



Management Group Meeting

10.00am, Thursday 11th September 2025

MS Teams

AGENDA

1. Welcome and Apologies
2. Declarations of Interest
3. Minutes of meeting held on 30th May 2025*
4. Matters Arising
5. EMC Management Group Roles and Responsibilities
6. Chair's Report * (Cllr Sean Matthews)
7. Budgets and Financial Control * (Cllr Elly Cutkelvin)
8. Performance Management *
9. Corporate Governance * (Cllr Tricia Gilby)
10. Conduct and Standards * (Cllr Jewel Miah)
11. Agenda for Executive Board (24th September 2025)
12. Any Other Business

* Papers attached



**EAST MIDLANDS COUNCILS
MANAGEMENT GROUP MEETING
MINUTES OF THE MEETING HELD ON 30TH MAY 2025**

Present: Cllr Sarah Russell – Leicester City Council
 Cllr Tricia Gilby – Chesterfield Borough Council
 Cllr Jewel Miah – Charnwood Borough Council
 Cllr Phil King – Harborough District Council
 Cllr Ashley Baxter – South Kesteven District Council
 Cllr Gale Waller, Rutland County Council

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

		ACTION
1.	Apologies	
1.1	No apologies were received.	
2.	Declarations of Interest	
2.1	There were no declarations of interest declared.	
3.	Minutes of the meeting held on 7th March 2025	
3.1	These were confirmed as a true and accurate record.	
4.	Matters Arising	
4.1	All matters arising have been covered in the agenda.	
5.	Election Results and EMC Governance	
5.1	Cllr Russell highlighted the constitutional limitations as a result of specific reference to named political groups that does not account for the recent	

		ACTION
	electoral success of Reform UK. Management Group discussed the proposed introduction of a 5% threshold for the recognition of political groups and were in unanimous agreement.	
5.2	Stuart Young confirmed that this recommendation for a change to the constitution should be considered and endorsed by both EMC's Executive Board and the AGM.	
5.3	This change would be taken to the AGM in July for formal adoption.	SY
5.4	Cllr Russell asked for information on new county leaders' prior experience to support engagement with EMC.	
5.5	Stuart confirmed the following new leaders had previously been/were existing councillors: Cllr Alan Graves – Derby City Council Cllr Dan Harrison – Leicestershire County Council Cllr Martin Griffiths – North Northants Council Cllr Mick Barton – Nottinghamshire County Council	
5.6	Cllr King confirmed that the Reform Party had applied to be a recognised group with the LGA. He raised concerns about the limited knowledge that the new cohort of Cllrs would have of EMC and that induction support would be an important means of engagement.	
5.7	Cllr Russell confirmed that political management and engagement will need to be further considered and that it was positive that some new leaders have previous councillor experience.	
5.8	Stuart Young confirmed that he has contacted all new council leaders to arrange introductory one to one meetings.	
5.9	Cllr Russell suggested that Management Group should identify specific risks. Following a discussion the risks were confirmed as: <ul style="list-style-type: none"> ▪ Loss of senior councillor experience. ▪ Potential loss of engagement with a significant number of local authorities. 	

		ACTION
	<ul style="list-style-type: none"> ▪ Low attendance at future board meetings. ▪ Asylum and resettlement programmes are wide ranging and bring in substantial funding. Emphasis needs to be on partnership working and local government representation in order to influence government. 	
5.10	Cllr Russell asked about the quorate levels set for meetings. Stuart Young referred the group to page 21 of the Constitution which specifies 25% attendance.	
5.11	A discussion was held on provisions for chair and vice-chair positions and the implications for political groups and types of authorities, and the potential for existing councillors to provide mentoring support to new councillors.	
5.12	Stuart Young confirmed that the constitutional provisions relating to board chairs that should provide the basis for allocations. However, political groups would be encouraged to work collegiately where possible. All members agreed to this.	
5.13	Cllr Waller suggested that a face to face meeting should be arranged with all those involved in leading the political groups.	SY
5.14	Stuart Young confirmed that this would be arranged before the July AGM, and he was currently in the process of organising one to one meeting with the new leaders.	SY
5.15	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> ▪ Noted the changes of leadership and political control in the region. ▪ Agreed the introduction of a 5% threshold rule that once met, the political party should be offered status as a separate political group. In this instance, the Reform Party would therefore be offered the status as a separate political group. ▪ Considered and discussed the wider outcomes and implications of the local government elections. 	

		ACTION
6.	Performance Management	
6.1	Members endorsed the proposed KPIs and noted that the KPIs were on-track for delivery.	
6.2	Stuart Young highlighted that councillor events numbers were low due as the programme had only commenced in May 2025. He advised that a Devolution, LGR and Planning Reform event was taking place in Leicester on 5 th June with 120 officers and members booked on.	
6.3	SY advised that West Northants had given notice to withdraw from EMC at the end of March 2026. Ashfield DC are out of membership, but recent discussions suggest the potential for the council to return to membership.	SY
6.4	Cllr Russell suggested that EMC should take advantage of the opportunities that new councillors offered re expanding training and development offer.	SY
6.5	<u>Resolution</u> Members of the Management Group: <ul style="list-style-type: none"> Considered and endorsed the proposed key performance indicators for 2025/26, and progress made in the delivery of the agreed business plan. 	
7.	Corporate Governance	
7.1	Cllr Tricia Gilby introduced this report.	
7.2	Cllr Gilby confirmed that the risk register as attached would need to be updated to reflect discussion under item 5. Members highlighted the significance of existing risks included on the risk register.	SY
7.3	Steve Charlesworth updated Members on the Statement of Accounts. He advised that there was no budget monitoring report as the financial update for May had not yet been received. Steve confirmed that the statement of accounts reports a final surplus of £1000, and the pension scheme remains in surplus.	

		ACTION
7.4	He confirmed that the external audit would start on Monday 2 nd June and final accounts would be circulated by September.	
7.5	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> ▪ Considered and endorsed EMC's External Financial Audit - Statement of Accounts 2024-25. ▪ Noted the summary position on organisational risk management. ▪ Noted developments in relation to the internal audit review. ▪ Noted the update on the procurement of external consultancy support outside of EMC tendering processes, as previously reported to Members. 	
8.	Conduct and Standards	
8.1	Cllr Jewel Miah introduced this report and confirmed there are no issues to highlight.	
8.2	<p><u>Resolution</u></p> <p>Members of the Management Group noted the contents of the report.</p>	
9.	EMC Executive Board – 27th June 2025	
9.1	<p>Members discussed and agreed the agenda for the forthcoming Executive Board meeting on 27 June 2025. The following reports will be included in the papers:</p> <ul style="list-style-type: none"> ▪ CSR Update ▪ Update from each Board <p>The following apologies were received: Cllr Phil King Cllr Tricia Gilby Cllr Ashley Baxter</p>	
9.2	Cllr King suggested that formal recognition should be formally made to recognise Cllr Martin Hill's years as Chairman and his contribution.	

Item 3

		ACTION
9.3	All members agreed. Cllr Russell suggested she could thank Cllr Hill at the start of the AGM. Stuart Young agreed to provide summary detail on Cllr Martin Hill's tenure. It was also agreed to acknowledge Cllr David Bill, Cllr Kate Foale, Cllr Trish Bradwell and Cllr Tracey Taylor.	SY
9.4	Stuart Young agreed to write to each member individually after the AGM and to prepare a paper for Cllr Russell.	SY
10.	Any Other Business	
10.1	None.	



Management Group

11th September 2025

Management Group - Roles and Responsibilities

Summary

This report provides summary information of the role and responsibilities of the Management Group.

Recommendation

Members of the Management Group are invited to consider the information presented within this report and agree respective lead role responsibilities as detailed in Section 8.

1.1 Members will be aware of the changes within EMC membership resulting from the May 2025 elections. In support of new members, the following report provides Members with summary information of the role and responsibilities of the Management Group.

1.2 The terms of reference were most recently updated at the AGM in July 2025. A summary is provided below, with the complete terms of reference attached as Appendix 5(a).

2. Membership

2.1 The Management Group has the following membership:

- The Chair of EMC/Executive Board
- The Principal Vice-Chair of EMC/Executive Board
- The District Vice-Chair of EMC Executive Board
- Political Group Leaders of EMC (*5)
- Regional Board Chairs (*2)

2.2 The current membership is 10 members. A quorum shall be four members.

2.3 Political Group Leaders may authorise an ‘alternate member’ (from within EMC membership) who, in the event of them being unable to attend any meeting of the Management Group, may attend, speak and vote on their behalf at that meeting.

3. Chair of Management Group

3.1 The Principal Vice-Chair of EMC/Executive Board will chair meetings of the Management Group.

3.2 The Vice-Chair of Management Group will be the District Vice Chair of EMC/Executive Board.

4. Frequency of Meetings

4.1 Meetings are held quarterly, prior to any meetings of the Executive Board, and additionally as required.

4.2 Representatives of the accountable body and/or the external auditors may request a meeting if they consider that one is necessary, in consultation with EMC Executive Director.

5. Place of Meetings

- 5.1 Meetings will take place virtually and be held via MS Teams.

6. Authority

- 6.1 The Management Group is part of the formal governance structure of East Midlands Councils and reports to EMC Executive Board on a quarterly basis.
- 6.2 The Management Group is authorised by the Executive Board and East Midlands Councils to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee. All employees are directed to co-operate with any request made by the Management Group.

7. Roles and Responsibilities

- 7.1 The roles and responsibilities of the Management Group shall focus upon:
- Corporate Governance
 - Performance Management
 - Audit and Financial Control
 - Political Advice and Support

Corporate Governance

- 7.2 To consider all matters relating to corporate governance and make recommendations to the Executive Board and full meetings of EMC, as appropriate.
- 7.3 To consider and recommend to the Executive Board EMC's Annual Business Plan.
- 7.4 To hold the EMC Executive Director accountable for the efficient and effective management of the organisation and to undertake an annual appraisal against achieving the objectives and priorities identified and agreed by the political leadership.

Performance Management

- 7.5 To ensure that non-financial performance is properly monitored and review EMC progress in delivering its annual key performance indicators and report appropriately to the Executive Board.

Audit and Financial Control

- 7.6 To consider and recommend to the Executive Board the adoption of EMC's Annual Budget.
- 7.7 To ensure that an adequate risk management framework and associated control environment is in place.
- 7.8 To ensure that the financial performance and compliance with financial regulations is properly monitored.
- 7.9 To have proper oversight of the financial reporting processes.
- 7.10 To have responsibility for establishing and recommending policy on all finance matters.
- 7.11 To review quarterly and annual financial statements before submission to the Executive Board and East Midlands Councils, focusing particularly on:
 - a) Any changes in work programmes and/or accounting policies and practices
 - b) Significant adjustments resulting from any audit
 - c) The 'going concern' assumption
 - d) Compliance with accounting standards and financial regulations
 - e) Compliance with legal requirements
 - f) Review and update of the Risk Register
- 7.12 To discuss concerns or issues arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the executive where necessary).
- 7.13 To consider the findings of internal investigations and the response of EMC executive.

Political Advice, Guidance and Support

- 7.14 To provide political advice, guidance and support to senior officers of East Midlands Councils, agreeing the composition of agendas for both the Executive Board and full EMC meetings, and identifying issues to be raised as appropriate.

- 7.15 To provide political lines of communication to members of East Midlands Councils.
- 7.16 To identify political representatives to East Midlands Councils Boards.

8. Lead Member Roles

- 8.1 Management Group allocates from within its membership 'lead member roles' with respect to its responsibilities for corporate governance, performance management, audit and financial control, and conduct and standards.
- 8.2 The 'lead member' roles are allocated on the following basis:
 - a) Audit and Financial Control - EMC Principal Vice-Chair.
 - b) Political Advice and Support - EMC Chair.
 - c) Management Group allocates from within its membership lead roles for 'corporate governance', 'performance management' and 'conduct and standards'.
- 8.3 Therefore, Cllr Elly Cutkelvin, as EMC Principal Vice Chair, is Chair of Management Group and lead member for audit and financial control. Cllr Sean Matthews as Chair of EMC is lead member for political matters, including policy and strategy.
- 8.4 Currently, Cllr Tricia Gilby is lead member for corporate governance, Cllr Jewel Miah is lead member for conduct and standards. The lead member role for performance management is vacant.

9. Recommendations

- 9.1 Members of the Management Group are invited to consider the information presented within this report and agree respective lead role responsibilities as detailed in Section 8 above.



Management Group

Terms of Reference (Updated July 2025)

1. Membership

- 1.1 The Management Group will comprise the following membership:
- The Chair of EMC/Executive Board
 - The Principal Vice-Chair of EMC/Executive Board
 - The District Vice-Chair of EMC Executive Board
 - Political Group Leaders of EMC
 - Regional Board Chairs
- 1.2 A quorum shall be four members.
- 1.3 Political Group Leaders may authorise an 'alternate member' (from within EMC membership) who, in the event of them being unable to attend any meeting of the Management Group, may attend, speak and vote on their behalf at that meeting.
- 1.4 It is anticipated that the Group will operate on the basis of consensus. If required, voting at meetings shall be by show of hands and shall be by way of a simple majority.

2. Chair of Management Group

- 2.1 The Principal Vice-Chair of EMC/Executive Board will chair meetings of the Management Group.
- 2.2 The Vice-Chair of Management Group will be the District Vice Chair of EMC/Executive Board.

3. Attendance at Meetings

- 3.1 The Executive Director of EMC shall normally attend meetings. A representative of the accountable body has a right to attend should they

so wish. The external auditor and senior representatives shall attend meetings as requested.

- 3.2 At least once a year the Group may, at its discretion, meet with the internal and external auditors without EMC executives present.
- 3.3 Meetings of EMC Management Group shall be open to the public, subject to the right of exclusion at the discretion of the Chair.

4. Frequency of Meetings

- 4.1 Meetings shall be held quarterly, prior to any meetings of the Executive Board, and additionally as required.
- 4.2 Representatives of the accountable body and/or the external auditors may request a meeting if they consider that one is necessary, in consultation with EMC Executive Director.

5. Place of Meetings

- 5.1 Meetings will take place virtually and be held via MS Teams.

6. Authority

- 6.1 The Management Group is part of the formal governance structure of East Midlands Councils and reports to EMC Executive Board on a quarterly basis.
- 6.2 The Management Group is authorised by the Executive Board and East Midlands Councils to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee. All employees are directed to co-operate with any request made by the Management Group.
- 6.3 The Management Group is authorised by the Executive Board and East Midlands Councils to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

7. Roles and Responsibilities

7.1 The roles and responsibilities of the Management Group shall focus upon:

- Corporate Governance
- Performance Management
- Audit and Financial Control
- Political Advice and Support

7.2 In addition to those roles and responsibilities identified in paras 7.3 to 7.17; the Management Group reserves the right to consider other issues, as identified and agreed by the Executive Board and East Midlands Councils.

Corporate Governance

7.3 To consider all matters relating to corporate governance and make recommendations to the Executive Board and full meetings of EMC, as appropriate.

7.4 To consider and recommend to the Executive Board EMC's Annual Business Plan.

7.5 To hold the EMC Executive Director accountable for the efficient and effective management of the organisation and to undertake an annual appraisal against achieving the objectives and priorities identified and agreed by the political leadership.

Performance Management

7.6 To ensure that non-financial performance is properly monitored and review EMC progress in delivering its annual key performance indicators and report appropriately to the Executive Board.

Audit and Financial Control

7.7 To consider and recommend to the Executive Board the adoption of EMC's Annual Budget.

7.8 To ensure that an adequate risk management framework and associated control environment is in place.

- 7.9 To ensure that the financial performance and compliance with financial regulations is properly monitored.
- 7.10 To have proper oversight of the financial reporting processes.
- 7.11 To have responsibility for establishing and recommending policy on all finance matters.
- 7.12 To review quarterly and annual financial statements before submission to the Executive Board and East Midlands Councils, focusing particularly on:
 - a) Any changes in work programmes and/or accounting policies and practices
 - b) Significant adjustments resulting from any audit
 - c) The 'going concern' assumption
 - d) Compliance with accounting standards and financial regulations
 - e) Compliance with legal requirements
 - f) Review and update of the Risk Register
- 7.13 To discuss concerns or issues arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the executive where necessary).
- 7.14 To consider the findings of internal investigations and the response of EMC executive.

Political Advice, Guidance and Support

- 7.15 To provide political advice, guidance and support to senior officers of East Midlands Councils, agreeing the composition of agendas for both the Executive Board and full EMC meetings, and identifying issues to be raised as appropriate.
- 7.16 To provide political lines of communication to members of East Midlands Councils.
- 7.17 To identify political representatives to East Midlands Councils Boards.



Management Group
11th September 2025

Chair's Report

Cllr Sean Matthews

Summary

The following report provides a summary information on recent developments relating to EMC governance, devolution and LGR, and regional investment announcements.

Recommendation

Members of Management Group are invited to:

- Consider the issues highlighted within this report and their implications for EMC.
- Consider the implications of the PESA public expenditure analysis to inform future work on investment and growth.

1. Confirmation of EMC Membership, Leadership Roles and Boards

1.1 EMC membership has now been confirmed, and with few exceptions, so have Board chairs, vice chairs and wider board membership. Particular thanks to all political group leaders for the efforts – and indeed patience in confirming these matters.

1.2 EMC's Executive Board membership is confirmed below. The full EMC membership is included within Appendix 6(a); with board membership, Chairs and Vice Chairs included within Appendix 6(b).

Cllr Sean Matthews EMC Chair	Leader (Reform UK)	Lincolnshire County Council
Cllr Neghat Khan	Leader (Labour)	Nottingham City Council
Cllr Martin Griffiths Reform UK Group Leader	Leader (Reform UK)	North Northants Council
Cllr Alan Graves	Leader (Reform UK)	Derbyshire County Council
Cllr Nadine Peatfield	Leader (Labour)	Derby City Council
Cllr Mick Barton	Leader (Reform UK)	Nottinghamshire County Council
Cllr Gale Waller Lib Dem Group Leader	Leader (Liberal Democrats)	Rutland County Council
Cllr Dan Harrison	Leader (Reform UK)	Leicestershire County Council
Cllr Elly Cutkelvin EMC Principal Vice-Chair	Deputy City Mayor (Labour)	Leicester City Council
Cllr Mark Arnull	Leader (Reform UK)	West Northants Council
Cllr Craig Leyland	Lincolnshire Districts Rep (Cons)	East Lindsey DC
Cllr Stuart Bray	Leicestershire Districts Rep (Lib-Dem)	Hinckley & Bosworth BC
Cllr Tricia Gilby EMC District Vice Chair	Derbyshire Districts Rep (Labour)	Chesterfield BC
Mayor Andy Abrahams	Nottinghamshire Districts Rep (Labour)	Mansfield DC
Cllr Jewel Miah Labour Group Leader	Leader (Labour)	Charnwood BC
Cllr Phil King Conservative Group Leader	Opposition Group Deputy Leader (Conservative)	Harborough DC
Cllr Ashley Baxter Independent Group Leader	Leader (Independent)	South Kesteven DC

2. Devolution – The English Devolution and Community Empowerment Bill

2.1 The English Devolution and Community Empowerment Bill sets out how Government intends to deliver on its promised 'devolution revolution' over the course of this Parliament. Headlines include plans to extend devolution to all parts of England, additional powers and funding flexibility for mayors, and the replacement of two-tier local government with unitary authorities.

2.2 The Bill is at the start of the legislative process, introduced to the House of Commons and given its 1st Reading on Thursday 10th July and its 2nd Reading commenced on Tuesday 2nd September 2025.

2.3 As part of these reforms, the Government has already established:

- a) The Council of the Nations and Regions, chaired by the PM, and brings together First Ministers of Devolved Governments and the Mayors of Strategic Authorities to collaborate across the national missions.
- b) The Mayoral Council, chaired by the DPM, and brings together England's Mayors. The Council will be the key forum for engagement between central government and Mayors on Local Growth Plans.
- c) The Leaders Council, bringing together a representative group of local authority leaders with the DPM and other ministers. The council aims to be a 'regular forum for the key sector representatives to discuss strategic questions impacting local government, to share key and evolving challenges, and co-design solutions'. This Leaders Council has met 4 times, most recently on 21st July 2025.

Organisations represented on the Leaders Council include the Local Government Association, Special Interest Group of Municipal Authorities, Core Cities Group, Key Cities, County Councils Network, District Councils' Network, and London Councils. There are no regional representatives, and concern that it lacks inclusivity.

The Devolution Architecture - Strategic Authorities

2.4 The Bill establishes the proposed role of Strategic Authorities that will have a statutory basis, with the following levels:

- a) Foundation Strategic Authorities: these include non-mayoral Combined Authorities and Combined County Authorities automatically, and (in 'exceptional circumstances') any Local Authority designated as a Strategic Authority without a Mayor.
- b) Mayoral Strategic Authorities: the Greater London Authority, all Mayoral Combined Authorities and all Mayoral Combined County Authorities will automatically begin as Mayoral Strategic Authorities.
- c) Established Mayoral Strategic Authorities: for those Mayoral Strategic Authorities that meet specified eligibility criteria, and a status that will unlock further devolution, most notably an Integrated Settlement.

- 2.5 The Bill clarifies the principles it will use to decide upon the geography for future devolution agreements: scale (with a preference for more than 1.5m people), economic geography, alignment to public service footprints and local identity.
- 2.6 It has also introduced a 'Ministerial directive' to compel areas to establish strategic authorities if they are unable to agree – or to prevent small devolution 'islands' being left out of the process.

New Powers for Combined Authorities

- 2.7 Substantial new powers were announced in relation to spatial development and planning. All areas will be required to develop Spatial Development Strategies over a strategic geography including the apportionment of housing targets across local areas. In Mayoral Strategic Authorities, Mayors will be empowered to develop and propose the Spatial Development Strategy for their areas, working closely with Strategic Authority members.
- 2.8 Mayors will also be granted call-in powers, allowing them to override local planning decisions in some circumstances.
- 2.9 The Bill also confirms additional control over employment support and plans for new innovation funding for combined authorities with the role of mayors expanded in areas such as health, energy and net zero.
- 2.10 The Bill announced proposals for how combined authorities take key decisions including for mayors to be able to exercise their functions with simple majority support from other local leaders 'wherever possible'. This is perhaps intended to make it easier to implement spatial development, transport and investment strategies, where many existing current arrangements would require unanimous or two-thirds approval of combined authority boards.
- 2.11 Established' Mayoral Strategic Authorities will be granted single-pot 'integrated settlements' that can be allocated flexibly in line with local preferences. As not all places will be ready to take on this level of responsibility, less advanced Mayoral Strategic Authorities will get separate consolidated funding pots covering local growth, place, housing, and regeneration, non-apprenticeship adult skills and transport following the next spending review.
- 2.12 The Government has also committed to reducing competitive bidding and rationalising the number of pots, acknowledging the burden and costs placed on local authorities by the existing model.

Devolution by Default

- 2.13 The Government will pursue an ambition to realign public authority boundaries, so that over time, public services are delivered over the same areas as Strategic Authority boundaries. The long-term aim is for public service boundaries – including those of police, probation, fire and health services – and those of Strategic Authorities, to align.
- 2.14 Strategic Authorities will be considered as the default delivery institution for new programmes or activity where these are appropriate for local delivery and in their areas of competence.
- 2.15 Despite this, it is interesting to note that the first realignment in public service boundaries since the Government announced its devolution proposals and the publication of the ‘devolution bill’ run counter to this.
- 2.16 In order to meet the 50% cost reductions required by NHS England, DHSC recently announced the reform integrated care boards through ‘clustering’ arrangements, and in the East Midlands, 5 ICBs have agreed the following 2 clusters:
- Leicester, Leicestershire and Rutland with Northamptonshire
 - Derbyshire, with Nottinghamshire and Lincolnshire
- 2.17 Those ICB clusters that receive ministerial approval will prepare to legally merge into new organisations from April 2026. They do not align with strategic authority boundaries, specifically in relations to the 2 MCCAs recently established.

Local Government Reorganisation

- 2.18 The Devolution Bill prescribes sub-national governance structures and confirms the ambition to realign public authority boundaries, so that over time, public services are delivered over the same areas as Strategic Authority boundaries. While it acknowledges that a Local Authority may be designated as a Strategic Authority without a Mayor, albeit in exceptional circumstances – it is clear that the preference is the combined authority model.
- 2.19 Alongside these new governance structures, there will be the implementation of local government reorganisation and a single-tier unitary model.

- 2.20 LGR will be implemented for two-tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver services.
- 2.21 Government has placed an emphasis on new unitary councils being required to have populations of at least 500,000, although there may be exceptions given specific local circumstances. The Government is clear that individual local authorities will not be eligible for mayoral devolution so the new unitary authorities will need to join with neighbouring areas to form mayoral strategic authorities across one or several county areas.
- 2.22 All two-tier areas were expected to submit an interim plan on or before 21st March 2025, in line with published guidance, with final proposals to be submitted by 28th November 2025. Across the region, while local authorities continue to work together in the development of proposals, there remains a lack of consensus regarding the scope of final proposals.
- 2.23 The Government proposes a phased approach to delivery, with implementation in Devolution Priority Programme areas by April 2027, or for the majority of councils – and all those in the East Midlands, by April 2028.

3. Local Government-led Governance

- 3.1 The implications of the Bill are far reaching, and as one of the most two-tier regions, will have a significant impact on the East Midlands. It will also impact upon EMC as an organisation, in terms of the work we do, and our resource base. These issues will be considered with member councils over the course of 2025/26 once the LGR proposition becomes clearer. *If combined authorities structures are to be the sole mechanism for local government collective work, then the architecture will be complete in that regard.*
- 3.2 However, if councils have an expectation that future unitary arrangements would benefit from a partnership structure to support collective work separate from the combined authority construct, then this is a matter for local authorities to consider and agree, including on its form, its function and associated timings.
- 3.3 Initial discussion suggest that proposals in support of this should be explored. Any revised governance structures will need to align with the new local government architecture and therefore unitary facing.

- 3.4 The region's improvement work is recognised as successful and so there should be consideration of the balance between service based support, e.g. children's services, scrutiny, organisational transformation, with the delivery of national policy and programmes, e.g. asylum and refugee resettlement.
- 3.5 To avoid duplication, any focus should be on those work areas that are not solely the reserve of Strategic Authorities but would benefit from collective approaches either in development of policy, or delivery of programmes. Nevertheless, to have traction, any 'regional governance' should engage with Strategic Authorities.
- 3.6 Looking ahead to LGR, it is clear that 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).
- 3.7 Without changes, even assuming a 'mandate', 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.
- 3.8 In summary, the approach going forwards is suggested to be:
- 2025/26 rolling forward EMC's current business plan with revisions to reflect national policy, e.g., support on implementation of NPPF and housing delivery, devolution, and development of proposals for future EMC arrangements (as presented in business plan section of Corporate Governance report).
 - 2026/27 support to the sector in the development and preparation for implementation of devolution and LGR proposals, and agreement of EMC future arrangements.
 - 2027/28 implementation of new arrangements and consideration of business modal based upon a small number of unitary authorities and with 2 or more Mayoral Combined Authorities.

4. Local Government Funding Reform

- 4.1 The Government propose to change the way total funding for local authorities is distributed, aiming to make it simpler and fairer.
- 4.2 On 20th June 2025, the Government published a consultation 'The Fair Funding Review 2.0'. This consultation proposed significant changes to the grant funding system for English Local Government, which aim to simplify how central funding

is distributed to local authorities and ensure funding is more based upon need. These changes are expected to take effect on 1st April 2026, for the 2026/27 financial year and funding allocations will be phased in over 3 years (2006 to 2009).

- 4.3 Under the new system, local government funding will be distributed according to:
- An assessment of relative need (based on numerous social indicators).
 - Costs adjustment to take into account variations in the costs of providing services.
 - A resource assessment, taking into account each council's capacity to raise council tax.
 - The system will also change how business rates revenue is redistributed between councils.

- 4.4 As a result, central government funding for some councils will increase, and for others it will decrease. Funding is set to increase most for councils in the East Midlands and Yorkshire & the Humber (albeit there will be winners & losers), likely as a result of these regions having more properties in lower tax bands (and so gaining from equalisation) and benefiting from updates to spending needs assessments.

- 4.5 Cash-terms changes in funding compared with current financial year (2025-26) resulting from proposed reforms, by region:

North East	+2%	West Midlands	+3%
North West	+1%	East	+1%
Yorks & Humber	+4%	South East	-2%
East Midlands	+6%	South West	-1%

- 4.6 Areas that are set to be the biggest winners from the reforms are likely to be those with relatively high population densities in urban unitary authorities and benefitting from equalisation, e.g. Derby, Lincoln, Nottingham and Mansfield.
- 4.7 The biggest losers are set to be district councils that will see their business rates revenue redistributed or losing out as a result from equalisation. It is our understanding that this impacts particularly upon North West Leicestershire, Harborough, Rushcliffe, South Derbyshire.
- 4.8 Members are reminded that the consultation proposals fail to include the financing of Internal Drainage Boards, which continue to be an issue of concern for the region. Nor does the consultation fully consider the implications of devolution and local government reorganisation, including ensuring future unitary

councils are financially viable, and indirect implications for town and parish councils.

5. Regional Investment – National Statistics

- 5.1 HM Treasury publishes an annual Public Expenditure Statistical Analysis (PESA) every July on where public money (capital and revenue) is spent and on what, in the previous financial year. The data has the status of ‘National Statistics’ as defined by ONS and has been published on a broadly consistent basis over several years.
- 5.2 The latest publication covers the period 2019-20 to 2023-24. EMC undertakes a summary analysis of this annual publication, attached as Appendix 6(c). Having the status of ‘National Statistics’ published by HM Treasury, it is irrefutable evidence of the on-going low levels of investment in the East Midlands for all core economic development metrics.
- 5.3 In previous years, EMC has highlighted concerns about the historical and on-going low levels of public investment in the region. Unfortunately, these trends remain:
 - Funding per head in the EM has been significantly below the UK average across all functions over the last 5 years
 - Funding per head in the EM on economic affairs now 66% of the UK average (compared to 94% for the WM)
 - Funding per head in the EM on transport now 54% of the UK average (compared to 103% for the WM)
 - Funding per head in the EM on rail is now just over 40% of the UK average and only a third of the that in the WM.
- 5.4 Putting a cash value on these differences involves some rough and ready calculations (multiplying the per capita funding gap by the EM population of 5 million), but in broad terms:
 - The EM lost out by around £2.3bn on economic affairs last year and by around £10.1bn over that last 5 years (compared to the UK average)
 - The EM lost out by around £1.6bn on transport last year and around £7bn over the last 5 years (compared to the UK average)
 - The EM lost out by around £1.3bn on rail last year compared to the UK average, and around £5.2bn over the last 5 years (compared to the UK average).
- 5.5 In relation to transport, Members are advised to consider how much money is being spent elsewhere. From a rail perspective the Government has made a strategic choice to prioritise capital spend during this Parliament on HS2, the

TransPennine Upgrade and East-West Rail. On roads, the top priority is the Lower-Thames Crossing. Because of their size, these schemes are likely to crowd-out other schemes and distort the figures for some years to come. So, it's going to take some time for these trends, and the investment levels, to change. As a result, part of our approach to get Government to recognise there is a problem that needs fixing and making a genuine commitment to systemic change.

6. East Midlands All-Party Parliamentary Group

- 6.1 East Midlands Councils, in conjunction with East Midlands Chambers of Commerce (EMCC), has worked with MPs in re-establishing the East Midlands APPG.
- 6.2 The inaugural meeting was held on 27th November at Portcullis House, and elected James Naish MP (Rushcliffe) as its Chair. Rosie Wrighting MP (Kettering), Jonathan Davies MP (Mid-Derbyshire) and Lord McLoughlin, former MP for Derbyshire Dales and Secretary of State for Transport, were elected as officers.
- 6.3 MPs agreed the range of issues that they wish to work collectively on, with support from both EMC and East Midlands Chambers of Commerce, with an initial focus on securing investment and growth funding as part of the forthcoming Comprehensive Spending Review (published in June 2025).
- 6.4 The APPG also invited stakeholders to make written submissions to inform its work and the publication of an 'investment options' prospectus for Government. In total, 36 submissions were received, and the APPG agreed its final report (as led by EMC) in June 2025.
- 6.5 James Naish MP (Lab, Rushcliffe), Chair of EM APPG wrote to the Chancellor of the Exchequer and the Chief Secretary to the Treasury to highlight the chronic underinvestment in the region and the need to rebalance growth. This letter is attached as Appendix 6(d). As part of this work, Catherine Atkinson MP (Lab, Derby North) secured at Parliamentary debate on regional transport inequality with EMC providing advisory support.
- 6.6 It is suggested that EMC's leadership meets with the EM APPG Chair and office holders to support joint work going forwards.

7. Recommendation

Members of Management Group are invited to:

- 7.1 Consider the issues highlighted within this report and their implications for EMC.
- 7.2 Consider the implications of the PESA public expenditure analysis to inform future work on investment and growth.

Cllr Sean Matthews
Chair
East Midlands Councils

Labour	Amber Valley BC	Cllr Chris Emmas-Williams
Ashfield Independents	Ashfield DC	Cllr Jason Zadrozny
Labour	Bassetlaw DC	Cllr Julie Leigh
Conservative	Blaby DC	Cllr Ben Taylor
Labour	Bolsover DC	Cllr Jane Yates
Independent	Boston BC	Cllr Dale Broughton
Independent	Broxtowe BC	Cllr Milan Radulovic
Labour	Charnwood BC	Cllr Jewel Miah
Labour	Chesterfield BC	Cllr Tricia Gilby
Labour	Derby City Council	Cllr Nadine Peatfield
Reform UK	Derbyshire CC	Cllr Alan Graves
Lib Dem	Derbyshire Dales DC	Cllr Steve Flitter
Conservative	E Lindsey DC	Cllr Craig Leyland
Labour	Erewash BC	Cllr James Dawson
Labour	Gedling BC	Cllr John Clarke
Lib Dems	Harborough DC	Cllr Phil Knowles
Labour	High Peak BC	Cllr Anthony Mckeown
Lib Dem	Hinckley & Bosworth BC	Cllr Stuart Bray
Labour	Leicester City Council	Cllr Elly Cutkelvin
Reform UK	Leicestershire CC	Cllr Dan Harrison
Labour	Lincoln City Council	Cllr Naomi Tweddle
Reform UK	Lincolnshire CC	Cllr Sean Matthews
Labour	Mansfield DC	Mayor Andy Abrahams
Labour	Melton BC	Cllr Pip Allnatt
Labour	Newark and Sherwood DC	Cllr Paul Peacock
Labour	NE Derbyshire DC	Cllr Nigel Barker
Conservative	North Kesteven DC	Cllr Richard Wright
Reform UK	North Northants Council	Cllr Martin Griffiths
Conservative	NW Leicestershire DC	Cllr Richard Blunt
Labour	Nottingham City	Cllr Neghat Khan
Reform UK	Nottinghamshire CC	Cllr Mick Barton
Liberal Democrat	Oadby and Wigston BC	Cllr Samia Haq
	Peak District National Park	Mr James Berresford
Conservative	Rushcliffe BC	Cllr Neil Clarke
Liberal Democrat	Rutland County Council	Cllr Gale Waller
Labour	South Derbyshire DC	Cllr Robert Pearson
Conservative	South Holland DC	Cllr Paul Redgate
Independent	South Kesteven DC	Cllr Ashley Baxter
Liberal Democrat	W Lindsey DC	TBC
Reform UK	West Northants Council	Cllr Mark Arnull

Added Places		
Conservative	Boston BC	Cllr Claire Rylott
Conservative	Charnwood BC	Cllr Jenny Bokor
Conservative	Derbyshire County Council	Cllr Alex Dale
Conservative	Harborough District Council	Cllr Phil King
Conservative	Leicestershire County Council	Cllr Deborah Taylor
Conservative	North Kesteven District Council	Cllr Mary Green
Conservative	North Kesteven District Council	Cllr Mark Smith
Conservative	Nottinghamshire County Council	Cllr Sam Smith
Conservative	Rushcliffe Borough Council	Cllr Jonathan Wheeler
Conservative	Rutland Couty Council	Cllr David Wilby
Labour	Bassetlaw District Council	Cllr Jonathan Slater
Labour	Broxtowe Borough Council	Cllr Peter Bales
Labour	East Lindsey District Council	Cllr Claire Arnold
Labour	Derby City Council	Cllr Sarah Chambers
Labour	Leicestershire County Council	Cllr Beverley Gray
Labour	Leicester City Council	Cllr Elaine Pantling
Labour	Nottingham City Council	Cllr Ethan Radford
Labour	Nottingham City Council	Cllr Corall Jenkins
Labour	Rushcliffe BC	Cllr Jen Walker
Labour	Rutland CC	Cllr Ramsay Ross
Liberal Democrat	Leicestershire CC	Cllr Michael Mullaney
Liberal Democrat	Rutland CC	Cllr Andrew Johnson
Liberal Democrat	Derbyshire Dales D C	Cllr Peter Dobbs
Independent	Charnwood BC	Cllr Laurie Needham
Independent	North East Derbyshire DC	Cllr Frank Adlington-Stringer
Independent	North Northants Council	Cllr James Hakewill
Independent	Rushcliffe Borough Council	Cllr Jason Billin
Independent	Rutland County Council	Cllr Rosemary Powell
Reform UK	Derbyshire County Council	Cllr Robert Reaney
Reform UK	Leicestershire County Council	Cllr Michael Squires
Reform UK	Leicestershire County Council	Cllr Helen Butler
Reform UK	Lincolnshire County Council	Cllr Alex McGonigle
Reform UK	Lincolnshire County Council	Cllr Tom Catton
Reform UK	Nottinghamshire County Council	Cllr James Walker-Gurley
Reform UK	Nottinghamshire County Council	Cllr Dr John Doddy
Reform UK	Nottinghamshire County Council	Cllr Martin Wright
Reform UK	North Northamptonshire	Cllr Elizabeth Wright
Reform UK	North Northamptonshire	Cllr Chris McGiffen
Reform UK	North Northamptonshire	Cllr Graham Cheatley
Reform UK	West Northamptonshire	Cllr Charlie Hastie

Regional Employers' Board

Cllr Mary Green	North Kesteven District Council		Conservative
Cllr Sam Smith	Nottinghamshire County Council		Conservative
Cllr Jonathan Wheeler	Rushcliffe Borough Council		Conservative
Cllr David Wilby	Rutland County Council		Conservative
TBC			Independent
TBC			Independent
Cllr Jonathan Slater	Bassetlaw District Council		Labour
Cllr Jane Yates	Bolsover District Council	Chair	Labour
Cllr Peter Bales	Broxtowe Borough Council		Labour
Cllr Jen Walker	Rushcliffe Borough Council		Labour
Cllr Gale Waller	Rutland County Council		Liberal Democrat
Cllr Helen Butler	Leicestershire County Council		Reform UK
Cllr Tom Catton	Lincolnshire County Council		Reform UK
Cllr Graham Cheatley	North Northamptonshire Council		Reform UK
Cllr James Walker-Gurley	Nottinghamshire County Council		Reform UK

Regional Migration Board

Cllr Alex Dale	Derbyshire County Council	Vice-Chair	Conservative
Cllr Craig Leyland	East Lindsey District Council		Conservative
Cllr Mark Smith	North Kesteven District Council		Conservative
Cllr Neil Clarke	Rushcliffe Borough Council		Conservative
TBC			Independent
TBC			Independent
Cllr Sarah Chambers	Derby City Council		Labour
Cllr Elly Cutkelvin	Leicester City Council	Vice-Chair	Labour
Cllr Beverley Gray	Leicestershire County Council		Labour
Cllr Corall Jenkins	Nottingham City Council		Labour
Cllr Phil Knowles	Harborough District Council		Liberal Democrat
Cllr Michael Squires	Leicestershire County Council		Reform UK
Cllr Alex McGonigle	Lincolnshire County Council		Reform UK
Cllr Elizabeth Wright	North Northants Council		Reform UK
Cllr Dr John Doddy	Nottinghamshire County Council	Chair	Reform UK

GROWTH, PRODUCTIVITY & INVESTMENT IN THE EAST MIDLANDS

Headline Regional Overview

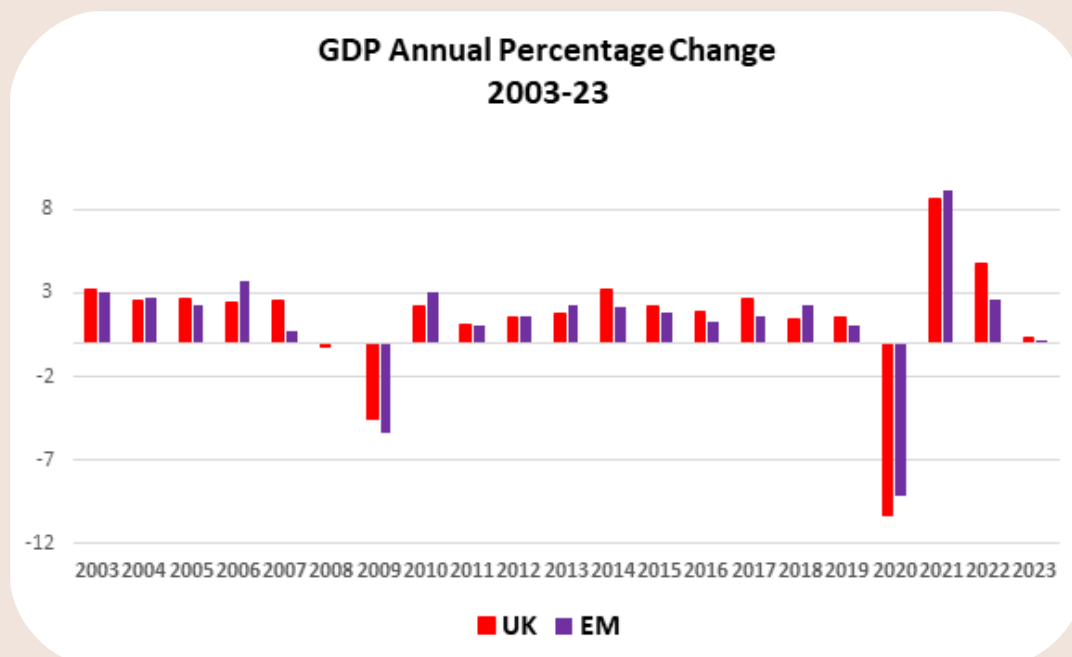
Population:	➤	5 million	➤	Bigger than Wales + NI
Businesses:	➤	368,000	➤	6.5% of the UK total
GDP (2022):	➤	£157bn	➤	5.8% of the UK total
Employment Rate:	➤	74.3%	➤	UK = 75.2%
Median weekly earnings:	➤	£684	➤	UK = £728
Manufacturing jobs:	➤	10.6%	➤	UK = 7.0%
Unemployment:	➤	5%	➤	UK = 4.7%

- The East Midlands is now a region of 5.0 million people (bigger than Wales & Northern Ireland combined) and 368,000 businesses^[1].
- Total regional output in 2022 (as measured by GDP) was £157bn, equivalent to 5.8% of the UK economy.
- The East Midlands employment rate has recently (May 2025) slipped just below the UK average at 74.3% (UK=75.2%).
- Median weekly earnings are below the UK average: £684 pw compared to £728pw 2024).
- 10.6% of the workforce work in manufacturing, compared with 7.0% for the UK – although this percentage has declined significantly over the last 20 years.
- The region's unemployment rate has risen recently to just above the UK average: currently at 5% compared to 4.7%. (May 2025).

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

Growth

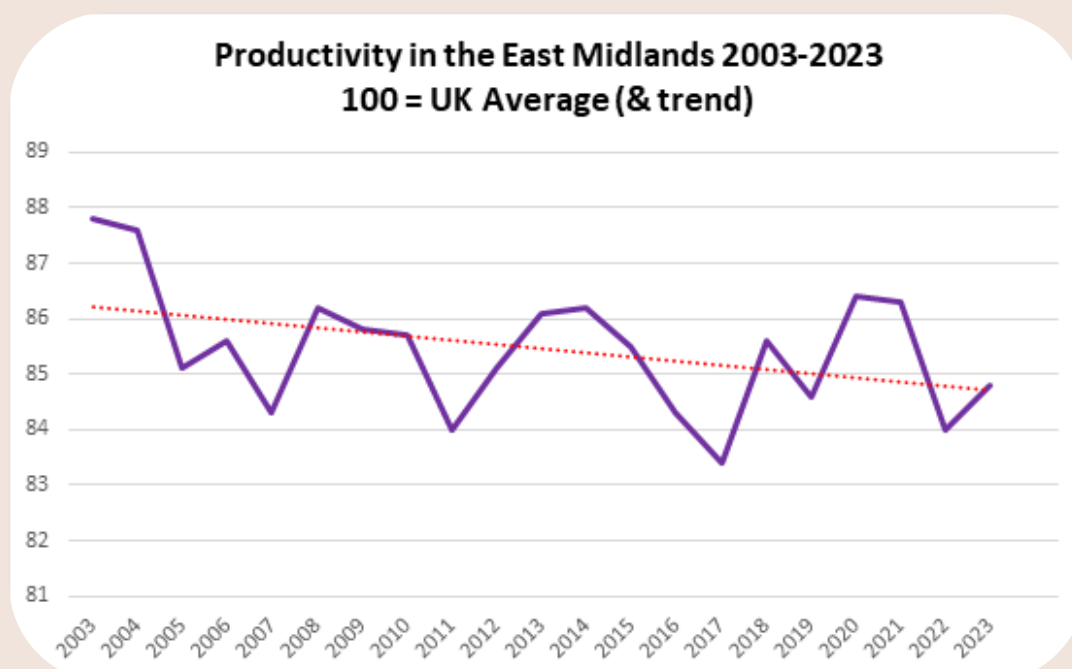
GDP growth in the East Midlands over the last 20 years has been better than most other regions/ nations and generally close to the UK average.



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

Productivity

Productivity has remained below the UK average over the last 20 years and has been on a declining trajectory relative to the UK - currently to 84.8% in 2023[2].



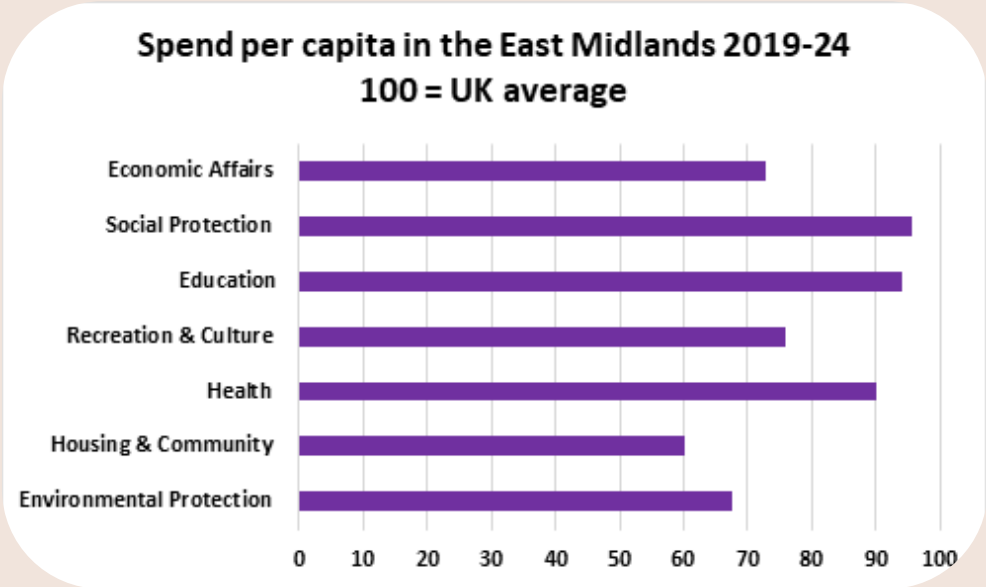
Source: [Annual regional labour productivity](#) - Office for National Statistics (ons.gov.uk).

Growth

The population of the East Midlands grew by 7.7% in the period 2011-21: at the same rate as London and faster than the South East and the West Midlands. The latest sub-national population projections suggest that above English average growth is set to continue, with the East Midlands population expected to rise by 6.75% between 2022 and 2023[3]. The region has therefore been growing its economy by growing its population – not by becoming more productive.

Public Investment

The Treasury publishes an annual Public Expenditure Statistical Analysis (PESA) every July on where public money (capital and revenue) is spent and on what, in the previous financial year[4]. The data has the status of ‘National Statistics’ as defined by ONS and has been published on a broadly consistent basis over several decades. Over period 2019-24 total spend per head in the East Midlands on the functions listed below were all below the UK average.



Source: CP 1363 – Public Expenditure Statistical Analyses 2025

Table 1 shows the total identifiable expenditure on services per head in real terms, 2019-20 to 2023-24; examples include spending on health, transport, economic affairs, education, and social protection.

Between 2019-20 to 2023-24, total expenditure on services has remained consistently below the UK and England averages.

If the Northern Powerhouse is seen as a primary competitor, then it’s certainly out in front (£1,422 per head better funded than the East Midlands).

And there’s an imbalance within the pan-Midlands partnership with the West Midlands, at a £924 per head better off, faring comparatively better.

[3] Subnational population projections for England – Office for National Statistics

[4] CP 1363 – Public Expenditure Statistical Analyses 2025

Table 1: Total Expenditure on Services (Real Terms, £ per head)

	2019-20	2020-21	2021-22	2022-23	2023-24
London	11,059	15,583	13,711	14,425	14,842
North East	10,470	13,518	12,121	13,035	13,593
North West	10,100	13,469	12,126	12,919	13,297
UK	9,947	13,370	11,852	12,572	12,958
England	9,650	13,095	11,491	12,243	12,625
West Midlands	9,582	12,765	11,369	12,158	12,527
Yorks & Humber	9,363	12,504	11,001	11,847	12,185
South West	9,190	12,541	10,799	11,480	11,936
East	9,042	12,395	10,645	11,378	11,730
South East	8,934	12,278	10,608	11,285	11,613
East Midlands	8,884	12,037	10,470	11,245	11,603

Table 2 show the level of expenditure on economic affairs, per head for 2019-20 to 2023-24. This area of expenditure includes enterprise and economic development, science and technology, employment policies, agriculture, fisheries and forestry, and transport. For this important element of public investment, it is not solely that the East Midlands is the lowest funded region per head of the population, it is the consistently wide gap between East Midlands' levels and the national average (£451 less per head at 2023-24 prices), and 30% less than the West Midlands.

Leaving aside 2021-22 data that is inflated for all regions as a result of Covid support programmes and funding, the overall trend remains a concern with the significant gap between the East Midlands and England as a whole now evidently 'baked in'.

Table 2: Expenditure on Economic Affairs (£ per head)						Per Head (indexed)
	2019-20	2020-21	2021-22	2022-23	2023-24	
London	1,412	4,334	2,367	2,687	2,139	161
UK	959	3,051	1,472	1,827	1,332	100
England	928	3,054	1,440	1,796	1,311	98
West Midlands	843	2,708	1,325	1,702	1,249	94
South East	1,025	3,087	1,441	1,779	1,300	98
North West	784	2,747	1,334	1,726	1,261	95
East	965	3,090	1,392	1,723	1,252	94
North East	742	2,538	1,138	1,624	1,118	84
Yorks & Humber	710	2,625	1,114	1,488	1,025	77
South West	771	2,808	1,138	1,454	991	74
East Midlands	659	2,543	1,011	1,385	881	66

In monetary terms, over the 5 year time frame covered by the PESA 2025 publication, the difference between East Midlands levels of funding against the UK average equates to be approximately **£10.8bn in loss of funding**, and £6.7bn less than the level received by the West Midlands region.

Table 3 shows levels of transport investment. There are a number of evident trends:

1. Transport spend per head has been very significantly below the UK average level for all of the last 5 years, and previous PESA publications show this to be trend for 10+ years.

2. Transport spending in the East Midlands has now declined to just 54% of the UK average for 2023/24, the lowest level of any UK region or nation.

3. The disparity in levels of investment spend per head between the East Midlands (£368) and the West Midlands (£687) continues to widen. This is likely due to large-scale infrastructure programmes including HS2, several new local rail stations and related highways investment.

4. If the region was funded at a level equivalent to the England average over the 5 years (2019-20/2023-24), a not unrealistic target, the East Midlands would have received an extra £7bn to spend on transport investment and services.

Table 3: Expenditure on Transport (£ per head)						Per head (indexed)
	2019-20	2020-21	2021-22	2022-23	2023-24	
London	827	1,410	1,244	1,279	1,313	191
West Midlands	466	592	626	468	706	103
UK	496	729	656	655	687	100
England	487	736	652	651	693	101
North West	361	595	629	676	729	106
South East	529	479	646	584	628	91
East	468	692	609	556	599	87
North East	361	568	469	541	541	79
Yorks & Humber	331	525	419	432	495	72
South West	338	479	405	387	429	62
East Midlands	299	459	369	349	368	54

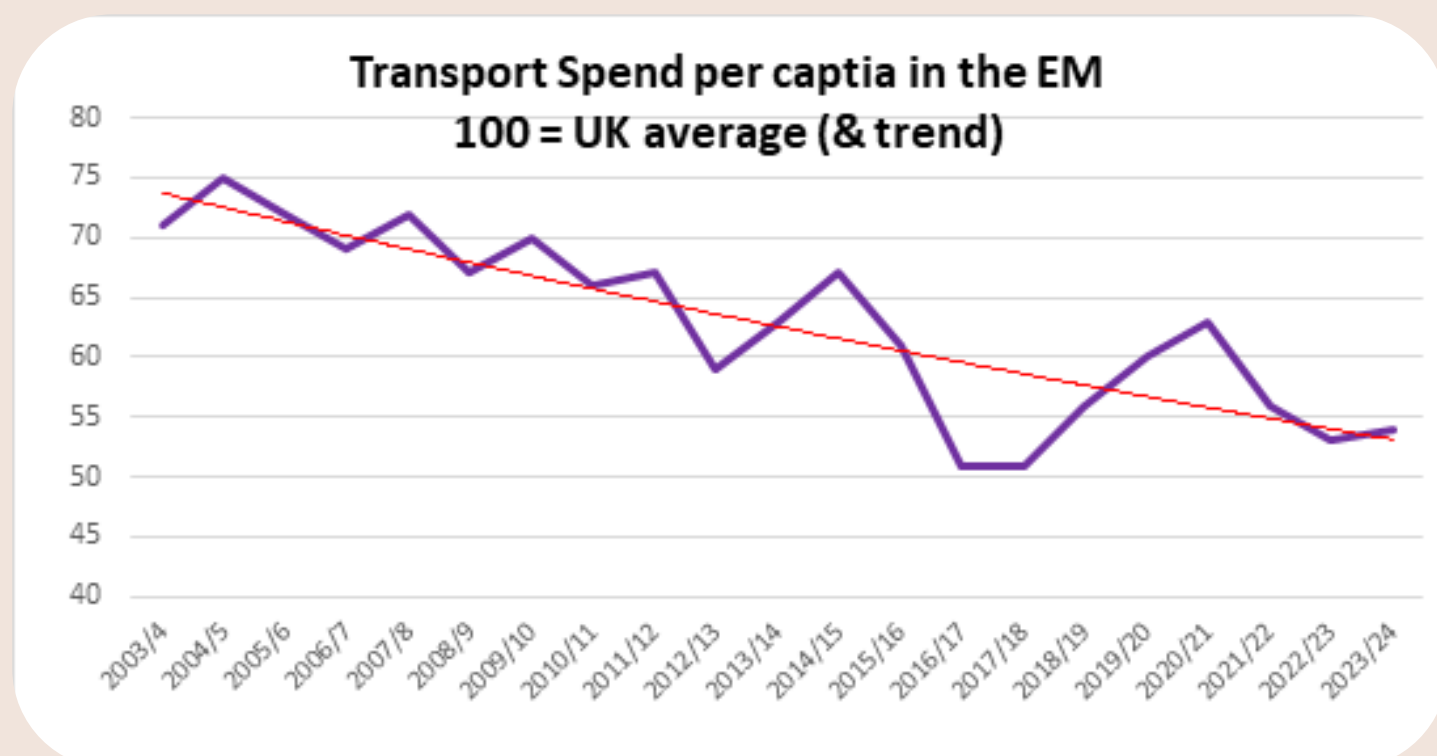


Table 4 shows levels of rail investment over the period 2019-20 to 2023-24. The disparities here are even greater. In 2023-24 the East Midlands spending on rail was only just over 40% of the English average and barely a third of that in the West Midlands. In cash terms compared to the English average, the East Midlands lost out by a little under £1.3b last year and by about £5.2b over the last 5 years.

The recent indefinite 'pausing' of Midland Main Line electrification is likely to reinforce these disparities.

Table 4: Expenditure on Railways (£ per head)

	2019-20	2020-21	2021-22	2022-23	2023-24
London	653	925	842	952	1,047
West Midlands	288	388	473	510	477
England	275	427	388	403	432
North West	243	338	352	384	440
South East	249	446	328	321	327
East	233	433	363	320	359
North East	111	201	183	213	264
Yorks & Humber	130	240	228	206	223
South West	148	230	195	163	178
East Midlands	119	213	190	185	175

The figures and analysis set out in this note present a challenge to the Government, new and emerging combined authorities and Government funded transport bodies to demonstrate the impact of a collective approach.



James Naish MP
Member of Parliament for Rushcliffe
House of Commons, London SW1A 0AA

The Chancellor of the Exchequer and Chief Secretary of the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

XX August 2025

Dear Rachel and Darren,

Rebalancing investment in the East Midlands

We are writing to draw your attention to the clear and persistent disparities in public investment in the East Midlands, as evidenced in the most recent data (PESA 2025) published by the Treasury and analysed by East Midlands Councils.

Despite being home to over 5 million people and 368,000 businesses, the East Midlands continues to receive consistently lower levels of public funding across nearly all major spending areas. Between 2019-20 and 2023-24, total identifiable expenditure on services in the region remained below both the UK and England averages. Compared to the Northern Powerhouse regions and even the neighbouring West Midlands, the East Midlands has been underfunded by £1,422 and £924 per head respectively.

The disparity is especially stark in investment in economic affairs and transport infrastructure. In 2023-24, the East Midlands received only £881 per head for economic affairs – £451 less than the UK average and nearly 30% less than the West Midlands. Over the five-year time frame covered by the PESA 2025 data (2019-20 to 2023-24), transport investment per head fell to just 54% of the UK average, the lowest of any UK region or nation. In monetary terms, this equates to a shortfall of £7 billion over five years, had the region merely received the England average for transport spending.

Rail investment is an even greater concern. At just £175 per head in 2023-24, East Midlands rail funding stood at barely 40% of the English average, and was a third of that received by the West Midlands. The recent indefinite pausing of the Midland Main Line electrification threatens to deepen this imbalance. As you know, this is something that the East Midlands All-Party Parliamentary Group campaigned for vociferously given the proposed Midlands Rail Hub project won't realistically stretch to the East Midlands during this parliament.



James Naish MP

Member of Parliament for Rushcliffe
House of Commons, London SW1A 0AA

We are extremely mindful, given large amounts being spent elsewhere (for example, on HS2, the TransPennine Upgrade, East-West Rail and large road projects like the Lower-Thames Crossing), the comparative position for the East Midlands is likely to worsen over the course of this parliament without purposeful intervention.

It should be noted that this chronic underinvestment has significant implications for productivity, which in the East Midlands stood at just 84.8% of the UK average in 2023, and for regional growth. While population growth in the region has been strong – on par with London – the local economy has grown primarily through demographic expansion rather than increased productivity. This has to change.

We know you are both working very hard to reorientate our economy after years of poor performance and we wholeheartedly welcome many of the steps you're taking. However, we must urge the Treasury to take purposeful steps to address the persistent funding disparities impacting our region. The case for rebalancing investment into the East Midlands is not just about fairness – it is also about unlocking the region's economic potential and improving national productivity, for the benefit of the country as a whole.

We would welcome a meeting to discuss how the Treasury can support a more equitable distribution of future public investment.

Kind regards,

James Naish MP

MP for Rushcliffe and Chair of the East Midlands All-Party Parliamentary Group

Dr Adam Thompson MP

MP for Erewash and Chair of the East Midlands Parliamentary Labour Party

Catherine Atkinson MP

MP for Derby North and Regional Mission Champion

Dr Jeevun Sandher MP

MP for Loughborough and Regional Mission Champion

Attached: *Growth-Productivity-Investment-in-the-East-Midlands-2*

Office of James Naish MP

House of Commons, London SW1A 0AA

james.naish.mp@parliament.uk



Management Group

11th September 2025

Lead Member Report

Budget and Finance Control

Budget Monitoring Report Period - April 2025 to August 2025

Summary

This report presents the accounts for the period April 2025 to August 2025.

This is the final set of management accounts presented to Management Group for the financial year 2025/26 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 August 2025 and the associated forecast outturn to 31st March 2026.

1. Key Points

- 1.1 The budget surplus of £600 was set for 2025/26. The forecast for March 2026 remains at a surplus of £600.
- 1.2 Since the budget was set in March 2025 the Home Office (HO) and Ministry for Housing, Communities and Local Government (MHCLG) have awarded to EMC 2 additional migration related grants for delivery and spend within this financial year. The HO grant (£108,500) relates to mental health service provision and the MHCLG grant (£247,414) relates to English as a Second or Other Language, (ESOL). The ESOL grant has been confirmed, and the Mental Health Grant is awaiting formal sign-off by HO officials. Both these additional grants are not yet included in the budget figures, as we determine the elements of spending. There is no impact on the projected surplus forecast in paragraph 1.1, above.
- 1.3 The longer-term resilience and sustainability remain uncertain as the Midlands Connect contracted income is only secured on an annual basis, as is the DfT funded 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.
- 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 August include only 'banked' or 'committed' savings and/or additional income invoiced at this time, while Staff costs are up to, and include the August payroll figures.

2. Financial Report Period Ending August 2025

- 2.1 The financial statements, attached as Item 7, appendix (a)–(f), detail the financial position for the period up to the end of August 2025. It also provides a forecast for the outturn as of 31st March 2026.
- 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 £1,381,500 which includes any associated incremental payments and annual pay award which was effective from April 2025.

4. Income

- 4.1 Income to East Midlands Councils is split between:
- Membership Subscriptions.
 - Grants and Contracts. Asylum and Resettlement Grants include UASC, and ESOL (Home Office funded), and the Hong Kong British National Overseas, Homes for Ukraine, Afghanistan Resettlement Programme grants now combined within a single MHCLG grant. Transport grants include Midlands Connect and the DFT-funded 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 £82,300 which is slightly more 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 multi-year 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) UASC Joint Programmes	£
Balance b/fwd. from 2024/25	89,623
Income Received in 2025/26	<u>43,312</u>
	132,935
Payments made in 2025/26	<u>65,843</u>
Balance currently held	<u>67,092</u>
 b) ESOL (Previous Balances)	 £
Balance b/fwd. from 2024/25	32,358
Payments made in 2025/26	<u>0</u>
Balance currently held	<u>32,358</u>

c) Immigration Legal Advice Project	£
Balance b/fwd. from 2024/25	42,965
Income Rec'd in 2025/26	<u>44,610</u>
	87,575
Payments made in 2025/26	<u>42,920</u>
Balance currently held	<u>44,655</u>
 d) Rail Collaboration Programme	 £
Balance b/fwd. from 2024/25	154,588
Grant received in 2025/26	<u>178,172</u>
	332,760
Payments made in 2025/26	<u>47,902</u>
Balance currently held	<u>184,858</u>

- 7.4 The funding from these projects, currently £328,963, 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 2025/26 the level of 'useable reserves' was £609,300, which is allocated to fund various purposes as listed below:
- £393,000 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.
 - £147,300 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. Reserves, and cash held, currently earn around 1% below Bank of England base rate annually (which is presently 4%) 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 (£301,800) 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 £1,742,500) are monitored closely. Staffing costs (Budget £1,381,500), which account for just over 79% of the total expenditure, are set and manageable which just leaves £361,000 as Other Expenditure and though some of this is variable, variances are picked up quickly.
- c) Grants and Contracts (Budget £1,147,300) 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 August 2025 and the associated forecast outturn to 31st March 2026.

Cllr Elly Cutkelvin
Vice Chair
East Midlands Councils

EMC	Approved Budget 2025/26	Profile to Forecast 2025/26	Actual to August 2025	Forecast to March 2026	Variance
	£	£	£	£	£
Income					
Subscriptions	294,000	220,500	250,358	294,000	0
Grants – Home Office	480,000	0	0	480,000	0
Grants – MHCLG	372,300	111,402	111,402	372,300	0
Contracts – MC / DfT	295,000	178,112	178,112	295,000	0
Earned Income	301,800	137,733	129,316	301,800	0
Total	1,743,100	647,747	669,188	1,743,100	0
Expenditure					
Staffing	1,381,500	575,625	564,312	1,381,500	0
Members Allowances	22,000	9,167	4,130	22,000	0
Premises	27,800	11,583	11,050	27,800	0
Service Level Agreement	18,500	0	0	18,500	0
Direct Costs	292,700	121,958	121,884	292,700	0
Other Costs	82,300	34,292	34,292	82,300	
Recharges	-82,300	-34,292	-34,292	-82,300	0
Total	1,742,500	718,333	701,376	1,742,500	0
Surplus/-Deficit	600	-70,586	-32,188	600	0

Summary Position to the end August 2025:

The financial position to the end of August shows a spend and income level which is likely to result in a surplus of £600 for the financial year.

The “Actual” column includes actual spend and income to the end of August 2025.

The Staffing costs position overall is that spend are in line with budget and this will continue to the end of the financial year.

The actual Direct costs spend is broadly in line with budget profiles and Earned Income is showing slightly less income than might be expected but this is likely to be increased 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. Hong Kong Grant paid covers the period to the end July 2025.

Corporate and Core Services	Approved Budget 2025/26	Profile to Forecast 2025/26	Actual to August 2025		Forecast to March 2026	Variance
	£	£	£		£	£
Income						
Subscriptions	294,000	220,500	250,358		294,000	0
Interest	28,000	0	0		28,000	0
Total	322,000	220,500	250,358		322,000	0
Expenditure						
Staffing	219,500	91,458	93,768		219,500	0
Members Allowances	22,000	9,167	4,130		22,000	0
Premises	27,800	11,583	11,050		27,800	0
Service Level Agreements	18,500	0	0		18,500	0
Other Direct Costs	45,600	19,000	20,569		45,600	0
Overhead Costs	13,100	5,458	5,458		13,100	0
Recharged to Cost Centres	-82,300	-34,292	-34,292		-82,100	0
Total	264,200	102,374	100,684		264,200	0
Surplus/-Deficit	57,800	118,126	149,674		57,800	0

Position to the end of August 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 and Bank Interest 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.

Contracts & Grants	Approved Budget 2025/26	Profile to Forecast 2025/26	Actual to August 2025	Forecast to March 2026	Variance
	£	£	£	£	£
Income					
Grants – Home Office	480,000	0	0	480,000	0
Grants – MHCLG	372,300	111,402	111,402	372,300	0
Contracts – MC/DfT/DfE	295,000	178,112	178,112	295,000	0
Total	1,147,300	289,514	289,514	1,147,300	0
Expenditure					
Staffing	991,600	413,167	411,514	991,600	0
Direct costs	158,000	65,833	64,809	158,000	0
Overhead costs	51,500	21,458	21,458	51,500	0
Total	1,201,100	500,458	497,781	1,201,100	0
Surplus/-Deficit	-53,800	-220,944	-208,267	-53,800	0

Position to August 2025:

Migration Related Grants

Home Office grant has remained at £393,000 in the current year, which includes the extension of the variable grant of £68,000. A new grant for Mental Health for £108,000 has been set up and discussions are taking place for EMC to administer it.

The MHCLG Hong Kong Grant and the Ukraine Grant has combined together with an Afghanistan Grant from 1st August, totalling £296,107 for the period August 2025 to March 2026. A further grant for English as a Secondary or Other Language of £247,414 for the same period has also just been agreed.

Administering these new grants will be fully spent and therefore have no implications on the projected EMC surplus. The new grants have not yet been included in the budget figures as the breakdown of expenditure is still to be determined.

Transport Contracts

An increase to the Rail Franchise Project has been agreed at £129,500 and added to this is an assumption of £115,500 spend from associated contributions from local authorities which now totals £245,000.

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

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

Member Development	Approved Budget 2025/26	Profiled Budget 2025/26	Actual to August 2025		Forecast to March 2026	Variance
	£	£	£		£	£
Income						
Development	6,000	2,500	3,725		6,000	0
Total	6,000	2,500	3,725		6,000	0
Expenditure						
Staffing	18,600	7,750	7,359		18,600	0
Direct costs	2,800	1,167	2,026		2,800	0
Overhead costs	3,900	1,625	1,625		3,900	0
Total	25,300	10,542	11,010		25,300	0
Surplus/-Deficit	-19,300	-8,042	-7,285		-19,300	0

Position to the end of August 2025:

This cost centre has been particularly badly hit by the impacts of the pandemic with the nature of courses changing. Income is better than the profiled sum as it includes additional training for new Councillors.

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

Consultancy	Approved Budget 2025/26	Profiled Budget 2025/26	Actual to August 2025		Forecast to March 2026	Variance
	£	£	£		£	£
Income						
Earned Income	129,900	43,300	33,704		129,900	0
Total	129,900	43,300	33,704		129,900	0
Expenditure						
Staffing	94,300	39,292	35,917		94,300	0
Direct costs	26,000	10,833	10,706		26,000	0
Overhead costs	6,300	2,625	2,625		6,300	0
Total	126,600	52,750	49,248		126,600	0
Surplus/- Deficit	3,300	-9,450	-15,544		3,300	0

Position to the end of August 2025:

Consultancy income is lower than budget profile at present but is expected to be in line with the Budget by the end of the year.

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.

Fee Paying Events/Services	Approved Budget 2025/26	Forecast Profile 2025/26	Actual to August 2025		Forecast to March 2026	Variance
	£	£	£		£	£
Income						
Earned Income	137,900	91,933	91,887		137,900	0
Total	137,900	91,933	91,887		137,900	0
Expenditure						
Staffing	57,500	23,958	15,754		57,500	0
Direct costs	60,300	25,125	23,774		60,300	0
Overhead costs	7,500	3,125	3,125		7,500	0
Total	125,300	52,208	42,653		125,300	0
Surplus/-Deficit	12,600	39,725	49,234		12,600	0

Position to August 2025:

This cost centre is split into two parts: Events and Services. Services, which include ENGWARD, 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 the budget profile, which covers both services and events and are likely to be in line with the budget during the rest 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

11th September 2025

Lead Member Report

Performance Management

Key Performance Indicators 2025/26 against Business Plan

Summary

This report updates Members of the Management Group on progress made by EMC in delivering against agreed priorities included with its Business Plan 2025/26.

Recommendations

Members of the Management Group are invited to consider progress made by EMC in delivering against its agreed Business Plan 2025/26.

1. Introduction

- 1.1 The Management Group, as agreed in its terms of reference, has responsibility for performance management specifically, 'to ensure that non-financial performance is properly monitored and to review EMC progress in delivering its annual key performance indicators and report appropriately to the Executive Board'.
- 1.2 The Business Plan is a formal statement of EMC's objectives for 2025/26. The Business Plan was developed in consultation with Members and agreed by Executive Board at its meeting in March 2025 and attached as Appendix 8(a).
- 1.3 The agreed KPIs for 2025/26 measure progress against the business plan and reflect EMC's four themes: **evidencing, influencing, collaborating and delivering**. The KPIs and supporting information is attached as Appendix 8(b).

2. Summary of Performance against Business Plan

- 2.1 Performance is measured against these KPIs over the period Q1-Q2, 2025/26.

KPI 1 – Evidencing proposals for change and improvement.

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

KPI 2 – Influencing national decisions and decisions makers.

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

✓ **On Target**

- b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan including:
- Review asylum contingency and dispersal arrangements.
 - Progress delivery of Regional Employers & Joint Council priorities
 - Lead member networks for children's services to meet on a quarterly basis.

✓ **On Target**

- c) Secure Parliamentary debate on securing additional investment into the East Midlands.

✓ **On Target**

- d) Alignment and support to the work of Combined Authorities in the East Midlands.

✓ **On Target**

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

✓ **On Target**

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

- a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.

✓ **On Target**

- b) To maintain levels of council membership of EMC (39 councils, as of 1st April 2025).

✓ **On Target**

- c) Working with Midlands Connect, MCCA(s), LEPs and local authorities to:
- Progress the implementation of the 8 agreed infrastructure priorities.
 - Develop a shared long term approach through 'Midlands Connect'.

✓ **On Target**

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

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

- a) Provide direct membership benefits to councils through maintaining the number of councillors participating in the development, skills and briefing programmes against the 4 year average 2021-25 [baseline 173 councillor places].

✓ On Target

- b) Provide direct membership benefits through the provision of high quality and relevant councillor development, skills and briefing programmes. At least 75% of all course feedback is rated as ‘effective/good’ or ‘highly effective/very good’ [baseline 2024/25; 100%].

✓ On Target

- c) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development [baseline 2024/25; 2,289 officer places].

✓ On Target

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

- Migration
- Housing and Planning
- Workforce – supporting councils to progress with workforce priorities.

✓ On Target

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

✓ On Target

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

✓ On Target

KPI 5 – Organisational and People Management

- a) Maintain staff sickness rate at less than 6 days per full time equivalent (10.5 days local government average; EMC baseline [2024/25]; 7.64 days with L/T sick, 2.15 days without LT sick).

✓ **On Target**

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

✓ **On Target**

3. Recommendations

- 3.1 Members of the Management Group are invited to consider progress made by EMC in delivering against its agreed Business Plan 2025/26.



Business Plan 2025-26

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:

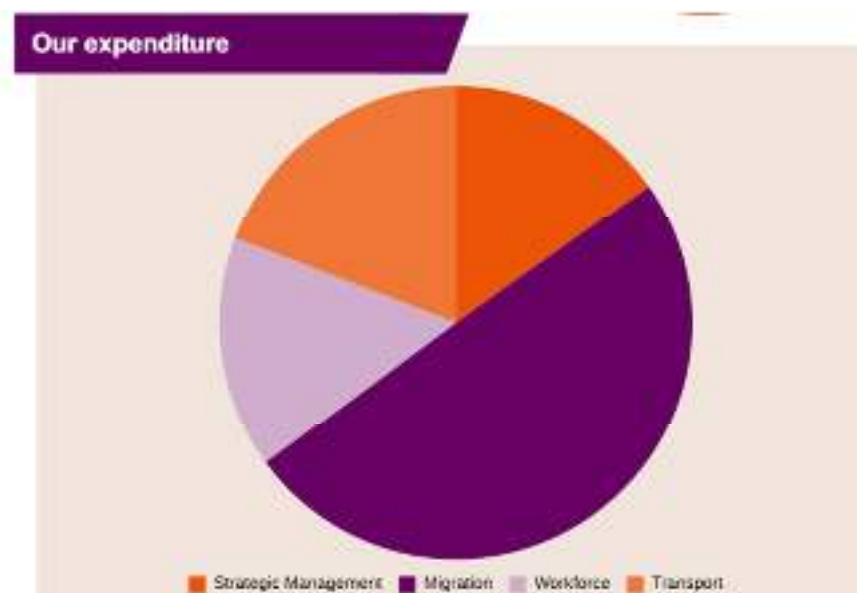
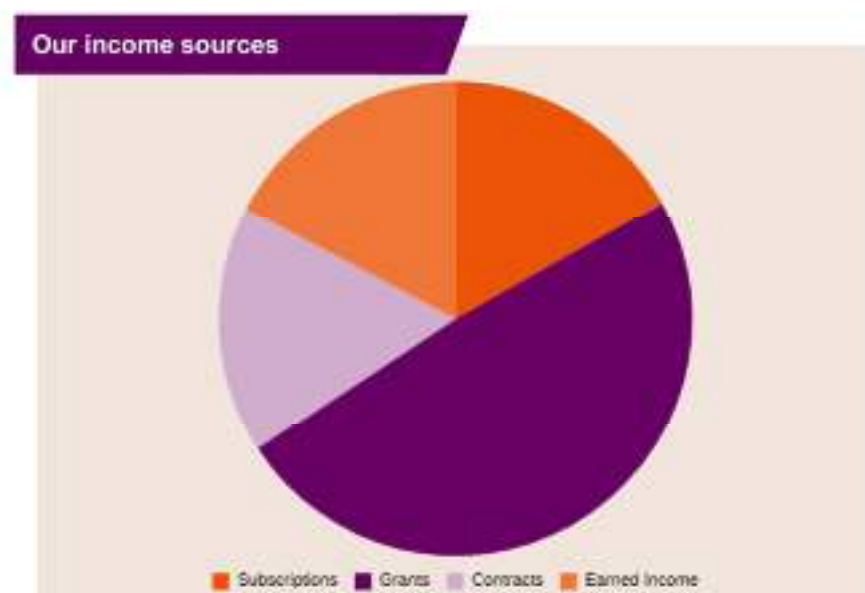


Our Funding

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.

Local Government and Workforce Development	
Evidencing	<ul style="list-style-type: none"> • 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. • Managing events and networks to share information, advice, and good practice with specific reference to the Government's devolution planning and LGR proposals. • 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.
Influencing	<ul style="list-style-type: none"> • Leading regional consultation on national pay developments and employment law proposals to reflect the needs of councils in the East Midlands. • Acting as the conduit between national bodies and local authorities in the region on employment and councillor development issues and initiatives to ensure the needs of councils in the region are understood. • Providing an effective platform for councillors' leadership, either through meetings of EMC or focused summits, the promotion of good practice and encouraging the better use of online forum, social media, and the wider use of EMC website.
Collaborating	<ul style="list-style-type: none"> • Working through the Regional Employers' Board and Regional Joint Council to agree and progress workforce priorities and councillor development requirements for the East Midlands. • Facilitating regional and county-based networks on workforce and councillor development issues, as well as cyber security, equality diversity and inclusion, performance, and scrutiny. • Brokering discounted access for councils to systems and services so delivering direct savings back to our membership.

Delivering	<ul style="list-style-type: none"> • 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. • 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. • Delivering workforce and learning and development related support to individual councils, to provide additional capacity and expertise in a cost-effective way.
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Strategic Migration Partnership	
Evidencing	<ul style="list-style-type: none"> • Providing consistent and accurate data and intelligence to underpin the regional approach and delivery of asylum dispersal, refugee resettlement and UASC National Transfer Scheme. • Capturing key learning, good practice, and new developments and share with regional and national stakeholders to support programme development and delivery. • Identifying gaps in provision and levels of need, including a regional analysis of UASC needs, and providing employment support to those arriving from Hong Kong with BN(O) status.
Influencing	<ul style="list-style-type: none"> • 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. • Pilot new approaches and build stronger relationships with Government Departments that are a result from the region's track record of innovative programme delivery. • Supporting the identification of appropriate sites to accommodate asylum and refugees within the region.
Collaborating	<ul style="list-style-type: none"> • Building collaborative, positive and constructive joint working and partnership arrangements between Local Authorities and Government Departments. • Managing strong inter-agency collaboration (local, national government and its providers) on planning services for asylum seekers at regional and local level for asylum dispersal and accommodation procurement. • Supporting UK Government to implement a Place Based Framework for Asylum and Refugee Resettlement. • Developing a bespoke East Midlands approach to UASC based on regionally agreed priorities, including funding, placement sufficiency, specialist immigration legal advice, and age assessment. • Supporting the delivery of the new Afghan Resettlement Programme through collaboration with central and local government stakeholders.

Delivering	<ul style="list-style-type: none"> • Delivering the revised full asylum dispersal model in conjunction with national and local stakeholders. • Manage a proportionate and responsive mandated UASC National Transfer Scheme, placing vulnerable young people into the safe care of our Local Authorities, and facilitate the transfer of refugees from third countries into settled accommodation. • 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. • Piloting a Migrant Housing Enabler model to support with LA refugee resettlement accommodation pressures.
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Transport & Growth	
Evidencing	<ul style="list-style-type: none"> • Producing regular updates on regional economic performance, housing delivery and investment growth. • Producing analysis and research to support investment that will improve transport and deliver better outcomes for local communities and businesses. • Providing regional input and insight into business cases developed by Network Rail, National Highways and Midlands Connect.
Influencing	<ul style="list-style-type: none"> • Supporting the Chair of TfEM and Chair of the EMC Executive Board to make representations to Ministers on issues of regional significance. • Working with civil servants to ensure that East Midlands issues and priorities are better understood by Government. • Communicating the benefits of regional investment priorities to MPs, business leaders and the wider public in clear and compelling ways
Collaborating	<ul style="list-style-type: none"> • 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. • 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. • Working through Midlands Connect to ensure that East Midlands priorities are reflected in national investment plans.
Delivering	<ul style="list-style-type: none"> • Publishing a suite of well evidenced Strategic Case documents to support investment in enhanced rail services that have wider socio-economic and environmental benefits. • Promoting the delivery of the TfEM – Midlands Connect Shared Investment Priorities through evidence and collateral. • Holding well attended events and meetings to agree priorities, share best practice and make the case for greater investment in the East Midlands.
Strategic Leadership	

Evidencing	<ul style="list-style-type: none"> • 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. • 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. • Providing strategic insight to Government on the impact of national policies and initiatives in the East Midlands. • Highlighting emerging issues of political concern to Ministers and senior civil servants.
Influencing	<ul style="list-style-type: none"> • Effective joint working arrangements with locally based Government Departments such as the Department for Business and Trade, MHCLG, DHSC & UK Health Security Agency and with the Mayoral County Combined Authorities to align responsibilities and work programmes. • 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. • 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.
Collaborating	<ul style="list-style-type: none"> • 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. • Developing and agreeing a collective approach to inform the Midlands Connect work programme to increase regional investment, productivity, and growth. • Through the mutually supportive arrangements between Lead Members and Directors, to further develop a collaborative approach to improvement in children's services and adult social care.
Delivering	<ul style="list-style-type: none"> • 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. • Amplifying and adding value to the work of partners through collective leadership on matters of strategic importance to the East Midlands. • Publishing a compelling Strategic Case document in support of the full electrification of the Midland Main Line. • Ensure that the East Midlands APPG meets at least three times over the next 12 months and is supported by an agreed work programme.

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	Budget	Budget
	2023/24	2024/25	2025-26
	£	£	£
Income			
Subscriptions	285,985	292,100	294,000
Grants - Hong Kong / Ukraine	370,899	365,300	372,300
Contracts - MC - DfT	251,808	317,000	295,000
Grants - Migration	437,623	458,000	480,000
Earned Income	311,739	311,300	301,800
Total	1,658,054	1,743,700	1,743,100
Expenditure			
Staffing	1,094,701	1,309,400	1,381,500
Members Allowances	21,200	25,000	22,000
Premises	24,610	27,000	27,800
Service Level Agreements	16,700	18,500	18,500
Other Direct Costs	487,855	359,000	292,700
Total	1,645,066	1,738,900	1,742,500
Surplus / (Deficit)	12,988	4,800	600

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


Progress Against Key Organisational Performance Indicators (2025/26)





KPI 1 – Evidencing proposals for change and improvement

Key Performance Indicators 2025/2026	Progress - Financial Year 2025/26	Progress
a) To undertake an annual satisfaction survey of member councils on the provision of direct support services.	The annual satisfaction survey for 2024/25 was not completed in accordance with agreed timescales due to staffing constraints, but the survey for 2025/26 commenced in September 2025 and its findings will report to Management Group at its meeting in November 2025.	
b) To provide EMC Councillors and officers with a weekly policy brief and monitor feedback on a 3 month basis.	Ongoing – and will be used as a basis for engagement with the new councillor cohort.	
c) Improve engagement with our membership with at least 50% of all councils in membership accessing EMC networks, boards and policy briefing programmes to further support opportunities for councillors' leadership.	<ul style="list-style-type: none"> ▪ The Scrutiny network met in June, with attendance from 7 different authorities – 7 councillors and 7 officers participated. ▪ The EMGWARP network met in June attended by 33 officers representing 22 different councils. ▪ There were 33 participants from 22 different councils at the meeting of the legal standards network in June. ▪ 22 participants attended the performance network in June representing 16 different councils. ▪ The knowledge briefing in June on Planning Reform and Devolution/LGR attracted 95 delegates (councillors and officers) from 27 different councils. 	

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 (2025/26)





d) To provide benchmarking information and sharing of data and practice to inform decision-making and improvement	<ul style="list-style-type: none"> Since April, EMC has conducted 6 benchmarking/information sharing assignments at the request of our member councils. This has included pay benchmarking different roles and sharing of policies and practices, eg salary protection in redundancy/redeployment cases. 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 11 councils from the East Midlands have signed up to the system – 2 more since the last management group meeting. This system would be beneficial for councils to share workforce, policy and pay data in preparation for LGR. 	
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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 (2025/26)





2. KPI 2 – Influencing national decisions and decision makers

Key Performance Indicators 2025/26	Achievement - Financial Year 2025/26	Progress
<p>a) Establish an effective relationship and joint approach between councillors, combined authority mayor(s), MPs and other partners, through:</p> <ul style="list-style-type: none"> Holding at least 3 joint events and/or summits. The agreement of joint priorities as the basis for collective work 	<ul style="list-style-type: none"> The TfEM Board met for the first time this financial year in June to discuss the outcome of the CSR, progress against the TfEM-Midlands Connect Shared Priorities, (Our Shared Vision for the East Midlands (emcouncils.gov.uk)) and to receive presentations from Network Rail and East Midlands Railway. The meeting will take place on the 29th September and will consider the outcome of the Spending Review. EMC is engaging with MOD, Home Office and MHCLG to exploring innovative solutions relating to Afghan Resettlement Program (ARP) transitional accommodation which will ensure families are streamlined into dispersed to permanent accommodation within the East Midlands. EMC hosted a region-wide event on devolution, LGR and planning, on 5th June 2025 attended by 95 councillors and officers. EMC has provided a briefing to EM MPs on regional transport inequalities and the mismatch between growth and public investment in the East Midlands. 	
<p>b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan including:</p> <ul style="list-style-type: none"> Review asylum contingency and dispersal arrangements. 	<ul style="list-style-type: none"> Continue to lead regional input to the Home Office regional full dispersal model ensuring allocations for local authorities are regularly monitored and do not exceed agreed allocations and assisting local authorities with any issues or concerns relating to the procurement of asylum accommodation. 	




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 (2025/26)

<ul style="list-style-type: none"> Progress workforce priorities identified by Regional Employers & Joint Council. Lead member networks for children's services to meet on a quarterly basis. 	<ul style="list-style-type: none"> Ensuring engagement with local authorities, statutory services, Home Office and accommodation providers relating to any larger asylum dispersal sites takes place at the earliest opportunity. Working with Home Office to inform the development of post-2029 Asylum Accommodation contracts through a Targeted Operating Group workshop which was held on 1st August 2025. Addressing recruitment difficulties is a priority identified by the Regional Employers and Joint Council. EMC has supported the roll-out a funded recruitment campaign within the East Midlands and has led on the collaboration across the region. The programme has now been evaluated independently with positive results on the impact of the campaign. A further funded programme has commenced, and EMC hosted an event in July to launch the new programme and share positive outcomes from last year's campaign. A presentation on the campaign is scheduled for the September Regional Joint Council meeting. EMC facilitated consultation with councils on national pay negotiations for 2025, with views being fed into meetings to help inform the National Employers' pay offers. National pay agreements have now been reached for the main negotiating groups. EMC is supporting councils with workforce implications of LGR through attendance at and facilitation of county-based HR networks. Programme of meetings confirmed for Children's Lead Members'. An initial induction meeting was held in June 2022, with the next formal meeting 	
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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 (2025/26)

	scheduled for 10 th October 2025. Progress continues to be made in delivering the work programme including the agreed RIIA plan.	
c) Secure Parliamentary debate on securing additional investment into the East Midlands.	<ul style="list-style-type: none"> The East Midlands APPG held its AGM on 27th November 2024 with further meeting held 25th March 2025. The APPG published its final report (May 2025) to inform CSR 2015 (available at: APPG-Report-2025-FINAL-002.pdf). A Westminster Hall debate was secured for 2nd September 2025 and EMC is provided supporting briefings, advice and support - but unfortunately the debate was cancelled to other Parliamentary Business. 	
d) Alignment and support to the work of Combined Authorities in the East Midlands.	<ul style="list-style-type: none"> TfEM is working with Local Authorities, Combined Authorities and Midlands Connect to take forward regional rail priorities and to confirm future arrangements for the Rail Collaboration Agreement. EMC continues to liaise with EMCCA and GLCCA to support a productive partnership relationship. 	
e) Responses to consultation on proposed changes to employment law and national pay negotiations.	<ul style="list-style-type: none"> EMC has updated councils on progress with national negotiations, with final offers being made on 22nd April 2025, following a consultation meeting with councils in the region hosted by EMC. Agreement has been reached for most of the main bargaining groups for 2025. EMC's Director of HR & Cllr Development is an adviser to the Employers' Side of the National Committee on local government pay. A raft of employment law changes were proposed in the Employment Rights Bill 2025. Consultations on the ethnicity and disability pay reporting provisions were discussed with the EDI network in May 2025. EMC is arranging 	

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 (2025/26)

	an employment law update event in November to ensure councils are fully up to date. Consultation on the establishment of a national negotiating group for the adult care sector is expected in Autumn and EMC will liaise with the LGA to support councils in responding to the consultation.	
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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 (2025/26)




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





Key Performance Indicators 2025/2026	Percentage Attendance								
a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/6	Progress
	East Midlands Councils	60%	69%	57%	42%	41%	49%	59%	
	EMC Boards	69%	74%	74%	70%	75%	70%	72%	

This is broken down into the following Boards.	Percentage Attendance	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Executive Board	74%	81%	70%	64%	67%	72%	59%
	Management Group	76%	89%	88%	71%	82%	87%	86%
	Regional Employers' Board	67%	66%	78%	60%	83%	71%	None Held
	Regional Migration Board	71%	62%	71%	77%	80%	57%	None Held
	Transport for the East Midlands	63%	75%	76%	76%	63%	66%	71%

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 (2025/26)

b) To maintain levels of council membership of EMC (39 councils, as of 1 st April 2024).	<ul style="list-style-type: none"> West Northamptonshire Council submitted notice to leave wef 31st March 2026. Ashfield District Council has returned to membership wef June 2025. 	
c) Working with Midlands Connect, MCCAs and local councils to: <ul style="list-style-type: none"> Progress the implementation of the 8 agreed infrastructure priorities. Develop a shared long term approach through 'Midlands Connect'. 	<ul style="list-style-type: none"> TfEM has published an updated version of the TfEM/Midlands Connect Shared Vision Document which has now been sent to all council leaders, MPs and EMCCA Mayor. EMC worked with the Institution of Civil Engineers to develop and publish an East Midlands Infrastructure Perspective in April 2025 as an input into NISTA. Available at: build-to-grow-emip-report.pdf EMC worked with Catherine Atkinson MP to host a Midland Main Line Electrification Roundtable for Parliamentarians and industry leaders at Westminster on the 21st May 2025. A briefing note on regional transport inequalities and the mismatch between growth and public investment in the East Midlands has been sent to all EM MPs. The TfEM Board met in June and September to discuss the outcome of the CSR and Spending Review, progress against the TfEM-Midlands Connect Shared Priorities, (Our Shared Vision for the East Midlands (emcouncils.gov.uk)) and to receive presentations from Network Rail and East Midlands Railway. EMC continues to support the work of Midlands Connect through seconding Director of Policy & Infrastructure to MC on 2 days per week basis. 	
d) Provide strategic political leadership for the implementation of the Government investment proposals through support for:	<ul style="list-style-type: none"> 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. TfEM is undertaking further analysis on improving rail connectivity from the Midland to Yorkshire and the North East. 	

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 (2025/26)





<ul style="list-style-type: none"> ▪ The EM Stations Growth Board and associated groups ▪ Engagement with Midlands Connect. ▪ The Eastern Network Partnership ▪ Transport for the East Midlands 	<ul style="list-style-type: none"> ▪ The TfEM Board has continued to meet on a quarterly basis supported by a Transport Officer Group and a Rail Collaboration Steering Group. ▪ EMC continues to support the work of Midlands Connect through seconding Director of Policy & Infrastructure to MC on 2 days per week basis. 	
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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 (2025/26)





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

a) Provide direct membership benefits to councils through maintaining the number of councillors participating in development, skills and briefing programmes against the 4 year average 2021-25.	Baseline 2021/25	Quarter 1	Quarter 2 (up until 31.8.25)	Quarter 3	Quarter 4	
	173	67	101			
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% of respondents giving feedback on the June knowledge briefing rated it as excellent/good	Nil responses			

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 (2025/26)

	Baseline 2024/25	Quarter 1	Quarter 2 (up until 31.8.25)	Quarter 3	Quarter 4	
c) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development.	2,289	296	461			
d) To make demonstrable progress in delivering on core EMC policy priority areas: <ul style="list-style-type: none"> Migration Housing and Planning Workforce – supporting councils to progress with workforce priorities 	Migration <ul style="list-style-type: none"> EMC continues to develop innovative solutions to improve Afghan resettlement relating to transitional accommodation and commitment to a ‘fair share’ allocation for local authorities regarding permanent properties sourced through agreements between local authorities, the MoD and the Home Office. 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. Continue to progress joint delivery arrangements amongst East Midlands Children’s Services including 12-month Regional UASC Carer Recruitment campaign and developing Regional Age Assessment Training Programme. EMC secured additional Home Office funding to lead a Mental Health pilot which is being co-delivered by a local Integrated Care Board with the aim to provide mental health support for asylum seekers awaiting a decision on their application. The programme will be delivered by March 2026. 					


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 (2025/26)

	<ul style="list-style-type: none"> EMC secured additional MHCLG funding to lead on the delivery of the English Language Integration Programme to address the lack of ESOL Capacity in the region and explore informal English Language learning initiatives. The programme will be delivered by March 2026. <p>Workforce</p> <ul style="list-style-type: none"> Support is focused on key priorities of recruitment and retention, absence management and employee wellbeing, workforce implications of LGR and data. EMC has joined other regional employers in offering access to improved benchmarking information on pay and workforce issue to support evidence-based decision-making through an online system – Infinistats. To date 11 councils have signed up. Management and leadership development programmes are being offered that are tailored to support councils in the lead up to LGR, covering qualification based training and skills development in mediation, coaching, mentoring and leading transformation. Following the positive evaluation of last year's recruitment campaign to promote local government as an employer, a further funded campaign will run over 2025/26, with EMC supporting the co-ordination of this for the East Midlands helping councils to tailor the campaign to their needs. Continued delivery of CPD programmes and a regional coaching pool to provide cost-effective development opportunities for the workforce within the region. To date, 15 separate assignments have been completed to provide direct support on workforce related issues to local authorities. 16 further assignments are in the process of being delivered. 	
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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 (2025/26)

	<ul style="list-style-type: none"> EMC is leading the delivery of the Association of Democratic Services Officers' national development programme. <p>General</p> <ul style="list-style-type: none"> Co-ordinate monthly meetings of Chief Executives across the region to support engagement and delivery of policy and programmes. <p>Housing and Planning</p> <ul style="list-style-type: none"> Planning CPD programme continuing mainly as on-line webinars with one in-person event annually per programme. The sessions remain well attended and feedback positive. Planning Reform and devolution event was held on 5th June. 	
e) Facilitating networking and joint working on workforce priorities.	<ul style="list-style-type: none"> EMC co-ordinates the Nottinghamshire-wide HR Managers group, which has met twice. This group is being used as the forum for collaborating on and discussing workforce implications of LGR. EMC inputs and supports other county-based HR networks across the region which are also being used as the forum for LGR workforce discussions, eg networks in Lincolnshire and Derbyshire. EMC hosted a meeting in July for councils to review last year's national recruitment campaign and start to shape a campaign for this year. The event was well attended, and feedback has been positive. An update on progress will be arranged in the Autumn. EMC has worked jointly with other regional employers and the LGA to deliver the local government apprentice of the year event in May 2025. The EDI network met in May and considered the current consultation on how to introduce mandatory ethnicity and disability pay reporting for employers with 250 or more 	

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 (2025/26)





	<p>employees as provided within the Equality (Race and Disability) Bill. Attendees also discussed implications for councils of the recent Supreme Court ruling on the definition of ‘woman’ and ‘sex’ within the Equality Act. The other main agenda item was a discussion on attracting and supporting under-employed people into local government, particularly linked to Hong Kong BNO living in the region.</p> <ul style="list-style-type: none"> ▪ The EMGWARP cyber security network is active, with high attendance levels and an additional council has joined the network in the last quarter. ▪ The regional coaching network provides councils with the opportunity to pool and share coaching resources and access free training to support the quality of coaches in the network. A new council is due to join the network soon. 	
f) To respond and fully answer 95% of advice requests from member councils within 2 working days.	21 requests received 1 not answered within 2 days – 95%	

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 (2025/26)

5. KPI 5 – Organisational and People Management

Key Performance Indicators 2025/2026	Progress - Financial Year 2025/2026					Progress
a) Maintain staff sickness rate at less than 6 days per full time equivalent (10.5 days local government average; EMC baseline [2024/25]; 7.64 days with L/T sick, 2.15 days without LT sick).						
		Q1	Q2 (up until 31.8.25)	Q3	Q4	
	With L/T* Sick	0.06	0.65			
	Without L/T* Sick	0.06	0.65			
* L/T = long term.						
b) Wherever possible, to meet all staff learning and development needs, as identified by annual Staff Development Interviews (SDIs).	Staff Development Interviews scheduled to be completed by end-March 2026.					

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



Management Group

11th September 2025

Lead Member Report

Cllr Tricia Gilby

Corporate Governance

Summary

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

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

Recommendation

Members of the Management Group are invited to:

- Note the summary position on organisational risk management.
- Consider the final report and recommendations of the internal audit report and the response of management team.
- Note the exemption to tender, as detailed in section 5 of this report.

1. Risk Register

a) Approach to Management of Risk

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

b) Identification of Risk

- 1.7 Risk management was last considered by Management Team in September 2025. An updated summary of risk, as considered by EMC management team, is included within the matrix attached as Appendix 9(a).
- 1.8 Since risk management was last considered by Management Group in March 2025, there has been little material change to the level of risk. Nevertheless, the risks remain significant, and as proposed by Members at the AGM, an options report will be developed on future joint working arrangements and sustainability for the consideration of Management Group.

3. Internal Audit

- 3.1 Included within our Accountable Body SLA with Nottingham City Council are provisions for undertaking an internal audit.
- 3.2 The internal audit work plan is intended to assist with and commenting on systems and processes, and to give assurance based upon review, appraisal and reporting on the soundness, adequacy and application of internal controls, and the suitability and reliability of financial and other management data.
- 3.3 While it is a necessary element of EMC's corporate governance and assurance, it is also the primary means of providing assurance to NCC that a partnership sitting within their legal structure is appropriately managed and exposure to risk and liabilities (both legal and financial) are minimised.
- 3.4 Previous internal audits have focused upon Governance and Separation of Duties, Risk Management and Financial Resilience, and management of grant funding.
- 3.5 The scope of the 2025 internal audit focused on financial transactions (review of policies, monitoring and control, segregation of duties) and asset management. The audit report provided an overall opinion of 'Moderate Assurance' and for completeness, the final report is attached as Appendix 9(b). In summary, there are 4 recommendations, none of high priority, 3 medium priority and 1 low priority.

Medium Priority:

- a) EMC should ensure that all relevant governance documents (Financial Regulations, Procurement Rules, Whistleblowing Policy) are made readily accessible to EMC staff. Ideally this should be through access to the NCC' internal intranet site.
- b) Management should strengthen the existing training arrangements by implementing a robust monitoring and escalation process to ensure all employees complete GDPR and Information Security training on a timely and recurring basis. Although some training was provided approximately three years ago, refresher training should now be scheduled at regular intervals to reinforce staff responsibilities and incorporate any updates in legislation, policy, or best practice.

- c) The inventory register should be reviewed and revised to ensure it captures all essential information, including serial numbers, purchase dates, and asset classification. Management should also consider setting a minimum value to ensure the register only captures assets considered relevant to the organisation.

Low Priority:

- d) EMC should periodically undertake a physical check to items listed on the inventory. Additionally, all asset disposals should be supported by evidence of review and authorisation.

- 3.6 Members can be assured that appropriate action has been taken in response to each recommendation, including liaising with Nottingham City Council to enable EMC staff to fully access NCC systems and intranet.

4. Exemption from Financial Regulations (Contracts)

- 4.1 EMC has a clear set of financial regulations in respect of contracting external providers for goods or services. If any contracts are proposed to be entered into outside of these arrangements, specifically through any exemption to the tendering process, as a matter of good governance these should be reported to Management Group.
- 4.2 As part of our responsibilities for in delivering asylum and refugee resettlement programmes on behalf of Local Authorities, the Home Office has awarded EMC grant funding to pilot service provision for mental health support services for adult asylum seekers.
- 4.3 EMC was notified of the programme and funding provision in July 2025, with submission of final business plan by 29th August, and all project delivery and spend completed by 31st March 2026. In order to meet these challenging deadlines, as set by the Home Office, EMC's Director of Policy and Infrastructure, on behalf of the Executive Director, agreed to the exemption to tender, attached as Appendix 9(c) on the following permissible grounds:
 - a) That time limits required for tendering cannot be met for reasons of extreme urgency (i.e., the reasons were unforeseen and not attributable to East Midlands Councils).

- b) In instances where sums of money are allocated to East Midlands Councils by Government departments or agencies for specific initiatives, exemptions may be granted to the extent necessary to comply with reasonable conditions laid down by the funding body.

4.4 All funding is within the financial envelope of the grant and is compliant with Home Office grant conditions. Specifically, the Home Office has agreed the scope and approach of the pilot, and on the basis of these discussions, a formal business case was submitted to the Home Office on 29th August 2025.

4.5 For completeness, Members are informed that Andrew Pritchard, Director of Policy and Infrastructure, is providing senior officer oversight to this programme. The Executive Director has removed himself from involvement in this work due to potential for perceptions of a conflict of interest (non-pecuniary). Leicester, Leicestershire and Rutland ICB will be a project partner to EMC (and funded accordingly), and the Executive's Director's wife works for LLR ICB, but not directly in this programme area.

5. Recommendations

Members of the Management Group are invited to:

- 5.1 Note the summary position on organisational risk management.
- 5.2 Consider the final report and recommendations of the internal audit report and the response of management team.
- 5.3 Note the exemption to tender, as detailed in Section 4 of this report.

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

Risk Register	
East Midlands Councils	
Date Prepared:	September 2025
Prepared by:	EMC Management Team

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

2. Loss of Member experience and/or lack of engagement from Members	B	2	<ul style="list-style-type: none"> Induction of new Members in leadership positions is provided. 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"> Briefing notes on board roles and objectives to be provided for each board. Advisory support provided to new leaders, including in person meetings. Group Leaders' review Group nominations to Boards. EMC secretariat reminds Members of meetings and reports attendance to Group Leaders (both pre and post-meeting). Introductory meetings to be held with new council leaders. 	Group Leaders Management Group Management Team
3. Lack of engagement from Staff	B	3	Regular team meeting and 1 to 1s; staff appraisals.	Full consideration and discussion of income and expenditure profiles; and their engagement in developing and rolling out the agreed work programme.	Management Team
4. Insufficient capacity and resilience (including staff and financial) to deliver work programme.	B	2	<ul style="list-style-type: none"> Management of the work programme to reflect programme delivery, policy development and sector support responsibilities. Annual KPIs to monitor progress in the delivery of the business plan. Annual staff appraisals and regular business plan planning meetings. Revised approach to delivery of work programme. 	<ul style="list-style-type: none"> 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. Progress is regularly reviewed by Management Team. 	Management Group Management Team

5. Inability to secure consultancy and other earned income to balance budget	A	1	<ul style="list-style-type: none"> ▪ Agreed rates and charges schedule in place for 2025/26. ▪ Monthly financial reporting and oversight. ▪ The increased use of virtual networks and events may impact upon profiled income – EMC to focus activity on gaps or added value of regional level support is needed. 	<ul style="list-style-type: none"> ▪ All opportunities will continue to be explored including ‘Non-local government’ markets and new income streams/services. ▪ Targeted promotion of EMC service offer. ▪ Adaptation of service offer and learning through further use of virtual networks and platforms. ▪ Rates and charges reviewed as part of 2025/26 budget setting process. 	Management Team
6. Inability to secure grant funding to balance budget.	A	2	<ul style="list-style-type: none"> ▪ External grant now represents approx. 50% of EMC’s total income, thereby balancing EMC sources of income although exposing organisation to vulnerability if grant reduced (potentially for reasons outside of EMC’s control). ▪ In-principle grant agreements in place up until the transition point for LGR (April 2027 onwards) 	<ul style="list-style-type: none"> ▪ All opportunities will continue to be explored, including with Midlands Connect and DfT. ▪ Regular programme management and oversight to meet requirements and demonstrate value-added. ▪ Alignment of EMC/TfEM transport and growth responsibilities to be agreed with EMCCA and GLCCA. ▪ Transition arrangements for DfT Rail Collaboration Agreement and the establishment of GBR to be confirmed. 	Management Team

7. Loss of Strategic Migration Grants from Home Office	A	2	<ul style="list-style-type: none"> ▪ Home Office confirmed 2025/26 grant for asylum and refugee resettlement. ▪ HK(BNO) agreements for (Aug-July) 2025/26 confirmed. ▪ Alignment of MHCLG HK(BNO) and Ukraine funding from March 2026 agreed, but amount tbc. ▪ Regular meetings with Home Office, at both Ministerial and senior officer level. ▪ Delivery of programme milestones and wider commitments, as per Grant Agreement. ▪ Ongoing risks to be managed for including responding to asylum and Afghan resettlement pressures and implications of Spending Review for Home Office grant. ▪ Clawback by Government Departments of unspent/uncommitted grant. 	<ul style="list-style-type: none"> ▪ Ongoing dialogue with Home Office and MHCLG to confirm grant agreements for asylum, resettlement and HK (BNO) programmes for 2026/27 onwards. ▪ Demonstrate value-added of partnership (supported by grant), including performance management of programme delivery. ▪ Specific focus on widening dispersal and pressures from implementing the Streamlined Asylum Process. ▪ Options including staffing and project management to be developed in anticipated of grant reduction 2026/27. ▪ Development and delivery of project programmes, associated activity and staffing to ensure spend profile are consistent with grant conditions. ▪ Review of programmes to ensure only grant funded activity is undertaken. 	Management Team
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8. Emerging Partnerships and local government reorganisation	B	2	<ul style="list-style-type: none"> Implications of English Devolution Bill, including the establishment of Strategic Authorities, e.g. EMCCA, GLCCA, and proposals for LGR. Working with councils in the development of proposals for revised governance arrangements post 2027. To maintain neutral position in relation to any local government restructuring proposals. 	<ul style="list-style-type: none"> Regular consideration by EMC Management Group and Executive Board for political guidance. Engagement with leaders and chief officers across the region, and Mayors. Agreement of complementarity of EMC/TfEM responsibilities with that of EMCCA, GLCCA (and other combined authorities, when established). On-going work with Government to confirm the new model for sub-national asylum and resettlement delivery arrangements post-2027. 	Management Group Management Team
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KEY

Impact	SEVERE	A			5, 6, 7	1, 8
	SIGNIFICANT	B		3	2, 4	
	MODERATE	C				
	MINOR	D				
			4	3	2	1
			VERY UNLIKELY	NOT VERY LIKELY	QUITE LIKELY	VERY LIKELY
			Likelihood			



Some Extra Risk Management Action



No Extra Risk Management Action



Nottingham
City Council

East Midlands Council

Final Internal Audit Report

August 2025-26

Distribution	Stuart Young, Executive Director
	Steve Charlesworth, Finance Manager
Date of Issue	27 th August 2025
Audit Reference Number	2526- EMC - 001

Executive Summary

Background and Scope

East Midlands Councils (EMC) is a not for profit organisation that represents the interests of local councils to Government and national organisations. It is the consultative forum for local authorities in the region and 39 local authorities in the Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire and Rutland areas. EMC is the statutory Employers Organisation for local government in the East Midlands. It provides support and enables local councils to work together on key issues of concern including employment, training and development, housing, transport and planning.

The EMC is governed by an Executive Board of Councillors from across the East Midlands and is funded via subscriptions and not for profit consultancy services income.

The scope of this audit is:-

Financial Transactions:


- Review of policies, procedures, and guidance relating to transaction processing
- Controls in place to ensure proper authorisation and accuracy of financial transactions
- Monitoring arrangements, reconciliations, and reporting
- Segregation of duties and fraud prevention measures

Asset Management:

- Maintenance of the asset register/office inventory
- Asset acquisition, tagging, and disposal processes
- Physical verification procedures and safeguarding of assets
- Valuation, depreciation, and financial reporting
- Maintenance and insurance coverage

Follow Up of Outstanding Recommendations

Overall Opinion

Moderate		Rating Definition Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.
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Summary of Key Findings

Financial Transactions

NCC is the Accountable Body for EMC and takes responsibility for financial management and governance. Having a finance policy and procedures is essential for any organisation. It provides a structured framework for managing financial activities effectively, legally, and transparently. A review was undertaken of EMC's policies and procedures. It is noted that EMC is governed by NCC's Financial Regulations, procurement rules and their Whistleblowing policy. However, due to a number of staff not having access to NCC's intranet these are not accessible to all members of staff.

Budget reports are produced monthly by the Finance Manager and presented to the fortnightly management meeting. Reports are also presented quarterly to the Management Group which will note the financial position at that point in time. Budget setting reports are presented in January for discussion and formally approved in May. Detailed discussions of the budget and future funding could be evidenced in the Management Group minutes.

Testing was undertaken on six purchase invoices processed by EMC. All purchases had authorised orders raised, and no concerns were noted over segregation of duties.

Testing was undertaken on four sales invoices to confirm the charges raised were accurate and invoices had been raised timely. All invoices had been raised within a reasonable period of time and could be traced back to supporting documentation.

As no accounting reconciliations are completed by EMC, no testing was completed.

From discussions held with staff, it was found that no regular training for GDPR and Information Security had been completed by staff within EMC. Training courses are available through NCC's Intranet

From discussions held with staff, it was found that no regular training for GDPR and Information Security have been completed by staff within EMC. Training courses are available through NCC's Intranet, however, only a limited number of staff have access to this. It is understood that the access issue is under review. These training courses are critical for ensuring that employees understand their responsibilities in handling personal and sensitive data and maintaining information security.

Asset Management


Having an inventory in place ensures that assets are appropriately recorded, tracked and maintained. EMC does hold a register of inventory items (dated April 2025) and also maintains an asset register which details all IT equipment held by EMC.

Disposals are recorded separately, however, from discussions with staff, the inventory is not checked annually, and disposals are not recorded on an annual basis. EMC's Financial Regulations state that disposals should be reported to the Executive Director, however, no evidence of this was seen.

Due to the low value of items held by EMC, no valuation/depreciation calculations are undertaken. EMC is covered under NCC's blanket insurance, however, the NCC Insurance Team have stated that some information would ideally be supplied to them by EMC on an annual basis. This information has been passed on to EMC.

Previous Recommendations

Recommendation 1 – No signed SLA in place for the immigration solicitor funding. EMC has put together a signed agreement (January 2025) between themselves and East Midlands ADCS, which details the arrangement of the funding. **Recommendation Complete**



Recommendation 2 – Purchases were found to have been ordered and approved by the same officer. Further testing completed during our review found that invoices had been raised and approved by different officers. **Recommendation Complete**

Recommendation 1 (2021-22) – The Annual Summary to the Department of Transport was provided and submission date could be confirmed. **Recommendation Complete**

Recommendations	High 0	Medium 3	Low 1
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Detailed Findings

Scope 1: Finance

Observation	Recommendation	Priority	Management Response	Action Owner/Due Date
<p>As the accountable body for the EMC, NCC requires EMC to adhere to its Financial Regulations, Procurement Rules, and Whistleblowing Policy. However, it was noted that only a limited number of EMC staff have access to these key governance documents, as they are hosted on NCC's internal intranet site, which is not universally accessible by EMC personnel. It is noted that copies of these documents are held centrally from shared folders.</p>	<p>1. EMC should ensure that all relevant governance documents (Financial Regulations, Procurement Rules, Whistleblowing Policy) are made readily accessible to EMC staff. Ideally this should be through access to the NCC's internal intranet site.</p>	<p>M</p>	<p>Agreed</p>	<p>Management Team December 2025</p>
<p>Risk and Implications</p> <p>Lack of access to NCC's core governance policies could result in non-compliance with financial and procurement procedures, or failure to report concerns under the whistleblowing policy, thereby increasing the risk of mismanagement, fraud, or reputational damage</p>				

Scope 1: Finance

Observation	Recommendation	Priority	Management Response	Action Owner/Due Date
<p>From discussions held with staff it was found that training in regard to GDPR and Information Security has not occurred on a regular basis. Previous training occurred in 2022 and has not been refreshed since.</p>	<p>Management should strengthen the existing training arrangements by implementing a robust monitoring and escalation process to ensure all employees complete GDPR and Information Security training on a timely and recurring basis. Although some training was provided approximately three years ago, refresher training should now be scheduled at regular intervals to reinforce staff responsibilities and incorporate any updates in legislation, policy, or best practice.</p>	M	<p>Agreed EMC Management will implement a refresher programme for all staff on GDPR and Information security. The implementation does in part depend upon the accessibility of NCC intranet and training packages for EMC staff. EMC will procure external support if required to meet these obligations.</p>	<p>Management Team December 2025</p>
<p>Risk and Implications</p> <p>The lack of completion could lead to non-compliance with data protection legislation, including the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, and increases the likelihood of data breaches due to a lack of awareness or understanding of correct procedures.</p>				

Scope 2: Asset Management

Observation	Recommendation	Priority	Management Response	Action Owner/Due Date
<p>EMC maintains an inventory register; however, the register is not adequate. Several key data fields are incomplete or inconsistently recorded. Specifically, items listed often lack unique identifiers such as serial numbers, and purchase dates are not routinely captured. The register also includes items that are deemed irrelevant, i.e. flip chart stand</p> <p>EMC do hold an asset register which details all IT equipment, ideally these two registers would be best combined.</p> <p>No evidence could be seen of approval of items from the inventory disposed of.</p>	<p>2. The inventory register should be reviewed and revised to ensure it captures all essential information, including serial numbers, purchase dates, and asset classification. Management should also consider setting a minimum value to ensure the register only captures assets considered relevant to the organisation.</p>	<p>M</p>	<p>Agreed. All required data was held, although not in a single register.</p> <p>This has now been amended, with a comprehensive and up to date asset register now completed that includes and combines all information, including serial numbers, purchase dates and cost.</p> <p>EMC show no Long-Term Assets in their Statement of Financial Position (Balance Sheet) as there are no individual items of equipment or furniture with a current value of more than £400 and so if we applied a reasonable minimum value of, say, £1,000 there would be no Asset Register.</p> <p>As an alternative to a minimum value, EMC will include in the inventory register any item which may be seen as an attractive item to misuse or misappropriate, e.g. IT equipment.</p>	<p>Management Team</p> <p>Completed - August 2025</p>
<p>Risk and Implications</p> <p>Without an inventory there is no accurate record of assets which could lead to misuse or misappropriation.</p>				

Scope 2: Asset Management

Observation	Recommendation	Priority	Management Response	Action Owner/Due Date
<p>There was no documented evidence available to confirm that the inventory is subject to a periodic review or physical verification.</p> <p>While a disposal register is maintained, audit testing could not identify evidence of formal authorisation for asset disposals, as required under EMC's Financial Regulations.</p>	<p>3. EMC should periodically undertake a physical check to items listed on the inventory.</p> <p>Additionally, all asset disposals should be supported by evidence of review and authorisation.</p>	L	<p>Agreed.</p> <p>New processes will be put in place by business support colleagues to document:</p> <p>a) Annual assets register check</p> <p>b) Sign-off by Executive Director of all asset disposal, confirming review and authorisation.</p>	<p>Management Team</p> <p>September 2025</p>
<p>Risk and Implications</p> <p>Without an inventory there is no accurate record of assets which could lead to misuse or misappropriation.</p>				

Annex 2: Our Classification System

Assurance Opinion

Substantial	<p>Substantial</p> <p>The framework of governance, risk management and control is adequate and effective.</p>
Moderate	<p>Moderate</p> <p>Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.</p>
Limited	<p>Limited</p> <p>There are significant weaknesses in the framework of governance, risk management and control, such that it could be or could become inadequate and ineffective.</p>
Unsatisfactory	<p>Unsatisfactory</p> <p>There are fundamental weaknesses in the framework of governance, risk management and control, such that it is inadequate and ineffective or is likely to fail.</p>

Recommendation

Priority	Definition	Action Required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.



Request For Exemption From Financial Regulations In Respect Of Contracts

Commencement Date	22/08/2025
Contract and Description:	EMC (through its Strategic Migration Partnership) is seeking expert project management support to enable a service providing mental health support for asylum seeking adults to be delivered within the timescales set by the funder.
Amount:	£24,900 (Maximum)
Contractor/Supplier:	Red Quadrant
Basis for Exemption:	<p>B. That time limits required for tendering cannot be met for reasons of extreme urgency (and, in the case of EC contracts, the reasons were unforeseen and not attributable to East Midlands Councils).</p> <p>H. In instances where sums of money are allocated to East Midlands Councils by Government departments or agencies for specific initiatives, exemptions may be granted to the extent necessary to comply with reasonable conditions laid down by the funding body.</p>
<p>Justification:</p> <p>EMC were approached during the current financial year by the Home Office (the funder), as a result of them being unsuccessful in finding a national provider of mental health support for asylum seeking adults, to set up and implement a service from October 2025 and conclude delivery by the end of the current financial year.</p> <p>The EMC's UASC Programme Manager has a number of deadlines falling within the two-month period which will require the most intense activity to design and deliver a service model for the mental health support pilot for asylum seeking adults, as a result the following options are available to ensure the successful delivery of the pilot.</p> <p>A. Procure specialist project management support to enable the tight service delivery deadlines laid down by the Home Office Grant Agreement to be met while ensuring that any impact on the current Regional UASC Programme deadlines is kept to a minimum.</p> <p>B. Project Management for the delivery of the mental health support pilot to be provided by the UASC Programme Manager, where 100% of this resource will be required until Mid-October 2025 reducing to 25% until the end of March 2026, the impact of this on other workstreams is indicated below:</p> <ul style="list-style-type: none"> ▪ Regional IFA Pilot – Delivery of Evaluation Report. Current Delivery Date: Mid-September 2025. Revised Delivery Date: Mid-November 2025. ▪ Strategic Needs Analysis – Delivery of Holistic Strategic Needs Analysis Report. Current Delivery Date: Early September 2025. Revised Delivery Date: Early November 2025. ▪ Refugee Housing Enabler – Delivery of focus group activity with resettled families. Current Delivery Date: Late September 2025. Revised Delivery Date: Late November 2025. 	

- Refugee Housing Enabler – Delivery of Evaluation Report. Current Delivery Date: Late-October 2025. Revised Delivery Date: January 2026.
- Refugee Housing Enabler – Delivery of Learning Events. Current Delivery Date: Mid-November 2025. Revised Delivery Date: February 2026.
- Recruitment of UASC Specific Carers – Tender exercise for new marketing contract. Current Delivery Date: September 2025. Revised Delivery Date: November 2025.

While the delivery dates can be moved this could impact upon the relationship with our current partners which needs to be taken into account.

The funding of the role also needs to be considered, while using funding from the grant to extend the Programme Manager contract would compensate current funders, since the majority of funding comes directly from local authorities to deliver on DCS priorities which would need to be put to one side for a period of time, the DCS group would need to be engaged and may raise objections to this re-prioritisation.

- C. One final option may be considered, would be to recruit project manager resource on a short-term contract to back-fill the activities listed above while the UASC Programme Manager delivered the mental health pilot. This may not be practical as it would take time to recruit this resource, and they would need training and briefing on back-fill activities which would also pull upon the UASC Programme Manager resource.

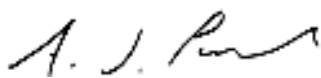
The most viable option from the perspective of time and management of partner relationships would be to commission external support to enable the delivery of the mental health pilot while continuing to deliver against the current project priorities.

An urgent procurement process has subsequently taken place because of the timescales imposed by Government funding with quotes being sought from three suitably qualified suppliers, two of whom submitted proposals (Red Quadrant and Local Partnerships), with the third (iESE Ltd) declined to bid. Both suppliers were interviewed and based on a common assessment, Red Quadrant would be the preferred supplier, due to the experience of the personnel proposed which was directly relevant to the project and having public sector and government policy experience was a benefit with the panel agreeing Red Quadrant would be easily equipped to support the development and delivery of the project. Their proposal also came in at a lower cost and would help to demonstrate value for money.

Completed forms should be sent to the Executive Director

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

SIGNED:



DATE: 20/8/25

Andrew Pritchard, Director of Policy & Infrastructure

Once approved pass to Lisa Bushell/Lisa Hopkins

Reported to Management Group

11/9/25

DATE

Extract from Financial Regulations

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

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



**Management Group
11th September 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 on 11th July 2025, 4 declarations of interest remain outstanding.
- 1.2 All EMC staff members are required to complete and submit an annual declaration of interest. These have all been returned and signed-off by the Executive Director – and whose own return was shared with EMC Chair and EMC management team colleagues (and is available for inspection).

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