Management Group Meeting

11.00am, Friday 4th September 2026

MS Teams/Hybrid

AGENDA

1. Welcome and Apologies

2. Declarations of Interest

3. Minutes of meeting held on 15th May 2026*

4. Matters Arising

5. EMC Chair's Report * (Cllr Sean Matthews)

6. Budgets and Financial Control * (Cllr Elly Cutkelvin)

7. Performance Management * (Cllr Gale Waller)

8. Corporate Governance * (Cllr Tricia Gilby)

9. Conduct and Standards * (Cllr Jewel Miah)

10. Executive Board (2nd October 2026)

11. Any Other Business

* Papers attached

East Midlands Councils – Management Group Meeting
Minutes of the Meeting held on 15th May 2026 (Hybrid)

Attendees
Cllr Elly Cutkelvin (Chair) – Leicester City Council
Cllr Sean Matthews (Vice-Chair) – Lincolnshire County Council
Cllr Jane Yates – Bolsover District Council
Cllr Phillip King – Harborough District Council
Cllr Martin Griffiths – North Northamptonshire Council
Cllr Gale Waller – Rutland County Council
Cllr Ashley Baxter – South Kesteven District Council

Stuart Young (Executive Director) – East Midlands Councils
Steve Charlesworth – East Midlands Councils

Apologies
Cllr Jewel Miah – Charnwood Borough Council
Cllr Tricia Gilby – Chesterfield Borough Council
Cllr John Doddy – Nottinghamshire County Council

1. Welcome and Apologies

1.1 The Chair welcomed all attendees to the meeting. The meeting was noted as shorter than usual, with a focused agenda.

1.2 Apologies were recorded as above.

2. Declarations of Interest

2.1 No declarations of interest were made.

3. Minutes of the Meeting Held on 6 March 2026

3.1 The minutes of the previous meeting were confirmed as a true and accurate record.

4. Matters Arising

Chief Executives Steering Group

4.1 Stuart Young confirmed that discussions had taken place with Chief Executives regarding the formation of a steering group. However, the group has not yet been formally established.

4.2 It was agreed that timings should align with Government announcements on LGR to ensure clarity of direction before convening.

Midlands Connect Secondment

4.3 It was clarified that the secondment has not fully ceased but continues at a reduced level. A limited level of strategic support (approximately two days per month) is being provided. This provides both continued engagement and some retained income, which is positive.

Training Information in Policy Brief

4.4 It was confirmed that training opportunities are now being included within EMC policy brief communications as previously requested.

Discussion

4.5 Members discussed the importance of maintaining engagement and advised of associated challenges despite uncertainty in the sector.

4.6 It was noted that certainty of the LGR proposition is required in advance of meeting with the chief executive working group.

4.7 **Actions**

- Stuart Young to progress formation of the Chief Executives steering group when appropriate.
- Officers to continue inclusion of training information in policy briefings.

5. Election Results, Local Government Reorganisation (LGR) and EMC Governance

Election Results

5.1 Members noted the summary of national and regional election results. In the East Midlands, Lincoln City was the only council area to hold elections, and so little material impact on the region's political balance figures.

5.2 The most notable change was the withdrawal of West Northamptonshire Council from EMC membership, slightly altering political balance.

Devolution and LGR

5.3 The English Devolution and Community Empowerment Act has received Royal Assent, now forming the legislative basis for strategic authorities and LGR.

5.4 Government decisions on LGR are expected before the summer recess (17th July).

Discussion

5.5 Members expressed concern about national political uncertainty and its potential impact on LGR timelines. Also highlighted was the lack of clarity regarding future structures and governance.

5.6 It was noted that Strategic Authorities cannot be imposed without consent, but lack of participation may limit access to funding and powers. LGR is expected to continue regardless of political leadership changes.

5.7 Significant discussion took place regarding:

a) West Northamptonshire's withdrawal from EMC

- Attempts to retain membership were unsuccessful
- Limited engagement and lack of clear reasoning made lessons difficult to identify

b) Regional identity challenges

- Southern authorities often align economically outside the East Midlands
- Perception that regional priorities do not always reflect these areas

5.8 It was suggested that EMC communications could better reflect the full regional context and also Officers and Members should continue to articulate local priorities.

Recommendations

5.9 Members of the Management Group:

- Considered and advised on implications of the recent local authority elections and other developments highlighted in the report.

5.10 **Actions**

- Officers to track and report on LGR developments.
- Officers to review communications, ensuring better contextual framing of regional priorities.

6. Performance Management

Overview

6.1 Cllr Gale Waller introduced this report noting this is an early stage update (start of Q1 2026/27). All KPIs are currently reported as on target.

6.2 **Key Points Raised**

a) Need to update KPI baseline to reflect revised membership numbers
b) Importance of ensuring strong engagement across all councils with continued focus on:
   - Councillor development
   - Officer participation
   - Policy and advisory support

Planning Reform Briefing

6.3 This is a full-day briefing event and is planned for July 2026 (provisional date 16th July, Leicester). The event will focus on planning reform, national planning policy, LGR and devolution implications.

6.4 Members agreed importance of ensuring wide attendance across councils.

6.5 **Recommendations**

- Members of the Management Group considered and endorsed the proposed KPIs for 2026/27 and initial progress made in the delivery of the agreed business plan.

6.6 **Actions**

Officers to:

- Update KPI membership figures
- Promote the July briefing event widely
- Monitor engagement levels across programmes

7. Corporate Governance

Internal Audit

7.1 The audit expected to commence June 2026. The scope is being finalised but is agreed to focus on risk management.

External Audit and Accounts

7.2 The Draft Statement of Accounts was presented for the endorsement of Members. The final accounts will be the subject of external audit.

7.3 Members were reassured regarding financial stability and also strong reserves position.

Risk Management

7.4 There are no significant changes to risk profile.

7.5 The key ongoing risks are around:

- Membership retention
- LGR and devolution uncertainty
- External funding dependency

Executive Director Appraisal

7.6 Members discussed the proposed revised appraisal panel structure to ensure Political balance and inclusivity of all recognised groups.

7.7 Members supported the revised approach with a target timeframe of July 2026.

7.8 **Recommendations**

Members of the Management Group:

- Noted the summary position on organisational risk management
- Noted developments in relation to the internal audit review
- Considered and noted the EMC's External Financial Audit – Statement of Accounts 2025-26
- Considered and agreed a process for the appraisal of the EMC Executive Director

7.9 **Actions**

- Lisa Hopkins to coordinate appraisal process and scheduling.
- Officers to update governance documents relating to the process for the Executive Director's appraisal process (including membership correction).

8. Conduct and Standards

8.1 All Member and Officer declarations of interest completed and signed off. There are no standards complaints, whistleblowing concerns or governance issues to report.

8.2 **Recommendations**

Members of the Management Group noted the contents of the report.

9. Executive Board (11 June 2026)

9.1 Members held a discussion around the agenda. A draft agenda to be circulated in advance.

Items to include:

- LGR updates and support activity
- Workforce and national pay negotiations
- Transport and growth developments
- Asylum and resettlement programmes
- Chair's report to capture wider national context

9.2 **Actions**

- Stuart Young to circulate draft Executive Board agenda

10. Any Other Business

10.1 No additional items were raised.

Management Group

4th September 2026

EMC Chair's Report
Cllr Sean Matthews

Summary

This report provides details on the Government's recent decision of LGR structures, devolution and the implications for the region and EMC.

Recommendations

Members of the Management Group are invited to:

- Note the current position regarding local government reorganisation in the East Midlands.
- Endorse continued engagement with regional and local authority partners.
- Inform the further development of 'issues and options paper' and consideration of wider organisational risk and scenario planning.

1. Update on Local Government Reorganisation in the East Midlands

1.1 The Government's programme of local government reorganisation (LGR) fundamentally reshapes local government structures across England, alongside its wider devolution agenda.

Government's decisions by East Midlands area

1.2 On 16th July 2026, the Government announced to Parliament its decisions on the structures of new unitary authorities in 14 areas including that of Derbyshire, Leicestershire, Lincolnshire, and Nottinghamshire.

1.3 The following geographies were confirmed by the Government:

Derby and Derbyshire
2 new unitary councils:
- Derbyshire North Council
  Bolsover District Council, Chesterfield Borough Council, Derbyshire Dales District Council, High Peak Borough Council and North-East Derbyshire District Council plus 21 parishes from Amber Valley Borough Council.
- Derbyshire South Council
  Derby City Council, Erewash Borough Council and South Derbyshire District Council plus 14 parishes from Amber Valley Borough Council.

Nottingham and Nottinghamshire
2 new unitary councils:
- Greater Nottingham Council
  Nottingham, plus 15 wards from Broxtowe, 15 wards from Gedling and 17 wards from Rushcliffe.
- Nottinghamshire Council
  Covering the current local government areas of Ashfield, Bassetlaw, Mansfield, Newark and Sherwood plus 5 wards from Broxtowe, 4 wards from Gedling and 7 wards from Rushcliffe.

Leicester, Leicestershire, and Rutland
2 new unitary councils:
- Leicester Council
  A unitary council covering Leicester City Council, Oadby and Wigston Borough Council, plus 16 parishes from Blaby District Council, 11 parishes from Charnwood Borough Council and 7 parishes from Harborough District Council.

- Leicestershire and Rutland Council
  Blaby District Council less 16 parishes, Charnwood Borough Council less 11 parishes, Harborough District Council less seven parishes, Hinckley and Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council and Rutland County Council.

Lincolnshire

2 new unitary councils:

- Lincoln Council
  Covering City of Lincoln Council, plus 12 wards from North Kesteven District Council and seven wards from West Lindsey District Council.
- Lincolnshire Council
  Boston Borough Council, East Lindsey District Council, South Kesteven District Council, South Holland District Council, North Kesteven District Council less 12 wards and West Lindsey District Council less seven wards.
- North East and North Lincolnshire Councils to remain unchanged.

1.4 Further information on the process and recommended structure of the new unitary councils is available here:
Local government reorganisation: implementation letter to Derbyshire and Derby chief executives
Local government reorganisation: implementation letter to Leicestershire, Leicester and Rutland chief executives
Local government reorganisation - implementation letter to Lincolnshire, North Lincolnshire and North East Lincolnshire chief executives
Local government reorganisation: implementation letter to Nottinghamshire and Nottingham chief executives

1.5 The new LGR Geography is summarised below:

Name	Population	Councillors
Derbyshire North Council	545,201	83
Derbyshire South Council	551,325	79
Leicester Council	613,090	91
Leicestershire & Rutland Council	562,274	94
Lincoln Council	208,249	65
Lincolnshire Council	581,253	100
Greater Nottingham Council	618,503	99
Nottinghamshire Council	569,587	99
North Northamptonshire Council*	373,871	68
West Northamptonshire Council*	439,811	76
East Midlands Total	**5,068,164**	**854**

*No change

1.6 The following link is to interactive maps of the proposed boundaries broken down by county. Clicking on the buttons in the top right show existing district boundaries or constituency boundaries. Clicking or hovering on the new boundaries highlights population and geographical area data.

Overview of the Structural Changes Order

1.7 The sector is now entering the implementation phase, during which the Government will prepare the required Structural Changes Order.

1.8 The Order will establish the new unitary councils and provide for the abolition of the existing councils. Current councils will continue to deliver services until their formal dissolution on 1st April 2028 and will be required to work collaboratively with one another and with the new councils throughout the transition period.

1.9 A key element of the Order will be the transitional arrangements, including elections to 'shadow' councils in May 2027. These shadow councils will be given preparatory responsibilities to support a smooth transition, such as developing budgets, strategies and operational plans ahead of assuming full local government powers and functions on 1st April 2028. The Order will also require the adoption of a Leader and Cabinet governance model, the appointment of statutory officers, and the implementation of codes of conduct and members' allowances.

1.10 In addition, the Order will address matters on which Ministers have reached decisions following consideration of the proposals submitted and any subsequent representations received in response to the Ministerial letter dated 19th May 2026.

1.11 While decisions have been made to enable progress towards implementation, Ministers have indicated a willingness to consider further unanimous representations submitted by all affected councils within a proposed unitary area by 17th August 2026. The final content of the legislation will ultimately be determined by the Secretary of State to ensure that the new councils are well positioned to operate effectively from their commencement date.

Financial Implications

1.12 The Government expects reorganisation to deliver long-term efficiencies and improved financial resilience. However, transition costs are likely to be significant in the short term and may include:

- Programme management costs.
- Workforce restructuring.
- ICT integration.
- Estates rationalisation.
- Service transformation activity.

1.13 While there remains uncertainty regarding the package of Government support available to manage transitional costs, £63m capacity funding has been announced with £900,000 transition support per new authority, and extra grants for children's services, adult social care and public health leadership.

1.14 The timescales are well-understood; elections for the new shadow councils are scheduled for May 2027, with the new single-tier authorities formally taking over all local services on 1st April 2028. Existing local council services continue unchanged in the short term while structural preparations and legislation move forward.

2. Devolution

2.1 The English Devolution and Community Empowerment Act received Royal Assent on 29th April 2026, completing its passage through Parliament and becoming law.

2.2 The Act formally establishes Strategic Authorities and creates a framework for the transfer of powers from central government to local areas. Under the new Prime Minister, the Government has signalled its intention to accelerate devolution, enabling Strategic Authorities with elected Mayors to take on greater powers and responsibilities. These are expected to include transport, skills, planning, housing and economic regeneration, as well as potential new fiscal powers.

2.3 As part of these reforms, Mayoral Combined Authorities are expected to retain a share of business rates income from April 2027 and receive a proportion of income tax revenues from April 2028. They are also expected to gain further responsibilities for adult skills, housing, and oversight of police and fire services following the Government's decision to abolish Police and Crime Commissioners.

2.4 Within the East Midlands, the East Midlands Combined County Authority (EMCCA) and the Greater Lincolnshire Combined County Authority (GLCCA) are expected to benefit from these new devolved powers and funding arrangements from next year. However, Strategic Authority coverage across the region remains incomplete. While EMCCA covers Derbyshire and Nottinghamshire and GLCCA covers Lincolnshire, together representing just over 60% of the region's population, significant devolution gaps remain. In particular, there are currently no formal proposals for Strategic Authorities covering Leicester, Leicestershire and Rutland, or North and West Northamptonshire.

2.5 To fully benefit from the opportunities presented by devolution and the new fiscal arrangements, these areas will need to establish their own Strategic Authorities. This would not only unlock access to additional powers and funding but also provide a stronger framework for councils to work together on issues that operate across local boundaries, particularly transport and economic growth. However, establishing new authorities is likely to take time and, as a result, differing levels of devolved powers and responsibilities across the East Midlands are expected to remain in place for the foreseeable future.

3. Implications for East Midlands Councils

3.1 The implications of LGR are far reaching and will have a significant impact on the East Midlands. It has previously been highlighted to Members that LGR will also impact upon EMC as an organisation, in terms of the work we do, our partnership and resource base. While the final proposals will take time to be fully implemented, EMC is now taking steps to prepare for changes in governance, wider partnership arrangements and service delivery models.

3.2 It has also been emphasised that once the new local government and devolution arrangements are in place, if councils have the view that future unitary arrangements would benefit from a partnership structure to support collective work separate from the strategic authority construct, then this is a matter for local authorities to consider and agree, including on its form, its function and associated timings.

3.3 The shadow unitary council arrangements will need to consider these arrangements in advance of vesting day. This suggests that the future governance proposition that relate to EMC will need to be in place by end-March 2027.

3.4 Members have previously considered these matters with a commitment to explore proposals with member councils once the LGR proposition becomes clearer. However, conscious of timescales, Executive Board has also considered an initial 'issues paper' that summarised the timings, resources, scope and implications of LGR, devolution, and other related issues for any future regional partnership. An updated paper is attached as Appendix 5(a).

3.5 To move these discussions on, a number of chief executives have agreed to be part of a working group, alongside senior EMC officers, to oversee the development and agreement of preferred options for any new regional body, with an advisory but preferred 'direction of travel' then set by EMC's existing political leadership. The decision of course, rests with the new shadow councils as part of their responsibility for establishing the new structure of local government in the region. The following Chief Executives have agreed to be part of the working group:

- Christine Durrant, Chesterfield Borough Council
- Bill Cullen, Hinckley & Bosworth Borough Council
- Andrew Crookham, Lincolnshire County Council
- Alison Greenhill, Leicester City Council
- Adele Wylie, North Northamptonshire Council
- John Robinson, Newark & Sherwood District Council
- Sajeeda Rose, Nottingham City Council

3.6 It is envisaged that a draft report will be considered by EMC Executive Board at its meeting in December 2026, and the wider EMC membership at its meeting in February 2027, to support a final proposition to be agreed by the Executive Board in March 2027.

4. Recommendations

Members of the Management Group are invited to:

4.1 Note the current position regarding local government reorganisation in the East Midlands.

4.2 Endorse continued engagement with regional and local authority partners.

4.3 Inform the further development of 'issues and options paper' and consideration of wider organisational risk and scenario planning.

Management Group

4th September 2026
Lead Member Report

Budget and Finance Control

Budget Monitoring Report Period - April 2026 to July 2026

Summary

This report presents the accounts for the period April 2026 to July 2026.

This is the first set of management accounts presented to Management Group for the financial year 2026/27 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 July 2026 and the associated forecast outturn to 31st March 2027.

1. Key Points

1.1 The budget surplus of £300 was set for 2026/27 and the forecast for March 2027 remains the same at this stage.

1.2 Since the budget was set in March 2026 the Home Office (HO) agreed an increase to the grant relating to mental health service provision from last year's £108,500 to £141,000. 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 has decreased from £50,000 to £6,000, which is reflected in the budget. 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 up to at least March 2027, but MHCLG grants are only confirmed to March 2027. The Rail Collaboration Scheme funding ceased last financial year, but the balance of unspent funding will take us through to at least the end of this 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 July include only 'banked' or 'committed' spending and/or additional income invoiced at this time, while Staff costs are up to, and include the July payroll figures.

2. Financial Report Period Ending July 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 July 2026. It also provides a forecast for the outturn as of 31st March 2027.

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 £1,311,400 which includes any associated incremental payments and an estimated annual pay award which will be effective from April 2026.

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 excludes West Northants Council, who ceased their membership from April 2026 and their decision was known at the time the 2026-27 budget was formulated.

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 £83,500 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:

a) UASC Joint Programmes	**£**
Balance b/fwd. from 2025/26	65,694
Income Received in 2026/27	28,350
	94,044
Payments made in 2026/27	33,673
Balance currently held	60.371

b) ESOL (Previous Balances)	**£**
Balance b/fwd. from 2025/26	32,358
Payments made in 2026/27	0
Balance currently held	32,358

	£
c) **Immigration Legal Advice Project**	
Balance b/fwd. from 2025/26	56,518
Income Rec'd in 2026/27	0
	56,518
Payments made in 2026/27	51,456
Balance currently held	5,062

	£
d) **Rail Collaboration Programme**	
Balance b/fwd. from 2025/26	277,040
Grant received in 2026/27	2,824
	279,864
Payments made in 2026/27	81,564
Balance currently held	198,300

7.4 The funding from these projects, currently £296,091, 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 2025/26 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 2027-28.

8. Reserves and Liabilities

8.1 At the beginning of the financial year 2026/27 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 (£321,200) 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 and other services.

b) Expenditure budgets (totalling £1,675,500) are monitored closely. Staffing costs (Budget £1,311,400), which account for just over 78% of the total expenditure, are set and manageable which just leaves £364,100 as Other Expenditure and though some of this is variable, variances are picked up quickly.

c) Grants and Contracts (Budget £1,048,900) are secure for the current year, and the Home Office grants are now potentially secure for 2027-28.

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 July 2026 and the associated forecast outturn to 31st March 2027.

Cllr Elly Cutkelvin
Vice Chair
East Midlands Councils

EMC	Approved Budget 2026/27	Profile to Forecast 2026/27	Actual to July 2027		Forecast to March 2027	Variance
	£	£	£		£	£
Income						
Subscriptions	305,700	152,850	190,320		305,700	0
Grants – Home Office	534,000	133,500	133,500		534,000	0
Grants – MHCLG	220,200	152,125	152,125		220,200	0
Contracts – MC / DfT	201,000	67,000	67,000		201,000	0
Contracts – LAs / RIIA	93,700	65,693	65,693		93,700	
Earned Income	321,200	137,175	177,270		321,200	0
Total	**1,675,800**	**708,343**	**785,908**		**1,675,800**	**0**
Expenditure						
Staffing	1,311,400	437,133	419,457		1,311,400	0
Members Allowances	22,000	7,333	6,480		22,000	0
Premises	28,600	9,534	2,771		28,600	0
Service Level Agreement	18,500	0	0		18,500	0
Other Direct Costs	295,000	228,250	234,826		295,000	
Overhead Costs	83,500	27,833	27,833		83,500	0
Recharges	-83,500	-27,833	-27,833		-83,500	0
Total	**1,675,500**	**682,250**	**663,534**		**1,675,500**	**0**
Surplus/-Deficit	**300**	**26,093**	**122,374**		**300**	**0**

Summary Position to the end July 2026:

The financial position to the end of July shows a spend and income level which is likely to result in a surplus of £300 for the financial year. The "Actual" column includes actual spend and income to the end of July 2026.

The staffing costs position overall is that spend is less than budget profile due to one vacancy, and this may continue to the end of the financial year.

The actual Direct costs spend is higher than budget profiles to the end of July which is due to early spending activity on the Mental Health Grant.

Earned Income is showing slightly more income than was expected and this is likely to continue through the Autumn months. Funding for the Rail Collaboration Scheme has now been paid to the end of the scheme. The Home Office have paid the first quarter for the Migration Grant and the MHCLC have paid 70% of the Hong Kong / Ukraine Grant.

Corporate and Core Services	Approved Budget 2025/26	Profile to Forecast 2025/26	Actual to July 2026		Forecast to March 2027	Variance
	£	£	£		£	£
Income						
Subscriptions	305,700	152,850	190,320		305,700	0
Interest	27,000	0	0		27,000	0
Total	**332,700**	**152,850**	**190,320**		**332,700**	**0**
Expenditure						
Staffing	235,000	78,333	69,769		235,000	0
Members Allowances	22,000	7,333	6,480		22,000	0
Premises	28,600	9,533	2,771		28,600	0
Service Level Agreements	18,500	0	0		18,500	0
Other Direct Costs	43,700	14,567	16,769		43,700	0
Overhead Costs	13,100	4,367	4,367		13,100	0
Recharged to Cost Centres	-83,500	-27,833	-27,833		-83,500	0
Total	**277,400**	**86,300**	**72,323**		**277,400**	**0**
Surplus/-Deficit	**55,300**	**66,550**	**117,997**		**55,300**	**0**

Position to the end of July 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.

Contracts & Grants	**Approved Budget 2025/26**	**Profile to Forecast 2025/26**	**Actual to July 2026**		**Forecast to March 2027**	**Variance**
	£	**£**	**£**		**£**	**£**
Income						
Grants – Home Office	534,000	133,500	133,500		534,000	0
Grants – MHCLG	220,200	152,125	152,125		220,200	0
Contracts – DfT	201,000	67,000	67,000		201,000	0
Contracts – LA / RIIA	93,700	65,693	65,693		93,700	
Total	**1,048,900**	**418,318**	**418,318**		**1,048,900**	**0**
Expenditure						
Staffing	889,500	296,500	279,690		889,500	0
Direct costs	182,100	157,250	157,250		182,100	0
Overhead costs	52,700	17,567	17,567		52,700	0
Total	**1,124,300**	**471,317**	**454,507**		**1,124,300**	**0**
Surplus/-Deficit	**-75,400**	**-52,999**	**-36,189**		**-75,400**	**0**

Position to July 2026:

Migration Related Grants

Home Office grant has remained at £393,000 in the current year and the first quarter 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 £141,000 is also paid for the first quarter.

The MHCLG Hong Kong/Ukraine/Afghan Grant has been 70% paid. The balance is paid towards the end of the financial year.

Transport Contracts

An residue funding of the Rail Franchise Project of £201,000 will be spent over the course of the financial year.

Other transport related work totals £93,700 is funded by Local Authorities and RIIA directly.

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

Member Development	**Approved Budget 2025/26**	**Profiled Budget 2025/26**	**Actual to July 2026**		**Forecast to March 2027**	**Variance**
	£	**£**	**£**		**£**	**£**
Income						
Development	6,000	2,000	11,305		6,000	0
Total	**6,000**	**2,000**	**11,305**		**6,000**	**0**
Expenditure						
Staffing	19,900	6,634	10,911		19,900	0
Direct costs	2,800	933	4,836		2,800	0
Overhead costs	3,900	1,300	1,300		3,900	0
Total	**26,600**	**8,867**	**17,047**		**26,600**	**0**
Surplus/-Deficit	**-20,600**	**-6,867**	**-5,742**		**-20,600**	**0**

Position to the end of July 2026

This year has seen a resurgence in Member training with income already exceeding the budget in the first few months of the financial year.

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

The additional training requires additional costs and therefore expenditure exceeds the budget based on previous service levels.

Consultancy	Approved Budget 2025/26	Profiled Budget 2025/26	Actual to July 2026		Forecast to March 2027	Variance
	£	£	£		£	£
Income						
Earned Income	136,700	34,175	46,845		136,700	0
Total	**136,700**	**34,175**	**46,845**		**136,700**	**0**
Expenditure						
Staffing	104,500	34,833	46,657		104,500	0
Direct costs	26,000	20,500	20,239		26,000	0
Overhead costs	6,300	2,100	2,100		6,300	0
Total	**136,800**	**57,433**	**68,996**		**136,800**	**0**
Surplus/-Deficit	**-100**	**-23,258**	**-22,151**		**-100**	**0**

Position to the end of July 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.

Fee Paying Events/Services	**Approved Budget 2025/26**	**Forecast Profile 2025/26**	**Actual to July 2026**		**Forecast to March 2027**	**Variance**
	£	**£**	**£**		**£**	**£**
Income						
Earned Income	151,500	101,000	119,120		151,500	0
Total	**151,500**	**101,000**	**119,120**		**151,500**	**0**
Expenditure						
Staffing	62,500	20,833	12,430		62,500	0
Direct costs	40,400	35,000	35,731		40,400	0
Overhead costs	7,500	2,500	2,500		7,500	0
Total	**110,400**	**58,333**	**50,661**		**110,400**	**0**
Surplus/-Deficit	**41,100**	**42,667**	**68,459**		**41,100**	**0**

Position to July 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 higher 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
4th September 2026

Performance Management
Key Performance Indicators 2026/27 against Business Plan

Summary

This report updates Members of the Management Group on the performance of EMC in meeting its agreed Business Plan 2026/27.

Recommendations

Members of the Management Group are invited to consider progress made in the delivery of the agreed business plan.

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 2026/27. The Business Plan was developed in consultation with Members and agreed by Executive Board at its meeting in March 2026 and attached as Appendix 7(a).

1.3 This report updates Members on the progress made in the delivery of the business plan, against the agreed set of KPIs. The KPIs summary report, attached as Appendix 7(b) reflects the revised approach of the current business plan, where EMC will work across four themes: **evidencing, influencing, collaborating and delivering.**

2. Summary of Performance against Business Plan

2.1 Performance is measured against these KPIs in this interim period (April – August 2026/27). In some areas, progress against the year-end target may be limited as we have not yet reached end-Q2, and there is the impact of the elections and summer break to account for.

KPI 1 – Evidencing proposals for change and improvement.

a) To undertake an annual satisfaction survey of member councils on the provision of direct support services.
✓ **On Target**

b) Improve engagement with our membership with at least 75% of all councils in membership accessing EMC networks, boards and policy briefing programmes to further support opportunities for councillors' leadership.
✓ **On Target**

KPI 2 – Influencing national decisions and decisions makers.

a) Establish an effective relationship and joint approach between councillors, combined authority mayor(s) and MPs through:
- Holding at least 3 joint events and/or summits.

- The agreement of joint priorities as the basis for collective work.

✓ **On Target**

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

✓ **On Target**

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

✓ **On Target**

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

✓ **On Target**

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

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

✓ **On Target**

b) To maintain levels of council membership of EMC (39 councils, as of 1st April 2026).

✓ **On Target**

c) Working through Transport for the East Midlands and with MCCAs, local councils and sector partnerships to:

- Progress the implementation of the 8 agreed infrastructure priorities.
- Promote public investment opportunities in the region.

✓ **On Target**

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

a) Provide direct membership benefits to councils through maintaining the number of councillors participating in the development, skills and briefing programmes against the 4 year average 2022-26 [baseline 128 councillor places].

✓ **On Target**

While there has been no activity in Q1, due to in part to the holding of local elections; a devolution and planning briefing event is planned for July 2026.

b) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development [baseline 2025/26; 2,310 officer places].
✓ **On Target**

c) To make demonstrable progress in delivering on core EMC policy priority areas:
- Asylum and resettlement
- Growth and transport
- Workforce

✓ **On Target**

d) To facilitate networks to support joint working and share best practice and information.
✓ **On Target**

KPI 5 – Organisational and People Management

a) Support employee engagement during time of organisational uncertainty through using pulse surveys with focused questions.
✓ **On Target**

b) Wherever possible, to meet all staff learning and development needs, as identified by annual Performance and Development Review (PDRs).
✓ **On Target**

3. Recommendations

3.1 Members of the Management Group are invited to consider progress made in the delivery of the agreed 2026/27 business plan.

Cllr Gale Waller
Lead Member
Performance Management

East Midlands Councils

Business Plan 2026-27

Draft January 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 £494,000.

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 of East Midlands Councils

Cllr Elly Cutkelvin
Vice-Chair of East Midlands Councils

Cllr Trica Gilby
Vice-Chair of East Midlands Councils

Contents

Our Role and Purpose

The East Midlands is a region of 5.1 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 403,000 businesses generate a total regional output of approx. £157bn, 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.

It is important that we measure and report our progress in meeting the objectives of this Business Plan. EMC's Management Group has responsibility for performance management, and officers will develop a revised set of key performance indicators that will provide a framework to measure overall progress and impact.

Continuing Momentum

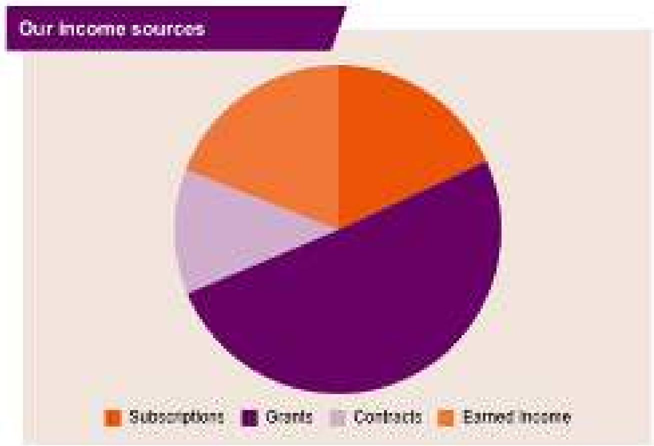
This Business Plan builds on the outcomes highlighted in our last annual report:

Our Funding

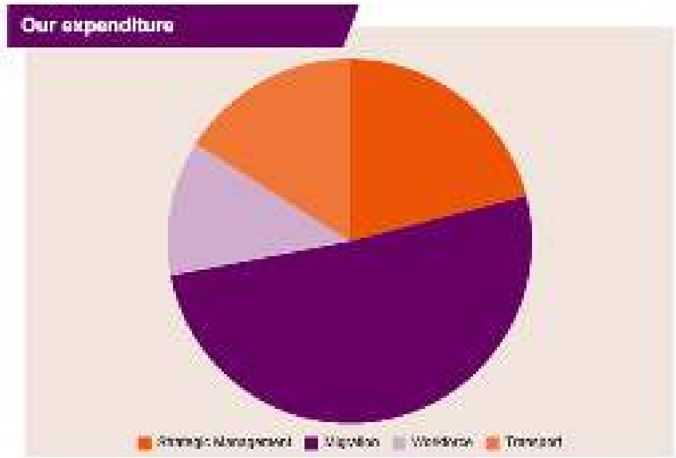
EMC continues to tightly manage its budget, ensuring a balance of income from a combination of annual membership subscriptions, grant funding in support of programme delivery and that from our traded services that are provided at a discounted rate to our membership.

EMC's total income for 2026/27 is £1,686,700 and closely aligns with the objectives of this Business Plan.

Our income comes from the following sources:



Our expenditure is split between our core activities as follows:
The total Expenditure budget for 2026-27 is £1,686,400, split as follows:



EMC secures a significant proportion of its income from external sources, including grant funding from the Home Office, MHCLG and DfT, and income from providing advisory support to partner organisations including Midlands Connect and GLCCA. 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.

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.

Local Government and Workforce Development	
Evidencing	• Produce and maintain regional benchmarking on workforce capacity, skills, recruitment, retention, and organisational change. • Coordinate and draft regional consultation responses on workforce-related legislation, supporting councils with their own submissions. • Run events and practitioner networks to share advice, learning, and good practice on workforce and councillor development. • Identify common workforce challenges and support councils to co-produce practical solutions.
Influencing	• Lead regional engagement on pay consultations, enabling councils to shape the evidence submitted to national negotiations and reflect the East Midlands' needs. • Agree and maintain shared regional workforce and councillor development priorities and use these to guide external engagement. • Act as a conduit between councils and national bodies (e.g., LGA, National Employers) to ensure regional needs and delivery realities are understood. • Represent councils' workforce interests in relevant national policy discussions and sector initiatives.
Collaborating	• Coordinate activity through the Regional Employers' Board and Regional Joint Council to align regional workforce priorities and positions. • 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. • Work with national partners to shape and support the development and delivery of workforce policies, services, and programmes for councils. • Broker regional partnership arrangements that help councils access support more efficiently and consistently.

Delivering	• Deliver learning and development opportunities for officers and members, including CPD and training offers. • Provide councils with practical support for LGR preparation and workforce transition, including targeted advice and access to expertise. • Maintain core workforce support services, including the HR helpline and regular workforce bulletin. • Deliver savings for councils through regional collaboration, partnerships, and discounted access to relevant systems or services.

Asylum and Refugee Resettlement (Strategic Migration Partnership)	
Evidencing	• Develop standardised regional reporting across all local authorities to give a clear picture of asylum and refugee resettlement pressures, case types, and issues. • Strengthen and standardise data and intelligence on UASC, including costs, age assessments, demographics, placement stability, health needs and demand modelling. • Evaluate ESOL delivery, ensuring learner needs, barriers, and inconsistencies are well understood and communicated. • Evaluate the Afghan Resettlement Programme (ARP) regionally to assess performance, matching success, and LA/VCSE experience.
Influencing	• Shape national and regional policy through evidence on UASC demand, placement and service pressures, and long-term outcomes. • Use findings from the adult asylum mental health pilot to reduce costs and secure sustainable provision. • Provide timely, practical guidance for councils on evolving legislation and asylum policy changes. • Inform and influence national decisions around funding allocations for UKRS, ARP, UASC and asylum dispersal. • Contribute to discussions around devolved ESOL budgets, including Adult Skills Funds.
Collaborating	• Co-design the Afghan Transitional Accommodation model with councils, Home Office and partners to tackle operational challenges. • Coordinate regional engagement on asylum dispersal, ensuring shared solutions and clear communication. • Strengthen the East Midlands' bespoke UASC approach, including funding, placement sufficiency, legal advice, age assessments, and health. • Maintain and improve regional intelligence-sharing via ARCSEG and related groups.

	• Develop a sub-regional common Initial Assessment Framework for ESOL.
Delivering	• Ensure compliant, efficient delivery of all asylum and refugee schemes, including NTS, UKRS and ARP. • Roll out region-wide age assessment training, including new tools and facial age estimation should these procedures be implemented. • Deliver coordinated regional communication on migration-related training for LA officers, carers and partner agencies. • Provide immigration legal advice to Children's Services and Legal Teams for UASC, migrant children, care leavers, and NRPF families. • Launch and maintain the new ESOL Information & Guidance resource, Learning English in the East Midlands.

Transport & Growth	
Evidencing	• Provide regular updates to members on regional economic performance, housing delivery, and investment trends. • Establish and maintain the refreshed regional transport evidence base. • Analyse and disseminate business case documentation and investment proposals relevant to the East Midlands.
Influencing	• Support coordinated representations to Ministers and senior officials on regional transport and growth priorities. • Produce targeted briefings for MPs, senior politicians, councils, and business leaders. • Submit representations and evidence to Great British Railways in support of regional priorities. • Align regional advocacy with Midlands Connect and England's Economic Heartland STBs during the transition period. • Align the East Midlands effectively with the Government's emerging Integrated National Transport Strategy and other emerging national frameworks.
Collaborating	• Use Transport for the East Midlands (TfEM) and its supporting officer groups as the primary vehicle for regional collaboration on transport priorities. • Work with EMCCA and GLCCA to align regional and local transport priorities • Manage the final phase of the TfEM–DfT Rail Collaboration Agreement and prepare for post-GBR arrangements. • Strengthen collaboration with the East Midlands Infrastructure Partnership, and with NESO through the RESP process.
Delivering	• Disseminate refreshed regional transport evidence base across member authorities and national and regional partners • Develop and publish refreshed regional transport and investment priorities to replace the TfEM/Midlands Connect Shared Vision. • Provide coordinated regional input into Great British Railways' transition and planning processes. • Support partners to use regional evidence and priorities to strengthen local funding bids and investment cases. • Co-ordinate high-quality meetings, workshops, and forums to agree priorities and share intelligence.

Strategic Leadership	
Evidencing	• Coordinate and submit regional responses to national consultations on behalf of member authorities. • Produce and share robust regional intelligence on economic, social, and public service pressures, including PESA and related data returns. • Analyse the local and regional impact of national policy and funding decisions. • Provide evidence-based insight to support local and regional decision-making. • Act as a collective evidence base for member authorities in discussions with the Government and partners.
Influencing	• Lead coordinated regional engagement and joint representations to the national Government and key agencies. • Provide the secretariat function for the East Midlands APPG to strengthen the region's parliamentary voice. • Represent the East Midlands at national and regional forums with consistent messaging and priorities • Build and maintain strategic relationships with Government departments, Combined Authorities, and national bodies. • Monitor, escalate, and highlight emerging political, financial, and policy risks affecting the East Midlands. • Advocate for fair funding, investment, and policy approaches that reflect regional need and capacity.
Collaborating	• Convene political and senior officer leaders through boards, general meetings, and themed networks. • Strengthen collaboration with regional MPs through the East Midlands APPG • Provide a structured interface between the national Government and local authorities to support programme delivery. • Work closely with EMCCA and GLCCA to align priorities, programmes, and responsibilities. • Provide a platform for collective consideration on the preparation and implementation of LGR. • Facilitate joint approaches to shared challenges, including LGR, public service reform, and financial sustainability.
Delivering	• Organise and deliver board meetings, leadership forums, and networking opportunities for senior leaders. • Support the agreement and implementation of regional priorities and action plans. • Provide practical support to local authorities navigating Local Government Reorganisation and structural change. • Signpost, connect, and share good practice, expertise, and learning across the region. • Facilitate joint programmes, shared resources, and collaborative approaches to deliver efficiencies and savings. • Add value to partner activity through coordination, brokerage, and collective leadership.

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 EXEC BOARD

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

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

Progress Against Key Organisational Performance Indicators (2026/27)

KPI 1 – Evidencing proposals for change and improvement

Key Performance Indicators 2026/2027	Progress - Financial Year 2026/27	Progress
a) To undertake an annual satisfaction survey of member councils on the provision of direct support services and the monthly policy brief, monthly HR brief and quarterly migration briefing.	Planned for Q4 2026/27	
b) Improve engagement with our membership with at least 75% of all councils in membership accessing EMC networks, boards and policy briefing programmes to further support opportunities for councillors' leadership.	▪ 27 officers from 18 authorities attended the Learning & Organisation Development network on 21st April 2026. ▪ 32 officers from 24 authorities attended the Cyber Security/WARP network on 9th June 2026. ▪ 28 officers from 19 authorities attended the EDI network on 18th June 2026. ▪ 17 officers from 13 authorities attended the Performance Management network on 19th June. ▪ 30 officers from 17 authorities attended the Scrutiny Network on 12th June 2026. ▪ 79 members and officers from 23 authorities attended 'A Perfect Storm? 1 Year on' LGR and Devolution Event on 16th July 2026 in Leicester.	

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

Item 7, Appendix (b)

Progress Against Key Organisational Performance Indicators (2026/27)

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

Key Performance Indicators 2026/27	Achievement - Financial Year 2026/27	Progress
a) Establish an effective relationship and joint approach between councillors, combined authority mayor(s), MPs and other partners, through: ▪ Holding at least 3 joint events and/or summits. ▪ The agreement of joint priorities as the basis for collective work	▪ A Perfect Storm – One Year On' event was held in July 2026 with speakers from Local Authorities, LGIU and EMCCA; and attended by councillors, officers and wider partners. ▪ EMC is working with EMCCA, GLCCA and member councils to develop a robust response to the Government's proposals to cancel the A46 Newark Bypass and A38 Derby Junctions enhancement schemes by the consultation deadline of 14th September 2026. ▪ EMC is providing officer support to GLCCA to establish rail priorities and progress the work of the Mayoral Rural Transport Group chaired by Dame Andrea Jenkyns.	
b) Secure Parliamentary debate on securing additional investment into the East Midlands.	▪ Proposals to be developed in consultation with the Chair of the East Midlands APPG.	
c) Alignment and support to the work of Combined Authorities in the East Midlands.	▪ EMC is working with EMCCA, GLCCA and member councils to develop a robust response to the Government's proposals to cancel the A46 Newark Bypass and A38 Derby Junctions enhancement schemes by the consultation deadline of 14th September 2026.	

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

Progress Against Key Organisational Performance Indicators (2026/27)

	EMC is providing officer support to GLCCA to establish rail priorities and progress the work of the Mayoral Rural Transport Group chaired by Dame Andrea Jenkyns. EMCCA has joined EMC's cyber security network and has expressed interest in the regional scrutiny support provided by EMC.	
d) Responses to consultation on proposed changes to employment law and national pay negotiations.	▪ A number of government consultations are taking place in relation to proposed changes arising from the Employment Rights Act 2025. EMC has ensured Councils are aware of these consultation exercises and have sufficient information to respond with their views. ▪ National pay negotiations for 2026 are in progress and EMC is ensuring councils are informed of developments, including where agreements have been reached and ballots for industrial action. At time of writing, no ballots of councils in the region had reached the threshold currently in place that requires a minimum of 50% of those entitled to vote to do so.	

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 (2026/27)

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

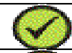
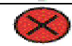
Key Performance Indicators 2026/2027	Percentage Attendance					
a) Maintain attendance at formal meetings of East Midlands Councils and its Boards.		**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Progress**
	East Midlands Councils	41%	49%	59%	40%	
	EMC Boards	75%	70%	67%	73%	

	Percentage Attendance	2023/24	2024/25	2025/26	2026/27
This is broken down into the following Boards.	**Executive Board**	67%	72%	69%	82%
	Management Group	82%	87%	74%	70%
	Regional Employers' Board	83%	71%	62%	77%
	Regional Migration Board	80%	57%	56%	67%
	Transport for the East Midlands	63%	66%	75%	71%

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

Progress Against Key Organisational Performance Indicators (2026/27)

b) To maintain levels of council membership of EMC (39 councils, as of 1st April 2026).	No councils have submitted notice to withdraw from membership.	
c) Working through Transport for the East Midlands and with MCCAs, local councils and sector partnerships to: ▪ Progress the implementation of the 8 agreed infrastructure priorities. ▪ Promote public investment opportunities in the region.	▪ EMC is working with EMCCA, GLCCA and member councils to develop a robust response to the Government's proposals to cancel the A46 Newark Bypass and A38 Derby Junctions enhancement schemes by the consultation deadline of 14th September 2026. ▪ EMC is providing officer support to GLCCA to establish rail priorities and progress the work of the Mayoral Rural Transport Group chaired by Dame Andrea Jenkyns. ▪ EMC published an analysis of the PESA outturn for 2024-5 published in July 2026, supported by a media release featuring quotes from the Chair of EMC and the Chair of TfEM: Official Statistics Shows East Midlands Funding Deficit widens to £11.4 billion	

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 (2026/27)

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

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 2022-26.	Baseline 2022/26	Quarter 1	Quarter 2 (Up until 31.7.26) (cumulative)	Quarter 3 (cumulative)	Quarter 4	
	128	47	118			
b) Provide direct membership benefits to councils through maintaining the number of officers participating in EMC supported continuous professional development.	Baseline 2025/26					
	2310	276	489			
c) To make demonstrable progress in delivering on core EMC policy priority areas including: ▪ Asylum and Resettlement	**Asylum and Resettlement** EMC continues to support local authorities in responding to ongoing asylum dispersal pressures across the region, working closely with national and local partners to ensure delivery of the Government's full dispersal model and facilitate the planned transition away from contingency					

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 (2026/27)

▪ Growth and Transport ▪ Workforce	(hotel) accommodation. This work aims to promote a more sustainable and equitable approach to asylum accommodation and support services. ▪ EMC is strengthening regional collaboration across Children's Services to improve outcomes for Unaccompanied Asylum-Seeking Children (UASC). This includes the continued delivery of a regional foster carer recruitment campaign and the development of a Regional Age Assessment Training Programme, helping to build local capacity, enhance consistency, and support statutory responsibilities across the East Midlands. ▪ Following the successful completion of Phase 1 of the Adult Asylum Mental Health Pilot, EMC has launched an expanded Phase 2 programme through funding from the Home Office. Delivered in partnership with a local Integrated Care Board, the pilot provides targeted mental health support for asylum seekers awaiting decisions on their applications. The initial phase exceeded its key performance targets, demonstrating strong demand and positive impact. The second phase, running from May 2026 to March 2027, will extend provision to additional neighbouring local authority areas. ▪ EMC continues to play a strategic leadership role in delivering the English Language Integration Programme across the region. The programme seeks to address pressures on ESOL provision and promote innovative approaches to informal English language learning. Through engagement with combined authorities, local authorities, education providers and VCSE organisations, EMC is helping to strengthen language provision as a key enabler of integration, social cohesion and economic participation.	

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 (2026/27)

	Workforce & Councillor Development Priorities: ▪ **On pay and rewards**, EMC has been co-ordinating information-sharing relating to industrial action ballots concerning national pay negotiations. EMC's Director of HR & Cllr Development is an adviser to the Employers' Side of the National Joint Committee that negotiates pay on behalf of the sector. EMC is working to build capacity to support councils with their business as usual activity during preparations for LGR, one element of which will be job evaluation. ▪ The regional **councillor development** programme for 2026/27 has been developed and launched, with a strong level of take-up to the events provided so far. These have been mainly skills-based, as well as a free in-person event on Devolution and Planning Reform which took place in July in Leicester, for councillors and senior officers. ▪ **Support relating to LGR** has been provided through county-based HR network and workstream activity. Programmes on leadership and management and coaching and mentoring are being provided across the region, to help officers gain qualifications and support career development. A range of programmes have been offered and tailored to different councils' requirements to support senior leadership teams in leading change.	
d) To facilitate networks to support joint working and share best practice and information.	▪ The **performance network** met on 19th June and received an update from the LGA on national support to councils. Attendees also shared information on performance management in the context of LGR, along with approaches to reporting and rating performance. ▪ The **Cyber Security/WARP network** met on 9th June. Attendees shared information relating to incidents and received a presentation from a Professor of the University of Kent on the behaviour of ransomware groups. ▪ The **Learning and Organisation Development network** met on 21st April and received a presentation from Nottinghamshire Fire & Rescue on how they had developed a dashboard	

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

	related to organisational culture. Attendees also shared approaches to work shadowing and setting objectives for managers. ▪ The **Scrutiny Network** for both Members and Officers met on 12th June, where the focus was a presentation on Scrutiny and Audit - Understanding the Finance Risk and Governance Divide. ▪ The **EDI Network** enables councils to work more efficiently to ensure legal compliance in relation to equality, diversity and inclusion. The network met on 18th June and was attended by the LGA to inform members of national work relating to the Equality (Race and Disability) Bill. An additional meeting took place in August to share information on the Equality and Human Rights Commission Code of Practice for services, public functions and associations which has recently passed through Parliament to reflect the Supreme Court ruling from earlier this year.	

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 (2026/27)

5. KPI 5 – Organisational and People Management

Key Performance Indicators 2026/2027	Progress - Financial Year 2026/2027	Progress
a) Support employee engagement during time of organisational uncertainty through using pulse surveys with focused questions.	EMC's full team meeting in September will be focused on LGR to provide a forum for concerns to be raised and issues, where known, to be clarified.	
b) Wherever possible, to meet all staff learning and development needs, as identified by annual Performance and Development Review (PDRs).	To be completed by end-March 2027.	

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

Management Group
4th September 2026

Lead Member Report

Cllr Tricia Gilby

Corporate Governance

Summary

This report provides details on matters of corporate governance, specifically:
- The recently completed internal audit review.
- Management of Organisational Risk.
- Update on the process for undertaking the annual appraisal of the Executive Director.
- Reporting on procurement and exemptions to EMC financial regulations.

Recommendations

Members of the Management Group are invited to:
- Consider the draft internal audit report and associated action and comments of EMC Management, as highlighted in Section 1 of this report.
- Consider and endorse the changes to EMC's Risk Management Policy as highlighted in Section 3.2 (a), (b) of this report and attached as Appendix 8(b).
- Consider the updated position on organisational risk management, as highlighted in the Risk Matrix Register, attached as Appendix 8(c).
- Note the process and likely date for the appraisal of the EMC Executive Director.
- Note the exemption to tender arrangements, as highlighted in Section 5 of this report.

1. Internal Audit Review

1.1 Included within our Accountable Body SLA with Nottingham City Council are provisions for undertaking an internal audit.

1.2 Recent internal audits have reviewed the management of external grant funding, corporate governance, financial and asset management.

1.3 EMC officers agreed with the Internal Auditor that the 2026 audit would focus on risk management to assess the adequacy and effectiveness of EMC's risk management framework, including how risks are identified, evaluated, managed, and monitored across the organisation.

1.4 The internal audit report concluded with 3 recommendations, all with a low rating (there are 3 ratings; low, medium and high).

<u>Recommendation 1:</u>
EMC should consider incorporating a formal Risk Appetite Statement within its Risk Management Policy during the next scheduled policy review.

<u>Recommendation 2:</u>
EMC should consider enhancing its Risk Management Register to include arrangements for the periodic review of key risk mitigations and controls. To support this, the risk register could be expanded to include an additional column 'Controls Reviewed (date).

<u>Recommendation 3:</u>
As the direction of travel for LGR becomes clearer, EMC should consider formalising its approach to managing LGR-related risks by developing a dedicated programme risk register and associated impact assessments.

1.5 The audit report recognised the strength of EMC's approach to management risk, and it is pleasing that the overall level of assurance provided by the auditor was 'significant' (there are 4 levels of assurance; no assurance, limited, moderate and significant).

1.6 The draft internal audit report, that includes that response of EMC management, is attached as Appendix 8(a). All recommendations have been responded to, with amendments made to EMC's Risk Management Policy and related Risk Matrix. These changes are detailed in the following Risk Management section.

1.7 The audit report also confirmed that all recommendations that resulted from previous audit reviews had been satisfactorily responded to and completed.

2. Risk Management

2.1 EMC's risk register reports against each of the key risks identified by EMC and, for each risk, includes information such as potential impact, key controls and suggested response to mitigate each risk.

2.2 Since risk management was last considered by Management Group in May 2026, an internal audit review has been undertaken to improve the efficacy of EMC's approach to risk management. In response to the recommendations, the following changes are made to EMC's Risk Management Policy, with the revised version attached as appendix 8(b):

a) The inclusion of a risk appetite statement that formalises EMC's generally cautious approach to risk (Section 4).
b) Detail on how EMC assesses the likelihood and impact of risk, through its risk register matrix (Sections 6&7).
c) An amendment to the risk register to include an additional field recording the date on which each risk was last reviewed.

2.3 With the announcement of the Government's decision on LGR, the English Devolution and Community Empowerment Bill receiving Royal Assent on 29th April 2026, and with greater levels of devolution signalled by recent Government announcements, the new policy and institutional context impacts EMC's risk profile and provides an opportune time to review all organisational risk.

2.4 Each area of organisational risk has been reviewed by EMC management, with the updated risk matrix register attached as Appendix 8(c). The matrix highlights that the implications of LGR and devolution are a significant area of risk, and one that will require careful management over the next 12 months as options for future governance arrangements are considered. All risk will continue to reported on a quarterly basis, or more frequently by exception.

3. Annual Appraisal of Executive Director

3.1 The appraisal of the Executive Director should be carried out by senior elected leadership of EMC. In previous years, a small cross-party panel, undertook the appraisal and at the meeting of Management Group in May 2026 Members agreed that, for purposes of inclusivity, the appraisal panel should reflect all political groups and both tiers of local government, and be chaired by EMC Chair. The following membership was therefore agreed:

- Chair
- Principal Vice-Chair
- District Vice-Chair
- The Group Leader of each political group formally recognised within EMC's governance (as of May 2026, the Conservative, Independents, Labour, Liberal Democrats and Reform UK political groups).

3.2 The date for the appraisal is likely to be Friday 2nd October 2026.

4. Exemption from Financial Regulations (Contracts)

4.1 EMC has a clear set of financial regulations in respect of contracting external providers for goods or services. If any contracts are proposed to be entered into outside of these arrangements, specifically through any exemption to the tendering process, these are required to be signed-off by the Executive Director (and in practice, undertaken in consultation with Management Team colleagues). To support good governance and oversight, these matters are reported to Management Group.

Contract Award to Migrant English Support Hub (MESH)

4.2 As part of our responsibilities for in delivering asylum and refugee resettlement programmes on behalf of Local Authorities, members are invited to note that a contract was awarded directly to Migrant English Support Hub (MESH) without a competitive tender process.

4.3 The contract is worth £28,000 and commenced in July 2026 and is a direct continuation of a previous contract (awarded through competitive tender) that ended on 31st March 2026.

4.4 The contract aims to ensure the continued operation and long-term sustainability of the region's ESOL delivery platform, to enable transition of governance and ownership to local stakeholders, and significantly, to ensure that EMC continues to meet Home Office grant funding requirements.

4.5 The exemption was agreed on the following basis:

a) Only one supplier can deliver the service.
b) Extreme urgency (due to delays in funding agreements from the Home Office/MHCLG).
c) Continuation of existing services.

4.6 The Executive Director approved the exemption on the basis that:

a) MESH is uniquely placed to deliver the work.

b) Delays would jeopardise delivery of Home Office-funded objectives.

c) The work represents a continuation of existing services delivered under a previous contract.

4.7 Due to these factors, it was agreed that continuity, technical dependency, and urgency made a competitive tender process impractical. Supporting information is available for review and is attached as Appendix 8(d).

4.8 All funding is within the financial envelope of the grant and is compliant with Home Office grant conditions.

Procurement of Learning and Development Providers

4.9 The Management Team recently reviewed the procurement arrangements that support the delivery of EMC's learning and development programmes.

4.10 Learning and development activities are typically commissioned throughout the year rather than as a single programme of work. Delivery is dependent on securing sufficient participant numbers to cover costs and contribute towards income targets.

4.11 A number of the programmes delivered by EMC, either as open regional events or as in-house training commissioned by individual councils, are subsequently requested again by the same or other member organisations. As a result, the cumulative value of expenditure with some providers may exceed EMC's procurement thresholds when reviewed retrospectively.

4.12 Challenge Training Ltd has been EMC's provider for Institute of Leadership and Management (ILM) programmes since 2022, following a competitive procurement exercise. The appointment was based on Challenge Training's overall offer, which represented the most advantageous option in terms of both cost and flexibility. In addition, Challenge Training agreed discounted rates for EMC member councils where programmes were commissioned independently.

Value of Procurement

4.13 The past year has seen the highest level of learning and development activity undertaken by EMC. Consequently, expenditure with Challenge Training Ltd has increased significantly and now exceeds the usual procurement thresholds.

4.14 During 2025/26, EMC delivered a regional programme of ILM qualification courses covering a range of leadership, coaching and mentoring levels. Demand was high, resulting in the delivery of an additional cohort. The total retrospective value of this provision was £45,309.

4.15 In addition, two councils and one Fire and Rescue Authority commissioned in-house programmes delivered by Challenge Training Ltd. The total retrospective value of these commissions was £63,500. In each case, the organisations specifically requested Challenge Training Ltd as the provider, having previously participated in and benefited from the regional programme.

4.16 Whilst EMC facilitates the procurement of in-house programmes and secures favourable rates on behalf of member organisations, its role is primarily to broker and coordinate provision. Councils remain free to procure alternative providers where they consider this appropriate.

4.17 The success of the programmes delivered during 2025/26 has led to further requests from councils for additional regional cohorts to be delivered by Challenge Training Ltd. The combined value of the two regional programmes scheduled for 2026/27 is £29,406.

4.18 In addition, EMC has received requests from three further councils to deliver in-house programmes using Challenge Training Ltd as the preferred provider.

4.19 Given the overall level of expenditure, and in the interests of transparency and good governance, it is important that EMC demonstrates continued value for money and avoids any perception of preferential treatment towards a particular supplier. A competitive procurement exercise will therefore be undertaken to review the provision of qualification-based training currently delivered by Challenge Training Ltd.

4.20 This exercise will be conducted in March 2027, following completion of the current annual learning and development programme.

Agreed Way Forward

4.21 EMC Management has agreed that a degree of flexibility should be applied within the Procurement Policy in relation to the continued use of Challenge Training Ltd for the 2026/27 regional programme. This reflects:

- The outcome of the original competitive procurement process.
- The competitive pricing and flexibility offered by Challenge Training Ltd.

- The difficulty of accurately forecasting total contract values in advance due to demand-led programme delivery.
- Positive feedback from member councils and requests for further cohorts to be delivered by the same provider.

4.22 It is therefore proposed that the existing arrangements with Challenge Training Ltd continue for the remainder of the 2026/27 learning and development programme. The provider continues to deliver a high-quality service, offers flexibility in delivery, and represents good value for money.

4.23 However, to ensure continued value for money, maintain transparency and support robust governance arrangements, a competitive procurement exercise will be undertaken in March 2027 to determine future delivery arrangements for qualification-based learning and development programmes.

5. Recommendations

Members of the Management Group are invited to:

5.1 Consider the internal audit report and associated action and comments of EMC Management, as highlighted in Section 1 of this report, and attached as Appendix 8(a).

5.2 Consider and endorse the changes to EMC's Risk Management Policy as highlighted in Section 3.2 (a) and (b) of this report and attached as Appendix 8(b).

5.3 Consider the updated position on organisational risk management, as highlighted in the Risk Matric Register, attached as Appendix 8(c).

5.4 Note the process and likely date for the appraisal of the EMC Executive Director.

5.5 Note the exemption to tender arrangements, as highlighted in Section 5 of this report.

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

Nottingham City Council

INTERNAL AUDIT REPORT – Final
East Midland Councils
Risk Management August 2026

Assurance		Significant

Findings	0	0	3

DISTRIBUTION
Stuart Young, Executive Director
Steve Charlesworth, Finance Officer
Date of Issue 12th August 2026
Audit Ref Number 2627-EMC-207

Contents

Executive Summary

Scope
Background East Midlands Councils (EMC) maintains a corporate risk register and associated governance arrangements to identify, assess, manage and monitor strategic and operational risks. Given the significance of organisational change and financial uncertainty, EMC has requested an independent review of its risk management framework and its effectiveness in supporting decision-making and organisational resilience. **Purpose** The purpose of this audit is to assess the adequacy and effectiveness EMC's risk management framework, including how risks are identified, evaluated, managed, and monitored across the organisation. **Areas Reviewed** The audit will review whether appropriate governance arrangements, controls, and processes are in place to support informed decision-making, safeguard financial sustainability, and ensure resilience in the context of strategic challenges such as Local Government Reorganisation (LGR). It will also seek to provide assurance that risks are being consistently managed and reported, and that key controls are operating effectively in practice.

Areas of Good Practice
• Risk management in integrated into governance and decision making with regular review and challenge can be seen by the Management Team and Management Group. • A risk register is maintained, including risk owners, controls and mitigation actions. • Through the Management Team and Management Group meetings, risks could be seen to be regularly reviewed and updated, including escalation and de-escalation based on changing circumstances. • Through discussions with EMC, it could be seen to demonstrate a strong focus on key strategic risks, particularly financial sustainability and LGR. • EMC have confirmed that there is, proactive stakeholder engagement and communication, including working groups, regional meetings, and governance forums. This can be evidenced through their website. • Financial governance arrangements could be seen to be supported by key supporting documents.

Nottingham City Council

Areas of Concern
• Although from discussions with key staff it was found that the risk appetite was understood, it is not formally documented within the Risk Policy **(Finding 1 – Low)** • Whilst evidence could be seen of risk discussions within the Management Team and Group, there was no formal record that controls had been reviewed and tested. **(Finding 2 – Low)** • Although there is still some uncertainty around the direction of travel with regard to LGR, there has been limited risk framework which has not been fully formalised. **(Finding 3– Low)**

Overall Opinion
The system of internal control is well designed and operating effectively to achieve the objectives of the area under review, although some minor weaknesses were identified (see below) in the management, governance and oversight of its risk framework. There was evidence that overall controls are being applied consistently in practice. • Lack of defined risk appetite • Absence of documented mitigation review and testing • Risk framework for LGR is not fully formalised Without sustained management oversight and the implementation of the recommendations within this report, there is a risk that EMC's risk management framework will not operate consistently. This could result in key organisational risks, including those arising from LGR, not being adequately assessed, monitored or managed, potentially impacting the achievement of strategic objectives.

Key Findings

• **Risk Policy Update**		
Risk	There is a risk that risk assessments and management responses are applied inconsistently, resulting in current and emerging risks not being evaluated and managed in a uniform manner.	
Finding rating	●	Low

Detailed Finding
Condition - The audit found that EMC's approach to risk management is well understood by Management Team and embedded within operational practices. Discussions with key officers confirmed that the organisation's risk appetite is applied consistently through management judgement, challenge and oversight. However, the risk appetite is not formally documented within the Risk Management Policy. **Criteria** - Good practice requires organisations to document their risk appetite, to support effective governance. **Cause** - EMC has adopted a management-led approach that combines the use of a documented risk matrix, professional judgement, collective discussion and Member oversight. While core guidance exists, the risk appetite has not been fully articulated within the Risk Management Policy. **Consequence** - Whilst EMC's risk appetite is understood by Management Team and Members, the absence of a formally documented Risk Appetite Statement may reduce transparency and make it more difficult to demonstrate a consistent approach to risk-based decision-making over time, particularly as organisational priorities, governance arrangements or key personnel change.
Recommendation 1
EMC should consider incorporating a formal Risk Appetite Statement within its Risk Management Policy during the next scheduled policy review. This would help strengthen transparency, and formally reflect the management practices, professional judgement and governance arrangements already operating within the organisation.
Management Response

- The audit review has confirmed the organisation's risk appetite and risk scoring approach are applied consistently, through an agreed scoring mechanism that does evaluates both the likelihood of the risk occurring, and its impact upon the organisation.
- It is agreed that EMC's approach to risk management would benefit from the inclusion of a formal risk appetite statement. A draft statement will be considered by EMC Management Group in September 2026 prior to formal adoption.

Responsible Officer: Stuart Young

Implementation Date: October 2026

• Mitigation Testing		
Risk	**There is a risk that ineffective or deteriorating controls are not identified in a timely manner, resulting in increased exposure to strategic and operational risks.**	
Finding rating	●	Low

Detailed Finding
Condition - The audit found evidence that risks are regularly discussed and monitored by both Management Team and Management Group, and examples were provided where mitigating actions had been implemented in response to changing risk levels. However, there was no consistent mechanism within the corporate risk register for recording when key controls and mitigations have been formally reviewed and whether they remain effective. **Criteria -** Good practice requires organisations to periodically review and document the effectiveness of key controls and mitigating actions to provide assurance that identified risks continue to be managed appropriately. **Cause -** EMC has adopted a management-led approach whereby assurance over controls is obtained through ongoing operational activity, governance oversight and risk discussions, rather than through a formal control review and testing process. **Consequence -** Without documented evidence of control review and testing, assurance over the effectiveness of key mitigations is reliant on management judgement. This may make it more difficult to identify control weaknesses at an early stage and demonstrate that key risks are being effectively managed.
Recommendation 2
EMC should consider enhancing its Risk Management Register to include arrangements for the periodic review of key risk mitigations and controls. To support this, the risk register could be expanded to include an additional column 'Controls Reviewed (date).
Management Response
▪ **Agreed.** ▪ **The risk register has been amended to incorporate an additional row for confirming the date of when each risk was reviewed. It is planned that all risks will be reviewed by Management Team in advance of consideration and agreement by Management Group at its meeting in September 2026. Regular review in accordance with identified schedule will be undertaken thereafter.**

Responsible Officer: Stuart Young

Implementation Date: October 2026

• Local Government Review Risk		
Risk	**There is a risk that significant strategic, financial, governance and operational risks arising from LGR are not captured and monitored in a structured and consistent manner, impacting EMC's ability to effectively plan for and respond to future change.**	
Finding rating		Low

Detailed Finding
Condition - The audit found that EMC has undertaken significant preparatory work in relation to LGR and Devolution, including scenario planning, options appraisal, stakeholder engagement, consideration by Management Group and Executive Board, and identification of strategic risks. Whilst these arrangements are appropriate given the uncertainty surrounding Government proposals, a dedicated programme-level risk management framework has not yet been developed. **Criteria -** Good practice for significant organisational change programmes includes the use of a formal risk management framework, supported by programme risk registers, documented impact assessments and regular monitoring arrangements. **Cause -** The future structure, timing and implications of LGR remain uncertain, and as a result EMC has focused on strategic planning and stakeholder engagement rather than the development of a dedicated programme risk management framework. **Consequence -** Without a formalised framework, there is a risk that emerging risks, dependencies and impacts associated with LGR may not be consistently identified in a timely way, assessed and monitored, potentially limiting assurance over EMC's preparedness for organisational change.
Recommendation 3
As the direction of travel for LGR becomes clearer, EMC should consider formalising its approach to managing LGR-related risks by developing a dedicated programme risk register and associated impact assessments.
Management Response
▪ **Accepted.** ▪ **The issues highlighted under 'cause' are sufficient and necessary to this stage of the LGR process, and strategic planning and the identification of risks is the first step before the development of any dedicated programme risk management framework. All reasonable steps have been taken at this stage – but more work will need to be undertaken now the proposition has been confirmed.**

Responsible Officer: Stuart Young **Implementation Date: March 2027**

Appendix I - Definition of Audit Opinion

Level of Assurance	Narrative of Opinion
Significant	The system of internal control is well designed and operating effectively. Appropriate procedures and controls are in place to mitigate the key risks and chieve the objectives of the area under review. Testing identified no, or only minor exceptions and there is evidence that controls are being applied consistently in practice. As a result, only limited improvement opportunities may be identified, and the risk of controls failure is considered low.
Moderate	Where the system of control is generally sound and designed to achieve the objectives of the area under review, although some weaknesses were identified. While appropriate procedures and controls are in place to mitigate key risks, testing identified a small number of exceptions and instances where controls were not operating as intended. These weaknesses may expose some system objectives to risk if not addressed, and management action is required to strengthen the control environment.
Limited	Significant weaknesses exist in the design and or operation of the system of internal controls. A number of gaps were identified in key procedures and controls, and testing identified recurring exceptions and instances of non-compliance. Resulting in weakened control and an increase in risk that the objectives of the system may not be achieved. Timely management action is required to strengthen controls and reduce exposure to risk.
No Assurance	System of internal control is fundamentally inadequate or absent. Significant gaps were identified across the procedures and controls designed to manage risks, and testing confirmed that effective controls are either not in place or are not operating in practice. As a result, no reliance can be placed on the current control environment and there is a high risk that system objectives will not be achieved. Urgent management action is required to establish appropriate controls and strengthen the organisation's overall internal control framework.

Finding / Recommendation Significance	
High	A significant control weakness that exposes the Council to a high risk or loss, fraud, poor value for money, or failure to achieve key objectives. Immediate management action is required to reduce the risk
Medium	A control weakness that could impact the effective operation of the service or achievement of objectives if not addressed. Management action is required to strengthen controls within a reasonable timeframe
Low	A minor control weakness or opportunity to improve efficiency or effectiveness. Addressing the issue would strengthen the control environment but the risk exposure is low

Appendix II - Terms of Reference

Risk Management Framework

Introduction

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

EMC maintains a corporate risk register and associated governance arrangements to identify, assess, manage and monitor strategic and operational risks. Given the significance of organisational change and financial uncertainty, EMC has requested an independent review of its risk management framework and its effectiveness in supporting decision-making and organisational resilience.

Objective

To provide assurance that EMC has effective, proportionate and embedded risk management arrangements that support governance, decision-making, financial sustainability and preparedness for significant strategic change, including Local Government Reorganisation (LGR).

Risk- The review will provide assurance over the risk management framework. To ensure it is embedded and proportionate to its operating environment. If not achieved, this may result in strategic objectives not being completed, financial sustainability risks not being effectively managed, inadequate preparedness for LGR.

Scope, Limitations and Approach

Scope: The audit work will encompass a review of the following areas:

- Governance & risk framework
- Risk identification and assessment
- Risk monitoring and control
- Financial sustainability and budget management
- Strategic change and LGR

Follow Up of Outstanding Recommendations

Our Approach:

The review will include testing of key controls on a sample basis, including review of relevant documentation and systems walkthrough.

- Review of relevant documentation, including current policies, procedures and internal standards, including performing systems walkthrough, where relevant.
- Conduct test procedures on a sample basis to verify the design and operating effectiveness of key controls.
- Conduct interviews with relevant stakeholders to further understand the process and evaluate existing controls.

- Hold a closing meeting with stakeholders to discuss and agree findings and recommendations for improvement.
- Report our findings and agree management actions to address the issues raised.

Timings & Reporting

Timing

The time allocated for this piece of work will be 15 days. Any changes to the scope of this review and consequently the time allocation will need to be agreed between management and Internal Audit. We plan to commence this audit in June 2026.

Reporting

During the review, significant findings will be discussed with key contacts. As the review ends, we will provide immediate feedback to the Executive Director. Our conclusions may alter at a later stage as a result of our internal review process or further work that needs to be undertaken.

A draft audit report will be issued and discussed with the key contacts below. Once agreed, a final version will be issued.

Distribution List		Audit Team	
Stuart Young	*Executive Director*	*John Slater*	*Audit Manager*
Steve Charlesworth	*Finance Manager*	*Ann Ross*	*Lead Auditor*

Risk Management Policy (Revised September 2026)

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 within the framework of its agreed Risk Appetite Statement and 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, including the Statement of Risk Appetite, 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, controls, and risk appetite to reflect changing circumstances.
- Maintain effective governance, assurance, and internal control arrangements.
- 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 and take informed and proportionate decisions based on evidence and risk assessment.

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 Appetite Statement

4.1 EMC recognises that effective risk management is essential to achieving its strategic objectives and maintaining the confidence of member councils, partners and staff.

4.2 EMC adopts a **risk-aware but generally cautious approach** to risk. We acknowledge that an appropriate level of risk is necessary to drive innovation, improve services, respond to changing needs and priorities, and realise opportunities. However, risks must be understood, managed, and aligned to our agreed business plan responsibilities and statutory obligations.

4.3 EMC's overall risk appetite varies according to the nature of the risk:

- We have a **moderate appetite** for risks associated with service improvement, innovation, transformation, and partnership working where there is a clear and demonstrable benefit to our member councils.
- We have a **low appetite** for risks that could adversely affect operational resilience, regulatory compliance, or the achievement of our strategic objectives.
- We have a **very low appetite** for risks that could result in significant financial loss, financial instability, misuse of public funds, fraud, or failure to achieve value for money.
- We have a **very low appetite** for risks that could damage the reputation, credibility, integrity, or public trust of the Partnership and its member organisations.

4.4 In summary, EMC is willing to take carefully managed risks to improve outcomes and deliver its objectives, but it remains **highly risk averse in relation to financial stewardship and reputational protection**.

5. Risk Identification Process

5.1 All risks identified are significant and require an organisational response. The risks identified within the red grid section of EMC's risk register matrix identifies those risks considered as critical to the organisation.

5.2 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.

5.3 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.

6. Risk Register Matrix

6.1 EMC uses a matrix for its risk register, which is a simple tool used to assess and prioritise risks by firstly identifying the risk, and then comparing:

a) The *likelihood* of a risk occurring.
   The probability of the risk occurring, with each risk assessed to be either 'very unlikely, not very likely, quite likely or not very likely' to occur. Numbers reflect this assessment, with 1 being those risks judged very likely to occur, and 4 for those risks judged as not very likely to occur.
b) The *impact* of a risk does occur.
   If a specific risk occurred, then its impact upon EMC is classified as either 'Severe, Significant, Moderate or Minor'. This is recorded in the risk matrix with 'A' being that risk with a 'severe' impact, to 'D' for 'minor' impact.

6.2 At the intersection of the impact and likelihood assessments, the risk is plotted on the matrix with risks that are judged to have a significant/severe impact, and more likely to occur, allocated a red rating.

7. Benefits of Risk Matrix Approach

7.1 A risk matrix helps to:

- Prioritise resources towards the biggest risks.
- Create a consistent approach to risk assessment.
- Support governance and compliance requirements.
- Provide clear reporting to boards and leadership teams.
- Track whether risk controls are reducing risk over time.

7.2 However, it should be emphasised that the risk matrix is a management tool, not a precise science. The Management Team will use its professional judgement and advise Members accordingly when making decisions informed by the matrix.

8. Frequency of Risk Register Reviews

8.1 The Risk Register will be reviewed by the Management Team on a quarterly basis and reported to the Management Group.

8.2 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).

9. Outputs from the Risk Management Process

9.1 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.

9.2 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.

9.3 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 Register	
East Midlands Councils	
Date Prepared:	**September 2026**
Prepared by:	**EMC Management Team**

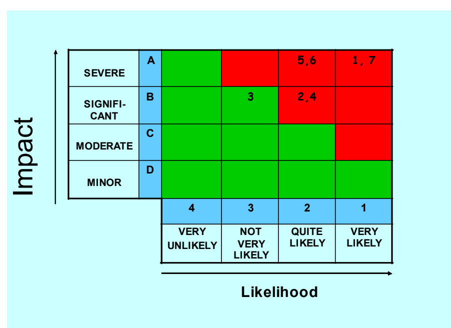
Risk	Impact	likelihood	Key Controls in Place	Further Action to Be Taken	Risk Owner
1. Loss of Authorities in Membership West Northants Councils enforced their notice to leave membership wef 31st March 2026.	A	1	▪ Communicating the benefits of EMC membership. ▪ Understanding local pressures; both service delivery and financial. ▪ The requirement for 12 months' notice from Member authorities provides for time to try and resolve issues and any member concerns. ▪ Introductory meetings with new CXs and attendance at regional CXs meetings.	▪ Provision of services and wider benefits EMC has provided to each member council, building on regular senior officer discussions and annual invoice letters. ▪ Clarity on the cessation of EMC services and support upon leaving membership. ▪ Agreement of transition plan to successor governance arrangements.	**Management Group** **Management Team**
Date of Last Review: **September 2026**					

2. Loss of Member experience and/or lack of engagement from Members	B	2	▪ Induction of new Members in leadership positions is provided. ▪ Member engagement is part of the KPIs reported on a quarterly basis to Management Group. ▪ Group Leaders are informed of non-attendance.	▪ Briefing notes on board roles and objectives to be provided for each board. ▪ Advisory support provided to new leaders, including in person meetings. ▪ Group Leaders' review Group nominations to Boards. ▪ EMC secretariat reminds Members of meetings and reports attendance to Group Leaders (both pre and post-meeting). ▪ Introductory meetings held with new council leaders. ▪ Exploration of mentoring opportunities.	**Group Leaders** **Management Group** **Management Team**
Date of Last Review: **September 2026**					
3. Lack of engagement from Staff	B	3	▪ Regular team meeting and 1 to 1s; staff appraisals. ▪ Implementation of 'pulse surveys' of very focused questions, with trend analysis.	Consideration and discussion of income and expenditure profiles; and their engagement in developing and rolling out the agreed work programme and Annual Report.	**Management Team**
Date of Last Review: **September 2026**					
4. Insufficient capacity and resilience (including staff and financial) to deliver work programme.	B	2	▪ Management of the work programme to reflect programme delivery, policy development and sector support responsibilities. ▪ Annual KPIs to monitor progress in the delivery of the business plan. ▪ Annual staff appraisals and regular business plan planning meetings. ▪ Revised approach to delivery of work programme. ▪ Staffing item included on management team agenda.	▪ 3 month review against business plan and budget. ▪ 6 month full-review of income and expenditure against profile, targets and forecasting against pipeline projects and delivery. ▪ Progress is regularly reviewed by Management Team ▪ Work priorities planning and monitoring the resilience and capacity of staff to generate income.	**Management Group** **Management Team**

Date of Last Review: **September 2026**					
5. Inability to secure consultancy and other earned income to balance budget	A	2	▪ Agreed rates and charges schedule in place for 2026/27. ▪ Monthly financial reporting and oversight. ▪ The increased use of virtual networks and events may impact upon profiled income – EMC to focus activity on gaps or added value of regional level support is needed.	▪ All opportunities will continue to be explored including new income streams/services. ▪ Targeted promotion of EMC service offer. ▪ Adaptation of service offer and learning through further use of virtual networks and platforms. ▪ Rates and charges reviewed as part of 2027/28 budget setting process. ▪ Spreading	**Management Team**
Date of Last Review: **September 2026**					
6. Inability to secure and maintain grant funding: ▪ **SMP Home Office and MHCLG grant.** ▪ **DfT Rail Collaboration Agreement**	A	2	▪ 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). ▪ Home Office grant funding agreement for 2026/27 still to be provided ref asylum and refugee resettlement programme delivery. ▪ Regular meetings with Home Office at senior officer level. ▪ Delivery of programme milestones and wider commitments, as per Grant Agreement. ▪ RCA programme board provides oversight by DfT an LTA partners of project delivery and spend.	▪ All opportunities will continue to be explored, including with DfT. ▪ Regular programme management and oversight to meet requirements and demonstrate value-added. ▪ Alignment of EMC/TfEM transport and growth responsibilities to be agreed with EMCCA and GLCCA. ▪ Transition arrangements for DfT Rail Collaboration Agreement confirmed with LTAs and DfT. ▪ Consideration of options and managerial response should there be a significant reduction in grant income. ▪ Demonstrate value-added of partnership, including performance management of programme delivery. ▪ Review of programmes to ensure only grant funded activity is undertaken.	**Management Team**

Date of Last Review: **September 2026**					
7. Emerging Partnerships and local government reorganisation	**A**	**1**	▪ Implications of English Devolution and Community Empowerment Act, including the establishment of Strategic Authorities, e.g. EMCCA, GLCCA, and proposals for LGR with new council structures in place by April 2028. ▪ Senior advisory support provided to GLCCA in the delivery of their transport programmes. ▪ Working with council CXs in the development of proposals for revised governance arrangements post 2027. ▪ To maintain neutral position in relation to any local government restructuring proposals.	▪ Regular consideration by EMC Management Group and Executive Board for political guidance. ▪ Engagement with leaders and chief officers across the region, and Mayors. ▪ On-going work with Government to confirm the new model for sub-national asylum and resettlement delivery arrangements post-2027.	**Management Group** **Management Team**
Date of Last Review: **September 2026**					

KEY



(red)	**Some Extra Risk Management Action**
(green)	**No Extra Risk Management Action**

East Midlands Councils

Request For Exemption From Financial Regulations In Respect Of Contracts

Commencement Date	22nd June 2026
Contract and Description:	ESOL Coordination: Continuity & Transition. To secure stability and longevity of LEEM platform and negotiate adoption of ESOL forums by local stakeholders within FY 2026/27.
Amount:	£27,792
Contractor/Supplier:	Migrant English Support Hub (MESH)
Basis for Exemption:	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. 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 as in other cases

Justification:

a) **The over-arching priority for this contract, to run to the end of FY 2026/27 will be to secure and embed LEEM for the longer term.** Given the dependency of LEEM on pre-existing MESH database architecture, and the short timespan since launch in February 2026, additional time/capacity from MESH is required to reach maturity, to ensure accuracy, and to bring additional provider-facing features online. **Replicating LEEM independently of existing architecture is impossible within current SMP resources.**

EMC's principal objective within the term of this contract will be to transition LEEM towards independence by consultation with the sector to select an option for FY 27/28, to include:

1. **Expansion and maintenance with sector adoption at agreed cost for fully serviced development (preferred).**
2. **Basic maintenance by EMC to assure compliance with HO GFA objectives.**
3. **Do nothing: Exit/withdrawal from LEEM after January 2027.**

b) Home Office grant funding agreement includes the requirement to 'regularly [update] the mapping work of formal and informal adult Language Training Provision [...] including assessing capacity and shortages in the region, and quality of delivery,' which the LEEM resource addresses directly.

The GFA also includes 'driving problem solving and planning at a national, regional and local level', 'promoting and delivering training [...] and supporting capacity building', and 'holding regular meetings with further education colleges, third sector, voluntary and private organisations to build relationships and share best practice.'

Local ESOL forums are the key vehicle for achieving these aims. There is urgency to expand and further embed forums, transitioning to local stakeholder leadership and governance, notably in Lincolnshire and Northamptonshire, and extending the Derby forum to Derbyshire. 10-15 forums are expected during the contract term. Delivery is intensive, involving detailed engagement with over 200 stakeholders, administration and secretariat support, action on local priorities, and responding to sector and policy instability. **For example, divergence in GLCCA has recently led to LA withdrawal of governance for the local forum, reversing progress and placing onus back on EMC.**

Delays in the issue of Home Office Grant Funding Agreements (and the contingent impact on sequencing of EMC budget-setting) have unavoidably cost momentum in delivery of these objectives. Since the previous contract ended in March 2026, new provider sign-up to LEEM has slowed and website traffic has fallen. Although technical support and hosting are secured until January 2027, there is urgency to rebuild and maintain engagement, and continue development support. Not doing so places LEEM functionality and sustainability at risk.

In combination, these factors directly impact EMC's delivery on Home Office Grant Funding Agreement requirements with respect to ESOL coordination, as summarised above.

As a secondary purpose of the contract, additional capacity will support maintenance and development of ESOL forums, and offer continuity for providers, who have been engaged with MESH over 2025/26.

We will clearly communicate to the sector that EMC capacities with regard to ESOL forums will transition at 31st March 2027 to reflect continuity options below:

- Forums are adopted outright by sector partners as steady-state entities; and/or
- EMC's oversight is scaled back to minimal coordination activity within existing capacities, alongside regional partners.

d) This is a continuation of delivery from the previous contract, which completed on 31st March 2026, intended to maintain and develop the LEEM platform, to further develop local ESOL networking, and to sustain the benefits of both.

Completed forms should be sent to the Executive Director

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

SIGNED: ______________________ **DATE:** 2 July 2026

Stuart Young, Executive Director

Once approved pass to Lisa Bushell/Lisa Hopkins

Reported to Management Group	4/9/2026.	**DATE**

Extract from Financial Regulations

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

a) that only one contractor is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive rights.

b) that time limits required for tendering cannot be met for reasons of extreme urgency (and, in the case of EC contracts, the reasons were unforeseen and not attributable to East midlands Councils).

c) that additional works or services (not exceeding 50% of the value of the original contract in the case of EC contracts) are required which, through unforeseen circumstances, were not included in the original contract and which are either:
   - strictly necessary for the completion of the contract; or,
   - for technical or economic reasons, cannot be carried out separately without great inconvenience.

d) that new works or services are required which are a repetition of works or services carried out under a previous contract within the previous 12 months:
   - at the same location as before for works contracts; or
   - the same service or goods in other cases

e) that goods are required as a partial replacement for or addition to existing goods or installations and obtaining them from another contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance.

f) that the rules of a design contest require the contract to be awarded to one of the successful candidates provided all successful candidates are invited to negotiate.

g) If a Major Incident is declared or similar emergency situation arises, requiring immediate action on East Midlands Councils behalf.

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

Management Group
4th September 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. 12 declaration of interest forms have been returned, and we are currently waiting for 8 members to return theirs. These will then be 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