



Executive Board Meeting

10.00am, Friday 6th December 2024

AGENDA

1. Welcome and Introductions
2. Apologies
3. Declarations of Interest
4. Minutes of the Executive Board Meeting 27th September*
5. Local Authority Workforce and Pay – Regional Employers’ Board *
6. Asylum and Refugee Resettlement in the East Midlands *
7. Infrastructure and Growth *
8. Chair’s Report - Summary of Key Issues *
9. Devolution White Paper (to follow)
10. Report of Management Group *
11. Any Other Business

*Papers attached



**EAST MIDLANDS COUNCILS EXECUTIVE BOARD
MINUTES OF THE MEETING HELD ON 27TH SEPTEMBER 2024**

Present: Cllr Martin Hill OBE (Chair) – Lincolnshire County Council
Cllr Tricia Gilby (Vice Chair) – Chesterfield Borough Council
Cllr Matthew Relf – Ashfield District Council
Cllr Jewel Miah – Charnwood Borough Council
Cllr Nadine Peatfield – Derby City Council
Cllr Carol Hart – Derbyshire County Council
Cllr Phil King – Harborough District Council
Cllr Stuart Bray – Hinckley & Bosworth Borough Council
Cllr David Bill MBE – Leicestershire County Council
Cllr Lee Breckon – Leicestershire County Council
Cllr Paul Peacock – Newark & Sherwood District Council
Cllr Richard Wright – North Kesteven District Council
Cllr Gill Mercer – North Northants Council
Cllr Jay Hayes – Nottingham City Council
Cllr Kate Foale – Nottinghamshire County Council
Cllr Gale Waller – Rutland County Council
Cllr Adam Brown – West Northants Council

John Robinson – Newark & Sherwood District Council
Stuart Young – East Midlands Councils
Sam Maher – East Midlands Councils
Andrew Pritchard – East Midlands Councils
Lisa Hopkins – East Midlands Councils (Minutes)

Apologies: Cllr Alex Dale – Derbyshire County Council
Cllr Barry Lewis – Derbyshire County Council
Cllr Nick Rushton – Leicestershire County Council
Cllr Sarah Russell (Vice-Chair) – Leicester City Council
Cllr Jason Smithers – North Northants Council
Cllr Neghat Khan – Nottingham City Council
Cllr Ben Bradley – Nottinghamshire County Council

		ACTION
1.	Welcome and Introductions	
1.1	Cllr Martin Hill welcomed members to the meeting.	
2.	Apologies	
2.1	Apologies were received as noted above.	
3.	Declarations of Interest	
3.1	Cllr Martin Hill declared an interest in land on the edge of Melton Mowbray.	
4.	Minutes of Executive Board Meeting held on 22nd March 2024	
4.1	The minutes were agreed as a true and accurate record.	
5.	Chair's Report - Summary of Key Issues	
5.1	Cllr Martin Hill updated members on recent developments and highlighted areas from his report.	SY
5.2	Proposals for a Mayoral Combined County Greater Lincolnshire have been agreed in Greater Lincolnshire, with mayoral elections scheduled for May 2025.	
5.3	Cllr Hill confirmed that responsibilities for investment programmes, strategic planning and skills will be put through new mayoral combined authorities.	
5.4	Members highlighted the need for wider governance reviews of pan-regional and regional bodies alongside the roll-out of combined authorities.	
5.5	Stuart Young highlighted the nominations to Midlands Engine and Midlands Connect and their respective boards. There are 3 representatives on Midlands Connect and 4 on Midlands Engine.	
5.6	Stuart confirmed the basis for the proposed nominations and asked for Executive Board endorsement.	
5.7	Members confirmed the nominations and also endorsed Cllr Gale Waller as a nominated substitute to sit on the Midlands Connect Board.	

		ACTION
5.8	Cllr Gale Waller asked whether EMC has reached out to the new MPs in the region.	
5.9	Stuart Young confirmed that EMC has written to all MPs, and proposals are being developed for re-establishing the region's APPG.	
5.10	Cllr Phil King expressed concerns around devolution and some areas of the East Midlands are not part of a devolution deal or combined authority proposals.	
5.11	Cllr Gale Waller expressed concerns as to how this is progressing and feels Leicester, Leicestershire and Rutland is too small for a combined authority.	
5.12	Stuart Young has spoken to senior colleagues at MHCLG, and the Devolution White Paper is likely to be published early December.	
5.13	Cllr King also expressed concerns about the impact of removing the winter fuel allowance and the associated health problems this may cause, and potential impact on Local Government.	
5.14	Also, in relation to schools and education, concern was highlighted in relation to the imposition of 20% VAT, and removal of business rates exemption for independent schools. It is not yet known what the effect will be, but some areas may experience extra demand on state school places.	
5.15	Cllr Hill agreed there may be an impact on councils in relation to winter fuel allowance and local government should encourage those to claim benefits to which they are entitled to. It was noted that it is still unclear as to how many children may transfer state school provision.	
5.16	Cllr Lee Breckon confirmed meetings have been held between Chief Executives of Leicester City, Leicestershire County Council and junior Ministers and officers regarding devolution and are currently trying to find a way forward.	
5.17	Stuart highlighted the latest HM Treasury PESA summary analysis as detailed in the reports. East Midlands remains below the national average for public expenditure and receives the lowest funded for transport expenditure.	

		ACTION
5.18	<p><u>Resolution</u></p> <p>Members of the Executive Board:</p> <ul style="list-style-type: none"> ▪ Considered the General Election results, Ministerial appointments and update on Government’s legislative programme. ▪ Considered and endorsed nominations to Midlands Connect and Midlands Engine Executive Boards ▪ Considered the implications of the analysis of HM Treasury PESA data to inform future work on investment and growth. 	
6.	Proposed Reforms – Housing & Planning	
6.1	Andrew Pritchard introduced this report and provided Members an overview of the Government’s NPPF proposals. He stated that the Government is committed to deliver 1.5million homes over the next 5 years.	
6.2	Government wants more housing to meet the needs of people, particularly for younger people, and believes that by increasing the number of planning consents this will increase the number of homes built.	
6.3	The proposed standard method for housing is designed to be simple and quick. Not based on demographic or household projections.	
6.4	Overall, from an East Midlands perspective what is proposed would increase numbers from around 22,000 per year to around 27,000 per year. Low levels of transport and infrastructure investment means these numbers are unlikely to be delivered.	
6.5	It is thought the NPPF in the final form will be published in the New Year.	
6.6	A New Towns Taskforce has been established and the terms of reference published. It is unclear though how they will develop recommendations and how these will be implemented by Government. It is assumed government will try and implement recommendations through a national policy statement, but this is still not clear.	

		ACTION
6.7	Government have stated that new homes delivered through new towns will not count towards local need but is of the view that this may be a negotiated position rather than a fixed position.	
6.8	EMC have submitted a response to the NPPF consultation.	
6.9	Cllr Richard Wright expressed concerns around the NPPF. Authorities have a local plan in plan however due to changes now don't have the 5 year land supply.	
6.10	Cllr Gale Waller stated that Rutland currently have a 7.5 year land supply, however when new figures kick in this will reduce to 3 years. This will lead to instability.	
6.11	Cllr Waller emphasised that it is not the planning authorities refusing permission, it is the developers not delivering and failing to deliver affordable housing elements.	
6.12	Cllr Matt Relf highlighted the land value aspect and he feels this should be the first thing that takes the hit, not local infrastructure payments.	
6.13	He is also concerned around the focus on numbers rather than quality and some developers are putting up poor quality houses. He feels there is a need to resource Local Authorities properly to process planning applications and also be able to inspect homes are being built to a good quality standard.	
6.14	Cllr Phil King highlighted the macro-economic situation which determine numbers for housing.	
6.15	Andrew Pritchard highlighted this is a treasury issue and belief in there that more consents deliver more homes.	
6.16	In relation to new towns these won't be recognised as being a Government new town currently. There is some serious thinking around land values in government and some changes may be forthcoming through the planning and infrastructure bill.	

		ACTION
6.17	Stuart Young emphasised the significance of these matters and will be meeting again with Chief Executives, Chief Planning Officers and MHCLG to work through the proposals. A further report will be brought to Members at the appropriate time.	SY
6.18	<p><u>Resolution</u></p> <p>Members of the Executive Board:</p> <ul style="list-style-type: none"> ▪ Endorsed the EMC Consultation response as set out in the report ▪ Noted the rest of the report. 	
7.	Local Authority Workforce and Pay – Regional Employers’ Board	
7.1	Cllr Kate Foale updated Members on the report and highlighted the key issues currently being considered by the Board.	
7.2	Recruitment and retention issues continue. There has been a pilot for recruitment in the North East which will be rolled out into this region shortly.	
7.3	Work health data and sickness absence data was reviewed at the Employment Board. Health and wellbeing of employees is important to all.	
7.4	Cllr Foale provided an update on the pay settlement, GMB have accepted pay offer but Unison and Unite haven't.	
7.5	As a joint council have agreed that a joint letter be signed by Cllr Foale and Unions to state that any pay award should be fully funded by government.	
7.6	Sam highlighted the biggest issue on impact of pay is the governments’ initiative around the living wage. Will be looking to see what government announcement is on budget day as this is forecast to be higher than what the current pay offer will be.	
7.7	Members were updated on the national pilot campaign on local government recruitment. Resources are due to be shared out to councils early next month.	
7.8	Sam confirmed the current pay offer is for a flat rate of £1,290, or if above the pay spine, a 2.5% pay increase.	

		ACTION
	<p><u>Resolution</u></p> <p>Members of the Executive Board:</p> <ul style="list-style-type: none"> ▪ Considered the issues highlighted in the report. 	
8.	Infrastructure & Growth	
8.1	Andrew Pritchard introduced this report and updated Members on latest developments.	
8.2	TfEM Board submitted a submission to the budget which highlighted 2 schemes - MML electrification and A46 Newark northern bypass. These are schemes that will shortly require a funding decision by Ministers.	
8.3	Andrew updated Members on joint work being undertaken with EMR on the development of Aurora rolling stock and refurbishment of existing trains. Funding is now in place to deliver this, and the process has been agreed with the government.	
8.4	Andrew highlighted work to enable 2 trains per hour between Nottingham and Lincoln but have been told impossible due to flat crossing. TfEM have been supporting EMR and have come up with a solution to enable this to happen. This is currently going through regulatory process, but it is hoped this will now happen within the next 18 months.	
8.5	Cllr Phil King asked whether there is any clarity on what's happening to electrification of Midland Mainline north of Wigston. He is concerned these delays are adding to costs and also constraint on growth. The A5 is an important freight route.	
8.6	Andrew confirmed that the line has been electrified up to South Wigston. Next stage is to electrify up to fen junctions through Leicester and then detailed design work through to Sheffield. This is the funding decision which is to be made by Ministers.	
8.7	Andrew confirmed there are no proposals to bring HS2 back in the East Midlands, however there is a station in Birmingham being built which has 7 platforms and an appropriate 'end-use' of this needs to be agreed.	

		ACTION
8.8	<p><u>Resolution</u></p> <p>Members of the Executive Board:</p> <ul style="list-style-type: none"> ▪ Endorsed the work of the East Midlands Stations Growth Bord and the TfEM Board. ▪ Noted the rest of this report. 	
9.	Asylum and Refugee Resettlement in the East Midlands	
9.1	Stuart Young updated members and highlighted the range of issues which are currently being considered at the Regional Migration Board. Different schemes impact on different authorities in differing ways.	
9.2	There are 2 issues relating to adult asylum dispersal. In relation to streamlined asylum process, which is where an increased number of asylum decisions are being made at an increased pace, the impact Local Authorities are seeing is increased homelessness presentation worsened by the lack of capacity in housing markets.	
9.3	Numbers continue to arrive, particularly on the South Coast. There has been an increase in the number of authorities in the region that are now participating. There are around 4,000 adult asylum seekers in the region now. Fewer hotels are now being used.	
9.4	Afghan resettlement continues and the programme has continued over the past year. MoD are leading this area of work. Numbers are increasing and numbers arriving at an increased rate. New areas are currently being looked at to provide temporary accommodation.	
9.5	Cllr Gale Waller stated Afghan people have been resettled in her area. She feels this has worked well due to local Parish Council being supportive of this and also the scheme has been phased and managed.	
9.6	Cllr Richard Wright updated members in relation to Afghan resettlement. Beckingham camp has been stood up in NKDC which will take up to 200 individuals. This is classed as moving on accommodation. Service provision will be looked after by MoD including education for the first 6 weeks. 2 planes a month are coming out of Pakistan for the next few months.	

		ACTION
9.7	Cllr Martin Hill highlighted the age disputed cases and asked whether this has been resolved.	SY
9.8	Stuart Young confirmed there is a national age assessment board to try and make improvements but there are still problems in the system.	
9.9	Cllr Phil King highlighted the unsuitability of rural areas for accommodating migrants with a lack of infrastructure in place to support numbers that are being indicated.	
9.10	Cllr Gale Waller stated it's not unwillingness to accept asylum dispersal, it's the inability of Serco and partners in procuring and funding the required housing.	
9.11	Cllr Tricia Gilby highlighted that Derbyshire districts are trying to accommodate as much as they can. She stressed the need for more funding so private landlords can update their properties.	
9.12	Members requested a further update on future asylum proposals.	
9.13	<p><u>Resolution</u></p> <p>Members of the Executive Board:</p> <ul style="list-style-type: none"> ▪ Considered the impact of asylum and refugee resettlement programmes and provided advice in relation to the on-going work of EMC in addressing the concerns of local authorities. ▪ Advised on the impact of the Full Dispersal plan in Local Authority areas. ▪ Advised on impact of the proposed Streamlined Asylum Process. ▪ Considered the UASC Care Leavers accommodation costs report and key points identified within the report. 	
10.	Report of Management Group	
10.1	Cllr Martin Hill introduced this report. There has been good attendance at meetings and all KPIs are on track to be met. There is currently a small surplus predicted.	
10.2	Internal and external audit reviews have been completed.	
10.3	<u>Resolution</u>	

Item 4

		ACTION
	Members of the Executive Board: <ul style="list-style-type: none"> ▪ Noted the summary report of Management Group. 	
11.	Any Other Business	
11.1	None.	
12.	Date of Next Meeting:	
12.1	Friday 6 th December 2024, 10.00am.	



Executive Board

6th December 2024

Local Authority Workforce and Pay – Regional Employers’ Board

Summary

This report provides an update to Members on significant issues relevant to local government as employers and provides a regional perspective.

Recommendation

Members of the Executive Board are invited to consider the issues highlighted in this report.

1. Introduction

- 1.1 East Midlands Councils (EMC) through its role as the region's Employers Organisation, has the responsibility of supporting employment relations for the sector. The Regional Employers' Board provides political leadership on employment issues and councillor development and forms the Employer's side of the Regional Joint Council, which meets with joint trade unions to support employment relations on behalf of councils in the East Midlands.
- 1.2 This report provides information for members on the significant issues affecting councils as employers, including national pay negotiation updates, employment law developments and regional support to councils, including councillor development.

2. Key Priorities

- 2.1 The following are the current priorities in relation to the local government as employers:
- Attracting, Developing and Retaining Talent
 - Workforce Data
 - Pay and Rewards
- 2.2 Attracting, Developing and Retaining Talent
- 2.2.1 This issue includes the challenges of recruitment and retention, and the ability of councils to ensure they have the capacity and skills to deliver services.
- 2.2.2 Raising the profile of careers in local government has been a challenge for the sector, as it competes with others that benefit from national advertising campaigns, e.g. NHS, Teaching and Armed Forces.
- 2.2.3 EMC has been supporting the roll-out across the region of a national recruitment advertising campaign. The campaign promotes careers in local government and has been funded by Government.
- 2.2.4 EMC has been leading on the co-ordination of the project to enable councils to feed into the design and development of the toolkit and resources that are

the outputs of the initiative. These resources can be tailored by councils and were made available in advance of the campaign launch on 4th November 2024. The campaign runs to February 2025.

2.2.5 To support the campaign, EMC has updated the regional jobs portal, EMJobs, which provides a platform for councils to advertise their vacancies. Improved functionality allows councils to have their jobs automatically feature on EMJobs from their own websites, avoiding the need for duplication or increased work. The portal is being provided free for councils to use during the campaign.

2.3 Workforce Data

2.3.1 As a sector, there is a lack of workforce data being held in a consistent manner that can be shared across councils at regional and national levels. This impacts on our ability to identify or evidence workforce issues and to benchmark between councils and regions.

2.3.2 EMC is offering councils the opportunity to join with other authorities from across the country to benchmark salaries and workforce data, through a single system - Infinistats.

2.3.3 To capture and benchmark data linked to workforce capacity, EMC is offering a more limited access to Infinistats free of charge.

2.4 Pay and Rewards

2.4.1 On national pay negotiations, since the last Board meeting, national pay negotiations for 2024 for the main negotiating bodies in local government have been completed, with agreements being reached as summarised below. Copies of the agreements can be found here: Local Government Services (emcouncils.gov.uk)

2.4.2 For Chief Executives, a 2.5% pay award was agreed, mirroring the increase agreed with Chief Officers in May.

2.4.3 For Local Government Services employees (those on “Green Book” terms and conditions) who make up the majority of council staff, the award was for a flat rate increase of £1290 on all pay points of the national pay spine, and an

- increase of 2.5% for those paid above the national pay spine but are below chief officer level. Allowances were increased by 2.5%.
- 2.4.4 Craftworkers agreed a pay award of £1290 on all pay points, and allowances were increased by 2.5%.
- 2.4.5 Nationally, work is now focused on jointly reviewing the national pay spine, which has needed to be reviewed for some time, to address the impact of the pressure of the national living wage and better reflect pay requirements for professional roles. 10% of Green Book employees are paid above the national pay spine, which indicates the need for review.
- 2.4.6 There remain two negotiating bodies where negotiations are ongoing. These are for Soulbury (covering employees such as educational psychologists) and Youth and Community Workers.
- 2.4.7 A significant influence on pay offers and the viability of the national pay spine is the National Living Wage (NLW). In addition to factoring in affordability for councils, the National Employers need to ensure that any offer will be compliant with the forecast level of the NLW coming into effect in April of the following year. The impact on the national pay spine is that the focus on improving pay at the lower levels can erode differences in pay points higher up the pay spine and lead to equal pay concerns.
- 2.4.8 The Low Pay Commission recommends changes to the NLW. Their remit from the previous Government was that the NLW should not fall below two-thirds of the median hourly earnings level. The new Government has amended this remit so that the Commission should also take account of cost-of-living increases.
- 2.4.9 On 30th October 2024, the Government announced that the NLW will be increased to £12.21 from 1st April 2025. The recently agreed 2024 pay award referred to above means the bottom rate of pay on the national pay spine is now £12.26 per hour (£23,656 per annum). We will therefore maintain headroom from the NLW, albeit by only 5p, from 1 April 2025 for the period until the 2025 pay round is finalised.

3. Regional Employers' Board and Joint Council

- 3.1 The Regional Employers' Board met on 28th November 2024. The Board meeting provided an opportunity to discuss the latest developments in relation to workforce issues, along with a summary of regional activity. This included an overview of implications for employers of the Employment Rights Bill. The Board agreed that workforce issues arising from local government reorganisation proposals will be considered at future meetings, as proposals become clearer.
- 3.2 The Regional Joint Council meeting followed the Employers' Board on 28th November 2024. The Joint Council agreed an uplift of 2.5% to caretakers' letting fees. The meeting received an update on the recruitment advertising campaign.
- 3.3 The Joint Council received a presentation on the Employment Rights Bill – see below which will see significant changes for all employers and specific implications for local government (see section 4 below).

4. Employment Rights Bill

- 4.1 The Employment Rights Bill was published in October and proposes wide-ranging and significant changes across areas such as employment rights, trade unions, and collective bargaining in sectors relevant to local government. A copy of the presentation provided to the Regional Joint Council at its recent meeting is attached at Appendix 5(a) for information.
- 4.2 Proposals that are particularly relevant for local government are:
- Reinstating the two-tier code in public sector procurement (providing broadly similar terms and conditions for TUPE'd staff and those directly employed by the successful contractor).
 - Establishing a separate national negotiating body for school support staff.
 - Establishing a new Adult Social Care negotiating body.

These proposals are likely to take significant time to develop and the Board will be updated as developments arise.

- 4.3 Significant provisions for all employers are proposals for unfair dismissal protection to be a right from the first day of employment (currently this arises after 2 years' service), provisions relating to the industrial relations framework where thresholds for responses to ballots for industrial action will be removed, and collective redundancy and fire and rehire proposals. The fire/rehire proposals will mean that changes to terms and conditions will need to be agreed, and cannot be achieved through dismissal and re-engagement on revised contracts.
- 4.4 From the regional perspective, EMC will be supporting councils by providing advice and training on employment law changes, as well as engaging in consultations relating to the proposals where appropriate. The Regional Joint Council will provide a forum for implementation of proposals to be discussed.
- 4.5 EMC held an employment law seminar on 7th November 2024 which provided information to delegates on the Bill, along with any learning from recent employment case law. Over 70 delegates attended the event and their feedback was very positive.

5. Regional Activity and Support

5.1 Councillor Development

- 5.1.1 Events held so far as part of the regional development programme have been well-attended and feedback from delegates has been very positive. Development activity is also being provided through the Regional Scrutiny Network.
- 5.1.2 An event is being planned in early March to provide a forum for councillors to look at and discuss the key policy developments affecting the sector.
- 5.1.3 The programme for 2025/6 will include provision for councillor induction to support new councillors following county council elections in May 2025.

5.2 Network Updates

- 5.2.1 In addition to supporting county-based HR networks, EMC provides a range of regional networks as listed below:
- Scrutiny
 - Councillor Development

- Equality Diversity and Inclusion
- Cyber Security (EMGWARP)
- Learning and Development/Organisational Development
- Communications
- Performance

The scrutiny and councillor development networks are for both officers and councillors to attend.

5.2.2 The Scrutiny Network met in June as an in-person meeting in Nottinghamshire County Council and in September the network was hosted by Oadby & Wigston. The network has enabled sharing on issues such as effective budget scrutiny and scrutiny training and development needs.

5.2.3 The Equality Diversity and Inclusion network met in September, with a presentation from Derby City Council. The network includes 6 working 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.

5.2.4 The Communications network has recently been launched in the region and had the national recruitment campaign as a focus of discussion.

5.2.5 The learning and development/organisation development network has been sharing information on learning platforms and talent pipelines.

5.3 Consultancy

5.3.1 Councils can access individual support from EMC on a not-for-profit basis on a range of workforce issues and in-house training/development.

5.3.2 Since the last meeting of the Board, assignments have included:

- | | |
|--|---------------------------|
| ▪ Chief Executive appraisal facilitation | ▪ Grievance appeal advice |
| ▪ Psychometric testing | ▪ Restructure support |
| ▪ Pay and grading advice | ▪ Mediation |
| ▪ Disciplinary investigations | ▪ Coaching |
| | ▪ Complex case management |


5.3.3 In addition to this work, EMC is supporting the delivery of a national programme of events for the Association of Democratic Services Officers

(ADSO). The programme for next year is being developed. Feedback from the events is extremely positive – both from delegates and tutors.

6. Recommendation

- 6.1 Members of the Executive Board are invited to consider the issues highlighted in this report.

Cllr Kate Foale
Chair
Regional Employers' Board



EMPLOYMENT RIGHTS BILL – AN OVERVIEW

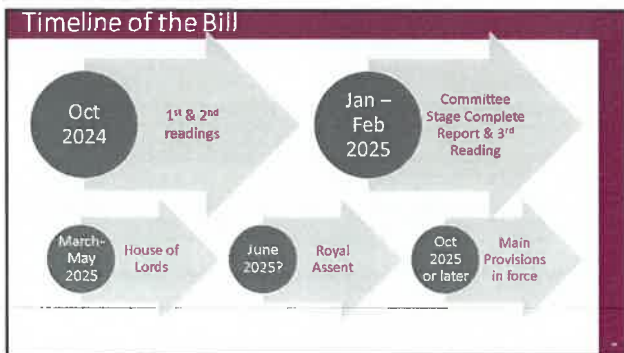
EAST MIDLANDS REGIONAL JOINT COUNCIL
28TH NOVEMBER 2024

1

Introduction

- The Bill includes distinct measures as well as enabling powers to all the Government to implement its manifesto commitments set out in “Make Work Pay”.
- 10 factsheets accompany the Bill and the Government has also published a number of impact assessments.
- The impact and significance of some changes will require considerable thought and consultation with affected parties.
- 4 consultations have been launched so far.

2



3



4

Other Key Provisions in the Bill

- Fire and re-hire and collective redundancy measures
- Changes to zero-hour contracts and those with unpredictable work patterns
- Trade union law amendments
- Introduction/extension of day-one employment protection rights
- Equality related measures
- Measures related to employment law enforcement

5

Fire and Rehire

- Automatically unfair to dismiss if:
 - Employee refuses to agree new terms
 - To hire or rehire employees on varied terms to do the same work
- Exception for employers facing financial difficulties
- Places more focus on seeking agreement

6

Unfair Dismissal as Day 1 Right

- Abolishing the 2-year service requirement from Autumn 2026
- Regulations to be made on the initial period of employment
 - Expecting 9-month probation period
 - Will be consulting on what this means

7

Trade Unions – Local Government Lens

- Abolishing the Strikes Minimum Service Levels Act
- Scrapping thresholds at ballots – returning to simple majority
- Reducing strike notice from 2 weeks to 1
- Regulations expected on electronic ballots
- Scrapping restrictions on facility time and public sector reporting
- Removing limitations on public sector check-off

8

Current Consultations

Close 2nd
December
2024)

The application of zero-hours contracts measures to agency workers

Creating a modern framework for industrial relations

Strengthening remedies against abuse of rules on collective redundancy and fire and rehire

Strengthening statutory sick pay

9

Application of Zero Hours Contracts Measures to Agency Workers

- The government is introducing measures to tackle one-sided flexibility in zero-hours contracts through a right to guaranteed hours with a contract that reflects the number of hours regularly worked, and a right to reasonable notice of shifts with payment for shifts cancelled or curtailed at short notice.
- This consultation seeks views specifically on the application of these 2 measures to agency workers so responses from stakeholders can help to inform the government's approach to legislation on this point.
- The government will consult at a later date on the implementation of these 2 measures more generally.

10

Creating a modern framework for industrial relations – seeking views on:-

- Simplifying the amount of information unions are required to provide in industrial action notices
- strengthening provisions to prevent unfair practices during the trade union recognition process
- removing the 10-year ballot requirement on political funds
- securing a mandate for negotiation and dispute resolution
- extending the expiry of the strike mandate
- reducing the industrial action notice period
- updating the law on repudiation and prior call
- the enforcement mechanism for right of access

11

Strengthening remedies against abuse of rules on collective redundancy and fire/rehire

- For the collective redundancy framework, the government is seeking views on the proposal to increase the maximum period of the protective award that a tribunal can award. The government is considering 2 options:
 - increase the protective award that a tribunal can award from 90 to 180 days
 - remove the cap on the protective award entirely
- The government is also seeking views on whether interim relief should be available to employees who bring claims for the protective award.
- For fire and rehire practices, the government is seeking views on whether interim relief should be available to employees who are bringing an unfair dismissal claim under the new right which will be introduced by the Employment Rights Bill (subject to Parliament's approval).

12

Strengthening Statutory Sick Pay

- The Employment Rights Bill includes a commitment to strengthen Statutory Sick Pay by:
- removing the existing requirements to serve waiting days and,
- extending eligibility to those earning below the Lower Earnings Limit.

The changes introduced will mean that for some lower earners, including those earning below the Lower Earnings Limit, their rate of Statutory Sick Pay will be calculated as a percentage of their earnings instead of the flat weekly rate.

This consultation seeks views on what this percentage should be, to ensure it provides a fair earnings replacement for employees off work due to sickness.

13

RJC Implications/Recommendations

- Note the broad-ranging and significant changes are proposed through the Bill
- Encouraging our respective members to engage with consultation opportunities as appropriate and possible
- EMC as the regional employers' organisation to support councils to understand new legal requirements
- Role for EMRJC in joint discussions to support implementation of changes in local authorities

14



Executive Board

6th December 2024

Infrastructure and Growth

Summary

This report:

- Provides an update on relevant economic data and national policy.
- Seeks endorsement for the work of the TfEM Board and the East Midlands Stations Growth Board.

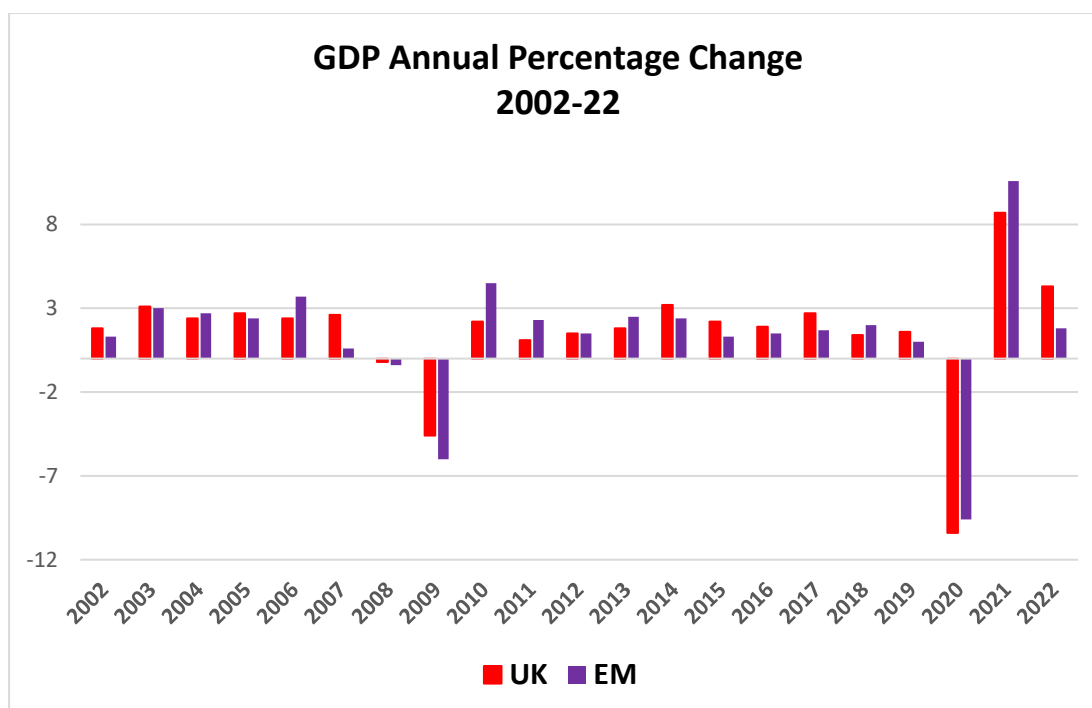
Recommendations

Members of the Executive Board are invited to:

- Endorse the work of the TfEM Board and the Stations Growth Board.
- Note the rest of this report.

1. Growth, Productivity & Investment in the East Midlands

- 1.1 The East Midlands is now a region of 5.0 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 just above the UK average at 75.8% (UK=75.0%). Median weekly earnings are below the UK average: £640 pw compared to £682pw. 10.6% of the workforce work in manufacturing, compared with 7.0% 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 4.4% compared to 4.0%.
- 1.2 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.

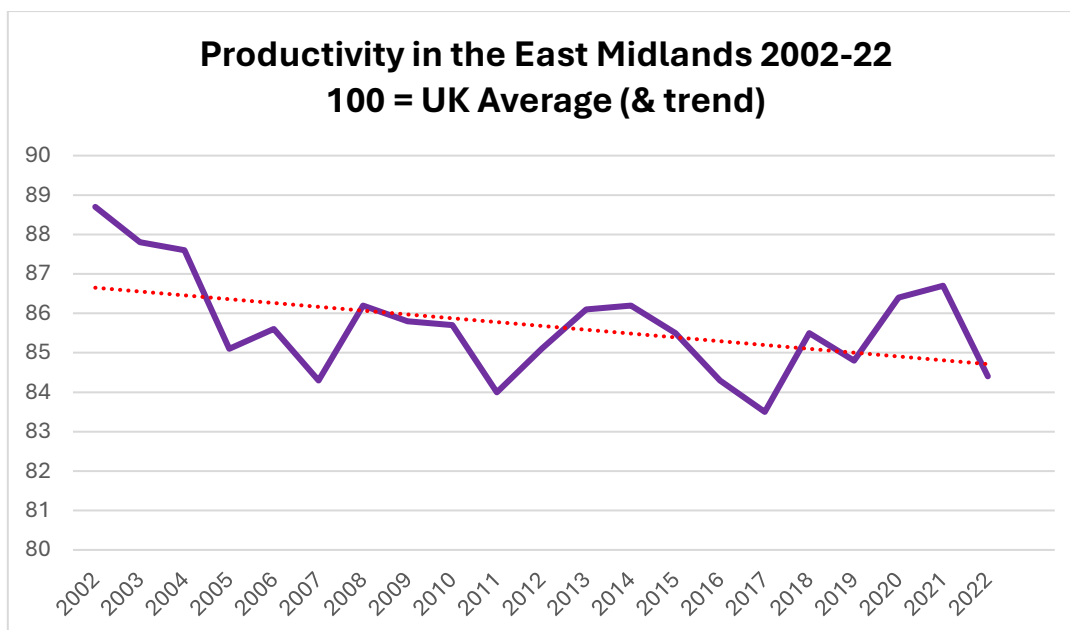


Source: [Regional gross domestic product: all ITL regions - Office for National Statistics](#)

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

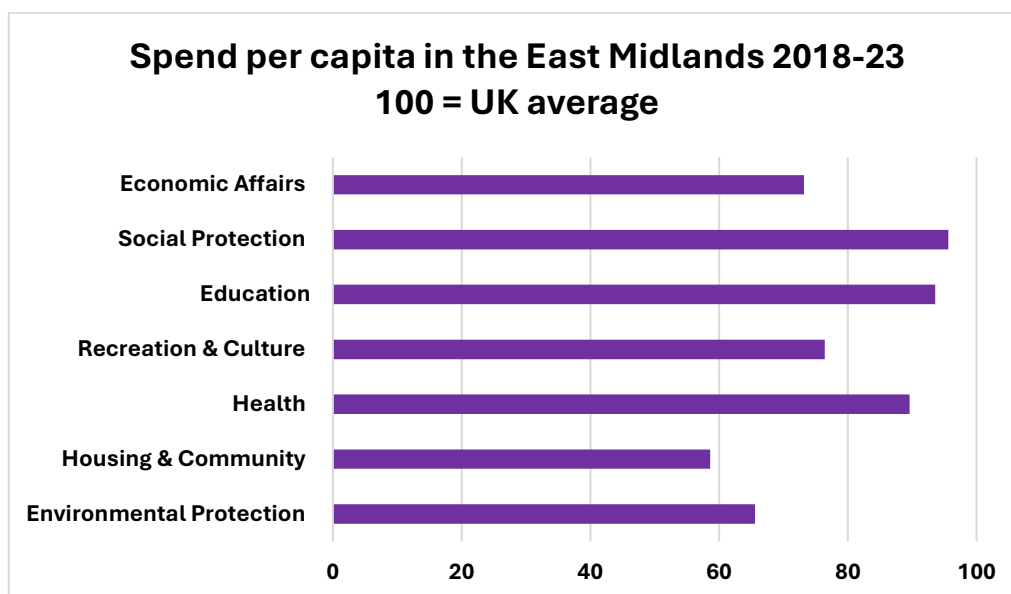
² <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/regionaleconomicactivitybygrossdomesticproductuk/1998to2022#gross-domestic-product-by-uk-country-and-region>

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)

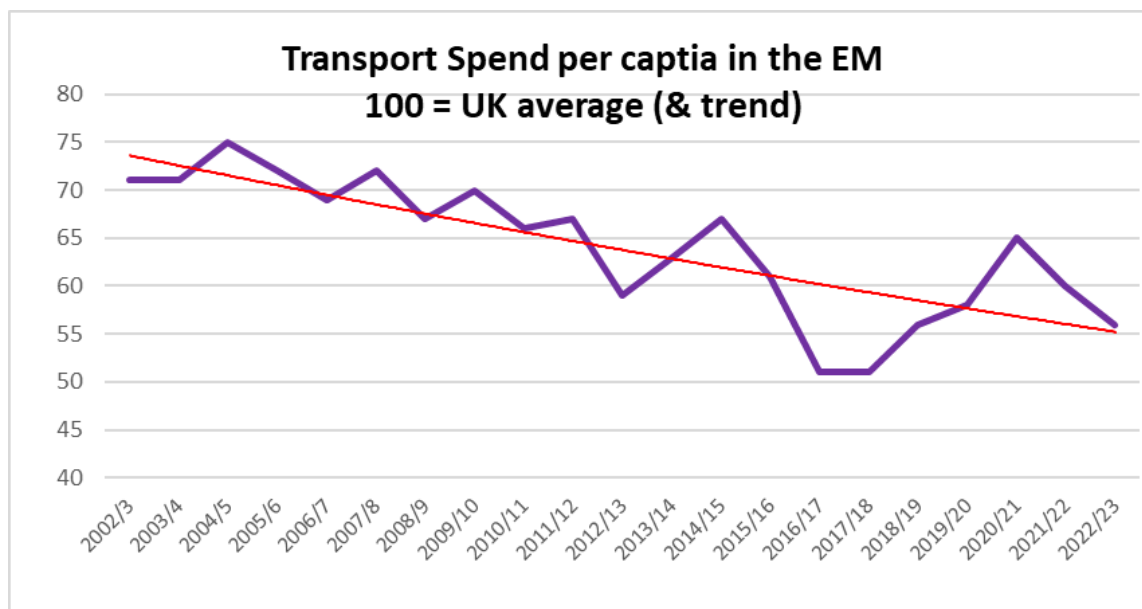
1.3 The Treasury publishes an annual Public Expenditure Statistical Analysis (PESA) every July on where public money (capital and revenue) is spent and on what, in the previous financial year.⁴ The data has the status of ‘National Statistics’ as defined by ONS and has been published on a broadly consistent 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.



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

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

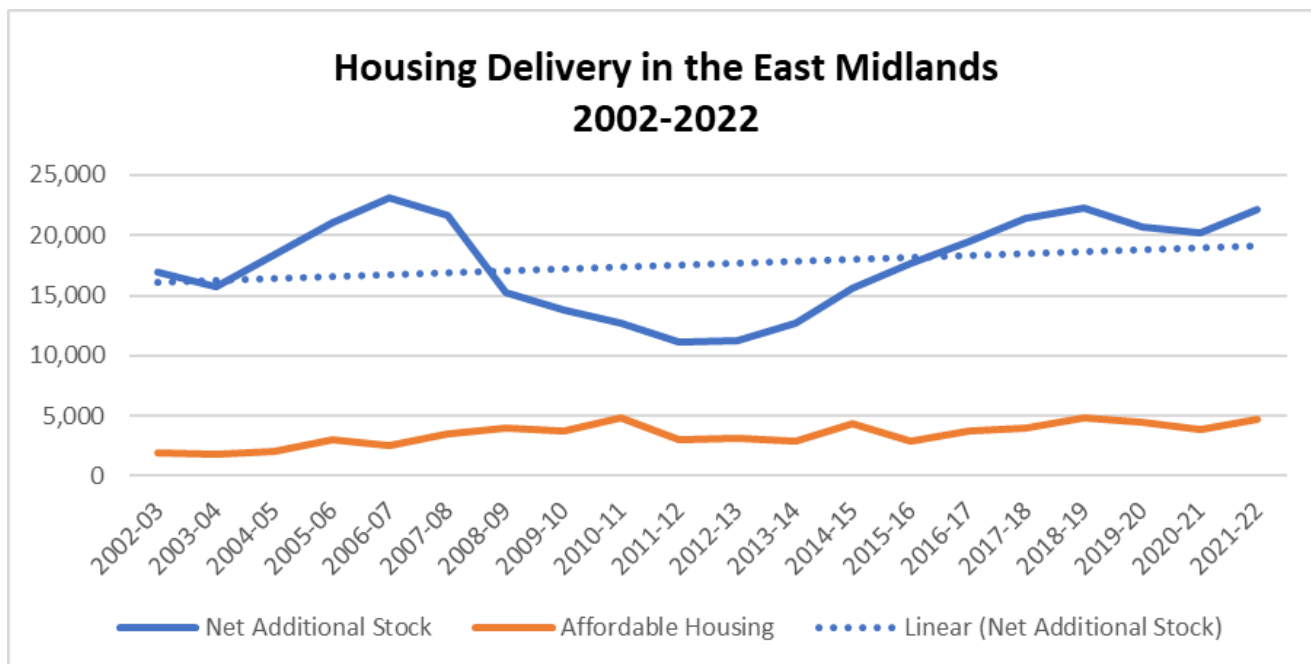
- 1.4 Transport spend per head has been very significantly below the UK average level for all of the last 5 years and now declined to just 56% of the UK average for 2022/23, the lowest level of any UK region or nation. If the region was funded at a level equivalent to the England average over the 5 years (2018-19/2022-23), a not unrealistic target, the East Midlands would have received an extra £6bn to spend on transport investment and services.



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

2. Housing & Planning

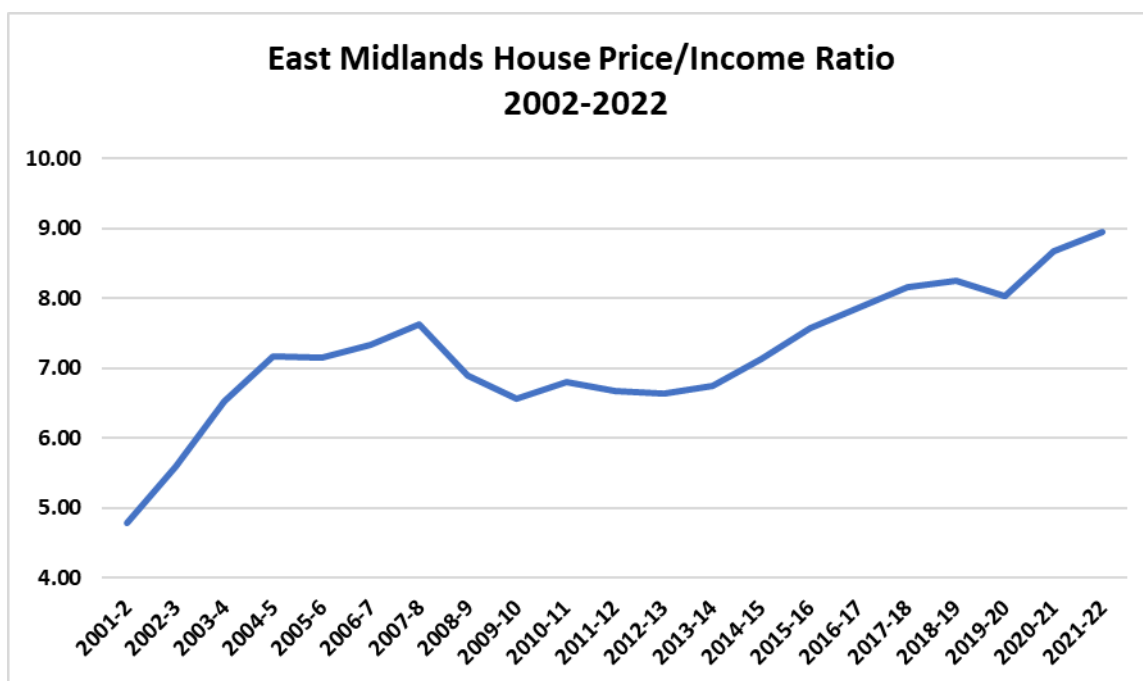
- 2.1 Housing delivery in the East Midlands over the last 20 years is set out below. As elsewhere, the scale of delivery has been largely determined by macro-economic conditions rather than local policies. Levels of affordable housing have been more consistent, although the definition of what constitutes 'affordable' has changed radically over this time.



Net Stock Source: [Live tables on dwelling stock \(including vacants\) - GOV.UK](#)

Affordable Housing Source: [Live tables on affordable housing supply - GOV.UK](#)

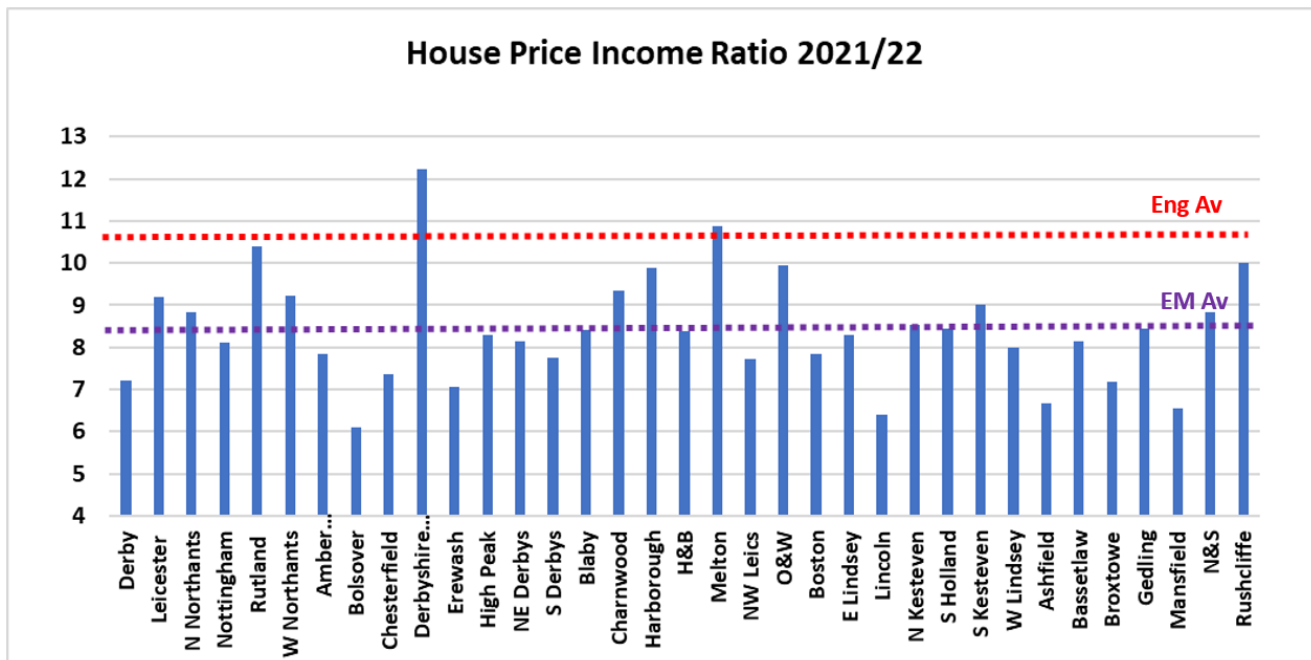
2.2 Housing affordability (the relationship between average house prices and average incomes) has worsened significantly over the last 20 years in the East Midlands – although the Region remains in a better position than England as a whole. Over this period, the value of capital assets generally (not just property) has risen at much faster rate than wages.



Source Net Additional Stock: [Live tables on dwelling stock \(including vacants\) - GOV.UK \(www.gov.uk\)](#)

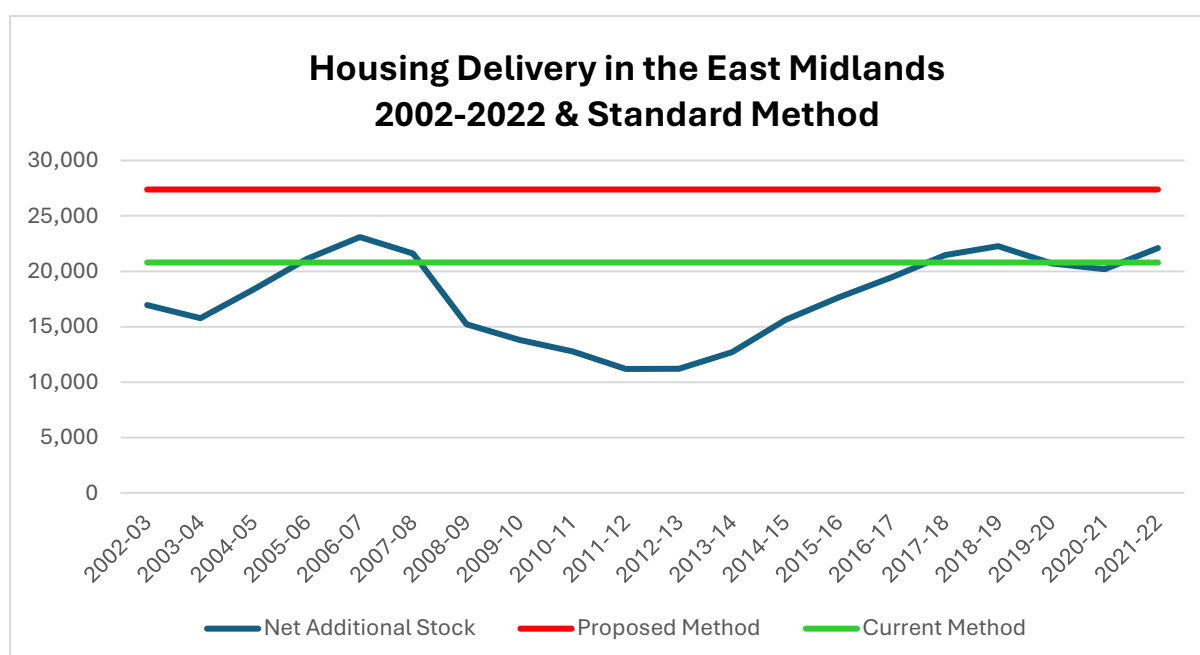
Source Affordable Housing: [Live tables on affordable housing supply - GOV.UK \(www.gov.uk\)](#)

2.3 There are also major variations between local authorities within the Region. Based on analysis from the National Housing Federation, Derbyshire Dales and Melton Borough have the least affordable housing, whilst Bolsover and Lincoln have (relatively speaking) the most affordable.



Source: [National Housing Federation - Home Truths](#)

2.4 The Government has recently proposed a new Standard Method to determine the number of houses that Local Planning Authorities should plan for. This implies regional delivery of just over 27,300 new homes a year, significantly above both the current Standard Method and levels of delivery over the last 20 years.



- 2.5 The proposed new Standard Method does not rely on demographic data or household projections. Instead, it comprises an annual 0.8% growth rate based on existing housing stock and an uplift adjustment to address affordability. The potential impact of the proposed new Standard Method on each of the Local Planning Authorities in the East Midlands is shown in Appendix 1.
- 2.6 The Government believes that increasing the number of planning consents will increase the number of homes completed and sold by the private sector and make housing more affordable. However, evidence from an independent review undertaken for previous Ministers in 2018 by Sir Oliver Letwin MP suggests that housing delivery is determined by the local ‘market absorption rate’: the number of homes a developer can sell without reducing the price⁵.
- 2.7 In terms of the Government’s wider planning reform agenda, it is understood that:
- Ministers intend to publish a response to the NPPF consultation with a revised document by Christmas 2024.
 - The Government is also intending to consult on the scope of new National Development Management Policies (introduced by the LURA 2023), which will set out national policy on issues common to all LPAs when determining planning applications.
 - The Government’s New Towns Taskforce is planning to publish an Interim Report in early 2025.
 - The Devolution White Paper is likely to include proposals for a universal system of ‘larger than local’ strategic planning which will be taken forward by a new Planning & Infrastructure Bill. EMCs Director of Policy & Infrastructure published a short blog reflecting past experience of strategic planning: [Some thoughts on the return of strategic planning...](#)

3. Transport for the East Midlands (TfEM)

- 3.1 Transport for the East Midlands brings together the Region’s Local Transport Authorities under the auspices of East Midlands Councils to provide collective leadership on strategic transport issues and meets on a quarterly basis. TfEM is chaired by Sir Peter Soulsby the City Mayor of Leicester, Cllr Richard Davies, Transport Lead of Lincolnshire County Council, is the Vice Chair.
- 3.2 The TfEM Board last met on 23rd September 2023 and included consideration of:

⁵ [Independent review of build out: final report - GOV.UK](#)

- A presentation from Transport for the North on the implications for the East Midlands and the recently published TfN Strategic Transport Plan.
- An update from East Midlands Railway.
- Proposals for additional TfEM products to be delivered through the TfEM-DfT Rail Collaboration Agreement.

3.3 The next meeting will take place on 16th December 2024 and agenda items will include:

- An update from National Highways on current and future investment in the East Midlands
- An Update from East Midlands Railway
- A draft TfEM response to the Government’s National Transport Strategy consultation launched on the 28th November 2024: [Transport Secretary unveils her vision for integrated transport across England - GOV.UK](#)

3.4 It is not yet clear what impact the resignation of Secretary of State Louise Haigh MP will have on the Government’s transport policy.

4. East Midlands Station Growth Board

4.1 The East Midlands Station Growth Board is the effective successor to the former HS2 Strategic Board and provides oversight and accountability for the DfT funded Stations Growth Strategy, which covers Chesterfield, Derby, Nottingham and East Midlands Parkway. The Growth Board has been Cllr Ben Bradley as Leader of Nottinghamshire County Council and the Vice Chair is Cllr Carolyn Renwick of Derbyshire County Council.

4.2 The Growth Board last met on 19th September 2024 and considered a number of update presentations on emerging technical work and a forward programme of activity. The next (and final) meeting of the Board will take place on 21st March 2025 with Cllr Renwick in the Chair.

5. Midlands Connect

5.1 The Midlands Connect Strategic Board met last on 14th November 2024 with Sir Peter Soulsby, Cllr Richard Davies and Mayor Claire Ward in attendance representing the East Midlands.

5.2 The meeting received a presentation from the Chair of National Highways and discussed the impact of devolution on the work of Midlands Connect. The Board went on to agree the Midlands Connect Business Plan for 2024/5 (subject to

confirmation of DfT grant), and funding to refresh the Strategic Outline Business Case for the Nottingham-Leicester-Coventry Rail Enhancement.

6. Recommendations

Members of the Executive Board are invited to:

- 6.1 Endorse the work of the TfEM Board and the Stations Growth Board.
- 6.2 Note the rest of this report.

Andrew Pritchard
Director of Policy & Infrastructure

Appendix 1

Local Authority Name	Average Annual Net additions (2020/21-2022/23)	Current Method	Proposed Method	0.8% Dwelling Stock Base	Affordability Uplift	% Affordability Uplift
Amber Valley	470	351	682	478	204	43
Ashfield	340	446	604	460	144	31
Bassetlaw	887	260	665	449	216	48
Blaby	290	329	559	354	205	58
Bolsover	498	195	404	306	98	32
Boston	324	250	379	252	127	50
Broxtowe	292	384	658	410	248	60
Charnwood	763	1,115	1,012	626	386	62
Chesterfield	313	211	558	405	153	38
Derby	628	1,244	1,062	906	156	17
Derbyshire Dales	293	216	571	288	283	98
East Lindsey	1,159	437	1,091	716	375	52
Erewash	229	376	569	424	145	34
Gedling	450	460	665	436	229	53
Harborough	981	510	706	351	355	101
High Peak	352	243	585	352	233	66
Hinckley & Bosworth	535	432	689	419	270	64
Leicester	1,014	2,435	1,690	1,097	593	54
Lincoln*	167		459	363	96	26
Mansfield	424	259	540	410	130	32
Melton	340	192	370	195	175	90
Newark and Sherwood	731	437	730	460	270	59
North East Derbyshire	611	224	622	389	233	60
North Kesteven*	581		690	432	258	60
NW Leicestershire	789	357	621	387	234	61
Nottingham	1,442	1,845	1,451	1,105	346	31
Oadby and Wigston	232	198	389	192	197	102
Rushcliffe	917	609	831	433	398	92
Rutland	95	123	264	143	121	85
South Derbyshire	1,018	507	606	397	209	53
South Holland	659	427	573	351	222	63
South Kesteven	551	687	912	535	377	70
West Lindsey*	618		527	368	159	43
N Northamptonshire	1,784	1,856	2,064	1,269	795	63
W Northamptonshire	2,115	2,124	2,584	1,473	1,111	75
*Central Lincs Joint Plan		1,054				
EM Total	22,890	20,793	27,382	17,631	9,751	55
Higher Figure						
Equivalent Figure						
<200 below Proposed Method						
50-74% Affordability Uplift						
75-99% Affordability Uplift						
>100% Affordability Uplift						



Executive Board
6th December 2024

Chair's Report

Cllr Martin Hill OBE

Summary

The following report provides a summary information on HM Budget announcements and wider implications for the sector and the East Midlands.

Recommendation

Members of Executive Board are invited to:

- Agree the draft response to the Government consultation on the cessation of funding for pan-regional partnerships, as referred to in Section 4, and detailed in Appendix 8(a) to this report.
- Consider and advise upon the implications of other matters raised within this report.

HM Treasury – Budget 2024

1. Overview

- 1.1 On Wednesday 30 October, The Chancellor of the Exchequer, Rt Hon Rachel Reeves MP, presented the Government's Budget to Parliament.
- 1.2 For the local government sector, the Budget confirmed £1.3bn of new grant funding in 2025/26 to deliver core services, of which £600m is for social care and £700m to support general pressures. Overall, local government budgets for 2025-26 will increase to £14.3bn.
- 1.3 In addition, there was confirmation of a further year of the UK Shared Prosperity Fund and £1bn in levelling up funding. Authorities were also promised £1.1bn of new funding in 2025-26 through the implementation of the Extended Producer Responsibility for packaging scheme.
- 1.4 The Chancellor also announced:
- A £1bn uplift to special educational needs and disability (SEND) and Alternative Provision funding.
 - £233m in additional resource funding for 2025-2026 for homelessness pressures.
 - £1bn to extend the Household Support Fund (HSF) in England and Discretionary Housing Payments (DHPs) in England and Wales in 2025-2026, building on the previous investment of £500 million to extend the HSF in England to 31 March 2025.
 - £5bn government investment to deliver housing commitments, promised an affordable homes programme, and confirmed reduction of right to buy discounts and for councils to retain the full receipts to reinvest.
 - £4m to create hundreds of new foster placements by ensuring that every local authority has access to a regional recruitment hub.
 - £640m in Bus Service Improvement Plans funding to support locally-led initiatives to improve local bus services, such as service support, fares initiatives and capital schemes.
 - £500m investment in the road network.

East Midlands Implications:

- 1.5 Even in a monster-sized budget, the East Midlands received limited mention. The Chancellor did propose to spend almost £1bn on the aerospace sector in the East

Midlands and South West over the course of the next 5 years, but with no further detail.

- 1.6 The Chancellor also confirmed approval of a £160m East Midlands Investment Zone that will support advanced manufacturing and green industries. The proposed sites include the former Staveley Chemical Works site and former Harington Colliery site.
- 1.7 While there were no specific announcements relating to investment on key transport infrastructure, it is positive that the MML electrification and the upgrade/dualling of A46 was not included in the list of cancelled schemes.
- 1.8 At this stage, EMC is unable to confirm whether the capital budget for 25-26 is already fully allocated to investment decisions e.g. meaning MML or A46 can only come from new money in 26-27 and beyond.
- 1.9 Levelling up culture and capital projects that were announced in the 2024 Spring Budget are set to be cancelled. Describing these projects as ‘unfunded’, the Government stated it was “minded to cancel” them - but it will “consult with potential funding recipients before making a final decision”. This affects a number of projects in the East Midlands.

Workforce

- 1.10 The Chancellor also announced:
 - The National Living Wage will increase by 6.7% from April 2025.
 - The National Minimum Wage for 18 to 20-year-olds will also rise from £8.60 to £10.00 per hour.
 - National insurance employer contributions will increase from 13.8% to 15% from April 2025, and the current threshold will be lowered from £9,100 to £5,000.
- 1.11 How this will be applied to the sector, and its impact, is still to be confirmed.
- 1.12 Changes to National Insurance contributions (NICs) will disproportionately affect sectors with many part-time workers on low wages – this includes adult social care, where 45% of staff work part-time and the median hourly rate for care workers was £11.00 in March 2024.
- 1.13 Reports suggest that, unlike the NHS, adult social care providers will not be compensated for increased costs due to these changes.

2. Local Government Finance Reform

- 2.1 Government stated its intention to implement finance reform of council tax and business rates, with the Government stating its intention to start with a deprivation-based approach in 2025-26 and a broader approach with multi-year settlements from 2026-27.
- 2.2 On 28th November, MHCLG outlined its intention to consult on proposed reforms to local government funding. In a parliamentary statement, Jim McMahon MP, Minister for Local Government and English Devolution stated the Government's intention to target additional funding would be delivered to places with greater demand for services – using 'deprivation as a proxy for this' – and 'less ability to raise income locally.
- 2.3 It is stated that the proposed reforms will build on the lessons learned through the previous government's review of Relative Needs and Resources, better known as the 'Fair Funding Review'.
- 2.4 The consultation will be launched alongside a consultation on the Provisional Local Government Finance Settlement for 2025-26, which includes a new £600 million Recovery Grant for areas most in need, an increase to the Social Care Grant by £680 million, a new £250 million Children's Social Care Prevention Grant and the repurposing of grants intended to offer better value for money for the taxpayer and deliver better outcomes for local people, including the most vulnerable.
- 2.5 Overall, local government is expected to receive a real-terms increase in Core Spending Power of around 3.2% and no council will see a reduction in this after taking account of any increase in council tax levels. MHCLG states that on average, places with a significant rural population will receive an increase of around 5% in their Core Spending Power and will be better off this year compared with 2024-2025.
- 2.6 It is proposed that a number of consultations will be undertaken before the final proposals will be developed, published and again consulted on ahead of the provisional settlement for 2026-2027 – ensuring the views of local leaders are reflected.
- 2.7 Implementation of these reforms will take place alongside multi-year funding settlements from 2026-2027. The number of funding pots will also be reduced to

allow councils to have more flexibility to judge local priorities, to meet the needs of local people, and to decide how best to deliver on national priorities.

- 2.8 The Provisional Local Government Finance Settlement for 2025-2026 will further maintain the previous government's referendum threshold for council tax at 3% with 2% for the adult social care precept.
- 2.9 Concern continues to be expressed in relation to the proposed 'repurposing' of several grants including the Rural Services Delivery Grant and the Services Grant. MHCLG have stated that government will ensure the impact of rurality on the cost of service delivery and demand is reflected in the public consultation next year.
- 2.10 Councils will also receive over £1 billion in total through the Extended Producer Responsibility for Packaging scheme (pEPR) which will cover the existing costs they incur for managing household packaging waste, provide additional funding for new legal duties, and support much needed investment in the waste and recycling industry. Provisional payment figures will be shared with councils by the end of November 2024.
- 2.11 It is likely that the provisional finance settlement will be published on 19th December 2024, the day the House of Commons rises for its Christmas recess.

3. Local Government Reorganisation

- 3.1 While there was no mention of reorganisation in the Budget speech itself, in supporting documents the intention to implement a local government restructure was clear. "The upcoming English Devolution White Paper will set out more detail on the Government's devolution plans, including on working with councils to move to simpler structures that make sense for their local areas, with efficiency savings from council reorganisation helping to meet the needs of local people.'
- 3.2 The upcoming English Devolution White Paper will 'set out plans for a new governing settlement for England, 'creating more efficient and accountable local authority structures, moving towards suitably sized unitary councils' with the Government restating its intention to "pursue a comprehensive set of reforms of public services to return the local government sector to a sustainable position."
- 3.3 It is hoped that the Devolution White Paper provides absolute clarity on the scale of Government ambitions including confirmation of minimum population expectations.

3.4 These proposals are of obvious interest to councils in the East Midlands, given its prevalent two-tier structure.

3.5 The Devolution White Paper is likely to be published w/c 2nd December 2024, and a supplementary report will be shared with Members in advance of the Executive Board meeting.

4. Midlands Engine – Government Consultation on Cessation of Funding

4.1 As part of the Budget announcement, the Government stated its intention to consult on ending the funding for pan-regional partnerships (PRPs), as of March 2025. This relates to the Midlands Engine. The formal 4-week consultation period commenced 18th November and closes 16th December 2024.

4.2 To inform EMC's response, the region's nominated representatives to the Midlands Engine Board were consulted, as were chief executives at their meeting on 27th November.

4.3 While the Government is clear in being minded to cease funding for the Midlands Engine from March 2025, an abrupt termination of funding would make it more difficult for regional and local partners to agree and implement an orderly and effectively managed transition process, potentially stalling key projects and losing opportunities to build on the progress already made.

4.4 An emphasis of EMC's draft response is the importance of adequate transition arrangements being in place, and funding. The draft response, attached as Appendix 8(a) proposes that a limited extension of funding (to March 2026) is granted to allow sufficient time for a more orderly winding down and/or transfer of existing programmes to successor arrangements.

4.5 The consultation also focuses on the potential impacts of the decision and on whether there are functions of Midlands Engine that could be maintained or integrated within alternative structures/organisations and poses a number of questions for Local Authorities partners.

- a) How do you currently work with your PRP?
- b) What are the key activities carried out by your PRP that are of real benefit to your organisation?
- c) Would your authority be able to take on any PRP functions, including functions with a reach beyond your geographic borders, on behalf of other local

authorities? What governance would be needed to take on these additional functions?

- d) In the event of a PRP ceasing its operations, what would be the impact on plans for any joint projects with the PRP?
- e) In the event of a PRP ceasing its operations, how would you ensure that co-operation is maintained in adjoining and economically linked local authority areas?
- f) In the event of a PRP ceasing its operations, what are your plans for any of your staff who are currently based in the PRP or any of its subsidiaries?
- g) Should your local PRP choose to continue as a separate organisation (away from HMG funding), would you have any plans to fund it?
- h) Are there any economic impacts, equalities impacts, and/or environmental impacts in the event of PRPs no longer receiving core funding that you would like to make us aware of?
- i) Are there any other impacts in the event of PRPs no longer receiving core funding that you would like to make us aware of?

5. East Midlands All-Party Parliamentary Group

- 5.1 East Midlands Councils, in conjunction with East Midlands Chambers of Commerce, has worked with MPs in re-establishing the East Midlands APPG.
- 5.2 The inaugural meeting was held on 27th November at Portcullis House, and elected James Naish MP (Rushcliffe) as its Chair. Rosie Wrighting MP (Kettering), Jonathan Davies MP (Mid-Derbyshire) and Lord McLoughlin, former MP for Derbyshire Dales and Secretary of State for Transport, were elected as officers.
- 5.3 MPs agreed the range of issues that they wish to work collectively on, with support from both EMC and EMCC, with an immediate focus on securing investment and growth as part of the Spending Review process.

6. Recommendation

Members of Executive Board are invited to:

- 6.1 Agree the draft response to the Government consultation on the cessation of funding for pan-regional partnerships, as referred to in Section 4, and detailed in Appendix 8(a) to this report.
- 6.2 Consider and advise upon the implications of other matters raised within this report.

(Draft) Response of East Midlands Councils to Government Consultation on Ending Pan-Regional Partnership Core Funding (Midlands Engine)

At the Budget on 30th October 2024, the Government announced its intention to consult on ending funding for Pan-Regional Partnerships, including that for the Midlands Engine.

East Midlands Councils supports the wider intention of Government to streamline structures that deliver economic growth and its offer to work with partners to understand the impacts of this proposal, if taken forward, and on whether there are functions of Midlands Engine that could be maintained or integrated elsewhere.

The Midlands Engine has played an important role since 2015 in supporting collective work on economic growth, and has provided a beneficial platform for local authorities, universities and businesses to align regional priorities with national ambitions in taking forward economic growth.

While the Government is clear in ‘being minded’ to cease funding for the Midlands Engine from March 2025, it is important to emphasise that an abrupt termination of funding would make it more difficult for regional and local partners to agree and implement an orderly and effectively managed transition process, potentially stalling key projects and losing opportunities to build on the progress already made.

The East Midlands has 1 mayoral combined authority in existence (EMCCA), with a further mayoral election scheduled for May 2025 in Greater Lincolnshire. Therefore, the region does not have full geographical coverage of combined authority arrangements. Alongside mayoral combined authorities and included as part of current regional governance arrangements is East Midlands Councils, Transport for the East Midlands, while and the future role of Midlands Connect is a matter of consideration by partners and DfT.

Rather than ceasing to fund the Midlands Engine from March 2025, it is proposed that a limited extension of funding (to March 2026) is granted to allow sufficient time for a more orderly winding down and/or transfer of existing programmes to successor governance and delivery arrangements that have yet to be developed and agreed by local partners.

In respect to the specific questions asked as part of the consultation process for Combined or Local Authorities only, please see the following:

1. How do you currently work with your PRP?

East Midlands Councils is a member of the Partnership Board and nominates Leaders as the region's local authority representatives onto the Midlands Engine Executive Board.

2. What are the key activities carried out by your PRP that are of real benefit to your organisation?

There have been a number of initiatives supported by Local Authorities. The Midlands Energy Security White Paper, the Midlands Food White Paper and co-ordinating regional representation at UK REiiF were valued by partners.

3. Would your authority be able to take on any PRP functions, including functions with a reach beyond your geographic borders, on behalf of other local authorities? What governance would be needed to take on these additional functions?

Combined Authorities provide an appropriate structure to explore the potential for assuming lead roles on trade and investment, cluster development programmes and major product taskforce opportunities. Combined Authorities also offer a platform for taking forward the delivery of exiting sub-national activity on energy security and food security and innovation.

It should be noted, however, that Combined Authority proposals do not yet include all of the East Midlands and engagement should be undertaken with those Local Authorities that do not sit within combined authority arrangements to avoid a partial approach to delivering strategic programmes. This is, in part, dependent upon the development of locally-led revised governance arrangement for the East Midlands.

Further consideration should be providing an economic narrative and intelligence, and policy networks, e.g. Nature and Forest Networks that may sit at spatial/regional level above that of individual combined authorities.

4. In the event of a PRP ceasing its operations, what would be the impact on plans for any joint projects with the PRP?

While the Government is clear in being minded to cease funding for the Midlands Engine from March 2025, an abrupt termination of funding would make it more difficult for regional and local partners to agree and implement an orderly and effectively managed transition process, potentially stalling key projects and losing opportunities to build on the progress already made.

It is proposed that a limited extension of funding (to March 2026) is granted to allow sufficient time for a more orderly winding down and/or transfer of existing programmes to successor arrangements.

By allowing sufficient time for transition arrangements to be put in place, it also provides an opportunity to secure 3rd party funding for elements of the current programme that partners wish to continue.

5. In the event of a PRP ceasing its operations, how would you ensure that co-operation is maintained in adjoining and economically linked local authority areas?

There are opportunities to work through new and developing structures as they develop joint working arrangements, i.e., mayoral combined authorities, alongside existing regional partnerships, e.g. East Midlands Councils and East Midlands Chambers of Commerce.

6. In the event of a PRP ceasing its operations, what are your plans for any of your staff who are currently based in the PRP or any of its subsidiaries?

N/A

7. Should your local PRP choose to continue as a separate organisation (away from HMG funding), would you have any plans to fund it?

No

8. Are there any economic impacts, equalities impacts, and/or environmental impacts in the event of PRPs no longer receiving core funding that you would like to make us aware of?

No

9. Are there any other impacts in the event of PRPs no longer receiving core funding that you would like

None



Executive Board

6th December 2024

Report of Management Group

Summary

The following report of the Management Group provides a summary on the following issues relating to performance management and corporate governance.

Recommendation

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

Management Group papers are available on EMC's website or on request to the Executive Director.

1. Membership

1.1 The membership of EMC Management Group is confirmed as:

Cllr Sarah Russell (Chair)	Cllr Martin Hill (Vice-Chair)
Cllr Tricia Gilby (Vice-Chair)	Cllr David Bill (Lib Dem Group Leader)
Cllr Phil King (Cons Group Leader)	Cllr Jewel Miah (Labour Group Leader)
Cllr Matthew Relf (Ind Group Leader)	
Cllr Alex Dale (Chair, Regional Migration Board)	
Cllr Kate Foale (Chair, Regional Employers' Board)	

2. Budget Report Period Ending Oct 2024

2.1 The budget set for 2024/25 includes provision for a £4,800 surplus.

2.2 Members are reminded that EMC's income is split between:

- Membership Subscriptions.
- Grants and Contracts, principally from the Home Office, DfT, Midlands Connect.
- Earned Income, which consists of a mix of consultancy work, services, events and courses provided to member authorities.

2.3 Members are advised that in securing the anticipated budget out-turn, the following financial risks continue to be managed:

- a) The Earned Income budget is vulnerable to the demands and capacity of the sector. The budget has been largely constant for a number of years and maintaining income generation remains a challenge, but achievable.
- b) Staffing costs account for approx. 75% of the total expenditure, with pressure placed on non-staffing expenditure.
- c) Government grant funding is confirmed and received for 2024/25, and programmes delivered in line with grant conditions. However, programme and grant funding remains vulnerable going forward due to policy uncertainty, Departmental spending pressures and the Spending Review.

3. Performance Management

3.1 The Business Plan was developed in consultation with Members and agreed by Executive Board at its meeting in March 2024. The agreed KPIs reflect the revised

approach of the current business plan, where EMC will work across four themes: evidencing, influencing, collaborating and delivering.

- 3.2 Performance against the KPIs (Q1-Q3) is broadly on track although additional activity will be focused upon supporting both the member development and officer CPD programmes to maintain engagement with our membership.

4. Corporate Governance

- 4.1 Management Group noted the completion of EMC's external financial audit and statement of accounts 2023/24, and its submission to HM Certification Office. This is a statutory requirement.

- 4.2 The changing nature of risk continues to be considered through EMC's risk management approach, particularly within the context of local institutional changes (e.g., combined authorities) and external grant programme funding.

5. Membership

- 5.1 The decision of Ashfield District Council to withdraw from membership of EMC, with effect from 31st March 2025, was considered by Management Group. Members agreed the approach for the cessation of membership and wider support services and noted that EMC's Independent Group will be invited to nominate a new Group Leader, as replacement for Cllr Matthew Relf, for the period of April to July 2025 (the AGM).

6. Recommendation

- 6.1 Members of the Executive Board are invited to note this summary report of Management Group.

Cllr Sarah Russell
Vice-Chair
East Midlands Councils