



Executive Board Meeting

10.00am, Friday 2nd October 2026

AGENDA

1. Welcome and Introductions
2. Apologies
3. Declarations of Interest
4. Minutes of the Executive Board Meeting 11th June 2026 *
5. EMC Chair's Report *
6. Infrastructure and Growth *
7. Asylum and Refugee Resettlement in the East Midlands *
8. Local Authority Workforce and Pay – Regional Employers' Board *
9. Report of Management Group *
10. Any Other Business

*Papers attached



**EAST MIDLANDS COUNCILS EXECUTIVE BOARD
MINUTES OF THE MEETING HELD ON 11TH JUNE 2026**

Present: Cllr Sean Matthews (Chair) – Lincolnshire County Council
Cllr Elly Cutkelvin (Vice Chair) – Leicester City Council
Cllr Tricia Gilby (Vice Chair) – Chesterfield Borough Council
Cllr Jane Yates – Bolsover District Council
Cllr Jewel Miah – Charnwood Borough Council
Cllr Nadine Peatfield – Derby City Council
Cllr Stephen Reed – Derbyshire County Council
Cllr Craig Leyland – East Lindsey District Council
Cllr Phil King – Harborough District Council
Cllr Stuart Bray – Hinckley & Bosworth Borough Council
Cllr Dan Harrison – Leicestershire County Council
Cllr Neghat Khan – Nottingham City Council
Cllr John Doddy – Nottinghamshire County Council
Cllr Gale Waller – Rutland County Council
Cllr Christine Wise – Rutland County Council
Cllr Ashley Baxter – South Kesteven District Council

Stuart Young – East Midlands Councils
Brein Fisher – East Midlands Councils
Sam Maher – East Midlands Councils
Andrew Pritchard – East Midlands Councils

Apologies: Cllr Alan Graves Derbyshire County Council
Cllr Mick Barton – Nottinghamshire County Council

1. Welcome and Introductions

1.1 The Chair, Cllr Sean Matthews, welcomed members and officers to the meeting.

2. Apologies

2.1 Apologies were received as noted above with deputies attending on their behalf.

3. Declarations of Interest

3.1 No declarations of interest were made.

4. Minutes of the Executive Board Meeting – 27 March 2026

- 4.1 The minutes were reviewed and agreed with the following amendment:
- Cllr Christine Wise highlighted the discussion reflecting the positive contribution of smaller unitary authorities, specifically Rutland's strong performance in services and balanced budget position.

5. Chair's Report

- 5.1 Cllr Sean Matthews, Chair East Midlands Councils introduced the report, supported by officers.
- 5.2 Stuart Young highlighted the recent regional elections (Lincoln City only), with wider national political shifts noted. Also, members noted the updated regional political balance following the withdrawal from membership of EMC of West Northants Council.
- 5.3 The English Devolution and Community Empowerment Act received Royal Assent on 29th April 2026. The Act:
- Establishes strategic authorities and mayoral functions.
 - Maintains a voluntary, locally-led approach to devolution.
 - Provides the legislative basis for Local Government Reorganisation (LGR).
- 5.4 Andrew Pritchard updated members on Spatial Development Strategies which have been introduced as a key future planning tool. He highlighted the event in July that EMC is holding on LGR, devolution and planning reform.
- 5.5 In relation to Local Government Reorganisation, Members discussed the continued uncertainty around proposals and timescales. Government decisions on LGR are expected before Parliamentary recess in July. It was noted that the Government has restated its commitment for elections to shadow councils to be held in May 2027 with vesting day of 1st April 2028.
- 5.6 Risks relating to public understanding of new arrangements, operational readiness and potential for legal challenge were highlighted.
- 5.7 Members noted the importance for Authorities to continue to prepare despite uncertainty and that early clarity from Government is essential.
- 5.8 EMC draft Annual Report has been circulated for consideration. This is recognised as an important accountability document summarising achievements and value to members.

5.9 Resolution

Members of the Executive Board:

- Considered and advised on the implications of recent local authority elections and other developments highlighted in the report.
- Considered and endorsed the Draft Annual Report 2025/26 for presentation at the EMC's AGM to be held 9.30am on Friday 3rd July 2026.

6. Local Authority Workforce and Pay – Regional Employers' Board

6.1 Cllr Jane Yates, Chair Regional Employers' Board introduced this report and highlighted key issues with an emphasis on workforce pressures linked to LGR.

6.2 In relation to national pay negotiations a 3.3% pay award was agreed for Chief Officers, however the offer was rejected for wider workforce (Green Book staff). Trade unions are currently progressing industrial action ballots.

6.3 There are still ongoing disputes in relation to the lack of agreement for the 'craft worker' pay settlement.

6.4 Cllr Yates highlighted employment changes in relation to Employment Rights Act 2025, consultation on zero-hours contracts and also TUPE review.

6.5 There has been an increase in mileage rates (45p to 55p) creating substantial cost pressures for councils.

6.6 Members discussed the risk of industrial action during LGR implementation and also the budget pressures associated with pay and mileage increases. There is a need to balance workforce stability with affordability.

6.7 Resolution

Members of the Executive Board:

- Considered the issues highlighted in the report.

7. Infrastructure and Growth

7.1 Andrew Pritchard introduced this report and updated members on the latest developments. One of the key issues is the continued under investment in regional infrastructure.

7.2 In relation to the RIS3 announcement, funding has been confirmed for some schemes (e.g. A38 Derby Junctions), however while the A46 Newark Bypass

remains within RIS3, its start date and therefore likely completion is significantly delayed (likely post-2030).

- 7.3 This creates political uncertainty due to timing beyond next General Election and also the construction cost inflation.
- 7.4 In relation to wider concerns the lack of infrastructure limiting housing and economic growth is of concern and also the ongoing constraints in energy, water and transport capacity.
- 7.5 Andrew stated that flood risk has been identified as an increasing regional priority. Members expressed strong frustration about continued delays and lack of investment. They feel the need for stronger, unified cross-boundary lobbying. There is also recognition that inadequate infrastructure is holding back growth.
- 7.6 Resolution
Members of the Executive Board:
- Endorsed the work of the TfEM Board.
 - Considered the rest of the report.
 - Directed officers accordingly.

8. Asylum and Refugee Resettlement in the East Midlands

- 8.1 Cllr John Doddy, Chair Regional Migration Board introduced this report.
- 8.2 He highlighted EMC's role as a coordinating body between Government and councils.
- 8.3 In relation to the current asylum context, there are significant numbers being accommodated across the region and capacity pressures remain.
- 8.4 Progress has been made in recovering outstanding Afghan resettlement programme funding owed to councils by Government, however there is ongoing uncertainty in future numbers.
- 8.5 There is continued demand placed upon councils in relation to unaccompanied asylum-seeking children.
- 8.6 Members expressed concern in relation to the on-going poor data sharing between agencies (Home Office, contractors, local authorities).

- 8.7 Concerns continue in relation to the uneven distribution of asylum accommodation (clustering issues) and pressures on housing and wider local service delivery.

8.8 Resolution

Members of the Executive Board:

- Considered the role of East Midlands Councils in the delivery of asylum and refugee resettlement programmes and informed the on-going work of EMC in addressing the concerns of local authorities.
- Advised on the impact of the full dispersal plan in Local Authority areas including in those areas where numbers exceed agreed targets.
- Advised on the policy changes to the Afghan Resettlement Programme (ARP).

9. Report of Management Group

- 9.1 Cllr Elly Cutkelvin, Vice-Chair East Midlands Councils introduced this report and highlighted the key points from the report which were discussed at the recent meeting:

- Governance arrangements and performance management confirmed.
- Financial position and draft budget reviewed.
- Impact of membership changes (including West Northamptonshire withdrawal) noted.

9.2 Resolution

Members of the Executive Board:

- Noted delivery against the agreed Business Plan for 2026/27.
- Noted the progress in meeting corporate governance requirements of internal and external audit.
- Noted the position on reserves and wider financial resilience.

10. Any Other Business

- 10.1 No further business was raised.



Executive Board

2nd October 2026

**EMC Chair's Report
Cllr Sean Matthews**

Summary

This report provides a summary of recent developments on LGR, devolution and the implications for the region and EMC.

Recommendations

Members of the Executive Board are invited to:

- Note the current position regarding local government reorganisation in the East Midlands, and to consider and advise officers of the way forward.
- Endorse continued engagement with regional and local authority partners in the development of options for future partnership arrangements.
- Consider and 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 proposed programme of local government reorganisation (LGR) would fundamentally reshape local government structures across England, alongside its wider devolution agenda. However, there are now reasonable questions whether the LGR programme will be delivered, and at the very least, it will be subject to significant delay.

Government's LGR Proposals 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 proposed by 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 proposed LGR Geography, as announced on 16th July 2026, 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.

Challenges to LGR Decisions

- 1.7 Lincolnshire, Leicestershire and Nottinghamshire County Councils issued pre-action protocol letters to MHCLG Secretary of State following the decision to create 2 new unitary councils in each county area. A number of Leicestershire district councils are considering a similar move.
- 1.8 The councils stated they were seeking further information and clarification on aspects of the decision making process including how proposals were assessed against criteria and consultation responses were taken into account.
- 1.9 Norfolk, Devon, Hampshire, Suffolk and Essex and Portsmouth City Council also issued either pre-action protocol letters or applied to the courts for a judicial review.
- 1.10 Councils in Essex launched legal action June after it emerged that its own preferred option to create 3 unitary councils in the county was backed by senior government officials but rejected by the then MHCLG SoS, Steve Reed.

Government Review of LGR Proposals

- 1.11 On 7th September, the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) announced that the Government has launched a review of its Local Government Reorganisation (LGR) programme. As a result, decisions relating to Essex, Hampshire, Norfolk and Suffolk have been withdrawn. Proposals for a further 14 areas, including all those within this region, have been paused and will be reviewed alongside the cases of Cambridgeshire and Peterborough, and West Sussex, where decisions have yet to be confirmed.
- 1.12 The review follows the receipt of what the Government has described as ‘updated and privileged legal advice’ and is intended to ensure that the reorganisation process is legally robust. In practical terms, the Government has received new

legal advice indicating that previous decisions relating to LGR may not have fully complied with legal requirements.

1.13 The Secretary of State stated:

"In that context, in light of legal advice, I want to satisfy myself firstly that the right process is in place, that it is robust, and of course complies with the law. And, secondly, I want to fully test whether our proposals for local government reorganisation meet the priorities of a new administration and a new Prime Minister, and any additional considerations."

1.14 The Government has also confirmed that local elections scheduled for May 2027 will proceed on existing council boundaries, rather than elections to proposed shadow authorities. This means that elections will take place in the unitaries of Derby, Leicester, Nottingham and Rutland, and in the 29 district and borough councils across the East Midlands on current boundaries.

1.15 MHCLG has advised that local government reorganisation in Surrey will not be affected by the review. The two new unitary authorities, East Surrey and West Surrey, are therefore expected to be established as planned in April 2027.

1.16 The announcement has led to considerable concern across local government. Councils have spent many months preparing for reorganisation in accordance with a timetable set by the Government. Significant officer capacity and substantial public funds have already been committed to this work. In addition, councillors and officers have faced a prolonged period of uncertainty regarding the implications of reorganisation for both their roles and their organisations.

1.17 With the announcement by Government of the review of its LGR decisions, the previously well-understood timescales are now far from clear. It would appear the earliest that shadow elections can take place for new unitary councils would be May 2028, with Vesting Day in April 2029 – but this could be overtaken by a General Election.

Implications

1.18 Despite the Government's direction to 'cease all implementation activity', councils report that some activity continues given the need to deal with the immediate issues this decision brings, plus prepare for a future that is not yet clear.

- 1.19 In many cases, councils are adopting a 'holding' approach to safeguard existing progress, mitigate new risk, and position their councils for all potential eventualities. This also includes confirming what activities are included within the implementation work, including any costs already committed or likely to be incurred during the pause.
- 1.20 Part of the uncertainty relates to leaders and officers needing to balance the future needs of their existing council whilst also being prepared for all possible outcomes of the review.
- 1.21 Two specific issues will need to be considered as part of the review:
 - a) Was the process for making the decisions concerning which proposals to choose or reject legally sound?
 - b) Do the structures effectively support the Government's devolution goals, as laid out in the Rewiring the State document?
- 1.22 Timings remain to be confirmed, but in part they are dependent upon the scope and outcomes that could include:
 - A quick review, which finds no changes are needed and councils should proceed to April 2028 transition.
 - A longer review, deciding no changes are needed and councils should proceed to an April 2028 transition, leaving less time to achieve that.
 - The review finds legal issues with the decision-making process requiring new proposals and/or a refreshed ministerial review of existing/new proposals.
 - The review finds that the LGR regime does not support the Government's devolution goals, and so is pushed back for a longer period or scrapped entirely.

2. Devolution

- 2.1 The Government's published 'Rewiring the State' on 31st July 2026, emphasising its commitment to reform the structure of decision-making in England with a shift of power, funding, and accountability from Whitehall to local leaders (available [here](#)). The key elements are as follows:
 - **Full Coverage:** Every part of England is planned to be covered by strategic authorities by 2028.
 - **New Local Powers:** Devolving control over skills, employment support, transport, housing, innovation, and public services to regional leaders.
 - **Fiscal Devolution:** Expanding the Overnight Visitor Levy to all strategic authorities and assigning a share of income tax and retained business rates to mayoral strategic authorities starting in 2027–2028.

- **Devolve by Default:** Requiring central government departments and Secretaries of State to justify keeping policy decisions in Whitehall rather than delegating them.
- 2.2 To progress this policy, the Government will map out proposals in consultation with mayors, chief executives, and the Cabinet Secretary. It is then planned to publish a formal fiscal devolution roadmap and a comprehensive white paper with a clear legislative timetable by end-Autumn 2026.
 - 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 The Government has also announced that Mayors will be given the power to introduce a tourism levy in England, calculated as a percentage of accommodation costs rather than as a fixed charge. Labour Combined Authority Mayors have committed to voluntarily capping the levy at 5% of the cost of an overnight stay. Revenue generated through the scheme is intended to support investment in local tourism, town and city centres, and transport infrastructure.
 - 2.5 In contrast, the two Reform UK Combined Authority Mayors and the two Conservative Mayors have expressed opposition to the introduction of a tourism levy.
 - 2.6 Local leaders, including those leading Foundation Strategic Authorities where no elected mayor is in place, will be required to set out by early 2028 how revenue generated from the levy will be reinvested within their areas. To ensure consistency and avoid confusion for visitors and businesses, mayors will not be permitted to exempt specific localities within their regions from the charge.
 - 2.7 The Government has stated that legislation to introduce the levy will be brought before Parliament in due course. The proposed charge would apply to both domestic and international visitors staying in paid accommodation.
 - 2.8 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. 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 with Strategic Authorities not yet established in Leicester, Leicestershire and Rutland, or North and West Northamptonshire.

- 2.9 To fully benefit from the opportunities presented by devolution and the new fiscal arrangements, these areas will need to establish their own Strategic Authorities. While Council leaders from across Leicester, Leicestershire and Rutland have written to the Government to confirm their unanimous preference to establish a Mayoral Strategic Authority (MSA) for the area, 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. The development of proposals may also be delayed by the recently announced review of the Government's LGR decisions.

3. The Implications of LGR and Devolution for East Midlands Councils

- 3.1 If implemented, Local Government Reorganisation (LGR) will have a significant impact upon EMC as an organisation, including the services it provides, its partnership arrangements and its resource base. Although the Government has delayed the current proposals with its further review, it remains prudent for EMC to continue preparing for potential changes to governance structures, partnership arrangements and service delivery models in anticipation of the immediate to short term completion of the review.
- 3.2 In the interim, it is anticipated that EMC's current membership base and operating model will remain in place for at least another 18 months. EMC will also need to review and potentially revise the support programme that had been planned for councils during the current year in relation to LGR.
- 3.3 While an extended transition period may reduce some of the immediate pressures facing councils and EMC, it will also prolong the period of uncertainty and may delay decisions regarding future arrangements.
- 3.4 Once devolution arrangements are established, should councils consider that future arrangements would benefit from a partnership structure that supports collective activity outside of the Strategic Authority framework, this will be a matter for local authorities to determine. Any such arrangements, including their form, purpose, governance and implementation timetable, would need to be agreed collectively by the councils concerned.

- 3.5 EMC will continue to monitor developments and engage with member councils to ensure that any future regional arrangements are informed by local priorities and emerging national policy.
- 3.6 Members have previously considered these matters and agreed that proposals should be explored with member councils once matters relating to LGR and devolution become clearer. However, mindful of the need to prepare for future change, the Executive Board has also considered an initial issues paper setting out the timescales, resource implications, scope and wider considerations arising from LGR, devolution and related matters for any future regional partnership arrangements. Informed by discussions at the recent meeting of EMC's Management Group, an updated version of this paper is attached at Appendix 5(a).
- 3.7 To support the development of these discussions, a number of Chief Executives have agreed to participate in a working group, alongside senior EMC officers, to oversee the development and appraisal of options for any future regional body. The group will help identify preferred options and provide advice to EMC's existing political leadership on a potential direction of travel.
- 3.8 The following Chief Executives have agreed to participate in 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
- 3.9 It is suggested that a draft report be considered by the EMC Executive Board at its meeting in December 2026, followed by consideration by the wider EMC membership in February 2027. Subject to feedback received, a final proposition may then be presented to the Executive Board for approval in March 2027.
- 3.10 However, these timescales are indicative and may need to be adjusted depending on the outcome of the pause and review process, whether this is concluded quickly or results in a significant delay. The local authority elections scheduled for May 2026 should also be taken into account. Consequently, the programme timetable may need to be revised to align with key decision-making milestones.

4. Recommendations

Members of the Executive Board are invited to:

- 4.1 Note the current position regarding local government reorganisation in the East Midlands, and to consider and advise officers of the way forward for any review of EMC.
- 4.2 Endorse continued engagement with regional and local authority partners in the development of options for future partnership arrangements.
- 4.3 Consider and inform the further development of 'issues and options paper' and consideration of wider organisational risk and scenario planning.

Cllr Sean Matthews
Chair
East Midlands Councils

**Executive Board****2nd October 2026****Infrastructure & Growth****Summary**

This report provides a regional economic overview and seeks endorsement for the work of the TfEM Board. It discusses the implications for the East Midlands of the Government's recent RIS3 cancellations announcement and latest position on rail services delivered by EMR.

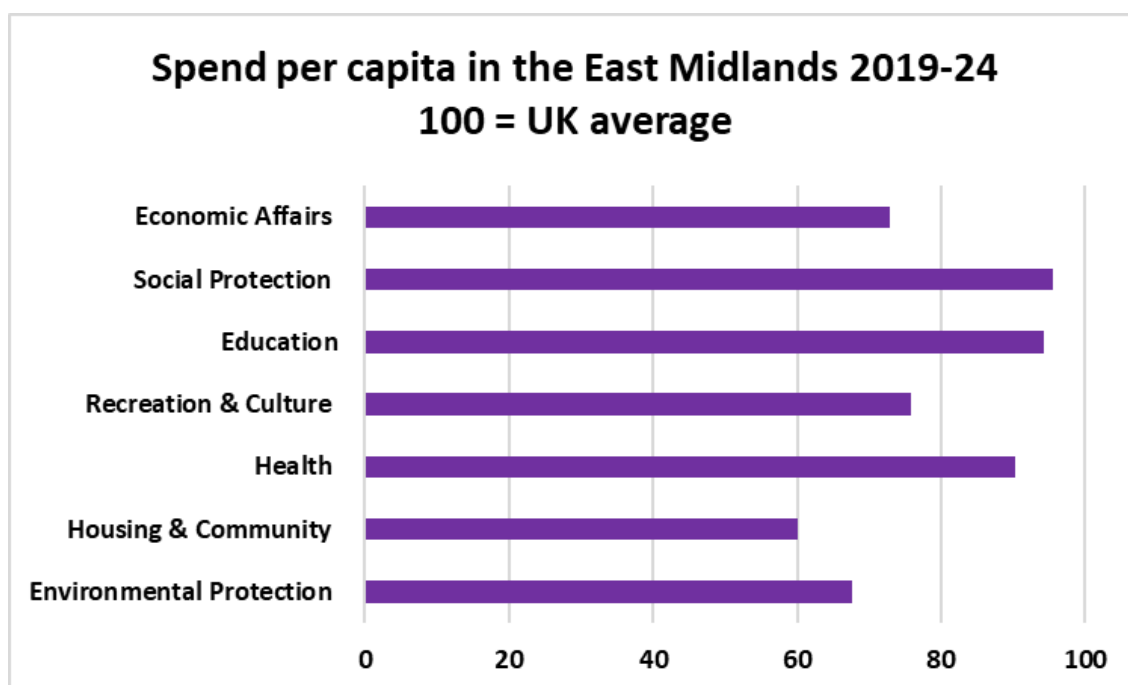
Recommendations

Members of the Executive Board are invited to:

- Endorse the work of the TfEM Board.
- Consider the rest of this report.
- Direct officers accordingly.

1. Growth, Productivity & Investment in the East Midlands

- 1.1 The East Midlands is now a region of 5.1 million people and 403,000 businesses. Total regional output in 2023 (as measured by GDP) was £157bn, equivalent to 5.8% of the UK economy. The East Midlands employment rate is close to the UK average at 75.5% (UK=75.1%). Median weekly earnings are below the UK average: £721 pw compared to £767pw. 10.1% of the workforce work in manufacturing, compared with 6.7% for the UK – although this percentage has declined significantly in recent years. The region's unemployment rate has increased recently and is now above the UK average: currently at 5.1% compared to 4.9%¹.
- 1.2 Productivity has remained below the UK average over the last 20 years in the East Midlands and has been on a declining trajectory relative to the UK - currently 84.8% of the UK average in 2023² - although the methodology behind these figures is under review by ONS.
- 1.3 The Treasury publishes an annual Public Expenditure Statistical Analysis (PESA) every July on where public money (capital and revenue) is spent and on what, in the previous financial year. The latest analysis³ demonstrates that between 2019-20 to 2023-24, total expenditure on core public services has remained consistently below the UK and England averages.



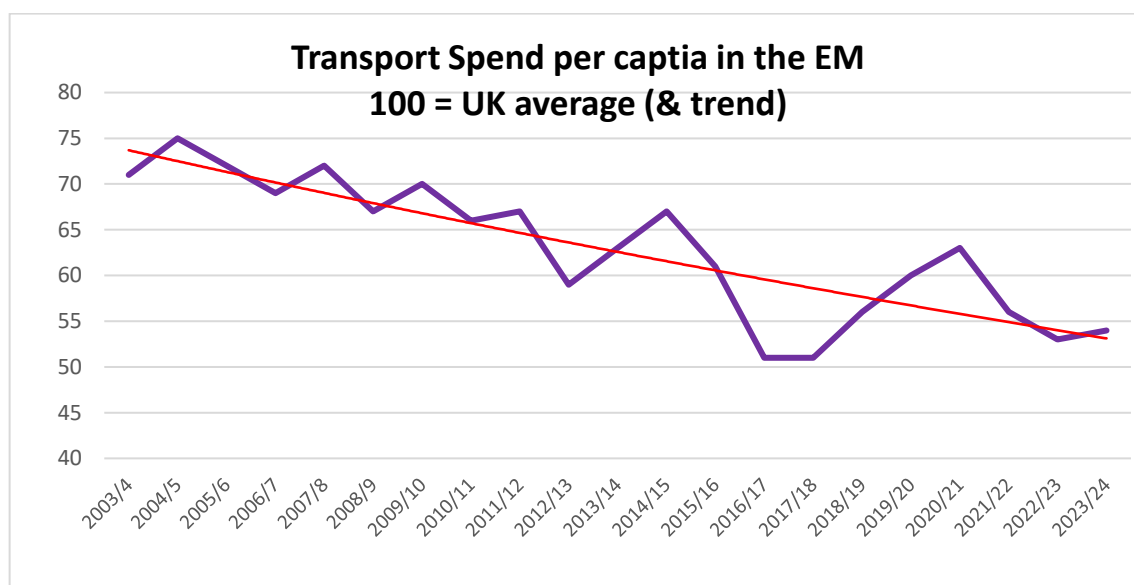
Source: [CP 1363 – Public Expenditure Statistical Analyses 2025](#)

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

² [Annual regional labour productivity - Office for National Statistics](#)

³ [CP 1363 – Public Expenditure Statistical Analyses 2025](#)

- 1.4 Transport spend per head has been very significantly below the UK average level for the last 20 years and has now declined to just 54% of the UK average for 2023/24, the lowest level of any UK region or nation. The disparity in levels of investment spend per head between the East Midlands (£368) and the West Midlands (£687) continues to widen. This is likely due to large-scale infrastructure programmes including HS2, several new local rail stations and related highways investment.



Source: [CP 1363 – Public Expenditure Statistical Analyses 2025](#) & previous releases

2. Transport for the East Midlands (TfEM)

- 2.1 Transport for the East Midlands brings together the Region's Local Transport Authorities under the auspices of East Midlands Councils to provide collective leadership on strategic transport issues and meets on a quarterly basis. TfEM is chaired by Sir Peter Soulsby the City Mayor of Leicester. Cllr Chris McGiffen (North Northamptonshire) is the Vice Chair.

Transport Infrastructure Priorities

- 2.2 Since 2017 TfEM and Midlands Connect have identified, developed and promoted a programme of shared strategic transport infrastructure priorities to support growth and productivity and help to address the historic underfunding of the East Midlands - which has endured under all Governments for the last 25 years.
- 2.3 These priorities have flexed from time to time to reflect changing circumstances and Government policy. The extant version was published in March 2024 and is

currently under review with a revised version set to be considered by the December 16th TfEM Board. The current priorities are set out below:

- Midland Main Line Electrification
- Nottingham-Leicester-Coventry Rail Connectivity
- Midlands-Leeds & North East Rail Connectivity
- A46 Growth Corridor & Newark
- A50/A500 Growth Corridor
- A5 Growth Corridor
- Improving Safety Reliability on the A1
- M1 Junction 24 & Surrounding Area

Road Investment

- 2.4 The Government published its Roads Investment Strategy (RIS) for five-year period between 2026/7 and 3031/2 (known as RIS3) at the end of March 2026: [Road Investment Strategy 3 \(RIS3\): 2026 to 2031](#). Several schemes in the East Midlands were identified by RIS3 for investment, including major enhancements to the A38 Derby Junctions and the A46 Newark Bypass - which has been TfEM's top road investment priority for the last decade.
- 2.5 However, to release capital funding for the Defence Investment Plan (DIP) published on 30th June 2026 the Government proposed to cancel both schemes and to remove them from the RIS⁴.
- 2.6 At EMC's AGM on 3rd July, Members were clear in their concern and frustration with the Government's proposal to cancel these road investment schemes, and it was agreed that the Chair of EMC Cllr Sean Matthews and Chair of TfEM Sir Peter Soulsby should respond robustly: [East Midlands stuck in the slow lane: Government cancels major transport investment...again!](#)
- 2.7 There has been notable media interest in this issue and an EMC representative has given a number of interviews and provided advisory support to regional and local partners.
- 2.8 As the proposed cancellations make a material change to the Roads Investment Strategy (RIS) published in March 2026, the Government is required to undertake a consultation under Part 2, Schedule 2 of the Infrastructure Act 2015. The consultation ran from 23rd July 2026 to 14th September 2026. A copy of the consultation letter is set out under Appendix 6(a).

⁴ [The Defence Investment Plan Funding explainer - GOV.UK](#)

- 2.9 EMC worked with member authorities to develop a common evidence base to support individual consultation responses and supported the campaigning efforts of EMCCA⁵. The EMC/TfEM consultation response is set out in Appendix 6(b) and at: [EMC & TfEM oppose cancellation of critical road investment](#).
- 2.10 On the 22nd September 2026 National Highways have issued a new invitation to tender to deliver the A46 Newark Bypass: [A46 Newark Bypass - Find a Tender](#). Whilst this may appear very good news it does not mean that the Government's position has changed.
- 2.11 The original contract with Skanska was cancelled because HE was working on the basis that the start date would be pushed back from 2027 to 2030 in the RIS Delivery Plan (which had yet to be published). On the 30th June 2026 the scheme was proposed for cancellation by the then PM to fund the DIP – justified on the basis it was 'not in contract'
- 2.12 However, until the RIS is formally amended (following the current consultation) the scheme remains part of the programme. As a result, HE is required to progress the scheme on the 2030 timeline until officially told to stop. If the scheme is reprieved by the Chancellor, then the procurement can continue - if not then it will be terminated.
- 2.13 The Government is expected to make its final decision at or around the Budget which is scheduled for 28th October 2026. It is worth noting that as of the end of June 2026, the Government still had a shortfall of just under £5 billion to fund the DIP.

Rail Collaboration Agreement (RCA)

- 2.14 In 2020 TfEM signed a Collaboration Agreement with the Department for Transport to provide local input into the management of rail services provided by East Midlands Railway (EMR). The Agreement is joint funded and has enabled the recruitment of a TfEM Head of Rail Improvement who is accountable to the TfEM Board but sits at the interface with the DfT Rail Markets Team managing EMR's contract. In recent years the influence of this role has been extended to include services in the East Midlands run by CrossCountry and Northern.
- 2.15 The RCA is due to terminate when Great British Railways (GBR) is formally established – likely to be October 2027. Only Mayoral Combined Authorities (MCAs) will be eligible to enter into partnership agreements with GBR. The priority

⁵ [East Midlands Mayor urges communities and businesses to back campaign against A46 and A38 road scheme cancellations - East Midlands Combined County Authority](#)

for the remaining months of the TfEM Collaboration Agreement is to establish a comprehensive evidence base to underpin a revised East Midlands Strategic Rail Statement, which will then be submitted to GBR to inform its initial plans from a regional (as opposed to an MCA) perspective.

2.16 In recent weeks TfEM has published a suite of technical documents in collaboration with Systra as a basis for the Strategic Statement:

- [Regional Service Categorisation](#)
- [Performance Data by Station](#)
- [Performance Analysis](#)
- [Stations Growth Analysis](#)
- [Regional Fleet Options](#)
- [City Rail Connectivity Analysis](#)
- [Routes to Prosperity - Economic Overview](#)
- [Freight Growth Analysis](#)

2.17 It is planned to present a draft Rail Strategic Statement to the December 16th meeting of the TfEM Board.

East Midlands Railway

2.18 The last few months have been an exceptionally difficult time for train services run by East Midlands Railway.

The Bedford Crash

2.19 EMR intercity services were very seriously impacted by the tragic accident near Bedford which took place on Friday 19th June 2026 involving a collision between a Class 360 Corby-Connect service and Class 810 Aurora, in which an EMR driver sadly died and many passengers were injured⁶. The Rail Accident Investigation Branch has published an interim report⁷. A further interim report may be published shortly with a full report and recommendations to follow once the investigation is complete.

Skegness Services

2.20 For the first time in several years, EMR is serving the Skegness summer market without having to procure supplementary bus services. However, the reliance on 40-year-old diesel Class 158 rolling stock has caused problems, as these trains

⁶ [Media statement: Bedford train crash – essential travel only as passengers warned to expect disruption for the majority of next week](#)

⁷ [Collision between two passenger trains near Elstow - GOV.UK](#)

do not appear to cope well with extreme heat (i.e. more than 26°C)⁸. Securing a long-term rolling stock solution for the Skegness route remains a priority.

Midland Main Line Services

- 2.21 In July 2026, EMR introduced a temporary reduced Intercity timetable following disruption associated with both the new Class 810 Aurora fleet and the maintenance of the existing Class 222 Meridian fleet by Hitachi Rail. The purpose of the reduced timetable was to align the service with the number of trains reliably available, reducing short-notice cancellations and providing customers with a more consistent and dependable service while fleet issues were addressed. Following a period of improved stability EMR implemented an uplift from 87% to 92% of the full planned timetable from 1st September 2026. The uplift includes the reinstatement of eight previously cancelled services to Sheffield and four to Nottingham across weekdays and weekends. EMR are committed to returning to a full timetable but cannot currently commit to a date.

Industrial Action

- 2.22 Industrial action has added a further layer of uncertainty to EMR's recovery during the period. RMT strike action affected Midland Main Line services on 30th and 31st of August, resulting in a significantly reduced timetable, with services operating approximately between 08:00 and 19:00 with only essential travel advised. Further RMT strikes were announced for 16th and 17th September, but these proposed action on these dates were suspended.

Departure of Will Rogers as MD

- 2.23 Will Rogers left EMR on 27th July 2026 after 6 ½ years as MD⁹. Will was a vocal advocate for the rail industry in the East Midlands and presented at each meeting of the TfEM Board without fail. He has been replaced on an interim basis by the MD of Merseyrail Neil Grabham, who previously worked for EMR. Neil is expected to return to Merseyrail when EMR is taken into public ownership and a new East Midlands Route Director overseeing both track and train is appointed.

Alstom

- 2.24 Finally on rail matters, the Government have announced that Alstom in Derby have won the contract to build a fleet of next-generation battery-electric bi-mode passenger trains for TransPennine Express services in north of England¹⁰. The order secures the future of 350 skilled jobs of the Derby Litchurch Lane works, which remains the only UK facility that can design, engineer, build and test new

⁸ [East Midlands Railway apology over 'appalling' overcrowded trains to Skegness | Lincolnshire Live](#)

⁹ [Transport UK EMR Update — Transport UK](#)

¹⁰ [New British-built trains to transform railways and reindustrialise Britain - GOV.UK](#)

trains. Unfortunately, the lack of even limited electrification infrastructure means that these new trains cannot be used in the East Midlands to replace EMR's aging diesel regional rolling stock.

TfEM Board

- 2.25 The TfEM Board met on 28th September 2026 and discussed the following agenda items:
- A presentation on the implications of the Northern Powerhouse Rail for the East Midlands by DfT
 - An update on the RIS3 Variation Consultation
 - A progress update by the Interim MD of East Midlands Railway.
 - An update by TfEM's Head of Rail Improvement on work to develop and extend a regional evidence base to support revised priorities prior to the formal establishment of Great British Railways in April 2027.
 - An Update on TfEM Shared Priorities document and review process.
- 2.26 The next meeting of the TfEM Board will take place on 16th December 2026.

3. Midlands Connect

- 3.1 The Midlands Connect Strategic Board includes three representatives from the East Midlands: Mayor Clare Ward (EMCCA), Mayor Andrea Jenkyns (GLCCA), and Sir Peter Soulsby as Chair of TfEM.
- 3.2 DfT have decided to cease funding sub-national transport bodies from the end of 2026/7. Whilst the Midlands Connect £5m budget for 2025/26 was untouched, DfT has made only transitional funding available for 2026-7 at £2.1m.
- 3.3 Following an earlier review led by WMCA & EMCCA and the Strategic Board meeting of 24th June 2026, Midlands Connect is seeking in principle agreements to contributions from MCAs and LTAs to fund a successor model for 2 years (2027/28 & 2028/29) at the total cost of £2.8m. Progress will be reviewed by the Strategic Board 13th October 2026.

4. Recommendations

Members of the Executive Board are invited to:

- 4.1 Endorse the work of the TfEM Board.
- 4.2 Consider the rest of this report.

4.3 Direct officers accordingly.

Andrew Pritchard
Director of Policy & Infrastructure
East Midlands Councils



Department
for Transport

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Great Minster House
33 Horseferry Road
London
SW1P 4DR
Tel: 0300 330 3000

Web site: www.gov.uk/dft
Email: RIS3Variation@dft.gov.uk

Andrew Pritchard
Director of Policy and Infrastructure
East Midlands Councils
First Floor Offices, South Annex
Pera Business Park
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LE13 0PB

23 July 2026

Dear Andrew,

Variation to the third Road Investment Strategy following the recently published Defence Investment Plan

On 30 June 2026, the Defence Investment Plan was published. This sets out how defence spending will increase to strengthen the UK's security, including increasing defence funding to almost £80 billion a year by 2029 and raising defence spending to 2.7% of GDP.

To fund this, departments have been asked to reduce some previously agreed spending plans. The Department for Transport (DfT) has therefore reviewed its capital budgets, including funding for the third Road Investment Strategy.

We are now consulting on proposed changes to the third Road Investment Strategy. We want to understand what these changes would mean for you, your area and the communities and businesses you represent before final decisions are made.

Third Road Investment Strategy (RIS3)

The government published RIS3 in March 2026, which provides over £27 billion to maintain, renew and enhance England's motorways and trunk A roads between 2026-2031. Over half of all RIS3 spending is on

operations, maintenance and renewals to ensure a safe, reliable, and free-flowing network for generations to come. This includes a record £8.4 billion investment to maintain road surfaces and protect safety-critical structures like bridges and tunnels to strengthen the performance and resilience of the network.

Proposed changes to RIS3

DfT is consulting on proposals to reduce RIS3 capital funding by £428 million over the first four years of the RIS3 period, from 2026-27 to 2030-31. This includes the possible cancellation of two enhancement schemes — the A46 Newark Bypass and A38 Derby Junctions — and an approximately 2 per cent reduction in other capital funding.

Proposed RIS3 funding reductions (£bn)	26/27	27/28	28/29	29/30	30/31	Total
Enhancements	0.027	0.038	0.067	0.183	0	0.315
Other Capital	0.014	0.027	0.034	0.038	0	0.113
Total Capital reductions proposed	0.041	0.065	0.101	0.221	0	0.428

RIS3 sets National Highways' capital delivery commitments, including major milestones such as the start of works on enhancement schemes. If the two enhancement schemes are cancelled, the related capital commitments would also need to change, reducing from five to three.

Reductions are not proposed to other elements of the RIS3 budget, including other enhancement schemes, renewals, the ring-fenced Lower Thames Crossing and inward investment projects, National Highways' resource funding, or operational performance targets.

Why these changes are proposed

- **Proposed cancellation of two enhancement schemes**

We are proposing to cancel two schemes: A38 Derby Junctions and A46 Newark Bypass. Neither scheme is in contract. Main construction is not due to start until 2029 for A38 Derby Junctions and 2030 for A46 Newark Bypass. Proposals are subject to ongoing review of scheme business case and value for money assessment. Before making a final decision,

we will consider the evidence carefully against a range of factors, including value for money, cost, safety, effects on traffic and the environment, housing and growth impacts and confidence in delivery. Annex A provides more information on these areas.

We are not proposing changes to the other committed enhancement schemes in RIS3. Two schemes are already open to traffic and ten are in construction, where stopping work would not be practical. The A66 Northern Trans-Pennine and M54 to M6 Link Road have not yet started construction, but both are already in contract and are due to start works within the next nine months. The A66 is expected to start construction by the end of 2026 and is a nationally important route linking the east of England with the North-West and Scotland. The M54 to M6 Link Road offers the strongest economic benefits for investment among the remaining schemes in development.

The proposal prioritises looking after the existing road network over starting new roadbuilding schemes. This reflects the approach taken in RIS3, which puts greater emphasis on maintenance and renewals so that motorways and major A roads remain safe, reliable and open for road users, businesses and local communities.

- **Small reductions to other capital funding**

We are also proposing to reduce other RIS3 capital funding by around 2 per cent. Other capital funding supports National Programmes, Designated Funds, development work for RIS4, strategic studies, National Highways' digital and corporate services, central risk reserve and related funding protocols.

National Highways will decide, taking into account the views expressed in this consultation, how best to manage this reduction across these areas. We expect National Highways to continue to deliver the RIS3 objectives, including supporting economic growth, improving safety, and protecting the environment.

Consultation questions

We would welcome your views on the proposed changes to RIS3 as outlined above. In particular:

- Do you support or oppose the changes to RIS3 outlined above, including the overall £428 million reduction proposed and the specific areas for savings proposed to achieve it? Please let us know the reasons for your response and any other comments you have on the proposals or any alternatives.
- Do you agree or disagree with the prioritisation of capital funding for maintenance and renewals? Please let us know the reasons for your response.
- Do you have any views on how the RIS3 objectives may be prioritised in any capital funding reductions?
- Regarding the two enhancement schemes, is there any further information or evidence you can provide to supplement the assessment information provided in Annex A.

We would be grateful for your response to this consultation by **14 September 2026**. Your views, alongside any supporting evidence and National Highways' response to the proposals, will be carefully considered before a final decision is made regarding any variation to RIS3.

It would be helpful if you could complete your consultation response using SmartSurvey, which will assist us in collating information. Please click on the link below:

<https://www.smartsurvey.co.uk/t/K763KJ/>

DfT is carrying out this targeted consultation to gather evidence on the RIS3 variation proposals. This consultation and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. If your answers contain any information that allows you to be identified, DfT will, under data protection law, be the Controller for this information.

If you have a specific accessibility requirement in order to respond to the consultation survey, please email the address below and we will consider your request.

DfT will also be hosting three stakeholder sessions to help participants understand more about the proposed changes, listen to any feedback,

and answer questions you may have. To register your interest in attending one or more of these and submit any questions in advance, please use the form link below to do this. You will then be sent a Microsoft Teams invitation for your chosen session(s).

<https://forms.gle/Sr4HocQPnryCNzWd9>

Following the final session, a consolidated Questions and Answers document will be shared with attendees across all sessions.

RIS3 Variation Consultation Online Stakeholder Sessions:

- Wednesday 29 July at 3pm
- Thursday 30 July at 11am
- Tuesday 4 August at 9.30am

If you have any queries about the consultation or stakeholder sessions, you can contact the Department at RIS3Variation@df.gov.uk.

In addition to the stakeholder events noted above, we will be in contact with you to offer a call to answer any questions you may have and listen to any feedback you may wish to provide in this way.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'H. Chughtai'.

HAROONA CHUGHTAI
Director, National Highways Sponsorship Directorate

Annex A – Assessment information

In assessing enhancement schemes, we consider a range of factors. The mixture of qualitative and quantitative assessments allows an understanding of the various benefits of the scheme. This includes consideration of the local and national significance of the routes and their contribution to government priorities, such as housing and growth. It also includes consideration of the impacts of the schemes in achieving RIS3 objectives, such as safety, environment, network performance, value for money, as well as the likelihood of successful delivery.

The six RIS3 strategic objectives are: grow the economy, improve safety for all, a level of network performance that meets customer needs, a technology enabled and enabling network, a resilient network that is planned and managed for the long-term and deliver improved environmental outcomes. Further details can be found in the RIS3 publication, Part 1 – Vision, from page 15: [Road Investment Strategy 3 \(RIS3\): 2026 to 2031](#) or <https://assets.publishing.service.gov.uk/media/69c4265e471d520038d0f64a/ris3.pdf>

The information provided below aligns to the existing assured data and represents a point in time, with Government Appraisal Guidance, as business and investment cases are subject to update and change as schemes develop.

Criteria	Sub-Criteria	A38 Derby Junctions
Case for Change	Overview	• The A38 is a strategic route carrying significant north-south long distance and business traffic from Birmingham, through Derby, to M1 junction 28. • Within Derby, long-distance traffic meets high volumes of local journeys at three existing ground-level roundabout junctions west and north of the city centre. This causes severe congestion and delays on A38 approaches, extending beyond peak hours into interpeak times and weekends.
	BCR	1.11 - 1.86 ¹

¹ BCR Position: Ranges reflect existing assured BCR and include a higher BCR based upon updated methodology on Freight Value of Time (FVoT). Other analytical data provided aligns to the existing assured BCR and represents a point in time, in accordance with Government Appraisal Guidance, as business and investment cases are subject to update and change as schemes develop.

Improve Safety for All	Change in casualties	-684.5 over 60 years ²
Network Performance	million Person hours saved	-71.401 million person hours saved over 60 years
Delivering Improved Environmental Outcomes	Change in carbon	-449,421 tonnes of carbon over 60 years
	Biodiversity	Slight adverse
	Water Quality	Neutral
Grow the Economy	Wider economic impact	142,758 over 60 years (£000s, 2023 Present Values)
	Business Users Impacts	393,868 over 60 years (£000s, 2023 Present Values)
	User Benefits	34,792,100 (£'s 2023 Present Value) to 40% most deprived areas over 60 years
	Jobs and Housing	The scheme has been identified in supporting 4,733 houses along the route of the road under development. The scheme will similarly aid Derby achieve the outcomes of its local plan, supporting the aim to deliver housing (15,400 homes) and employment developments (658,300 sqm of employment land by 2031).
Deliverability	Delivery confidence	High risk – with the need to procure a delivery partner for the main construction phase and a development consent order expiry in September 2028.

Criteria	Sub-Criteria	A46 Newark Bypass
Case for Change	Overview	- The A46 Newark Bypass scheme will dual the final remaining single-carriageway section of the A46 between Warwick and Lincoln. This section forms a key part of the Trans-Midland Trade Corridor, connecting the Midlands to the major international shipping ports of Grimsby and the Humber. The route carries a high proportion of HGV traffic (20%) on weekdays. - Journey times are inconsistent, and future growth is predicted to exceed the current road's capacity.

² The number of casualties (including fatal, serious and slight) reduced/saved over the 60-year appraisal period

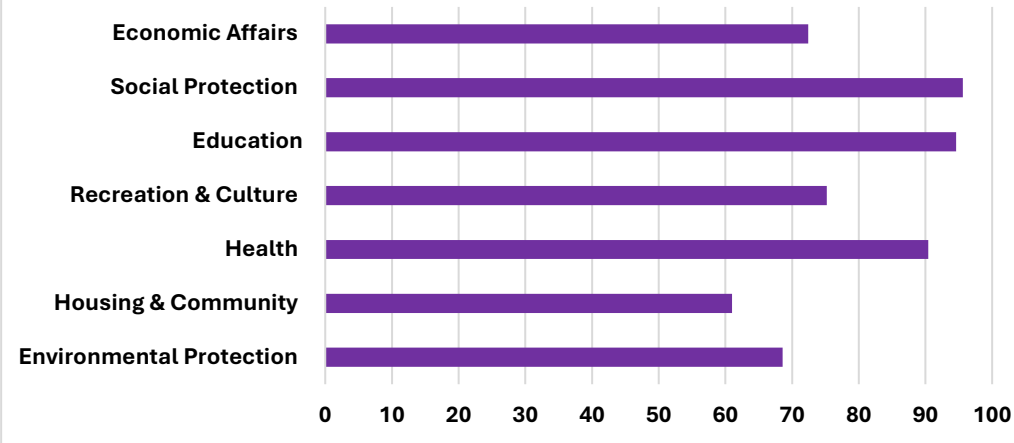
		• The upgrade will support key local industries that rely on roads for growth, including manufacturing, logistics and access to the Humber ports. This will boost exports and support their Freeport status, as well as the nearby East Midlands Airport. • Strategically, the improvements will provide a more attractive and direct alternative to the M1 for travel towards the Northeast, while also improving resilience of the wider A46 corridor.
	BCR	1.33 - 1.61 ¹
Improve Safety for All	Change in casualties	-1,875 over 60 years.
Network Performance	million Person hours saved	-89.915 million person hours saved over 60 years
Delivering Improved Environmental Outcomes	Change in carbon	-481,012 tonnes of carbon over 60 years
	Biodiversity	Slight beneficial
	Water Quality	Neutral
Grow the Economy	Wider economic impact	25,249 over 60 years (£000s, 2023 Present Values)
	Business Users Impacts	25,249 over 60 years (£000s, 2023 Present Values)
	User Benefits	104,873,330 (£'s 2023 Present Value) to 40% most deprived areas over 60 years
	Jobs and Housing	The scheme has been identified in supporting 9,610 houses along the route of the road under development. The scheme will similarly aid local authorities achieve the outcomes of their local plans, supporting the aim to deliver housing (7,500) and an additional 650,000 sqm of employment land in the Newark area.
Deliverability	Delivery	Medium risk – with the need to procure a delivery partner for the main construction phase for a complex scheme with challenges around building in the floodplain, two crossings of the River Trent and three structures over railways.

RIS3 Variation Consultation

Consultation Question	EMC/TfEM Response
Do you support or oppose the changes to RIS3 outlined above, including the overall £428 million reduction proposed and the specific areas for savings proposed to achieve it? Please let us know the reasons for your response and any other comments you have on the proposals or any alternatives.	East Midlands Councils & Transport for the East Midlands (TfEM) strongly oppose the proposal to cancel the A46 Newark Bypass and the A38 Derby Junctions SRN enhancement schemes. The A46 plays a critical role within the Strategic Road Network (SRN), connecting major manufacturing clusters, key ports, the UK Food Valley and forming part of the strategic ‘Trans Midlands Trade Corridor’ between the M5 in the south-west and the Humber Ports (& Freeport). The stretch of A46 between the Farndon Junction, to the west of Newark and the A1 to the east of the town is the last remaining section of single carriageway between the M1 and A1 which impacts on journey time reliability, congestion and results in high incidences of shunts and collisions. Congestion on the key A1/A46 Winthorpe junction results in mainline queuing on the A1. Lack of grade separation at the Cattle Market junction is compounded by queuing on Great North Road (B6326) within Newark because of frequent rail level crossing downtimes. Congestion in and around Newark is also undermining ambitious plans for new housing and economic development around the town and more broadly across Nottinghamshire and Lincolnshire. The A46 Newark Bypass has been TfEM’s top SRN investment priority for the last 10 years. The A38 provides the SRN connection between Birmingham and the M1 at J28, thereby providing a route for north-south long-distance journeys, particularly for freight. Where the A38 passes through the western and northern parts of Derby, intra-urban trips cross the A38 into Derby or use the A38 to travel around the city. The interaction between strategic and local trips results in delays and queues at the Kingsway, Markeaton and Little Eaton junctions. These are the only three roundabouts remaining on the 63km (39 miles) length of the A38 between Lichfield and the M1. The A38 Derby Junctions enhancement remains vital to the free flow of traffic along the A38 corridor, reducing serious congestion in Derby and enabling major planned housing growth in Derby, Amber Valley and South Derbyshire. Neither Government nor National Highways have identified any viable ‘Plan B’ to reduce congestion, improve safety or enable development if these schemes do not proceed. No viable alternative proposals were identified through either Development Consent Order processes.

	Both schemes have been in development by National Highways (and its predecessor bodies) for many years and have incurred significant sunk costs (estimated to be c£145m to Government alone). They have also been subject to procedural errors and administrative delays exacerbated by cost overruns in schemes elsewhere - which has in turn resulted in further delay and cost inflation. The A46 Newark Bypass was programmed for delivery in RIS2 (2020-25) but slipped for no publicly stated reason into RIS3 with a start date of 2027, which was subsequently put back to 2030 with delivery largely in RIS4 (2031-36). The A38 Derby Junctions was originally planned for construction in the 2000's following a 'Roads Based Study' completed in 2002, but the scheme stalled following the then Highways Agency's failure to consult an impacted land owner. In July 2021 a DCO for a revised scheme was quashed in the High Court because the Secretary of State had failed properly to assess the cumulative greenhouse gas impacts of the scheme and failed to provide a reasoned conclusion as to those impacts. The justification that both schemes are currently 'not in contract' is entirely a result of procedural delays and flawed decision making by Government and National Highways. The Development Consent Order (DCO) for the A38 Derby Junctions was eventually granted on the 17th August 2023 and the DCO for the A46 Newark Bypass granted on the 1st October 2025. The design & build contract with Skanska for the A46 Newark Bypass was cancelled by National Highways just 2 days before the Government announced its intention to cancel the scheme itself to fund the Defence Investment Plan (DIP) Contract worth £297m for road upgrade in Nottinghamshire cancelled - BBC News More broadly, cancelling these schemes represents a further escalation of the apparent strategy of successive Governments to 'de-fund' the East Midlands and divert investment to other parts of England. Figures from annual releases of the Treasury's Public Expenditure Survey Analysis (PESA) demonstrate that the Region has been funded at below the UK average per-head across all major Government functions for many years. Public Expenditure Statistical Analyses 2026 – CP 1624
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Spend per capita in the East Midlands 2020-25 100 = UK average



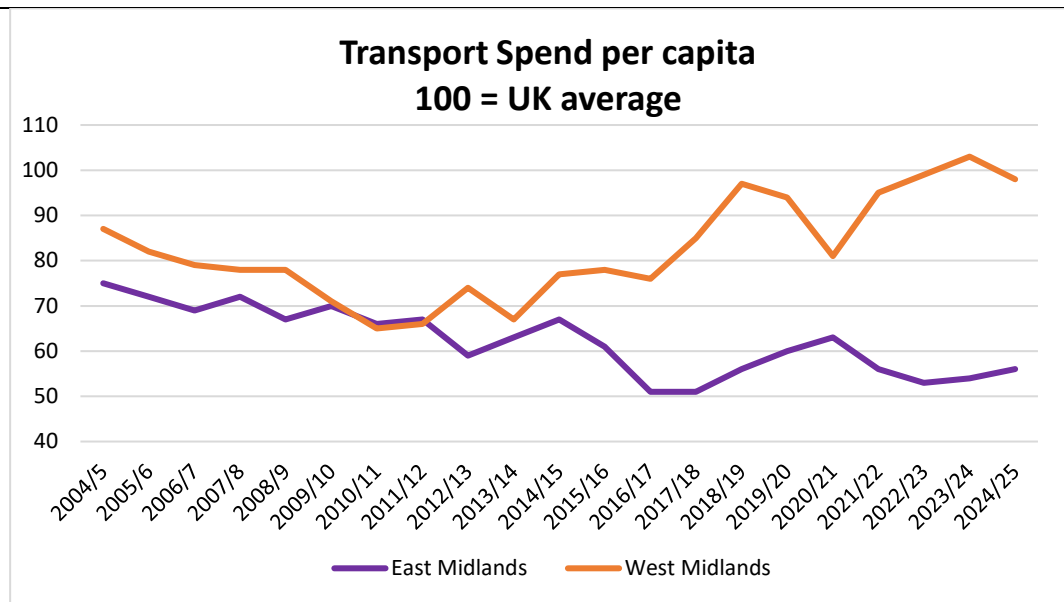
Source: PESA 2026 Release

Transport spend per head has been very significantly below the UK average level for all of the last 5 years, and previous PESA releases show this to have been the trend for the past 20 years. In 2024/5 (the latest figures available), transport spending in the East Midlands was just **56% of the UK average**, by far the lowest level of any UK region or nation.

Expenditure on Transport (£ per head)						Per head (indexed)
	2020-21	2021-22	2022-23	2023-24	2024-25	
London	1,410	1,244	1,279	1,313	1,195	178
West Midlands	592	626	468	706	656	98
UK	729	656	655	687	670	100
England	736	652	651	693	669	100
North West	595	629	676	729	711	106
South East	479	646	584	628	626	93
East	692	609	556	599	628	94
North East	568	469	541	541	496	74
Yorks & Humber	525	419	432	495	475	71
South West	479	405	387	429	450	67
East Midlands	459	369	349	368	376	56

Source: PESA

The disparity in levels of investment spend per head between the East Midlands (£376) and the West Midlands (£656) is significant and has grown markedly over the last 10 years.

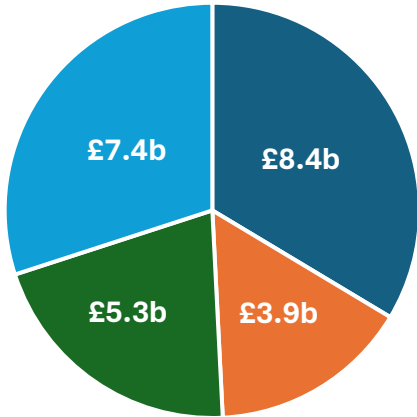


Source: PESA

The latest figures for 2024/25 **do not** include the financial impact of the ‘pausing’ of Midland Main Line Electrification announced in July 2025 or the proposed cancellation of the A46 Newark Bypass and the A38 Derby Junctions. Together these schemes total around £2.5 billion of lost infrastructure investment for the East Midlands over the last 12 months.

Successive governments have undertaken to address regional investment inequalities but have failed to do so. In a debate on ‘Regional Transport Inequality’ led by Catherine Atkinson MP (Derby North) which took place on the 11th September 2025, DfT Minister Simon Lightwood MP promised to do better, and in respect of the East Midlands said: *“We are investing in the region, including...progressing the A38 Derby Junctions scheme, which will improve safety, reduce delays and support house building. We are also committed to delivering the A46 Newark bypass...”* Source: [Regional Transport Inequality - Hansard - UK Parliament](#)

	The Government should make good on that promise and re-instate these schemes to the RIS3 program and accelerate their delivery. Alternatives The consultation highlights that the Government has ‘ringfenced’ RIS3 funding for the Lower Thames Crossing - but provides no justification. The Government has already committed £3.1billion to this scheme, with over £1billion spent before construction. In June 2026 the Government committed a further £174m which it said would be “<i>found from existing budgets</i>” (Lower Thames Crossing receives additional £174m Government funding). The cost per-mile of this scheme already exceeds that for the HS2 rail line between London and Birmingham, prompting the National Audit Office to investigate. Rather than repeat the mistakes of HS2, Government should switch RIS3 funding from the Lower Thames Crossing (LTC) to support priority schemes in the East Midlands which can deliver economic, social and environmental benefits more quickly. Public funding for LTC could instead be made in the form of loan guarantees from the National Wealth Fund (formerly the UK Infrastructure Bank). Alternatively, Parliament’s Public Accounts Committee has issued a series of reports over the last 12 months highlighting serious instances of fraud and mismanagement of public expenditure across Government which if only partially addressed, would fund the DIP without cutting the RIS3 budget at all. In particular: • £55-£81billion is lost every year due to fraud and error: Taxpayer losing tens of billions to fraud as government still lacks modernising ambition to fight it - Committees - UK Parliament • £1.93 billion is still owed from fraudulent claims to the Covid Loans Guarantee Scheme: COVID-19 loan guarantee schemes repayment data: September 2025 - GOV.UK • £6.6 billion ‘written off’ by Government in 2024/5 alone: £6.6 billion wasted in '24-'25: Egregiously poor value for public money highlighted by PAC - Committees - UK Parliament • £1.5 billion of MoD spending at risk of fraud: MoD’s lack of focus and leadership leaves valuable public funds exposed to fraud - Committees - UK Parliament • £21billion tax risk resulting from multinationals shifting profits across borders: HMRC must better tackle large tax risk of multinationals diverting profits across borders - Committees - UK Parliament
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Do you agree or disagree with the prioritisation of capital funding for maintenance and renewals? Please let us know the reasons for your response	The RIS3 settlement currently identifies £3.9 billion for enhancements – approximately 15% of the total RIS budget available to National Highways and less than half that to be spent on renewals. RIS3 Budget 2026/7-2031/2  <table border="1"> <thead> <tr> <th>Category</th> <th>Amount (£b)</th> </tr> </thead> <tbody> <tr> <td>Renewals</td> <td>£8.4b</td> </tr> <tr> <td>Enhancements</td> <td>£3.9b</td> </tr> <tr> <td>Other Capital</td> <td>£5.3b</td> </tr> <tr> <td>Resource</td> <td>£7.4b</td> </tr> </tbody> </table> Whilst it is reasonable for enhancements to form the smallest element the RIS budget given the age and condition of the SRN it is not clear why the Government is proposing to meet almost all the savings required to fund the DIP from this element alone. The Government has presented no evidence to suggest that at least some efficiency savings cannot be made from renewals or resource funding, which together comprise over 63% of the RIS3 budget.	Category	Amount (£b)	Renewals	£8.4b	Enhancements	£3.9b	Other Capital	£5.3b	Resource	£7.4b
Category	Amount (£b)										
Renewals	£8.4b										
Enhancements	£3.9b										
Other Capital	£5.3b										
Resource	£7.4b										
Do you have any views on how the RIS3 objectives may be prioritised in any capital funding reductions?	RIS3 sets out six key objectives: • Objective 1: Grow the economy • Objective 2: Improve safety for all • Objective 3: A level of network performance that meets customers' needs										

	• Objective 4: A technology enabled and enabling network • Objective 5: A resilient network that is planned and managed for the long-term • Objective 6: Deliver improved environmental outcomes It is clear from the evidence presented in the consultation and tested through the DCO process that both schemes would contribute to all six of these objectives, and in particular economic growth (Objective 1), safety (Objective 2) and network resilience (Objective 5). Focussing available resources on these objectives would be consistent with the core objectives of the new Government and the recently published Road Safety Strategy.
Regarding the two enhancement schemes, is there any further information or evidence you can provide to supplement the assessment information provided in Annex A?	The East Midlands Economy The Government apparently fails to understand the nature of the East Midlands regional economy and its fundamental reliance on a functioning transport network (see: Routes to Prosperity – an economic and transport evidence base for the East Midlands). Transport, logistics, and associated engineering sectors have formed a cornerstone of the East Midlands economy for decades, employing tens of thousands of people across warehousing, haulage, rail operations, maintenance, and advanced manufacturing. Supply chains serving retail, healthcare, automotive, and aerospace have historically sustained both urban centres and rural communities. Locally based companies such as Alstom, Rolls-Royce, and Toyota continue this legacy today, whilst the newly formed Great British Railways will have its headquarters in Derby. East Midlands Airport anchors one of the UK’s busiest air cargo clusters, hosting express parcel integrators, dedicated freight operations, and extensive airside warehousing. Surrounding logistics parks integrate seamlessly with motorway and rail freight interchanges, enabling late cut-off, next-day delivery nationwide, and has positioned the East Midlands as a critical part of the UK’s goods and e-commerce system. Greater Lincolnshire is home to Europe’s largest Agri-food Tech automation and robotics cluster, attracting a variety of businesses which are investing heavily in automation, with around 30% of the nation's food

	moving through the area. Newark is also home to British Sugar, which processes beet from growers across Lincolnshire and Nottinghamshire transported by HGV and supplies 60% of the UK market. Located at the geographic heart of England, the East Midlands sits at the crossroads of the nation's road and rail corridors. The M1, A1, and A46 link the region swiftly to London, the North, and the East Coast, while intercity rail services connect Nottingham, Derby, Leicester, and beyond to Birmingham and London. This centrality has long enabled efficient distribution and market access, underpinning investment and clustering in transport-intensive industries - but it is being fatally undermined by the Government's consistent failure to invest in strategic road and rail schemes in the region. Defence Capability & Capacity Cancelling these schemes to boost investment in defence (less than a year after the 2025 Spending Review) will also be counterproductive. The East Midlands is a defence industry powerhouse with key sector strengths in military aerospace and nuclear propulsion. It has an established national capability base that designs, engineers, manufactures, tests, integrates, upgrades, sustains and scales the systems, technologies, logistics networks and supply chains that the Armed Forces need now and, in the future (see Midlands-Defence-Prospectus). But this capability requires a reliable and resilient transport network to function, including on key routes like the A46 and the A38. Nottinghamshire and Lincolnshire are home to strategically important military bases including a large RAF presence. Quick reaction Alert at RAF Coningsby and the Surveillance & Reconnaissance at RAF Waddington are key defence capabilities that will have vital roles combating escalating threats, such as that posed by Russia. The A46 at Newark is a critical transport and logistics connection on to the A1 that will have an ongoing role in supporting defence capabilities. 20% of all UK defence aerospace manufacturers are located on the A38 corridor between Mansfield and Birmingham with a significant cluster around Derby. The importance of Derby is underlined by the Government's investment in Rolls Royce as part of the strengthening of the AUKUS partnership with the USA and Australia.
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	A46 Newark Bypass In relation to the A46 Newark Bypass, the Secretary of State’s Decision letter (1st October 2025, para 106) highlights that: <i>“In addition to the quantified benefits captured in the BCR, the Secretary of State also considered wider economic benefits that are not readily monetised, including the strategic role of the A46 in improving access to the Humber Ports, supporting exports, and contributing to national productivity...”</i> But these benefits are not considered in the consultation. It should be noted that worker productivity across the East Midlands has declined to just 84.6% of the UK average in 2023 and that economic growth in the Region has been largely fuelled by a rapidly growing population. Evidence from Midlands Connect highlights that around 23,000 SRN dependant jobs are located within 10km of the A46 Newark Bypass in key sectors such as manufacturing, logistics and distribution. HGVs comprise a high proportion of weight of traffic causing congestion which undermines worker productivity. Almost 30ha of employment land has been delivered in and around Newark since 2019, including large areas of unallocated land close the A46 which now has planning consent for employment. For example, Tritax Park close to the A46/A17 junction is already home to Currys National Distribution Centre (16ha) and has a further 39ha available for development. In total there is 73ha of employment land committed for delivery in the Newark area. The 2019 Local Plan allocated three large urban extensions to Newark totalling 7,350 homes, requiring the construction of a new Southern Link Road connecting to the A46 at the Farndon roundabout. Since the DCO was issued the Government has published significantly higher housing targets which over the next 20 years will require over 14,000 new homes across Newark & Sherwood, 87,000 across the Greater Nottingham Housing Market Area and 31,000 across the Central Lincolnshire Housing Market Area. It is worth noting the consultation makes no reference to the Government’s target of building 1.5 million new homes by the end of the Parliament. Finally, Nottinghamshire County Council has undertaken a manual review of crash records from www.crashmap.co.uk for the A46 Newark bypass and the eight-mile-long stretch of the A1 where mainline queueing is regular occurrence. As a result of traffic accidents, over the five-year period of 2021 to 2025, there have been 5 people killed and 68 seriously injured.
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	A38 Derby Junctions In relation to the A38 Derby Junctions, the Secretary of State’s Decision Letter (17th August 2023, para 20) highlights that: <i>“The Secretary of State has had regard to the Derby City Core Strategy (“DCCS”) and the Local Transport Plans that consider future development would be severely restricted if the Proposed Development cannot be funded and delivered...The Secretary of State has had further regard to the DCCS that makes a provision for a minimum of 11,000 new homes and 199ha (gross) of new employment land. Without the additional highway capacity provided to these areas the Secretary of State notes that the planned growth would be adversely affected...”</i> Evidence from Midlands Connect highlights that 48% of jobs within 10km of the A38 Derby junctions are ‘SRN Dependant’ (including the national significant aerospace cluster focussed on Rolls Royce in Derby) and that 25% of the traffic between the Kingsway and Markeaton Junctions comprise HGVs. The figures for housing and employment quoted in the consultation are inconsistent with this assessment, which also does not take account of the scale of housing development planned across the wider Housing Market Area including Amber Valley and South Derbyshire: STATEMENT OF COMMON GROUND DERBY HMA October 2025. New NPPF targets require over 41,000 homes across Derby and surrounding authorities by 2041. Around 3,000 homes have already been built and thousands more approved on the basis that A38 Derby Junctions scheme was committed and would relieve the corridor. National Highways has previously objected to housing development on the basis that scheme has yet to be completed. Finally, there have been 219 collisions between 2015 and 2023 in the Derby Junctions area, including 5 fatalities and 25 serious injuries. There have been 31 critical (NILO) incidents between 2019 and 2024.
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Executive Board

2nd October 2026

Local Authority Workforce and Pay – Regional Employers’ Board

Summary

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

Recommendation

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

1. Introduction

- 1.1 East Midlands Councils (EMC) through its role as the region's Employers Organisation, has the responsibility of supporting employment relations for the sector. The Regional Employers' Board provides political leadership on employment issues and councillor development and forms the Employer's side of the Regional Joint Council, which meets with joint trade unions to support employment relations on behalf of councils in the East Midlands. The Joint Council meeting follows on from each Employers' Board meeting.
- 1.2 This report provides an update for Executive Board Members from the Regional Employers' Board, as well as information on the significant issues affecting councils as employers, e.g. key employment law developments, and progress on the following regional priorities:
 - Pay and Reward
 - Employee wellbeing and attendance
 - Local Government Reform – workforce implications
- 1.3 Progress with other regional priorities are included as part of the regional activity update at Section 7 of the report, relating to:
 - Councillor development
 - Addressing skills shortage areas
 - Attracting, Supporting & Retaining Staff

2. Regional Employers' Board & Joint Council Updates

- 2.1 The Regional Employers Board and Regional Joint Council are due to meet on 25th September 2026. The Employers Board will receive updates on key issues affecting councils as employers and the support provided at regional level on workforce priorities and development for employees and councillors.
- 2.2 The Regional Joint Council meeting will be focused on addressing sickness absence and improving employee wellbeing, following consideration of a report with the results of EMC's annual regional absence survey, see Section 6 below and Appendix 8(a).
- 2.3 The Regional Joint Council will also seek to agree revised allowances for caretakers in councils across the region for additional responsibilities relating

to the letting of premises. This is the one remaining term and condition that is negotiated at regional level.

3. Progress on Pay and Rewards – Update on Local Government Pay

- 3.1 As the regional employers' organisation for the sector, EMC has a role in supporting consultation and negotiation on nationally negotiated pay and conditions, ensuring effective communications between councils and the National Employers.
- 3.2 Agreements have now been reached for a pay award for 2026 for most of the national pay bargaining groups for local government employees - Local Government Services (known as Green Book) which covers the majority of council employees, Chief Officers and Chief Executives. The agreements were all for a 3.3% pay increase with effect from 1st April 2026. Details are available through the following link: [Pay and Rewards](#)

Industrial Action Ballots

- 3.3 The agreement for Green Book employees was reached following ballots by Unison and Unite for industrial action in targeted councils across the country.
- 3.4 Unison's ballots included many councils in the East Midlands, none of which reached the threshold currently required for at least 50% of those entitled to participate in the ballot to do so. This picture was also reflected nationally, with just one ballot in a small district/borough council having the required number of union members participate in the ballot. It should be noted that under provisions proposed within the Employment Rights Act 2025, this threshold will be removed in future.
- 3.5 Unite didn't conduct ballots in our region and it has been reported that nationally, Unite's ballots only met the threshold in 7 councils. Industrial action could only proceed in those authorities on any local issues, as the national pay negotiations have reached agreement, albeit without Unite's signatory (it doesn't have the majority on the Union Side of the National Joint Committee and therefore agreement can be reached by agreement with Unison and GMB.

Other Collective Bargaining Groups

- 3.6 There has been no further progress in reaching an agreement for Craftworkers (employees working in roles such as plumbers, electricians, gas engineers, plasterers, etc) for a pay award for 2025. The two unions representing that group took opposing positions in response to the National Employers' offer of a 3.2% pay increase. Unite rejected the offer and has the majority on the union side of the Craftworkers' National Joint Committee. Given no agreement for 2025, unions have not made a pay claim for 2026.
- 3.7 The Soulbury Committee negotiates national terms and conditions for employees in professions such as educational psychologists. In July a pay agreement was reached for Soulbury Officers for 2026 for a 3.6% increase on all pay points and allowances with effect from 1 September 2026.
- 3.8 Unions representing Youth and Community Workers submitted a pay claim for 2026, the headline of which is for a "a substantial pay rise of 10%" as well as other elements such as reducing working time without loss of pay. The National Employers responded with a 3.3% pay offer which unions are consulting their members on.
- 3.9 Since the coroners' side of the Joint National Committee (JNC) for Coroners withdrew from the national bargaining arrangement, there has been little progress in restoring the JNC. In July, the management side of the JNC as was wrote to councils that employ coroners recommending that they consider offering a 3.5% pay increase to coroners from April 2026.

Review of the National Pay Spine

- 3.10 In addition to pay negotiations for Green Book employees, work is continuing at national level to jointly review the national pay spine for that group of employees. A new pay spine is required to address the impact of the National Living Wage in recent years, and to better reflect salaries being paid locally by councils that are above the pay spine in roles below chief officer level.
- 3.11 Based on experience, any new pay spine would not be implemented until 2029, reflecting the work required to develop the pay spine and understand

cost implications and to provide sufficient notice to councils to plan and prepare implementation.

4. Employment Law Developments

4.1 Changes Arising in October from the Employment Rights Act 2026

4.1.1 The Employment Rights Act 2025 is leading to significant and wide-ranging changes to employment legislation, coming into effect in a staged approach as set out in the Government “roadmap document”. [Implementing the Plan to Make Work Pay and Employment Rights Act - GOV.UK](#) Changes that are due to come into effect in October are outlined below.

4.1.2 1st October 2026, claimants to employment tribunals will have a further 3 months in which to make their claim, with the timeframe being extended to 6 months following the act that is the subject of the complaint. The extension is likely to lead to an increase in claims, with the Tribunal service already affected by backlogs. For employers, it increases the importance of retaining good contemporaneous records as evidence to support fair and consistent processes. Councils are also reporting an increase in grievances, appeals and complaints that are AI assisted.

4.1.3 From 30th October 2026, the following changes will be introduced:

- Employers will have a duty to take “**all** reasonable steps to prevent sexual harassment” where the current duty is described as taking “reasonable steps” to prevent harassment. This includes prevention of harassment by third parties such as clients/customers.
- A new duty for employers to inform workers of their right to join a trade union.
- Updated rules on a trade union's right of access to the workplace; a new right to reasonable accommodation and facilities for trade union representatives carrying out their duties. There will also be a new right to time off for union equality representatives to carry out their duties.
- Increased protection for workers taking part in industrial action, as they will be protected from suffering a ‘detriment’ in addition to the current protection of unfair dismissal. It will still be lawful to deduct wages for strike action.

4.1.4 The Employment Rights Act 2005 also provides a fair pay agreement for Adult Social Care workers and the establishment of a new national negotiating body for Adult Social Care. In July the Government published its response to the consultation that had been carried out on these proposals.

4.1.5 A key concern had been that local government employees would be within the scope of this negotiating body, with implications for equal pay. The response confirms that the provisions of a future Fair Pay Agreement will not apply to those care staff directly employed by local authorities.

4.2 Government Consultation on Reforms to the Equal Pay Framework

4.2.1 The Government has launched a number of consultations on proposed changes to employment legislation. There is currently a live consultation on reforms to the equal pay framework. Headline measures within the consultation document include:

- Provisions to prevent pay discrimination on the basis of race or disability.
- Provisions to prevent pay discrimination for outsourced workers, who may be paid less than those employed 'in-house' doing work of equal value.
- Improving pay transparency.
- Improving enforcement by establishing an Equal Pay Regulatory Enforcement Unit.

4.2.2 The proposed extension of equal pay for outsourced workers is likely to be of most interest to local authorities, as many will be concerned about potential increased costs to outsourcing, and in turn any adverse impact on the ability to deliver public services. The consultation document is at the following link and the closing date for responses is 27 October 2026: [Equal pay and pay discrimination - GOV.UK](#)

5. Local Government Reform (LGR) Workforce Implications

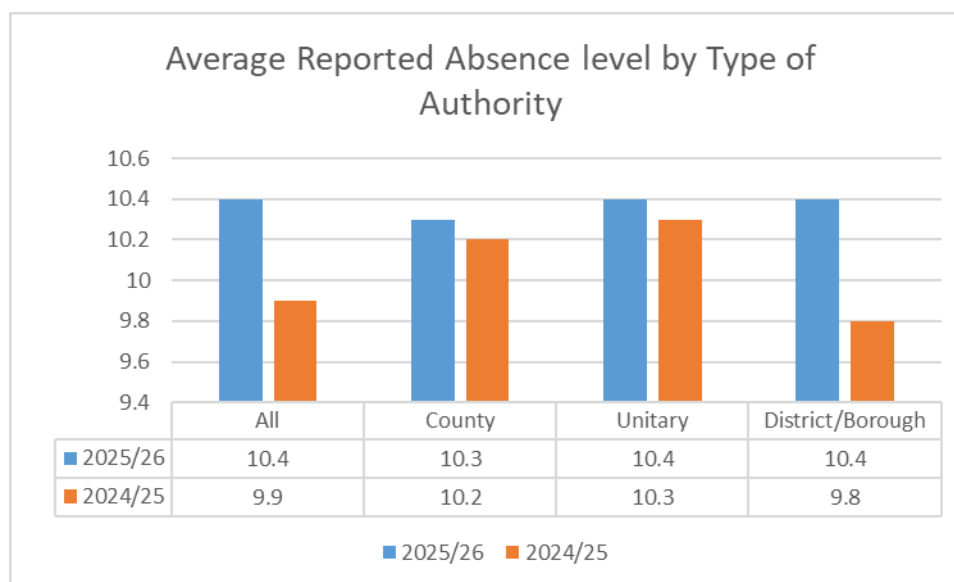
5.1 Supporting councils with the workforce and councillor development implications of LGR has been a key feature of EMC's work programme.

- 5.2 The announcement on 7th September 2026 to pause and review LGR clearly has a significant impact. EMC is liaising with councils and through its regional networks to understand what support and development programmes would be useful to continue as providing value regardless of the pause/review.

6. Employee Wellbeing and Attendance

6.1 Regional Sickness Absence Survey

- 6.1.1 EMC has conducted its annual survey of sickness absence levels across the region. The survey enables councils to benchmark their sickness absence levels with similar organisations and includes information on reasons for absence.
- 6.1.2 32 councils responded to the survey, representing 82% of EMC's membership. 66% had seen an increase in sickness absence during 2025/26 compared to the previous year.
- 6.1.3 Sickness absence is generally reported on the basis of the average days lost per full-time equivalent employee (FTE). The survey responses indicated that the average absence level was 10.4 days lost per FTE in 2025/26, compared to 9.9 days lost per FTE in the previous year. Absence levels in councils ranged from 5.75 to 14.4 days lost on average per FTE.
- 6.1.4 The results by type of authority are summarised in the graph below, with more detailed information provided in Appendix 8(a), which is the report presented to the Regional Joint Council.



6.1.5 Mental health issues were cited as the biggest cause of sickness absence by most councils, followed by musculoskeletal issues and surgery/post-operative recovery.

6.1.6 The survey identified the actions and support that can be provided regionally to assist councils in managing sickness absence and these will be reflected in EMC's work programme over the coming year.

7. Updates on Other Regional Activity

7.1 Councillor Development

7.1.1 EMC's programme of events is being delivered for councillors across the region, offering a mix of in-person and virtual sessions, with many events being scheduled in the evening to help ensure accessibility for councillors. So far, 130 delegates have attended the events.

7.1.2 Additionally, EMC has arranged for training to be provided on an in-house basis for some councils. The regional events have covered:

- Role of the Civic Head
- Chairing skills
- Planning Policy Reform and Devolution Update (for Members and senior officers)
- Overview & Scrutiny Training – Realising the Potential

- Influencing and questioning skills for overview and scrutiny
- Building resilience for councillors through effective time management

7.1.3 In addition to the events, councillors are supported through networks such as the regional Scrutiny Network and the Councillor Development Network. The Scrutiny Network met on 18th September and received a presentation from Cardiff Council on delivering the impact of scrutiny. The network will meet again in December.

7.2 Addressing Skills Shortage Areas and General Learning and Development

7.2.1 Planning and environmental health are two professions that have recruitment and retention challenges for local government. EMC runs two low-cost Continuous Professional Development programmes – one for Environmental Health Officers and the other for Planners.

7.2.2 The content of the programme is tailored to the needs of councils, using steering groups of lead officers from local authorities in the region. As well as providing skills and knowledge development and sharing good practice, the programmes can support retention, as opportunities for development help to foster loyalty and job satisfaction.

7.2.3 In 2025/2026, the two programmes attracted 1,182 delegates. For the 2026/27 programmes, the two seminars delivered to date for each of the professions, was attended by 328 delegates.

7.2.4 EMC is also supporting the development of leadership and management skills within authorities by co-ordinating and arranging the delivery of qualification-based programmes. EMC's co-ordination and commissioning role enables the development to be provided at a lower cost to councils and also offers the opportunity for officers to build their networks and learn from the experiences of other delegates.

7.3 Networks

7.3.1 In addition to the Scrutiny Network referred to previously, EMC also co-ordinates a range of regional networks to support the sharing of knowledge, information and experience and identify opportunities for joint working. This

month, meetings have been held for following networks – Cyber Security, Performance, Scrutiny and Equality, Diversity and Inclusion.

- 7.3.2 EMC provides a regional coaching network, which enables councils to share coaching resources and access free training for coaches. This enables coaching to be provided in a cost-effective way, whilst ensuring high quality standards. To ensure coaches are up-to-date with skills and knowledge, network members can access free development sessions. Officers in councils that don't subscribe to the network can also attend for a small cost. So far this year, two development sessions have been provided on the themes of coaching for career transition and coaching to support resilience.

7.4 Consultancy

- 7.4.1 Councils can access individual support from EMC on a not-for-profit basis on a range of workforce issues as well as in-house training. Recent assignments have included:

- | | |
|--|----------------------------|
| ▪ Mediations | ▪ Psychometric testing |
| ▪ Chief Executive appraisal facilitation | ▪ Coaching and mentoring |
| ▪ Restructuring support | ▪ Grievance investigations |
| ▪ Pay benchmarking | ▪ Policy development |

- 7.4.2 EMC is also supporting the delivery of a national programme of events for the Association of Democratic Services Officers (ADSO).

8. Recommendation

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

Cllr James Dawson
Chair
Regional Employers' Board

EAST MIDLANDS COUNCILS

REGIONAL JOINT COUNCIL

25th September 2026

SICKNESS ABSENCE BENCHMARKING

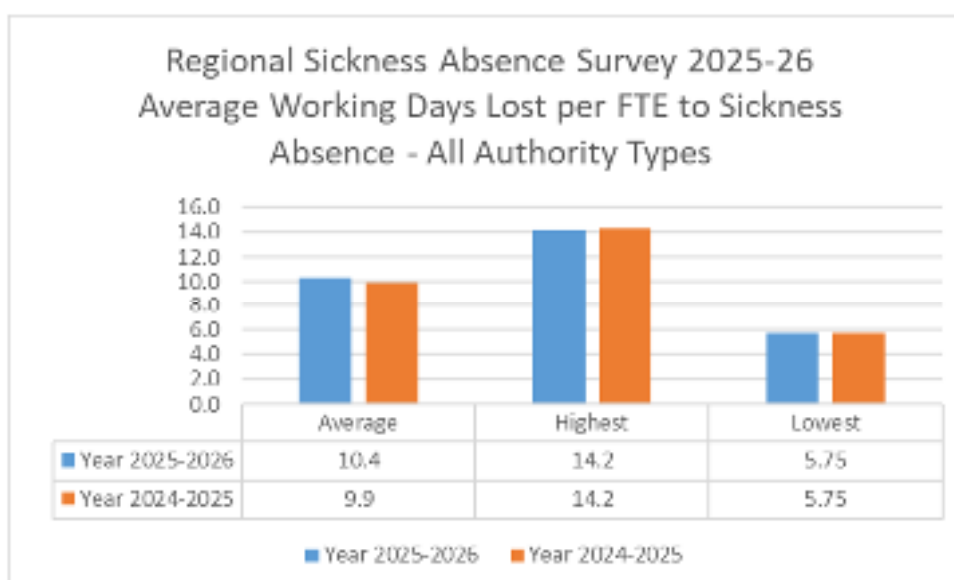
1. Introduction

- 1.1 A joint priority for the Regional Joint Council is to support employee wellbeing and attendance. It is therefore relevant to share with the Regional Joint Council this year's results of the sickness absence benchmarking that East Midlands Councils conducts annually.
- 1.2 The survey conducted this year saw a high response rate, with 82% of local authorities in EMC membership in the region providing their sickness absence data.
- 1.3 The results are provided with the following assumptions/caveats:
 - Data provided by councils is accurate.
 - EMC have been provided with average sickness levels in councils and therefore it is not possible to report actual days lost to sickness across the region.
 - Data on reasons for sickness absence was provided in a free format and has been put into logical groups, e.g. stress, depression and anxiety are placed under the heading of mental health.

2. 2025-2026 Sickness Absence Benchmarking Results

2.1. Summary Indicative Information

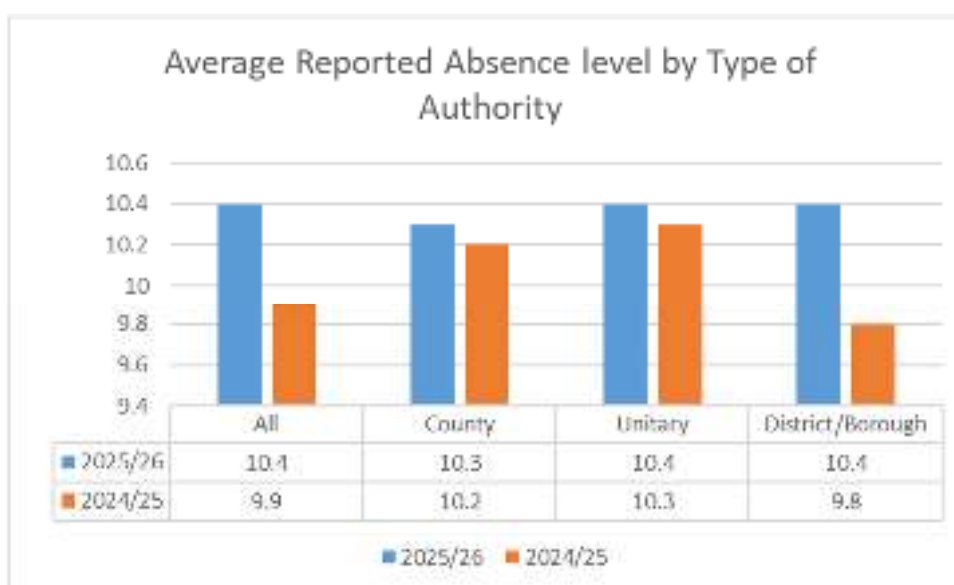
- 2.1.1 Almost all councils monitor and benchmark sickness absence on the basis of the average days lost per full-time equivalent employee (FTE). This information has been compiled and overall rates for all councils that responded to the survey showed an average of 10.4 days lost in 2025/26, compared to an average of 9.9 days lost in the previous year - 2024/25. The information is set out in the graph below.



- 2.1.2 The results of a national absence survey for 2025/26 provides a comparison of sickness absence levels in the East Midlands with councils outside of the East Midlands. 135 councils outside of the East Midlands responded to the wider survey, and their responses indicate that on average, their reported absence level was slightly lower than that of the East Midlands region, where the average reported level of absence was 9.9 days lost per FTE. In the wider comparator group of councils, the lowest reported absence was 4.7 days lost and the highest was 19.7 days lost on average per FTE.

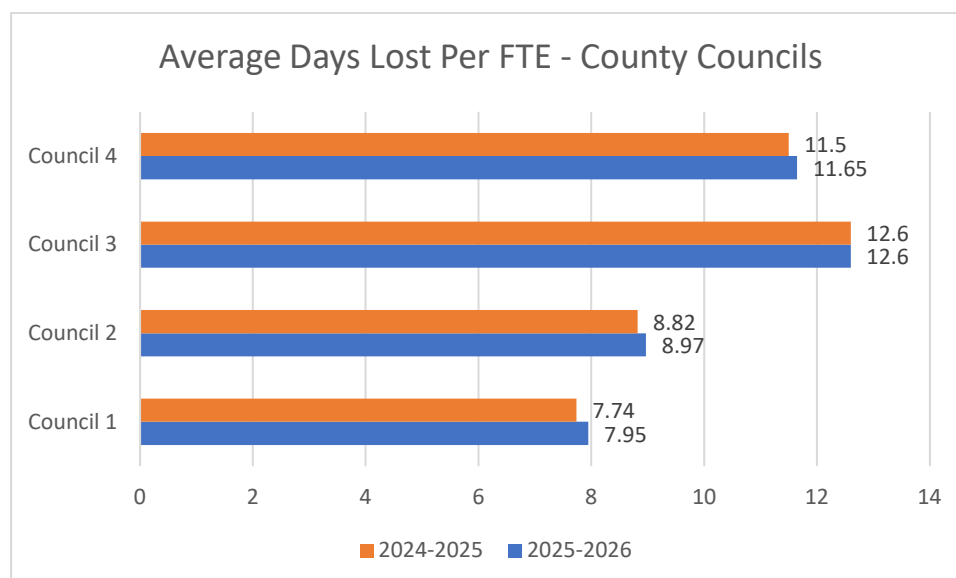
2.2. Sickness Absence by Type of Authority in the Region

- 2.2.1 The chart below provides an indication of absence levels by type of local authority, including information from the previous year, based on each council's reports of the average number of working days lost per FTE.



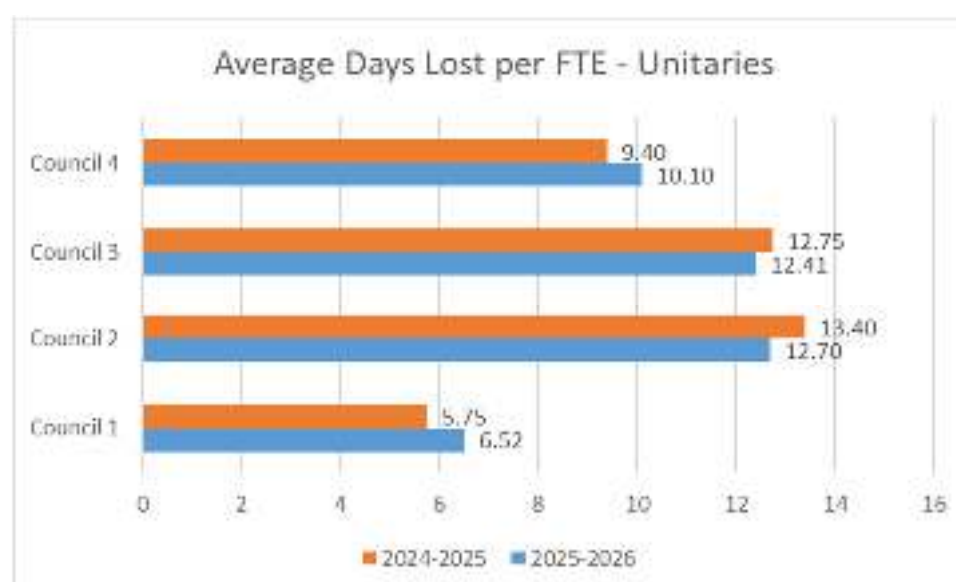
2.3. Absence levels in County Councils

- 2.3.1 Responses were received from all four county councils in the region and their individual sickness levels are outlined below. All but one reported a slight increase in absence levels from the previous year.



2.4. Absence Levels in Unitary Councils

- 2.4.1 Sickness absence information was provided by 4 unitary councils in the region as outlined below:



2.5. Absence Levels in District/Borough Councils with In-House Refuse/Housing Repairs Services

- 2.5.1 Sickness absence information for district and borough councils has been shown

separately in terms of whether the council has services such as housing repairs and refuse/recycling as in-house services. The reason for this is that work in such services tends to be more physically demanding and require a higher level of fitness to work than in other service areas. There is therefore likely to be a higher sickness absence level. The following chart provides information for 20 councils that responded to the survey which operate these services in-house.

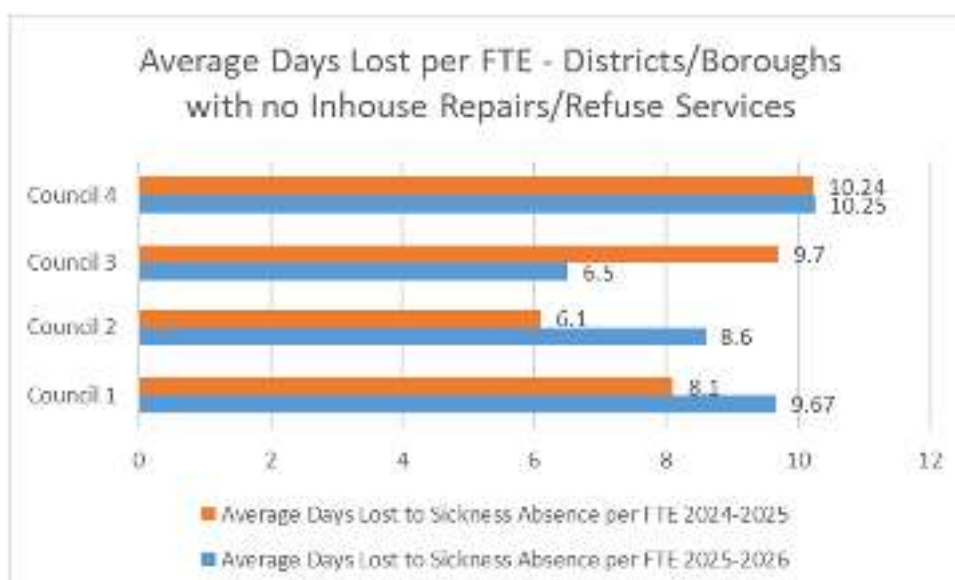
Average Days Lost Per FTE

	2025-2026	2024-2025
Council 1	9.75	8.48
Council 2	11.49	9.50
Council 3	14.22	10.10
Council 4	5.75	6.90
Council 5	7.79	7.89
Council 6	12.50	12.64
Council 7	9.58	6.94
Council 8	13.53	11.57
Council 9	10.01	8.85
Council 10	11.77	10.17
Council 11	10.80	10.45
Council 12	10.93	10.86
Council 13	12.30	10.45
Council 14	9.66	14.24
Council 15	11.40	11.01
Council 16	11.89	10.58
Council 17	10.00	9.00
Council 18	7.70	8.81
Council 19	10.85	10.27
Council 20	12.28	12.68

- 2.5.2 Within this group of councils, it can be seen that in 2025-26 the lowest absence level reported was an average of 5.75 days lost per FTE due to sickness absence, and 14.22 days as the highest reported level. 14 of the 20 councils had seen an increase in sickness absence rates compared to the previous year.

2.6. Absence Levels for District/Borough Councils Without In-House Services

- 2.6.1 The following chart provides information for the four councils which responded to the survey that do not have housing repairs or refuse and recycling services as in-house operations.



2.7. Top Three Reasons for Absence

2.7.1 The survey asked for the top three reasons for sickness absence. The responses were categorised and the top three causes of sickness absence were:

1. Mental Health
2. Musculo Skeletal
3. Surgery/Post Operative Recovery

2.7.2 The clear leading reason for sickness absence is mental health-related absence, reported by 22 of the 32 respondents as the top cause of absence, with 9 other councils citing it as the second highest cause of absence.

3. Wider Benchmarking Information

Sickness absence data was gathered from different sources to set the regional information in a wider context.

3.1. Office for National Statistics (ONS)

3.1.2 The ONS publishes sickness absence information, but there is a delay which means that data relating to 2025 is in development and may not be fully relied upon. This indicates an unchanged absence level from the previous year with an average of 4.4 days lost per worker.

3.1.3 ONS provides comparator information for large employers in different sectors on sickness absence rates based on the percentage of working time lost due to sickness absence. The data for 2025 indicates the following absence rates:

Local Government	Health	Private Sector
2.8% working time lost	4.0% working time lost	1.7%

A breakdown by sector is also provided in absence information provided at paragraph 3.2 below.

3.2. Chartered Institute of Personnel and Development (CIPD)

- 3.2.1 CIPD also conducts sickness absence surveys, but figures are not yet available for 2025-2026 - it's most recent report which was published in 2025 and related to the year 2024. This found that UK employees took an average of 9.4 days' sickness absence per year, representing a significant increase from 7.8 days in 2023 when the survey had last been conducted and 5.8 days in 2022. The survey identifies mental ill-health as the top cause of long-term absence, with 41% of respondents citing it within their top three causes. In terms of short-term absence (up to four weeks), the main cause was minor illnesses, (eg colds, flu, stomach upsets, headaches), with mental ill health as the second main cause reason for short-term absence.
- 3.2.2 The CIPD report noted their survey results reflect broader societal trends, including an ageing workforce and a rise in long-term health conditions.
- 3.2.3 There were variations in absence levels within different sectors reported by the CIPD. In 2025, employees in the public sector took an average of 13.3 days, in the private sector they took an average of 9.1 days and for employees in the non-profit sector, an average of 6.5 days per year. There is a general trend that the size of organisation can be a factor, and the private sector has a larger proportion of smaller organisations which may have less robust reporting systems.

4. Summary of Analysis of the Information

- 4.1 The results of survey indicate an overall slight increase in sickness absence levels compared to the previous year. Some councils indicated that during the last year they have revised their policies and are waiting to see any impact.
- 4.2 Mental ill-health, comprising of a range of issues such as anxiety, depression etc, continues to be the most common cause of sickness absence.

5. Supporting Councils to Manage Sickness Absence and Support Employee Wellbeing

- 5.1 As part of EMC's survey, councils were asked what support at regional level they would find most useful. The following themes emerged from the feedback:

- a. Continuing to benchmark sickness absence data against national benchmarks and other councils.
- b. Repeating a webinar/workshop provided in 2024 to support the management of complex absence cases.
- c. Sharing best practice, i.e., trigger levels for escalation, case studies of effective absence management.
- d. Sharing examples of health and wellbeing initiatives that have worked.
- e. Managing and supporting employees with mental health issues and supporting managers to effectively manage and support employees in that respect.

EMC's work programme over the coming year will address these themes.

6. Conclusions

- 6.1 The Regional Joint Council identified employee wellbeing and supporting attendance as a regional priority for its joint workplan. Improvements in the health and wellbeing of employees and their attendance at work will, in turn, have a positive impact on workforce capacity.
- 6.2 The information from the survey gives a valuable insight into levels of sickness absence in councils across the region and the support at a regional level that councils would find useful to help manage sickness absence. A joint approach would improve the regional offer further, and EMC would welcome the opportunity to involve the trade union side of the Regional Joint Council in identifying, developing and collaborating on initiatives.

7. Recommendations:

The Regional Joint Council is recommended to:

- 7.1 Note the information contained in the report.
- 7.2 Agree to work jointly to highlight and share good practice and develop and promote initiatives to support the wellbeing of employees and attendance management.

Sam Maher
Regional Employers' Side Secretary



Executive Board

2nd October 2026

Report of Management Group

Summary

The following report of the Management Group provides a summary on the following issues: performance management, budget monitoring and corporate governance.

Recommendations

Members of the Executive Board are invited to note:

- Delivery against the agreed Business Plan for 2026/27.
- Progress in meeting corporate governance requirements for internal and external audit.
- The position on reserves and wider financial resilience.

1. Performance Management and KPIs 2026-27

- 1.1 The Business Plan was developed in consultation with Members and agreed by Executive Board at its meeting on 27th March 2026. The agreed KPIs reflect the revised approach of the current business plan, where EMC will work across 4 themes: evidencing, influencing, collaborating and delivering.
- 1.2 Performance against the KPIs for Q1 – Q2 is on track, albeit some concern regarding levels of attendance at EMC meetings. Activity against the member development programme will be focused upon in order to support engagement and outreach with our wider membership.

2. Corporate Governance

- 2.1 A recent internal audit focused 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.
- 2.2 The internal audit report concluded with 3 recommendations, all with a low rating (there are 3 ratings; low, medium and high). The audit report recognised the strength of EMC's approach to the management of 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).
- 2.3 The statutory external audit of the 2025-26 accounts has been completed and is awaiting formal sign-off by the auditor prior to its submission to HM Certification Office.
- 2.4 Members will undertake the annual appraisal of EMC Executive Director on 2nd October 2026.

3. EMC 2025/26 Budget Outturn, Reserves and Liabilities

- 3.1 The budget outturn is largely on target with positive levels of external income already generated, and the overall surplus is likely to be marginally greater than anticipated c£1,500.
- 3.2 Members are reminded that EMC hold a prudent level of reserves, allocated to fund the 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.

3.3 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.

4. Recommendations

Members of the Executive Board are invited to note:

- 4.1 Delivery against the agreed Business Plan for 2026/27.
- 4.2 Progress in meeting corporate governance requirements for internal and external audit.
- 4.3 The position on reserves and wider financial resilience.

Cllr Elly Cutkelvin
Vice-Chair
East Midlands Councils