

Democracy Commission

Thursday 22 September 2011

7.00 pm

Ground Floor Meeting Room G01B - 160 Tooley Street, London SE1
2QH

Supplemental Agenda No.1

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6.	Sponsorship of Community Councils	
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	An overview on the potential for sponsorship at community council meetings.	
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Contact

Tim Murtagh on 020 7525 7187 or email: tim.murtagh@southwark.gov.uk

Date: 20 September 2011

Item No. 6.	Classification: Open	Date: 22 September 2011	Meeting Name: Democracy Commission – Phase 2
Report title:		Sponsorship of Community Council Meetings	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATIONS

1. That the Democracy Commission notes the contents of this report which provides an overview on the potential for sponsorship at community council meetings.
2. That the Democracy Commission considers drafting any recommendations based on the information in this report and its deliberations at the meeting.

BACKGROUND INFORMATION

3. At the meeting in May, the Commission requested more information on sponsorship and how it could be used to help reduce costs of running community council meetings.

KEY ISSUES FOR CONSIDERATION

Role of community councils

4. The current role of community councils includes both decision making and consultative functions. Community councils are established as formal committees of the full council. As formal committees it is important that the conduct of business, in particular the taking of decisions, complies with all the requirements and principles of sound decision making. This includes ensuring that there is no perception of bias, undue influence or predetermination of decisions. There is a risk that accepting sponsorship for a meeting would compromise the “independence” and integrity of decision making and create the potential for the legal challenge of decisions.
5. An initial assessment of the potential for commercial sponsorship is that council meetings are an unattractive proposition for local businesses. This is because council meetings, including community councils, are considered to be a core part of the decision making framework of the council and should be funded by taxation. This makes this area of council activity unattractive for the promotion and marketing of business.
6. Furthermore any work to attract sponsorship would require the council to devote some of its limited resources to developing fund raising specialists to evaluate and attract sponsorship. This may require the appointment of specialist staff for this purpose.

7. This briefing report on sponsorship has been prepared in the context of a wider review by the Commission of the role and functions of community councils. One aspect of this review is what recommendation the Commission will finally make on the balance between the decision making and the community engagement roles of community councils. This may be important because non-decision making events would be likely to create fewer difficulties compared to decision making ones.
8. This remainder of this paper focuses on the potential complexities and difficulties that might occur if sponsorship was applied to community councils. The paper also looks at other opportunities such as volunteering and local giving schemes.

Corporate Sponsorship and community council meetings

9. Sponsorship can come in a number of forms e.g. a financial contribution or sponsorship in kind.
10. As mentioned above sponsorship presents some practical difficulties for formal decision making meetings of the council. One area of concern that would be relevant to community councils is that if a business unit enters into commercial sponsorship they must be mindful that such arrangements can not be construed as an inducement to anything else. All of these provisions have become even more essential since the 1 July when the Bribery Act came into force.
11. Sponsorship potentially creates complexities and difficulties in the delivery of effective and impartial decision making. For example, if there was a controversial proposal for a supermarket in one community council area which had caused protests amongst local people in that area, then it would be inappropriate for the community council to be sponsored by a supermarket or any business in the locality which might be affected by the proposal. The perception of undue influence or compromising of the impartiality of decision making may also arise if, for example, a restaurant or individual had provided free catering to a community council and then the same restaurant or individual submits a planning, community council fund or cleaner greener safer application. Even if the sponsorship had been received some time ago it may well be perceived as an inducement.
12. There may be some limited opportunities around the margins for those companies or individuals that may not want to sponsor a community council meeting financially. However issues relating to the integrity of decision making would equally apply in these situations. Nonetheless this might work in a number of ways:
 - Catering – a caterer may donate tea and coffee for a community council meeting. For providing this, the caterer could receive a mention on the publicity and at the meeting.
 - Venue space – These costs could be reduced if venues were able to donate their space for free or a nominal fee. For example, at a recent Walworth Community Council meeting held in the Elephant & Castle area, a community space was provided by supermarket who owned the space. They did not charge a fee but instead requested that a donation was made to their chosen charity. Another example found in the Bermondsey community council area is a church that has offered their venue for free as a result of being used for a previous meeting.

However these kinds of steps would not be expected to deliver significant savings towards reducing the total costs of community councils.

Other opportunities

13. This paper also looks at two other alternative areas that may provide opportunities for local support:

- Volunteering
- Local Giving model

A summary of each approach is set out below. Similar principles of perception and undue influence would equally apply to these approaches.

Volunteering

14. There is the potential to recruit volunteers for certain functions at community council meetings. For example, registration could be handled by volunteers. This has already happened in Bermondsey where the young people from a youth club run by the Oxford & Bermondsey Settlement were actively involved in registration of attendees for a community council meeting. Also Youth Community Council members have also got involved in registration at meetings in other areas such as Borough & Bankside and Walworth.
15. The Neighbourhood Team also uses volunteers from the community to assist with publicity of meetings. Volunteers within the community (such as TRA's) often help to disseminate flyers to their contacts.

Local Giving model

16. Local Giving is an organisation that operates a match-funding scheme that was set up to encourage residents to support local charities and community groups, involving local authorities and businesses. Through Localgiving.com, local charities and community groups will appear on the site requesting support. In order to appear on Local Giving website, they will have been vetted by their local Community Foundation.
17. As local people give to charities/community groups in their area, the local authority agrees to match up to the amount of cash donated by local people. The corporate organisation would also do the same with an additional amount coming from gift aid. Local Giving will provide back end support through maintenance of the system, processing of payments and customer care. So if an individual gave £1 to a local charity, the end result would look like this:

£1.00 (individual donation from local person)
 £1.00 (local authority match)
 £1.00 (Corporate donation)
£0.25 (Gift Aid)
 £3.25

As a result of £1 being donated to a local charity/community group, an additional £2.25 is received through this scheme. This scheme can enable the council to

develop strong links with corporate organisations based in the area as well local charities and community groups.

18. This model could be used by community councils, for example with local corporate sponsors matching, to enhance the resources available for community led improvements, for example from the community fund. The scope for developing such a model would need to be further explored and may not be cost effective in terms of the resources required to launch such an initiative. The concerns set out in this report about other forms of sponsorship would still apply to this model.

Policy implications

19. As previously mentioned, corporate sponsorship of community councils would have serious policy implications, and there is currently no policy framework to govern such activity.

Community impact statement

20. The potential for corporate sponsorship to compromise decision making and create a perception of undue influence means there may be some concerns amongst local communities.

Resource implications

21. The option of sponsorship is being investigated in line with the task of the Commission concerning the delivery of a reduction of £344,000 in the total costs of community councils to take effect from 1 April 2012 as agreed in the council's Policy and Resources Strategy 2011-2014.
22. The option would need the potential to make a reasonable contribution to reducing costs around community councils for it to be a feasible.
23. It is officer's view that sponsorship of community councils would be unlikely to attract significant interest from businesses because formal committees, such as community councils, would be viewed as part of the council's core decision making structure. Furthermore there may be additional costs to the council of developing the fund raising capacity necessary to try to attract sponsorship. This may include the recruitment of officers with the specialist fund raising skills and investment in funding raising systems. Any sponsorship received would have to cover the costs of developing this capacity as there are no existing budgets available to develop such resources.
24. There may be potential to do some things around the margins but this will not deliver significant savings. Some examples are set out in paragraph 12 above

Consultation

25. The work of the commission includes public consultation and involvement: public meetings and conferences, questionnaires, focus group and recording vox pops. This work will be developed and improved upon during phase two.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Democracy Commission Phase 2 reports and agenda	Tooley Street, London, SE1 2QH	Tim Murtagh 020 7525 7187

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director of Communities, Law & Governance		
Report Author	Stephen Douglass, Head of Community Engagement		
Version	Final		
Dated	19 September 2011		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director of Communities, Law & Governance	Yes	No	
Finance Director	No	No	
Cabinet Member	Yes	No	
Date final report sent to Constitutional Team		20 September 2011	

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