



Management Group Meeting

12.00pm, Friday 6th September 2024

MS Teams

AGENDA

1. Welcome and Apologies
2. Declarations of Interest
3. Minutes of meeting held on 24th May 2024*
4. Matters Arising
5. Chair's Report * (Cllr Martin Hill)
6. Budgets and Financial Control * (Cllr Sarah Russell)
7. Performance Management * (Cllr David Bill)
8. Corporate Governance * (Cllr Tricia Gilby)
9. Conduct and Standards * (Cllr Jewel Miah)
10. Executive Board (27th September 2024)
11. Any Other Business

* Papers attached



**EAST MIDLANDS COUNCILS
MANAGEMENT GROUP MEETING
MINUTES OF THE MEETING HELD ON 24TH MAY 2024**

Present: Cllr Martin Hill - Lincolnshire County Council
Cllr Sarah Russell – Leicester City Council
Cllr Tricia Gilby – Chesterfield Borough Council
Cllr Matthew Relf – Ashfield District Council
Cllr Jewel Miah – Charnwood Borough Council
Cllr Phil King – Harborough District Council
Cllr David Bill – Leicestershire County Council

Stuart Young - East Midlands Councils
Steve Charlesworth – East Midlands Councils
Lisa Hopkins – East Midlands Councils

Apologies: Cllr Kate Foale – Nottinghamshire County Council

		ACTION
1.	Apologies	
1.1	Apologies were received from Cllr Kate Foale.	
2.	Declarations of Interest	
2.1	Cllr Martin Hill declared an interest in land to the edge of Melton Mowbray.	
3.	Minutes of the meeting held on 8th March 2024	
3.1	These were confirmed as a true and accurate record.	
4.	Matters Arising	
4.1	Stuart Young confirmed that all matters arising are covered in the papers.	

		ACTION
4.2	Cllr David Bill asked about transport funding and whether a further report would be received.	
4.3	Cllr Martin Hill stated that currently waiting until the new government comes in when further information will be known. Stuart confirmed that a report will be brought forward to the AGM in July.	
4.4	<p>Stuart Young highlighted Board meetings and events which are due to be held prior to the General Election on 4th July 2024. Members held a discussion on whether these should still be held, and the following was agreed:</p> <p>Regional Migration Board – Confirm with Cllr Dale as Chair of this Board.</p> <p>Regional Employers’ Board – Confirm with Cllr Foale as Chair of this Board.</p> <p>TfEM – Continue at agreement of the Chair.</p> <p>Executive Board – Cancel.</p> <p>Lead Member for Childrens’ Services– Confirm with Cllr Bradwell as Chair of this Board.</p> <p>Member Development Events – These will be cancelled.</p>	
5.	Chair’s Report	
5.1	Cllr Martin Hill highlighted key areas from his report and the main area of this is in relation to the recent Local Government Elections.	SY
5.2	There are 3 new leaders in the region, and it was agreed to arrange introductory meetings when convenient.	
5.3	Full list of Bills which will go through before the General Election will be issued by 30 th May. Others will have to wait until the new Government is in place.	
5.4	Cllr Matt Relf informed members that he will likely be a member of the transport committee of East Midlands County Combined Authority.	
5.5	Cllr Phil King highlighted the Police & Crime Commissioners and as there are some new PCCs he feels there could be scope to have a more	

		ACTION
	positive working relationship with them. Cllr Sarah Russell stated the possibility of extending an invite to annual meeting.	
5.6	Stuart agreed to extend an invite to the AGM. Also, he will send an invitation to Mayor Claire Ward	SY
5.7	Cllr Tricia Gilby confirmed that she is expecting to be one of the District Council representatives on EMCCA.	
5.8	<u>Resolution</u> Members of the Management Group advised on the outcomes and implications of the local government elections.	
6.	Performance Management	
6.1	Cllr David Bill introduced this report and confirmed the KPIs are currently on-track to be delivered.	SY
6.2	Cllr Bill highlighted the influencing KPI and asked whether the General Election could be an opportunity to set out the aims of EMC.	
6.3	Members held a discussion around the best way forward with this.	
6.4	Cllr Hill stated this could be done via members when they have meetings with their MPs.	
6.5	Cllr Phil King feels there will be a lot of new MPs following the General Election and would it be better to engage after.	
6.6	Stuart Young stated EMC could provide a short summary document (Annual Report) and share with MPs.	
6.7	Cllr David Bill asked that EMC should look at opportunities to share with local/regional media.	
6.8	Cllr Jewel Miah asked how EMC could increase member attendance.	

		ACTION
6.9	Stuart Young stated that regular reminders will be sent prior to meetings and also engagement with Political Group Leaders to encourage attendance.	
6.10	<p><u>Resolution</u></p> <p>Members of the Management Group considered and endorsed the proposed key performance indicators for 2024/25.</p>	
7.	Corporate Governance	
7.1	Cllr Tricia Gilby introduced this report and highlighted responsibilities for an annual external audit to be undertaken.	
7.2	In terms of risk management, Government grant funding was highlighted as a risk and potentially subject to review after the General Election.	
7.3	Stuart Young confirmed that the internal review final report had not yet been received from NCC audit. This is a cause for frustration, despite clarification being provided to the auditor's queries.	
7.4	It was noted that there are likely to be recommendations on how arrangements relating to confirmation and reporting of external grants should be tightened.	
7.5	Steve Charlesworth highlighted a number of difficulties being experienced with Nottingham City Council finances and how this has impacted upon EMC's processes and systems.	
7.6	Cllr Martin Hill asked whether we need to look at options for internal audit and also future arrangements for accountable body.	
7.7	Stuart to provide a report for the next meeting on accountable body arrangements and the effectiveness of the SLA.	SY
7.8	Cllr Jewel Miah suggested a conversation is held with Directors at Nottingham City initially.	

		ACTION
7.9	Cllr Hill highlighted the urgency of the internal audit in order to give assurances.	
7.10	Stuart confirmed that plans have been put in place for issues which we think will arise from the audit.	
7.11	Steve confirmed that internal audit is more to give assurance to accountable body.	
7.12	<u>Resolution</u> Members of the Management Group: <ul style="list-style-type: none"> ▪ Considered and endorsed EMC's External Financial Audit – Draft Statement of Accounts 2023-24. ▪ Noted the summary position on organisational risk management. ▪ Noted developments in relation to the internal audit review. 	
8.	Conduct and Standards	
8.1	Cllr Jewel Miah introduced this report and confirmed there are no issues to highlight.	
8.2	<u>Resolution</u> Members of the Management Group noted the contents of the report.	
9.	Review of Constitution and Support Governance	
9.1	Stuart Young introduced this report and confirmed most of the changes reflect what has previously been discussed at meetings.	
9.2	He highlighted the significant changes to the Constitution.	
9.3	<u>Resolution</u> Members of the Management Group considered and endorsed the revised constitution and supporting governance.	
10.	Annual General Meeting – 12th July 2024	

		ACTION
10.1	Members discussed and agreed on the agenda for the forthcoming AGM on 12 th July 2024. The following reports will be included in the papers: <ul style="list-style-type: none"> ▪ Board Reports ▪ Annual Report 	
10.2	Invitation to be sent to Mayor Claire Ward, Sir John Peace and a representative from King's Fund.	
10.3	Members suggested holding the councillor ' <i>one year on</i> ' event in the afternoon of AGM.	
11	Any Other Business	
11.1	None.	



**Management Group
6th September 2024**

Chair's Report

Cllr Martin Hill OBE

Summary

The following report provides a summary information on East Midlands MPs with Ministerial roles, the nomination of local government representatives onto Midlands Connect and Midlands Engine Executive Board.

Recommendations

Members of Management Group are invited to:

- Consider the General Election results, Ministerial appointments and update on Government's legislative programme.
- Consider nominations to Midlands Connect and Midlands Engine Executive Boards.
- Agree that EMC offers a response to the MHCLG consultation on changes to the NPPF as highlighted in section 3 of this report.
- Consider the implications of this analysis to inform future work on investment and growth.

1. General Election Results and Ministerial Appointments

- 1.1 The East Midlands is divided into 47 parliamentary constituencies. Of these 47 seats:
- Labour - 29 seats (+21)
 - Conservative - 15 seats (-20)
 - Reform - 2 seats (+1)
 - Independent - 1 seat (-1)
- 1.2 Note – there is one more than the 46 MPs elected in 2019 general election, as a result of the 2023 boundary review of parliamentary constituencies. Previously, the East Midlands had 35 Conservative MPs, 8 Labour MPs, 2 independent MPs, and 1 Reform UK MP.
- 1.3 The following Ministerial appointments have been made of MPs and Members of the House of Lords from within the region:
- Liz Kendall MP as Secretary of State for Work and Pensions
 - Alex Norris MP as Parliamentary Under-Secretary of State (MHCLG)
 - Lilian Greenwood MP as Parliamentary Under-Secretary of State (DfT)
 - Gen Kitchen MP as an Assistant Whip, House of Commons
 - Lord Coaker as a Minister of State in the Ministry of Defence (ex-Gedling MP)
 - Baroness Merron as Parliamentary Under-Secretary of State (DHSC) (ex-Lincoln MP)
- 1.4 MHCLG Ministerial Portfolios have now been confirmed as follows:
- The Rt Hon Angela Rayner MP – Deputy Prime Minister and Secretary of State for the Ministry of Housing, Communities and Local Government
 - Matthew Pennycook – Minister of State for Housing and Planning
 - Jim McMahon OBE MP – Minister of State for Local Government and English Devolution
 - Alex Norris MP – Parliamentary Under Secretary of State for Democracy and Local Growth
 - Rushanara Ali – Parliamentary Under Secretary of State for Building Safety and Homelessness
 - Baroness Taylor of Stevenage – Parliamentary Under Secretary of State for Housing and Local Government (Lords)
 - Lord Wajid Khan of Burnley – Parliamentary Under Secretary of State for Faith, Communities and Resettlement (Lords)

2. Labour Government's Legislative Programme

- 2.1 The 2024 King's Speech was held on 17th July 2024. The Speech and accompanying memorandum included 40 Bills, of which 2 were carried over

from the previous parliamentary session (including the HS2 Rail, Crewe to Manchester Hybrid Bill). This is the highest number of Bills in a Kings/Queen's Speech for since 2005.

- 2.2 The Government has committed to be 'mission-driven', focusing on 5 key areas: growth, the NHS, clean energy, safer streets and opportunity, and the Kings Speech and accompanying notes were organised around the 5 missions. Proposed bills of particular interest to the sector include:

Economic Stability and Growth

- Planning and Infrastructure Bill – changes to the planning system in part to streamline the process for critical infrastructure.
- Employment Rights Bill – it covers a range of measures that will impact upon local government as an employer.
- English devolution Bill - a bill to create a more standardised framework for English devolution and to accelerate devolution to England.
- Passenger Railway Services (Public Ownership) Bill – a bill to amend rail legislation to make a public sector operation the default.
- Better Buses Bill – Reform to bus services and franchising, including allowing local control and supporting public ownership.
- Railways Bill – a bill to reform rail including the establishment of GBR and allow rail contracts to be taken into public ownership at the end of contracts of it providers fail to deliver.

Secure Borders, Cracking Down on Anti-social Behaviour and Take Back our Streets

- Border Security, Asylum and Immigration Bill – a bill to strengthen border security, crack down on organised immigration crime and reform the asylum system.

Break Down the Barriers to Opportunity

- Skills England Bill – a bill to establish Skills England, a public body to improve workforce skills.

Other Bills

- Draft Audit Reform and Corporate Governance Bill – a bill to introduce a new Audit Reporting and Governance Authority to regulate auditing.

3. Changes to the National Planning Policy Framework (NPPF)

- 3.1 The NPPF is the statement of the Government's policies as they apply to Local Planning Authorities. As such it has been revised on a regular basis to reflect the Government's changing priorities. The NPPF is not 'law' but does carry significant weight in planning decisions.

3.2 The Government has published a number of proposed changes for consultation, with a closing date for comments of the 24th September 2024. These changes reverse those made by the previous Government in 2023 in response to backbench concerns about housing development, but also includes a number of new measures designed to promote growth. Key changes include:

- Requiring all LPAs to use the same (revised) standard method to calculate Local Housing Need – which LPAs should plan to deliver unless clear constraints can be demonstrated (e.g. National Park designation, protected habitats or extensive flood risk areas).
- Requiring LPAs to undertake Greenbelt reviews where local housing need cannot be accommodated elsewhere and introducing the concept of ‘greybelt’ as a development option.
- Reinstating the requirement for a five-year land supply (plus a ‘buffer’) and strengthening the ‘presumption in favour of sustainable development’
- Focusing ‘design codes’ on areas of greatest change rather than requiring a LPA wide approach and removing references to ‘beauty’ as a policy criteria.
- Removing the requirement for at least 10% of ‘affordable’ housing for home ownership products and placing a greater emphasis on delivering social housing.
- Strengthening the weight given to delivering net-zero through renewable energy and also to modern commercial development such as giga factories and data centres.
- Strengthening support for cross boundary strategic planning using existing mechanisms, including by highlighting groups of LPAs that would benefit from working together and using powers of direction if necessary.

3.3 The Executive Director chaired a regional chief executive meeting with MHCLG Chief Planner on 8th August 2024 whereupon it was requested that EMC offer a regional response to the consultation. It is proposed that this response is drafted and submitted as part of MHCLG’s consultation, subject to sign-off by the Executive Board at its meeting on 27th September 2024.

4. Nominations to Outside Bodies

4.1 Following the local elections in May, and in accordance with their agreed governance arrangements, both Midlands Connect and Midlands Engine are required to refresh the membership of their respective leadership boards.

4.2 It is custom and practice for local authority nominations to Midlands Connect and Midlands Engine in the East Midlands region to be managed through EMC.

- 4.3 Midlands Connect have asked for EMC's support in nominating 3 Leaders from the East Midlands to be members of its Strategic Board.
- 4.4 Midlands Engine have asked for EMC's support in nominating 4 Leaders from the East Midlands to be members of its Executive Board.
- 4.5 In nominating board membership, EMC has reference to political balance, geography, urban-rural balance and equality & diversity considerations.
- 4.6 In addition, and particularly since the formation of the East Midlands County Combined Authority, consideration should also be given to the typology of Local Transport Authorities in the region (County, Unitary, and Combined Authority).
- 4.7 There is an expectation that the new EMCCA Mayor is offered a place onto the Midlands Connect Strategic Board, as 1 of the 3 East Midlands members, given its status as the local transport authority for the combined authority area.
- 4.8 The EMCCA Mayor is invited automatically onto the Midlands Engine Executive Board and not via the East Midlands local authority cohort.
- 4.9 In considering nominations to both Midlands Connect and Midlands Engine alongside each other, a full as practical regional coverage is ensured. The current membership is:
 - a) Midlands Connect: Mayor Peter Soulsby (Leicester City), Cllr Nick Rushton (Leicestershire), Cllr Ben Bradley (Nottinghamshire).
 - b) Midlands Engine: Cllr Martin Hill (Lincolnshire), Cllr Barry Lewis (Derbyshire), Cllr Neghat Khan (Nottingham), Cllr Nadine Peatfield (Derby).
- 4.10 It was agreed at EMC's AGM in July 2024 that EMC Chair and Vice Chairs, in consultation with Political Group Leaders, TfEM Chair and existing members of Midlands Connect and Midlands Engine, were given delegated authority to confirm these nominations. Once agreed, the nominations will be reported to the next meeting of EMC's Executive Board for formal endorsement.

5. Regional Investment – National Statistics

- 5.1 HM Treasury publishes an annual Public Expenditure Statistical Analysis (PESA) every July on where public money (capital and revenue) is spent and on what, in the previous financial year. The data has the status of 'National Statistics' as defined by ONS and has been published on a broadly consistent basis over several decades.

- 5.2 The latest publication covers the period 2018-19 to 2022-23. EMC undertakes a summary analysis of this annual publication, attached as Appendix 5(a). Having the status of 'National Statistics' published by HM Treasury, it is irrefutable evidence of the on-going low levels of investment in the East Midlands for all core economic development metrics.
- 5.3 Please note that this summary is still draft and will be subject to further analysis and checking but is presented to Management Group to consider the implications of this analysis to inform future work on investment and growth.

6. Recommendation

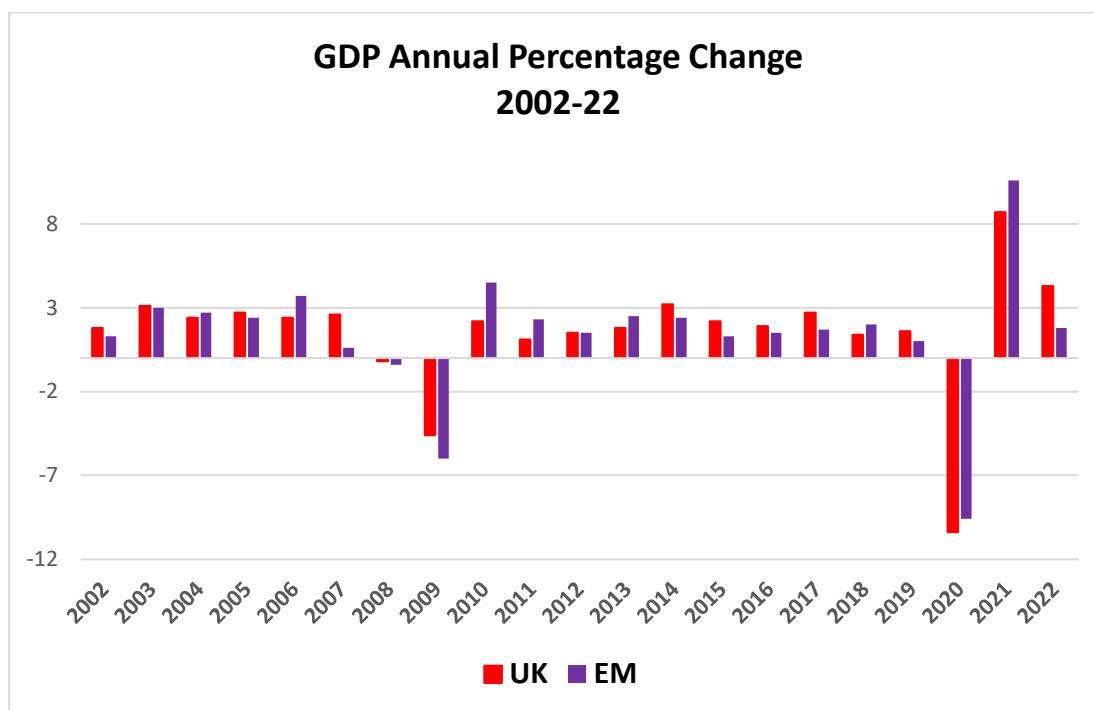
Members of the Management Group are invited to:

- 6.1 Consider the General Election results, Ministerial appointments and update on Government's legislative programme.
- 6.2 Consider nominations to Midlands Connect and Midlands Engine Executive Boards.
- 6.3 Agree that EMC offers a response to the MHCLG consultation on changes to the NPPF as highlighted in section 3 of this report.
- 6.4 Consider the implications of this analysis to inform future work on investment and growth.

Cllr Martin Hill OBE
Chairman
East Midlands Councils

Growth, Productivity & Investment in the East Midlands

1. The East Midlands is a region of 4.87 million people and 368,000 businesses¹. Total regional output in 2022 (as measured by GDP) was £146.4bn, equivalent to 5.8% of the UK economy. The East Midlands employment rate is close to the UK average at 74.6% (UK=74.5%). Median weekly earnings are below the UK average: £640 pw compared to £682pw. 10.3% of the workforce work in manufacturing, compared with 7.1% for the UK – although this percentage has declined significantly in recent years. The region's unemployment rate has increased recently and is now above the UK average: currently at 5.6% compared to 4.3%.
2. GDP growth in the East Midlands over the last 20 years has been better than most other regions/nations but more recently has fallen sharply². Productivity has remained below the UK average over the last 20 years and has been declining relative to the UK to 84.4% in 2022³. The region has therefore been growing its economy by growing its population - not by becoming more productive.

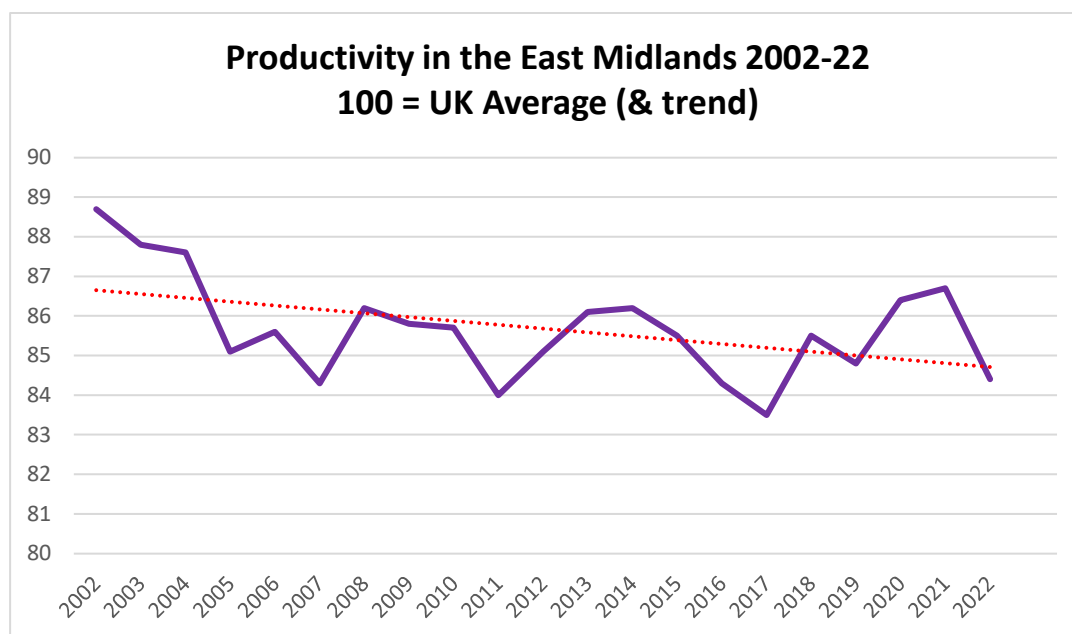


Source: [Regional gross domestic product: all ITL regions - Office for National Statistics](#)

¹ [Regional and National Economic Indicators - House of Commons Library \(parliament.uk\)](#)

² <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/regionaleconomicactivitybygrossdomesticproductuk/1998to2022#gross-domestic-product-by-uk-country-and-region>

³ [Annual regional labour productivity - Office for National Statistics \(ons.gov.uk\)](#)

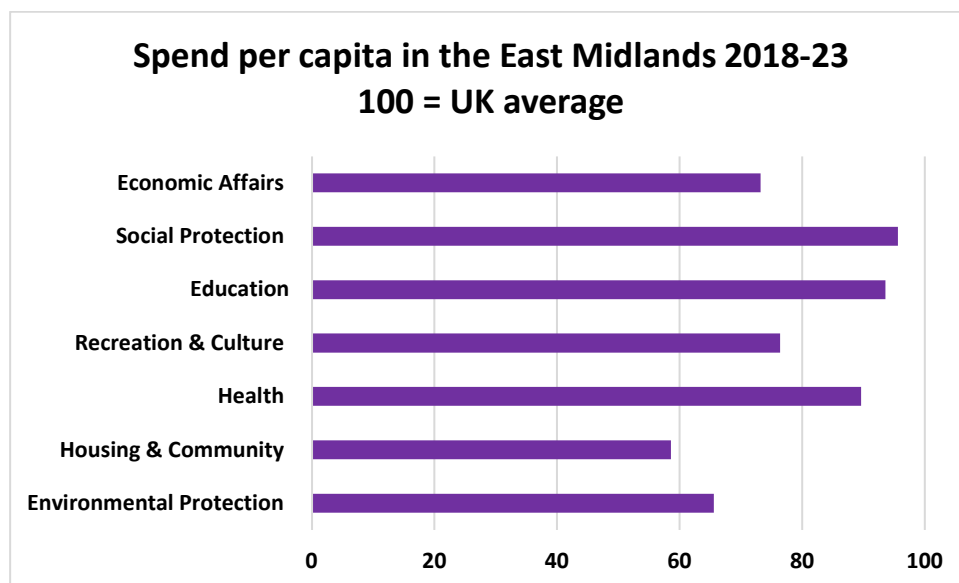


Source: [Annual regional labour productivity - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/economy/productivity/annual-regional-labour-productivity)

Public Investment

3. The Treasury publishes an annual Public Expenditure Statistical Analysis (PESA) every July on where public money (capital and revenue) is spent and on what, in the previous financial year.⁴ The data has the status of 'National Statistics' as defined by ONS and has been published on a broadly consistent basis over several decades. Over period 2018-23 total spend per head in the East Midlands on the functions listed below were all below the UK average.

⁴ [Public Expenditure Statistical Analyses 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/publications/public-expenditure-statistical-analyses-2024)



Source: [Public Expenditure Statistical Analyses 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/public-expenditure-statistical-analyses-2024)

4. Table 1 shows the total identifiable expenditure on services per head in real terms, 2018-19 to 2022-23; examples include spending on health, transport, economic affairs, education, and social protection.
5. Between 2018-19 to 2022-23, total expenditure on services has remained consistently below the England average. If the Northern Powerhouse is seen as a primary competitor for investment funds, then it's certainly out in front (£1,321 per head better funded than the East Midlands). And there's an imbalance within the pan-Midlands partnership with the West Midlands, at a little over £957 per head better off, faring comparably well too.

Table 1: Total Expenditure on Services (Real Terms, £ per head)					
	2018-19	2019-20	2020-21	2021-22	2022-23
London	12,072	12,339	16,476	14,625	14,486
North East	11,525	11,597	14,228	12,896	12,938
North West	11,283	11,358	14,236	12,916	12,845
UK	10,963	11,100	14,141	12,648	12,549
England	10,638	10,778	13,864	12,278	12,227
West Midlands	10,654	10,737	13,55	12,227	12,182
Yorks & Humber	10,450	10,525	13,325	11,820	11,855
South West	10,116	10,271	13,197	11,539	11,492
East	9,916	10,105	13,139	11,374	11,309
South East	9,878	9,971	12,986	11,338	11,244
East Midlands	9,773	9,920	12,710	11,151	11,225

Item 5, Appendix (a)

6. Table 2 show the level of expenditure on economic affairs, per head for 2018-19 to 2022-23. This area of expenditure includes enterprise and economic development, science and technology, employment policies, agriculture, fisheries and forestry, and transport.

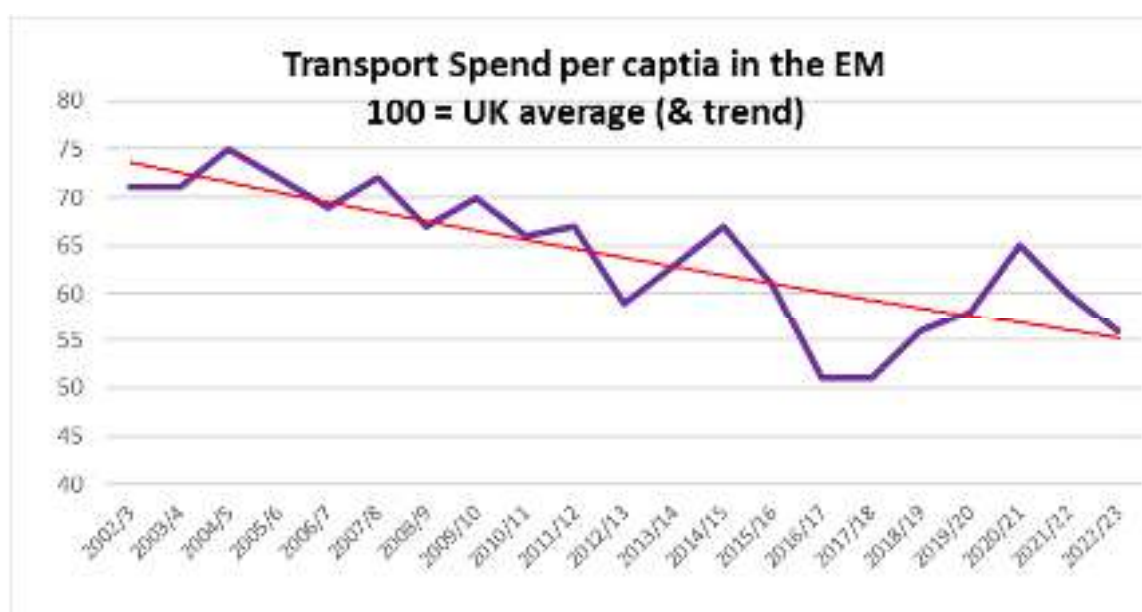
Table 2: Expenditure on Economic Affairs (£ per head)						Per Head (indexed)
	2018-19	2019-20	2020-21	2021-22	2022-23	
London	1,336	1,419	4,327	2,363	2,685	146
UK	884	963	3,049	1,482	1,834	100
England	852	934	3,055	1453	1,805	98
West Midlands	843	887	2,751	1,415	1,787	97
South East	918	1,034	3,090	1,470	1,786	97
North West	748	771	2,726	1,312	1,713	93
East	839	965	3,092	1,399	1,705	93
North East	697	736	2,530	1,125	1,599	87
Yorks & Humber	625	710	2,622	1,117	1,489	81
South West	659	772	2,807	1,141	1,459	80
East Midlands	594	666	2,552	1,025	1,420	77

7. For this important element of public investment, it is not solely that the East Midlands is the lowest funded region per head of the population, it is the consistently wide gap between East Midlands' levels and the national average (£385 less per head at 2022-23 prices), and 21% less than the West Midlands who are partners in the Midlands Engine. Leaving aside 2021-22 data that is inflated for all regions as a result of Covid support programmes and funding, the overall trend remains a concern with the significant gap between the East Midlands and England as a whole now evidently 'baked in'.
8. In monetary terms, over the 5 year time frame covered by the PESA 2024 publication, the difference between East Midlands levels of funding against the England average equates to be approximately **£20bn in loss of funding**, and £15.2bn less than the level received by the West Midlands region.
9. Table 3 shows levels of transport investment. There are a number of evident trends:
- Transport spend per head has been very significantly below the UK average level for all of the last 5 years, and previous PESA publications show this to be trend for 10+ years.
 - Transport expenditure per head in the East Midlands has worsened.
 - Transport spending in the East Midlands has now declined to just 56% of the UK average for 2022/23, the lowest level of any UK region or nation.

Item 5, Appendix (a)

- d) The disparity in levels of investment spend per head between the East Midlands (£361) and the West Midlands (£694) continues to widen. This is likely due to large-scale infrastructure programmes including HS2 and related highways investment.
- e) If the region was funded at a level equivalent to the England average over the 5 years (2018-19/2022-23), a not unrealistic target, the East Midlands would have received an extra £18.9bn to spend on transport investment and services.

Table 3: Expenditure on Transport (£ per head)						Per head (indexed)
	2018-19	2019-20	2020-21	2021-22	2022-23	
London	901	842	1411	1240	1,275	196
West Midlands	489	506	634	690	694	107
UK	484	502	732	659	648	100
England	478	494	739	656	642	99
North West	449	451	584	609	637	98
South East	447	529	795	643	571	88
East	473	462	683	596	529	82
North East	323	362	566	464	502	77
Yorks & Humber	311	339	529	424	418	65
South West	301	342	484	411	388	60
East Midlands	277	309	468	382	361	56



Source: [Public Expenditure Statistical Analyses 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/publications/public-expenditure-statistical-analyses-2024) & previous releases

10. Table 4 shows levels of rail investment over the period 2018-19 to 2022-23. On rail spending specifically, aside from wider transport investment, there are slightly different trends.

- a) Clearly, there are some winners and losers, with some areas seeing a significant increase in the levels of investment between 2021-22 and 2022-23, e.g. 13% increase in London, 8% in West Midlands and North West. In the East, there was a 12% reduction, and a 16% reduction in the South West.
- b) Rail investment per head in the East Midlands is only 36% of that of the West Midlands, and the gap continues to widen and risks further doing so as HS2 investment is delivered.
- c) With reference to the actual levels of investment, the disparity between the East and West Midlands is higher, with the East Midlands receiving only 30% of the investment received by the West Midlands (£911m and £3,074m respectively).
- d) Over a 5 year period as listed in the table, the North East and the East Midlands are the two regions with the lowest levels of rail spending per head (an average of £165 p.a., against an England average of £355 p.a.).

Table 4: Expenditure on Railways (£ per head)					
	2018-19	2019-20	2020-21	2021-22	2022-23
London	707	653	925	842	952
West Midlands	289	288	388	473	510
England	283	275	427	388	403
North West	245	243	338	352	384
South East	240	249	446	328	321
East	236	233	433	363	320
North East	114	111	201	183	213
Yorks & Humber	133	130	240	228	206
East Midlands	118	119	213	190	185
South West	139	148	230	195	163

11. There are a number of policy implications that Members may wish to consider including tangible evidence of what was previously known as ‘levelling up’ through public investment, as the official data indicates that in the case of the East Midlands, the reverse appears to be happening.

12. It also presents a challenge EMC/TfEM, combined authorities and organisations including Midlands Connect and Midlands Engine to demonstrate impact of the collective approach on these matters.



Management Group

6th September 2024

Lead Member Report

Budget and Finance Control

Budget Monitoring Report Period - April 2024 to July 2024

Summary

This report presents the accounts for the period April 2024 to July 2024.

This is the first set of management accounts presented to Management Group for the financial year 2024/25 continuing the format including the main budget heads, specifically: Core Services, Contracts and Grants, Consultancy, Member Learning and Development, Fee Paying Events and Services.

Recommendation

Members of the Management Group are invited to:

- Note the actual financial position for the period to the end of July 2024 and the associated forecast outturn to 31st March 2025.
- Approve amendments to Budget to incorporate increases to Government Grants for the current year.

1. Key Points

- 1.1 The budget surplus of £4,800 was set for 2024/25. The forecast for March 2025 remains at a surplus of £4,800.
- 1.2 Since the budget was set in March 2024 the Home Office Migration related Grants was expected to reduce from the 2023-24 level of £393,000, (which included an additional "Variation" grant of £68,000 which was expected to be a one-off grant) back to the previous level of £325,000. The additional £68,000, however, has continued for 2024-25. This has not yet been included in the budget figures at present but will be as soon as it is clear how this additional grant will be spent. There is no impact on the surplus.
- 1.3 The longer-term resilience and sustainability remain uncertain as the Midlands Connect contracted income is only secured on a one-year basis, as is the Rail Collaboration Scheme. While there is on-going commitment to fund asylum and refugee resettlement, and longer terms arrangements are being discussed, current Home Office and MHCLG grants are 12 months up to March 2024.
- 1.4 This report, and appendices, highlights the current financial position at a summary level and for each of the cost centres, together with an end of year forecast. Actuals to the end of July include only 'banked' or 'committed' savings and/or additional income invoiced at this time, while Staff costs include the August payroll figures.

2. Financial Report Period Ending July 2024

- 2.1 The financial statements, attached as Appendix 6(a) to (f), detail the financial position for the period up to the end of July 2024. It also provides a forecast for the outturn as of 31st March 2025.
- 2.2 The staffing budgets and charges are allocated to each cost centre based on the estimated time spent by staff on each activity.
- 2.3 Corporate staff, those not working on specific grant funded projects, and other corporate costs are allocated on an agreed percentage basis across all 5 key areas of work. The corporate staff costs have been assimilated into the staffing costs for each cost centre together with the other corporate costs (rent, service level agreements, etc.) and are shown as overhead costs across all cost centres.

3. Staffing

- 3.1 The staffing budget now stands at £1,271,400 which includes any associated incremental payments which was effective from April 2024 but does not yet include additional costs emanating as a result of the additional Migration Grant, outlined in paragraph 1.2, above.

4. Income

- 4.1 Income to East Midlands Councils is split between:
- Membership Subscriptions.
 - Grants and Contracts, of which there are six: Asylum Grant, Resettlement Grant, (these encompass: Unaccompanied Asylum Seeking Children's (UASC) Grant, English as a Secondary or Other Language (ESOL) Grant), which are funded by the Home Office; the Hong Kong (Nationals) Grant and Homes for Ukraine Grant which are funded by the MHCLG; and Midlands Connect and the Rail Collaboration Project, both of which are secured through contracts. There are other short term schemes which are funded with a mix of Government and Local Authority contributions (these are detailed in paragraph 7.3).
 - Earned Income, which consists of a mix of consultancy work, services, fees, events and courses provided to member authorities.
- 4.2 Membership Subscriptions budget includes South Holland District Council, who determine each year whether they will continue in membership as they issue notice to leave which can carry forward, who have agreed to remain as members for 2024-25.

5. Direct Costs

- 5.1 Direct costs relate to, and are charged directly to, cost centres from source, they include: room hire, catering, professional fees, travel costs/mileage and event publicity costs. There are likely to be additional costs emanating from the additional funding from the Home Office and these will be incorporated into this budget once the exact split of expenditure is determined.

6. Corporate Costs

- 6.1 These costs include premises rent; computer and office equipment; service level agreements; external / pension valuation costs; publicity / website costs; telephone, stationery, printing and materials.

- 6.2 The costs of these are initially charged in full to the Core Funds cost centre and then apportioned across all cost centres as overhead costs, though the largest proportion is retained within core services.
- 6.3 The allocation of corporate costs charged as overheads to cost centres totals £82,100 which is slightly less than last year.

7. Rechargeable Items

- 7.1 In addition to all costs and income associated with the five cost centres, there are currently a number of projects that have either started, or are in the process of being set up, where EMC acts as a conduit to disperse the funding provided to be spent in pursuance of the specified activity on behalf of other organisations. The financing and spending for these activities are not shown in the attached appendices.
- 7.2 The current rechargeable projects are: Place to Call Home; Regional Immigration Support (previously known as the UASC Regional Fund); Rail Collaboration Project; Regional Strategic Needs Analysis; the East Midlands DfE RIIA Funding Bid; and, previous years' grant for English as a Secondary or Other Language.
- 7.3 The current position for each of these is shown below:

a) Place to Call Home (UASC)	£
Balance b/fwd from 2023/24	105,377
Payments made in 2024/25	<u>38,349</u>
Balance currently held	<u>67,028</u>
b) ESOL (Previous Balances)	£
Balance b/fwd from 2023/24	50,227
Payments made in 2024/25	<u>0</u>
Balance currently held	<u>50,227</u>
c) Regional Immigration Support	£
Balance b/fwd from 2023/24	6,784
Invoices raised in 2024/25	<u>0</u>
Balance currently held	<u>6,784</u>

d) Rail Collaboration Project	£
Balance b/fwd from 2023/24	141,852
Grant received in 2024/25	<u>126,412</u>
	268,264
Payments made in 2024/25	<u>60,814</u>
Balance currently held	<u>207,450</u>

e) UASC Strategic Needs/DfE RIIA	£
Balance b/fwd from 2023-24	88,565
Grants received in 2024-25	<u>0</u>
	88,565
Payments made in 2024-25	<u>0</u>
Balance currently held	<u>88,565</u>

- 7.4 The funding currently held from these projects, currently £420,054, is held by Nottingham City Council in the same way as all EMC funding is managed and interest earned on the sums held is credited to EMC at the end of the financial year. The balance held at the end of 2023/24 was carried forward into this year's accounts and any remaining balances at the end of this year will be treated as Receipts in Advance and will be carried forward to 2025-26.

8. Reserves and Liabilities

- 8.1 At the beginning of the financial year 2024/25 the level of 'usable reserves' was £598,900, which is allocated to fund various purposes as listed below:
- £310,900 to an earmarked reserve for staffing liabilities (except pension liabilities).
 - £36,000 to an earmarked reserve for renewals.
 - £33,000 to an earmarked reserve for the Local Government Re-Structuring implications.
 - £219,000 to an unallocated reserve to manage unforeseen financial events.
- 8.2 All these reserves are invested on EMC's behalf by our accountable body in accordance with their investment policies which means that any interest being earned by our reserves is allocated back to EMC at the end of the financial year. £500,000 of this is invested in a 12-months fixed term deposit earning 4.95% interest (delegated authority provided by Management Group) which matures on 6th February 2025. Remaining reserves currently earn around 0.1% below Bank of England base rate annually (which is presently 5.00%) and are easily accessible.

9. Summary

9.1 Members are advised that in securing the anticipated budget out-turn, the following financial risks are identified as the most significant to EMC and require active management:

- a) The Earned Income budget (£311,300) includes all forms of income except Subscriptions, Grants and Contracts, Secondments and Sponsorship and is derived essentially from courses, events and consultancy opportunities created by EMC staff. It is therefore vulnerable to the demands and capacity of the sector. The budget has been constant for a number of years and remains at a level set when EMC was a larger organisation. Achieving actual income to the level of the budget has always proved difficult, and so achieving the budget will again be challenging.
- b) Expenditure budgets (totalling £1,720,900) are monitored closely. Staffing costs (Budget £1,271,400), which account for almost 74% of the total expenditure, are set and manageable which just leaves £449,500 as Other Expenditure and though some of this is variable, variances are picked up quickly.
- c) Grants and Contracts (Budget £1,122,300) are secure for the current year.

10. Recommendation

Members of the Management Group are invited to:

- 10.1 Note the actual financial position for the period to July 2024 and the associated forecast outturn to 31st March 2025.
- 10.2 Approve amendments to the Budget to incorporate increases to Government Grants for the current year.

Cllr Sarah Russell
Vice Chair
East Midlands Councils

EMC	Approved Budget 2024/25	Profiled to Forecast 2024/25	Actual to July 2024		Forecast to March 2025	Variance
	£	£	£		£	£
Income						
Subscriptions	292,100	0	0		292,100	0
Grants – Home Office	440,000	0	0		440,000	0
Grants - DLUHC	365,300	143,500	143,500		365,300	0
Contracts – MC / DfT	317,000	261,997	261,997		317,000	0
Earned Income	311,300	125,150	106,719		311,300	0
Total	1,725,700	530,647	512,216		1,725,700	0
Expenditure						
Staffing	1,271,400	433,800	420,861		1,271,400	0
Members Allowances	25,000	8,333	7,300		25,000	0
Premises	27,000	9,000	8,400		27,000	0
Service Level						
Agreements	18,500	0	0		18,500	0
Other Direct Costs	379,000	126,333	139,580		379,000	0
Total	1,720,900	577,467	576,141		1,720,900	0
Surplus/-Deficit	4,800	-46,820	-63,925		4,800	0

Summary Position to the end July 2024:

The financial position to the end of July shows a spend and income level which is likely to result in a surplus of £4,800 for the financial year.

The “Actual” column includes actual spend and income to the end of July 2024, including staffing costs.

Staffing costs are charged to cost centres on the basis of time spent by staff on specific pieces of work. Unfortunately, the payroll system does not capture the correct codes which means that for some cost centres there is an overspend currently and for others an underspend. This should be rectified shortly. The Staffing costs position overall is that spend is in line with budget profile.

The actual spend is in line with budget profiles to the end of July. Earned Income is showing slightly less income than might be expected but this is likely to improve during the Autumn months.

The Ukraine Grant and the Rail Collaboration Scheme for the current year have been paid up front. The Home Office Migration related grants are paid over the course of the year and the first payment is normally due in the Autumn.

Corporate and Core Services	Approved Budget 2024/25	Profile to Forecast 2024/25	Actual to July 2024	Forecast to March 2025	Variance
	£	£	£	£	£
Income					
Subscriptions	292,100	0	0	292,100	0
Interest	23,500	0	0	23,500	0
Total	315,600	0	0	315,600	0
Expenditure					
Staffing	228,500	69,500	69,430	228,500	0
Members Allowances	25,000	8,333	7,300	25,000	0
Premises	27,000	9,000	8,400	27,000	0
Service Level Agreements	18,500	0	0	18,500	0
Other Direct Costs	45,100	15,033	17,082	45,100	0
Overhead Costs	13,000	4,333	4,333	13,000	0
Recharged to Cost Centres	-82,100	-27,367	-27,367	-82,100	0
Total	275,000	78,833	79,178	275,000	0
Surplus/-Deficit	40,600	-78,833	-79,178	40,600	0

Position to the end of July 2024:

Membership Subscription income is likely to be complete shortly once we have received all the remaining purchase orders from member authorities.

Staffing costs are coded to cost centres on the basis of time spent by staff on specific pieces of work. Unfortunately, the payroll system does not capture the correct codes. The situation for this cost code is that there are excess charges, but the figures have been adjusted. This should be rectified shortly.

Service Level Agreements, Premises costs remain in line with the budget whilst Members Allowances appear likely to be underspent for the year.

Contracts & Grants	Approved Budget 2024/25	Profile to Forecast 2024/25	Actual to July 2024		Forecast to March 2025	Variance
	£	£	£		£	£
Income						
Grants – Home Office	440,000	0	0		440,000	0
Grants – MHCLG	365,300	143,500	143,500		365,300	0
Contracts – MC/DfT/DfE	317,000	261,997	261,997		317,000	0
Total	1,122,300	405,497	405,497		1,122,300	0
Expenditure						
Staffing	893,500	297,833	292,215		893,500	0
Direct costs	239,800	79,933	32,988		236,100	0
Overhead costs	51,500	17,167	17,433		52,300	0
Total	1,184,800	394,933	396,754		1,201,900	0
Surplus/-Deficit	-62,500	10,564	8,743		-62,500	0

Position to July 2024:

Migration Grants

Home Office grant has remained at £393,000 in the current year and the extension of the variable grant of £68,000 is not yet included in these figures but will be as soon as the spend of this funding is determined.

The MHCLG Hong Kong Grant of £295,000. DLUHC also provide the Ukraine Grant of £70,000 which totals £365,300. These have now been incorporated into the income and expenditure figures. There will be no impact on the projected surplus.

Transport Contracts

An increase to the Rail Franchise Project has been agreed at £121,500 and added to this is an assumption of £99,500 spend from associated contributions from local authorities which now totals £221,000.

Midlands Connect work totals £90,000 of which £50,000 is funded by Midlands Connect directly and £40,000 is funded by other one-off work and sources.

Other income and expenditure figures are in line with budget profiles.

Member Development	Approved Budget 2024/25	Profiled Budget 2024/25	Actual to July 2024		Forecast to March 2025	Variance
	£	£	£		£	£
Income						
Development	6,000	2,000	2,600		6,000	0
Total	6,000	2,000	2,600		6,000	0
Expenditure						
Staffing	13,100	11,033	10,419		13,100	0
Direct costs	2,800	933	2,484		2,800	0
Overhead costs	3,900	1,300	1,300		3,900	0
Total	19,800	13,267	14,203		19,800	0
Surplus/-Deficit	-13,800	-11,267	-11,603		-13,800	0

Position to the end of July 2024:

This cost centre has been particularly badly hit by the impacts of the pandemic with the nature of courses changing. Income is better than profiled but this is due to courses for new Councillors.

Staffing costs are coded to cost centres on the basis of time spent by staff on specific pieces of work. Staffing allocations for this cost centre have been reduced and charged to Core work.

Consultancy	Approved Budget 2024/25	Profiled Budget 2024/25	Actual to July 2024		Forecast to March 2025	Variance
	£	£	£		£	£
Income						
Earned Income	123,700	30,925	15,676		123,700	0
Total	123,700	30,925	15,676		123,700	0
Expenditure						
Staffing	77,500	25,833	29,567		77,500	0
Direct costs	26,000	8,667	,9,179		26,000	0
Overhead costs	6,200	2,067	2,067		6,200	0
Total	109,700	36,567	40,813		109,700	0
Surplus/- Deficit	14,000	-5,642	-25,137		14,000	0

Position to the end of July 2024:

Consultancy income is lower than budget profile at present but is expected to recover over the next few months.

Direct Expenses is above profile and relates to charges made for outside consultants and these too will be recharged to customers shortly and the budget forecast has been amended accordingly.

Staffing costs are coded to cost centres on the basis of time spent by staff on specific pieces of work.

Fee Paying Events/Services	Approved Budget 2024/25	Forecast Profile 2024/245	Actual to July 2024		Forecast to March 2025	Variance
	£	£	£		£	£
Income						
Earned Income	158,100	92,225	88,443		158,100	0
Total	158,100	92,225	88,443		158,100	0
Expenditure						
Staffing	58,800	29,600	25,749		58,800	0
Direct costs	65,300	12,767	11,468		65,300	0
Overhead costs	7,500	2,500	2,500		7,500	0
Total	131,600	53,867	45,193		131,600	0
Surplus/-Deficit	26,500	38,358	43,250		26,500	0

Position to July 2024:

This cost centre is split into two parts: Events and Services. Services, which include ENGWARD, East Midlands Jobs and the Coaching Network, is holding up under the present restrictions, it is the Events' budget which has struggled in recent years, for obvious reasons.

The income earned so far is slightly lower than the budget profile, which covers both services and events and are likely to be better placed during the next few months of the financial year.

Staffing costs are coded to cost centres on the basis of time spent by staff on specific pieces of work.



**Management Group
6th September 2024**

Lead Member Report

Cllr David Bill

**Performance Management
Key Performance Indicators 2024/25 against Business Plan**

Summary

This report updates Members of the Management Group on the approach to measuring performance of EMC against its agreed Business Plan 2024/5.

Recommendations

Members of the Management Group are invited to consider and endorse the proposed key performance indicators for 2024/5.

1. Introduction

- 1.1 The Management Group, as agreed in its terms of reference, has responsibility for performance management specifically, 'to ensure that non-financial performance is properly monitored and to review EMC progress in delivering its annual key performance indicators and report appropriately to the Executive Board'.
- 1.2 The Business Plan is a formal statement of EMC's objectives for 2024/25. The Business Plan was developed in consultation with Members and agreed by Executive Board at its meeting in March 2024, and attached as Appendix 7(a).
- 1.3 This report proposes a set of KPIs for 2024/25 to measure progress against the business plan. The proposed KPIs reflect the revised approach of the current business plan, where EMC will work across four themes: **evidencing, influencing, collaborating and delivering**. The proposed KPIs and supporting information is attached as Appendix 7(b).

2. Summary of Performance against Business Plan

- 2.1 Performance is measured against these KPIs over the period Q1-Q2, 2024/25). Future reporting will be within any changes to the KPIs as agreed by Management Group.

KPI 1 – Evidencing proposals for change and improvement.

- a) To undertake an annual satisfaction survey of member councils on the provision of direct support services.
✓ On Target
- b) To provide EMC Councillors and officers with a weekly policy brief and monitor feedback on a 3 month basis.
✓ On Target
- c) Improve engagement with our membership with at least 50% of all councils in membership accessing EMC virtual networks and platforms to further support opportunities for councillors' leadership.
✓ On Target
- d) To provide benchmarking information and sharing of data and practice to inform decision-making and improvement.
✓ On Target

KPI 2 – Influencing national decisions and decisions makers.

- a) Establish an effective relationship and joint approach between councillors, combined authority mayor(s) and MPs through:
- Holding at least 3 joint events and/or summits.
 - The agreement of joint priorities as the basis for collective work.
- ✓ On Target
- b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan including:
- Review asylum contingency and dispersal arrangements.
 - Progress delivery of Regional Employers & Joint Council priorities
 - Lead member networks for children's services to meet on a quarterly basis.
- ✓ On Target
- c) Secure Parliamentary debate on securing additional investment into the East Midlands.
- ✓ On Target
- d) Alignment and support to the work of Combined Authorities in the East Midlands.
- ✓ On Target
- e) Responses to consultation on proposed changes to employment law and national pay negotiations.
- ✓ On Target

KPI 3 – Collaborating across the sector and with national bodies to deliver shared outcomes.

- a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.
- ✓ On Target
- b) To maintain levels of council membership of EMC (40 councils, as of 1st April 2024).
- ✓ On Target
- c) Working with Midlands Connect, MCCA(s), LEPs and local authorities to:
- Progress the implementation of the 8 agreed infrastructure priorities.
 - Develop a shared long term approach through 'Midlands Connect'.
 - Make progress in the development and delivery of Midlands Engine proposals.

✓ **On Target**

- d) Provide strategic political leadership for the implementation of Network North proposals through support for:
- The EM Stations Growth Board and associated groups; and
 - The Eastern Network Partnership
 - Transport for the East Midlands

✓ **On Target**

KPI 4 – Delivering cost effective services and products on behalf of all our member councils.

- a) Provide direct membership benefits to councils through maintaining the number of councillors participating in the development, skills and briefing programmes against the 4 year average 2020-24 [baseline 168 councillor places].

✓ **On Target**

- b) Provide direct membership benefits through the provision of high quality and relevant councillor development, skills and briefing programmes. At least 75% of all course feedback is rated as 'effective/good' or 'highly effective/very good' [baseline 2023/24; 100%].

✓ **On Target**

- c) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development [baseline 2023/24; 2321 officer places].

✓ **On Target**

- d) To make demonstrable progress in delivering on core EMC policy priority areas:
- Migration
 - Housing and Planning
 - Workforce – supporting councils to progress with workforce priorities.

✓ **On Target**

- e) Facilitating networks and joint working on workforce priorities.

✓ **On Target**

- f) To respond and fully answer 95% of advice requests from member councils within 2 working days.

✓ **On Target**

KPI 5 – Organisational and People Management

- a) Maintain staff sickness rate at less than 6 days per full time equivalent (10.5 days local government average; EMC baseline [2023/24]; 1.36 days with L/T sick, 1.36 days without LT sick).

✓ **On Target**

- b) Wherever possible, to meet all staff learning and development needs, as identified by annual Staff Development Interviews (SDIs).

✓ **On Target**

3. Recommendations

- 3.1 Members of the Management Group are invited to consider progress in meeting the agreed key performance indicators for 2024/25.

Cllr David Bill
Liberal Democrat Group Leader
Lead Member, Performance Management



East Midlands
Councils

Business Plan 2024/25

Foreword

Welcome to the East Midlands Councils (EMC) Business Plan for 2024/25.

In the changing landscape of regional governance and service provision, EMC remains committed to making progress on those issues that matter to the sector fostering collaboration, and driving positive change and growth across the East Midlands.

As we look to the year ahead, with the creation of the East Midlands County Combined Authority (EMCCA), alongside fast progressing plans for a Greater Lincolnshire MCCA and an imminent General Election, 2024/25 will undoubtedly be a year of change for the region, requiring significant levels of resilience, adaptability, and communication.

In recognition of this, the business plan sets out our proposed work, and wider approach, for the next 12 months, collaborating across the sector and with national bodies to deliver shared outcomes; Delivering cost effective services and products on behalf of all our member councils; Evidencing proposals for change and improvement; And influencing national decisions and decision-makers.

It covers the range of EMC's programmes and services, including proposals for greater investment and infrastructure funds, our work on Network North and Levelling Up providing focused member and officer development programmes and our role as the Regional Employers' Organisation; as well as taking forward the management of important refugee and asylum resettlement programmes.

We will continue to add value to the work of our member councils, and regularly offer all councillors and officers in the region opportunities to attend our briefings, skills development, and training events. It remains important that all member councils' access at least one of EMC's discounted services during the coming year, and it is our objective to match last year's success in delivering savings for the sector of over £644,000.

We remain grateful to EMC staff, councillors, and officers across the region for their efforts and on-going engagement - and look forward to continuing to work with colleagues across the East Midlands during 2024/25.



Cllr Martin Hill OBE, Chair of East Midlands Councils

Cllr Sarah Russell, Vice-Chair of East Midlands Councils

Cllr Tricia Gilby, Vice-Chair of East Midlands Councils

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Our role and purpose

The East Midlands is a region of 4.9m people, and over the last 10 years the population has grown above the UK average and in line with London and the South East. A sizeable economy in its own right, in 2020 its 368,000 businesses generated a total regional output of approx. £134bn, equivalent to 5.9% of the UK economy.

EMC is a membership body that works on behalf of and is the voice for local government in the region, being proud to represent all 40 councils in the East Midlands: 4 county councils; 6 unitary councils, 29 district & borough councils and the Peak District National Park Authority.

Our small cohort of staff work across the range of services and programmes that EMC delivers on behalf of its member councils. Our role is to provide support to all member councils to improve their services and a strong collective voice for the East Midlands on matters of strategic importance.



Our core objective is to ensure value added, whether this be through ensuring excellence in the provision of our services and sector-led support or the development of policies and delivering programmes that respond to the needs and priorities of our membership.

The common thread throughout this Business Plan is one of collaboration and partnership working. Working with our membership, through leading and developing regional networks, commissioning research and programmes, sharing learning and best practice, and supporting the development of joint approaches, we aim to build a stronger, more effective regional partnership for the benefit of its councils and their communities.

What we do

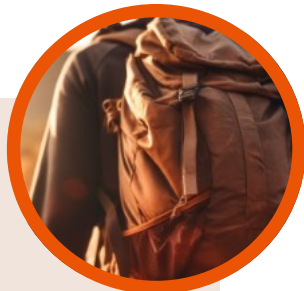
Local Government Workforce & Councillor Development

EMC is the statutory Employers Organisation for local government in the East Midlands. We represent the interests of councils as employers, providing support on workforce issues and development including councillor development. EMC also provides the Regional Joint Council which brings together employers and trade union representatives and gives support to councils on dispute resolution.



Asylum & Refugee Resettlement

EMC, through its Strategic Migration Partnership, co-ordinates collaborative activity on asylum and refugee resettlement, managing the delivery of national UK Government programmes in support of local authorities in the East Midlands. These programmes currently include Asylum Dispersal, Ukrainian visa schemes, Afghan and wider UK resettlement schemes, the National Transfer Scheme for Unaccompanied Asylum-Seeking Children (UASC), and those arriving from Hong Kong with British National (Overseas) status.



Transport & Growth

EMC supports the work of Transport for the East Midlands (TfEM), which brings together the region's ten local transport authorities to provide collective leadership of strategic transport issues, including through a Rail Collaboration Agreement with Department for Transport. EMC also leads collective work to maximise the regional economic benefits of transport infrastructure investment and provides regular updates of key regional metrics on growth and public investment.



Strategic Leadership

EMC in partnership with East Midlands Chamber provides the secretariate for the East Midlands All Party Parliamentary Group (APPG). The APPG is an important vehicle for Local Authority and business representatives to engage with Parliamentarians, ensuring regional priorities are heard in Westminster. EMC also nominates regional representatives to the LGA Executive, LGA Asylum Resettlement Councils Strategic Engagement Group (ARCSEG), the Midlands Connect and Midlands Engine Strategic Boards, and provides the forum for collaborative activity by Children's Services Lead Members and for all 40 Chief Executives.



How we work

East Midlands Councils adds value to the work of councils across the region by:

- **Evidencing** proposals for change and improvement;
- **Influencing** national decisions and decision-makers;
- **Collaborating** across the sector and with national bodies to deliver shared outcomes; and
- **Delivering** cost effective services and products on behalf of all our member councils.

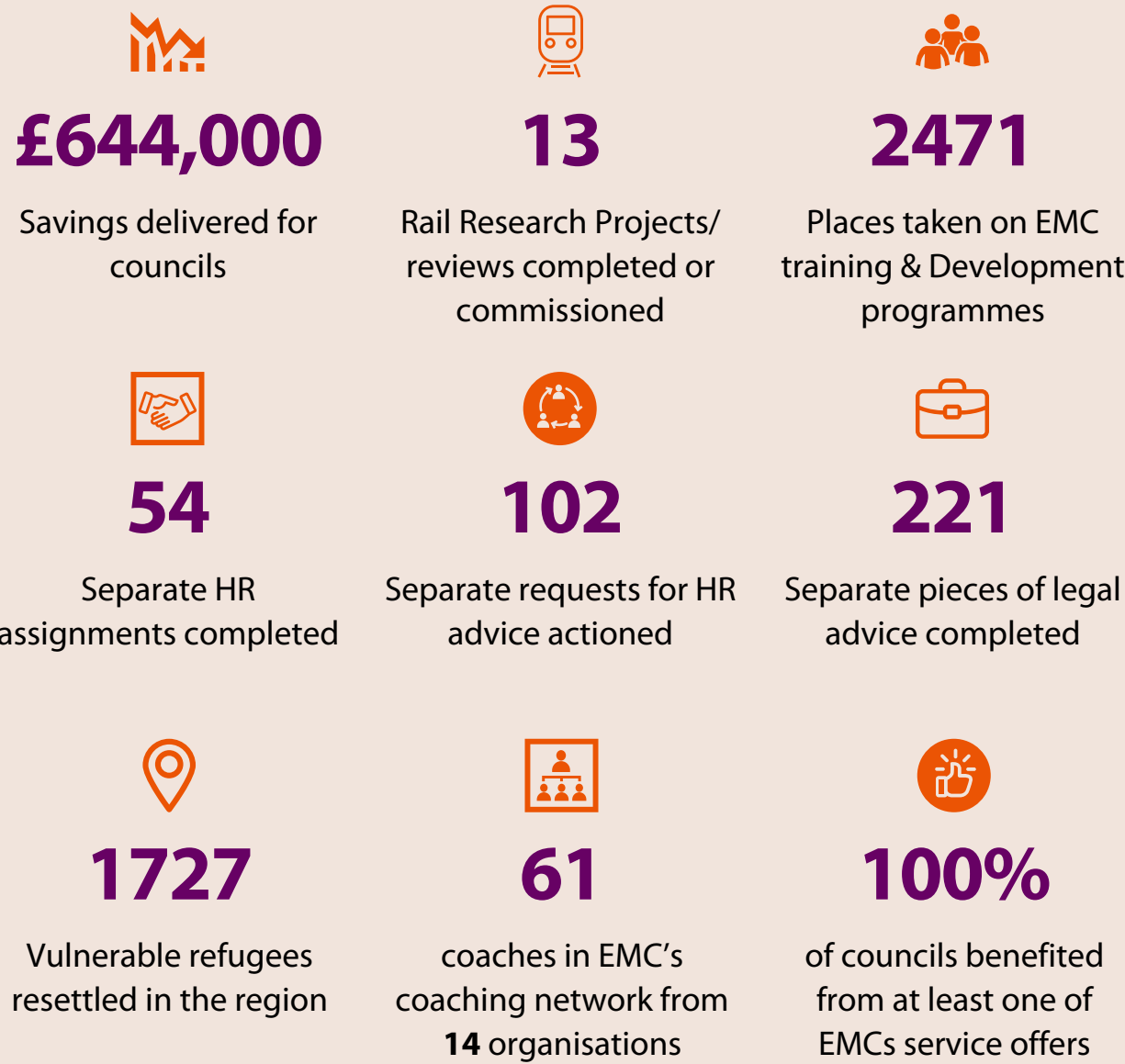
EMC with its range of roles, responsibilities, and support offer for its membership, will focus its resources where it can add value, delivering a greater impact through a regional partnership approach and securing funding to deliver against membership priorities.

EMC will continue to build effective relationships with Government Departments including with the Department for Levelling Up, Housing and Communities, Department for Transport, the Home Office, Department for Education, and the Departments for Energy Security and Net Zero, and Business and Trade.

We will also work with business, health, and voluntary and community sector partners, and play an active and supportive role with wider regional partnerships, in particular Midlands Engine and Midlands Connect.

Continuing momentum

This Business Plan builds on the outcomes highlighted in our last annual report.



Our Funding

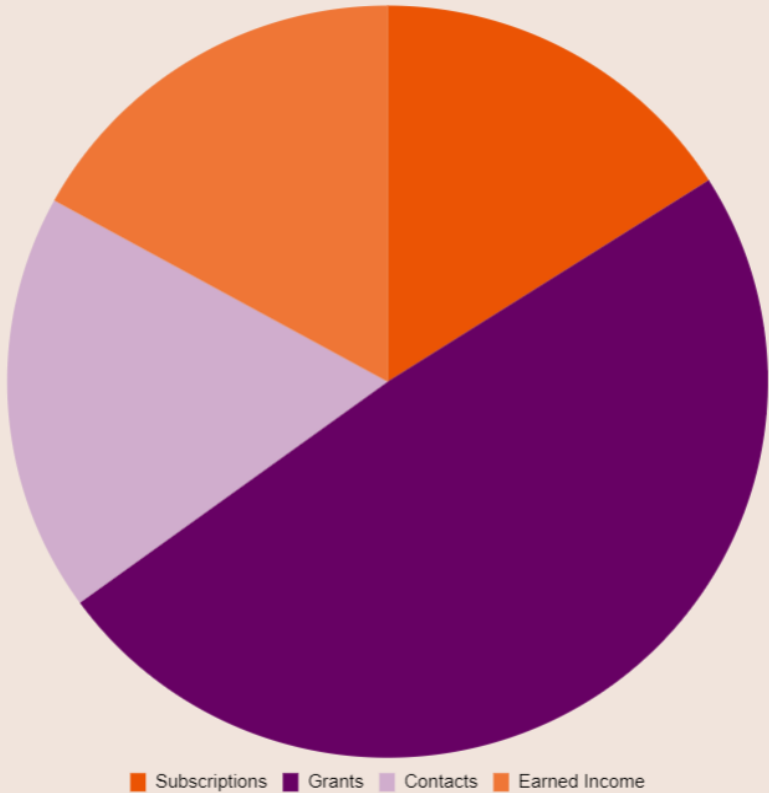
EMC continues to tightly manage its budget, ensuring a balance of income from a combination of annual membership subscriptions, grant funding in support of programme delivery and that from our traded services that are provided at a discounted rate to our membership. EMC’s total income for 2023/24 is £1,500,800 and closely aligns to the objectives of this Business Plan.

A detailed budget for 2023/4 is set out in **Annex 1**.

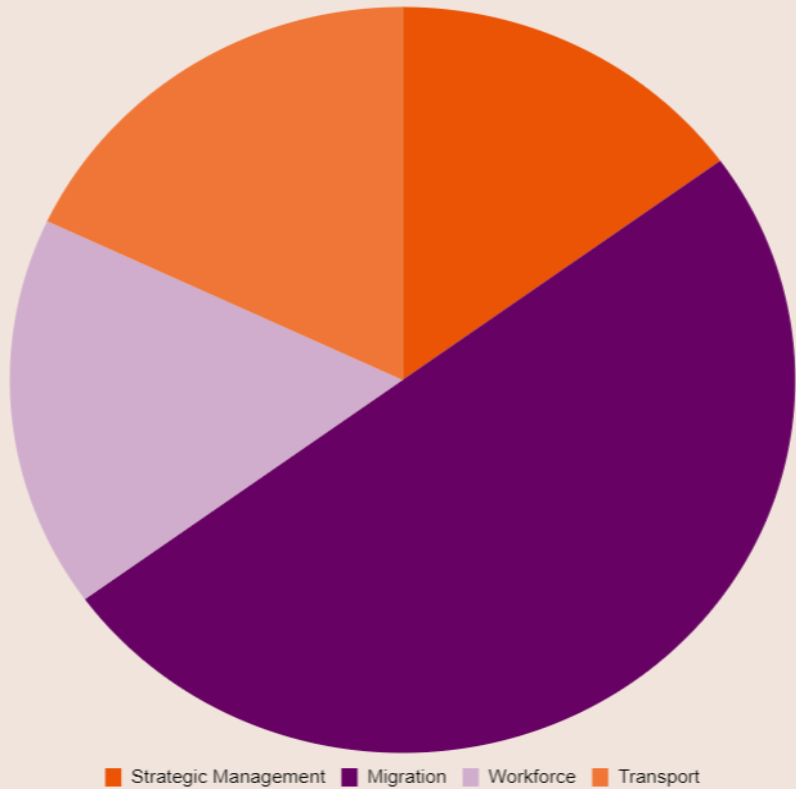
We will continue to maintain robust financial discipline ensuring EMC’s sustainability, corporate governance and risk management. In support of this, EMC will maintain a prudent level of reserves that provide for residual liabilities to be met.



Our income sources



Our expenditure



Our priorities for 2024/25

Local Government Workforce & Councillor Development



Evidencing

- Providing advice to councils and producing information and benchmarking on workforce issues, policies, and data to assist evidence-based decisions and support good practice and improvement.
- Managing events and networks to share information, advice, and good practice.
- Identifying common challenges and solutions, to support councils in attracting, developing, and retaining a skilled workforce.

Collaborating

- Working through the Regional Employers Board and Regional Joint Council to agree and progress workforce priorities and councillor development requirements for the East Midlands.
- Facilitating regional and county-based networks on workforce and councillor development issues, as well as cyber security, equality diversity and inclusion, performance, and scrutiny.
- Brokering discounted access for councils to systems and services so delivering direct savings back to our membership.

Influencing

- Leading regional consultation on national pay developments and employment law proposals to reflect the needs of councils in the East Midlands.
- Acting as the conduit between national bodies and local authorities in the region on employment and councillor development issues and initiatives to ensure the needs of councils in the region are understood.
- Providing an effective platform for councillors' leadership, either through meetings of EMC or focused summits, the promotion of good practice and encouraging the better use of online forums, social media, and the wider use of the EMC website.

Delivering

- Providing a programme of events and continuing professional development programmes to meet the needs of officers and councillors across the region.
- Providing a free advice service on employment issues, issuing a monthly bulletin, and supporting councils to progress with the regional workforce priorities.
- Delivering workforce and learning and development related support to individual councils, to provide additional capacity and expertise in a cost-effective way.

Our priorities for 2024/25

Asylum & Refugee Resettlement



Evidencing

- Providing consistent and accurate data and intelligence to underpin the regional approach and delivery of asylum dispersal, refugee resettlement and UASC National Transfer Scheme.
- Capturing key learning, good practice, and new developments and share with regional and national stakeholders to support programme development and delivery.
- Identifying gaps in provision and levels of need, including a regional analysis of UASC needs, and providing support to those arriving from Hong Kong with BN(O) status.

Collaborating

- Building collaborative, positive and constructive joint working and partnership arrangements between Local Authorities and Government Departments.
- Managing strong inter-agency collaboration (local, national government and its providers) on planning services for asylum seekers at regional and local level for asylum dispersal and accommodation procurement.
- Developing a bespoke East Midlands approach to UASC based on regionally agreed priorities, including funding, foster care capacity, specialist immigration legal advice, supported accommodation and workforce.

Influencing

- Lobbying Government for greater levels of funding and the implementation of a more proportionate and equitable asylum dispersal and refugee resettlement model.
- Pilot new approaches and build stronger relationships with Government Departments that are a result from the region's track record of innovative programme delivery.
- Undertaking research on the cost implications of UASC care leavers costs to Local Authorities within the East Midlands.

Delivering

- Delivering the revised full asylum dispersal model in conjunction with national and local stakeholders.
- Manage a proportionate and responsive mandated UASC National Transfer Scheme, placing vulnerable young people into the safe care of our Local Authorities, and facilitating the transfer of remaining Afghan refugees from bridging hotels into settled accommodation.
- Delivery of a programme aimed at increasing the number of UASC specific care placements, implementing a regional approach to age assessments, and supporting Local Authorities to address gaps in provision through the regional UASC Strategic Needs Analysis review
- Expansion of regional ESOL programme, including EMC-sponsored ESOL tutor training, creating capacity for 2,000 + extra refugee learners each year, including those from Hong Kong, Ukraine, & Afghan resettlement schemes.

Our priorities for 2024/25

Transport & Growth



Evidencing

- Producing regular updates on regional economic performance, housing delivery and investment to make the case for 'Levelling Up' the East Midlands.
- Producing analysis and research to support investment that will improve transport and deliver better outcomes for local communities and businesses.
- Providing regional input and insight into business cases developed by Network Rail, National Highways and Midlands Connect.

Collaborating

- Working through Transport for the East Midlands (TfEM) and emerging Mayoral County Combined Authorities to develop and promote shared transport investment priorities for the East Midlands.
- Working through the TfEM-DfT Rail Collaboration Agreement to secure improvements to train services and rolling stock and establishing a successor agreement with Great British Railways.
- Working through Midlands Connect and Midlands Engine to ensure that East Midlands priorities are reflected in the Annual Business Plans of both organisations

Influencing

- Supporting the Chair of TfEM and Chair of the EMC Executive Board to make representations to Ministers on issues of regional significance.
- Working with civil servants to ensure that East Midlands issues and priorities are better understood by Government.
- Communicating the benefits of regional investment priorities to MPS, business leaders and the wider public in clear and compelling ways.
- Working closely with Midlands Connect and Midlands Engine to ensure plans and strategies take full account of East Midlands priorities.

Delivering

- Publishing well evidenced Strategic Case documents to support investment in enhanced regional rail services that have wider socio-economic and environmental benefits.
- Publishing and promoting a revised set of Shared Investment Priorities.
- Holding well attended events and meetings to agree priorities, share best practice and make the case for greater investment in the East Midlands.

Our priorities for 2024/25

Strategic Leadership



Evidencing

- 'Horizon Scanning' political, economic, and social developments which will impact on local government in the East Midlands and on the region more generally.
- Support alignment with the emerging development of the East Midlands and Greater Lincolnshire Combined Authorities and responding to the priorities of new HM Government.
- Providing strategic insight to Government on the impact of national policies and initiatives in the East Midlands.
- Highlighting emerging issues of political concern to Ministers and senior civil servants.

Collaborating

- Bringing together key partners at both the political and chief officer level in providing a voice for the region to develop joint approaches to common priorities, including local government finance, health, and adult social care.
- Developing and agreeing a collective approach to inform the Midlands Engine work programme to increase regional investment, productivity, and growth.
- Through the mutually supportive arrangements between Lead Members and Directors, to further develop a collaborative approach to improvement in children's services and adult social care.

Influencing

- Deepening links with locally based Government Departments such as the Department for Business and Trade, DLUHC, DHSC & UK Health Security Agency and with the emerging Mayoral County Combined Authorities and LEPs to align responsibilities and work programmes thereby maximising influence.
- Making representations to and engaging with national decision makers on strategic matters and common priorities relating to Local Authorities in the East Midlands
- Work with EM Chamber to provide the secretariat for the East Midlands APPG to ensure the region's voice is heard in Parliament on key issues.

Delivering

- Deliver a nationally exemplar programmes of sector-led improvement for children's services, including jointly funded regional immigration legal advice and training, and programme to improve foster care capacity.
- Amplifying and add value to the work of partners through collective leadership on matters of strategic importance to the East Midlands.
- Publishing a compelling Strategic Case document in support of the full electrification of the Midland Main Line.
- Ensure that the East Midlands APPG meets at least three times over the next 12 months and is supported by an agreed work programme.

Measuring our impact

The Business Plan is a formal statement of EMC's objectives for 2024/25.

The Management Group, as agreed in its terms of reference, has responsibility for performance management to ensure that non-financial performance is properly monitored and to review EMC progress in delivering its annual key performance indicators and report appropriately to the Executive Board.

Each year, a set of key performance indicators are agreed as the basis to measure the success of EMC's delivery against the agreed business plan. Progress is reported on a quarterly basis, and available on our website.

Alongside our focus on Evidencing, Influencing, Collaborating and Delivering; there are a number of key outcomes that EMC will aim to achieve within our core subscription offer during 2024/25 business plan period. We will report against these quarterly, where applicable, and as part of the Annual Report presented to the Annual General Meeting in July 2024.

- Member authorities receive tangible value for money from their subscription, and the level of savings returned to each member council will exceed their level of subscriptions.
- Member authorities feel that they are better informed as a result of EMC policy briefings, training, development, and events.
- Members feel that EMC has represented their views and advocated on their behalf with Government and other strategic partners.
- EMC activity has provided a responsive and effective channel for engagement with central government officials and other strategic partners.
- EMC provides leadership on employment matters through its role as the Regional Employers' Organisation and maintains constructive relationships with Trade Unions at the regional level.



Communicating our impact

Throughout the next year, with the establishment of the new East Midlands Mayoral County Combined Authority, along with an impending General Election, it's vital now more than ever that councils are kept up to date with the latest updates and news which can affect their authorities, and EMC will continue to provide insight into the impact of these changes for our member authorities.

Following the launch of our new website, and a refreshed approach to providing clear and compelling messaging to our members via our briefings and newsletters, EMC will ensure that our members are provided with consistent and timely messaging on both regional and national updates via our website, emails, newsletters, and social media channels.

We will work closely with our membership to ensure that our communication goals continue to highlight the priorities of the East Midlands, evident through our work with key media partners where EMC will remain the voice of the East Midlands. Working with our partners and members on key messaging, EMC will continue to provide insight and context into the key issues facing our region and advocate for our priorities and needs.



Contact EMC



LinkedIn



Twitter



EMC Website



Email

Annex One

EMC Budget 2023-24

Annex Two

EMC is governed by the full Assembly of Leaders of all 40 councils in the region, which meets twice a year, and its Executive Board, meeting quarterly, and comprising the Leaders of each upper-tier council and a district leader representative from each county area. To provide oversight on key responsibilities, a Management Group operates alongside four specialist Boards:

- Regional Employers’ Board and Joint Council
- Regional Migration Board
- Transport for the East Midlands (TfEM)

The accountable body arrangements for East Midlands Councils are provided by Nottingham City Council.


EMC’s Management Team

Contact EMC

 **LinkedIn**




 **Twitter**





 **EMC Website**

 **Email**


Progress Against Key Organisational Performance Indicators (2024/25)





1. KPI 1 – Evidencing proposals for change and improvement

Key Performance Indicators 2024/2025	Progress - Financial Year 2024/25	Progress
a) To undertake an annual satisfaction survey of member councils on the provision of direct support services.	The annual satisfaction survey is scheduled to be undertaken in Q4 2024/25.	
b) To provide EMC Councillors and officers with a weekly policy brief and monitor feedback on a 3 month basis.	Ongoing.	
c) Improve engagement with our membership with at least 50% of all councils in membership accessing EMC virtual networks and platforms to further support the platform for council leadership.	<ul style="list-style-type: none"> The Performance Network met in May following a successful re-launch in February 2024. Engagement levels remain, with 31 attendees from councils across the region participating in the meeting in May. The next meeting will take place in September. Meetings took place in June for the Scrutiny network, the Learning & OD network and the Equality Diversity & Inclusion (EDI) network. EMC is supporting councils with 6 special interest groups relating to EDI so that councils can share resources/make progress more efficiently. The Cyber Security (WARP) network met in July with 31 attendees and there was good engagement on the agenda topics, the next meeting is being arranged for October. 	

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



Progress Against Key Organisational Performance Indicators (2024/25)





<p>d) To provide benchmarking information and sharing of data and practice to inform decision-making and improvement</p>	<ul style="list-style-type: none"> 10 surveys conducted to date on issues such as: HR/Payroll system functional specifications • holiday pay-related claims • Overseas criminal checks/good conduct certificates • English/maths training providers • Occupational health pre-employment checks • Pay benchmarking of senior roles in Planning and in Housing • Training/pay for training time for casual workers • Paid time for wellbeing support • Time to hire benchmarking • DBS/Umbrella service arrangements and costs. The annual sickness absence benchmarking survey has just closed, and the results are being analysed. EMC is offering councils in the region the opportunity to join up with other regions and use a pay and workforce database ('Infinistats') which will enable them to benchmark key workforce information and pay with similar councils within and outside the region. So far 5 councils are signing up to use the system and a further demonstration is being offered. 	
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Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



Progress Against Key Organisational Performance Indicators (2024/25)





2. KPI 2 – Influencing national decisions and decision makers

Key Performance Indicators 2024/25	Achievement - Financial Year 2024/25	Progress
<p>a) Establish an effective relationship and joint approach between councillors, combined authority mayor(s), MPs and other partners, through:</p> <ul style="list-style-type: none"> Holding at least 3 joint events and/or summits. The agreement of joint priorities as the basis for collective work 	<ul style="list-style-type: none"> TfEM has published an updated version of the TfEM/Midlands Connect Shared Vision Document (Our Shared Vision for the East Midlands (emcouncils.gov.uk) which was sent to all Council leaders, MPs and also relevant PPCs – plus the new EMCCA Mayor. TfEM has co-ordinated a joint letter to Ministers prior to the election in support of MMLe also been signed by the EMCCA Mayor, the SYMCA Mayor, Midlands Connect, TfN and both the East Midlands & Sheffield Chambers of Commerce. TfEM published 'Platform for Growth' making the case for investment in regional rail connectivity with Sir Peter Soulsby and the EMCCA Mayor: A Platform for Growth: Regional Rail in the East Midlands (emcouncils.gov.uk) The East Midlands APPG is currently in abeyance as a result of the General Election, but it is intended to re-establish it in consultation with MPs. 	
<p>b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan including:</p> <ul style="list-style-type: none"> Review asylum contingency and dispersal arrangements. Progress workforce priorities identified by Regional Employers & Joint Council 	<ul style="list-style-type: none"> Led regional input to Home Office proposals and agreement of regional model and allocations for revised full asylum dispersal. Implementation date, monitoring and oversight arrangements still to be confirmed. Working with local authorities, statutory services, Home Office and accommodation providers relating to the Larger Asylum Contingency site at RAF Scampton, and any other sites if proposed. Addressing recruitment difficulties is a priority identified by the Regional Employers and Joint Council. EMC is supporting the roll-out a funded recruitment campaign within the East Midlands and ran a successful event 	


Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	





Progress Against Key Organisational Performance Indicators (2024/25)

<ul style="list-style-type: none"> Lead member networks for children's services to meet on a quarterly basis. 	<ul style="list-style-type: none"> in July to start the process and enable councils to tailor the campaign for our region. Pay is also a current area of focus, with national negotiations in progress. Children's Lead Members' schedule of meetings confirmed, and a number of policies and programmes agreed. 	
c) Secure Parliamentary debate on securing additional investment into the East Midlands.	<ul style="list-style-type: none"> The East Midlands APPG is currently in abeyance following the General Election, but it is proposed to re-establish it, in consultation with MPs. In the meantime, discussions will continue with Parliamentarians about opportunities to promote regional investment priorities, also working closely with the EMCCA Mayor. 	
d) Alignment and support to the work of Combined Authorities in the East Midlands.	<ul style="list-style-type: none"> TfEM is working with Local Authorities, Combined Authorities, Midlands Connect and EMDevCo to take forward regional rail priorities and to confirm future management arrangements with GBR when established. TfEM has co-ordinated a joint letter to Ministers prior to the election in support of MMLe signed by the EMCCA Mayor, the SYMCA Mayor, Midlands Connect, TfN and both the East Midlands & Sheffield Chambers of Commerce. TfEM published 'Platform for Growth' making the case for investment in regional rail connectivity with Sir Peter Soulsby and the EMCCA Mayor: A Platform for Growth: Regional Rail in the East Midlands (emcouncils.gov.uk) EMCCA People Lead has been invited to attend a future Regional Joint Council meeting. EMC has been supporting EMCCA to access reward specialists to help develop and implement grade structures and job 	

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



Progress Against Key Organisational Performance Indicators (2024/25)

	evaluation for the new organisation. EMC is also supporting EMCCA with the selection of a Director of People & Corporate Services.	
e) Responses to consultation on proposed changes to employment law and national pay negotiations.	<ul style="list-style-type: none"> EMC hosted the regional pay briefing and collated and submitted councils' views to inform national negotiations. EMC has been updating councils on progress with the national negotiations. Pay offers have been made to the different employee groups and agreement was reached for a pay award for Chief Officers. For the main employee group, one union accepted the offer but the other two unions rejected it and will ballot their members for industrial action in September and the first 2 weeks of October. The King's Speech included proposals for changes to employment law, with an Employment Bill likely to be developed for October. EMC has arranged a seminar in November to enable councils to receive advice on any changes and understand the implications. 	

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	

Progress Against Key Organisational Performance Indicators (2024/25)

3. KPI 3 – Collaborating across the sector and with national bodies to deliver shared outcomes

Key Performance Indicators 2024/2025		Percentage Attendance						
a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Progress
	East Midlands Councils	60%	69%	57%	42%	41%	47%	
	EMC Boards	69%	74%	74%	70%	75%	77%	

This is broken down into the following Boards.	Percentage Attendance	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Executive Board	74%	81%	70%	64%	67%	None held
	Management Group	76%	89%	88%	71%	82%	78%
	Regional Employers' Board	67%	66%	78%	60%	83%	None held
	Regional Migration Board	71%	62%	71%	77%	80%	None held
	HS2 Executive Board	61%	71%	63%	73%	74%	None held
	Transport for the East Midlands	63%	75%	76%	76%	63%	76%

Progress in Achieving Objective

Activity successfully completed



Activity on target for completion






Activity not on target for completion







Activity subject to review







Progress Against Key Organisational Performance Indicators (2024/25)

b) To maintain levels of council membership of EMC (40 councils, as of 1 st April 2024).	<ul style="list-style-type: none"> Ashfield District Council submitted notice to leave EMC membership. In line with provisions set out in constitution, termination of membership would take effect 31st March 2025. 	
c) Working with Midlands Connect, MCCAs, LEPs and local councils to: <ul style="list-style-type: none"> Progress the implementation of the 8 agreed infrastructure priorities. Develop a shared long term approach through 'Midlands Connect'. Make progress in the development and delivery of Midlands Engine proposals. 	<ul style="list-style-type: none"> TfEM has published an updated version of the TfEM/Midlands Connect Shared Vision Document (Our Shared Vision for the East Midlands (emcouncils.gov.uk)) which has now been sent to all Council leaders, MPs and also relevant PPCs – plus the new EMCCA Mayor. TfEM has co-ordinated a joint letter to Ministers prior to the election in support of MMLe also signed by the EMCCA Mayor, the SYMCA Mayor, Midlands Connect, TfN and both the East Midlands & Sheffield Chambers of Commerce. TfEM published 'Platform for Growth' making the case for investment in regional rail connectivity with Sir Peter Soulsby and the EMCCA Mayor: A Platform for Growth: Regional Rail in the East Midlands (emcouncils.gov.uk) EMC continues to support the work of Midlands Connect through seconding Director of Policy & Infrastructure to MC two days a week. EMC continues to support the delivery of the Midlands Engine Business Plan through Executive Director undertaking the role of Vice-Chair role on Partnership Board. 	
d) Provide strategic political leadership for the implementation of the Network North proposals through support for:	<ul style="list-style-type: none"> EMC continues to support the EM Stations Growth Board to oversee the delivery of the DfT funded growth strategy by the end of 2024. EMC continues to support the Eastern Network Partnership to promote improved rail connectivity from the Midlands to the Yorkshire and the North East in the absence of HS2. 	

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



Progress Against Key Organisational Performance Indicators (2024/25)





<ul style="list-style-type: none"> ▪ The EM Stations Growth Board and associated groups ▪ The Eastern Network Partnership ▪ Transport for the East Midlands 	<ul style="list-style-type: none"> ▪ At an officer level EMC/TfEM is contributing to DfT thinking on future connecting through the Midland to Yorkshire and the North East (MYNE) Study. 	
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Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



Progress Against Key Organisational Performance Indicators (2024/25)





4. **KPI 4 – Delivering** cost effective services and products on behalf of all our member councils

a) Provide direct membership benefits to councils through maintaining the number of councillors participating in development, skills and briefing programmes against the 4 year average 2020-24.	Baseline 2023/24	Quarter 1	Quarter 2 (up until 31.7.24)	Quarter 3	Quarter 4	
	168	25	76			
b) Provide direct membership benefits through the provision of high quality and relevant councillor development, skills and briefing programmes. At least 75% of all course feedback is rated as 'effective/good' or 'highly effective/very good'.	100%	100%	100%			

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	





Progress Against Key Organisational Performance Indicators (2024/25)

	Baseline 2023/24	Quarter 1	Quarter 2 (up until 31.7.24)	Quarter 3	Quarter 4	
c) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development.	2321	564	605			
d) To make demonstrable progress in delivering on core EMC policy priority areas: <ul style="list-style-type: none"> Migration Housing and Planning Workforce – supporting councils to progress with workforce priorities 	Migration <ul style="list-style-type: none"> Afghan resettlement through ARAP/ACRS continues to be actively managed with properties sourced through the MoD or private providers. EMC continues to respond to on-going asylum dispersal pressures, support the delivery of the asylum 'full dispersal model' and exit strategy from contingency accommodation. Working with Local Authorities in addressing impact of the Home Office's Streamlined Asylum Process and other fast-tracked processes. Support Lincolnshire councils and local partners in standing up the large site asylum contingency accommodation at Scampton. Progress joint delivery arrangements amongst East Midlands Children's Services including 12-month Regional UASC Carer Recruitment campaign due to launch November 2024, developing Regional Age Assessment Training Programme due to launch April 2025 and the completion of Regional Strategic Needs Analysis Research to be completed by November 24. 					


Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	





Progress Against Key Organisational Performance Indicators (2024/25)

	<p>Workforce</p> <ul style="list-style-type: none"> Continuing to support councils on workforce-related issues. The Local Government Challenge event was held in April 2024 and was extremely successful, with 14 teams from councils across the region participating. Feedback from participants has been very positive. Offering access to improved benchmarking information on pay and workforce issue to support evidence-based decision-making through an online system – Infinistats. To date 5 councils are signing up. Ongoing provision of management and leadership training at range of qualification levels through a partnership arrangement with a quality provider. Rolling out a national recruitment campaign within the region to promote local government as an employer. EMC hosted an event in July with 60+ delegates from councils across the region to help tailor the resources to meet their needs. Continued delivery of CPD programmes and a regional coaching pool to provide cost-effective development opportunities for the workforce within the region. To date, 19 separate assignments have been completed to provide direct support on workforce related issues to local authorities. In addition, EMC is supporting the Association of Democratic Services Officers with the delivery of a national development programme. <p>General:</p> <ul style="list-style-type: none"> Co-ordinate monthly meetings of Chief Executives across the region to support engagement and delivery of policy and programmes. <p>Housing and Planning</p>	
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Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	





Progress Against Key Organisational Performance Indicators (2024/25)

	<ul style="list-style-type: none"> Planning CPD programme continuing mainly as on-line webinars with one in-person event annually per programme. The sessions remain well attended and feedback positive. Chief Executive seminar with MHCLG Chief Planner held August 2024. 	
e) Facilitating networking and joint working on workforce priorities.	<ul style="list-style-type: none"> The Learning & Development/OD Network continues to be a source of information sharing and signposting. The most recent meeting in June received a presentation from North East Derbyshire on their approach to improving a pipeline of talent to address recruitment/retention issues. EMC has worked jointly with other regional employers and the LGA to deliver the local government apprentice of the year event in May. EMC is supporting 6 work groups to help officers from different councils to work together to make progress on specific aspects of equality/diversity/inclusion. This is providing a more efficient way of working and information gained is shared amongst the wider EDI networks. The network met in June and a further meeting is being arranged for September. The Scrutiny Network met in June as an in-person meeting in Nottinghamshire County Council. The focus was on effective budget scrutiny and sharing information on scrutiny training and development needs. The Cyber Security (EMGWARP) network met in July to share information and experience. County-based HR networks are supported by EMC to provide input, advice and co-ordination. These help to inform EMC's activity and work programme. This includes support for a new network within Derbyshire focused on recruitment and retention. 	

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



Progress Against Key Organisational Performance Indicators (2024/25)





f) To respond and fully answer 95% of advice requests from member councils within 2 working days.	16 requests received all answered within 2 days – 100%	
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Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	

Progress Against Key Organisational Performance Indicators (2024/25)

5. KPI 5 – Organisational and People Management

Key Performance Indicators 2023/2024	Progress - Financial Year 2023/2024					Progress
a) Maintain staff sickness rate at less than 6 days per full time equivalent (10.5 days local government average; EMC baseline [2023/24]; 3.62 days with L/T sick, 1.40 days without LT sick).						
		Q1	Q2 (up until 31.7.24)	Q3	Q4	
	With L/T* Sick	4.12	5.52			
	Without L/T* Sick	1.00	1.26			
	* L/T = long term.					
These figures have been, and are likely to continue to be, impacted by the long-term sickness of 1 member of staff.						
b) Wherever possible, to meet all staff learning and development needs, as identified by annual Staff Development Interviews (SDIs).	Staff Development Interviews scheduled to be completed by end-March 2025.					

Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	



**Management Group
6th September 2024**

Lead Member Report

Cllr Tricia Gilby

Corporate Governance

Summary

This report provides details on matters of corporate governance, specifically:

- The management of organisational risk.
- Progress in meeting our statutory obligations for external audit.
- The final report and recommendations of the internal audit review.
- Review of accountable body arrangements.

Recommendation

Members of the Management Group are invited to:

- Note the summary position on organisational risk management.
- Consider and endorse EMC's External Financial Audit - Draft Statement of Accounts 2023/24.
- Consider the final report and recommendations of the internal audit report and the response of management team.
- Consider the review of EMC's accountable body arrangements.
- Note the exemption to tender, as detailed in section 5 of this report.

1. Risk Register

a) Approach to Management of Risk

- 1.1 EMC's risk register reports against each of the key risks identified by EMC and, for each risk, includes information such as potential impact, key controls, and suggested response to mitigate each risk.
- 1.2 Included as part of the risk register is the 'owner' of each risk identifying responsibility for actions relating to that risk.
- 1.3 Against each risk identified, specific and detailed action plans may be developed, as appropriate, to inform further work.
- 1.4 All risks identified are significant and require an organisational response. The risks identified within the red section of the 'risk grid' are those identified as being critical to the organisation.
- 1.5 By identifying the likelihood of those risks occurring, it does not mean that the risk will *necessarily* occur, rather that the risk requires specific focus and action to mitigate against its occurrence, and without this action, then in all likelihood, it will occur, and this will be of significant impact to EMC.
- 1.6 The risk register has been agreed by the Management Team. Members are advised that staff are regularly consulted on risks and associated controls in relation to their areas of work. This is through both formal and informal 1:1s, in addition to full team meetings.

b) Identification of Risk

- 1.7 Risk management was last considered by Management Team in March 2024. An updated summary of risk, as considered by EMC management team, is included within the matrix attached as Appendix 8(a).
- 1.8 Since risk management was last considered by Management Group in March 2023, there have been little material change to the level of risk. EMC officers continue to work on emerging Government legislation and policies, engagement with the EMCCA Mayor and combined authority proposals elsewhere. This is likely to impact upon the infrastructure, transport and investment work of EMC (including TfEM) and at the very least will require a realignment of our work to ensure complementarity with that of MCCAs.

2. Certification Office – External Audit Requirements (2023/24)

- 2.1 Members are reminded of the need for a statutory audit and the production of a set of accounts to comply with the requirements of the 'Certification Office for Trade Unions & Employers' Associations' as part of EMC's role as an Employers Organisation.
- 2.2 The audit commenced in June 2024 and is now complete, with financial statements and AR27 for 2023/4 completed, though the External Audit report needs to be added before the AR27 return is submitted to the Certification Office. The auditor's report and 'opinion' will be shared with Management Group if this is received prior to this meeting (in advance of formal presentation at its November meeting) and submitted to the 'Certification Office for Trade Unions & Employers' Associations' in accordance with EMC's statutory responsibilities.
- 2.3 There are likely to be three items in the Auditor's Report:
 - The first is that the "Cash and Equivalents" figure cannot be verified by means of a bank statement as EMC accounts form part of Nottingham City Council's funds (this item appears on the report every year) though the auditor can be assured from the Oracle Fusion Financial system to a large degree.
 - The second is that in determining the "Debtors" figure, EMC and the Auditor are reliant on a report from East Midlands Shared Service (EMSS) showing Outstanding Sales Invoices as they stand at the end of March 2024. When testing certain invoices, the Auditor found that a number of these, though raised before the end of March and paid between April and May, did not appear on the Outstanding report for March as Debtors. The necessary adjustments have been made to the Statement of Accounts, but it is concerning that there appears to be an error in the end of year Debtors Report supplied by EMSS. This issue has been passed to Nottingham City finance team to investigate.
 - The third relates to a purchase order placed to Nottingham College for the screening, assessment and referral of additional Hong Kong (BNO) learners for a further three-month period. The service was received during the 2023-24 financial year, but no invoice has yet been raised.

3. Internal Audit

- 3.1 Included within our Accountable Body SLA with Nottingham City Council are provisions for undertaking an internal audit.
- 3.2 Previous internal audits have focused upon Governance and Separation of Duties, Risk Management and Financial Resilience, and management of asylum and refugee resettlement grant funding.
- 3.3 The 2022/24 internal audit focused on the management of Rail Collaboration Agreement, funded by DfT grant; and a review of funding arrangements to support the provision of a Regional Immigration Solicitor role. The audit report provided an overall opinion of 'Moderate Assurance' and for completeness, the final report is attached as Appendix 8(b). In summary the high priority recommendation is:
 - "A funding agreement should be drafted which clearly defines the roles and responsibilities of provider and customer."
- 3.4 In relation to the high priority recommendation, a Memorandum of Understanding has now been signed by EMC Executive Director and lead DCS for UASC, on behalf of the East Midlands ADCS, that confirms funding arrangements, reporting and oversight arrangements underpinning the regional immigration solicitor role for the period of the agreement (2 years).
- 3.5 The internal audit report also made a number of additional, lower priority recommendations, and reviewed action against previous recommendations.
- 3.6 All recommendations and associated action is included within the audit report and management response.
- 3.7 Members can be assured that appropriate action has been taken in response to each recommendation, all staff reminded of their responsibilities for ensuring good governance, and processes changed where needed.

Internal Review

- 3.8 The internal audit highlighted some shortcomings and was helpful in providing advice on where processes should be tightened.

- 3.9 On grant programmes, it found an instance where improvements are required. This has now been addressed. More generally however, Management Team has implemented an internal corporate governance review to provide assurance that there are no other incidences of inadequate arrangements in place. If the internal audit review alerted management to one instance, then it would be amiss not to assure ourselves that there are not more.
- 3.10 The assurance review will confirm that for all our funded projects, all appropriate contractual, oversight and reporting arrangements are in place alongside clarity on project timescales and deliverables.
- 3.11 This internal review assurance process has already commenced, and will be completed for, and be reported to, the November meeting of Management Group.

4. Review of Accountable Body Arrangements

- 4.1 Members requested that a report is provided on the efficacy of accountable body arrangements.
- 4.2 Members are reminded that Nottingham City Council (NCC) provides accountable body arrangements for EMC. The agreement and scope for the provision of the accountable body function is outlined within a Service Level Agreement (SLA) and includes provisions for finance, legal, insurance, internal audit and pension management and administration. The SLA cost is £16,800 per annum, that comprises £4,400 for Finance transactional, HR and payroll services, £7,800 for finance and Oracle and £4,600 for insurances.
- 4.3 While there have been a number of recent frustrations with NCC finance processes, these were largely as a result of their financial difficulties and subsequent changing of procedures and authorisations. However, these have now been addressed and wider arrangements are generally working well. Elements of the financial services that work well include the processing of purchase orders and sales invoices, access and interrogation of financial records and 'customer support'.
- 4.4 However, there are also elements of financial processes that work less well. Our suppliers highlight their frustration that invoices are now paid 30 days from the date EMC sends the invoice to the processing centre rather than 30 days from the date of the invoice. Delays in payment become inevitable. There is also concern that if there is a problem with payment, EMC does not become aware until the customer chases payment of the invoice.

- 4.5 The SLA provision for HR support services is limited, and largely confirmed to the provision of employment contracts and job evaluation. There have been errors in some employment contracts that were issued to staff which have needed to be addressed by EMC. The payroll service has performed well over the last year.
- 4.6 There remain limitations in fully accessing the benefits of having NCC as the accountable body due to IT arrangements EMC system is entirely separate to that of NCC). This does cause problems for EMC staff to access the NCC intranet, e.g. for information on staff/HR policies or staff benefits. We are working with NCC to put in place simpler solution.
- 4.7 Insurance is also provided as part of Nottingham City Council's own Insurance policies and Legal Services are provided as and when required on call-off basis.
- 4.8 The NCC internal audit function provides services on the basis of an agreed plan for risk-based reviews and managed work, and other work identified as necessary by the Accountable Body and agreed with the Executive Director.
- 4.9 The internal audit work plan is intended to assist with and commenting on systems and processes, and to give assurance based upon review, appraisal and reporting on:
- The soundness, adequacy and application of internal controls.
 - The suitability and reliability of financial and other management data.
- 4.10 While it is a necessary element of EMC's corporate governance and assurance, it is also the primary means of providing assurance to NCC that a partnership sitting within their legal structure is appropriately managed and exposure to risk and liabilities (both legal and financial) are minimised.
- 4.11 The completion of the most recent internal audit review has been a protracted process. Initial preparatory work was undertaken by EMC colleagues in August 2023 prior to its commencement in September/October 2023. While EMC responded to queries in a timely manner, the completion of the audit review has experienced significant delay as a result of severe staff shortage within the audit team, and competing demands of undertaking discretionary activity that includes EMC work, against their statutory roles.
- 4.12 In discussions with the internal auditor it was agreed that prior to future audit reviews, there will be greater clarity on timings and resources, to ensure the effectiveness of the review process.

- 4.13 Given the respective benefits of the internal audit process to both EMC and NCC and being a core element of the accountable body SLA, it is not feasible to separate out the internal audit function. If it was to be separately commissioned, it is likely that this would either likely entail duplication (as NCC would still need to conduct an audit for their own assurance purposes) or the approach would entail new EMC accountable body arrangements. The latter would be a significant step, and involve the transfer of all legal, staffing and financial arrangements, and unlikely to lead to any cost savings or improved assurance.

5. Exemption from Financial Regulations (Contracts)

- 5.1 EMC has a clear set of financial regulations in respect of contracting external providers for goods or services. If any contracts are proposed to be entered into outside of these arrangements, specifically through any exemption to the tendering process, as a matter of good governance these should be reported to Management Group.
- 5.2 As part of our responsibilities for progressing the Midland Mainline electrification investment programme, it is proposed to undertake an assessment of the workforce benefits of the investment, to reinforce the wider economic benefits of the investment proposition to Network Rail/DfT/HMT.
- 5.3 6 months ago, there was a positive expectation that the next stage of MMLe would get the 'green light' in June 2024. This did not happen due to the General Election.
- 5.4 Since the Chancellor's fiscal statement on 29th July detailing a £20bn+ 'black hole', the political and economic context has changed considerably, which has expedited a response. There is now growing pressure on DfT capital programmes, and it is expected that a number of current schemes are at risk of cancellation or further delay. A decision on MMLe investment could be made at or immediately following the Autumn Budget (30th October 2024).
- 5.5 Accordingly, to enable the provision of headline results and to inform engagement with DfT and HMT, the Executive Director agreed to the exemption to tender, attached as Appendix 8(c) on the following permissible grounds:
- a) That only one contractor is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive rights.
 - b) That time limits required for tendering cannot be met for reasons of extreme urgency (i.e., the reasons were unforeseen and not attributable to East Midlands Councils).
- 5.6 There is available funding within the growth and infrastructure budgets.

6. Recommendations

Members of the Management Group are invited to:

- 6.1 Note the summary position on organisational risk management.
- 6.2 Consider and endorse EMC's External Financial Audit - Draft Statement of Accounts 2023/24.
- 6.3 Consider the final report and recommendations of the internal audit report and the response of management team.
- 6.4 Consider the review of EMC's accountable body arrangements.
- 6.5 Note the exemption to tender, as detailed in section 5 of this report.

Cllr Tricia Gilby
EMC District Vice-Chair
Lead Member, Corporate Governance

Risk Register	
East Midlands Councils	
Date Prepared:	September 2024
Prepared by:	EMC Management Team

Risk	Impact	likelihood	Key Controls in Place	Further Action to Be Taken	Risk Owner
1. Loss of Authorities in Membership South Holland District Council and Ashfield District Council on-notice	A	2	<ul style="list-style-type: none"> Communicating the benefits of EMC membership. Understanding local pressures; both service delivery and financial. The requirement for 12 months' notice from Member authorities provides for greater assurance. 	<ul style="list-style-type: none"> Provision of services and wider benefits EMC has provided to SHDC through its membership, building on previous discussions with Deputy Chief Executive. Review of business plan and work programme to ensure relevance and that EMC is meeting member council priorities and needs. On-going discussions with Ashfield DC Chief Executive and Monitoring Officer to support their reconsideration at the political level. 	Management Group Executive Director
2. Lack of engagement from Members	B	2	Member engagement is part of the KPIs reported on a quarterly basis to Management Group. Group Leaders are informed of non-attendance.	<ul style="list-style-type: none"> Group Leaders' review Group nominations to Boards. EMC secretariat reminds Members of meetings and reports attendance to Group Leaders (both pre and post-meeting). 	Group Leaders Management Group

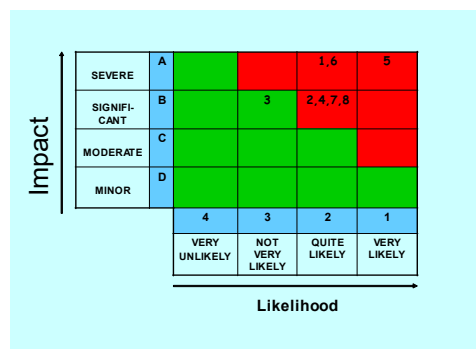
3. Lack of engagement from Staff	B	3	Regular team meeting and 1 to 1s; staff appraisals.	Full consideration and discussion of income and expenditure profiles; and their engagement in developing and rolling out the agreed work programme.	Management Team
4. Insufficient capacity and resilience (including staff and financial) to deliver work programme.	B	2	<ul style="list-style-type: none"> Management of the work programme to reflect programme delivery, policy development and sector support responsibilities. Annual KPIs to monitor progress in the delivery of the business plan. Annual staff appraisals and regular business plan planning meetings. Revised approach to delivery of work programme. 	3 month review against business plan and budget. 6 month full-review of income and expenditure against profile, targets and forecasting against pipeline projects and delivery.	Management Group Management Team
5. Inability to secure consultancy and other earned income to balance budget	A	1	<ul style="list-style-type: none"> Agreed rates and charges schedule in place for 2024/25. Monthly financial reporting and oversight. The increased use of virtual networks and events may impact upon profiled income – EMC to focus activity on gaps or added value of regional level support is needed. 	<ul style="list-style-type: none"> All opportunities will continue to be explored including 'Non-local government' markets and new income streams/services. Targeted promotion of EMC service offer. Adaptation of service offer and learning through further use of virtual networks and platforms. Rates and charges reviewed as part of 2024/25 budget setting process. 	Management Team

6. Inability to secure grant funding to balance budget.	A	2	<ul style="list-style-type: none"> External grant now represents approx. 50% of EMC's total income, thereby balancing EMC sources of income although exposing organisation to vulnerability if grant reduced (potentially for reasons outside of EMC's control). 	<ul style="list-style-type: none"> All opportunities will continue to be explored, including with Midlands Connect and DfT. Regular programme management and oversight to meet requirements and demonstrate value-added. Officers are working through the implications of the new Government's approach to strategic infrastructure delivery including implications of proposed Passenger Railways Services Bill and Railways Bill. 	Management Team
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7. Loss of Strategic Migration Grants from Home Office	A	2	<ul style="list-style-type: none"> ▪ Confirmation that asylum and refugee resettlement grant agreements for March 2024. On-going funding previously agreed in principle, but the direction of the new Government's policy is unclear. ▪ Regular meetings with Home Office, at both Ministerial and senior officer level. ▪ Delivery of programme milestones and wider commitments, as per Grant Agreement. ▪ Importance of asylum and refugee resettlement emphasised by additional national programmes, i.e., UKRS, UASC, ARAP/ACRS, HK(BNO), H4U. ▪ Ongoing risks to be managed for including responding to asylum and Afghan resettlement pressures and implications of Spending Review for Home Office grant. ▪ Clawback by Government Departments of unspent/uncommitted grant. 	<ul style="list-style-type: none"> ▪ Ongoing dialogue with Home Office and confirmation of 'in-principle' grant agreement ref 2024/25 HK BN(O) grant funding, and wider Home office funding for 2025/26 onwards. ▪ Demonstrate value-added of partnership (supported by grant), including performance management of programme delivery. ▪ Specific focus on widening dispersal and pressures from implementing the Streamlined Asylum Process. ▪ Mitigation, including staffing and project management, as H4U and ARAP funding confirmed on 12 month rolling-basis. ▪ Development and delivery of project programmes, associated activity and staffing to ensure spend profile are consistent with grant conditions. ▪ Further programme and organisations commitments to be delayed until longer term grant surety is provided. 	Management Team
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8. Emerging Partnerships and local government reorganisation	B	2	<ul style="list-style-type: none"> ▪ Implications from proposed Planning and Infrastructure Bill and English Devolution Bill, alongside the establishment of the East Midlands County Combined Authority (and possible others). ▪ Advisory support and engagement with local authorities in the development of mayoral combined authority arrangements and complementarity with EMC activity, e.g., TfEM. ▪ To maintain neutral position in relation to any local government restructuring proposals. 	<ul style="list-style-type: none"> ▪ Consideration of developments by EMC Management Group and Executive Board for political guidance. ▪ Engagement with leaders and chief officers across the region, and Mayors. ▪ This is likely to impact upon the infrastructure, transport and investment work of EMC, and at the very least will require a realignment of our work to ensure complementarity with that of EMCCA (and other combined authorities, when established). 	Management Group Management Team
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KEY



Some Extra Risk Management Action



No Extra Risk Management Action

FINAL INTERNAL AUDIT REPORT

East Midlands Councils 2022-24

Nottingham City Council
Internal Audit



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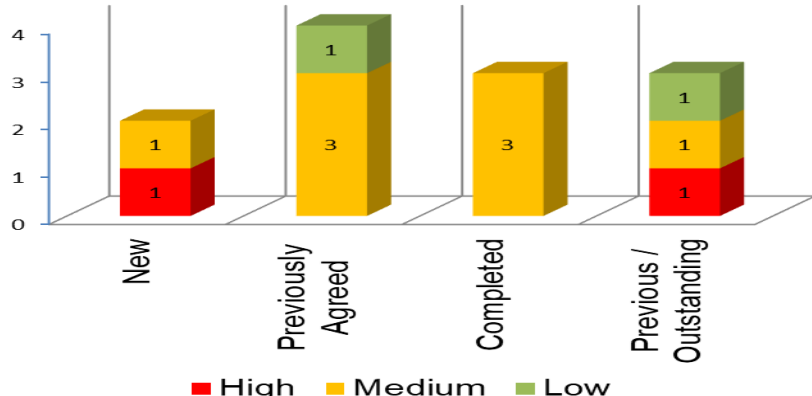
Issue Date:	15 th August 2024
Issued to:	Stuart Young – Executive Director
	Steve Charlesworth -

Contact Details:

Group Assurance & Audit Governance Manager	John Slater	Via Teams
Lead Auditor	Ann Ross	Via Teams
Auditor	David Knight	Via Teams

Executive Summary

<p>Organisation: East Midlands Councils (EMC)</p> <p>Previous reviews:</p> <p>2018/19 – Follow up on 2016-17 recommendations</p> <p>2019/20 – Financial Resilience</p> <p>2020/21 – Financial Processes</p> <p>2021/22 - Grant Compliance</p>	<p>Overall Opinion:</p> <p>Moderate Assurance</p>	<p>Direction of Travel:</p> 
	<p><u>Scope and Approach</u></p> <ul style="list-style-type: none">❖ Confirm the amount and the date of grant funding❖ Confirm the terms and conditions applicable to the grant❖ Review the expenditure to date❖ Test a sample of expenditure for compliance with the terms and conditions of the grant❖ Follow up of previous recommendations.	

<p>High Priority Recommendations:</p> <p>2022-24 R2 A funding agreement should be drafted which clearly defines the roles and responsibilities of provider and customer.</p>	<p><u>Summary of recommendations by priority</u></p>  <table><caption>Summary of recommendations by priority</caption><tr><th>Category</th><th>High</th><th>Medium</th><th>Low</th></tr><tr><td>New</td><td>1</td><td>1</td><td>0</td></tr><tr><td>Previously Agreed</td><td>0</td><td>3</td><td>1</td></tr><tr><td>Completed</td><td>0</td><td>3</td><td>0</td></tr><tr><td>Previous / Outstanding</td><td>1</td><td>1</td><td>1</td></tr></table>	Category	High	Medium	Low	New	1	1	0	Previously Agreed	0	3	1	Completed	0	3	0	Previous / Outstanding	1	1	1
Category	High	Medium	Low																		
New	1	1	0																		
Previously Agreed	0	3	1																		
Completed	0	3	0																		
Previous / Outstanding	1	1	1																		

Introduction and Background

- 1.1 East Midlands Councils (EMC) is a not-for-profit organisation that represents the interests of local councils to Government and national organisations. It is the consultative forum for local authorities in the region and 40 local authorities are members. EMC provides support and enables local councils to work together on key issues of concern including employment, training and development, housing, health, transport and planning. EMC is governed by an Executive Board of Councillors from across the East Midlands and is funded via subscriptions and not-for-profit consultancy services income.
- 1.2 The scope of this audit is to select one grant for testing, the Rail Collaboration Grant funded by the Department for Transport. Also reviewed was the funding for the post of Regional Immigration Solicitor funded by members to advise on cases relating to Unaccompanied Asylum-seeking Children and Refugees.
- 1.3 The associated risks include inadequate governance, systems or processes being in place and a lack of training and awareness that may result in:
- Loss of grant income or penalty imposed due to non-compliance with the grant funding terms and conditions
 - Unauthorised expenditure
- A failure to address the above could lead to the following outcomes:-
- Damage to the organisation's reputation
 - Fraud/corruption
 - Financial loss
- 1.4 Recommendations from previous audit reports were also followed up.

Key Findings

Rail Collaboration Grant

- 1.5 The rail collaboration grant is a multi-year agreement between the Department for Transport (DfT) and East Midlands Councils (EMC). Funding is provided by both members jointly, for the employment of two rail officers to assist in the grants objectives.
- 1.6 The grant funding agreement states that the purpose of the grant funding is that EMC will :-
 - (a) use the Grant Payments for the purpose of meeting half the employment costs of the Rail Officers; and
 - (b) not use any Grant Payments for any other purpose without the prior written agreement of the Secretary of State.
- 1.7 EMC have confirmed that only one Rail Officer is employed and although attempts have been made at recruitment, this has not been successful. DfT have confirmed through an email that they *"are content that the budget allocated to funding this role for 2024/25 Financial Year, is used instead to commission analytical research work for rail enhancements in the East Midlands. In agreeing to this reallocation, the Department requests to be kept informed of work being commissioned and results shared."*
- 1.8 Ledger reports have confirmed receipt of the 22/23 funding and the expenditure can be seen of the Rail Officer. A spreadsheet is maintained that details income, expenditure and the balance of underspent grant. The income and expenditure on the grant claim to date shows that there is a surplus of £147,557 brought forward to the 2024/25 financial year.
- 1.9 Annual reports are to be sent to DfT and these could be seen to have been submitted for the last two years (21/22 & 22/23)

Solicitor – Immigration (Unaccompanied Asylum-seeking Children and Refugees)

- 1.10 The funding for the post of Immigration Solicitor comes from the members of EMC who have responsibilities for Childrens Social Services and is not a government grant. However, as there are agreements in place to fund the position from members, we have applied the same level of testing that would be done on a government grant.
- 1.11 The funding agreement between the members with Childrens Social Services responsibilities has not been recorded in an official record. The only confirmation evidenced is an e-mail dated 14th May 2021, from the Executive Director for Children's Services at Derbyshire County Council to various others including the Executive Director and Senior UASC Policy Advisor at East Midlands Council that states:
- “To confirm we got I think a full and unanimous return of yes, 2 years Option C.”
- 1.12 The agreed funding was invoiced to the members between 15th July 2022 and 8th October 2022 and the payments received were confirmed. The payments covered two year at £14,550 for members with the exception of North and West Northamptonshire and Rutland which were reduced due to the size of their population.
- 1.13 There have been two holders of the post, and the costs are posted against a ledger cost centre which is shared by two other minor grants. It was confirmed that the only costs related to the grant are for salary of the Solicitor. Testing confirmed that the expenditure is satisfactory.

Follow Up of Previous Recommendations**1.14 Monitoring reports should be dated upon completion and retained. Rec 1 2021-22**

The 2022-23 Annual Summary has been provided which is presented to the Department for Transport and the Transport for East Midlands Board. However, there was no date of the publication shown.

1.15 The Risk Register should use a numeric scale to determine risk rating. Rec 1 2020-21

A copy of the new risk register for EMC dated February 2024 was provided and is now in the recommended format including RAG rating and numeric risk values.

1.16 All purchase orders should be approved by the Executive Director or authorised substitute. Not by NCC finance staff. Rec 2 2020-21

A sample of six purchase orders was reviewed to ensure that they had been approved by the Executive Director or an authorised substitute. In all cases the orders were approved by the Executive Director. However, in two cases the order had also been requested by the Executive Director. These two are a failure of separation of duties within the purchasing function.

1.17 Documents should be created setting out the policy/processes for the following items and approved by Management Group Rec 1 2019-20:

- Budget Management policy
- Budget Monitoring process
- Target Level for balances
- Policy on Reserves

A budget monitoring policy and process was drafted and approved by the Management Group Meeting 2021 and 2022. The policy on reserves was discussed at the Management Meeting held 24th November 2023. It was agreed that an Interim Reserves Policy will be considered during the budget setting process.

Opinion

1.18 We are required to provide an opinion on the adequacy and effectiveness of internal controls in relation to the area under review. Our opinion is based on the work performed. We can report a **Moderate Assurance** for controls in this area. This is based on:

- Insufficient documentation of funding arrangements

Summary of Recommendations

- 1.19 Details of all of the issues arising from this review, along with our recommendations and management responses, are set out in the attached Action Plan.
- 1.20 Within the Action Plan we have assigned a priority ranking to each recommendation to reflect the degree of risk that the issue that they relate to pose in the context of the audited area and hence the urgency with which the recommended actions should be addressed. The recommendations are summarised as follows:

Priority	Previous Recommendations	Completed	New Recommendations	Recommendations Outstanding
High			1	1
Medium	3	3	1	1
Low	1			1
Total	4	3	2	3

Detailed Findings and Action Plan

Year Ref	Finding Risk	Recommendation	Priority	Management Response	Responsibility and Target Date
2022-23 R1	No official agreement (SLA) has been drafted for the Immigration Solicitor funding. Risk Disputes over funding may arising.	A funding agreement should be drafted which clearly defines the roles and responsibilities of provider and customer.	High	Agreed While there have been no disputes over funding, and DCSs have recently agreed to extend and enhance the joint funding arrangement for a further 2 years, a tighter SLA should have been in place and this has now been actioned, for sign-off by lead DCS and EMC Executive Director.	
2022-23 R2	Testing found that for two purchases they have been requested and authorised by the same person. Risk	Where a purchase order is requested by the Executive Director then the authorisation should be from a	Medium	This should not happen in the future as a further Senior Manager has been set up to authorise	

Year Ref	Finding Risk	Recommendation	Priority	Management Response	Responsibility and Target Date
	Goods and services may be obtained without proper procedures being followed.	nominated senior officer of EMC.		payments, a further staff member has been set up to input payment requests and all staff reminded of the importance for ensuring separation of duties.	

Previous Years' Recommendations

Year Ref	Finding Risk	Original Recommendation & Priority	Management Response	Current Finding
2021/22 R1	<p>We were not always able to evidence when the monitoring reports had been completed due to the date not being entered. No monitoring returns were seen for the Afghan grant.</p> <p><u>Risk</u></p> <p>EMC would be unable to evidence when returns have been completed</p>	<p>Monitoring reports should be dated upon completion and retained.</p> <p>Low</p>	<p>When records are printed, we will ensure they are clearly dated.</p> <p>Exec Director Immediate</p>	<p>Incomplete</p> <p>The 2022-23 Annual Summary has been provided which is presented to the Department for Transport and the Transport for East Midlands Board. There is no date of publication shown.</p> <p>EMC Response 2024 Agreed – officers will ensure that a publication date is included within all future annual reports'</p>
2020-21 R1	<p>The Risk Register has no numeric score and scale to decide where on the RAG rating a risk should be placed.</p> <p><u>Risk</u></p> <p>A risk may not be given the correct level of review.</p>	<p>The Risk Register should use a numeric scale to determine risk rating</p> <p>Medium</p>	<p>Agreed</p> <p>Executive Director February 2022</p>	<p>Complete</p> <p>A copy of the most recent Risk Register dated February 2024 has been received and is in the recommended format.</p>

Year Ref	Finding Risk	Original Recommendation & Priority	Management Response	Current Finding
2020-21 R2	In 2 out of 5 purchase orders tested, the authorisation had been by a person at NCC Finance and not the Executive Director at EMC. Risk Unauthorised Orders may be placed leading to unauthorised expenditure.	All purchase orders should be approved by the Executive Director or authorised substitute. Not by NCC finance staff Medium	Agreed Executive Director Immediate	Complete A sample of six orders was selected and all had been signed by Executive Director
2019/20 R1	The following items are not available as formal written policies/documents: • Budget Management policy • Budget Monitoring process • Target Level for balances • Policy on Reserves Risk Policies, processes and decisions are not recorded and approved	Documents should be created setting out the policy/processes for the following items and approved by Management Group: • Budget Management policy • Budget Monitoring process • Target Level for balances • Policy on Reserves Medium	Management Group formally agreed a Reserves Policy at their March 2024 meeting. The Budget Monitoring process is quite clear. Each month Management Team review spending and this is replicated at every Management Group Meeting (except May) as a separate Budget Monitoring Report forms part of the Agenda.	Complete Policy and process was discussed 2021 and reaffirmed by the Management Group Meeting March 2022 • Budget Management policy • Budget Monitoring process Partially incomplete items • Target Level for balances • Policy on Reserves At the November 23 Management Group meeting it was agreed to draft a Interim Reserves Policy which will include target level of balances. This was approved by the Management Group Meeting March 2024

Client Responsibilities

- Whilst a number of recommendations are included in this report, it is the responsibility of management to determine the action that will be taken in response to each recommendation. Management should assess the risks to the objectives involved and the cost-effectiveness of the control improvements suggested
- Management is responsible for ensuring that all agreed recommendations are implemented within the agreed timescales.
- Management should note that any recommendations that relate to Financial Regulations must be implemented unless a satisfactory business case has been agreed justifying why the recommendation will not be implemented.

Levels of Assurance

We use four categories to classify Internal Audit assurance over the processes examined, these are defined as follows:

Significant Assurance	There is a generally sound system of control designed to meet the organisation's objectives and that controls are being applied consistently in the areas reviewed.
Moderate Assurance	Generally a sound system of internal control designed to achieve the organisation's objectives with some exceptions and / or evidence of non-compliance with some controls that may put some of the system objectives at risk
Limited Assurance	Weaknesses identified in the procedures and controls in key areas and / or non-compliance with key procedures and controls which constitutes a risk to the achievement of the organisation's objectives
No Assurance	Poor system of internal control or consistent non-compliance with key controls which could result in failure to achieve the organisation's objectives


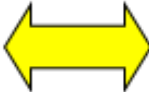

Where appropriate we may also comment on the level of assurance we can give that objectives will be met. This may apply when there are risks either partially or wholly outside of the control of management.

Categorisation of Recommendations

The recommendations within this report have been categorised by Internal Audit as:

High Priority	A weakness where there is substantial risk of loss, fraud, impropriety, poor VFM or failure to achieve organisational objectives. Such risks could lead to an adverse impact on the business
Medium Priority	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor VFM. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low Priority	Weaknesses that individually have no significant impact but where management would benefit from improved controls and / or have the opportunity to achieve greater effectiveness and / or efficiency.

In all cases, Internal Audit will follow up implementation of the recommendations by the agreed date.

<u>Key to Opinion & Direction of Travel</u>		
<u>Overall Opinion</u>		<u>Direction of Travel</u>
Significant Assurance		Improving 
Moderate Assurance		No changes 
Limited Assurance		Deteriorates 
No Assurance		



Request For Exemption From Financial Regulations In Respect Of Contracts

Commencement Date	September 2024
Contract and Description:	An Assessment of the workforce benefits of Midland Main Line Electrification: Building an Electrification Workforce
Amount:	£7,250 excluding VAT
Contractor/Supplier:	The National Skills Academy for Rail (NSAR) Home - NSAR
Basis for Exemption:	<p>a) that only one contractor is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive rights.</p> <p>b) that time limits required for tendering cannot be met for reasons of extreme urgency (and, in the case of EC contracts, the reasons were unforeseen and not attributable to East midlands Councils).</p>
<p>Justification:</p> <p>a) The The National Skills Academy for Rail (NSAR) is a not-for profit partnership that brings together the rail industry, government and training providers, trusted by government to help deliver the goals and needs of the industry for the future. As such the NSAR is in a unique position provide a technically robust assessment of the workforce benefits of MMLe which will have credibility with decision makers based in Westminster and Whitehall.</p> <p>b) A Ministerial decision on the next phase of MMLe was due to be made in July 2024 but was delayed by the General Election. It is likely that a decision will now be made at or following the Autumn Budget of 30th October 2024. To have maximum impact, it is important that the Assessment, which will take around four weeks to complete from inception, is available for publication by TfEM in the period running up to the Budget Statement.</p> <p>c) The Chancellor's Statement of 29th July 2024 highlighted an in-year budget deficit of £20b+, resulting in the immediate cancellation of several road and rail schemes and a full review of DfT's capital budget commitments. This has further increased the urgency of publishing compelling evidence detailing the wider economic and social benefits of key investment priorities such as MMLe.</p> <p>The Assessment will form a key part of a wider TfEM campaign to secure full delivery of MMLe and the detailed findings will be made available to EMC member authorities and DfT/NR.</p>	

Completed forms should be sent to the Executive Director

I agree to the exemption from Financial Regulations in respect of Contracts as detailed above.

SIGNED: _____ **DATE:** _____
Stuart Young, Executive Director

Once approved pass to Lisa Bushell/Lisa Hopkins

Reported to Management Group

DATE

Extract from Financial Regulations

Exemptions to these rules can be made by the Executive Director where he/she is satisfied that exceptional circumstances apply. All such decisions will be notified to the Leaders Board via the Internal Governance Board. The report shall justify the use of an alternative method of contractor selection so that propriety and value for money can be demonstrated. The exemption shall be made only on the grounds listed below (subject always to EU procurement directives):

- c) that only one contractor is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive rights.
- d) that time limits required for tendering cannot be met for reasons of extreme urgency (and, in the case of EC contracts, the reasons were unforeseen and not attributable to East midlands Councils).
- e) that additional works or services (not exceeding 50% of the value of the original contract in the case of EC contracts) are required which, through unforeseen circumstances, were not included in the original contract and which are either:
 - strictly necessary for the completion of the contract; or,
 - for technical or economic reasons, cannot be carried out separately without great inconvenience.
- f) that new works or services are required which are a repetition of works or services carried out under a previous contract within the previous 12 months:
 - at the same location as before for works contracts; or
 - the same service or goods in other cases
- g) that goods are required as a partial replacement for or addition to existing goods or installations and obtaining them from another contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance.
- h) that the rules of a design contest require the contract to be awarded to one of the successful candidates provided all successful candidates are invited to negotiate.
- i) If a Major Incident is declared or similar emergency situation arises, requiring immediate action on East Midlands Councils behalf.
- j) In instances where sums of money are allocated to East Midlands Councils by Government departments or agencies for specific initiatives, exemptions may be granted to the extent necessary to comply with reasonable conditions laid down by the funding body.



**Management Group
6th September 2024**

Lead Member Report

Cllr Jewel Miah

Conduct and Standards

Summary

The following report provides an update on the oversight and operation of the Members' and Officers' Codes of Conduct.

Recommendation

Members of the Management Group are invited to note this report.

1. Declarations of Interest

- 1.1 All EMC Members are required to complete and submit an annual declaration of interest. Following on from the EMC AGM in July 2024, 6 declarations of interest remain outstanding.
- 1.2 All EMC staff members are required to complete and submit an annual declaration of interest. These have all been returned and signed-off by the Executive Director – and whose own return is shared with EMC Chair and EMC management team colleagues.

2. Other Matters

- 2.1 No standards complaints have been submitted to the Executive Director, or any other staff member.
- 2.2 No corporate governance issues that relate to whistle blowing and complaints handling have been highlighted.

3. Recommendations

- 3.1 Members of the Management Group are invited to note the contents of this report.

Cllr Jewel Miah
Labour Group Leader
Lead Member, Conduct and Standards