

14 June 2023**Agenda Item: 10****REPORT OF THE SERVICE DIRECTOR, CUSTOMERS, GOVERNANCE AND
EMPLOYEES****USE OF THE COUNCILLORS' DIVISIONAL FUND****Purpose of the Report**

1. To provide the Committee with an annual update on the use of the Councillor's Divisional Fund (CDF) for the period of 1 April 2022 to 31 March 2023.

Information

2. The CDF is a specific budget that enables each County Councillor to put forward proposals for expenditure in their electoral division that align with the Council's strategic objectives. Any payments made through the scheme must comply with the requirements of the CDF Policy.
3. In 2022/23 each Councillor was allocated up to £5,000 to spend within each financial year (for 2023/24 the allocation for each Councillor has been reduced to a limit of £3,000). Any funds that are not spent at the end of the financial year are returned to corporate balances.
4. The CDF payments that were made in 2022/23 are set out in **Appendix A** to the report (payments to individuals have been anonymised where relevant). These payments were made in line with the Policy that was agreed by the Governance and Ethics Committee on 10 March 2022.

Electronic System

5. During 2022/23 a new electronic CDF system was rolled out, which allowed Councillors to self-serve. It also helped automate some of the existing checks and balances, reducing the amount of time that Democratic Services officers and Members spend dealing with applications. The electronic system was run in parallel with paper copy forms whilst the new arrangements were bedded-in. For applications in 2023/24 the CDF application process will be fully electronic. This will allow Councillors to self-serve and monitor how much of their allowance remains.

Audit

6. The Policy agreed on 10 March 2022 refreshed requirements around auditing the scheme. The Policy requires an annual audit of a sample of applications, which will include ensuring that monies provided have been spent in line with the application that was made. The type and number of applications that are to be subject to audit are agreed with the Chairman of the Governance and Ethics Committee.
7. In preparing the updated Policy in 2022, a set of principles were established to underpin it. A number of those principles, together with the wording of the updated policy, were designed to reduce risk to the fund by introducing audit requirements. These included:
 - a. Increased assurance in respect of payments made to individuals (e.g. the requirement to provide receipts)
 - b. Additional monitoring for any payments to an organisation that exceed £1000 in a single financial year, either because they are joint payments or repeat payments
 - c. Additional monitoring for any payments to help establish a new organisation
8. The audit is currently in progress and results will be reported to the Committee once it has been completed.

Other Options Considered

9. The report provides an update on expenditure as required by the CDF Policy, therefore failing to provide a report would breach that policy.

Reason/s for Recommendation/s

10. To update the Committee in line with the requirements of the CDF Policy.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

12. Allocations for the Councillors Divisional Fund are made each year as part of the budget setting process. The amount spent by each Councillor is actively monitored and regular communications take place between individual Councillors and Democratic Services regarding this.

RECOMMENDATION

- 1) That the Committee notes the Councillors' Divisional Fund expenditure for the period 1 April 2022 to 31 March 2023 as detailed in Appendix A to the report.

Marjorie Toward

Service Director, Customers, Governance and Employees

For any enquiries about this report please contact:

Jo Toomey, Advanced Democratic Services Officer Tel. 0115 977 4506

E-mail: jo.toomey@nottsc.gov.uk

Constitutional Comments (CEH 17/05/2023)

13. Governance and Ethics Committee are responsible for monitoring and reviewing the Councillors' Divisional Fund and therefore have the remit to consider the report.

Financial Comments (SES 17/05/2023)

14. There are no specific financial implications arising directly from this report.

15. Allocations for the Councillors Divisional Fund are made each year as part of the budget setting process. The amount spent by each Councillor is actively monitored and regular communications take place between individual Councillors and Democratic Services regarding this.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Governance & Ethics Committee, 10 March 2022 (published)
- Councillors Divisional Fund Policy, updated March 2022 (published)

Electoral Division(s) and Member(s) Affected

- All