
Report To:	Regeneration Committee	Date: 19 January 2012
Report By:	Corporate Director Education and Communities	Report No: R233/12/AH/MP
Contact Officer:	Maggie Paterson	Contact No: 01475 715450
Subject:	Support and Guidance for Community Councils	

1.0 PURPOSE

1.1 The purpose of this report is to:

- update Committee on the range of support and guidance being developed for Community Councils;
- seek approval for proposed guidance on the use of Inverclyde Council's grant to Community Councils.

2.0 SUMMARY

2.1 At a Special Meeting convened on 14 April 2011, Inverclyde Council agreed a new Scheme of Administration for Community Councils. This came into force following elections under the new scheme which took place in September 2011.

2.2 A range of support is being developed to progress the implementation of the new Scheme and to guide and assist Community Councils to effectively undertake their role. Community Councillors have requested more detailed guidance on the use of their grant from Inverclyde Council and draft guidance is attached for consideration and approval.

A number of measures are also planned to encourage participation in areas where no Community Council has been formed.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- (a) note the range of support and guidance being developed for Community Councils;
- (b) approve the proposed guidance on the use of Inverclyde Council's grant to Community Councils.

Albert Henderson
Corporate Director: Education & Communities

4.0 BACKGROUND

- 4.1 At a Special Meeting convened on 14 April 2011, Inverclyde Council agreed a new Scheme of Administration for Community Councils. This came into force following elections under the new scheme which took place in September 2011.
- 4.2 When the national review of Community Councils was initiated in 2005, the Scottish Government published "Good Practice Guidance for Local Authorities and Community Councils". These were used to inform the review in Inverclyde.
- 4.3 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." Some Community Councils have requested further guidance of the interpretation of this.

5.0 PROPOSALS

- 5.1 A range of support is being developed to progress the implementation of the new Scheme and to guide and assist Community Councils to effectively undertake their role.

These include:

- A reception and information session hosted by Provost McCormick.
 - The adaptation of the guidance document referred to above to tailor it to the needs of Inverclyde.
 - The development of a training programme for Community Councillors
 - The creation and maintenance of a Community Council area within the Inverclyde Council website
 - The creation of a Community Council mailbox exclusively for Community Council e-mails.
 - Support to re-establish the Forum of Community Councils.
- 5.2 An extract from the guidance document covering Community Council Finance is attached as Annexe 1. This outlines acceptable areas of expenditure for the Council's administrative grant to Community Councils. Included in the list of acceptable areas of expenditure are 'general publicity and promotional activities'. In the past Community Councils have made contributions, sponsored events, donated prizes etc which have promoted the work of the Community Council and benefitted the community. This would continue to be acceptable expenditure when linked to publicising the Community Council. Council Officers will work with Community Councils to develop appropriate procedures for this.
 - 5.3 It is proposed that this guidance be applied only to grants made following the implementation of the new Scheme. This would mean that the main instalment of the grant paid to Community Councils in April 2011 would be audited under the old scheme and subsequent payments will be audited under the new Scheme.
 - 5.4 A number of measures are also planned to encourage participation in areas where there were insufficient nominations in the first elections. These include:
 - An invitation to members of other community groups in these areas to attend the Provost's reception.
 - Support from the CLD Service.
 - Holding public meeting in these areas to outline the added benefits of having a Community Council in their area.

6.0 IMPLICATIONS

6.1 Finance: None

6.2 Legal: None

6.3 Personnel: None

6.4 Equalities: None

7.0 CONSULTATION

7.1 Not applicable.

8.0 BACKGROUND PAPERS

8.1 Revised Scheme of Administration.

Annexe 1

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>0.00</u>
Represented by:		
Cash In Bank		
Cash In Hand (Treasurer's Float)		
		<u>0.00</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
