



## **Management Group Meeting**

**10.00am, Friday 6<sup>th</sup> March 2026**

### **AGENDA**

1. Welcome and Apologies
2. Declarations of Interest
3. Minutes of meeting held on 24<sup>th</sup> November 2025\*
4. Matters Arising
5. Chair's Report \* (Cllr Sean Matthews)
6. Budgets and Financial Control \* (Cllr Elly Cutkelvin)
  - Paper 1 – Budget Monitoring Report April 2025 – January 2026
  - Paper 2 – Draft Base Budget 2026-27 to 2027-28
7. Performance Management \* (Cllr Gale Waller)
8. Corporate Governance \* (Cllr Tricia Gilby)
9. Conduct and Standards \* (Cllr Jewel Miah)
10. Executive Board (27<sup>th</sup> March 2026)
11. Any Other Business

\* Papers attached





**EAST MIDLANDS COUNCILS  
MANAGEMENT GROUP MEETING  
MINUTES OF THE MEETING HELD ON 24<sup>TH</sup> NOVEMBER 2025**

**Present:** Cllr Elly Cutkelvin (Chair) – Leicester City Council  
 Cllr Sean Matthews – Lincolnshire County Council  
 Cllr Jewel Miah – Charnwood Borough Council  
 Cllr Phil King – Harborough District Council  
 Cllr Martin Griffiths – North Northants Council  
 Cllr Gale Waller - Rutland County Council  
 Cllr Ashley Baxter – South Kesteven District Council

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

**Apologies:** Cllr Tricia Gilby (Vice Chair) – Chesterfield Borough Council  
 Cllr Jane Yates – Bolsover District Council

		<b>ACTION</b>
<b>1.</b>	<b>Apologies</b>	
1.1	Apologies were received from Cllr Tricia Gilby and Cllr Jane Yates.	
<b>2.</b>	<b>Declarations of Interest</b>	
2.1	There were no declarations of interest declared.	
<b>3.</b>	<b>Minutes of the meeting held on 11<sup>th</sup> September 2025</b>	
3.1	These were confirmed as a true and accurate record.	

		<b>ACTION</b>
<b>4.</b>	<b>Matters Arising</b>	
4.1	Stuart Young confirmed Ashfield District Council are now back in membership. However, West Northants Council are still on notice to leave. There is ongoing work at a political level.	<b>SY</b>
4.2	All other matters arising are covered in the agenda.	
4.3	Stuart confirmed James Naish (EM APPG Chair) was due to attend the next EMC Executive Board meeting, however he is now unable to make this due to committee business. Stuart to invite him to the EMC General meeting or the next Executive Board.	
<b>5.</b>	<b>Chair's Report</b>	
5.1	Cllr Sean Matthews introduced this report and updated members on Local Government reorganisation.	
5.2	Stuart Young confirmed he is drafting a summary paper on propositions which are going to government for the Executive Board.	
5.3	Members discussed LGR and likely outcomes.	
5.4	Cllr Sean Matthews highlighted proposals for abolishing Police & Crime Commissioners and the ICB reconfiguration may add further complexities to devolution plans.	
5.5	Stuart Young highlighted the consequences for East Midlands Councils and the implications are profound.	
5.6	He drew members attention to the draft options paper which has been developed by EMC Management Team and to be considered by members. Subscriptions are currently a significant element of EMC funding.	
5.7	All DfT funding to Midlands Connect will cease wef April 2027, with a significant funding decrease for next year.	

		<b>ACTION</b>
5.8	Cllr Sean Matthews highlighted there are currently a number of partnerships which work on behalf of local government.	
5.9	Cllr Gale Waller feels it would be beneficial to look afresh and build new networks that work in the future.	
5.10	Stuart confirmed in relation to timescales, the implementation in 27/28 fits with current EMC funding. Business planning and budgets are largely in place for 26/27. There is an 18 month period to finalise options.	
5.11	Stuart stated the importance to develop options and thinking around this. He feels this is better done at an officer level alongside a political level.	
5.12	Members agreed that a Chief Executive steering group be formed.	<b>SY</b>
5.13	Stuart confirmed all regions are looking at this, however different regions have differing arrangements.	
5.14	Cllr Phil King suggested Political Group leaders could take this to their political groups to get their input. They can then give a steer to EMC.	
5.15	Cllr Sean Matthews understands the need to prepare for the future; however, he expressed concern about spending too much time until it is known what the outcome from government is on LGR.	
5.16	Also, Members felt it would be useful to have a discussion at the next Executive Board and EMC meeting on this.	
5.17	Stuart confirmed the development of proposals will initially be undertaken 'in-house'.	<b>SY</b>
5.18	Cllr Ashley Baxter enquired about mayoral powers as stated in the report and asked when this started and how would that work.	
5.19	Stuart Young confirmed that in relation to overriding local planning decisions, this is still Bill dependent and still progressing through the Commons procedures.	

		<b>ACTION</b>
5.20	In relation to influence over the affordable housing programme, this is an announcement which doesn't require legislation.	
5.21	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>▪ Considered the issues paper on future governance for comment and advice and agreed next steps.</li> <li>▪ Considered the developments relating to devolution and local government funding reform.</li> </ul>	
<b>6.</b>	<b>Budgets and Financial Control</b>	
6.1	Steve Charlesworth introduced this report and highlighted the summary budget report as of 31 <sup>st</sup> October 2025. There is still a forecast of £600 surplus, and this has not changed since the last meeting. 2 new grants have been agreed for mental health and ESOL. These are now included in the budget figures.	
6.2	Steve reported that since the end of October Ashfield have now rejoined EMC Membership which was not included in the budget and also a member of staff is leaving therefore the surplus may be increased.	
6.3	The grant from Midlands Connect is likely to cease for next year.	
6.4	Steve proposed that any surplus that is achieved this year goes towards next year's budget.	
6.5	Reserves are currently £598,000 and have been at this level for a number of years.	
6.6	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>▪ Noted the actual financial position for the period to the end of October 2025 and the associated forecast outturn to 31<sup>st</sup> March 2026.</li> </ul>	

		<b>ACTION</b>
<b>7.</b>	<b>Performance Management</b>	
7.1	Cllr Gale Waller introduced this report and confirmed that performance against the business plan KPIs remain broadly on track.	<b>SY</b>
7.2	She drew members attention to attendances and involvement of members. She expressed concerns about lower attendances at Boards and also getting members more involved in the training opportunities.	
7.3	Cllr Matthews feels the more we can get councillors on the training courses the better and there is a need to push this within authorities.	
7.4	Cllr Waller feels it would be useful to see what the attendance from authorities is at events and share this with Leaders. She also feels it would be helpful to understand the barriers to people not taking up training.	
7.5	Stuart Young confirmed that EMC can also offer bespoke training for authorities.	
7.6	Cllr Gale Waller highlighted that EMC networks are helpful and feels these need to be promoted.	
7.7	<u>Resolution</u> Members of the Management Group: <ul style="list-style-type: none"> <li>▪ Considered progress made by EMC in delivering against its agreed Business Plan 2025/26.</li> </ul>	
<b>8.</b>	<b>Corporate Governance</b>	
8.1	Stuart Young introduced this report and highlighted the main elements of this report.	
8.2	Stuart drew members attention to risk and highlighted where principal risks sit. There has been no significant change to these risks and nothing Stuart needs to highlight to members other than previously discussed.	
8.3	Stuart confirmed that the EMC Internal audit has been completed and all recommendations have been completed.	

		<b>ACTION</b>
8.4	He also confirmed that the external audit has been completed.	<b>SM</b>
8.5	Steve highlighted the statement of accounts and explained the new accounting rule with pension scheme assets.	
8.6	In terms of AR27 there is currently an error with the form at the certification office. Once this is rectified this can be submitted.	
8.7	Cllr Sean Matthews stated he will have a conversation with West Northants in relation to EMC membership.	
8.8	<p><u>Resolution</u></p> <p>Members of the Management Group:</p> <ul style="list-style-type: none"> <li>▪ Considered the nature and management of organisational risk.</li> <li>▪ Considered and endorsed EMC's External Financial Audit – Draft Statement of accounts 2024/25.</li> </ul>	
<b>9.</b>	<b>Conduct and Standards</b>	
9.1	Cllr Jewel Miah introduced this report and confirmed there are no issues to highlight.	
9.2	He highlighted that MHCLG have stated there will be a new standards regime for Councillors so this may be an opportunity to relook at this for EMC.	
9.3	<p><u>Resolution</u></p> <ul style="list-style-type: none"> <li>▪ Members of the Management Group noted the contents of the report.</li> </ul>	
<b>10.</b>	<b>EMC Executive Board – 10<sup>th</sup> December 2025</b>	
10.1	<p>Members discussed and agreed the agenda for the forthcoming Executive Board meeting on 10<sup>th</sup> December 2025. The following reports will be included in the papers:</p> <ul style="list-style-type: none"> <li>▪ Board Reports.</li> </ul>	

**Item 3**

		<b>ACTION</b>
	<ul style="list-style-type: none"><li>▪ LGR Summary &amp; discussion around shape of Local Government post LGR (this to be under Chairs report).</li></ul>	
<b>11.</b>	<b>Any Other Business</b>	
11.1	None.	



**Management Group**

**6<sup>th</sup> March 2026**

**Chair's Report**

**Cllr Sean Matthews**

**Summary**

The following report provides a summary information on the development of EMC's business plan for 2026/27 for the advice and consideration of Members of Management Group for subsequent presentation to Executive Board at its meeting on 27<sup>th</sup> March 2026.

**Recommendation**

Members of Management Group are invited to:

- Consider and advise on core priorities for inclusion within EMC's business plan 2026/27, for subsequent presentation to Executive Board, as attached in Appendix 5(a).

## 1. Draft Business Plan 2026-27

- 1.1 EMC's Executive Board will consider the draft business plan for 2026/27 that details EMC's proposed activity over the next 12 months.
- 1.2 EMC must be flexible and respond to the changing priorities and challenges faced by the sector. Therefore, the activities within any business plan may change if Members require it. However, within this context, the business plan should reflect issues highlighted through initial consultation with our membership and so provide the basis for work in the coming year.

### Structure

- 1.3 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:
- a) 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.
  - b) 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.
  - c) 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.

d) 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, and the strategic board 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.

- 1.4 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.
- 1.5 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 includes 2 mayoral county combined authorities, will require collaboration across the sector and with national bodies to deliver shared outcomes across a number of geographies.
- 1.6 A summary of the draft priority work areas are summarised in Appendix 5(a) for initial Member consideration and comment. These will be further consulted upon with partners in advance of consideration by EMC's Executive Board.
- 1.7 We will continue to add value to the work of our member councils and will focus on effective engagement with both members and officers in the delivery of agreed programmes. It remains important that all member councils access at least one of EMC's discounted services during the coming year, and it is our objective to match last year's success in delivering over £450,000 of savings for the sector.

## 2. Recommendation

Members of Management Group are invited to:

- 2.1 Consider and advise on core priorities for inclusion within EMC's business plan 2026/27, for subsequent presentation to Executive Board, as attached in Appendix 5(a).

Cllr Sean Matthews  
Chair  
East Midlands Councils



## **Business Plan 2026-27**

**Draft - March 2026**

## Foreword

Welcome to the East Midlands Councils (EMC) Business Plan for 2026/27.

We are proud to lead East Midlands Councils as we focus on the coming year, one that will likely bring profound change for the sector. In the coming months, the Government will announce its preferred options for LGR, and the English Devolution and Community Empowerment Bill will receive Royal Assent, bringing in a new devolution framework. At the same time, councils will be operating within a revised National Planning Policy Framework (NPPF) and the ongoing challenge for the sector in delivering ambitious housing delivery targets.

Within this changing landscape, EMC will continue to make progress on those issues that matter to the sector. At the heart of the business plan are our objectives, how we will achieve them, and how we will demonstrate impact, through:

- Collaboration across the sector and with national bodies to deliver shared outcomes across several 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 priorities, our work on strategic transport infrastructure, including enhancing rail connectivity and the A46 and A1, and supporting councils to implement the NPPF and housing delivery.

We will continue to build strong partnerships and networks, providing focused member and officer development programmes, as well as transformation and HR support through our wider role as the Regional Employers' Organisation. We will also continue to manage important refugee and asylum resettlement programmes and provide advisory and technical expertise to the work of MPs through the region's APPG.

This Business Plan is not solely a statement of our priorities and objectives; it is a commitment to delivery, accountability and securing value for our membership, supported by EMC's performance management framework that is used to monitor and regularly report our progress and impact against the business plan.

We will continue to add value to the work of our member councils and offer all councillors and officers in the region opportunities to attend briefings, skills development, and training events. It remains important that all member councils have accessed 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 £450,000.

We remain grateful to EMC staff, councillors, and officers across the region for their efforts and ongoing engagement and look forward to continuing to work with colleagues across the East Midlands during 2026/27.

Cllr Sean Matthews	Chair, East Midlands Councils,
Cllr Elly Cutkelvin	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 generate a total regional output of approx. £146.4bn, equivalent to 5.8% of the UK economy.

Within this context, East Midlands Councils is a membership body that works on behalf of, and is the voice for, local government in the region. We are proud to represent the county, unitary, district and borough councils in the East Midlands, alongside the Peak District National Park Authority.

Our dedicated team delivers a wide range of services and programmes on behalf of our member councils. We provide practical support to help councils improve their services, alongside a strong collective voice on matters of strategic importance for the East Midlands.

Our core objective is to deliver tangible value through high-quality services and sector-led support, and by shaping policies and delivering programmes that reflect and address the needs and priorities of our members.

The common thread throughout this Business Plan is collaboration and partnership working. Through our established regional networks, commissioned research and programmes, shared learning of best practice, and joint approaches, we support the sector as it continues to deliver core services and implement an ambitious programme of change.

## What We Do

EMC delivers a wide range of services and programmes in close partnership with our member councils. These activities are organised across four main work areas:

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

EMC is the statutory Employers' Organisation for local government in the East Midlands, supporting councils as employers, particularly in the context of LGR and organisational change. We represent councils' interests on workforce and employment matters and provide support on workforce planning, development, and councillor development. EMC also hosts the Regional Joint Council, which brings together employers and trade union representatives and provides support to councils on dispute resolution.

### **Asylum and Refugee Resettlement**

Through the East Midlands Strategic Migration Partnership, EMC coordinates collaborative activity on asylum and refugee resettlement and manages 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 a Rail Collaboration Agreement with the Department for Transport. EMC also leads collective work to maximise the regional economic benefits of transport infrastructure investment and provides regular updates on regional growth and public investment.

### **Strategic Leadership**

EMC plays a central role in coordinating regional leadership and collaboration across local government. We nominate representatives to key national and regional boards, including the LGA Executive and the LGA Asylum Resettlement Councils Strategic Engagement Group (ARCSEG). 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), supporting engagement between councils, businesses and parliamentarians on regional priorities.

## 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 services, focuses its resources where it can add the greatest value. We prioritise activity that delivers measurable impact for members, strengthening regional collaboration, and securing external funding aligned to shared priorities.

EMC maintains strong working relationships with key Government departments, including 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. These relationships support effective engagement, policy influence and programme delivery.

We will also work with business, health, and voluntary and community sector partners, and play an active and supportive role in wider regional partnerships, strengthening regional coordination and maximising the impact of our collective activity.

## Continuing Momentum

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

[Summary of key outcomes from annual report (2025) - detail to be added to the business plan]

## 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 2026/27 is £1,687,000 and closely aligns with the objectives of this Business Plan.

[PIE CHARTS TO BE ADDED]

Our income comes from the following sources:

Subscriptions – 305,600  
 Grants – 852,300  
 Contracts - 207,500  
 Earned Income- 321,200

Our expenditure is split between our core activities as follows:

The total Expenditure budget for 2026-27 is £1,686,400, split as follows:

Strategic Management	£352,800
Migration	£852,300
Transport	£207,500
Workplace	£273,800

A detailed budget for 2026/27 is set out in Annexe 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.

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## EMC Priorities for 2026/27

Proposals for devolution and local government reorganisation will be a major focus for the sector in 2026/27, leading to a period of significant institutional change from 2027 onwards. For EMC, a central priority will be to support member councils to prepare for and manage this transition. Alongside this, 2026/27 will be a year of consolidation, with national programmes continuing to be delivered and ongoing commitments to members and the Government being maintained. EMC will balance support for structural change with the need to sustain high-quality delivery across its core programmes.

Within this context of change and uncertainty, East Midlands Councils will work across the four themes of evidencing, influencing, collaborating, and delivering to provide focused, practical support to our members over the next 12 months.

<b>Local Government and Workforce Development</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Produce and maintain regional benchmarking on workforce capacity, skills, recruitment, retention, and organisational change.</li> <li>• Coordinate and draft regional consultation responses on workforce-related legislation, supporting councils with their own submissions.</li> <li>• Run events and practitioner networks to share advice, learning, and good practice on workforce and councillor development.</li> <li>• Identify common workforce challenges and support councils to co-produce practical solutions.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Lead regional engagement on pay consultations, enabling councils to shape the evidence submitted to national negotiations and reflect the East Midlands' needs.</li> <li>• Agree and maintain shared regional workforce and councillor development priorities and use these to guide external engagement.</li> <li>• Act as a conduit between councils and national bodies (e.g., LGA, National Employers) to ensure regional needs and delivery realities are understood.</li> <li>• Represent councils' workforce interests in relevant national policy discussions and sector initiatives.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• Coordinate activity through the Regional Employers' Board and Regional Joint Council to align regional workforce priorities and positions.</li> <li>• Convene and support regional networks to strengthen peer support and consistent approaches across councils as authorities prepare to navigate and manage the process of implementing LGR.</li> <li>• Work with national partners to shape and support the development and delivery of workforce policies, services, and programmes for councils.</li> <li>• Broker regional partnership arrangements that help councils access support more efficiently and consistently.</li> </ul>

<b>Delivering</b>	<ul style="list-style-type: none"> <li>• Deliver learning and development opportunities for officers and members, including CPD and training offers.</li> <li>• Provide councils with practical support for LGR preparation and workforce transition, including targeted advice and access to expertise.</li> <li>• Maintain core workforce support services, including the HR helpline and regular workforce bulletin.</li> <li>• Deliver savings for councils through regional collaboration, partnerships, and discounted access to relevant systems or services.</li> </ul>

<b>Asylum and Refugee Resettlement (Strategic Migration Partnership)</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Develop standardised regional reporting across all local authorities to give a clear picture of asylum and refugee resettlement pressures, case types, and issues.</li> <li>• Strengthen and standardise data and intelligence on UASC, including costs, age assessments, demographics, placement stability, health needs and demand modelling.</li> <li>• Evaluate ESOL delivery, ensuring learner needs, barriers, and inconsistencies are well understood and communicated.</li> <li>• Evaluate the Afghan Resettlement Programme (ARP) regionally to assess performance, matching success, and LA/VCSE experience.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Shape national and regional policy through evidence on UASC demand, placement and service pressures, and long-term outcomes.</li> <li>• Use findings from the adult asylum mental health pilot to reduce costs and secure sustainable provision.</li> <li>• Provide timely, practical guidance for councils on evolving legislation and asylum policy changes.</li> <li>• Inform and influence national decisions around funding allocations for UKRS, ARP, UASC and asylum dispersal.</li> <li>• Contribute to discussions around devolved ESOL budgets, including Adult Skills Funds.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• Co-design the Afghan Transitional Accommodation model with councils, Home Office and partners to tackle operational challenges.</li> <li>• Coordinate regional engagement on asylum dispersal, ensuring shared solutions and clear communication.</li> <li>• Strengthen the East Midlands’ bespoke UASC approach, including funding, placement sufficiency, legal advice, age assessments, and health.</li> <li>• Maintain and improve regional intelligence-sharing via ARCSEG and related groups.</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop a sub-regional common Initial Assessment Framework for ESOL.</li> </ul>
<b>Delivering</b>	<ul style="list-style-type: none"> <li>• Ensure compliant, efficient delivery of all asylum and refugee schemes, including NTS, UKRS and ARP.</li> <li>• Roll out region-wide age assessment training, including new tools and facial age estimation.</li> <li>• Deliver coordinated regional communication on migration-related training for LA officers, carers and partner agencies.</li> <li>• Provide immigration legal advice to Children’s Services and Legal Teams for UASC, migrant children, care leavers, and NRPF families.</li> <li>• Launch and maintain the new ESOL Information &amp; Guidance resource, Learning English in the East Midlands.</li> </ul>

<b>Transport &amp; Growth</b>	
<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Provide regular updates to members on regional economic performance, housing delivery, and investment trends.</li> <li>• Establish and maintain the refreshed regional transport evidence base.</li> <li>• Analyse and disseminate business case documentation and investment proposals relevant to the East Midlands.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Support coordinated representations to Ministers and senior officials on regional transport and growth priorities.</li> <li>• Produce targeted briefings for MPs, senior politicians, councils, and business leaders.</li> <li>• Submit representations and evidence to Great British Railways in support of regional priorities.</li> <li>• Align regional advocacy with Midlands Connect and England’s Economic Heartland STBs during the transition period.</li> <li>• Align the East Midlands effectively with the Government’s emerging Integrated National Transport Strategy and other emerging national frameworks.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• Use Transport for the East Midlands (TfEM) and its supporting officer groups as the primary vehicle for regional collaboration on transport priorities.</li> <li>• Work with EMCCA and GLCCA to align regional and local transport priorities</li> <li>• Manage the final phase of the TfEM–DfT Rail Collaboration Agreement and prepare for post-GBR arrangements.</li> <li>• Strengthen collaboration with the East Midlands Infrastructure Partnership, and with NESO through the RESP process.</li> </ul>
<b>Delivering</b>	<ul style="list-style-type: none"> <li>• Disseminate refreshed regional transport evidence base across member authorities and national and regional partners</li> <li>• Develop and publish refreshed regional transport and investment priorities to replace the TfEM/Midlands Connect Shared Vision.</li> <li>• Provide coordinated regional input into Great British Railways' transition and planning processes.</li> <li>• Support partners to use regional evidence and priorities to strengthen local funding bids and investment cases.</li> <li>• Co-ordinate high-quality meetings, workshops, and forums to agree priorities and share intelligence.</li> </ul>
<b>Strategic Leadership</b>	

<b>Evidencing</b>	<ul style="list-style-type: none"> <li>• Coordinate and submit regional responses to national consultations on behalf of member authorities.</li> <li>• Produce and share robust regional intelligence on economic, social, and public service pressures, including PESA and related data returns.</li> <li>• Analyse the local and regional impact of national policy and funding decisions.</li> <li>• Provide evidence-based insight to support local and regional decision-making.</li> <li>• Act as a collective evidence base for member authorities in discussions with the Government and partners.</li> </ul>
<b>Influencing</b>	<ul style="list-style-type: none"> <li>• Lead coordinated regional engagement and joint representations to the national Government and key agencies.</li> <li>• Provide the secretariat function for the East Midlands APPG to strengthen the region's parliamentary voice.</li> <li>• Represent the East Midlands at national and regional forums with consistent messaging and priorities</li> <li>• Build and maintain strategic relationships with Government departments, Combined Authorities, and national bodies.</li> <li>• Monitor, escalate, and highlight emerging political, financial, and policy risks affecting the East Midlands.</li> <li>• Advocate for fair funding, investment, and policy approaches that reflect regional need and capacity.</li> </ul>
<b>Collaborating</b>	<ul style="list-style-type: none"> <li>• Convene political and senior officer leaders through boards, general meetings, and themed networks.</li> <li>• Strengthen collaboration with regional MPs through the East Midlands APPG</li> <li>• Provide a structured interface between the national Government and local authorities to support programme delivery.</li> <li>• Work closely with EMCCA and GLCCA to align priorities, programmes, and responsibilities.</li> <li>• Provide a platform for collective consideration on the preparation and implementation of LGR.</li> <li>• Facilitate joint approaches to shared challenges, including LGR, public service reform, and financial sustainability.</li> </ul>
<b>Delivering</b>	<ul style="list-style-type: none"> <li>• Organise and deliver board meetings, leadership forums, and networking opportunities for senior leaders.</li> <li>• Support the agreement and implementation of regional priorities and action plans.</li> <li>• Provide practical support to local authorities navigating Local Government Reorganisation and structural change.</li> <li>• Signpost, connect, and share good practice, expertise, and learning across the region.</li> <li>• Facilitate joint programmes, shared resources, and collaborative approaches to deliver efficiencies and savings.</li> <li>• Add value to partner activity through coordination, brokerage, and collective leadership.</li> </ul>

## **Communicating Our Impact**

Effective communication plays an important role in supporting EMC's work with member councils, partners, and national stakeholders. Our communications activity helps ensure that councils are informed, engaged, and able to respond to emerging issues, while also demonstrating the impact of regional collaboration.

EMC will continue to provide clear, timely, and relevant communications to member councils, including briefings, newsletters, and targeted updates. These will support councils to stay informed of national policy developments, regional activity, and opportunities for engagement, helping them to make informed decisions and prepare for change.

Our communications will also support the delivery of EMC's key programmes and services. This includes promoting workforce and councillor development opportunities, supporting the implementation of asylum and refugee resettlement programmes, and communicating the region's agreed transport and investment priorities. Through this work, EMC will help ensure that member councils and partners are aware of available support, progress, and outcomes, and are able to benefit from shared learning, resources, and coordinated regional approaches.

EMC will work closely with member councils and partners to communicate the region's shared priorities and provide a clear and consistent regional voice. This includes supporting engagement with Government departments, MPs, and other stakeholders, helping to ensure that the perspectives and experiences of local government in the East Midlands are clearly understood and reflected in national and regional discussions.

Across all areas of activity, EMC's communications will support transparency, share learning and good practice, and demonstrate the benefits delivered through regional partnership working.

## **Measuring Our Impact**

This Business Plan sets out EMC's objectives and priorities for 2026/27. EMC has established governance arrangements to ensure that delivery is monitored and performance is reviewed regularly.

The Management Group has responsibility for overseeing performance and monitoring progress against agreed key performance indicators, reporting to the Executive Board as appropriate.

Each year, a set of key performance indicators is agreed to measure EMC's performance against its business plan. These indicators assess the impact of EMC's work across its core areas of Evidencing, Influencing, Collaborating, and Delivering. Progress will be reported quarterly, where applicable, with a full summary provided in the Annual Report presented to the Annual General Meeting.

Alongside this, EMC will seek to achieve the following key outcomes through its core subscription offer:

- 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 the government and other strategic partners.
- EMC activity has provided a responsive and effective channel for engagement with central government officials and other strategic partners.

**Annexe 1: Budget 2026/27**

PENDING FINAL APPROVAL BY EXECUTVE BOARD

ANNEX 1	ACTUAL	BUDGET	BUDGET
	2024/25	2025/26	2026-27
	£	£	£
<b>INCOME</b>			
<b>SUBSCRIPTIONS</b>	296,200	299,200	305,700
<b>GRANTS</b>	808,522	1,207,700	852,300
<b>CONTRACTS</b>	251,808	295,000	207,500
<b>EARNED INCOME</b>	286,472	301,800	321,200
<b>TOTAL</b>	<b>1,643,002</b>	<b>2,103,700</b>	<b>1,686,700</b>
<b>EXPENDITURE</b>			
<b>STAFFING</b>	1,098,735	1,447,500	1,370,500
<b>MEMBERS ALLOWANCES</b>	11,496	22,000	22,000
<b>PREMISES</b>	25,840	27,800	28,600
<b>SERVICE LEVEL AGREEMENTS</b>	16,700	18,500	18,500
<b>OTHER DIRECT COSTS</b>	492,070	582,100	246,800
<b>TOTAL</b>	<b>1,644,841</b>	<b>2,097,900</b>	<b>1,686,400</b>
<b>SURPLUS / (DEFICIT)</b>	<b>-1,839</b>	<b>5,800</b>	<b>300</b>

## Annexe 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 three 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



**Management Group**

**6<sup>th</sup> March 2026**

**Lead Member Report**

**Budget and Finance Control**

**Budget Monitoring Report Period - April 2025 to January 2026**

**Summary**

This report presents the accounts for the period April 2025 to January 2026.

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 January 2026 and the associated forecast outturn to 31<sup>st</sup> March 2026.

## **1. Key Points**

- 1.1 The budget surplus of £600 was set for 2025/26. Since then, Ashfield DC returned to EMC membership, and this has resulted in a further £5,200 in Membership Subscriptions. The forecast for March 2026 now shows a surplus of £5,800.
- 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). Both grants have both been approved by the sponsoring Government department and are now included in the budget figures. 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 and it appears unlikely that the Midlands Connect Grant will continue beyond March 2026. While there is on-going commitment to fund asylum and refugee resettlement, and longer term arrangements are being discussed, current Home Office grants are confirmed beyond March 2026, but MHCLG grants are only confirmed to March 2026. The Rail Collaboration Scheme funding ceases in this financial year, but any balance of unspent funding will take us through to the end of the 2026/27 financial year
- 1.4 This report, and appendices, highlights the current financial position at a summary level and for each of the cost centres, together with an end of year forecast. Actuals to the end of January include only 'banked' or 'committed' spending and/or additional income invoiced at this time, while Staff costs are up to, and include the January payroll figures.

## **2. Financial Report Period Ending January 2026**

- 2.1 The financial statements, attached as Item 6, appendix (a)–(f), detail the financial position for the period up to the end of January 2026. It also provides a forecast for the outturn as of 31<sup>st</sup> 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 now stands at £1,447,500 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 now includes Ashfield District Council, who renewed their membership in June and the part year subscription has been added to the 2025-26 budget.

### **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 (ESOL).
- 7.3 The current position for each of these is shown below:

<b>a) UASC Joint Programmes</b>	<b>£</b>
Balance b/fwd. from 2024/25	45,873
Income Received in 2025/26	<u>143,312</u>
	189,185
Payments made in 2025/26	<u>100,293</u>
Balance currently held	<u>88,892</u>
<b>b) ESOL (Previous Balances)</b>	<b>£</b>
Balance b/fwd. from 2024/25	32,358
Payments made in 2025/26	<u>0</u>
Balance currently held	<u>32,358</u>

<b>c) Immigration Legal Advice Project</b>	<b>£</b>
Balance b/fwd. from 2024/25	42,965
Income Rec'd in 2025/26	<u>133,830</u>
	176,795
Payments made in 2025/26	<u>86,806</u>
Balance currently held	<u>89,989</u>
<b>d) Rail Collaboration Programme</b>	<b>£</b>
Balance b/fwd. from 2024/25	154,588
Grant received in 2025/26	<u>202,472</u>
	357,060
Payments made in 2025/26	<u>118,778</u>
Balance currently held	<u>238,282</u>

7.4 The funding from these projects, currently £449,521, 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 2024/25 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 2026-27.

## 8. Reserves and Liabilities

8.1 At the beginning of the financial year 2025/26 the level of 'useable reserves' was £599,300, 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 (ICT and other Equipment).
- £33,000 to an earmarked reserve for the Local Government Re-Structuring implications.
- £137,300 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 3.75%) 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, but this year income has already exceeded the budget due to a higher demand for Consultancy services.
- b) Expenditure budgets (totalling £2,097,900) are monitored closely. Staffing costs (Budget £1,447,500), which account for just over 69% of the total expenditure, are set and manageable which just leaves £650,400 as Other Expenditure and though some of this is variable, variances are picked up quickly. Spending on Other Expenditure will exceed the budget, particularly as Consultancy costs have increased due to the increased demand.
- c) Grants and Contracts (Budget £1,502,700) are secure for the current year, and the Home Office grants are now secure for 2026-27.

9.2 Management Team are confident that this year's predicted financial outturn will be achieved or improved slightly.

## **10. Recommendation**

10.1 Members of the Management Group are invited to note the actual financial position for the period to January 2026 and the associated forecast outturn to 31<sup>st</sup> March 2026.

Cllr Elly Cutkelvin  
Vice Chair  
East Midlands Councils

<b>EMC</b>	<b>Approved Budget 2025/26</b>	<b>Profile to Forecast 2025/26</b>	<b>Actual to January 2026</b>	<b>Forecast to March 2026</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>					
Subscriptions	299,200	299,200	286,408	299,200	0
Grants – Home Office	588,000	495,000	364,750	588,000	0
Grants – MHCLG	619,700	560,500	560,500	619,700	0
Contracts – MC / DfT	295,000	256,754	256,754	295,000	0
Earned Income	301,800	223,088	241,804	301,800	0
<b>Total</b>	<b>2,103,700</b>	<b>1,834,542</b>	<b>1,710,216</b>	<b>2,103,700</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	1,447,500	1,206,250	1,139,366	1,447,500	0
Members Allowances	22,000	18,333	16,042	22,000	0
Premises	27,800	23,167	22,538	27,800	0
Service Level Agreement	18,500	0	0	18,500	0
Other Direct Costs	582,100	485,083	579,984	582,100	
Overhead Costs	82,300	68,583	68,583	82,300	0
Recharges	-82,300	-68,583	-68,583	-82,300	0
<b>Total</b>	<b>2,097,900</b>	<b>1,732,833</b>	<b>1,757,930</b>	<b>2,097,900</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>5,800</b>	<b>101,708</b>	<b>-47,714</b>	<b>5,800</b>	<b>0</b>

#### Summary Position to the end January 2026:

The financial position to the end of January shows a spend and income level which is likely to result in a surplus of £5,800 for the financial year.

The “Actual” column includes actual spend and income to the end of January 2026, including staffing costs. Staffing costs are currently underspending against budget. The Staffing costs position overall is that spend will be in line with budget before the end of the financial year.

The actual Direct costs spend is higher than budget profiles to the end of January which is due to early spending activity on the two new migration related grants. Earned Income is showing slightly more income than was expected and it is likely that the actual income will be above budget at the end of the year.

The Home Office grants are only partly paid and MHCLG Migration related grants are already paid except the final payment for the Hong Kong / Ukraine Grant.

<b>Corporate and Core Services</b>	<b>Approved Budget 2025/26</b>	<b>Profile to Forecast 2025/26</b>	<b>Actual to January 2026</b>		<b>Forecast to March 2026</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
<b>Income</b>						
Subscriptions	294,000	299,200	286,408		294,000	0
Interest	28,000	0	0		28,000	0
<b>Total</b>	<b>322,000</b>	<b>299,200</b>	<b>286,408</b>		<b>322,000</b>	<b>0</b>
<b>Expenditure</b>						
Staffing	219,500	182,917	176,703		219,500	0
Members Allowances	22,000	18,333	16,042		22,000	0
Premises	27,800	23,167	22,538		27,800	0
Service Level Agreements	18,500	0	0		18,500	0
Other Direct Costs	45,600	38,000	38,354		45,600	0
Overhead Costs	13,100	10,917	10,917		13,100	0
Recharged to Cost Centres	-82,300	-68,583	-68,583		-82,300	0
<b>Total</b>	<b>264,200</b>	<b>204,750</b>	<b>195,971</b>		<b>264,200</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>57,800</b>	<b>94,450</b>	<b>90,437</b>		<b>57,800</b>	<b>0</b>

Position to the end of January 2026:

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.

<b>Contracts &amp; Grants</b>	<b>Approved Budget 2025/26</b>	<b>Profile to Forecast 2025/26</b>	<b>Actual to January 2026</b>	<b>Forecast to March 2026</b>	<b>Variance</b>
	£	£	£	£	£
<b>Income</b>					
Grants – Home Office	588,000	495,000	364,750	588,000	0
Grants – MHCLG	619,700	560,500	560,500	619,700	0
Contracts – MC/DfT	295,000	256,754	256,754	295,000	0
<b>Total</b>	<b>1,502,700</b>	<b>1,312,254</b>	<b>1,182,004</b>	<b>1,502,700</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	1,057,600	881,333	837,968	1,057,600	0
Direct costs	447,400	372,833	447,079	447,400	0
Overhead costs	51,500	42,917	42,916	51,500	0
<b>Total</b>	<b>1,556,500</b>	<b>1,297,083</b>	<b>1,327,963</b>	<b>1,556,500</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>-53,800</b>	<b>15,171</b>	<b>-145,959</b>	<b>-53,800</b>	<b>0</b>

Position to January 2026:

### Migration Related Grants

Home Office grant has remained at £393,000 in the current year and the first two quarters of the grant have been paid, the remainder is due in two instalments prior to the end of the financial year and the new grant Mental Health of £108,500 is due to be paid imminently.

The MHCLG Hong Kong Grant and the Ukraine Grant has combined together with an Afghanistan Grant from 1<sup>st</sup> 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. All but a balance of 30% of the HK / Ukraine Grant has been paid.

### 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 £50,000 is funded by Midlands Connect directly.

Expenditure figures are above budget profiles mainly due to spending on the new grants have been made early.

<b>Member Development</b>	<b>Approved Budget 2025/26</b>	<b>Profiled Budget 2025/26</b>	<b>Actual to January 2026</b>		<b>Forecast to March 2026</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
<b>Income</b>						
Development	6,000	5,000	4,125		6,000	0
<b>Total</b>	<b>6,000</b>	<b>5,000</b>	<b>4,125</b>		<b>6,000</b>	<b>0</b>
<b>Expenditure</b>						
Staffing	18,600	15,500	15,087		18,600	0
Direct costs	2,800	2,333	2,566		2,800	0
Overhead costs	3,900	3,250	3,250		3,900	0
<b>Total</b>	<b>25,300</b>	<b>21,083</b>	<b>20,903</b>		<b>25,300</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>-19,300</b>	<b>-16,083</b>	<b>-16,778</b>		<b>-19,300</b>	<b>0</b>

Position to the end of January 2026

This cost centre has been particularly badly hit by the impacts of the pandemic with the nature of courses changing. Income is below the profiled sum 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.

<b>Consultancy</b>	<b>Approved Budget 2025/26</b>	<b>Profiled Budget 2025/26</b>	<b>Actual to January 2026</b>	<b>Forecast to March 2026</b>	<b>Variance</b>
	£	£	£	£	£
<b>Income</b>					
Earned Income	129,900	97,425	129,244	129,900	0
<b>Total</b>	<b>129,900</b>	<b>97,425</b>	<b>129,244</b>	<b>129,900</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	94,300	78,583	68,099	94,300	0
Direct costs	26,000	21,667	37,186	26,000	0
Overhead costs	6,300	5,250	5,250	6,300	0
<b>Total</b>	<b>126,600</b>	<b>105,500</b>	<b>110,535</b>	<b>126,600</b>	<b>0</b>
<b>Surplus/- Deficit</b>	<b>3,300</b>	<b>-8,075</b>	<b>18,709</b>	<b>3,300</b>	<b>0</b>

Position to the end of January 2026:

Consultancy income is higher than budget profile at present and is expected to be higher than the Budget by the end of the year.

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

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

<i>Fee Paying Events/Services</i>	<b>Approved Budget 2025/26</b>	<b>Forecast Profile 2025/26</b>	<b>Actual to January 2026</b>	<b>Forecast to March 2026</b>	<b>Variance</b>
	£	£	£	£	£
<b>Income</b>					
Earned Income	137,900	120,663	108,435	137,900	0
<b>Total</b>	<b>137,900</b>	<b>120,663</b>	<b>108,435</b>	<b>137,900</b>	<b>0</b>
<b>Expenditure</b>					
Staffing	57,500	47,917	41,509	57,500	0
Direct costs	60,300	50,250	54,799	60,300	0
Overhead costs	7,500	6,250	6,250	7,500	0
Total	<b>125,300</b>	<b>104,417</b>	<b>102,558</b>	<b>125,300</b>	<b>0</b>
<b>Surplus/-Deficit</b>	<b>12,600</b>	<b>16,246</b>	<b>5,877</b>	<b>12,600</b>	<b>0</b>

Position to January 2026:

This cost centre is split into two parts: Events and Services. Services, which include ENGWARP, Planning and Health CPD's and the Coaching Network, is holding up under the present restrictions, it is the Events' budget which has struggled in recent years, for obvious reasons.

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

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



**Management Group**

**6<sup>th</sup> March 2026**

**Draft Base Budget**

**2026-2027 to 2027-2028**

**Summary**

The purpose of this report is to provide Management Group with a summary of the proposed budget position for 2026/27 to 2027/28.

**Recommendation**

Members of the Management Group are invited:

To endorse the base budget for 2026/27 and 2027/28 (subject to any amendments) for consideration and approval at the Executive Board meeting on 27<sup>th</sup> March 2026, in particular:

1. Membership subscriptions proposed to increase by 3.8%.
2. Consultancy and Other Services income target to increase by 5%.
3. Staff pay award of 3% assumed for both years.
4. Carry forward any surplus Earned Income into 2026-27.

To endorse the transfer of £10,800 from General Reserves to the Staffing Liabilities Reserve in line with the estimate of the contingent liability as it is expected to stand at 31<sup>st</sup> March 2027.

To note the following impacts:

1. Midlands Connect secondment is anticipated to cease from April 2026.
2. Rail Collaboration Scheme scheduled to end by March 2027.

3. The loss of West Northamptonshire Council membership subscription from April 2026.

To also note the following uncertainties:

1. MHCLG have not yet confirmed the continuation of the Hong Kong / Ukraine Grant beyond 31<sup>st</sup> March 2026. The budget includes Grant of £372,250 (the same level as the current grant), together with expenditure of the same amount.
2. Discussions are taking place between EMC and the Greater Lincolnshire Authority for collaboration to prepare and deliver a Transport Strategy. At this stage, the extent, if any, to which EMC will be determined in due course and consequently there is no provision for any income from this collaboration in the 2026-27 budget figures.

## Overview 2026/27

### 1. Income

- 1.1 The surplus of £300 is estimated for 2026-27, and a budget deficit of £50,600 is estimated for 2027/28.
- 1.2 Grant income is principally received from the Department for Transport for the Rail Collaboration Grant; the Home Office and the Ministry for Housing, Communities and Local Government in relation to the rail collaboration agreement, asylum and refugee resettlement schemes, and the Homes for Ukraine Grant or the Hong Kong Nationals Grant respectively.
- 1.3 The Home Office Migration Grant of £393,000 is confirmed to continue for the next financial year. Since January's Management Group meeting, Home Office have also confirmed the extension of the Mental Health Grant totalling £108,500 for a further year and the Budget figures have been amended accordingly. Expenditure has been increased by the same amount and there is therefore no impact on the overall surplus.
- 1.4 MHCLG is yet to confirm whether the Hong Kong / Ukraine grant funding will continue beyond March 2026. There is currently £372,250 set in the budget figures both in terms of Income and expenditure and any change will have no impact on the overall surplus.
- 1.5 EMC has agreed with DfT that although the work programme relating to the rail collaboration agreement will continue until March 2027, no further funding will be provided by DfT, as grant funding already provided will enable all commitments to continue until March 2027.
- 1.6 The budget makes provision for the ending of funded strategic infrastructure activity due to the loss of Midlands Connect secondment income, currently at around £50,000 from April 2026.
- 1.7 For levels of Earned Income, adjustments have been made to the delivery of EMC's work programme, the budget for 2026/27 accommodates the impact of a mix of 'face to face' events and a greater use of technology and virtual platforms that reduces the income figure slightly from the level estimated for the current year. An inflationary increase of around 5% has been made for Consultancy, Events and Services for 2026-27.

1.8 The Membership Subscription budget assumes the exclusion of West Northants Council, who submitted notice to leave membership of EMC with effect from 31<sup>st</sup> March 2026. It is proposed that the membership subscription increases by 3.8% for 2026-27 (see paragraph 4.1).

1.8 Other assumptions have been made for the draft 2026/27 budget, and these are as follows:

## **2. Staffing Costs**

2.1 The proposed budget for 2026/27 assumes a total of 18.5 full-time equivalent employees; 20 members of staff; 3 of these are fixed term appointments linked to specific grant and programme funding.

2.2 It has been assumed that a pay award level of 3% will be awarded in 2026/27 and a 3% award will be made in 2027/28.

## **3. Other Expenditure**

3.1 Premises Rent is assumed to rise by 3%, taking the total rent payable to £27,800.

3.2 The Service Level Agreement for ICT and Financial Services remain at £18,500.

3.3 Reductions to Other Direct Costs have been made across each of the cost centres in the past few years and there is a standstill budget for 2026/27, i.e., no provision for inflation has been included.

## **4. Income**

4.1 Subscriptions - In early 2022, Management Group agreed that EMC membership subscriptions should increase at least with CPI at the mid-year point (September) each year. In September 2025, inflation stood at 3.8% in September 2025, and so EMC Management Team proposes an increase of 3.8% in membership subscriptions. This also links to assumed staffing increases (see para 4.2).

- 4.2 As most of EMC spend relates to Staffing costs, the proposal is for a 3% pay settlement for 2026/27 and a further 3% increase in 2027/28. This assumption seems reasonable given the current level, and the direction of inflation.
- 4.3 Grants / Contracts. There are 3 Government grants/contracts committed for 2026/27 totalling £1,168,300 that are currently agreed: The Home Office Migration Grant of £393,000 comprising Asylum and Resettlement. Other Migration related schemes funded from Local Authorities and other sources total £87,000, the Home Office Mental Health .
- 4.4 There is a combined grant currently paid for from the Ministry for Housing, Local Government and Communities which relates to the Hong Kong Nationals, Homes for Ukraine and Afghanistan Grant (£372,300), and these have not yet been confirmed to continue beyond March 2026. An announcement was expected prior to the Management Group's meeting in March but this hasn't been the case so far.
- 4.5 The Department for Transport has completed their grant support to EMC's rail collaboration agreement, but with sufficient grant funding and partner contributions already held at £207,500, the work programme will continue as anticipated until the end of 2026/7.
- 4.6 Contributions from Midlands Connect is likely to end at the end of March 2026 and therefore is not included in the budget figures for either financial year. This too will be confirmed before the Management Group's March meeting.
- 4.7 Earned Income. This includes income generated from consultancy, fee paying events and services and Member training courses. This budget for these elements is £296,200, which shows a slight increase in terms of activity, including an inflationary increase of around 5% across Consultancy, Events and Services. There is an additional £27,000 Earned Income from Bank Interest which brings the total Earned Income to £321,200.

## **5. Overview 2027/28**

- 5.1 Once again, a two-year budget has been produced in order that the Management Group have a more strategic, longer-term view of East Midlands Council's financial position.
- 5.2 The general assumptions outlined in the 2026/27 budget continue into 2027/28, but the draft budget figures for the second year always comes with a 'health warning' – the 2027/28 budget is more difficult to determine at this stage as all current grants and contracts are only in place prior to the end of March 2026 and other longer-term grants are difficult to confirm beyond that date.
- 5.3 For the purposes of the extended budget, it is assumed that current Government Grants and other contracts will continue into 2027/28.
- 5.4 Reductions in Income is offset to a certain extent with a reduction of expenditure where there is a relationship to areas where income will reduce.

## **6. Reserves and Liabilities**

- 6.1 The level of reserves at the beginning of the financial year 2025/2026 were £599,300. Assuming the 2025/26 projected surplus of £600 is achieved, the level of reserves at the start of 2026/27 will be £599,900, which are split as follows:
- £393,500 to an earmarked reserve for staffing liabilities (except pension liabilities).
  - £36,000 to an earmarked reserve for renewals.
  - £33,000 to an earmarked reserve for the Local Government Review.
  - £137,400 to an unallocated reserve to manage unforeseen financial events.
- 6.2 The estimate of Staffing Liability Reserve (to cover the costs of redundancies) was recently updated to reflect staff changes, employees' ages and length of service. Staffing liabilities are now estimated to be £410,100 based on all employment ending 31<sup>st</sup> March 2027, an increase of £10,800 (the result of this transfer is shown as a transfer from General Reserves in paragraph, 6.1, above).

## **7. Business Continuity**

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

## **8. Summary**

- 8.1 The budget proposals for 2026/27 and 2027/28 shows a small surplus of £300 for 2026-27 and a deficit of £50,600 in 2027-28.
- 8.2 External grants, contracts and earned income remains a vital part of the EMC financial strategy. The loss of any of these components would have a financial impact and would result in a reduction of staff, this may be mitigated to a certain extent as staff employed for specific project delivery are employed on fixed term contracts to minimise potential liabilities.

## **9. Recommendation**

- 9.1 Members of the Management Group are invited to endorse the budget position for 2026/27 and 2027/28 for approval at the Executive Board meeting on 27<sup>th</sup> March 2026.
- 9.2 Members of Management Group are invited to approve the transfer of £10,800 from General Reserves to the Staffing Liabilities Reserve to reflect the increase in the estimate of Staffing Liabilities valuation of £410,100 as at March 2027.

EMC Budget Summary (Subjective)  
2026-27 TO 2027-28

**EMC BASE BUDGET 2026/27 AND 2027/28**

	<b>Actual 2024/25</b>	<b>Summary Budget 2025/26</b>	<b>Budget 2026-27</b>	<b>Budget 2027-28</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
Subscriptions	296,200	299,200	305,700	314,800
Grants - MHCLG	370,899	619,700	372,300	372,300
Contracts - MC - DfT	251,808	295,000	207,500	0
Grants - Home Office	437,623	588,000	588,500	480,000
Earned Income	286,472	301,800	321,200	300,900
<b>Total</b>	<b>1,643,002</b>	<b>2,103,700</b>	<b>1,795,200</b>	<b>1,468,000</b>
<b>Expenditure</b>				
Staffing	1,098,735	1,447,500	1,370,500	1,288,300
Members Allowances	11,496	22,000	22,000	22,200
Premises	25,840	27,800	28,600	28,600
Service Level Agreements	16,700	18,500	18,500	18,500
Other Direct Costs	488,608	582,100	355,300	161,000
Overhead Costs	74,500	82,300	83,500	83,600
Recharges	-71,038	-82,300	-83,500	-83,600
<b>Total</b>	<b>1,644,842</b>	<b>2,097,900</b>	<b>1,794,900</b>	<b>1,518,600</b>
<b>Surplus / (Deficit)</b>	<b>-1,840</b>	<b>5,800</b>	<b>300</b>	<b>-50,600</b>



**Management Group**

**6<sup>th</sup> March 2026**

**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 year-end position against each of the KPIs as a measure of delivering 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.
- 1.3 The report summarises year-end position against each of the KPIs for 2025/26 as a measure of delivering the agreed business plan. The agreed KPIs reflect the agreed themes of EMC's business plan: **evidencing, influencing, collaborating and delivering.**

## 2. Summary of Performance against Business Plan

- 2.1 Performance is measured against these KPIs over an 11 month period, up to February 2026.
- 2.2 There has been strong performance against the range of priority activities identified in the agreed work programme, new programme funding has been secured, and existing grant commitments met. Risks do remain, however, and particular focus remains meeting the 'stretch targets' for participation in both officer and member development programmes, and that West Northamptonshire Council remains on notice to leave membership wef 31<sup>st</sup> March 2026.

### 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.  
✓ **Completed**
- b) To provide EMC Councillors and officers with a weekly policy brief and monitor feedback on a 3 month basis.  
✓ **Completed**

- 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.

✓ **Completed**

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

✓ **Completed**

**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.

✓ **Completed**

- 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.

✓ **Completed**

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

✓ **Completed**

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

✓ **Completed**

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

✓ **Completed**

**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 1<sup>st</sup> April 2025).

✓ **On Target**

- Ashfield District Council returned to membership, although West Northamptonshire Council are on-notice to leave membership of EMC wef 31<sup>st</sup> March 2026.

- 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’.

✓ **Completed**

- 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

✓ **Completed**

**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%].

(---) **Activity Subject to Review**

- 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 year-end position against each of the KPIs as a measure of delivering its agreed Business Plan 2025/26.

Cllr Gale Waller  
Lead Member  
Performance Management


**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 completed in October 2025, and key findings have informed the development of EMC’s draft 2026/27 business plan.	
b) To provide EMC Councillors and officers with a weekly policy brief, quarterly migration bulletin and monitor feedback on a 3 month basis.	Ongoing – and will be used as a basis for engagement with the new councillor cohort and provide councillors updates on policy changes and announcements.	
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.	<p>All 40 councils in membership have accessed/attended at least 1 EMC hosted network or policy briefing programme.</p> <ul style="list-style-type: none"> <li>▪ The Scrutiny network met in June, with attendance from 7 different authorities – 7 councillors and 7 officers participated. In September 15 officers and 6 councillors attended representing 16 different authorities.</li> <li>▪ The EMGWARP network met in June attended by 33 officers representing 22 different councils. It also met in September attended by 27 officers representing 22 different local authorities. At the meeting in January, 36 participants attended, representing 23 different councils.</li> <li>▪ There were 33 participants from 22 different councils at the meeting of the legal standards network in June.</li> </ul>	

Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	





**Progress Against Key Organisational Performance Indicators (2025/26)**

	<ul style="list-style-type: none"> <li>▪ 22 participants attended the performance network in June representing 16 different councils. 22 participants attended this network in September representing 19 different councils.</li> <li>▪ The knowledge briefing in June on Planning Reform and Devolution/LGR attracted 95 delegates (councillors and officers) from 27 different councils.</li> <li>▪ The Equality, Diversity &amp; Inclusion Network meeting was held on 9<sup>th</sup> September with 29 attendees from 20 different councils.</li> <li>▪ The Notts HR Managers met on 8<sup>th</sup> October with 7 authorities represented. Officers from all the councils attended the group’s meeting in December.</li> <li>▪ An initial meeting on Fair pay in Adult Care consultation meeting was held on 28<sup>th</sup> October and there were 22 participants from 11 authorities, with representation from all county/unitary authorities.</li> <li>▪ 29 participants from 20 different local authorities attended the National Recruitment Campaign update meeting on 29<sup>th</sup> October.</li> <li>▪ The Learning &amp; OD Network met on 6<sup>th</sup> November and there were 24 participants from 18 authorities.</li> <li>▪ The Equality, Diversity &amp; Inclusion Network meeting was held on 2<sup>nd</sup> December with 22 attendees from 18 different councils.</li> <li>▪ The Performance Management Network was held on 4<sup>th</sup> December with 29 attendees from 19 different councils.</li> </ul>	
<p>d) To provide benchmarking information and sharing of data and practice to inform decision-making and improvement</p>	<ul style="list-style-type: none"> <li>▪ Since April, EMC has conducted 10 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.</li> </ul>	

Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	



**Progress Against Key Organisational Performance Indicators (2025/26)**





	<ul style="list-style-type: none"> <li>▪ EMC is encouraging and supporting councils to use online sharing of key workforce and pay data within the region and nationally. This is a subscription-based service but will enable direct access to data and reports more efficiently. So far 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.</li> <li>▪ The annual regional sickness absence survey has been conducted and is being extended to gather further information.</li> </ul>	
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Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	

**Progress Against Key Organisational Performance Indicators (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"> <li>▪ Holding at least 3 joint events and/or summits.</li> <li>▪ The agreement of joint priorities as the basis for collective work</li> </ul>	<ul style="list-style-type: none"> <li>▪ The TfEM Board has continued to meet on a quarterly basis to discuss progress against the TfEM-Midlands Connect Shared Priorities, (<a href="http://emcouncils.gov.uk">Our Shared Vision for the East Midlands (emcouncils.gov.uk)</a>) and to receive presentations from Network Rail and East Midlands Railway.</li> <li>▪ EMC is engaging with Local Authorities to explore innovative solutions relating to Unaccompanied Asylum-Seeking Children (UASC) through the regional UASC programme which will assist with increasing foster placements and enhance expertise in determining age disputed cases.</li> <li>▪ EMC hosted a region-wide event on devolution, LGR and planning, on 5<sup>th</sup> June 2025 attended by 95 councillors and officers.</li> <li>▪ EMC is working with Midlands Net Zero Hub to hold a regional energy seminar on the 19<sup>th</sup> March 2026 for councillors and senior officers: <a href="#">Have we got the Energy? Understanding the decisions that will shape our energy future</a></li> <li>▪ EMC has provided a briefing to EM MPs on regional transport inequalities and the mismatch between growth and public investment in the East Midlands which informed a Commons debate led by Catherine Atkinson MP on Regional Transport Inequalities on the 11<sup>th</sup> September 2025.</li> </ul>	
<p>b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan including:</p>	<ul style="list-style-type: none"> <li>▪ Continue to lead regional input to the Home Office full dispersal model ensuring allocations for local authorities are regularly monitored and do not</li> </ul>	



Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	





**Progress Against Key Organisational Performance Indicators (2025/26)**

<ul style="list-style-type: none"> <li>▪ Review asylum contingency and dispersal arrangements.</li> <li>▪ Progress workforce priorities identified by Regional Employers &amp; Joint Council.</li> <li>▪ Lead member networks for children’s services to meet on a quarterly basis.</li> </ul>	<p>exceed agreed allocations and assisting local authorities with any issues or concerns relating to the procurement of asylum accommodation.</p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Use findings from the adult asylum mental health pilot to advocate for sustainable provision, highlight unmet need, and inform future Home Office planning.</li> <li>▪ 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 and provided an update event in November. The Regional Joint Council received a presentation on the campaign and new resources for a campaign for 2025-26 were launched to councils in November.</li> <li>▪ National pay agreements have now been reached for the main negotiating groups for 2025, with an agreement for Craftworkers outstanding. Claims for 2026 have been received from unions and staff representatives of the main negotiating groups. A regional pay briefing to enable councils to discuss the claim and inform national negotiations was hosted by EMC on 20<sup>th</sup> January 2026 attended by over 70 participants.</li> </ul>	
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Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	





**Progress Against Key Organisational Performance Indicators (2025/26)**

	<ul style="list-style-type: none"> <li>▪ EMC is supporting councils with workforce implications of LGR through attendance at and facilitation of county-based HR networks and learning and development programmes to support leadership in the context of change. EMC’s Director of HR &amp; Cllr Development is acting as the subject matter expert to advice the Lincolnshire LGR Chief Executives group.</li> <li>▪ Programme of meetings confirmed for Children’s Lead Members’. An initial induction meeting was held in June 2022, with the first formal meeting held on 10<sup>th</sup> October 2025, including election of chair/vice-chair and agreement of forward work programme. Progress continues to be made in delivering the work programme including the agreed RIIA plan.</li> </ul>	
<p>c) Secure Parliamentary debate on securing additional investment into the East Midlands.</p>	<ul style="list-style-type: none"> <li>▪ The East Midlands APPG held its 2024-5 AGM on 27<sup>th</sup> November 2024 with further meeting held 25<sup>th</sup> March 2025. The APPG published its final report (May 2025) to inform CSR 2015 (available at: <a href="#">APPG-Report-2025-FINAL-002.pdf</a>). A Backbench Business debate on regional transport inequality was held on 11<sup>th</sup> September 2025. The debate was secured and opened by Catherine Atkinson MP (Lab, Derby North), with advisory support provided by EMC.</li> <li>▪ The 2025-6 AGM will take place on 18<sup>th</sup> March 2026.</li> </ul>	
<p>d) Alignment and support to the work of Combined Authorities in the East Midlands.</p>	<ul style="list-style-type: none"> <li>▪ TfEM is working with Local Authorities, Combined Authorities and Midlands Connect to take forward regional rail priorities and transition arrangements for the Rail Collaboration Agreement.</li> <li>▪ EMC continues to liaise with EMCCA and GLCCA to support a productive partnership relationship.</li> </ul>	

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



**Progress Against Key Organisational Performance Indicators (2025/26)**

	<ul style="list-style-type: none"> <li>TfEM officers attended participated in a stakeholder workshop to inform EMCCA’s Local Transport Plan on the 22<sup>nd</sup> January 2026</li> <li>TfEM and GLCCA launched a TfEM prospectus on Lincoln Rail Connectivity in November 2025: <a href="#">Keeping Pace: Enhancing Lincoln City’s Rail Connectivity</a></li> </ul>	
<p>e) Responses to consultation on proposed changes to employment law and national pay negotiations.</p>	<ul style="list-style-type: none"> <li>EMC has updated councils on progress with national negotiations for 2025. EMC is supporting the pay negotiations for 2026 and hosted a regional pay briefing on 20<sup>th</sup> January 2026, enabling councils to meet with the national negotiators and feed back their views.</li> <li>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 held an employment law update on 5<sup>th</sup> November attended by 95 officers to ensure councils are fully up to date.</li> <li>Consultation on the establishment of a national negotiating group for the adult care sector has been launched, and EMC held an event for officers to meet with DHSC to help prepare responses to the consultation. The meeting was attended by all upper tier and unitary councils.</li> </ul>	





Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	

**Progress Against Key Organisational Performance Indicators (2025/26)**




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





Key Performance Indicators 2025/2026	Percentage Attendance								
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Progress
a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.	<b>East Midlands Councils</b>	60%	69%	57%	42%	41%	49%	59%	
	<b>EMC Boards</b>	69%	74%	74%	70%	75%	70%	67%	

This is broken down into the following Boards.	Percentage Attendance	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	<b>Executive Board</b>	74%	81%	70%	64%	67%	72%	69%
	<b>Management Group</b>	76%	89%	88%	71%	82%	87%	74%
	<b>Regional Employers' Board</b>	67%	66%	78%	60%	83%	71%	62%
	<b>Regional Migration Board</b>	71%	62%	71%	77%	80%	57%	56%
	<b>Transport for the East Midlands</b>	63%	75%	76%	76%	63%	66%	75%

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>b) To maintain levels of council membership of EMC (39 councils, as of 1<sup>st</sup> April 2024).</p>	<ul style="list-style-type: none"> <li>▪ West Northamptonshire Council submitted notice to leave wef 31<sup>st</sup> March 2026.</li> <li>▪ Ashfield District Council has returned to membership wef June 2025.</li> </ul>	
<p>c) Working with Midlands Connect, MCCAs and local councils to:</p> <ul style="list-style-type: none"> <li>▪ Progress the implementation of the 8 agreed infrastructure priorities.</li> <li>▪ Develop a shared long term approach through ‘Midlands Connect’.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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: <a href="#">build-to-grow-emip-report.pdf</a></li> <li>▪ EMC worked with Catherine Atkinson MP to host a Midland Main Line Electrification Roundtable for Parliamentarians and industry leaders at Westminster on 21<sup>st</sup> May 2025.</li> <li>▪ 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.</li> <li>▪ TfEM and GLCCA will launched a TfEM prospectus on Lincoln Rail Connectivity in November 2025: <a href="#">Keeping Pace: Enhancing Lincoln City’s Rail Connectivity</a></li> <li>▪ The TfEM Board has met on a quarterly basis progress against the TfEM-Midlands Connect Shared Priorities, (<a href="#">Our Shared Vision for the East Midlands (emcouncils.gov.uk)</a>) and to receive presentations from Network Rail and East Midlands Railway.</li> <li>▪ EMC continues to support the work of Midlands Connect through seconding Director of Policy &amp; Infrastructure to MC on 2 days per week basis (until March 2026)</li> </ul>	
<p>d) Provide strategic political leadership for the implementation of the</p>	<ul style="list-style-type: none"> <li>▪ EMC continues to support the Eastern Network Partnership to promote improved rail connectivity from the Midlands to the Yorkshire and the North East in the absence of HS2.</li> </ul>	

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



**Progress Against Key Organisational Performance Indicators (2025/26)**





<p>Government investment proposals through support for:</p> <ul style="list-style-type: none"> <li>▪ The EM Stations Growth Board and associated groups</li> <li>▪ Engagement with Midlands Connect.</li> <li>▪ The Eastern Network Partnership</li> <li>▪ Transport for the East Midlands</li> </ul>	<ul style="list-style-type: none"> <li>▪ TfEM is undertaking further analysis on improving rail connectivity from the Midland to Yorkshire and the North East as part of wider suite of work commissioned from Systra.</li> <li>▪ The TfEM Board has continued to meet on a quarterly basis supported by a Transport Officer Group and a Rail Collaboration Steering Group.</li> <li>▪ EMC continues to support the work of Midlands Connect through seconding Director of Policy &amp; Infrastructure to MC on 2 days per week basis (until March 2026).</li> </ul>	
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Progress in Achieving Objective	
<i>Activity successfully completed</i>	
<i>Activity on target for completion</i>	
<i>Activity not on target for completion</i>	
<i>Activity subject to review</i>	



**Progress Against Key Organisational Performance Indicators (2025/26)**





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

	Baseline 2021/25	Quarter 1	Quarter 2 (cumulative)	Quarter 3 (cumulative)	Quarter 4 (Up until 20.2.26)	
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.	173	74	118	135	135	
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	Nil responses	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 (cumulative)	Quarter 3 (cumulative)	Quarter 4 (Up until 20.2.26)	
c) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development.	2,289	396	886	1605	1891	
d) To make demonstrable progress in delivering on core EMC policy priority areas: <ul style="list-style-type: none"> <li>Migration</li> <li>Housing and Planning</li> <li>Workforce – supporting councils to progress with workforce priorities</li> </ul>	<p><b>Migration</b></p> <ul style="list-style-type: none"> <li>EMC continue to shape national and regional policy by delivering evaluations and assessments presenting a combined East Midlands assessment of regional UASC projects including demand, service pressures on placements, social care capacity, and long-term outcomes, influencing future allocations, policy design and funding requirements.</li> <li>EMC continues to respond to on-going asylum dispersal pressures, support the delivery of the asylum full dispersal model and exit strategy from contingency accommodation.</li> <li>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.</li> <li>Inform future allocations across UKRS, ARP, UASC, and asylum dispersal to ensure fairness, sustainability, and alignment with local capacity.</li> </ul>					


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





**Progress Against Key Organisational Performance Indicators (2025/26)**

	<ul style="list-style-type: none"> <li>Through securing additional MHCLG programme funding, EMC is evaluating effectiveness and supporting the roll-out of ESOL provision in the region. This work will complete by end-March 2026.</li> </ul> <p><b>Workforce</b></p> <ul style="list-style-type: none"> <li>Support is focused on key priorities of recruitment and retention, absence management and employee wellbeing, workforce implications of LGR and workforce data.</li> <li>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.</li> <li>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.</li> <li>EMC is working jointly with the LGA to support the roll-out of an updated national recruitment campaign, following the success of last year’s campaign. EMC hosted two events to enable councils to input to the development of campaign and resources, and is promoting the resources to ensure councils can maximise their use to support their own recruitment priorities.</li> <li>Continued delivery of CPD programmes and a regional coaching pool to provide cost-effective development opportunities for the workforce within the region.</li> <li>To date, 39 separate assignments have been completed to provide direct support on workforce related issues to local authorities. 23 further assignments are in the process of being delivered.</li> </ul>	
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Progress in Achieving Objective	
Activity successfully completed	
Activity on target for completion	
Activity not on target for completion	
Activity subject to review	





**Progress Against Key Organisational Performance Indicators (2025/26)**

	<ul style="list-style-type: none"> <li>EMC is leading the delivery of the Association of Democratic Services Officers’ national development programme.</li> </ul> <p><b>General</b></p> <ul style="list-style-type: none"> <li>Co-ordinate monthly meetings of Chief Executives across the region to support engagement and delivery of policy and programmes.</li> </ul> <p><b>Housing and Planning</b></p> <ul style="list-style-type: none"> <li>Planning CPD programme continuing mainly as on-line webinars with one in-person event annually per programme. The sessions remain well attended and feedback positive.</li> <li>Planning Reform and devolution event was held on 5<sup>th</sup> June 2025.</li> </ul>	
<p>e) Facilitating networking and joint working on workforce priorities.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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 meeting was also held in late October, with new resources as part of the campaign released to Councils on 6<sup>th</sup> November. EMC has been promoting the new resources to councils and encouraging participation in the evaluation of the campaign.</li> </ul>	

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



**Progress Against Key Organisational Performance Indicators (2025/26)**





	<ul style="list-style-type: none"> <li>▪ EMC has worked jointly with other regional employers and the LGA to deliver the local government apprentice of the year event in May 2025.</li> <li>▪ 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 employees as provided within the Equality (Race and Disability) Bill, and the implications for councils of the recent Supreme Court ruling on gender definitions 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.</li> <li>▪ The EMGWARP cyber security network is active, with high attendance levels and two councils have joined the network during this year.</li> <li>▪ 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 and a fire &amp; rescue service have requested joining the network which will take effect from April 2026.</li> </ul>	
<p>f) To respond and fully answer 95% of advice requests from member councils within 2 working days.</p>	<p>45 requests received 3 not answered within 2 days – 93%</p>	

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

**Progress Against Key Organisational Performance Indicators (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).	<table border="1" data-bbox="817 475 1841 746"> <thead> <tr> <th></th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4 <small>(up until 20.2.26)</small></th> </tr> </thead> <tbody> <tr> <td>With L/T* Sick</td> <td>0.06</td> <td>0.71</td> <td>2.55</td> <td>2.71</td> </tr> <tr> <td>Without L/T* Sick</td> <td>0.06</td> <td>0.71</td> <td>2.55</td> <td>2.71</td> </tr> </tbody> </table> <p data-bbox="817 751 1048 783">* L/T = long term.</p>						Q1	Q2	Q3	Q4 <small>(up until 20.2.26)</small>	With L/T* Sick	0.06	0.71	2.55	2.71	Without L/T* Sick	0.06	0.71	2.55	2.71	
	Q1	Q2	Q3	Q4 <small>(up until 20.2.26)</small>																	
With L/T* Sick	0.06	0.71	2.55	2.71																	
Without L/T* Sick	0.06	0.71	2.55	2.71																	
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****6<sup>th</sup> March 2026****Lead Member Report****Cllr Tricia Gilby****Corporate Governance****Summary**

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

- Management of organisational risk with specific consideration of the potential impact upon EMC of proposals for devolution and local government reorganisation.
- Note the exemption to EMC tender process, as detailed in Section 3 of this report.
- Note the Audit reports for EMC Statements of Account April 2024 - March 2025 and for the Hong Kong Nationals Grant and the Ukraine Grant for the period ending 31<sup>st</sup> July 2025.

**Recommendation**

Members of the Management Group are invited to:

- Consider and endorse the Annual Risk Statement and Risk Register, including those risks posed by devolution and LGR proposals, the key controls in place and any proposed action to be taken.
- Note the exemption to EMC tender process, as detailed in Section 3 of this report.
- Note the Audit reports for EMC Statements of Account April 2024- March 2025 and for the Hong Kong Nationals Grant and the Ukraine Grant for the period ending 31<sup>st</sup> July 2025.

## **1. Risk Management**

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

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

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

- 1.3 The annual risk assurance statement reviews the operation and effectiveness of EMC's framework for identifying and managing risks and demonstrating clear accountability. The annual risk assurance statement for 2025/26 is attached as Appendix 8(b).
- 1.4 Members will be aware of the significance to EMC of proposals for devolution and LGR. A summary of future risk is included within Section 4 of Appendix 8(c) for Member consideration. These risks require careful management and be regularly reported to Members

### **c) Risk Register**

- 1.5 EMC's risk register is a central register of the key risks identified by EMC and, for each risk, includes information such as potential impact, key controls and suggested response to mitigate each risk.
- 1.6 Included as part of the risk register is the 'owner' of each risk identifying responsibility for actions relating to that risk.
- 1.7 Against each risk identified, specific and detailed action plans may be developed, as appropriate, to inform further work.
- 1.8 An updated risk register, reviewed by officers, is attached as Appendix 8(c) to this report. It includes consideration of the English Devolution and Community Empowerment Bill and the impact of LGR proposals.

- 1.9 All risks identified are significant and require an organisational response. The risks identified within the red section of the 'risk grid' are those identified as being critical to the organisation.
- 1.10 By identifying the likelihood of those risks occurring, it does not mean that the risk will necessarily occur, rather that the risk requires specific focus and action to mitigate against its occurrence, and without this action, then likely, it will occur, and this will be of significant impact to EMC.
- 1.11 Since risk management was last considered by Management Group in November 2024, in addition to the potential risks previously highlighted, particular reference is made to the proposals for devolution, the establishment of strategic authorities and local government reorganisation.

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

- 2.1 In line with TfEM's work programme, EMC has appointed a specialist consultancy to work with EMC and LTA officers to provide analysis on rail freight, city connectivity and to inform the transition to regional rail operations and management in late 2026.
- 2.2 EMC through an open and competitive tendering process appointed Systra with an initial award approved in March 2025 of just under £90,000.
- 2.3 It was proposed to award additional work to the incumbent consultant to add value to the original awarded workplan on Transport and the Economy in the East Midlands.
- 2.4 The value of the additional work is up to £34,000. It is in line with the agreed tendered rates; each activity has a distinct price breakdown and £34,000 is the cumulative amount.
- 2.5 The work is funded by the TfEM-DfT Rail Collaboration Agreement, where the current budget is available and in surplus to beyond this value. This work is consistent with the planned spend in the annual plan.
- 2.6 The Executive Director, on review of proposals, agreed with the proposed exemption to tender on the following basis:
- a) That only one contractor is able to carry out the work or service or to supply the goods for technical reasons, and that alternative suppliers would offer poor value and not enable EMC to achieve the output refinement we seek.

- b) There are pressures to complete this expansion of work to a time that supports the best use of the outputs that feed into DfT's business planning process.
- c) This will support TfEM and LTA partners timely promotion of rail in 2026 in response to Government policy publications in the same year.

2.7 Further information is included in Appendix 8(d). The work is operationally supported by a senior officer steering group, with Member oversight provided by the TfEM Board.

### **3. Audit Reports**

3.1 At the last Management Group meeting in November, the EMC Statements of Accounts for 2024-25 together with the AR27 form required by the Certification Office were approved. At the time we were able to include the Audit report as this could only be issued once the financial representative from Nottingham City Council had signed off the statement. For the purposes of completeness and transparency, the report is attached to this report as Appendix 8(e).

3.2 The grant years for the two MHCLG Grants (Hong Kong Nationals, and Ukraine) ended at the end of July 2025 and both grants require audit inspection. These were concluded in January 2026 and the two audit reports have also been attached to these papers, in Appendices 8(f) and (g) respectively.

### **4. Recommendations**

Members of Management Group are invited to:

- 4.1 Consider and endorse the Annual Risk Statement and Risk Register, including those posed by devolution and LGR proposals, the key controls in place and any proposed action to be taken.
- 4.2 Note the exemption to EMC tender process, as detailed in Section 2 of this report.
- 4.3 Note the Audit reports for EMC Statements of Account April 2024- March 2025 and for the Hong Kong Nationals Grant and the Ukraine Grant for the period ending 31<sup>st</sup> July 2025.

Cllr Tricia Gilby  
District Vice-Chair  
East Midlands Councils



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

### **1. Introduction**

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

### **2. Objectives**

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

### 3. Roles and Responsibilities

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

a) Management Group

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

b) Executive Director

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

c) EMC Management Team

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

d) Internal Audit (Accountable Body role)

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

e) External Audit (Accountable Body role)

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

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

- 4.1 All risks identified are significant and require an organisational response. The risks identified within the red grid section of EMC's risk register identifies those risks considered as critical to the organisation.
- 4.2 By identifying the likelihood of those risks occurring, it does not mean that the risk will *necessarily* occur, rather that the risk requires specific focus and action to mitigate against its occurrence, and without this action, then in all likelihood, it will occur, and this will be of significant impact to EMC.
- 4.3 In terms of severity; members are referred to 5 principal risks to EMC:
- a) Loss of councils in membership.
  - b) Insufficient capacity.
  - c) Failure to secure sufficient consultancy income.
  - d) Failure to secure sufficient external grant income.
  - e) Institutional change leading to fewer EMC roles and responsibilities.

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

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

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

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

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

## **Risk Management – Annual Risk Assurance Statement 2025/26**

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

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

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

- 2.1 To mitigate against these risks occurring, the following processes have been implemented by EMC during 2025/26:
  - a) Internal audit – to provide independent assurance that EMC’s risk management, governance and internal control processes are operating effectively. These should be undertaken annually, with the most recent audit focusing on the efficacy of financial processes and asset management.
  - b) External Audit – An independent examination of EMC’s financial statements to confirm whether they are presented fairly in accordance with accepted standards. They assert whether EMC’s financial statements are free of material misstatement, whether due to error or fraud and are a legal requirement given EMC’s role as a Regional Employers’ Body. This is

competed annually and was most recently reported to Management Group in November 2025.

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

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

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

- a) Risk is reported to Members in a regular and transparent manner.
- b) The approach to risk management has supported oversight and management of risk.
- c) It provides regular challenge to officers to consider the various types of risk (as identified in the register) and to respond accordingly.
- d) The risks identified during 2025/26 have been mitigated against, e.g., grants secured, effective management of reserves, pensions and wider liabilities.
- e) Awareness of wider organisational risk, e.g., disaster recovery. Key organisational material is held electronically and in hard copy, and all IT systems (files and emails) are cloud-based with appropriate back-up security and support in place (off-site).

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

4.1 The implications of LGR proposals and the establishment of Strategic Authorities are far reaching for EMC, in terms of the work we do, our partnership and resource base. These issues will need to be regularly considered by Management Group over the course of 2026/27.

4.2 A number of institutional changes have already occurred. The East Midlands Mayoral County Combined Authority was established in 2024, and the Greater Lincolnshire County Combined Authority established in 2025. The Midlands Engine was wound up in March 2025, and Government has confirmed its intention to cease funding Midlands Connect from April 2027, with only transitional funding provided for 2026/27.

- 4.5 The Government is likely to make its final decisions on LGR by the summer 2026 parliamentary recess. This would allow for elections to shadow councils in May 2027, with a 12 month transitional period before vesting day for the new councils on 1<sup>st</sup> April 2028.
- 1.5 The timings for the implementation of LGR by April 2027 align with EMC’s existing grant arrangements with the Home Office and DfT. Assuming current funding commitments continue to be met, and membership and subscription income is largely maintained, it is reasonable to suggest that EMC is likely to continue in its current, or similar form, until end 2026-27.
- 4.6 EMC’s business plan will be refreshed but will also reflect current programme commitments that remain, i.e. SMP and Home Office grant, East Midlands rail collaboration agreement with DfT and Midlands Connect MoU.
- 4.7 A balanced budget is proposed for 2026/27, although this has been a more challenging process than previous years, largely due to uncertainty of Government grants. At this stage, it is difficult to set any realistic budget for 2027/28, and while the 2 year budget projections have previously been subject to ‘health warnings’, this is especially true given the likely changes to governance arising from devolution and LGR, and elections to shadow councils scheduled for April 2027.
- 4.8 EMC’s subscription base will need to fundamentally change. With the possible creation of c10-12 unitary councils in the region, instead of the current 39 councils (10 upper-tier and 29 districts), subscription income would fall from £294,000 (2025/26) to approx. £120,000 (at estimated 2026/27 rates).
- 4.9 Without changes, EMC would cease to be viable. Therefore, the development of revised governance and offer would require an entirely new subscription and wider funding model to be put in place.
- 4.10 While the implementation of LGR may be 1-2 years away, there is an immediate risk of drift, and alongside on-going local government budget challenges, does place further pressure on EMC membership base and engagement.
- 4.11 There is 1 council on notice to leave EMC membership - West Northamptonshire Council submitted notice to take effect from 31<sup>st</sup> March 2026.

- 4.12 A number of Strategic Authority and Local Authority roles and responsibilities need clarification. This does impact upon the sector led partnership and improvement work of EMC. This includes the future shape of national asylum and refugee resettlement policy and programmes (and funding).
- 4.13 However, in all likelihood, the impact and occurrence of the identified risk may change over 2026/27 and this will be identified, evaluated and reported to Management Group on a quarterly basis.

<b>Risk Register</b>	
<b>East Midlands Councils</b>	
<b>Date Prepared:</b>	<b>March 2026</b>
<b>Prepared by:</b>	<b>EMC Management Team</b>

<b>Risk</b>	<b>Impact</b>	<b>likelihood</b>	<b>Key Controls in Place</b>	<b>Further Action to Be Taken</b>	<b>Risk Owner</b>
<b>1. Loss of Authorities in Membership</b> West Northants Councils submitted notice to leave membership wef 31 <sup>st</sup> March 2026.	<b>A</b>	<b>1</b>	<ul style="list-style-type: none"> <li>▪ Communicating the benefits of EMC membership.</li> <li>▪ Understanding local pressures; both service delivery and financial.</li> <li>▪ The requirement for 12 months’ notice from Member authorities provides for time to try and resolve issues and any member concerns.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chief Executive discussion held in February 2026. Political level discussion now required.</li> <li>▪ Provision of services and wider benefits EMC has provided to each member council, building on regular senior officer discussions.</li> <li>▪ Clarity on the cessation of EMC services and support upon leaving membership.</li> <li>▪ Agreement of transition plan to successor governance arrangements.</li> </ul>	<b>Management Group Management Team</b>

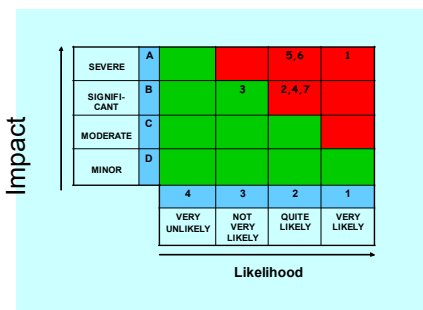
<b>2. Loss of Member experience and/or lack of engagement from Members</b>	<b>B</b>	<b>2</b>	<ul style="list-style-type: none"> <li>▪ Induction of new Members in leadership positions is provided.</li> <li>▪ Member engagement is part of the KPIs reported on a quarterly basis to Management Group.</li> <li>▪ Group Leaders are informed of non-attendance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Briefing notes on board roles and objectives to be provided for each board.</li> <li>▪ Advisory support provided to new leaders, including in person meetings.</li> <li>▪ Group Leaders' review Group nominations to Boards.</li> <li>▪ EMC secretariat reminds Members of meetings and reports attendance to Group Leaders (both pre and post-meeting).</li> <li>▪ Introductory meetings to be held with new council leaders.</li> </ul>	<b>Group Leaders Management Group Management Team</b>
<b>3. Lack of engagement from Staff</b>	<b>B</b>	<b>3</b>	Regular team meeting and 1 to 1s; staff appraisals.	Full consideration and discussion of income and expenditure profiles; and their engagement in developing and rolling out the agreed work programme.	<b>Management Team</b>
<b>4. Insufficient capacity and resilience (including staff and financial) to deliver work programme.</b>	<b>B</b>	<b>2</b>	<ul style="list-style-type: none"> <li>▪ Management of the work programme to reflect programme delivery, policy development and sector support responsibilities.</li> <li>▪ Annual KPIs to monitor progress in the delivery of the business plan.</li> <li>▪ Annual staff appraisals and regular business plan planning meetings.</li> <li>▪ Revised approach to delivery of work programme.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3 month review against business plan and budget.</li> <li>▪ 6 month full-review of income and expenditure against profile, targets and forecasting against pipeline projects and delivery.</li> <li>▪ Progress is regularly reviewed by Management Team.</li> </ul>	<b>Management Group Management Team</b>

<p><b>5. Inability to secure consultancy and other earned income to balance budget</b></p>	<p><b>A</b></p>	<p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ Agreed rates and charges schedule in place for 2025/26.</li> <li>▪ Monthly financial reporting and oversight.</li> <li>▪ The increased use of virtual networks and events may impact upon profiled income – EMC to focus activity on gaps or added value of regional level support is needed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All opportunities will continue to be explored including ‘Non-local government’ markets and new income streams/services.</li> <li>▪ Targeted promotion of EMC service offer.</li> <li>▪ Adaptation of service offer and learning through further use of virtual networks and platforms.</li> <li>▪ Rates and charges reviewed as part of 2025/26 budget setting process.</li> </ul>	<p><b>Management Team</b></p>
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<p><b>6. Inability to secure and maintain grant funding:</b></p> <ul style="list-style-type: none"> <li>▪ <b>SMP Home Office and MHCLG grant.</b></li> <li>▪ <b>Midlands Connect</b></li> <li>▪ <b>DfT Rail Collaboration Agreement</b></li> </ul>	<p><b>A</b></p>	<p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ External grant now represents approx. 50% of EMC’s total income, thereby balancing EMC sources of income although exposing organisation to vulnerability if grant reduced (potentially for reasons outside of EMC’s control).</li> <li>▪ Home Office confirmed 2025/26 grant for asylum and refugee resettlement.</li> <li>▪ HK(BNO) and Ukraine grant agreement in place until March 2026.</li> <li>▪ Regular meetings with Home Office, at both Ministerial and senior officer level.</li> <li>▪ Delivery of programme milestones and wider commitments, as per Grant Agreement.</li> <li>▪ RCA programme board provides oversight by DfT an LTA partners of project delivery and spend.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All opportunities will continue to be explored, including with Midlands Connect and DfT.</li> <li>▪ Regular programme management and oversight to meet requirements and demonstrate value-added.</li> <li>▪ Alignment of EMC/TfEM transport and growth responsibilities to be agreed with EMCCA and GLCCA.</li> <li>▪ Transition arrangements for DfT Rail Collaboration Agreement confirmed with LTAs and DfT.</li> <li>▪ Ongoing dialogue with Home Office and MHCLG to confirm grant agreements for asylum, resettlement and HK (BNO) programmes for 2026/27 onwards.</li> <li>▪ Consideration of options and managerial response should there be a significant reduction in grant income.</li> <li>▪ Demonstrate value-added of partnership, including performance management of programme delivery.</li> <li>▪ Review of programmes to ensure only grant funded activity is undertaken.</li> </ul>	<p><b>Management Team</b></p>
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<p><b>7. Emerging Partnerships and local government reorganisation</b></p>	<p><b>B</b></p>	<p><b>2</b></p>	<ul style="list-style-type: none"> <li>▪ Implications of English Devolution and Community Empowerment Bill, including the establishment of Strategic Authorities, e.g. EMCCA, GLCCA, and proposals for LGR.</li> <li>▪ Working with councils in the development of proposals for revised governance arrangements post 2027.</li> <li>▪ To maintain neutral position in relation to any local government restructuring proposals.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular consideration by EMC Management Group and Executive Board for political guidance.</li> <li>▪ Engagement with leaders and chief officers across the region, and Mayors.</li> <li>▪ Agreement of complementarity of EMC/TfEM responsibilities with that of EMCCA, GLCCA (and other combined authorities, when established).</li> <li>▪ On-going work with Government to confirm the new model for sub-national asylum and resettlement delivery arrangements post-2027.</li> </ul>	<p><b>Management Group Management Team</b></p>
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**KEY**



**Some Extra Risk Management Action**



**No Extra Risk Management Action**

## Request For Exemption From Financial Regulations In Respect Of Contracts

Commencement Date	24 <sup>th</sup> February 2026 (Date of request for approval)
Contract and Description:	<p>EMC Transport &amp; Infrastructure work under the DfT-TfEM Collaboration Agreement:</p> <p>Original contract with Systra was the product of an open competitive tender with an initial award approved in March 2025 of just under £90k.</p> <p>This exemption document is now submitted as part of a new request to award additional work to the incumbent consultant to add value to the original awarded workplan on Transport and the Economy in the East Midlands.</p>
Amount:	<p>£34,000 additional work value</p> <p>This is in line with the agreed tendered rates and CVs. Each activity has a distinct price breakdown and £34k is the cumulative</p> <p>The TfEM-DfT Rail Collaboration Agreement Budget is available and in surplus to beyond this value.</p> <p>This is in line with previously ringfenced available budgets. This is consistent with the planned spend in the annual plan.</p>
Contractor/Supplier:	Systra ( <a href="https://www.systra.com/en/">https://www.systra.com/en/</a> )
Basis for Exemption:	<p><i>"That only one contractor is able to carry out the work or service or to supply the goods for technical ....reasons".</i></p> <p>Alternative suppliers would be very poor value for this and would not enable EMC to achieve the output refinement we seek.</p> <p>There are pressures to complete this expansion of work to a time that supports the best use of the outputs, which is primarily to feed into the ABP process with the principal client funding party (DfT) which could not be achieved through other means.</p> <p>This will support TfEM and LTA partners timely promotion of rail in 2026 in response to Government policy publications in the same year.</p> <p>This is the execution of a long-planned variation to refine the scope of the competitively awarded work with the incumbent consultant. This new work directly affects their</p>

	current outputs, and they have designed the specifications for these analyses, and these cannot be efficiently adopted by any other supplier. Internal production is impossible due to specialist knowledge and resource requirements.
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**Justification:**  
 EMC/TfEM Officers engaged Systra at the start of 2025 through a competitive process to support with transport and economy evidence products. This additional work is consistent with the original plan to work with the successful consultant to refine and expand the scope of product 5 in particular of that originally contracted scope (rail priorities). This award will now secure additional evidence analyses packages to TfEM across:

- Station growth
- Performance targets
- Fleet succession plan options
- TfEM Shared Vision Benefits analyses

This additional award is the only change envisaged for this commission.

**Completed forms should be sent to the Executive Director**

I agree to the exemption from Financial Regulations in respect of Contracts as detailed above.	
<b>SIGNED:</b>  <i>Stuart Young, Executive Director</i>	<b>DATE:</b> <u>26 Feb 2026</u>
<i>Once approved pass to Lisa Bushell/Lisa Hopkins</i>	
<b>Reported to Management Group</b>	<b>DATE</b>

*Note: additional information provided on email & held in records dated 25 Feb.* 

**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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXECUTIVE BOARD OF EAST MIDLANDS COUNCILS

## Report on the financial statements

### Opinion

We have audited the non-statutory financial statements (the "financial statements") of East Midlands Councils for the year ended 31 March 2025, which comprise the following:

- the Statement of Financial Position as at 31 March 2025;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include the accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

In applying the financial reporting framework, the Executive Director of East Midlands Councils and The Strategic Director of Nottingham City Council have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2025 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

This opinion is to be read in the context of what we say in the remainder of this report.

### Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the cash and cash equivalents figure which is not held separately by EMC as their cash balances are held within the local authorities' bank account. Due to this the cash and cash equivalents figure is formulated using the cash flow statement. In view of the significance of this we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organisation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Executive Summary, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of directors

As explained more fully in the Statement of Responsibilities for the Statement of Financial Statements set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **The extent to which the audit was considered capable of detecting irregularities including fraud.**

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the local government sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the council, including taxation legislation and data protection, anti-bribery and employment legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the council's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- Understanding the design of the council's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in notes 1 & 4 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.
- Reviewing correspondence with the Home Office, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

### **Use of our report**

This report is made solely to the organisation's directors, the Executive Director of East Midlands Councils and The Strategic Director of Nottingham City Council, as a body, for Requirements under the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the organisation's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the organisation and the organisation's directors as a body, for our audit work, for this report, or for the opinions we have formed.



**Melvin Bailey FCCA DChA (Senior Statutory Auditor)**

**For and on behalf of Rogers Spencer  
Statutory Auditor  
Chartered Accountants  
Newstead House  
Pelham Road  
Nottingham  
NG5 1AP**

Date: 18/11/25

**Accounting Officer for the Ministry of Housing, Communities and Local Government**

**PROJECT NAME: PROVISION OF THE HONG KONG BRITISH NATIONALS (OVERSEAS) [BN(O)] WELCOME PROGRAMME – WELCOME HUB IN THE EAST MIDLANDS**

We have read the funding agreement between East Midlands Council and the Secretary of State dated 28 August 2024.

In accordance with our engagement letter dated 28 November 2025 ('the engagement letter'), a copy of which is attached, we have examined the attached Statement of Grant Usage, each page of which we have initialled for identification purposes only, in relation to the grant, for the period from 28 July 2024 to 27 July 2025.

The Statement of Grant Usage has been prepared by, and is the sole responsibility of, the management of East Midlands Council. Our responsibility, under the terms of our engagement letter is to form an opinion on the basis of the work performed, and report our opinion to the Board of East Midlands Council and the Ministry of Housing, Communities and Local Government.

Our work was directed to those matters which in our view materially affect the Statement of Grant Usage and was not directed to the discovery of errors or misstatements that we consider to be immaterial. Whilst we perform our work with reasonable skill and care, it should not be relied upon to disclose all misstatements, fraud or errors that might exist.

We have also examined the records of East Midlands Council, carried out such tests as we consider necessary and received such explanations from the management of East Midlands Council as we consider necessary to enable us to form our opinion.

**Opinions:**

(1) On the basis of the work performed, in our opinion we have obtained sufficient and appropriate evidence that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in accordance with the definition of eligible expenditure set out in the funding agreement between East Midlands Council and the Secretary of State, during the period 28 July 2024 to 27 July 2025.

(2) In the course of our work nothing came to our attention that is inconsistent with the statements made in the certificate signed on behalf of East Midlands Council, which forms part of the Statement of Grant Usage.

This report is provided for the purpose of allowing East Midlands Council to meet its reporting obligations in respect of grants receivable from the Ministry of Housing, Communities and Local Government and on the basis that it is for use by East Midlands Council and the Ministry of Housing, Communities and Local Government only.



Melvin Bailey FCCA DChA  
Director  
Rogers Spencer  
Newstead House, Pelham Road, Nottingham NG5 1AP

melvin@rogers-spencer.co.uk

Tel: 07973 227020

Dated: 30 January 2026

**To: Accounting Officer for the Ministry of Housing, Communities and Local Government**

**PROJECT NAME: PROVISION OF SUPPORT FOR THE HOMES FOR UKRAINE PROGRAMME FOR 2024/25  
(INCLUDING EXTENSION PERIOD TO 27/07/2025) IN THE EAST MIDLANDS**

We have read the funding agreement between East Midlands Council and the Secretary of State dated 27 March 2025.

In accordance with our engagement letter dated 19 January 2026 ('the engagement letter'), a copy of which is attached, we have examined the attached Statement of Grant Usage, each page of which we have initialled for identification purposes only, in relation to the grant, for the period to 1 April 2024 to 27 July 2025.

The Statement of Grant Usage has been prepared by, and is the sole responsibility of, the management of East Midlands Council. Our responsibility, under the terms of our engagement letter is to form an opinion on the basis of the work performed, and report our opinion to the Board of East Midlands Council and the Ministry of Housing, Communities and Local Government.

Our work was directed to those matters which in our view materially affect the Statement of Grant Usage and was not directed to the discovery of errors or misstatements that we consider to be immaterial. Whilst we perform our work with reasonable skill and care, it should not be relied upon to disclose all misstatements, fraud or errors that might exist.

We have also examined the records of East Midlands Council, carried out such tests as we consider necessary and received such explanations from the management of East Midlands Council as we consider necessary to enable us to form our opinion.

**Opinions:**

(1) On the basis of the work performed, in our opinion we have obtained sufficient and appropriate evidence that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in accordance with the definition of eligible expenditure set out in the funding agreement between East Midlands Council and the Secretary of State, during the period 1 April 2024 to 27 July 2025.

(2) In the course of our work nothing came to our attention that is inconsistent with the statements made in the certificate signed on behalf of East Midlands Council, which forms part of the Statement of Grant Usage.

This report is provided for the purpose of allowing East Midlands Council to meet its reporting obligations in respect of grants receivable from the Ministry of Housing, Communities and Local Government and on the basis that it is for use by East Midlands Council and the Ministry of Housing, Communities and Local Government only.



Melvin Bailey FCCA DChA  
Director  
Rogers Spencer  
Newstead House, Pelham Road, Nottingham NG5 1AP

melvin@rogers-spencer.co.uk

Tel: 07973 227020

Dated: 30 January 2026



**Management Group**

**6<sup>th</sup> March 2026**

**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 11<sup>th</sup> July 2025, all declaration of interest forms have been returned and signed off by the Executive Director.
- 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