



## **Management Group Meeting**

**10.00am, Friday 7<sup>th</sup> March 2025**

### **MS Teams**

### **AGENDA**

1. Welcome and Apologies
2. Declarations of Interest
3. Minutes of meeting held on 22<sup>nd</sup> November 2024\*
4. Matters Arising
5. Chair's Report \* (Cllr Martin Hill)
6. Budgets and Financial Control \* (Cllr Sarah Russell)
  - Paper 1 – Budget Monitoring Report April 2024 – January 2025
  - Paper 2 – Draft Base Budget 2025-2026 to 2026-2027
7. Performance Management \* (Cllr David Bill)
8. Corporate Governance \* (Cllr Tricia Gilby)
9. Conduct and Standards \* (Cllr Jewel Miah)
10. Executive Board (28<sup>th</sup> March 2025)
11. Any Other Business

\* Papers attached



**EAST MIDLANDS COUNCILS  
MANAGEMENT GROUP MEETING  
MINUTES OF THE MEETING HELD ON 22<sup>ND</sup> NOVEMBER 2024**

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

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

		<b>ACTION</b>
<b>1.</b>	<b>Apologies</b>	
1.1	None.	
<b>2.</b>	<b>Declarations of Interest</b>	
2.1	Cllr Martin Hill declared an interest in land to the edge of Melton Mowbray.	
<b>3.</b>	<b>Minutes of the meeting held on 6<sup>th</sup> September 2024</b>	
3.1	These were confirmed as a true and accurate record.	
<b>4.</b>	<b>Matters Arising</b>	
4.1	Stuart Young confirmed he is still to speak to Norman Robinson to invite him to the EMC meeting.	<b>SY</b>

		<b>ACTION</b>
4.2	All other matters arising are covered in the reports.	
<b>5.</b>	<b>Chair's Report</b>	
5.1	Cllr Martin Hill highlighted key areas from his report. The main government announcement was the recent Budget.	
5.2	Members noted concerns regarding the national insurance and wage increase. Councils will be compensated to offset the increase in national insurance for employers although the level of compensation is yet clear.	
5.3	Cllr Hill confirmed that Ministers are considering Social Care reforms with the establishment of a Commission to be chaired by Louise Casey.	
5.4	In relation to Mayoral combined authorities, the Government has stated this will be rolled out across the whole country by 2030. Devolution White Paper is likely to be published w/c 2 <sup>nd</sup> December 2025.	
5.5	Stuart Young highlighted the influence of the Treasury on proposed reforms.	
5.6	Cllr Matt Relf highlighted that services still need to be provided, and there is concern regarding the level of disruption that LGR will likely bring.	
5.7	<u>Resolution</u> Members of the Management Group: <ul style="list-style-type: none"> <li>▪ Considered and advised upon the implications of matters raised within this report.</li> </ul>	
<b>6.</b>	<b>Combined Authorities and EMC Governance Discussion Paper</b>	
6.1	Cllr Sarah Russell introduced this report. She feels there is a need to be clear which organisation should be engaged with, and on what issues.	
6.2	Cllr Martin Hill emphasised that mayoral combined authorities should not be seen as delivery organisations, this being a role where local authorities remain better placed to perform.	

		<b>ACTION</b>
6.3	SY highlighted the extent and limitations of EMC's current working arrangements with EMCCA, with the focus on transport and asylum (ESOL and housing) matters.	
6.4	A meeting between the EMCCA Mayor and EMC Chair and Vice Chairs has been set up to explore the potential for closer organisational ties, including formal membership of EMC and its boards.	
6.5	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>Considered this discussion paper and agreed a way forward to support alignment and joint working with Combined Authorities.</li> </ul>	
<b>7.</b>	<b>Budgets and Financial Control</b>	
7.1	Cllr Sarah Russell introduced this report and highlighted changes to Home Office Grant. She confirmed that we are broadly in line to where we would expect to be.	<b>SC</b>
7.2	Steve Charlesworth stated that staffing budget is a little over spent currently due to maternity and redundancy, however savings will be seen in the coming months.	
7.3	Steve highlighted the investment of £500,000 of government bonds at 4.95% which expires in January. Management group agreed for Steve and Stuart to reinvest this with the best deal.	
7.4	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>Noted the actual financial position for the period to the end of October 2024 and the associated forecast outturn to 31<sup>st</sup> March 2025.</li> </ul>	
<b>8.</b>	<b>Performance Management</b>	
8.1	Cllr David Bill introduced this report. There are currently 2 areas for concern.	

		<b>ACTION</b>
8.2	Stuart Young confirmed in relation to membership benefits and member engagement, there has been a reduction in the number of courses which have been arranged. It is hoped some improvements can be made against this.	
8.3	Cllr Jewel Miah suggested relooking at courses which are offered to engage people. He feels skills based courses could be offered as well as knowledge based.	
8.4	Cllr Tricia Gilby suggested undertaking a training needs analysis with authorities which may generate some bespoke work.	
8.5	Cllr Kate Foale confirmed this is on agendas for Employers' Board and asked if there is any input from members, she can highlight at the Employers' Board.	
8.6	Cllr Phil King highlighted the county council elections next year and feels there is a need to plan for next year's programme following the elections.	
8.7	Cllr Sarah Russell highlighted that skills based training is where there may be opportunities for EMC to deliver.	
8.8	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>▪ Considered progress made against the agreed key performance indicators for 2024/25.</li> </ul>	
<b>9.</b>	<b>Corporate Governance</b>	
9.1	Cllr Tricia Gilby introduced this report. She confirmed the external financial audit has been completed and signed-off and also the internal audit has been completed.	
9.2	She highlighted the implications of Ashfield District Council's decision to leave membership of EMC on 31 <sup>st</sup> March 2025. Services currently being	

		<b>ACTION</b>
	provided will be wrapped up by then and any future services will be provided on a full cost recovery basis.	
9.3	Cllr Matt Relf explained reasons behind the decision to leave. He hopes there is an opportunity to continue to work with EMC in the future.	
9.4	Members expressed disappointment at Ashfield leaving membership as benefits out way costs. As a group have more influence rather than individually.	
9.5	Cllr Tricia Gilby highlighted the changing nature of risk. A lot is around uncertainty, and we are trying to effectively manage this within the organisation.	
9.6	Cllr Sarah Russell asked why there is no ‘amber rating’.	
9.7	Stuart Young confirmed trying to be clear that either there is a substantive risk or little risk to the organisation.	
9.8	Cllr Sarah Russell asked whether we could include what the risk rating would be if mitigation was put in place and would this change the rating.	<b>SY</b>
9.9	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>▪ Considered the changing nature of, and the approach to, the management of organisational risk.</li> <li>▪ Considered and endorsed EMC’s External Financial Audit – Draft Statement of Accounts 2023-24.</li> <li>▪ Noted the management response to the recently completed internal audit report and wider corporate governance review.</li> <li>▪ Considered the implications of Ashfield District Council’s decision to leave membership of EMC with effect from 31<sup>st</sup> March 2025.</li> <li>▪ Noted the exemption to tender, as detailed in section 5 of the report.</li> </ul>	
<b>10.</b>	<b>Conduct and Standards</b>	

		<b>ACTION</b>
10.1	Cllr Jewel Miah introduced this report and confirmed there are no issues to highlight.	
10.2	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>▪ Noted the contents of the report.</li> </ul>	
<b>11.</b>	<b>EMC Executive Board – 6<sup>th</sup> December 2024</b>	
11.1	<p>Members discussed and agreed the agenda for the forthcoming Executive Board meeting on 6<sup>th</sup> December 2024. The following reports will be included in the papers:</p> <ul style="list-style-type: none"> <li>▪ Board Reports</li> <li>▪ Announcements – financial statement, devolution white paper, implications for LGR</li> <li>▪ NPPF Update</li> </ul> <p>Members agreed to have Employers’ Board and Migration Board at the beginning of the agenda followed by the ‘big’ announcements.</p>	
<b>12.</b>	<b>Any Other Business</b>	
12.1	None.	



**Management Group**

**7<sup>th</sup> March 2025**

**Lead Member Report**

**Budget and Finance Control**

**Budget Monitoring Report Period - April 2024 to January 2025**

**Summary**

This report presents the accounts for the period April 2024 to January 2025.

This is the final set of management accounts presented to Management Group for the financial year 2024/25 continuing the format covering 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 January 2025 and the associated forecast outturn to 31<sup>st</sup> March 2025.



## 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 is included in the budget figures. There is no impact on the projected 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 now have been agreed to March 2026 (and July 2025 for the Homes for Ukraine Grant).
- 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 January include only ‘banked’ or ‘committed’ savings and/or additional income invoiced at this time, while Staff costs are up to, and include the January payroll figures.

## 2. Financial Report Period Ending January 2025

- 2.1 The financial statements, attached as Appendix 6, Paper 1(a), detail the financial position for the period up to the end of January 2025. It also provides a forecast for the outturn as of 31<sup>st</sup> 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 stands at £1,309,400 which includes any associated incremental payments which was effective from April 2024 and also include further costs 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 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, together with Bank Interest.

- 4.2 Membership Subscriptions budget includes that for all 40 councils in membership, including those councils that have submitted notice to withdraw from membership.

### **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 manage the funding provided to the region for the delivery of agreed projects and programmes. The financing and spending for these activities are not shown in the attached appendices.
- 7.2 The current rechargeable projects are: UASC Placements and Capacity Programme; 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) Placements and Capacity (UASC) £

Balance b/fwd from 2023/24	105,377
Payments made in 2024/25	<u>81,457</u>
Balance currently held	<u>23,920</u>

### b) ESOL (Previous Balances) £

Balance b/fwd from 2023/24	50,227
Payments made in 2024/25	<u>17,869</u>
Balance currently held	<u>32,358</u>

### c) Regional Immigration Support £

Balance b/fwd from 2023/24	6,784
Payments made in 2024/25	<u>6,784</u>
Balance currently held	<u>0</u>

<b>d) Rail Collaboration Project</b>	<b>£</b>
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>148,337</u>
Balance currently held	<u>119,927</u>
<b>e) UASC Strategic Needs/DfE RIIA</b>	<b>£</b>
Balance b/fwd from 2023-24	88,565
Grants received in 2024-25	<u>0</u>
	88,565
Payments made in 2024-25	<u>12,790</u>
Balance currently held	<u>75,775</u>

- 7.4 The funding currently held from these projects, currently £251,980 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 'useable reserves' was £604,900, 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.
  - £225,000 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 6<sup>th</sup> June 2025. Remaining reserves currently earn around 1% below Bank of England base rate annually (which is presently 4.5%) 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 £1,738,900) are monitored closely. Staffing costs (Budget £1,309,400), which account for just over 75% of the total expenditure, are set and manageable which just leaves £429,500 as Other Expenditure and though some of this is variable, variances are picked up quickly.
- c) Grants and Contracts (Budget £1,140,300) are secure for the current year.

## 10. Recommendation

Members of the Management Group are invited to note the actual financial position for the period to January 2025 and the associated forecast outturn to 31<sup>st</sup> March 2025.

Cllr Sarah Russell  
Vice Chair  
East Midlands Councils

<b>EMC</b>	<b>Approved Budget 2024/25</b>	<b>Profile to Forecast 2024/25</b>	<b>Actual to January 2025</b>	<b>Forecast to March 2025</b>	<b>Variance</b>
	£	£	£	£	£
<b>Income</b>					
Subscriptions	292,100	292,100	272,940	292,100	0
Grants – Home Office	458,000	434,000	434,000	458,000	0
Grants – MHCLG	365,300	271,658	271,658	365,300	0
Contracts – MC / DfT	350,000	338,527	338,527	350,000	0
Earned Income	311,300	229,525	240,093	311,300	0
<b>Total</b>	<b>1,776,700</b>	<b>1,565,810</b>	<b>1,557,218</b>	<b>1,776,700</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	1,309,400	1,091,167	1,127,717	1,309,400	0
Members Allowances	25,000	20,833	19,130	25,000	0
Premises	27,000	22,500	21,464	27,000	0
Service Level Agreements	18,500	0	0	18,500	0
Other Direct Costs	392,000	326,667	370,957	392,000	0
<b>Total</b>	<b>1,771,900</b>	<b>1,461,167</b>	<b>1,539,268</b>	<b>1,771,900</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>4,800</b>	<b>104,643</b>	<b>17,950</b>	<b>4,800</b>	<b>0</b>

Summary Position to the end January 2025:

The financial position to the end of January 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 January 2025, including staffing costs.

Staffing costs are currently overspending against budget, but the impact of the redundancy are starting to appear. The Staffing costs position overall is that spend will be in line with budget before the end of the financial year.

The actual Direct costs spend is broadly in line with budget profiles to the end of January. Earned Income is showing slightly more income than might be expected but this is likely be in line during the Autumn months.

The Rail Collaboration Scheme for the current year have been paid up front. The Home Office and MHCLG Migration related grants are paid over the course of the year and the first payments from each department has been. We have also received the initial 70% payment of the Hong Kong Grant with the balance becoming due in early 2025.

<b>Corporate and Core Services</b>	<b>Approved Budget 2024/25</b>	<b>Profile to Forecast 2024/25</b>	<b>Actual to January 2025</b>	<b>Forecast to March 2025</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Subscriptions	292,100	292,100	272,940	292,100	0
Interest	23,500	0	0	23,500	0
<b>Total</b>	<b>315,600</b>	<b>292,100</b>	<b>272,940</b>	<b>315,600</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	228,500	190,417	217,124	228,500	0
Members Allowances	25,000	20,833	19,130	25,000	0
Premises	27,000	22,500	21,464	27,000	0
Service Level Agreements	18,500	0	0	18,500	0
Other Direct Costs	45,100	37,584	44,210	45,100	0
Overhead Costs	13,000	10,833	10,833	13,000	0
Recharged to Cost Centres	-82,100	-68,417	-68,417	-82,100	0
<b>Total</b>	<b>275,000</b>	<b>213,750</b>	<b>244,344</b>	<b>275,000</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>40,600</b>	<b>78,350</b>	<b>28,596</b>	<b>40,600</b>	<b>0</b>

Position to the end of January 2025:

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

Staffing costs are coded to cost centres on the basis of time spent by staff on specific pieces of work and are in line with budget expectations.

Service Level Agreements are transferred to EMC at the end of the financial year whilst Premises costs and Members Allowances appear likely to show small underspends for the year.

<b>Contracts &amp; Grants</b>	<b>Approved Budget 2024/25</b>	<b>Profile to Forecast 2024/25</b>	<b>Actual to January 2025</b>	<b>Forecast to March 2025</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Grants – Home Office	458,000	434,000	434,000	458,000	0
Grants – MHCLG	365,300	271,658	271,658	365,300	0
Contracts – MC/DfT/DfE	350,000	338,527	338,527	350,000	0
<b>Total</b>	<b>1,173,300</b>	<b>1,044,185</b>	<b>1,044,185</b>	<b>1,173,300</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	911,500	776,250	778,830	911,500	0
Direct costs	239,800	210,666	242,159	236,100	0
Overhead costs	51,500	42,917	42,917	52,300	0
<b>Total</b>	<b>1,202,800</b>	<b>1,029,833</b>	<b>1,063,906</b>	<b>1,202,800</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>-29,500</b>	<b>14,352</b>	<b>-19,721</b>	<b>-29,500</b>	<b>0</b>

Position to January 2025:

### Migration Grants

Home Office grant has remained at £393,000 in the current year and the extension of the variable grant of £68,000, which remains included in these figures.

The MHCLG Hong Kong Grant of £295,300. MHCLG 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.



<b>Member Development</b>	<b>Approved Budget 2024/25</b>	<b>Profiled Budget 2024/25</b>	<b>Actual to January 2025</b>		<b>Forecast to March 2025</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
<b>Income</b>						
Development	6,000	5,000	4,025		6,000	0
<b>Total</b>	<b>6,000</b>	<b>5,000</b>	<b>4,025</b>		<b>6,000</b>	<b>0</b>
<b>Expenditure</b>						
Staffing	13,100	10,917	13,269		13,100	0
Direct costs	2,800	2,333	3,990		2,800	0
Overhead costs	3,900	3,250	3,250		3,900	0
<b>Total</b>	<b>19,800</b>	<b>16,500</b>	<b>20,509</b>		<b>19,800</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>-13,800</b>	<b>-11,050</b>	<b>-16,484</b>		<b>-13,800</b>	<b>0</b>

Position to the end of January 2025:

This cost centre has been particularly badly hit by the impacts of the pandemic with the nature of courses changing. Income is below the profiled sum and may remain the same at the end of the year.

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.

<b>Consultancy</b>	<b>Approved Budget 2024/25</b>	<b>Profiled Budget 2024/25</b>	<b>Actual to January 2025</b>	<b>Forecast to March 2025</b>	<b>Variance</b>
	£	£	£	£	£
<b>Income</b>					
Earned Income	123,700	92,775	105,127	123,700	0
<b>Total</b>	<b>123,700</b>	<b>92,775</b>	<b>105,127</b>	<b>123,700</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	77,500	64,583	68,907	77,500	0
Direct costs	26,000	21,667	21,045	26,000	0
Overhead costs	6,200	5,167	5,167	6,200	0
<b>Total</b>	<b>109,700</b>	<b>91,417</b>	<b>95,119</b>	<b>109,700</b>	<b>0</b>
<b>Surplus/- Deficit</b>	<b>14,000</b>	<b>1,358</b>	<b>10,008</b>	<b>14,000</b>	<b>0</b>

Position to the end of January 2025:

Consultancy income is higher than budget profile at present but is expected to be in line with the Budget

Direct Expenses is just below 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.

<b>Fee Paying Events/Services</b>	<b>Approved Budget 2024/25</b>	<b>Forecast Profile 2024/245</b>	<b>Actual to January 2025</b>	<b>Forecast to March 2025</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Earned Income	158,100	131,750	130,941	158,100	0
<b>Total</b>	<b>158,100</b>	<b>131,750</b>	<b>130,941</b>	<b>158,100</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	58,800	49,000	49,587	58,800	0
Direct costs	65,300	54,417	59,553	65,300	0
Overhead costs	7,500	6,250	6,250	7,500	0
<b>Total</b>	<b>131,600</b>	<b>109,667</b>	<b>115,390</b>	<b>131,600</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>26,500</b>	<b>22,083</b>	<b>15,551</b>	<b>26,500</b>	<b>0</b>

Position to January 2025:

This cost centre is split into two parts: Events and Services. Services, which include ENGWARP, Planning and Health CPD's 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 in line with the budget during the next few weeks 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**

**7<sup>th</sup> March 2025**

**Draft Base Budget**

**2025-2026 to 2026-2027**

**Summary**

The purpose of this report is to provide Management Group with a summary of the proposed budget position for 2025/26 to 2026/27.

**Recommendation**

Members of the Management Group are invited:

- To endorse the base budget for 2025/26 and 2026/27 (subject to any amendments) for consideration and approval at the Executive Board meeting on 28<sup>th</sup> March 2025.
- To approve the transfer of £82,600 from General Reserves to the Staffing Liabilities Reserve in line with the estimate of the contingent liability as it is expect to stand at 31<sup>st</sup> March 2026.

**1. Overview 2025/26**

- 1.1 The surplus of £600 is estimated for 2025-26, and a budget deficit of £47,700 is estimated for 2026/27, as we look for a long-term replacement for HS2-related grant income.
- 1.2 Grant income is principally received from the Department for Transport, the Home Office and the Ministry for Housing, Communities and Local Government - in relation to rail management and asylum and refugee resettlement schemes respectively. These grants are confirmed to continue to the end of March 2026. The Homes for Ukraine Grant is expected to continue to the same date, when it will merge with the Hong Kong Nationals Grant, but is currently confirmed to the end of July 2025.
- 1.3 Earned Income includes an adjustment made to the level and delivery of EMC's work programme, the budget for 2025/26 accommodates the impact of a mix of 'face to face' events and a greater use of technology and virtual platforms that reduces the income figure slightly from the level estimated for the current year. An inflationary increase of around 5% has been made for Consultancy, Events and Services for 2025-26.
- 1.4 The draft budget summary is attached at Item 6, Paper 2(a) and shows a surplus of £600 for 2025/26. This has changed from the £1,400 deficit projected at Management Group's January meeting. The difference is an additional £2,000 Bank Interest anticipated to be earned during 2025-26.
- 1.5 The budget assumes the exclusion of Ashfield District Council, who have determined will no longer remain in membership. It also assumes a 2.8% increase of Membership Subscriptions (See paragraph 4.1).
- 1.6 The budget makes provision for strategic infrastructure activity through the use of funding from Midlands Connect, DfT and the residual post-Brexit programme grant.
- 1.6 Other assumptions have been made for the draft 2025/26 budget, and these are as follows:

**2. Staff**

- 2.1 The proposed budget for 2025/26 assumes a total of 17.75 full-time equivalent employees; 21 members of staff; 14 of these are fixed term appointments linked to specific grants.
- 2.2 It has been assumed that a pay award level of 3% will be awarded in 2025/26 and a 2% award will be made in 2026/27.

**3. Other Expenditure**

- 3.1 Premises Rent is assumed to rise by 3%, taking to total rent payable to £27,800.
- 3.2 The Service Level Agreement for ICT and Financial Services remain at £18,500.
- 3.3 Reductions to Other Direct Costs have been made across each of the cost centres in the past few years and there is a standstill budget for 2025/26, i.e., no provision for inflation has been included.

**4. Income**

- 4.1 Subscriptions - In early 2022, Management Group agreed that EMC membership subscriptions should increase at least with CPI in September each year. Since then, inflation has risen to such a level which Management Group felt would be excessive to pass onto membership subscriptions. In September 2024, inflation stood at 2.8% in September 2024 but has steadily increased to 3.5% in November 2024. Management Team propose an increase of 2.8% would be appropriate for 2025-26 that is in line with the 2022 resolution and also links to assumed staffing increases (see para 4.2).
- 4.2 As most of EMC spend relates to staffing costs, the proposal is for a 3% pay settlement for 2025/26 and a further 2% increase in 2026/27. This assumption seems reasonable given the current level, and the direction of inflation.
- 4.3 Grants / Contracts. There are 3 Government grants/contracts committed for 2025/26 totalling £1,147,300 that are currently agreed: The Home Office Migration Grant of £393,000 comprising Asylum, Resettlement and English as a Second or Other Language (ESOL).

- 4.4 There are two grants awarded by the Ministry for Housing, Communities and Local Government: Hong Kong Nationals (£302,300) and Homes for Ukraine Grants (£70,000), and though the Ministry have indicated these grants will be merged in August 2025, this arrangement has not yet been officially confirmed to continue up to the end of 2025/26.
- 4.5 The Department for Transport continues to provide grant support to EMC's rail collaboration agreement scheme (£121,500), with funding confirmed to continue in 2025/26.
- 4.6 Contributions from other Sources include: Midlands Connect (£54,000), Children's Services (£87,000), Local Authorities contributions towards the Rail Franchise Scheme (£99,500) and Brexit (£20,000) make up the rest of the budget.
- 4.7 Earned Income. This includes income generated from consultancy, fee paying events and services and Member training courses. This budget for these elements is £273,800, which shows a slight increase in terms of activity, including an inflationary increase of around 5% across Consultancy, Events and Services. There is an additional £28,000 Earned Income from Bank Interest which brings the total Earned Income to £301,800.

## **5. Overview 2026/27**

- 5.1 Once again, a two-year budget has been produced in order that the Management Group have a more strategic, longer-term view of East Midlands Council's financial position. The general assumptions outlined in the 2025/26 budget continue into 2026/27, but the draft budget figures for the second year always comes with a 'health warning' – the 2026/27 budget is more difficult to determine at this stage given devolution and LGR proposals, and all current grants and contracts are only in place prior to the end of March 2026, with other longer-term grants to be confirmed beyond that date.
- 5.2 For the purposes of the extended budget, it is assumed that current Government Grants and other contracts will continue into 2026/27.
- 5.3 Reductions in Income is offset, to a certain extent, with a reduction of expenditure where there is a relationship to areas where income will reduce.

## **6. Reserves and Liabilities**

- 6.1 The level of reserves at the beginning of the financial year 2023/2024 were £604,900. Assuming the 2024/25 projected surplus of £4,800 is achieved, the level of reserves at the start of 2025/26 will be £609,700, which are split as follows:
- £393,500 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 Review.
  - £147,200 to an unallocated reserve to manage unforeseen financial events.
- 6.2 The Staffing Liability Reserve (Costs of Redundancies, etc) has been updated again this year to reflect staff changes. The impact of this means the Staffing Liabilities is estimated to stand at £393,500 in March 2026, an increase of £82,600 (the result of this transfer is shown as a transfer from General Reserves in para.6.1, above).

## **7. Business Continuity**

- 7.1 Income is divided into three components; membership subscriptions; grants and contracts; and earned income. In recent years, there has been a greater emphasis placed on grant income which continues to proliferate and, for the most part, is only guaranteed on an annual basis.
- 7.2 Staffing resources now match each of the schemes in place. As new grants are secured, if appropriate, staff may be recruited for the period covered by the grant. This has meant that there is limited capacity to develop areas of work that may be useful for member authorities and reduce the reliance on grant income.
- 7.3 Proposals for such schemes will be brought to Management Group meetings as and when they arise.

## **8. Summary**

- 8.1 The budget proposals for 2025/26 and 2026/27 shows a small surplus of £600 for 2025-26 by March 2025 and a deficit of £47,700 in 2026-27.



- 8.2 External grants, contracts and earned income remains a vital part of the EMC financial strategy. The loss of any of these components would have a financial impact and would result in a reduction of staff, this may be mitigated to a certain extent as staff employed for specific project delivery are employed on fixed term contracts to minimise potential liabilities.

**9. Recommendation**

- 9.1 Members of the Management Group are invited to endorse the budget position for 2025/26 and 2026/27 for approval at the Executive Board meeting on 28<sup>th</sup> March 2025.
- 9.2 Members of Management Group are invited to approve the transfer of £82,600 from General Reserves to the Staffing Liabilities Reserve to reflect the increase in the Staffing Liabilities valuation of £393,500 as at March 2026.

Cllr Sarah Russell  
Vice Chair  
East Midlands Councils

<b>EMC</b>	<b>Actual 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>
	£	£	£	£
<b>Income</b>				
Subscriptions	285,985	292,100	294,000	299,900
Grants – Home Office	437,623	458,000	480,000	480,000
Grants – MHCLG	370,899	365,300	372,300	372,300
Contracts – MC / DfT	251,808	317,000	295,000	275,000
Earned Income	311,739	311,300	301,800	291,500
<b>Total</b>	<b>1,658,054</b>	<b>1,743,700</b>	<b>1,743,100</b>	<b>1,718,700</b>
<b>Expenditure</b>				
Staffing	1,094,701	1,309,400	1,381,500	1,309,400
Members Allowances	21,200	25,000	22,000	25,000
Premises	24,610	27,000	27,800	27,000
Service Level Agreements	16,700	18,500	18,500	18,500
Other Direct Costs	487,855	359,000	292,700	392,000
<b>Total</b>	<b>1,645,066</b>	<b>1,738,900</b>	<b>1,742,500</b>	<b>1,766,400</b>
<b>Surplus/-Deficit</b>	<b>12,988</b>	<b>4,800</b>	<b>600</b>	<b>-47,700</b>



**Management Group**

**7<sup>th</sup> March 2025**

**Performance Management**

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

**Summary**

This report updates Members of the Management Group on the performance of EMC in delivering the work programme against its agreed Business Plan 2024/5.

**Recommendations**

Members of the Management Group are invited to consider year-end position against each of the KPIs for 2024/5 as a measure of delivering the agreed business plan.

## 1. Introduction

- 1.1 The Management Group 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.
- 1.3 This report summarises year-end position against each of the KPIs for 2023/24 as a measure of delivering the agreed business plan. The agreed KPIs reflect the revised approach of the current business plan, where EMC will work across four themes: **evidencing, influencing, collaborating and delivering.**

## 2. Summary of Performance against Business Plan

- 2.1 Performance is measured against these KPIs over an 11 month period, up to February 2025.

### 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.  
✓ **Achieved**
- d) To provide benchmarking information and sharing of data and practice to inform decision-making and improvement  
✓ **Achieved**

**KPI 2 – Influencing national decisions and decisions makers.**

- a) Establish an effective relationship and joint approach between councillors and MPs through:
- Holding at least 3 joint events and/or summits.
  - The agreement of joint priorities as the basis for collective work.

✓ **Achieved**

- 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.

✓ **Achieved**

- 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

✓ **Achieved**

- e) Responses to consultation on proposed changes to employment law and national pay negotiations.

✓ **Achieved**

**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.

✓ **Achieved**

- b) To maintain levels of council membership of EMC (40 councils, as of 1<sup>st</sup> April 2024).

✗ **Not Achieved**

- c) Working with Midlands Connect, MCCAs, LEPs and local councils 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.

✓ **Achieved**

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

✓ **Achieved**

**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 [baseline 2020-24, 168 councillor places].

✗ **Not Achieved**

- A Planning/Devolution event scheduled for early March 2025 was rescheduled to accommodate attendance. The mayoral and general elections did impact upon councillor availability and engagement.

- 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'.

✓ **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; 2,321 officer places].

✗ **Not on Target**

- A further 2 events are planned in March 2025 with attendance across both events likely to be approx. 170 officers. Therefore, it is probable that the numbers attending the officer CPD programmes will fall marginally short of the target.

d) To make demonstrable progress in delivering on core EMC policy priority areas:

- Migration
- Workforce and Organisational Support
- Housing and Planning

✓ **Achieved**

e) Facilitating networks and joint working on workforce priorities.

✓ **Achieved**

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]; 3.62 days with L/T sick, 1.4 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 current progress in meeting agreed key performance indicators for 2024/25.

Cltr David Bill MBE  
Leader – Lib Dem Group  
Lead Member - Performance Management

**Progress Against Key Organisational Performance Indicators (2024/25)**


**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"> <li>▪ The Performance Network has met three times following its successful re-launch in February 2024. Engagement levels remain high, with an average of 30 attendees. The next meeting is scheduled for 18<sup>th</sup> March.</li> <li>▪ Meetings took place in June, September and December for the Scrutiny network.</li> <li>▪ The Learning &amp; OD network met in June and October, and the Equality Diversity &amp; Inclusion (EDI) network met in June and September and February. 6 special interest groups from the EDI network are also supported by EMC to enable councils to progress specific areas of work efficiently by sharing resources/information.</li> <li>▪ The Cyber Security (WARP) network met in July and January, and a further meeting is arranged for March.</li> <li>▪ EMC also supports county-based HR networks in Derbyshire, Nottinghamshire and Lincolnshire.</li> </ul>	

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)**





	<ul style="list-style-type: none"> <li>More than 50% of councils have attended/participated in each of the networks, apart from the councillor development network which had requested fewer meetings.</li> </ul>	
<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"> <li>EMC has responded to 30 requests for surveys 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 • Pay supplements for deputy statutory officers • Diverse recruitment panels</li> <li>The annual sickness absence benchmarking survey was conducted, with the results being reported to the Regional Joint Council in September and to inform areas of work/support to councils to help address key issues.</li> <li>EMC is encouraging and supporting councils to use online sharing of key workforce and pay data within the region and nationally. This is a subscription-based service but will enable direct access to data and reports more efficiently. So far 7 councils from the East Midlands have signed up to the system.</li> </ul>	

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"> <li>▪ Holding at least 3 joint events and/or summits.</li> <li>▪ The agreement of joint priorities as the basis for collective work</li> </ul>	<ul style="list-style-type: none"> <li>▪ TfEM has published an updated version of the TfEM/Midlands Connect Shared Vision Document (<a href="http://emcouncils.gov.uk">Our Shared Vision for the East Midlands (emcouncils.gov.uk)</a>) which was sent to all Council leaders, MPs and also relevant PPCs – plus the new EMCCA Mayor.</li> <li>▪ 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 &amp; Sheffield Chambers of Commerce.</li> <li>▪ TfEM published the results of new research on the employment benefits of MMLe commissioned from the National Skills Academy for Rail: <a href="#">Powering up rail electrification could create 4,300 East Midlands jobs</a></li> <li>▪ TfEM published ‘Platform for Growth’ making the case for investment in regional rail connectivity with Sir Peter Soulsby and the EMCCA Mayor: <a href="#">A Platform for Growth: Regional Rail in the East Midlands (emcouncils.gov.uk)</a></li> <li>▪ Working in conjunction with MPs, the East Midlands APPG was reconvened at its meeting on 27<sup>th</sup> November 2024, following which ‘call for evidence’ was launched to support collective input into the CSR. A verbal evidence session will take place in the 25<sup>th</sup> March 2025.</li> <li>▪ EMSMP has published a report regarding UASC Care Leaver Costs within the East Midlands making the case for an uplift in funding relating to former UASC still in the care of Local Authorities.</li> </ul>	



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)**

	<ul style="list-style-type: none"> <li>EMC has supported private sector partners in hosting East Midlands roadshows on devolution and transport devolution.</li> </ul>	
<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"> <li>Review asylum contingency and dispersal arrangements.</li> <li>Progress workforce priorities identified by Regional Employers &amp; Joint Council.</li> <li>Lead member networks for children’s services to meet on a quarterly basis.</li> </ul>	<ul style="list-style-type: none"> <li>Led regional input to Home Office proposals and agreement of regional model and allocations for revised full asylum dispersal and EMC is now supporting the implementation of local delivery and oversight arrangements.</li> <li>Working with local authorities, statutory services, Home Office and accommodation providers relating to any potential larger asylum contingency sites.</li> <li>Working with Home Office Commercials to inform the development of post-2029 Asylum Accommodation contracts through engagement with local authorities.</li> <li>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 has led on the collaboration across the region. EMC has also refreshed a regional jobs portal and is offering free use of this for the duration of the campaign. EMC has facilitated consultation with councils on national pay negotiations. The results of the regional sickness absence survey have informed support to councils to address wellbeing and attendance concerns.</li> <li>Programme of meetings confirmed for Children’s Lead Members’ with number of policies and programmes agreed.</li> </ul>	


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>c) Secure Parliamentary debate on securing additional investment into the East Midlands.</p>	<ul style="list-style-type: none"> <li>The East Midlands APPG is held its AGM on 27<sup>th</sup> November 2024. Chair agreed and forward programme to be developed with initial focus on submission to inform CSR 2025. Next APPG meeting scheduled for 25<sup>th</sup> March 2025.</li> </ul>	
<p>d) Alignment and support to the work of Combined Authorities in the East Midlands.</p>	<ul style="list-style-type: none"> <li>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, including engagement on the Rail Collaboration Agreement.</li> <li>TfEM is working with the EM APPG and 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 &amp; Sheffield Chambers of Commerce.</li> <li>TfEM published the results of new research on the employment benefits of MMLe commissioned from the National Skills Academy for Rail: <a href="#">Powering up rail electrification could create 4,300 East Midlands jobs</a></li> <li>TfEM published ‘Platform for Growth’ making the case for investment in regional rail connectivity with Sir Peter Soulsby and the EMCCA Mayor: <a href="#">A Platform for Growth: Regional Rail in the East Midlands (emcouncils.gov.uk)</a></li> <li>EMCCA People Lead was invited to attend a future Regional Joint Council meeting. EMC has supported EMCCA to access reward specialists to help develop and implement grade structures and job evaluation for the new organisation. EMC also supported EMCCA with the interviews for a Director of People &amp; Corporate Services.</li> </ul>	

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>e) Responses to consultation on proposed changes to employment law and national pay negotiations.</p>	<ul style="list-style-type: none"> <li>▪ EMC hosted the regional pay briefing and collated and submitted councils' views to inform national negotiations for 2024. EMC has updated councils on progress with national negotiations, which have now all reached agreement. 2025 negotiations have started, and EMC hosted a regional briefing attended by over 60 participants in February. EMC's Director of HR &amp; Cllr Development is an adviser to the Employers' Side of the National Committee on local government pay.</li> <li>▪ A raft of employment law changes were proposed in the Employment Rights Bill. EMC provided an event for officers in November attended by over 70 delegates, with a follow-up scheduled for March. The provisions were discussed at the Employers Board and Joint Council meetings in November and as appropriate a regional response to consultations will be put forward.</li> </ul>	
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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)**

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



Key Performance Indicators 2024/2025	Percentage Attendance							
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Progress
a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.	<b>East Midlands Councils</b>	60%	69%	57%	42%	41%	49%	
	<b>EMC Boards</b>	69%	74%	74%	70%	75%	73%	





This is broken down into the following Boards.	Percentage Attendance	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Executive Board</b>	74%	81%	70%	64%	67%	78%
	<b>Management Group</b>	76%	89%	88%	71%	82%	86%
	<b>Regional Employers’ Board</b>	67%	66%	78%	60%	83%	77%
	<b>Regional Migration Board</b>	71%	62%	71%	77%	80%	63%
	<b>HS2 Executive Board/East Midlands Stations Growth Board</b>	61%	71%	63%	73%	74%	64%

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>Transport for the East Midlands</b>	63%	75%	76%	76%	63%	71%
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<p>b) To maintain levels of council membership of EMC (40 councils, as of 1<sup>st</sup> April 2024).</p>	<ul style="list-style-type: none"> <li>▪ Ashfield District Council confirmed its intention to leave EMC membership at the end of its notice period (wef 31<sup>st</sup> March 2025).</li> <li>▪</li> </ul>	
<p>c) Working with Midlands Connect, MCCAs, LEPs and local councils to:</p> <ul style="list-style-type: none"> <li>▪ Progress the implementation of the 8 agreed infrastructure priorities.</li> <li>▪ Develop a shared long term approach through ‘Midlands Connect’.</li> <li>▪ Make progress in the development and delivery of Midlands Engine proposals.</li> </ul>	<ul style="list-style-type: none"> <li>▪ TfEM has published an updated version of the TfEM/Midlands Connect Shared Vision Document (<a href="http://emcouncils.gov.uk">Our Shared Vision for the East Midlands (emcouncils.gov.uk)</a>) which has now been sent to all Council leaders, MPs and also relevant PPCs – plus the new EMCCA Mayor.</li> <li>▪ 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 &amp; Sheffield Chambers of Commerce.</li> <li>▪ TfEM published ‘Platform for Growth’ making the case for investment in regional rail connectivity with Sir Peter Soulsby and the EMCCA Mayor: <a href="http://emcouncils.gov.uk">A Platform for Growth: Regional Rail in the East Midlands (emcouncils.gov.uk)</a></li> <li>▪ EMC with support from Midlands Connect is developing a short video to explain the benefits of Midland Main Line Electrification featuring MPs and regional political and business leaders.</li> <li>▪ EMC continues to support the work of Midlands Connect through seconding Director of Policy &amp; Infrastructure to MC two days a week.</li> <li>▪ EMC responded to the Government consultation on the proposed cessation of funding to pan-regional partnerships, that include the Midlands Engine.</li> </ul>	

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) Provide strategic political leadership for the implementation of the Network North proposals through support for:</p> <ul style="list-style-type: none"> <li>▪ The EM Stations Growth Board and associated groups</li> <li>▪ The Eastern Network Partnership</li> <li>▪ Transport for the East Midlands</li> </ul>	<ul style="list-style-type: none"> <li>▪ EMC continues to support the EM Stations Growth Board to oversee the delivery of the DfT funded growth strategy which will be completed by the end of March 2025</li> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ The TfEM Board has continued to meet on a quarterly basis supported by a Transport Officer Group and a Rail Collaboration Steering Group.</li> </ul>	
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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)**





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

	Baseline 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4 (up until 14.2.25)	
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.	168	25	76	86	86	
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%	100%	100%	

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)**

	Baseline 2023/24	Quarter 1	Quarter 2	Quarter 3	Quarter 4 (up until 14.2.25)	
c) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development.	2321	564	1063	1662	1971	
d) To make demonstrable progress in delivering on core EMC policy priority areas: <ul style="list-style-type: none"> <li>▪ Migration</li> <li>▪ Housing and Planning</li> <li>▪ Workforce – supporting councils to progress with workforce priorities</li> </ul>	<p><b>Migration</b></p> <ul style="list-style-type: none"> <li>▪ Afghan resettlement through ARAP/ACRS continues to be actively managed with properties sourced through the MoD or private providers.</li> <li>▪ 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.</li> <li>▪ Working with Local Authorities in addressing impact of the Home Office’s local decision making and other fast-tracked processes.</li> <li>▪ Progress joint delivery arrangements amongst East Midlands Children’s Services including 12-month Regional UASC Carer Recruitment campaign due to launch early 2025, developing Regional Age Assessment Training Programme due to launch April 2025 and the completion of Regional Strategic Needs Analysis Research completed by December 2024.</li> </ul> <p><b>Workforce</b></p>					


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"> <li>▪ Continuing to support councils on workforce-related issues, particularly relating to recruitment/retention, absence management/employee wellbeing, organisational development.</li> <li>▪ Offering access to improved benchmarking information on pay and workforce issue to support evidence-based decision-making through an online system – Infinistats. To date 7 councils have signed up.</li> <li>▪ Ongoing provision of management and leadership training at range of qualification levels through a partnership arrangement with a quality provider.</li> <li>▪ Rolling out a national recruitment campaign within the region to promote local government as an employer. EMC has hosted events throughout the roll-out to ensure councils are informed and had opportunities to shape the resources. Feedback from councils has been positive. A formal evaluation is taking place in February and March. The regional jobs platform EMJobs has been refreshed in support of the campaign.</li> <li>▪ Continued delivery of CPD programmes and a regional coaching pool to provide cost-effective development opportunities for the workforce within the region.</li> <li>▪ To date, 52 separate assignments have been completed to provide direct support on workforce related issues to local authorities.</li> <li>▪ In addition, EMC is supporting the Association of Democratic Services Officers with the delivery of a national development programme.</li> </ul> <p><b>General:</b></p> <ul style="list-style-type: none"> <li>▪ Co-ordinate monthly meetings of Chief Executives across the region to support engagement and delivery of policy and programmes.</li> </ul>	
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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)**

	<p><b>Housing and Planning</b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Chief Executive seminar with MHCLG Chief Planner held August 2024.</li> <li>▪ Response on NPPF consultation submitted to MHCLG.</li> <li>▪ EMC continues to support the development of an RTPI accredited planning course at Loughborough University and the more recently a proposed Level 4 Apprenticeship at NTU.</li> </ul>	
<p>e) Facilitating networking and joint working on workforce priorities.</p>	<ul style="list-style-type: none"> <li>▪ Addressing recruitment challenges has been a priority, and EMC has focused on ensuring the successful roll-out of the national recruitment campaign across the region. Councils have indicated the wish to continue to meet as a forum to maintain momentum and collaboration beyond the national campaign.</li> <li>▪ The Learning &amp; Development/OD Network continues to be a source of information sharing and signposting. Meetings this year have shared information on learning platforms, talent pipelines and appraisal/performance management.</li> <li>▪ EMC has worked jointly with other regional employers and the LGA to deliver the local government apprentice of the year event in May and has started to promote the event for 2025.</li> <li>▪ 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. An example is support with disability confident accreditation.</li> </ul>	

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"> <li>▪ The Scrutiny Network met in June as an in-person meeting in Nottinghamshire County Council and in September hosted by Oadby &amp; Wigston. The network has enabled sharing on issues such as effective budget scrutiny and scrutiny training and development needs.</li> <li>▪ The Cyber Security (EMGWARP) network met in July and January to share information and experience.</li> <li>▪ 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 has included support for a network within Derbyshire focused on recruitment and retention. The Nottinghamshire group will meet more frequently to support co-ordination and sharing in light of LGR.</li> <li>▪ The Councillor Development network met in December to discuss future sharing of priorities and information to support councillor development over the coming year.</li> </ul>	
<p>f) To respond and fully answer 95% of advice requests from member councils within 2 working days.</p>	<p>42 requests received all answered within 2 days – 100%</p>	

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)

5. **KPI 5 – Organisational and People Management**

Key Performance Indicators 2023/2024	Progress - Financial Year 2023/2024					Progress															
<p>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).</p>	<table border="1" data-bbox="817 512 1841 815"> <thead> <tr> <th></th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4 (up until 31.1.25)</th> </tr> </thead> <tbody> <tr> <td>With L/T* Sick</td> <td>4.12</td> <td>7.03</td> <td>7.64</td> <td>7.64</td> </tr> <tr> <td>Without L/T* Sick</td> <td>1.00</td> <td>1.53</td> <td>2.15</td> <td>2.15</td> </tr> </tbody> </table> <p>* L/T = long term.</p> <p>These figures have been, and are likely to continue to be, impacted by the long-term sickness of 1 member of staff.</p>						Q1	Q2	Q3	Q4 (up until 31.1.25)	With L/T* Sick	4.12	7.03	7.64	7.64	Without L/T* Sick	1.00	1.53	2.15	2.15	
	Q1	Q2	Q3	Q4 (up until 31.1.25)																	
With L/T* Sick	4.12	7.03	7.64	7.64																	
Without L/T* Sick	1.00	1.53	2.15	2.15																	
<p>b) Wherever possible, to meet all staff learning and development needs, as identified by annual Staff Development Interviews (SDIs).</p>	<p>Staff Development Interviews scheduled to be completed by end-March 2025.</p>																				

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>	

**Management Group****7<sup>th</sup> March 2025****Lead Member Report****Cllr Tricia Gilby****Corporate Governance****Summary**

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

- The draft EMC business plan 2025/26.
- Management of Organisational Risk with specific consideration of the potential impact upon EMC of proposals for devolution and local government reorganisation.
- The tendering of a rail technical research study outside of EMC processes.

**Recommendation**

Members of the Management Group are invited to:

- Consider and endorse the proposed business plan for 2025/26 for presentation to Executive Board at its meeting on 28<sup>th</sup> March 2025.
- Consider and endorse the Annual Risk Statement and Risk Register, including those posed by devolution and LGR proposals, the key controls in place and any proposed action to be taken.
- Note the exemption to EMC tender process, as detailed in Section 3 of this report.

## 1. Draft Business Plan 2025/26

- 1.1 Management Group are invited to consider the draft business plan for 2025/26 that includes a statement of EMC's objectives and proposed activity over the next 12 months. This will be presented to Executive Board on 28<sup>th</sup> March 2025 for formal endorsement.
- 1.2 EMC must be flexible and respond to the changing priorities and challenges faced by the sector. Therefore, the activities within any business plan may change if Members require it to. However, within this context, the business plan should reflect issues highlighted through initial consultation with our membership and so provide the basis for work in the coming year.

### Focus of Business Plan

- 1.3 The implications of the Devolution White Paper and local government reorganisation are far reaching for EMC as an organisation, in terms of the work we do, our partnership and resource base. These issues will need to be considered with member councils over the course of 2025/26.
- 1.4 However, the East Midlands will not be included within the 1<sup>st</sup> wave (devolution priority programme), so April 2028 is the likely timetable, as set by Government. This implies elections to shadow councils in May 2027. In the development of revised governance and delivery arrangements, and for the EMC's business planning purposes, this implies a 2-3 year transition period.
- 1.5 In terms of existing governance, the timings for the implementation of LGR by April 2028 align with EMC's existing grant arrangements with the Home Office and DfT. Assuming current funding commitments continue to be met, and membership and subscription income is largely maintained, it is reasonable to suggest that EMC is likely to continue in its current, or similar form, until end 2026-27. DfT is yet to confirm future Midlands Connect/SNTB arrangements.
- 1.6 Consequently, it is proposed that EMC's business plan is rolled-forward for a year to allow time for future arrangements to become clearer, as without this clarity it would be impractical to make substantive changes to the existing EMC model and/or responsibilities as current programme commitments remain, i.e. SMP and Home Office grant, East Midlands rail collaboration agreement with DfT and Midlands Connect MoU.



- 1.7 In terms of detail, the Business Plan has been informed by EMC colleagues and Member discussion, e.g. the General Meeting on 31<sup>st</sup> January 2025, as well as programme commitments in relation to external grant funding.
- 1.8 We will continue to add value to the work of our member councils and will focus on effective engagement with both members and officers in the delivery of agreed programmes. 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 over £644,000 of savings for the sector.
- 1.9 The draft business plan is attached as Appendix 8(a) for Member consideration, comments and endorsement.

## **2. Risk Management**

### **a) Risk Management Policy**

- 2.1 Management Group previously adopted a Risk Management Policy, attached as Appendix 8(b) that details the objectives of EMC's approach to risk management in addition to the roles, responsibilities and wider process.
- 2.2 The policy requires that EMC formally considers risk management at least every 6 months (normally May and November) with an annual risk assurance statement covering the whole financial year reported to Management Group at the end of the financial year (i.e., March meeting).

### **b) Annual Risk Statement**

- 2.3 The annual risk assurance statement reviews the operation and effectiveness of EMC's framework for identifying and managing risks and demonstrating clear accountability. The annual risk assurance statement for 2024/25 is attached as Appendix 8(c).
- 2.4 Members will be aware of the significance to EMC of proposals for devolution and LGR. A summary of future risk is included within Section 4 of Appendix 8(c) for Member consideration. These risks require careful management and be regularly reported to Members

### **c) Risk Register**

- 2.5 EMC's risk register is a central register 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.
- 2.6 Included as part of the risk register is the 'owner' of each risk identifying responsibility for actions relating to that risk.
- 2.7 Against each risk identified, specific and detailed action plans may be developed, as appropriate, to inform further work.
- 2.8 An updated risk register, reviewed by officers, is attached as Appendix 8(d) to this report. It includes consideration of the Devolution White Paper and the impact of LGR proposals.
- 2.9 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.
- 2.10 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 likely, it will occur, and this will be of significant impact to EMC.
- 2.11 Since risk management was last considered by Management Group in November 2024, in addition to the potential risks previously highlighted, particular reference is made to the proposals for devolution, the establishment of strategic authorities and local government reorganisation.

### **3. Exemption from Financial Regulations (Contracts)**

- 3.1 In line with the TfEM's work programme, it is proposed to appoint a specialist consultancy to work with EMC and LTA officers to provide analysis on rail freight, city connectivity and to inform the transition to regional rail operations and management in late 2026.
- 3.2 The estimated range for the full suite of projects is between £75,000-£130,000. It is funded entirely by the DfT supported Rail Collaboration Agreement.
- 3.3 EMC commenced the tendering process early 2025. However, at the expression of interest stage, it was clear that we were not going to receive neither a sufficient

quantity nor quality of submissions - with only one compliant supplier notice received. The tender process was therefore aborted.

- 3.4 It was agreed that the use of existing local authority frameworks would be the best way to move forward with the commission, and given the sums involved, that their use would provide EMC with additional assurance of compliance.
- 3.5 Purchasing experts from both Nottingham City and Lincolnshire County Councils have provided advice to EMC on this matter. It was agreed to commission LCC to lead this procurement activity on EMC's behalf using their consultancy frameworks and specialist support.
- 3.6 Members are advised that this is a departure from EMC's procurement strategy and standard terms and conditions, as EMC's process does not align with that of procurement frameworks. On this basis, this matter is reported to Management Group.
- 3.7 The Executive Director agreed to this procurement to be outside EMC's own processes on the following grounds:
- a) Provides additional contractual and compliance assurance with procurement specialists working on EMC's behalf, particularly given the large sums involved that exceed the size of usual EMC-appointed consultancy contracts.
  - b) Improved access to specialist consultancies.
  - c) Ease of contractual arrangements managed by procurement specialist.
  - d) Assurance that timescales will be met.
- 3.8 The tender process will run for 4 weeks, and planned award is likely to be early April. All work is still expected to be completed by end-December 2025.

#### **4. Recommendations**

Members of Management Group are invited to:

- 4.1 Consider and endorse the proposed business plan for 2025/26 for presentation to Executive Board at its meeting on 28th March 2025.
- 4.2 Consider and endorse the Annual Risk Statement and Risk Register, the key controls in place and any proposed action to be taken.
- 4.3 Note the exemption to tender, as detailed in Section 3 of this report.

Cllr Tricia Gilby  
District Vice-Chair  
East Midlands Councils



# **Business Plan 2025-26**

**Draft January 2025**

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## Foreword

Welcome to the East Midlands Councils (EMC) Business Plan for 2025/26.

The coming year will be one of monumental change for the sector as it responds to the challenges that include local government reorganisation, a new devolution framework, revised NPPF and ambitious housing delivery targets. Within this changing landscape, EMC will continue to make progress on those issues that matter to the sector, fostering collaboration, and driving positive change and growth across the East Midlands.

In recognition of this, the business plan sets out our proposed work, and wider approach, for the next 12 months. A number of existing programme commitments remain, including our workforce development and organisational support, rail collaboration agreement with DfT and the delivery of asylum and resettlement programmes. But the new local government institutional framework, that will include 2 mayoral county combined authorities, will require collaboration across the sector and with national bodies to deliver shared outcomes across a number of geographies; 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.

This business plan covers the range of EMC's programmes and services, including proposals for progressing the region's agreed investment and growth proposals, our work on Midland Mainline electrification, the A46 and A1, supporting councils on the implementation of the NPPF and housing delivery, providing focused member and officer development programmes, transformation and HR support and our wider role as the Regional Employers' Organisation; as well as taking forward the management of important refugee and asylum resettlement programmes. In this work, and in partnership with East Midlands Chamber of Commerce, we will continue to provide advisory and technical expertise to the work of MPs through the region's APPG.

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 £565,000

We remain grateful to EMC staff, councillors, and officers across the region for their efforts and on-going engagement - and look forward to continuing working with colleagues across the East Midlands during 2025/26.

Cllr Martin Hill OBE	Chair, East Midland Councils
Cllr Sarah Russell	Vice Chair, East Midlands Councils
Cllr Tricia Gilby	Vice Chair, East Midlands Councils

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## Our Role and Purpose

The East Midlands is a region of 5 million people, with population growth over the past decade exceeding the UK average and aligning with rates seen in London and the South East. A sizeable economy in its own right, its 368,000 businesses generated a total regional output of approx. £146.4bn, equivalent to 5.8% 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 councils in the East Midlands: including county, unitary and district & borough councils, and the Peak District National Park Authority.

Our dedicated team delivers a wide range of services and programmes on behalf of our 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 deliver tangible value, whether this be through ensuring excellence in the provision of our services and sector-led support or by shaping policies and delivering programmes that address the needs and priorities of our members.

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 support the sector as it continues to deliver core services and implements an ambitious programme of change.

## What We Do

EMC delivers a wide range of services and programmes working closely with our member councils. These can be split into the following four main areas of activity:

### **Local Government Workforce and Councillor Development**

EMC is the statutory Employers' Organisation for local government in the East Midlands, which will be of benefit to councils in moving forward with LGR proposals. 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 and 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 plays a key role in coordinating regional leadership and collaboration across local government. We nominate representatives to key national and regional boards including the LGA Executive, the LGA Asylum Resettlement Councils Strategic Engagement Group (ARCSEG), and the strategic boards of Midlands Connect. We also provide forums for joint working, including for Children's Services Lead Members and all 40 Chief Executives in the region.

In partnership with the East Midlands Chamber, EMC provides the secretariat for the East Midlands All Party Parliamentary Group (EMAPPG). The EMAPPG is an important platform for local authorities and business sector representatives to engage with parliamentarians and ensure regional priorities are heard in Westminster.

## 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 Ministry of Housing, Communities and Local Government, 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 Connect and East Midlands Chamber of Commerce.

## Continuing Momentum

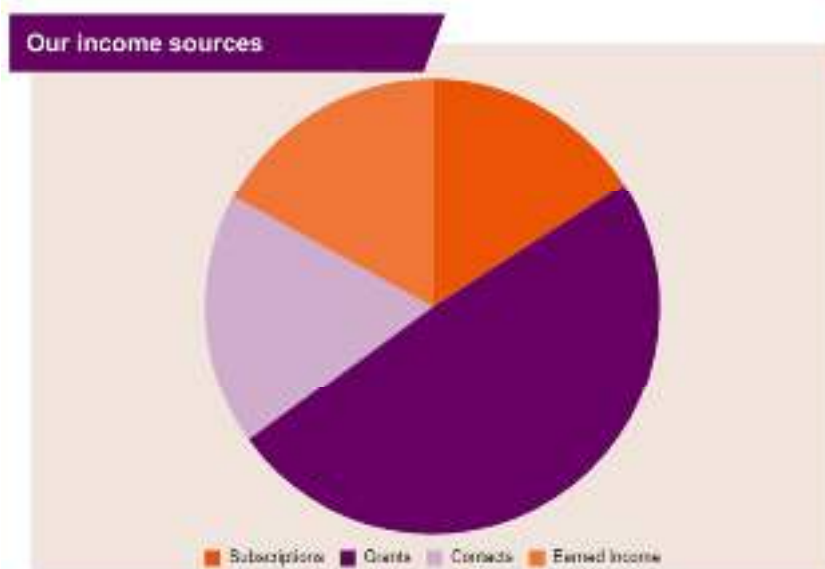
This Business Plan builds on the outcomes highlighted in our last annual report:



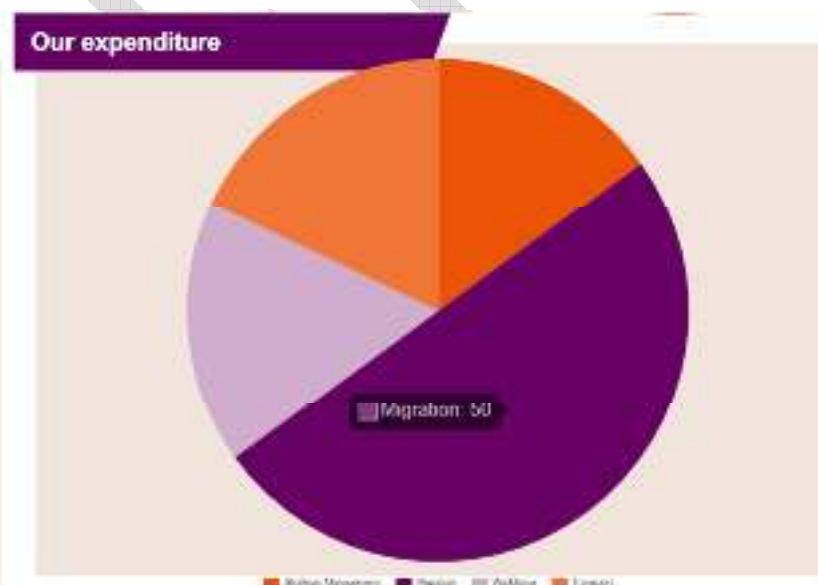
## Our Funding

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 2025/26 is £1,741,100 and closely aligns to the objectives of this Business Plan.

Our income comes from the following sources:



Our expenditure is split between our core activities as follows:



A detailed budget for 2024/25 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 Priorities for 2025/26

Proposals for devolution and local government reorganisation, alongside the impact of the spending review, will be a focus for the sector in 2025/26, leading to a period of significant institutional change from 2027 onwards. For EMC, our priority must be to support member councils in readiness for this organisational change. The year will also be one of consolidation where, for example, national programmes still need to be delivered and where EMC should continue to meet member council and government commitments.

Within this context of change and uncertainty, in taking forward our business plan, East Midlands Councils will work across all four of these themes of evidencing, influencing, collaborating, and delivering over the next 12 months in the following ways.

<b>Local Government and Workforce Development</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Providing advice to councils on key workforce issues, including LGR and workforce capacity, and producing information and benchmarking on workforce issues, policies, and data to assist evidence-based decisions and support good practice and improvement.</li> <li>• Managing events and networks to share information, advice, and good practice with specific reference to the Government’s devolution planning and LGR proposals.</li> <li>• Identifying common challenges and solutions to support councils in attracting, developing, and retaining a skilled workforce, building on the roll-out of the national recruitment campaign across the region.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Leading regional consultation on national pay developments and employment law proposals to reflect the needs of councils in the East Midlands.</li> <li>• 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.</li> <li>• 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 forum, social media, and the wider use of EMC website.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• Working through the Regional Employers’ Board and Regional Joint Council to agree and progress workforce priorities and councillor development requirements for the East Midlands.</li> <li>• Facilitating regional and county-based networks on workforce and councillor development issues, as well as cyber security, equality diversity and inclusion, performance, and scrutiny.</li> <li>• Brokering discounted access for councils to systems and services so delivering direct savings back to our membership.</li> </ul>

<b>Delivering</b>	<ul style="list-style-type: none"> <li>• Providing a programme of events and continuing professional development programmes to meet the needs of officers and councillors across the region, to include support for new councillors to complement in-house induction programmes.</li> <li>• Providing a free advice service on employment issues, issuing a monthly bulletin, and supporting councils to progress with regional workforce priorities including managing the workforce implications to support the implementation of LGR.</li> <li>• Delivering workforce and learning and development related support to individual councils, to provide additional capacity and expertise in a cost-effective way.</li> </ul>
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<b>Strategic Migration Partnership</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Providing consistent and accurate data and intelligence to underpin the regional approach and delivery of asylum dispersal, refugee resettlement and UASC National Transfer Scheme.</li> <li>• Capturing key learning, good practice, and new developments and share with regional and national stakeholders to support programme development and delivery.</li> <li>• Identifying gaps in provision and levels of need, including a regional analysis of UASC needs, and providing employment support to those arriving from Hong Kong with BN(O) status.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Lobbying Government for greater levels of funding and provide expertise to support the national review of UASC funding along with the continued implementation of a more proportionate and equitable asylum dispersal and refugee resettlement model.</li> <li>• Pilot new approaches and build stronger relationships with Government Departments that are a result from the region's track record of innovative programme delivery.</li> <li>• Supporting the identification of appropriate sites to accommodate asylum and refugees within the region.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• Building collaborative, positive and constructive joint working and partnership arrangements between Local Authorities and Government Departments.</li> <li>• 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.</li> <li>• Supporting UK Government to implement a Place Based Framework for Asylum and Refugee Resettlement.</li> <li>• Developing a bespoke East Midlands approach to UASC based on regionally agreed priorities, including funding, placement sufficiency, specialist immigration legal advice, and age assessment.</li> </ul>

	<ul style="list-style-type: none"> <li>Supporting the delivery of the new Afghan Resettlement Programme through collaboration with central and local government stakeholders.</li> </ul>
<b>Delivering</b>	<ul style="list-style-type: none"> <li>Delivering the revised full asylum dispersal model in conjunction with national and local stakeholders.</li> <li>Manage a proportionate and responsive mandated UASC National Transfer Scheme, placing vulnerable young people into the safe care of our Local Authorities, and facilitate the transfer of refugees from third countries into settled accommodation.</li> <li>Delivery of a regional UASC Programme with the aim of increasing the number of UASC specific care placements, implementing a regional approach to age assessments, supporting Local Authorities to address gaps in provision through the regional UASC Strategic Needs Analysis review, and coordinating a novel regional approach to identifying IFA placements for UASC.</li> <li>Piloting a Migrant Housing Enabler model to support with LA refugee resettlement accommodation pressures.</li> </ul>

<b>Transport &amp; Growth</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>Producing regular updates on regional economic performance, housing delivery and investment growth.</li> <li>Producing analysis and research to support investment that will improve transport and deliver better outcomes for local communities and businesses.</li> <li>Providing regional input and insight into business cases developed by Network Rail, National Highways and Midlands Connect.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>Supporting the Chair of TfEM and Chair of the EMC Executive Board to make representations to Ministers on issues of regional significance.</li> <li>Working with civil servants to ensure that East Midlands issues and priorities are better understood by Government.</li> <li>Communicating the benefits of regional investment priorities to MPs, business leaders and the wider public in clear and compelling ways</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>Working through Transport for the East Midlands (TfEM) and new and emerging Mayoral County Combined Authorities to develop and promote shared transport investment priorities for the East Midlands.</li> <li>Working through the TfEM-DfT Rail Collaboration Agreement to secure improvements to train services and rolling stock prior to the establishment of Great British Railways.</li> <li>Working through Midlands Connect to ensure that East Midlands priorities are reflected in national investment plans.</li> </ul>
<b>Delivering</b>	<ul style="list-style-type: none"> <li>Publishing a suite of well evidenced Strategic Case documents to support investment in enhanced rail services that have wider socio-economic and environmental benefits.</li> <li>Promoting the delivery of the TfEM – Midlands Connect Shared Investment Priorities through evidence and collateral.</li> </ul>



	<ul style="list-style-type: none"> <li>• Holding well attended events and meetings to agree priorities, share best practice and make the case for greater investment in the East Midlands.</li> </ul>
<b>Strategic Leadership</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Supporting proposals for institutional change in relation to the Devolution White Paper and LGR, and the provision of analysis of significant economic and social developments which will impact on local government in the East Midlands and on the region more generally.</li> <li>• Support alignment and the coordination of responsibilities with the East Midlands and Greater Lincolnshire County Combined Authorities and responding to the priorities of HM Government.</li> <li>• Providing strategic insight to Government on the impact of national policies and initiatives in the East Midlands.</li> <li>• Highlighting emerging issues of political concern to Ministers and senior civil servants.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Effective joint working arrangements with locally based Government Departments such as the Department for Business and Trade, MHCLG, DHSC &amp; UK Health Security Agency and with the Mayoral County Combined Authorities to align responsibilities and work programmes.</li> <li>• Making representations to and engaging with national decision makers on strategic matters and common priorities relating to Local Authorities in the East Midlands, including the impact of flooding and flood risk.</li> <li>• 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 of strategic concern.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• 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 devolution and LGR, local government finance, flood risk, health, and adult social care.</li> <li>• Developing and agreeing a collective approach to inform the Midlands Connect work programme to increase regional investment, productivity, and growth.</li> <li>• 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.</li> </ul>
<b>Delivering</b>	<ul style="list-style-type: none"> <li>• Deliver a nationally exemplar programme of sector-led improvement for children’s services, including jointly funded regional immigration legal advice and training, and programme to improve foster care capacity.</li> <li>• Amplifying and adding value to the work of partners through collective leadership on matters of strategic importance to the East Midlands.</li> </ul>

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|  | <ul style="list-style-type: none"> <li>• Publishing a compelling Strategic Case document in support of the full electrification of the Midland Main Line.</li> <li>• Ensure that the East Midlands APPG meets at least three times over the next 12 months and is supported by an agreed work programme.</li> </ul> |
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## Communicating Our Impact

By summer 2025, the region will have in place two Mayoral County Combined Authorities. 2025/26 will be a year of consolidation, as existing policy and programme commitments still need to be delivered, as well as being a period that will see the development of proposals that will fundamentally change the structure, roles, and responsibilities for local government. It therefore remains vital 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.

As such, EMC will continue to 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 communications continue to highlight the priorities of the region, 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.

## Measuring Our Impact

The Business Plan is a formal statement of EMC's objectives for 2025/26.

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 2025/26 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 2025.

- 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. This will include support on implementing devolution, the NPPF and LGR.
- 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.

## Annex 1: Budget 2025/26

	Actual 2022/23	Budget 2023/24	Budget 2024/25
	£	£	£
<b>Income</b>			
Subscriptions	271,647	286,000	292,100
Grants	573,003	863,300	805,300
Contracts	285,042	311,000	317,000
Earned Income	482,058	308,100	311,300
<b>Total</b>	<b>1,611,850</b>	<b>1,768,400</b>	<b>1,725,700</b>
<b>Expenditure</b>			
Staffing	988,646	1,343,800	1,271,400
Members Allowances	21,200	24,600	25,000
Premises	23,438	26,200	27,000
Service Level Agreements	16,700	17,000	18,500
Other Direct Costs	561,735	356,400	379,000
<b>Total</b>	<b>1,608,719</b>	<b>1,768,000</b>	<b>1,720,900</b>
<b>Surplus/-Deficit</b>	<b>3,131</b>	<b>400</b>	<b>4,800</b>

## Annex 2: Our Governance

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 Senior Management Team comprises:**

Sam Maher - Director of HR and Councillor Development

Andrew Pritchard - Director of Policy & Infrastructure

Stuart Young - Executive Director



## **Risk Management Policy (Adopted May 2016)**

### **1. Introduction**

- 1.1 The aim of this policy document is to formalise the approach to risk management at East Midlands Councils. It was formally adopted in 2016 and is reviewed annually by Members as part of the risk management approach.
- 1.2 Risk can be defined as, “The threat that an event or action will adversely affect our ability to achieve our objectives, perform our duties or meet the expectations of our stakeholders.”

### **2. Objectives**

- 2.1 East Midlands Councils is committed to implementing a proactive approach to risk management which is based on the following key principles:
- a) Risk management activity will be aligned to corporate and business plan aims, objectives and priorities. It will encompass all strategic and operational risks that may prevent EMC from fulfilling its objectives.
  - b) Risk management is a key element of EMC’s corporate governance.
  - c) EMC will anticipate and take preventative action to avoid risks rather than dealing with the consequences.
  - d) Risk management is a process to assist in understanding risks and thereby to contribute to improved decision-making. The purpose therefore is not to ‘design-out’ risk, but to manage it effectively.
  - e) A consistent approach to the identification, assessment and management of risks will be embedded throughout EMC.
  - f) Risk control and mitigation measures will be effective, appropriate, proportionate, affordable and flexible. Risk controls will not be implemented where the cost and effort is disproportionate to the expected benefits.
  - g) EMC will commit the necessary resources to implement risk management consistent with the above principles.
  - h) This policy requires all employees to take responsibility for the cost effective management of risk in all aspects.

### 3. Roles and Responsibilities

3.1 In order to ensure the successful implementation of the risk management policy, clear roles and responsibilities for the risk management framework and process are needed. These are listed below.

a) Management Group

- Approving the Risk Management Policy on an annual basis.
- Receive regular updates of the risk register.
- Receive reports from the Executive Director stating whether effective risk management arrangements operate.

b) Executive Director

- Overall responsibility for ensuring that strategic risks are effectively managed and reported within EMC.
- To provide an annual statement of assurance on strategic risks.

c) EMC Management Team

- Contribute towards the identification and management of strategic and cross cutting risks.
- Regularly review the strategic risk register.
- To maintain awareness of and promote the risk management policy to all relevant staff.
- Ensure that risk management is incorporated into service and project plans.

d) Internal Audit (Accountable Body role)

- To independently review and report to Management Group on the strategic and operational management of risk.

e) External Audit (Accountable Body role)

- An independent examination of EMC's financial statements to confirm whether they are presented fairly in accordance with accepted standards, and are free of material misstatement (whether due to error or fraud)

#### **4. Risk Identification Process**

- 4.1 All risks identified are significant and require an organisational response. The risks identified within the red grid section of EMC's risk register identifies those risks considered as critical to the organisation.
- 4.2 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.
- 4.3 In terms of severity; members are referred to 5 principal risks to EMC:
- a) Loss of councils in membership.
  - b) Insufficient capacity.
  - c) Failure to secure sufficient consultancy income.
  - d) Failure to secure sufficient external grant income.
  - e) Institutional change leading to fewer EMC roles and responsibilities.

#### **5. Frequency of Risk Register Reviews**

- 5.1 The Risk Register will be reviewed by the Management Team on a quarterly basis and reported to the Management Group.
- 5.2 An annual risk assurance statement to be completed, covering the whole financial year, and reported to Management Group at the end of the financial year (i.e. March meeting).

#### **6. Outputs from the Risk Management Process**

- 6.1 The outputs from the risk management process will provide valuable additional information for EMC that should assist in avoiding unpleasant surprises and aid the consideration of its corporate governance.
- 6.2 The Risk Register will provide documentation of each risk, its owner, the key controls that relate to it, and the status of any insurance and/or contingency plan that is associated with it. This document will also provide evidence, for any external audit or inspection, of the completeness of the risk management process in place.



- 6.3 The Risk Reporting process consists of quarterly reports on EMC's risks to enable the Management Team to be more fully aware of the extent of their risks and the changes that are occurring to them, with subsequent accountability to Management Group.

## **Risk Management – Annual Risk Assurance Statement 2024/25**

### **1. What is Risk?**

- 1.1 For EMC purposes, risk is defined as ‘the chance of something happening that will have an impact (positive or negative) on the achievement of our objectives.’
- 1.2 The system of EMC’s internal management of risk is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance.
- 1.3 The system of internal management of risk is an ongoing process designed to identify and prioritise the risks to the achievement of EMC’s aims and objectives, and to manage them efficiently, effectively and economically.
- 1.4 The following risks have been identified as significant to EMC; loss of councils in membership; insufficient capacity; failure to secure sufficient consultancy income; and failure to secure sufficient external grant income.
- 1.5 The occurrence of these risks would be a significant challenge to EMC specifically in relation to the delivery of its business plan, budgets and finances, reputational and political harm.

### **2. Approach to Risk Management**

- 2.1 To mitigate against these risks occurring, the following processes have been implemented by EMC during 2024/25:
  - a) Internal audit – to provide independent assurance that EMC’s risk management, governance and internal control processes are operating effectively. These should be undertaken annually, with the most recent audit focusing on external grant and contract management.
  - b) External Audit – An independent examination of EMC’s financial statements to confirm whether they are presented fairly in accordance with accepted standards. They assert whether EMC’s financial statements are free of material misstatement, whether due to error or fraud and are a legal requirement given EMC’s role as a Regional Employers’ Body. This is

competed annually and was most recently reported to Management Group in November 2024.

- c) Member (Management Group) oversight provided through lead member responsibilities for finance, performance monitoring, corporate governance, and conduct and standards.
- d) Management (officer) oversight of budgetary, business plan and wider organisational performance.

### **3. Effectiveness of Control**

3.1 The awareness and management of risk by EMC is appropriate to the size and potential risks to the organisation on the following basis:

- a) Risk is reported to Members in a regular and transparent manner.
- b) The approach to risk management has supported oversight and management of risk.
- c) It provides regular challenge to officers to consider the various types of risk (as identified in the register) and to respond accordingly.
- d) The risks identified during 2024/25 have been mitigated against, e.g., grants secured, effective management of reserves, pensions and wider liabilities.
- e) Awareness of wider organisational risk, e.g., disaster recovery. Key organisational material is held electronically and in hard copy, and all IT systems (files and emails) are cloud-based with appropriate back-up security and support in place (off-site).

### **4. Identification of Future Risk**

4.1 The proposals for LGR and the establishment of Strategic Authorities are far reaching for EMC as an organisation, in terms of the work we do, our partnership and resource base. These issues will need to be regularly considered by Management Group over the course of 2025/26.

4.2 A number of institutional changes have already occurred. The East Midlands Mayoral County Combined Authority was established in 2024, and the Greater Lincolnshire County Combined Authority established in February 2025, with mayoral elections in May 2025. The East Midlands Development Corporation was subsumed into EMCCA, and the Midlands Engine will likely be wound up within the next 12-18 months.

- 4.3 County council elections will be held in May 2025. These may lead to further changes to EMC governance including to the boards and networks of EMC. Members will already be aware that Cllr Matt Relph will be standing down as Independent Group Leader from 31<sup>st</sup> March 2025 and Cllr Sarah Russell will be standing down as EMC Vice-Chair at the AGM in July 2025.
- 4.4 East Midlands will not be included within the 1<sup>st</sup> wave (devolution priority programme), so April 2028 is the likely timetable, as set by Government. This implies elections to shadow councils in May 2027. In the development of revised governance and delivery arrangements, and for the EMC's business planning purposes, this implies a 2-3 year transition period.
- 4.5 In terms of existing governance, the timings for the implementation of LGR by April 2028 align with EMC's existing grant arrangements with the Home Office and DfT. Assuming current funding commitments continue to be met, and membership and subscription income is largely maintained, it is reasonable to suggest that EMC is likely to continue in its current, or similar form, until end 2026-27. DfT is yet to confirm future Midlands Connect/SNTB arrangements.
- 4.6 Consequently, EMC's business plan will be rolled-forward for a year to allow time for future arrangements to become clearer, as without this clarity it would be impractical to make substantive changes to the existing EMC model and/or responsibilities as current programme commitments remain, i.e. SMP and Home Office grant, East Midlands rail collaboration agreement with DfT and Midlands Connect MoU.
- 4.7 A balanced budget is agreed for 2025/26, although this has been a more challenging process than previous years. At this stage, it is difficult to set any realistic budget for 2026/27, and while the 2 year budget projections have previously been subject to 'health warnings', this is especially true given proposed devolution and LGR.
- 4.8 EMC's subscription base will need to fundamentally change. With the possible creation of c10 unitary councils in the region, instead of the current 39 councils (10 upper-tier and 29 districts), subscription income would fall from £294,000 (2025/26) to approx. £120,000 (at estimated 2026/27 rates).

- 4.9 Without changes, EMC would cease to be viable. Therefore, the development of revised governance and offer would require an entirely new subscription and wider funding model to be put in place.
- 4.10 While the implementation of LGR may be 2 years away, there is a more immediate risk of drift, and alongside on-going local government budget challenges, does place further pressure on EMC membership base.
- 4.11  
Members will be aware of the basis for Ashfield District Council's withdraw from EMC membership.
- 4.12 A number of Strategic Authority and Local Authority roles and responsibilities need clarification. This does impact upon the sector led partnership and improvement work of EMC. This includes the future shape of national asylum and refugee resettlement policy and programmes (and finding).
- 4.13 However, in all likelihood, the impact and occurrence of the identified risk may change over 2025/26 and this will be identified, evaluated and reported to Management Group on a quarterly basis.

<b>Risk Register</b>	
<b>East Midlands Councils</b>	
<b>Date Prepared:</b>	<b>March 2025</b>
<b>Prepared by:</b>	<b>EMC Management Team</b>

<b>Risk</b>	<b>Impact</b>	<b>likelihood</b>	<b>Key Controls in Place</b>	<b>Further Action to Be Taken</b>	<b>Risk Owner</b>
<p><b>1. Loss of Authorities in Membership</b> Ashfield District Council has confirmed its intention to withdraw from membership wef 31<sup>st</sup> March 2025. West Northants Councils submitted notice to leave membership wef 31<sup>st</sup> March 2026.</p>	<b>A</b>	<b>1</b>	<ul style="list-style-type: none"> <li>▪ Communicating the benefits of EMC membership.</li> <li>▪ Understanding local pressures; both service delivery and financial.</li> <li>▪ The requirement for 12 months' notice from Member authorities provides for time to try and resolve issues and any member concerns.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provision of services and wider benefits EMC has provided to each member council, building on regular senior officer discussions.</li> <li>▪ Clarity on the cessation of EMC services and support upon leaving membership.</li> <li>▪ Review of business plan and work programme to ensure relevance and that EMC is meeting member council priorities and needs.</li> <li>▪ Agreement of transition plan to successor governance arrangements.</li> </ul>	<b>Management Group Management Team</b>

<b>2. Lack of engagement from Members</b>	<b>B</b>	<b>2</b>	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"> <li>▪ Group Leaders’ review Group nominations to Boards.</li> <li>▪ EMC secretariat reminds Members of meetings and reports attendance to Group Leaders (both pre and post-meeting).</li> </ul>	<b>Group Leaders Management Group</b>
<b>3. Lack of engagement from Staff</b>	<b>B</b>	<b>3</b>	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.	<b>Management Team</b>
<b>4. Insufficient capacity and resilience (including staff and financial) to deliver work programme.</b>	<b>B</b>	<b>2</b>	<ul style="list-style-type: none"> <li>▪ Management of the work programme to reflect programme delivery, policy development and sector support responsibilities.</li> <li>▪ Annual KPIs to monitor progress in the delivery of the business plan.</li> <li>▪ Annual staff appraisals and regular business plan planning meetings.</li> <li>▪ Revised approach to delivery of work programme.</li> </ul>	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.	<b>Management Group Management Team</b>
<b>5. Inability to secure consultancy and other earned income to balance budget</b>	<b>A</b>	<b>1</b>	<ul style="list-style-type: none"> <li>▪ Agreed rates and charges schedule in place for 2025/26.</li> <li>▪ Monthly financial reporting and oversight.</li> <li>▪ 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.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All opportunities will continue to be explored including ‘Non-local government’ markets and new income streams/services.</li> <li>▪ Targeted promotion of EMC service offer.</li> <li>▪ Adaptation of service offer and learning through further use of virtual networks and platforms.</li> <li>▪ Rates and charges reviewed as part of 2025/26 budget setting process.</li> </ul>	<b>Management Team</b>

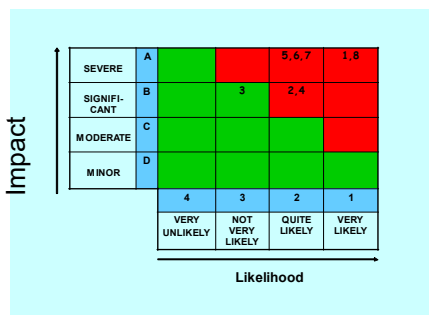
<p><b>6. Inability to secure grant funding to balance budget.</b></p>	<p><b>A</b></p>	<p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ External grant now represents approx. 50% of EMC’s total income, thereby balancing EMC sources of income although exposing organisation to vulnerability if grant reduced (potentially for reasons outside of EMC’s control).</li> <li>▪ In-principle grant agreements in place up until the transition point for LGR (April 2027 onwards)</li> </ul>	<ul style="list-style-type: none"> <li>▪ All opportunities will continue to be explored, including with Midlands Connect and DfT.</li> <li>▪ Regular programme management and oversight to meet requirements and demonstrate value-added.</li> <li>▪ Alignment of EMC/TfEM transport and growth responsibilities to be agreed with EMCCA and GLCCA.</li> <li>▪ Transition arrangements for DfT Rail Collaboration Agreement and the establishment of GBR to be confirmed.</li> </ul>	<p><b>Management Team</b></p>
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<p><b>7. Loss of Strategic Migration Grants from Home Office</b></p>	<p><b>A</b></p>	<p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ Home Office confirmed 2025/26 grant for asylum and refugee resettlement.</li> <li>▪ HK(BNO) agreements for (Aug-July) 2025/26 confirmed, but amount tbc.</li> <li>▪ Alignment of MHCLG HK(BNO) and Ukraine funding from March 2026 agreed, but amount tbc.</li> <li>▪ Regular meetings with Home Office, at both Ministerial and senior officer level.</li> <li>▪ Delivery of programme milestones and wider commitments, as per Grant Agreement.</li> <li>▪ Ongoing risks to be managed for including responding to asylum and Afghan resettlement pressures and implications of Spending Review for Home Office grant.</li> <li>▪ Clawback by Government Departments of unspent/uncommitted grant.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing dialogue with Home Office and MHCLG to confirm grant agreements for asylum, resettlement and HK (BNO) programmes for 2026/27 onwards.</li> <li>▪ Demonstrate value-added of partnership (supported by grant), including performance management of programme delivery.</li> <li>▪ Specific focus on widening dispersal and pressures from implementing the Streamlined Asylum Process.</li> <li>▪ Options including staffing and project management to be developed in anticipated of grant reduction 2026/27.</li> <li>▪ Development and delivery of project programmes, associated activity and staffing to ensure spend profile are consistent with grant conditions.</li> <li>▪ Review of programmes to ensure only grant funded activity is undertaken.</li> </ul>	<p><b>Management Team</b></p>
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<p><b>8. Emerging Partnerships and local government reorganisation</b></p>	<p><b>B</b></p>	<p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ Implications of English Devolution Bill, including the establishment of Strategic Authorities, e.g. EMCCA, GLCCA, and proposals for LGR.</li> <li>▪ Working with councils in the development of proposals for revised governance arrangements post 2027.</li> <li>▪ To maintain neutral position in relation to any local government restructuring proposals.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular consideration by EMC Management Group and Executive Board for political guidance.</li> <li>▪ Engagement with leaders and chief officers across the region, and Mayors.</li> <li>▪ Agreement of complementarity of EMC/TfEM responsibilities with that of EMCCA, GLCCA (and other combined authorities, when established).</li> <li>▪ On-going work with Government to confirm the new model for sub-national asylum and resettlement delivery arrangements post-2027.</li> </ul>	<p><b>Management Group Management Team</b></p>
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KEY



Some Extra Risk Management Action



No Extra Risk Management Action



**Management Group**  
**7<sup>th</sup> March 2025**

**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, 1 declaration of interest remains 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