both from the Inverclyde Council and from other sources of grant funding.

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<sup>2</sup> As at the date of this document, the current Scheme is the Scheme approved by the Inverclyde Council on 14 April 2011.

## Part 2 - The Community Council Grant

The Council approves a budget annually for the funding of Community Councils. This budget applies in a Financial Year, being the period from and including 1<sup>st</sup> April in a given year to 31<sup>st</sup> March in a subsequent year.

The Council meets various initial costs from this budget, such as

- public liability insurance arranged for the Community Councils; and
- election costs (in years where the regular 4 yearly elections for Community Councils are held).

The remaining budget is then allocated to the provision of the Community Council Grant. The Community Council Grant is made up of two parts:

- the Administrative Grant (a sum of £500.00 per Community Council); and
- the Project Grant (the remaining grant budget for that year split amongst the Community Council Areas, as defined in the Scheme, according to population<sup>3</sup>).

Table 1 – Community Council Grant – Basis of Calculation (using a previous year's budget figure as an example).

<b>Community Council Budget</b>		<b>£17,310.00</b>			
<b>LESS deductions</b>		<b>£637.78</b>			
<b>Total budget for Community Council Grants</b>		<b>£16,672.22</b>			
<b>LESS total Administrative Grants</b>		<b>£5,500.00</b>			
<b>Total budget for Project Grants</b>		<b>£11,172.22</b>			
<b>Community Council</b>		<b>Population<sup>3</sup></b>	<b>Administrative Grant</b>	<b>Project Grant</b>	<b>Total Community Council Grant</b>
<b>1</b>	Gourock	<b>8690</b>	£500.00	£1,242.31	<b>£1,742.31</b>
<b>2</b>	Greenock Central	<b>10045</b>	£500.00	£1,436.02	<b>£1,936.02</b>
<b>3</b>	Greenock East	<b>9051</b>	£500.00	£1,293.92	<b>£1,793.92</b>
<b>4</b>	Greenock Southwest	<b>5870</b>	£500.00	£839.17	<b>£1,339.17</b>
<b>5</b>	Greenock West & Cardwell Bay	<b>9166</b>	£500.00	£1,310.36	<b>£1,810.36</b>
<b>6</b>	Holefarm & Cowdenknowes	<b>2193</b>	£500.00	£313.51	<b>£813.51</b>
<b>7</b>	Inverkip & Wemyss Bay	<b>6239</b>	£500.00	£891.92	<b>£1,391.92</b>
<b>8</b>	Kilmacolm	<b>5284</b>	£500.00	£755.39	<b>£1,255.39</b>
<b>9</b>	Larkfield, Braeside & Branchton	<b>7000</b>	£500.00	£1,000.71	<b>£1,500.71</b>
<b>10</b>	Port Glasgow East	<b>7668</b>	£500.00	£1,096.21	<b>£1,596.21</b>
<b>11</b>	Port Glasgow West	<b>6944</b>	£500.00	£992.70	<b>£1,492.70</b>
<b>Total</b>		<b>78150</b>	<b>£5,500.00</b>	<b>£11,172.22</b>	<b>£16,672.22</b>

<sup>3</sup> The population figures used for the purposes of this document based on the 2018 small area population estimates from NRS.

Table 1 above is an illustration of how the total Community Council Grant is calculated under the Funding Scheme based on budget, election and insurance figures from the 2018/19 Financial Year. This shows the split between Administrative Grant and Project Grant, and among the Community Council Areas. The amount of the Community Council Grant available will vary from year to year according to the available budget and the insurance and election costs.

There is more detail on the Administrative Grant at Part 3 of this document, and on the Project Grant at Part 4 of this document.

Where a Community Council is established in an election outwith the 4 yearly cycle and in an area where, immediately prior to that, there had been no Community Council, then any costs of that election will be deducted from the Community Council grant made available to that Community Council in the Financial Year in which it is established.

Community Councils are not required to spend all of their Administrative Grant or Project Grant in the Grant Year in question, and can carry forward balances from one financial year to the next of up to 1 year's worth of Administrative Grant and 4 year's worth of Project Grant. There is more detail on this at Part 6 of this document.

## Part 3 – Use of the Administrative Grant

Community Councils are expected use their Administrative Grant for the purpose of meeting reasonable and appropriate operational and administration costs, incurred by them in operating as a Community Council.

Examples of such costs are detailed below:

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

As is explained below, Community Councils can, **if they so wish**, also use funds from their Project Grant to meet costs of the type detailed above.

Any unspent Administrative Grant can be carried forward at the Year End subject to the limits detailed at Part 6 of this document, and from the point it is so carried forward will be treated and governed as Project Grant.

## Part 4 – Use of the Project Grant

A Community Council is entitled to use its Project Grant to fund such project or projects as it wishes within its Community Council Area which it is reasonably satisfied is or are likely to advance, promote or improve the well-being of any part of its Community Council Area and/or any person or persons resident or present within that area.

Community Councils must have regard to such guidance as the Council or the Head of Service may from time to time produce on how a Community Council should select projects to progress and assess the benefits of such projects for its community.

Community Councils may use their Project Grant for the purposes of meeting reasonable and appropriate operational and administration costs as detailed at Part 3 above, should they so wish.

Community Councils **may not** use sums released to them as Project Grant for purposes other than those set out at Part 3 above or at this Part 4.

Community Councils are not required to spend all of their Project Grant in the Financial Year in question and any unspent sum can be carried forward subject to the limits outlined at Part 6 of this document.

Community Councils should note this document deals only with the Community Council Grant, and that they may be able to apply for other forms of grant funding both from the Inverclyde Council and from other sources of grant funding.

## Part 5 – Getting the Community Council Grant

A Community Council may request release of its Community Council Grant for a given Financial Year, referred to in the Scheme as the “**Grant Year**”, at any point in the Grant Year. In the Scheme “**Previous Year**” means the Financial Year immediately prior to the Grant Year.

The request should be sent to the Community Council Liaison Officer on [community.councils@inverclyde.gov.uk](mailto:community.councils@inverclyde.gov.uk) or the using the contact details shown on the Council website at [www.inverclyde.gov.uk/communitycouncils](http://www.inverclyde.gov.uk/communitycouncils) .

Following such a request, the Community Council Grant for the Grant Year will not be released until such time as the Community Council Liaison Officer has been provided with:

1. the finalised Annual Accounts of the Community Council for the Previous Year (see comments below);
2. copies of the approved minutes of at least 6 quorate ordinary meetings of the Community Council (or such other minimum number of as the Scheme may from time to time require) which took place in the course of the Previous Year;
3. a copy of the approved minute of the Annual General Meeting of the Community Council which took place in the Previous Year, and which shows that meeting as quorate;
4. a copy of the minute of the Annual General Meeting of the Community Council which took place in the Grant Year showing the Annual Accounts as being approved by the Community Council, and which shows that meeting as quorate;
5. a copy of a bank statement in respect of the Community Council’s bank account showing the balance held at the end of the Previous Year; and
6. satisfactory responses to any queries raised by the Community Council Liaison Officer in respect of any of items 1 to 5 above.

The Annual Accounts in terms of item 1 will require to comply with the terms of the Scheme and with the guidance issued by the Council from time to time as regards the form and content of such accounts<sup>4</sup>, and in particular to be counter signed and verified by two independent examiners unconnected with the particular Community Council.

In light of the funding scheme introduced by this document, it would assist the Council’s staff if Community Councils indicated against individual items or headings of expenditure on their Annual Accounts if they consider them to be Project Grant spending or Administrative Grant spending.

Where a Community Council is established in an area which previously had no Community Council, then:

- that Community Council will be entitled to release of the Community Council Grant for the Grant Year in which they are established without providing the information detailed at items 1 to 5 above; and

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<sup>4</sup> At the time of this document, the guidance in force was approved by the Council at the meeting of the Regeneration Committee on 19<sup>th</sup> January 2012



- as regards the Grant Year immediately subsequent to the first Financial Year in which they are so established, the Head of Service shall have discretion to make an appropriate reduction in the number of minutes of meetings in that First Financial Year the Community Council is required to exhibit, to take account of the fact that the Community Council was not established for the whole of that first Financial Year.

If a Community Council, for a given Grant Year, has not by the end of the Grant Year:

- requested its Grant for that Grant Year; **and**
- provided the information detailed at items 1 to 6 above to the Community Council Liaison Officer,

then the Grant for that Grant Year will no longer be available.

Where the Head of Service has reasonable grounds for believing that the a Community Council has breached either or both of the terms of the Scheme or this Scheme of Funding for Community Councils, then said Head of Service will be entitled to withhold payment of a Community Council Grant to that Community Council until such times as the Head of Service is satisfied **either:**

- that there has been no such breach; **or**
- having received an explanation as to the facts and circumstances surrounding a breach, that it is reasonable and appropriate that the Community Council Grant be paid.

## Part 6 – Carrying Balances Forward

It is recognised that Community Councils may wish to carry forward surplus funds of Community Council Grant from one Financial Year to another. This is permitted as so doing encourages forward planning for larger projects or administrative outlays. Any funds so carried forward will from that point be treated as and subject to the restrictions on Project Grant, whether or not at the point of release they were Project Grant or Administrative Grant.

The Council is however obliged to ensure appropriate stewardship of public funds, and it would not be appropriate for the funding scheme set out here to permit an indefinite accumulation of grant funds.

There will therefore, in a given Financial Year, be a reduction in the available grant on the following basis.

With reference to a given Grant Year, where the balance of Community Council Grant funds (**“the Previous Balance”**) held by the Community Council at the end of the Previous Year exceeds the Permitted Balance set out below, then the amount of Community Council Grant available for that Community Council in the Grant Year shall be reduced by the difference between the Previous Balance and the Permitted Balance.

For the purposes of the last paragraph, **“the Permitted Balance”** shall be the sum of:

- a) Administrative Grant that would otherwise have been made available in the Grant Year; plus
- b) Four times the Project Grant that would otherwise have been made available for the Grant Year.