AGENDA

1. Apologies

2. Declarations of Interest

3. Minutes of the Executive Board Meeting 21st March 2014

Items for decision:


5. Local Growth Fund and LEPs: Investment Prospectus

6. High Speed 2: East Midlands HS2 Leadership Board

Items for information:

7. Climate Change Mitigation and Adaptation

8. Regional Employers’ Board

9. East Midlands Improvement & Efficiency Partnership Board – Sector led Improvement and Transformation

10. Report of Management Group

11. Any Other Business
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<thead>
<tr>
<th>Member</th>
<th>14/06/2013</th>
<th>27/09/2013</th>
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<tr>
<td>Nottingham City Council</td>
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<td>Cllr Jon Collins - Chair</td>
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<td>Lincolnshire County Council</td>
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<td>Cllr Martin Hill OBE - V Chair</td>
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<td>Rushcliffe Borough Council</td>
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<td>Cllr Jim Harker</td>
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<td>South Kesteven District Council</td>
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<td>Derbyshire County Council</td>
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<td>Cllr David Slater</td>
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<td>Cllr Roger Begy OBE</td>
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<td>Daventry District Council</td>
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<tr>
<td>Cllr Nicholas Rushton</td>
<td>X</td>
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**Vice Chairs EMC**

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<tr>
<th>Member</th>
<th>14/06/2013</th>
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<td>Mansfield District Council</td>
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<tr>
<td>Mayor Tony Egginton</td>
<td>X</td>
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EAST MIDLANDS COUNCILS EXECUTIVE BOARD
MINUTES OF THE MEETING HELD ON 21ST MARCH 2014
AT PERA BUSINESS PARK, MELTON MOWBRAY

Present:
Cllr Jon Collins (Chair) – Nottingham City Council
Cllr Martin Hill OBE (Vice-Chair) – Lincolnshire County Council
Cllr Paul Bayliss – Derby City Council
Cllr Tom Beattie – Corby Borough Council
Cllr Roger Begy OBE – Rutland County Council
Cllr Cecile Irving-Swift – Daventry District Council
Cllr Paul Kenny – Boston Borough Council
Cllr Fiona Martin MBE – EMC Liberal Democrat Group
Carole Mills – Chief Executive, Nottingham City Council
Cllr Bill Parker – Northamptonshire County Council
Cllr Robert Parker – EMC Labour Group
Cllr Lewis Rose OBE – Derbyshire Dales District Council
Cllr David Slater – Charnwood Borough Council
Cllr Anne Western – Derbyshire County Council

Stuart Young – East Midlands Councils
Andrew Pritchard – East Midlands Councils
Alison Neal – East Midlands Councils
Sam Maher – East Midlands Councils
Sarah Short – East Midlands Councils
Lisa Hopkins – East Midlands Councils (Minutes)

Apologies:
Cllr Neil Clarke (Vice Chair) – Rushcliffe Borough Council
Mayor Tony Egginton – EMC Independent Group
Cllr Jim Harker OBE – Northamptonshire County Council
Cllr Chris Millar – Daventry District Council
Cllr Linda Neal – South Kesteven District Council
Cllr Alan Rhodes – Nottinghamshire County Council
Cllr Rory Palmer – Leicester City Council
Cllr Nick Rushton – Leicestershire CC
Steve Atkinson – Chief Executive, Hinckley & Bosworth Borough Council
John Sinnott – Chief Executive, Leicestershire County Council
<table>
<thead>
<tr>
<th>Item 3</th>
<th>ACTION</th>
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<tbody>
<tr>
<td>1. <strong>Apologies and Introductions</strong></td>
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<tr>
<td>1.1 Apologies were received as noted above.</td>
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<tr>
<td>2. <strong>Declarations of Interest</strong></td>
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<tr>
<td>2.1 None.</td>
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<tr>
<td>3. <strong>Minutes of Executive Board Meeting held on 6th December 2013</strong></td>
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<tr>
<td>3.1 The minutes were agreed as a true and accurate record.</td>
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<tr>
<td>4. <strong>EMC Budget 2014/15</strong></td>
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<tr>
<td>4.1 Stuart Young, Executive Director East Midlands Councils, introduced this paper and highlighted the clear direction of Management Group to deliver a balanced budget for 2014/15. The use of reserves will be at the discretion of the EMC Management Group and EMC Executive Board for use against agreed targets in the Business Plan.</td>
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<tr>
<td>4.2 Members were reminded that this is a tight budget which will pose significant challenges and has been developed in consultation with EMC Management Group.</td>
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<td>4.3 Cllr Jon Collins stated that EMC organisational structure and Member Development areas that will be considered by Management Group.</td>
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<td>4.4 Alison Neal informed members that costs have been measured against the 4 ‘pillars’ of work identified in the Business Plan.</td>
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<td>4.5 Cllr Lewis Rose enquired the status of membership of East Midlands Councils. Stuart Young confirmed that there is one council (Northampton Borough Council) out of membership and South Northamptonshire District Council is on notice to leave 31st March 2014. Three other councils have rolled over their notice for a further year.</td>
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<td>4.6 Cllr Paul Bayliss emphasised the need for EMC to deliver tangible value added for all councils in membership.</td>
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<td>4.7 Cllr Jon Collins stressed the need to ensure the future sustainability for the organisation.</td>
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<td>4.8 Cllr Tom Beattie highlighted the needs of smaller authorities may differ to those</td>
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from larger authorities.

4.9 Cllr Martin Hill expressed concern that if resources are cut back too much, there is a possibility that EMC will not be able to deliver its priorities. As subscriptions are low, councils have to accept that trading income needs to break even and therefore charges for events may need to increase.

Reserves

4.10 Stuart Young confirmed that reserves will cover contractual and staffing liabilities (excluding pension liabilities). These may be called upon at the discretion of EMC Management Group.

Pension Deficit

4.11 Stuart Young confirmed that Leicestershire County Council have undertaken an actuarial review and pension liabilities currently stand at £835,000 which is underwritten by the 9Cs as stated in EMC’s constitution.

4.12 Moving forward, an EMC sub fund will be created as this needs to be fully funded at the point of transfer. Stuart Young stressed the need that further liabilities are not built up and the superannuation rate needs to be set at an appropriate level.

4.13 Members considered the proposal to reduce the pension deficit at a rate of 10% p.a for a three year period, commencing 2013/14. These payments will be made against reserves.

Resolution:

4.14 Members of the Executive Board:
  - Endorsed the 2014/15 budget, as recommended by the Management Group.
  - Endorsed the proposals (as outlined in section 6 of the report) to reduce the pension deficit that will remain with the Leicestershire Pension Fund.
  - Noted the EMC reserves statements.
Stuart Young, Executive Director East Midlands Councils, introduced this paper and informed members that following on from the review of East Midlands Councils, a new approach to the Business Plan is developed based on 4 ‘pillars’.

**Questions/Comments**

5.2 Cllr Anne Western expressed concern that she would not want to see duplication of work which is being undertaken elsewhere. In relation to the HS2 Programme Board, proposals need to be further developed and suggested further discussions to agree approach. LEPs are currently undertaking work on this and there is a need to do what is achievable and within the budget.

5.3 Cllr Martin Hill confirmed EMC are not trying to do the work which LEPs are undertaking but are co-ordinating across the region. In relation to health, again this is co-ordination and not duplication of work already being done.

5.4 Cllr Robert Parker stated that the Business Plan should be outward looking and designating Members from the Executive Board with lead responsibilities which Stuart Young confirmed the need to look at this.

**Resolution:**

Members of the Executive Board:
- Considered and approved the draft Business Plan 2014-15
- Approved proposals that the final draft of the Business Plan is further consulted upon with councillors across the East Midlands.
- Considered proposals for designating Executive Board members with lead role responsibilities against specific areas of the Business Plan.

6. **Management Group Terms of Reference in relation to Conducts and Standards**

6.1 Stuart Young, Executive Director East Midlands Councils, introduced this report and in particular highlighted the role of EMC in member standards and the need to establish a clear process for oversight of conduct and standards.

6.2 Cllr Robert Parker drew members attention to the revised terms of reference, particularly in relation to the need to confirm arrangements for lead member responsibilities.

**Resolution:**
Members of the Executive Board:

- Considered and endorsed the revised terms of reference and proposed ‘local arrangements for dealing with standards complaints’.
- Endorsed proposals for lead member responsibilities.

**7. Regional Review – The Impact and Response to Migration Patterns in the East Midlands**

7.1 Cllr Paul Kenny, Chair Regional Strategic Migration Partnership Board introduced this report. He highlighted to members that migration and associated population change within the East Midlands has an obvious impact on local government.

7.2 Cllr Kenny highlighted the work on the modern slavery bill; police authorities and other organisations are keen to work with EMC in responding to these issues.

7.3 Cllr Paul Bayliss welcomes this paper and highlighted concerns in relation to Syrian nationals and any additional pressure this may place on local communities.

7.4 Cllr Paul Kenny stated he is aware of the G4S pressures put on Derby and also aware of the difficulties in relation to the Roma communities.

7.5 Cllr Tom Beattie informed members of the voluntary code of conduct for employment agencies in Corby.

7.6 Cllr Paul Kenny stated that budgetary pressures are a major factor and this is what makes a difference. In relation to Syrian nationals, there is a need for a proper dialogue with Government.

7.7 Cllr Cecile Irving-Swift felt that immigration is not necessarily a problem if approached in the right way.

7.8 Cllr Paul Kenny confirmed that the draft report will be published in May, considered by the Executive Board in June and final report presentation to the EMC meeting in July.

**Resolution**

7.9 Members of the Executive Board:

- Supported the completion of a review into migration in the East Midlands as the basis for further engagements with Government and partners.
- Noted recent migration trends, direct the review going forward and to highlight any specific issues of concern.
**8. Regional Review – Health in the East Midlands**

8.1 Stuart Young, Executive Director East Midlands Councils, introduced this report and stated this follows on from members requests for a review into health in the East Midlands.

8.2 He continued that this should be a member-led review. Cllr Roger Begy stated the terms of reference for the group is crucial and also need to decide what they key issues are.

**Resolution**

8.3 Members of the Executive Board:
- Endorsed the establishment of task and finish group to deliver a health review in line with Business Plan commitments.
- Considered and discussed key issues that should be included as part of the review as the basis for the subsequent development of agreed terms of reference.
- Delegated to the Management Group and the chair of the review task and finish group the responsibility to agree the terms of reference and to also propose a lead member to chair this review.
- Agreed that a draft final report be considered by the Executive Board at its meeting on 19th September 2014.

**9. Boosting Economic Growth and Working with LEPs**

9.1 Andrew Pritchard, Director of Policy and Infrastructure East Midlands Councils, introduced this report and informed members that in relation to the ERDF project, EMC is currently taking forward the Meeting Need-Realising Opportunity document produced last year.

9.2 The East Midlands Airport masterplan is currently out for consultation and EMC will make a response to this consultation.

9.3 Good progress is being made on the infrastructure projects - Upgrade and Electrification of the Midland Main Line, Castle Line, A5 Corridor and East Coast Mainline Franchise.
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<tr>
<th>Item</th>
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<tr>
<td>9.4</td>
<td>Cllr Jon Collins stated the need to focus on around six projects that are in the interests of the whole region and which can then lobby MPs on.</td>
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<td>9.5</td>
<td>Stuart Young confirmed that are working with LEPs in relation to European funding programmes.</td>
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<td>9.6</td>
<td>Rowena Limb informed members that growth deals are still being developed. The Government want to see an increase in local economic growth. Every LEP needs to submit a strategic economic plan by 31st March 2014. These will be assessed by Government during April and May and growth deals announced in July prior to the summer recess.</td>
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<td>9.7</td>
<td>Stuart Young drew members attention to the event scheduled for 7th April with Ministers and invited Members to highlight issues that should be discussed with the Skills Minister.</td>
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<td>9.8</td>
<td>Andrew Pritchard updated members on HS2 and the publication of recent reports including the report from Lord Deighton.</td>
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<td>9.9</td>
<td>The publication on consultation from BIS in relation to supporting Derby's bid for the High Speed Rail College is due by 30th April 2014.</td>
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<td>9.10</td>
<td>Proposals have been developed for a programme board and HS2 are supportive of this.</td>
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<td>9.11</td>
<td>Cllr Anne Western expressed concerns in relation to the risks on the western leg of the route in particular within the Sheffield City station location. She supports the principle of the programme board.</td>
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<td>9.12</td>
<td>Cllr Jon Collins is keen to establish a strategic board with an inclusive membership that can authoritatively represent the region on HS2 matters.</td>
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<td>9.13</td>
<td>Cllr Paul Bayliss stated the need for clarity over station locations as uncertainty will continue to complicate a cohesive approach.</td>
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<td>9.14</td>
<td>Andrew Pritchard confirmed that South and West Yorkshire are developing programme board proposals.</td>
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<td>9.15</td>
<td>Members agreed to delegate responsibility to Cllrs Western and Collins to further develop proposals for the Programme Board.</td>
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<td>9.16</td>
<td>Resolution</td>
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<td>Members of the Executive Board:</td>
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<td> Endorsed efforts to establish an ‘HS2 Programme Board’ for the East Midlands.</td>
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<td> Agreed to support Derby as the preferred location of the proposed High Speed Rail College and to make a response to the public consultation led by BIS to this effect.</td>
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<td> Agreed the response for submission to the East Midlands Airport Sustainability Development Plan consultation based on principles set out in the report.</td>
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<td> Endorsed proposals for further joint working with the East Midlands APPG and efforts to secure the delivery of strategic infrastructure priorities.</td>
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<th>10.</th>
<th>Regional Employers’ Board</th>
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<td>10.1</td>
<td>Cllr Tom Beattie, Chair Regional Employers’ Board introduced this report and tabled correspondence in relation to Local Government Pay 2014. The Employers’ Board is currently in discussion with Unison in relation to the ethical care charter.</td>
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<td>Resolution</td>
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<td>10.2</td>
<td>Members of the Executive Board:</td>
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<td> Noted the report.</td>
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<td> Provided comments and feedback on the employment issues identified within the report to inform EMC’s input to future Employers’ meetings at Regional. National and European level.</td>
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<th>11.</th>
<th>East Midlands Improvement and Efficiency Partnership Board – Sector led Improvement and Transformation</th>
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<tr>
<td>11.1</td>
<td>Cllr Roger Begy, Chair of the Improvement and Transformation Board, introduced this report. EMC is currently working closely with the LGA in relation to Lead Members for Children’s and Adults Networks.</td>
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<td>Resolution</td>
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<tr>
<td>11.2</td>
<td>Members of the Executive Board:</td>
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<tr>
<td> Noted the information contained within this report.</td>
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<tr>
<td>12.1</td>
<td>Stuart Young, Executive Director East Midlands Councils, introduced this report. He informed members that EMC’s accountable body transfer to Nottingham City Council is currently progressing and also EMC have secured alternative office accommodation at Pera Business Park in Melton Mowbray.</td>
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</table>
| 12.2 | Members of the Executive Board noted the issues considered by Management Group, specifically:  
- EMC Management Accounts 1st April 2013 to 31st January 2013.  
- Performance against the Business Plan 2013/14.  
- Update on the Certification Office submission of accounts.  
- Update on the transfer of accountable body.  
- Accommodation. |
| 13. | **An Other Business** |
| 13.1 | None. |
| 14. | **Date of Next Meeting - Friday 13th June 2014, Pera Innovation Park, Melton Mowbray.** |
The Impact of International Migration in the East Midlands

Summary

At the 7th February 2014 meeting of East Midlands Councils, Members supported undertaking a review into migration in the East Midlands as the basis for further engagement with Government and partners on this important issue.

The following provides a summary of the draft report of this review led by Cllr Paul Kenny (Chair of the Regional Strategic Migration Board).

Recommendation

Members of Executive Board are invited to:

- Consider the draft report on the impact of international migration on the East Midlands.

- Subject to proposed changes, delegate to the Management Group and the Chair of the Regional Strategic Migration Partnership responsibility for formal sign-off of the report before its presentation to the EMC AGM on 11th July 2014.
1. Introduction

1.1 At the 7th February 2014 meeting of East Midlands Councils, Members supported undertaking a review into migration in the East Midlands as the basis for further engagement with Government and partners on this important issue.

1.2 Led by councillors from across the region, and chaired by Cllr Paul Kenny (Boston Borough Council), the EMSMP has led the development of a region-wide report on migration in the East Midlands in order to:
   - Consider the actual nature and patterns on international migration in the region.
   - Focus on the specific challenges facing communities and public service providers.
   - Advise/lobby regional and national bodies, including Government on behalf of our membership.

2. Review Process

2.1 Nottingham Trent University Business School was commissioned to provide an independent analysis of the statistical and demographic information relating to national, regional and local migration trends.

2.2 In the development of this report, a range of partners have been offered opportunities to inform the scope of the review. In addition to meetings of the Regional Strategic Migration Partnership, the following will be undertaken:
   - All-Party Parliamentary Group Meeting at House of Commons [9th June 2014].
   - Draft report for consultation with wider EMC membership [w/c 9th June 2014].
   - Councillor Briefing Seminar [17th June 2014]

2.3 The final report will be presented to the EMC Annual General Meeting on 11th July 2014.

2.4 A working draft of this report is attached as Appendix 4(a) for the consideration of the Executive Board. While Section 1 (and statistical annex) is completed, at this current time there remains outstanding information on specific challenges for councils in the East Midlands, e.g. children’s services and health. Therefore, members are reminded that this draft will be subject to further changes and these will be reported to the Board.
3. An Overview of International Migration Trends

3.1 There remains a lack of analysis and understanding about the scale and impact of international migration within Parliament, the media and the wider public.

3.2 The available evidence suggests the impact of international migration on the East Midlands has generally been positive, particularly from an economic perspective with some estimates suggesting a 10% contribution to GVA. However, the scale of population change and resulting impacts on public services and communities vary considerably and has resulted in particular challenges for some communities.

3.3 Net long-term international migration (LTIM) to the UK reached its highest point, at 260,000, in the 12 months to mid-2005, the period immediately following the enlargement of the EU in 2004 to include the 8 Central and Eastern European Countries, Cyprus and Malta. The latest estimate (mid 2013) of net-migration to the UK is below this level, at 182,000 - this is principally due to lower levels of immigration, with emigration remaining broadly flat over the last four years.

3.4 The total population of the East Midlands grew at a faster rate than the average for England, at 8.2% compared to 7.7% between 2002 and 2012. This was a faster rate than any other northern or midlands region.

3.5 According to the 2011 Census, 9.9% of the East Midlands resident population was foreign-born, below the UK average of 13.8%. This equates to 448,200 individuals in a population of 4.5 million. This is an increase from the 2001 Census, where 6.1% of the resident population were estimated to have been born outside the UK.

3.6 People from non-EU countries accounted for the largest proportion, at 6.3% of the total East Midlands population (285,600 individuals). Individuals born in EU Accession countries accounted for 2% of the population, equal to 91,700 individuals.

3.7 Leicester City had by far the highest proportion of residents born outside the UK, at 33.6%. Non-UK born populations are also relatively concentrated in Nottingham (19.5%) and Derby (13.8%). Leicester also has the highest proportion of residents born in non-EU countries, at 28.2% of the total population.

3.8 Conversely, the smallest proportion of the foreign-born population lived in the county of Derbyshire; its 25,642 foreign-born residents represent 6% of the total non-UK born population of the region and 3% of the local population.
At the more local level, the district with the smallest foreign-born population was Bolsover (2,292 residents representing 0.5% of East Midlands' non-UK born population).

3.9 Individuals born in EU Accession states were highly concentrated in the districts of Boston and South Holland; together accounting for 13% of the East Midlands population born in EU Accession countries.

3.10 Boston has the highest proportion of residents born in EU Accession countries of any Local Authority in England and Wales, at 10.6%; and the biggest percentage increase where the non-UK born population grew by 8,063 residents (from 1,727 in 2001 to 9,790 in 2011), representing a growth of 467%.

3.11 In 2011, India was the country of birth for the greatest number of foreign-born residents in the East Midlands, followed by Poland. Residents born in India were largely concentrated in the Leicester City accounting for 54% of all Indian-born residents of East Midlands and 34% of Leicester's foreign-born residents.

3.12 Northamptonshire had the largest Polish-born population out of the 9 upper-tier council areas, with 12,475 residents born in Poland in 2011, representing 23% of all Polish-born residents in the region and 17% of the local foreign-born population. In terms of the Polish-born as proportion of the local foreign-born population, Mansfield had the highest level at 35%.

3.13 Research on the impacts of migration has focused on economic impacts (the contribution of migration to GDP), fiscal impacts (taxes less benefits and public services) and labour market impacts (the possible displacement of UK-born adults into unemployment and wage dampening effects).

3.14 Joint BIS and Home Office analysis concluded that, during periods of economic growth, the UK labour market appears to be able to adjust to high levels of net migration with little evidence of negative impacts. However, following the onset of recession in 2008 there is some evidence of short-term displacement effects, which appear to have dissipated as the labour market has recovered.

3.15 There is strong evidence that migrants make a positive net contribution to the UK budget. Recent EU migrants (post-2001) made a particularly strong net fiscal contribution, paying 34% more into the exchequer than taken out in benefits and services between 2001 and 2011 - compared to a small negative fiscal contribution for both UK-natives and non-EU migrants. This is due to the younger age profile of recent migrants, who were 45% less likely to receive state benefits or tax credits compared to non-migrants.
3.16 In the East Midlands, recent migrants were increasingly likely to be employed in low-skill sectors and occupations. However, there was no firm evidence to suggest that migrants caused wage growth to be dampened or contributed to the displacement of UK-born workers.

3.17 Following the onset of recession in 2008 in the East Midlands, where job losses were observed in sectors employing high proportions of migrants, they were proportionately similar for migrants and non-migrants. At a local level, there was no significant relationship between changes in the number of migrants in employment and any increase in unemployment.

4. Summary of Key Issues

a) Data and the Impact on Funding

4.1 There is a clear need to improve the quality and availability of data on international migration. Whilst the quality of some population and migration data has been improved in recent years, it remains a concern that current data gives a significant under-estimation of migration numbers.

4.2 Since a sizeable element of local government funding from central government is directly linked to the size of the local population, the undercount of the migrant population leads to a significant shortfall in funding. Even when additional funding is forthcoming it lags behind the more immediate pressure on local services.

4.3 Migrants tend to be a more transitory population group, and do not tend to routinely register with public services, e.g. GPs. Even when they do, councils have been unable to access that data to effectively plan for services, e.g. school placements. Until there is more effective sharing of data between different public agencies – particularly NHS data - public services will continue suffer from poor planning and provision.

b) Cost Shift from Central to Local Government

4.4 The legislative framework has changed over recent years; and will continue to change. Just this year, there will be two key pieces of legislation associated with the impact of international migration; The Immigration Act 2014 and the Modern Slavery Bill.

4.5 There is an absolute need for Government to better understand the effect of legislative changes in leading to additional unfunded burdens on local councils. Cost shifts from central to local government include support for former ‘looked after unaccompanied asylum seeking children’ and those who
have No Recourse to Public Funds; where people have no entitlement to welfare benefits or public housing whilst their case is resolved.

4.6 However, local government is in an unenviable position with a statutory requirement to support destitute families with children or those with complex long term needs - but little influence on either mitigating the circumstances of their destitution, or the numbers.

4.7 Costs are exacerbated by the slowness of the Home Office in resolving cases. Local Government has a part to play and would do well to follow the lead of Leicester City in its piloting of a new database to enable better sharing of information that is already leading to a reduction in the time taken to resolve cases.

c) The Dispersal of Asylum Seekers

4.8 As of 31st March 2014, there were just short of 2000 supported asylum seekers in the East Midlands (about 9% of national total). This has risen by over 76% since March 2013 - a disproportionate increase in the number of supported asylum seekers in the East Midlands.

4.9 For the dispersal areas of Derby, Leicester and Nottingham any potential increase in these numbers will need to be sensitively managed. Applying the Home Office's preferred ratio of 1:200 would mean a further doubling of the numbers of asylum seekers in the East Midlands.

4.10 There is concern that in dispersal areas, ratio numbers are too blunt a tool. From experience, it is clear that the dispersal of asylum seekers is concentrated in particular wards rather than being more widely distributed across the wider local authority area. This in turn causes strain upon public services in particular local areas and may place pressure on community cohesion.

d) English for Speakers of Other Languages

4.11 The census highlights that in the East Midlands there is a lower English Language proficiency in comparison to elsewhere.

4.12 There is general support that new migrants should learn to speak English rather than public bodies making official information routinely available in other languages.

4.13 However, for this approach to be effective; the Government must support the adequate provision for ESOL services. Across the region, there has been a significant rise in ESOL waiting lists; and this is a real barrier to integration
and finding work. Fairer funding from central government and the more effective community based provision of ESOL should be put in place.

5. **Next Steps**

5.1 The draft report is presented for the consideration and comment by Members of the Executive Board. Proposed amendments and additional detail from partners expected week commencing 9\textsuperscript{th} June will be incorporated into the final draft.

5.2 It is proposed that the Executive Board delegate to the Management Group and the Chair of the Regional Strategic Migration Partnership responsibility for formal sign-off of the report before its presentation to the EMC AGM on 11\textsuperscript{th} July 2014.

6. **Recommendations**

Members of the Executive Board are invited to:

6.1 Consider the draft report on the impact of international migration on the East Midlands.

6.2 Subject to proposed changes, delegate to the Management Group and the Chair of the Regional Strategic Migration Partnership responsibility for formal sign-off of the report before its presentation to the EMC AGM on 11\textsuperscript{th} July 2014.
The Impact of International Migration on the East Midlands

First Working Draft

July 2014
## Contents

<table>
<thead>
<tr>
<th>Section/Annex</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>3</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>4</td>
</tr>
<tr>
<td><strong>Section 1: A Statistical Overview of International Migration</strong></td>
<td></td>
</tr>
<tr>
<td>1.1 Background</td>
<td>6</td>
</tr>
<tr>
<td>1.2 Summary</td>
<td>7</td>
</tr>
<tr>
<td>1.3 UK Demographic Change</td>
<td>9</td>
</tr>
<tr>
<td>1.4 Demographic Change within the East Midlands</td>
<td>11</td>
</tr>
<tr>
<td>1.5 Economic and Labour Market Impacts</td>
<td>12</td>
</tr>
<tr>
<td><strong>Section 2: Challenges for Councils in the East Midlands</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Political &amp; Legislative Context</td>
<td>13</td>
</tr>
<tr>
<td>2.2 Dispersal of Asylum Seekers</td>
<td>00</td>
</tr>
<tr>
<td>2.3 ‘No Recourse to Public Funds’</td>
<td>00</td>
</tr>
<tr>
<td>2.4 Returns</td>
<td>00</td>
</tr>
<tr>
<td>2.5 English for Speakers of Other Languages (ESOL)</td>
<td>00</td>
</tr>
<tr>
<td>2.7 Public Health</td>
<td>00</td>
</tr>
<tr>
<td>2.8 Community Safety</td>
<td>00</td>
</tr>
<tr>
<td>2.9 Impact of International Migration on Childrens Services</td>
<td>00</td>
</tr>
<tr>
<td><strong>Section 3: Conclusions &amp; Recommendations</strong></td>
<td></td>
</tr>
<tr>
<td>3.1 Summary Conclusions</td>
<td>00</td>
</tr>
<tr>
<td>3.2 Key Recommendations</td>
<td>00</td>
</tr>
<tr>
<td><strong>Statistical Annex:</strong></td>
<td>30</td>
</tr>
</tbody>
</table>
Foreword

The impact of international migration is a controversial and politically contested issue. For those of us in local government, it also has practical implications for the way in which we deliver local services that need to be clearly understood.

This report seeks to ‘shine a light’ on the scale of population change that has occurred across the East Midlands over the last 10-15 years and to make a rounded assessment of the resulting impacts on our local economies, based on official ONS data and analysis commissioned from Nottingham Trent University.

It goes on to highlight some of the specific challenges facing councils in the East Midlands and examples of emerging best practice that could be more widely deployed. Finally, it makes a number of recommendations for how central & local government can work better together to address issues of common concern.

The East Midlands has a long and positive history of absorbing migrant communities from a variety of different ethnic and religious backgrounds. EMC will continue to play and active role supporting councils and communities to adapt to change through the East Midlands Strategic Migration Partnership. We hope that this report will be used positively to inform policy and practice at both national and local levels.

Cllr Paul Kenny
Chair, East Midlands Strategic Migration Partnership

Cllr Geoff Stevens MBE
Vice Chair, East Midlands Strategic Migration Partnership

Cllr Jon Collins
Chair
East Midlands Councils

Cllr Martin Hill OBE
Vice Chair
East Midlands Councils

Cllr Neil Clarke MBE
Vice Chair
East Midlands Councils
Executive Summary

There remains a lack of analysis and understanding about the scale and impact of international migration within Parliament, the media and the public at large. This report represents an attempt by councils to ‘shine a light’ on such issues in an East Midlands context - but more needs to be done at a national level by Government and the LGA to frame the debate in a positive manner.

The available evidence suggests the impact of international migration on the East Midlands has generally been positive, particularly from an economic perspective. However the scale of population change and resulting impacts on public services and communities varies considerably and has resulted in particular challenges for some communities.

The total population of the East Midlands grew at a faster rate than the average for England, at 8.2% compared to 7.7% between 2002 and 2012, due to a combination of natural change, UK and international migration.

According to the 2011 Census, 9.9% of the East Midlands resident population was foreign-born, below the UK average of 13.8%. This equates to 448,200 individuals in a population of 4.5 million. This is an increase from the 2001 Census, where 6.1% of the resident population were estimated to have been born outside the UK.

There is strong evidence that international migrants make a positive net contribution to the UK budget. Migrants are 45% less likely to receive state benefits or tax credits compared to non-migrants and are estimated to make a contribution to regional output of around 10% (GVA). There is no firm evidence to suggest that international migrants have had an impact on wage levels, displaced UK-born workers or have contributed to an increase in unemployment.

However, within this regional picture there are significant local variations in population structure and the pace of migration related population change. For example:

- Leicester City had by far the highest proportion of residents born outside the UK, at 33.6%. Non-UK born populations are also relatively concentrated in Nottingham (19.5%) and Derby (13.8%). Leicester also has the highest proportion of residents born in non-EU countries, at 28.2% of the total population.

- Boston has the highest proportion of residents born in EU Accession countries of any Local Authority in England and Wales, at 10.6%; and the biggest percentage increase where the non-UK born population grew by 8,063 residents (from 1,727 in 2001 to 9,790 in 2011), representing a growth of 467%.

This level of variation can give rise to a number of practical challenges for councils. Firstly, a rapid rise in population (from whatever source) can mean that demand on council services grows at a faster rate than is recognised by the Government’s funding formula – meaning that council services can be almost permanently under-resourced. Secondly, some new communities give rise to specialised short term needs that councils can sometimes find difficult to meet quickly. Thirdly, the impact of new communities on
local labour and housing markets (real or imagined), can have implications for community cohesion that councils, along with other relevant public bodies, have a responsibility to manage.

Although the numbers of supported asylum seekers and those classed as having ‘No Recourse to Public Funds’ are a tiny proportion of the total migrant population, numbers have been growing recently such that there has been a significant impact on some communities and councils. Whilst councils are as keen as the Government that new migrants should learn English, this shared objective is being undermined by a lack of ESOL provision.

The Home Office, BIS, DWP and DCLG all appear to have different perspectives on international migration which reflect their individual departmental policy objectives. It has been left to councils and local partners to attempt to join up Government policy ‘on the ground’. This has resulted in a number of unfunded new burdens that should be met by Government.

The report concludes by setting out eight recommendations for how Government and councils can better manage these challenges.

(DN include final recommendations below)
Section 1: A Statistical Overview of International Migration

1.1 Background

1.1.1 Migrant populations are inherently difficult to define and quantify, for both practical and conceptual reasons. International migrants remain a relatively small minority in most countries. The Organisation for Economic Co-operation and Development (OECD) estimate that individuals living somewhere other than their country of birth accounted for 3.2% of the global population in 2013.¹ Minority groups are difficult to survey, firstly because it is difficult to generate robust samples of smaller population groups,² and secondly because migrants – especially recent arrivals – can be highly mobile.

1.1.2 There are also definitional challenges, including whether individuals are defined as ‘migrants’ based on their country of birth, citizenship, immigration status or more subjective views of nationality – all of which have conceptual weaknesses, which are discussed where relevant throughout this section. However, significant investment has been made in improving migration statistics in the UK in recent years, with a number of innovations in both data collection and estimation enabling access to far more reliable and detailed statistics than previously.

1.1.3 There continues to be much more detailed and reliable estimates on migration at a national level, especially on migration flows and more recent developments (such as the possible impacts of the lifting of transitional controls on migrants from Bulgaria and Romania on January 1st 2014).

1.1.4 Section 1.3 starts with an overview of the trends in migration to and from the UK, based on the best and most recent available data. The Census provides the most detail on migrant populations at a sub-national level, and is the focus of Section 1.4 looking at the East Midlands and its constituent council areas. Finally, the most problematic questions – on the economic, fiscal and labour market migration – have been the focus of a series of major national and regional studies. The outcome of this work is summarized in Section 1.5.

1.1.5 Section 1.2 summarises the key issues across all three sections. Further detail and supporting analysis is provided in the Statistical Annex at the back of this report.

² Most demographic and labour market statistics are based on sample surveys, where a relatively small ‘sample’ of the total population of interest is interviewed – and information about this wider population of interest is inferred from responses from the sample. Even in very large surveys, like the Labour Force Survey, which is based on 250,000 interviews annually, there will be a relatively small number of observations from members of any given minority group. This problem is further confounded by practical difficulties in accessing and interviewing new migrants, who may only be resident at a given address for a short-time, or resident in shared accommodation, which leads to significant risk of under-estimating this population and/or relatively small numbers of observations on which to gross up final estimates (meaning that estimates of important characteristics of migrants, such as sector or occupation of employment, can be highly unreliable).
1.2 Summary

1.2.1 Net long-term international migration (LTIM) to the UK as a whole reached its highest point, at 260,000, in the 12 months to mid-2005, the period immediately following the enlargement of the EU in 2004 to include the 8 Central and Eastern European Countries (the A8) and Cyprus and Malta. The latest estimate (mid 2013) of net-migration to the UK is below this level, at 182,000 – this is principally due to lower levels of immigration, with emigration remaining broadly flat over the last four years.

1.2.2 Non-EU migrants continue to account for the largest share of net-migration to the UK, but this has fallen in recent years. Net EU migration has recently increased, and in the last 12 months this has been driven by an increase in immigration from pre-2004 (EU15) member states – such as Spain and Italy. This is confirmed by the latest National Insurance number (NINo) registrations, which show a significant increase in registrations from Spanish and Italian citizens compared to 2012.

1.2.3 Formal study is the main driver for migration for non-EU citizens, whilst work-related reasons are the main drivers for EU migrants.

1.2.4 In the main survey evidence (the Labour Force Survey and the Census), ‘migrants’ can be defined by country of birth or stated nationality. Both are proxy measures. According to the Labour Force Survey for the 2012 calendar year, 12.3% of the resident population of the UK were non-UK born but 7.8% defined themselves as non-UK national. This likely level of overestimate on the basis of country of birth is due to factors such as children born to UK nationals living and working overseas (such as on military bases) and individuals who have lived in the UK for most of their lives and have since become British citizens. Despite this issue, country of birth remains the most widely available and detailed proxy estimate for ‘migrant’ populations.

1.2.5 Adults born in the EU are significantly more likely to be in employment than either UK-born adults or those born in non-EU countries. In the 3 months to March 2014 in the UK overall, 78% of working age individuals born in EU countries were in employment, compared to 73.1% for those born in the UK and 64.8% for those born in non-EU countries. The highest rates of employment were for individuals born in A8 countries, at 81.3%, Australia and New Zealand, at 82.5%, and South Africa, at 82.5%.

1.2.6 According to the 2011 Census, 9.9% of the East Midlands resident population were born outside the UK – below the UK average of 13.8%. This is equivalent to 448,200 individuals in a population of 4.5 million. This is an increase from the 2001 Census, where 6.1% of the resident population were estimated to have been born outside the UK.

1.2.7 People from non-EU countries accounted for the largest proportion, at 6.3% of the total East Midlands population (285,600 individuals). Individuals born in EU Accession countries accounted for 2% of the population, equivalent to 91,700 individuals.
• Leicester City had by far the highest proportion of residents born outside the UK, at 33.6%. Non-UK born populations are also relatively concentrated in Nottingham (19.5%) and Derby (13.8%). Leicester also has the highest proportion of residents born in non-EU countries, at 28.2% of the total population.

• Individuals born in EU Accession states were highly concentrated in the districts of Boston and South Holland – together accounting for 13% of the East Midlands population born in EU Accession countries, but only 3% of the total regional population. Boston has the highest proportion of residents born in EU Accession countries of any Local Authority in England and Wales, at 10.6%.

1.2.8 In 2011, India was the country of birth for the greatest number of residents in the East Midlands, followed by Poland.

1.2.9 The total population of the East Midlands grew at a faster rate than the average for England, at 8.2% compared to 7.7% between 2002 and 2012. This was a faster rate than any other northern or midlands region. In England overall, natural change outstripped migration as a driver of population growth in the last two years. In the East Midlands, migration continues to account for a slightly higher proportion (50.7%) – but this includes internal migration. Internal migration accounted for 20% of population growth in the East Midlands between 2011 and 2012 and international migration accounted for 30.6%.

1.2.10 Research on the impacts of migration has focussed on economic impacts (the contribution of migration to GDP), fiscal impacts (taxes less benefits and public services) and labour market impacts (the possible displacement of UK-born adults into unemployment and wage dampening effects).

1.2.11 Joint BIS and Home Office analysis concluded that, during periods of economic growth, the UK labour market appears to be able to adjust to high levels of net migration with little evidence of negative impacts. However, following the onset of recession in 2008 there is some evidence of short-term displacement effects, which appear to have dissipated as the labour market has recovered.

1.2.12 There is strong evidence that migrants make a positive net contribution to the UK budget. Recent EU migrants (post-2001) made a particularly strong net fiscal contribution, paying 34% more into the exchequer than taken out in benefits and services between 2001 and 2011 – compared to a small negative fiscal contribution for both UK-natives and non-EU migrants. This is due to the younger age profile of recent migrants, who were 45% less likely to receive state benefits or tax credits compared to non-migrants.

1.2.13 In the East Midlands, recent migrants were increasingly likely to be employed in low-skill sectors and occupations. However, there was no evidence to suggest that migrants caused wage growth to be dampened or contributed to the displacement of UK-born workers.

1.2.14 Following the onset of recession in 2008 in the East Midlands, where job losses were observed in sectors employing high proportions of migrants, they were
proportionately similar for migrants and non-migrants. At a local level, there was no significant relationship between changes in the number of migrants in employment and any increase in unemployment.

1.2.15 Migrants were estimated to make a very significant contribution to output (in total Gross Value Added) in the East Midlands, at 9.6% in 2005, 10.6% in 2008 and 10% in 2009.

1.3 UK Demographic Change

1.3.1 Total net migration to the UK as a whole peaked in mid-2005, with 260,000 more long-term migrants entering the UK than leaving. In the latest comparable estimate, for mid-2013, net long-term international migration to the UK was 182,000.

1.3.2 These net figures take into account the out-migration (emigration) of British citizens, which was -64,000 in the 12 months to June 2013, down from its highest level of -122,000 in the 12 months to June 2007.

1.3.3 Although migration from non-EU countries continues to account for the largest share of total net migration to the UK, this has decreased significantly, from 233,000 in mid-2004 to 140,000 in mid-2013.

1.3.4 Net migration from EU countries increased significantly following the EU enlargement in 2004, from 43,000 in mid-2004 to 106,000 in mid-2005, but then fell significantly between 2008 and 2012 as the UK entered recession (to its lowest post-enlargement net level of 62,000 in 2009).

1.3.5 Net migration from EU citizens has since increased and is again estimated to be 106,000 in the 12 months to mid-2013. This has been driven principally by a significant increase in migration from the pre-2004 EU15 member states, such as Italy and Spain. Net A8 migration has remained fairly constant since 2009, at less than half the level estimated in the 12 months to June 2005.

1.3.6 In terms of reasons for travel, formal study accounts for the largest share of all net migration, whilst work-related reasons accounts for the largest share of net migration from EU citizens. The net numbers migrating for formal study have fallen since 2010 (for both all migrants and for EU-migrants), whilst net work-related migration for EU citizens has increased very significantly in the latest comparable period (the 12 months to June 2013).

1.3.7 NINo registrations to EU nationals in 2013 increased significantly compared to 2012, whilst the number of non-EU registrations remained stable.

1.3.8 Poland accounts for the largest share (18%) of NINo registrations to overseas nationals, and the number of Polish nationals registering for a NINo also increased significantly between 2012 and 2013. Spain accounted for the next largest share (8%), with numbers also increasing significantly on 2012. Registrations from Italian and Portuguese nationals also increased very significantly.
1.3.9 The Labour Force Survey, a household survey of UK residents aged over 16, enables the number of ‘migrants’ to be defined in two ways – by country of birth or by stated nationality. Numbers of non-UK born residents tend to be significantly higher than non-UK nationals, although the numbers have increased over time on both measures.

1.3.10 Individuals born outside the UK accounted for 12.3% of the total UK resident population in the LFS for the 2012 calendar year, and 15.5% of the working age population. Individuals who described themselves as non-UK nationals accounted for 7.8% of the total population and 9.5% of the working age population. There were estimated to be 7.7 million individuals born outside the UK and 4.8 million non-UK nationals in the 2012 calendar year. The share of the working age population is higher in both cases due to migrant populations tending to have a younger age profile compared to non-migrants.

1.3.11 The number of migrants in employment, on both definitions, has grown significantly over the last fifteen years. According to the LFS for the first quarter of 2014, adults who were not born in the UK accounted for 15% of total employment and adults who were non-UK nationals accounted for 9.1%.

1.3.12 There is a greater number of adults in employment born in non-EU countries compared to EU countries, although the numbers born in EU countries has grown at a faster rate.

1.3.13 The number of adults in employment born in A8 countries now exceeds those in employment born in EU14 countries, at 802,000 compared to 775,000.

1.3.14 The number born in Romania and Bulgaria in employment in the UK in the first quarter of 2014 is relatively small, at 140,000. Although this has increased by a fairly high rate on the year (26%) the increase in absolute numbers is small (an additional 28,000 individuals compared to the first quarter of 2013).

1.3.15 The total employment rate for all individuals born outside the UK is lower than average, at 69.3% compared to 72.5% in the first quarter of 2014. However, the employment rate for adults born in EU countries is significantly higher, at 78%. The employment rate for those born in the A8 was 81.3% and it was 76.2% for those born in Bulgaria and Romania.

1.3.16 The employment rate for adults born in non-EU countries was lower than average, at 64.8% - but this varies significantly, with a rate of 84.9% for individuals born in Australia and New Zealand compared to 52.1% for those born in Pakistan and Bangladesh. High proportions of adults in formal study is likely to affect the employment rates of non-EU migrants, given this is the ‘reason for travel’ given by the largest proportion of this group in the International Passenger Survey.

1.3.17 The recently revised Long-Term International Migration (LTIM)\(^3\) series are presented by the ONS as the ‘best’ official estimates of migrant flows to and from the UK, and are used as inputs to Mid-year Estimates (MYE) of the resident

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\(^3\) Formerly ‘Total International Migration’ (TIM).
population of the UK, alongside the balance between births and deaths (i.e. natural change).

### 1.4 Demographic Change within the East Midlands

1.4.1 According to the 2011 Census, 9.9% of the East Midlands resident population were born outside the UK – below the UK average of 13.8%. This is equivalent to 448,200 individuals in a population of 4.5 million. This is an increase from the 2001 Census, where 6.1% of the resident population were estimated to have been born outside the UK.

1.4.2 People from non-EU countries accounted for the largest proportion, at 6.3% of the total population (285,600 individuals).

1.4.3 Although the East Midlands has a smaller proportion of non-UK born residents than average, 2% of the population were born in an EU Accession country (in line with the UK average) – equivalent to 91,700 individuals.

1.4.4 Leicester City had by far the highest proportion of residents born outside the UK, at 33.6%. Non-UK born populations are also relatively concentrated in Nottingham (19.5%) and Derby (13.8%). Leicester also has the highest proportion of residents born in non-EU countries, at 28.2% of the total population.

1.4.5 Although Lincolnshire had a below average proportion of residents born outside the UK, individuals born in EU Accession states were highly concentrated in the districts of Boston and South Holland – together accounting for 13% of the East Midlands population born in EU Accession countries, but only 3% of the total regional population. Boston has the highest proportion of residents born in EU Accession countries of any Local Authority in England and Wales, at 10.6%.

1.4.6 Between 2001 and 2011, the absolute number of migrants increased by the greatest amount in Leicester, but the greatest percentage change was experienced in Boston.

1.4.7 India was the specific country of birth for the greatest number of East Midlands residents born outside the UK, followed by Poland.

1.4.8 The total population of the East Midlands grew at a faster rate than the average for England, at 8.2% compared to 7.7% between 2002 and 2012. This was a faster rate than any other northern or midlands region.

1.4.9 In England overall, migration as a component of total population change peaked in 2005, and has recently been outstripped by natural change. In the East Midlands, migration accounted for a slightly higher proportion of population growth between 2011 and 2012 than natural change, but this includes internal migration (from other English regions). Internal migration accounted for 20% of population growth in the region and international migration accounted for 30.6%. The size of internal migration inflows and outflows to and from the East Midlands are significantly bigger than international migration flows – although the gap between inflows and outflows (net internal migration) is smaller than net international migration.
1.5 Economic and Labour Market Impacts

1.5.1 Recent research produced jointly by BIS and Home Office analysts concluded that, during periods of economic growth, the labour market appeared able to adjust to high levels of net migration with little evidence of negative impacts. However, following the onset of recession in 2008 there is some evidence of the displacement of both UK-born workers and non-EU migrants into unemployment. These effects appear to have been short-term, as recent data for 2012-13 suggests that employment levels for all groups are increasing.

1.5.2 There is strong evidence that migrants overall make a positive net contribution to the UK budget. Recent EU migrants (post-2001) made a particularly strong net fiscal contribution, paying 34% more into the exchequer than taken out in benefits and services between 2001 and 2011 – compared to a small negative fiscal contribution for both UK-natives and non-EU migrants.

1.5.3 This is due to the younger age profile of recent migrants, who were 45% less likely to receive state benefits or tax credits compared to non-migrants.

1.5.4 In the East Midlands, recent migrants were increasingly likely to be employed in low-skill sectors and occupations. However, there was no evidence to suggest that migrants caused wage growth to be dampened – with occupations where higher proportions of migrants were employed experiencing higher than average wage growth.

1.5.5 There was also little evidence to suggest that increasing numbers of migrants in employment in the East Midlands caused the displacement of native workers, pre- or post-2008. Exits by UK-born workers from occupations and sectors where large proportions of migrants were employed did not increase following the increase in net migration in 2004.

1.5.6 Following the onset of recession in 2008, where job losses were observed in sectors employing high proportions of migrants, these job losses where proportionately similar for migrants and non-migrants. At a local level, there was no significant relationship between changes in the number of migrants in employment and any increase in unemployment.

1.5.7 Migrants were estimated to make a very significant contribution to output (in total Gross Value Added) in the East Midlands, at 9.6% in 2005, 10.6% in 2008 and 10% in 2009.

Section 2: Challenges for Councils in the East Midlands

2.1 Political & Legislative Context

2.1.1 The 2011 Census identified 448,211 foreign born residents in the East Midlands, around 9.9% of the total population of the region – below the UK average of 13.8%. This figure includes people from wide range of backgrounds, including
British Citizens born overseas (such as the children of UK Service Personnel). Within this overall total, the number of supported asylum seekers in the East Midlands (for instance) is very small – 1,977 as of the 1\textsuperscript{st} of March 2014.

2.1.2 However, as Section 1 demonstrates, the scale and pace of international migration related population change is often highly localised. From a local authority perspective this can give rise to a number of practical challenges. Firstly, a rapid rise in population (from whatever source) can mean that demand on council services grows at a faster rate than is recognised by the Government’s funding formula – meaning that council services can be almost permanently under-resourced. Secondly, some new communities give rise to specialised short term needs that councils can sometimes find difficult to meet quickly. Thirdly, the impact of new communities on local labour and housing markets (real or imagined), can have implications for community cohesion that councils, along with other relevant public bodies, have a responsibility to manage.

<table>
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<th>Case Study 1:</th>
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<td><strong>The Social Impact of Population Change in Boston – Summary review.</strong></td>
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The Social Impact of Population Change in Boston Task and Finish Group was set up by the Council’s Corporate and Community Scrutiny Committee on 24th November 2011. The Group wanted in to let everyone in Boston who felt the ‘social impact of population change’ share their views, air their concerns and have a sensible and open debate about what they thought, how they felt and what the ‘real’ impact of large scale EU in-migration into a small market town really had on individuals, neighbourhoods and communities. The process was all about listening to people, taking evidence from partners and then defining what the Council could do, what and who we could influence and what we could ask and expect from others on behalf of our residents.

A vast amount of evidence was taken from a very wide range of partners and stakeholders in order to produce a report that was adopted by Full Council in November 2012. The report contained 28 recommendations for action at local, regional, national and European levels; the report received wide and significant acknowledgement and because it was born from Boston’s scrutiny process, received the Centre for Public Scrutiny Scutineers’s Choice Award and won the judge’s Overall Impact Award at the Centre’s awards ceremony on 11 June 2013.

One of the key challenges for the Council was and remains to be working with the community to help them appreciate that many of the issues that gave and continue to give cause for concern are not matters for which Boston Borough Council has direct control and that as a small Borough Council we are making our very best endeavours to punch well above our weight by taking our community’s concerns directly to those who do have influence, can make decisions and can drive change.

Our report, which is accessible at: [http://www.boston.gov.uk/CHttpHandler.ashx?id=8079&p=0](http://www.boston.gov.uk/CHttpHandler.ashx?id=8079&p=0) was only the start of our process.
Since its publication, we and our partners have worked hard to deliver against our recommendations; we have reviewed where we are and have reported back through Scrutiny three times to May 2014 and made further recommendations that have been adopted by the Council. We have an ongoing Scrutiny work programme to further scrutinise progress against our actions and continually review actions and shape how we continue to focus on issues that matter to our community because of the social impact that population change has and continues to have.

Our report progressed to the highest levels of Government and was talked about on the national stage. It featured as the basis for many conversations on television and radio and made many column inches in national and local newspapers. Prime Minister David Cameron made reference to the report in a TV interview, its production encouraged the Home Office to send a team of investigators to Boston and the task and finish group chairman, Cllr Paul Kenny (Labour) and group member and portfolio holder for community development, Cllr Mike Gilbert (Conservative) were invited guests to the House of Commons to address the All-Party Parliamentary Group on Migration.

Our entire process was driven and run by non-executive members of Boston Borough Council and included representatives from Conservative, Labour, Independent and English Democrat groups. Protocol was suspended at Scrutiny Meetings to encourage full participation by members of the public and community groups.

The report, and the activities which led to its production, have probably done more than anything else in the past few years to encourage educated debate about immigration. Locally the work we continue to do around the social impacts of population change has its admirers and its critics, but all have the same thing in common – it has been the cause of sensible and reasoned debate around the challenges Boston faces.

As for outcomes; national immigration policy hasn't changed and the Gang Master Licensing Authority don't have more resources, however, in terms of what our community asked and what has been done:

- We’ve removed benches at locations where people congregated to drink alcohol – there’s no drinking there anymore and local people no longer feel intimidated
- Our local police team widely use restorative justice as a highly successful preventative model of enforcement with all groups of offenders
- We’ve explored the licensing all privately rented homes in the Borough because our community told us that population change had had a major detrimental impact on the operation of the private rented sector
- We were one of only two district councils to secure Government funding in December 2013 to run a Rogue Landlord project
- Improved our joint working with the Home Office, Police and a local charity to support repatriation of migrants not exercising their EU Treaty Rights
- We have the full support of our community and our PCC to introduce a total alcohol ‘drinking ban’ in our town centre as soon as Public Protection Orders come into force under the Anti-social Behaviour, Crime and Policing Act, 2014
- Following significant concerns from our community about foreign registered vehicles and lobbying within Government by our MP, Steven Hammond, minister responsible for vehicle licensing, has requested a joint project between VOSA,
DVLA and other Government departments to explore how foreign vehicles can be more effectively 'regulated' whilst in the UK.

In addition, we, the Council, now have direct links with the Polish Consulate General in the UK and the Latvian Ambassador for the UK who have visited Boston numerous times. Our report was a catalyst for change and has made many accept that it is fine to talk openly and honestly about migration and the challenges it brings as well as the opportunities it offers.

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2.1.3 The legislative framework within which councils and other public bodies operate has also been subject to a number of significant changes over recent years as national politicians seek to respond to changing economic circumstances and political pressures. Such changes can also result in rapid increases in demand for local services, for example support for destitute migrants, as councils seek to help often vulnerable people adjust to new circumstances.

2.1.4 2014 will see two key pieces of legislation associated with the impact of international migration: The Immigration Act 2014 and The Modern Slavery Bill. In addition Government is making changes that will restrict access to welfare benefits for EU nationals.

2.1.5 The key elements of the Immigration Act 2014 include:

- reform of the removals and appeals system
- requirement of temporary migrants to contribute to health care
- requirements on private landlords to check the immigration status of tenants
- requirements on banks and DVLC to carry out checks before opening accounts and issuing driving licences
- new powers to regulate the immigration advice sector
- simplification of immigration fees

2.1.6 The key elements of the Modern Slavery Bill include:

- consolidate existing human trafficking and slavery offences to make the options available to law enforcement, when investigating and pursuing trafficking related charges, administratively simpler and operationally clearer
- increase the maximum sentence for human trafficking to life imprisonment, to ensure that modern-day slave drivers face the full force of the law
- introduce an anti-slavery commissioner to galvanise efforts in the UK to challenge modern slavery by working with government and law-enforcement agencies to realise more investigations, prosecutions and convictions of human traffickers
- introduce slavery and trafficking prevention orders and slavery and trafficking risk orders to restrict movements or impose other prohibitions on convicted or suspected traffickers to reduce the risk they pose
create a new requirement for 'first responders' including public authorities to report all suspected cases of human trafficking to the national referral mechanism (NRM). This will improve the understanding of the nature and scale of this crime and help improve the response.

2.1.7 The East Midlands is in a strong position to respond to the new legislation. In January 2014 one of the first regional Anti Human Trafficking Partnerships was established including membership from local government, police, statutory agencies and the voluntary sector. The partnership aims to co-ordinate the efforts of local authority and charitable bodies in the East Midlands to:

- raise public awareness of human trafficking and slavery
- support the work of the police in their efforts to detect human trafficking and bring suspects to justice.
- provide help for rescued victims of human trafficking/slavery

Engagement in the partnership is continuing to grow with an increasing number of agencies recognising the value of partnership working in this complex and challenging area. The priority areas for the partnership are: intelligence gathering and collation, awareness raising and support for victims.

2.1.8 Changes to welfare benefits for European Economic Area (EEA) nationals include:

- from 1 January all newly-arrived EEA jobseekers have to wait for 3 months before they can get income-based Job Seeker Allowance (JSA); after 3 months, migrants will also have to take a stronger, more robust Habitual Residence Test if they want to claim income-based JSA
- if they meet the conditions for entitlement, EEA jobseekers will only be able to get JSA, Child Benefit and Child Tax Credit for 6 months - after 6 months, only those who have a job offer or compelling evidence that they have a genuine chance of finding work will be able to continue claiming, and then only for a short period
- from 1 April, new EEA jobseekers will no longer be able to claim Housing Benefit
- from 1 March, migrants from the EEA who claim to be in work or self-employed in order to gain access to a range of benefits including JSA, Housing Benefit, Child Benefit and Child Tax Credit will face a more robust test, which includes satisfying a minimum earnings threshold
- From 1 July 2014, jobseekers arriving in the UK will need to live in the country for three months in order to claim Child Benefit and Child Tax Credit.
- From 8 April 2014 new claimants eligible for Jobseeker’s Allowance will also no longer have routine access to interpretation services, and from 28 April 2014 their spoken English will be tested in England. If claimants' language is found to be a barrier to looking for work they will be expected to improve it

2.1.9 Local authorities have begun to identify some impact of these changes in their areas. Increased numbers of EEA migrants particularly families have been in contact with children’s and adult services for advice. Whilst quantitative data is
not as yet available, anecdotal evidence suggests increases in destitution and homelessness presentations and rough sleeping.

2.1.10 Councils do not receive any funds for providing services to people under community care and children’s legislation which is not a “public fund”. If it is determined through a statutory assessment that a person’s level of need meets the threshold for social services assistance, a local authority will be required to meet all of their care needs, which may include accommodation and subsistence. The new legislation has the potential to increase the demands on these services particularly in the transition period.

Recommendation 1

Government should work with councils to ensure legislative changes that have an impact on migration and migrants do not result, either individually or collectively, in additional unfunded new burdens on councils.

2.2 Dispersal of Asylum Seekers

2.2.1 At any one time across the country the Home Office provides accommodation through local contractors for around 23,000 destitute asylum seekers awaiting the outcome of their application to remain in the UK (based on analysis by the Public Accounts Select Committee). The national cost of providing this accommodation in 2011-12 was £150 million. As of 31st March 2014, there were 1,977 supported asylum seekers in the East Midlands – around 8.6% of the national total. In recent years, the dispersal areas for the accommodation of destitute asylum seekers in the region have been Derby, Leicester and Nottingham.

2.2.2 Home Office information indicates that nationally numbers of asylum seekers have increased by 17.7% since 31st March 2013 due to the impact of world events. In comparison over the same period, the number of supported asylum seekers in the East Midlands has risen from 1120 as at 31st 2013 to 1977 at 31st March 2014. This equates to an increase of 76%. Whilst numbers of supported asylum seekers do not directly equate to new asylum applications (not all asylum seekers are destitute and require support of this nature) and other factors including delays in decisions on asylum applications have had an impact on the numbers receiving support at any one time, there has been a disproportionate increase in the numbers of supported asylum seekers in the East Midlands relative to the national situation.

2.2.3 Cluster limits of numbers of dispersed asylum seekers were agreed with councils by the Home Office in 2007. The total limit agreed across the East Midlands is 2,260 supported asylum seekers. Whilst current numbers are below this number, recent information presented by G4S to the Strategic Migration Partnership Board indicates that by the end of 2014 the limit will have been reached.

2.2.4 The Home Office has indicated that it wishes to see local authorities move to a dispersal limit of 1 supported asylum seeker per 200 head of local population in a defined local authority area. Experience suggests that where asylum seeker
dispersal is concentrated in a particular ward or postcode area rather than being widely dispersed across a local authority area there may be resulting pressures on services and community cohesion.

2.2.5 Whilst the 1:200 ratio has always been the Home Office’s national position, applying this ratio would mean more than doubling existing numbers of asylum seekers in the East Midlands, and for Derby this represents a 170% increase in current numbers. The 1:200 ratio does not take into account the impact of other forms of migration or the availability of services in a particular area.

2.2.6 Whilst it is acknowledged the Secretary of State has the legal power to disperse asylum seekers to any location, there are concerns about the ability of local communities to accommodate such a large increase in potentially vulnerable people. Discussions are continuing with the Home Office, G4S and local authorities to identify a way forward which will enabled vulnerable people to be housed effectively and at the same time alleviate pressure in particular localities. A dispersal policy that is based on local intelligence and experience rather then simply applying the ration of 1:200 is strongly supported by councils in the East Midlands.

**Case Study 2: Impact of the COMPASS Contracts**

In March 2012 the Home Office decided to introduce a new delivery model involving fewer and bigger housing providers than under previous contracts. There are now six regional contracts (known collectively as COMPASS), delivered by three prime contractors (G4S, Serco and Clearel, each of which has two contracts). Only Clearel had previous experience running asylum accommodation. The Home Office, through the introduction of these new contractual arrangements, aims to save around £140 million over seven years.

The Public Accounts Select Committee found (in a report published on the 7th April 2014) that the transition to six new regional contracts to provide accommodation for destitute asylum seekers, and their operation during the first year, did not go well. Only one of the three contractors had past experience of managing asylum accommodation and overall performance has been patchy: there were delays at the outset and the Department and contractors have all incurred additional costs. The standard of the accommodation provided was often unacceptably poor and the providers failed to improve quality in a timely manner. These problems were not helped by the Home Office’s poor management of the transition from the old contracts and its failure to impose penalties on contractors in the transition period, with progress impeded by the Home Office and its contractors’ failure to work together effectively in partnership, and to share necessary information.

The Select Committee’s conclusions and recommendations largely reflect the experience of councils and local partners in the East Midlands, particularly in the early stages of the new contract. Through the Regional Migration Partnership, councils have worked hard to develop a positive relationship with local contractor, G4S. Whilst some progress has been made, there is still scope for improvement particularly in relation to sharing information about the Home Office and G4S’s strategy for widening dispersal of asylum seekers with councils.
Recommendation 2

Government should look positively at the recommendations of the Public Accounts Select Committee on the management of the COMPASS Contracts.

The Home Office should continue to work with local authorities to achieve a more effective asylum dispersal policy that should take into account wider population change and the ability of local communities to accommodate increased numbers of supported asylum seekers, before applying the 1:200 ratio for the dispersal of asylum seekers.

2.3 ‘No Recourse to Public Funds’ (NRPF)

2.3.1 NRPF is a condition imposed by the Home Office on a person who is subject to immigration control, giving them no entitlement to welfare benefits or public housing whilst their case is resolved. A list of what counts as a public fund can be found at https://www.gov.uk/government/publications/public-funds—2.

2.3.2 Financial support from a local authority under community care and children’s legislation including the National Assistance Act 1948 and the Children’s Act, is not determined a ‘public fund’. If it is determined through a statutory assessment process that a person’s level of need meets the threshold for social services assistance a local authority will be required to meet all of their care needs, which may include accommodation and subsistence. Local authorities do not receive any funds from central government for providing such services to people with NRPF.

2.3.3 However, councils are statutory required to assist all destitute people, even those classed as NRPF. The cost of doing so represents a significant and growing burden on some councils.

2.3.4 In the year 2012/13 research carried out on behalf of the East Midlands Strategic Migration Partnership identified that there were 877 NRPF people supported by councils in the East Midlands (22% of the national total) at a cost of over £1.6 million, including 388 families with children in Derby City.

2.3.5 NRPF has become increasingly important to local government because the numbers of NRPF people becoming destitute are increasing. This is now imposing a significant cost on local authorities.

2.3.6 Local government is in an unenviable position in relation to NRPF people; it is required to support destitute people but has little influence on either mitigating the circumstances of their destitution or their numbers. This is the responsibility of the Home Office for third country nationals. As a result the opportunities for local government to reduce cost, short of major policy changes, are limited to the margins.
2.3.7 The majority of costs borne by local authorities in supporting NRPF people are incurred through providing accommodation for families with children; but the highest individual costs are incurred by a very few NRPF single adults with complex and long term needs such as those with mental health issues or rough sleeping.

Local Authorities have real concerns that a significant portion of the costs met by local authorities for NRPF Third Country nationals are caused by the slowness of the Home Office in resolving cases.

2.3.8 There is concern highlighted by some partners in the voluntary and community sector regarding the apparent arbitrary nature of some decisions made by local authorities that appear to interpret the law in different ways. To support clarity, some local authorities, e.g. Nottingham City Council, have published a protocol on its support NRPF cases.

2.3.9 East Midlands Councils has provided training for 28 frontline staff on Human rights assessments for children and adults and a programme of advanced training is scheduled. The training is supported by funding from the Home Office.

2.3.10 The numbers and costs of NRPF people supported by local authorities in the East Midlands have risen rapidly since the previous research in 2009-10. This issue is challenging for local government and needs to be managed in a partnership with both the Home Office and the voluntary and community sector. With increasing pressure on local authority budgets it cannot be an open ended cheque met by local government.

2.3.11 Since the research carried out by the East Midlands Strategic Migration Partnership in 2013 was concluded a number of recommendations have been acted on and local authorities in the region have been actively working with the Home Office to reduce numbers supported who have NRPF status. Joint work with local authorities, the NRPF Network and Home Office Immigration and Enforcement has highlighted the need for effective management of NRPF cases. The roll out of the NRPF Connect database, work of the East Midlands No Recourse to Public Funds Network and a programme of training and development for front line staff has supported this approach.

**Case Study 3: NRPF Connect (Leicester City Council)**

Leicester City Council was one of the first subscribers to the NRPF Connect database and has been using the system since April 2013.

NRPF Connect has been developed by the NRPF Network and the Home Office to share more effectively and securely case information between the Home Office and local authorities. It increases the speed at which cases are resolved leading to greater
Efficiency savings, an overall reduction in cost to local authorities and a reduction in the distress for individuals and families associated with delays in the immigration process.

NRPF Connect is a secure web-based data-sharing system for local authorities and the Home Office working with migrants who have NRPF. It is an online database managed by the NRPF Network and administered by the NRPF Connect Project Team (based at Islington Council).

Local authorities input and have full access to their own data; all cases on the Connect database are accessible by the Home Office Intervention and Sanctions Unit’s dedicated NRPF Connect Team. A restricted view of a service user’s record entered by another local authority can also be accessed in order to identify whether a case is known to that local authority.

NRPF Connect has the potential to lead to a number of benefits for both local authorities and the Home Office:

- Improved joint working between local authorities and the Home Office
- Faster case resolution
- Cost reduction/fall in cases supported
- Better identification of safeguarding concerns e.g. when individuals and families remain in the UK illegally and move from area to area seeking local authority assistance
- Improved efficiency of day-to-day work on NRPF cases
- Shared good practice with other local authorities and the Home Office.
- NRPF Connect software costs £2,000 per annum per local authority

Leicester City Council integrated its Persons From Abroad Team in April 2014 bringing together support for adults, children and families. The team was supporting 91 service users as at 31st March at a total annual cost of £246,970. They have identified actual savings on one case alone of £1,950 rising to £2,500 for a full year which when aggregated across all cases has the potential to lead to substantial savings across the service and more than pays for the cost of the software.

The team has had an overall positive experience using the system and find the reports it can generate particularly helpful. Some concerns exist about the Home Office’s ability to update the database in real time which can lead to delays and confusion.

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Recommendation 3

Government should recognise that councils cannot ignore the needs destitute people with NRPF status and that the resulting costs represent an un-funded burden on councils and these costs should be met.

All unitary and county councils in the East Midlands should use and maintain the NRPF Connect database to ensure that resources are targeted effectively, prevent fraud and meet the needs of vulnerable people in the community.
2.4 Returns

2.4.1 There are a number of types of returns both forced and voluntary. Deportation refers to the state-enforced or enforceable departure of a non-citizen from the country. There are three main categories of state-enforced or enforceable departures: deportations, administrative removals and voluntary departures. Refugee Action operates the Choices programmes on behalf of the Home Office to assist people wishing to voluntarily return to their country of origin. There are three programmes (which all exclude UK and EU applicants).

- Voluntary assisted return and reintegration programme (VARRP)
- Assisted voluntary return for irregular migrants (AVRIM)
- Assisted voluntary return for families and children (AVRFC).

2.4.2 The information below on the Choices programme for the East Midlands excludes information on voluntary departures of detained clients, which are dealt with directly by the Home Office.

2.4.3 For the period April 2013- March 2014 there were 133 applications for voluntary (170 including dependents through the Choices programme. In the same period 104 people returned from the East Midlands (84 main applicants). The two figures do not directly correlate as there is a delay between application and departure. The Home Office do not approve all applications for voluntary return under the Choices programme.

2.4.4 The top ten countries of origin for applicants are Iran and Iraq Kurds, India, China, Pakistan, Afghanistan, Zimbabwe, Ghana, Iran, Nigeria and Sri Lanka. The top ten countries for returns are broadly similar Iraq and Iran Kurds, China, India, Zimbabwe, Pakistan, Ghana, Sri Lanka, Nigeria, Afghanistan and Bangladesh.

2.4.5 In addition to the Choices programme the Home Office supports administrative returns for EEA national who are not exercising their treaty rights. Partnership working between local authorities and Home Office Immigration and Enforcement Teams has been established in the East Midlands. The benefits of these arrangements are illustrated in the case study below.

2.4.6 There are significant cost benefits across government (Home Office, Ministry of Justice and CLG) in adopting these type of programmes. It is noted that the funding for the Framework Housing Association project has been withdrawn at a time when anticipated demands on the service are anticipated to increase.

2.4.7 Local Government continues to adopt a multi agency approach to the voluntary return of migrants where appropriate.

Case Study 4: Framework Housing Association
The issue of rough sleeping amongst economic migrant populations started to emerge in 2004 when the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia joined the EU as Accession Countries (A8). These were later joined by Bulgaria and Romania (A2). People from the Accession Countries are subject to restrictions limiting access to benefits, housing and health care usually dependent on employment history.

Economic migrants who originally came into the country to work struggled as a result of the financial downturn and many lost their jobs. A proportion of this population started to appear at homeless services, come into contact with the police and present at hospital Emergency Departments. Because the majority were not eligible for benefits (No Recourse to Public Funds) mainstream services struggled to accommodate or support them. In most cases the only realistic solution was a return back to the country of origin either voluntarily or by Administrative Removal by Immigration (formerly UKBA). The situation was exacerbated by the fact that 90% of those coming into contact with the Rough Sleeper Street Outreach Team were assessed as being alcohol dependent.

In 2012 Framework was successful with a bid to the Homelessness Transition Fund (HTF) for a dedicated service to work with economic migrants. This funding administered by Homeless Link on behalf of the CLG funds a Supported Reconnection service which helps economic migrants return to their country of origin by arranging transport. It also prepares people to return by offering them alcohol detoxification. The service also offers ongoing support and is in contact with over 50 support and health agencies in Poland (where the majority of migrants originate from). By supporting migrants to voluntarily return to their country of origin time consuming and costly Administrative Removal is avoided. It must be stated however that the service does assist Immigration in this process in cases where the offer of Supportive Reconnection is refused. The service employs Polish speaking workers to facilitate and expedite reconnection.

So far the Supported Reconnection Service has facilitated 204 Supported Reconnections and worked with the Home Office and Police on a further 12 Administrative Removals.

- Poland 92
- Latvia 53
- Lithuania 19
- Romania 18
- Others 34

Whilst it is difficult to accurately calculate the cost saving resulting from reconnection it is known that this intervention does impact in particular on health and criminal justice budgets. For example data from the PNC regarding the ‘top 6’ rough sleepers in Nottingham City shows that prior to reconnection since April 2010 they had been:

- Been named as a suspect or an accused person 53 times
- Arrested 72 times
- Had 5 warrants for arrest issued

This information does not show the amount of time in terms of hours that they have been
in custody neither does it show how many times they have been reported, charged or dealt with by another out of court disposal (FPN, Restorative Justice, Verbal Warning, caution etc).

Information from Crimestoppers Charity shows that the average cost of an arrest is £130 and that the average cost of an overnight stay in prison cells is £459 (prison service Statistics).

Similarly this population has a significant impact on health services as their point of entry into the system is through expensive Emergency Departments and once they are admitted onto a hospital ward difficult to discharge as they have no address to discharge to. Again information from Nottingham City PCT shows that the cost of an Emergency Department presentation is £600, the cost of an ambulance call out is £240 (East Midlands Ambulance Service) and the cost of an overnight stay in hospital without factoring in treatment is £700 (DoH).

The ‘spend to save’ argument for effective intervention into the lives of economic migrants is compelling. The Case Study below illustrates this:

The Supported Reconnection service is effective in working with a population for which there are no obvious solutions. The fact that economic migrants often have no recourse to benefits means they become destitute and vulnerable to rough sleeping. Destitution coupled with, in most cases, an alcohol dependency means an impact on health and criminal justice services. It would also be fair to say that economic migrants have not been a priority for Immigration and Administrative Removal is often slow and costly. By providing an opportunity for migrants to return home voluntarily and with dignity is both a humane response and also the most cost effective. Key Stakeholders have also endorsed the approach:

“We have continued to work with Framework and their fantastic supported reconnection scheme to encourage some of the Eastern European drinkers to return home after a period of detox. This has definitely played a part in the reduction of incidents and calls in the area as a number of the regulars have now gone home.”

Inspector Jeremy Ellis: Nottinghamshire Police

“...this is wholly positive and I think Framework’s role was fundamental to a multi-agency operation aimed at reducing harm in the community and supporting individuals get back into society.”

Robin Humphris: HM Inspector East Midlands Immigration Compliance and Enforcement Team

The funding comes to an end at a time when access to Housing Benefit for EEA Nationals has been restricted through changes in eligibility criteria announced by the DWP to take effect from April 1st 2014. One implication is that those entitled to JSA will not automatically be entitled to Housing Benefit.

A likely impact on Nottingham is an increase in homelessness and rough sleeping

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Recommendation 4

Government should meet its obligations wherever possible by removing those who have no legal right to remain in the UK or meet the cost of supporting those individuals where removal is not possible.

Joint action by councils to support people who wish to return to their country of origin has been shown to be effective. Government should consider extending funding of schemes such as that operated by Framework Housing Association.

2.5 English for Speakers of Other Languages (ESOL)

2.5.1 Language is essential in order for new migrants to find work, make friends and contribute to their communities. The census findings suggest that in the East Midlands there is a slightly lower English Language proficiency in comparison to England and Wales as a whole. This coupled with increasing pressure on public services to reduce translation and interpretation costs means that access to ESOL provision is of increasing concern.

2.5.2 The recent CLG Competition for funding for ESOL was welcomed. The successful bidder in the East Midlands was TimeBank ‘Talking Together’ focusing on Birmingham and Leicester. The project is focused on teaching everyday English and based around practical themes and activities which are attractive to learners, for example, talking to school staff or using the internet. The programme will also develop close links with local businesses through employees volunteering to work with projects.

2.5.3 Provision and take up of ESOL courses has often been subject to additional pressures as a result of policy changes. For example the recent Skills Funding Agency funding prioritises lower level earners that are making a claim for Job Seekers Allowance. Whilst this is welcomed at the same time benefit changes which restrict access to benefits and increased sanctions for EU migrants may exclude others from fee remission and access to ESOL.

2.5.4 The East Midlands favours a joined up approach across government to access and provision to ESOL.

Case Study 5: Begin in Nottingham

*begin (Basic Educational Guidance in Nottinghamshire)* supports almost 4,000 people a year to find the right ESOL (English for Speakers of Other Languages), Functional Skills English or maths courses & an estimated 600 organisations with referral services, marketing & dissemination of information. The central ESOL Placement service represents 91% of *begin*’s work, & Functional Skills advice & referral, 9%.

*The Structure, Funding & Steer provides a strong foundation for sustainability …*

harnessing the expertise of Colleges, local authorities, & community organisations to provide an independent steer under the Partnership Agreement. Staffing has varied from 1.5 to a county-wide team of 9 in 2005–08, & currently, a team of 5 who work across the City & 3 boroughs of Broxtowe, Gedling & Rushcliffe. The local FE colleges, major ESOL & Functional Skills providers in Nottingham have contributed funding for many years & New College Nottingham (ncn) provides accommodation, HR & Finance support for an agreed annual sum.

The benefits of the central ESOL partnership model have contributed to begin’s success...

- The single advice point for clients & referring agencies avoids duplication & waste resulting from multiple enquiries to multiple providers, duplicated ESOL waiting lists, assessments & enrolments.
- The central service saves cost, particularly for the 2 contributing colleges, where replication of begin services would increase expenditure & decrease service volume & quality, but also for other major stakeholders – from schools to job centres - who with one call address ESOL needs of their service users.
- The state-of-the-art Client system supports learner-led services & matching people to ‘best-fit’ provision.
- Targeting learners to available places by level, times, location, etc, maximises limited ESOL.
- Central marketing, including translations, avoids incoherence/disjointedness of competitive publicity.
- Fair ‘Waiting List’ systems promotes consistency of entitlement & increases trust in institutions.
- Communication of changing policy is cost-effective & large-scale, eg, ESOL eligibility, Home Office regulations.
- Increased quality & value results from multi-agency work, eg, advice/advocacy/mediation
- Frontline & strategic response reduces risk & increases impact: dissemination of emerging policy & ‘live’ data avoids failure of provision planned without reference to real demand, eg, begin data informed one college’s relocation of its entire ESOL department to the city centre in 2009
- The partnership levers significant additional resource to ‘fill gaps’: approx. 30 successful bids have generated an estimated £1.9M to develop begin services, ESOL, literacy or numeracy provision since 1982.
- Joint work on shared agendas can address broad priorities such as worklessness or community cohesion & allows sharing of resource; eg, use of JCP & college funding & Children’s Centre crèches to run ESOL.
- Significant scrutiny by Ofsted, NIACE, Matrix, Beacon raises the profile of successful ESOL delivery models
- Comprehensive data highlights begin performance, or course gaps & duplication & informs policy – from local tender specifications to parliamentary review of national ESOL fee remission proposals 2010-11.

Headline ESOL client data 2012/13
- 3,646 people engaged/advised 12/13
- 57% Female: 43% Male
- 64% unemployed/non-waged
- 25% pay 50% costs (no income-based benefits)
- 3,203 referrals/appointments
- 67% starts (of provider information received)
- ESOL waiting list rising to 1,101 in June 13
- 15% over 60, 47% over 40

Headline begin activity 2012/13
- 36,650 interventions for clients
- 125 types of referring agency
- Referral to 49 sites/courses
- Signposting to 12 other types of service
- 2-weekly e-bulletin to 1,300 stakeholders
- 7 marketing activities per month
Key challenges & choices

*begin* works best with the ‘buy-in’ of many stakeholders - to the extent of Colleges trusting the service to manage a ‘waiting list’ of ALL their ESOL enquiries fed through from call centres & multiple reception points. Providers enrolling directly outside of the system – mainly smaller providers - will weaken the system & delay placement, particularly through non-attendance of appointments by people who already have a place. The services’ wide-reaching networks that bring enquiries through the central system alleviate this issue. Lack of funding is another constant challenge common to the third-sector, despite investment from numerous sources over the years – European, Local Authority & One Nottingham monies.

Language is fundamental to all spheres of life – from getting or keeping a job – to talking to with neighbours or school teachers. ESOL contributes to the agendas of most government departments, including Business, Innovation & Skills, DWP, the Home Office, Communities & Local Government, & Departments for Education or Health. Similarly, *begin*’s sustainability is linked to the government’s continued investment in the long-term benefits of ESOL, & its capacity for joined-up policy. Conflicting local or national strategies may directly affect ESOL uptake, *begin* services or its funding. For example, new Skills Funding Agency (SFA)funding is prioritising ESOL for low level learners making a fresh claim for JSA. This will reduce long waiting times for beginner level, non-accredited courses that have attracted the least SFA monies over many years. However, at the same time, new “Migrant Access to Benefits” regulations, herald growing benefit restrictions & sanctions for EU migrants which may exclude many others from fee remission & access to ESOL – one of the most effective tools, in our experience, to combat unemployment or social exclusion amongst migrant people.

Contact: Fiona Vale
Email: Begin in Nottingham

Recommendation 5

Councils support the Government’s policy that new migrants should learn to speak English rather than public bodies making official information routinely available in other languages.

Government must ensure that it makes adequate provision for ESOL services. Councils should also actively explore new ways of delivering ESOL services, including community based solutions, to make the most effective use of available resources.

2.6 Public Health
2.6.1 With the development of new structures and responsibilities within the NHS and Local Authorities there is an opportunity to revisit the relevance of migration to the commissioning and delivery of health and social care services. The movement of public health back into local authorities creates the opportunity to look at and respond to the wider determinants of public health, such as housing, employment and education, with a chance to review service provision and accessibility in ways which may have a positive impact on health.

2.6.2 A number of current health issues for migrants emerged including access to health care and GP registration; early access to maternity services; mental health; impact of poor quality housing and destitution and infectious disease.

2.6.3 Delivering reductions in health inequalities require the inclusion of the health of migrant populations and to involve these communities in the dialogue about health services and upstream approaches.

2.6.4 Challenges that migrants and those seeking to commission and deliver health and social care services to them face include:

- Access to primary care and the impact of language and cultural barriers.
- Infectious diseases: the impact of Tuberculosis, HIV and other infectious disease needs to be tackled.
- Maternity and child health, and the potential impact which migration may be having on infant mortality and low birth weight.
- Lifestyle and healthy living agenda – Different approaches to smoking, alcohol and diet exist in some migrant communities, which may for example impact on Coronary Heart Disease rates. How are healthy living messages communicated to new arrivals?
- How does public health engage with these new communities and help improve their understanding of health services provision in the UK.

Case Study 6: Migrant Health Toolkit

Background

In November 2010 East Midlands Councils published a research project on a Health and Migration Toolkit for the East Midlands. As part of the recommendations there was a call to draw together information on available services; showcasing best practice and collating related research results into a single, definitive database. It was also identified that professionals would benefit from clear guidance on entitlement to all services for migrants.

An online application for migrant services professionals providing resources (academic research, best practice case studies, guidance documents and links to national projects), statistical information, and a local service directory was developed. The toolkit is hosted by ICE and East Midlands Councils and was funded by the Department of Health.
supported by the then Nottingham City PCT.

What it contains

The toolkit went live in 2011 and includes academic research, best practice case studies, links to external resource sites and statistical information.

The toolkit also contains definitions of migrant groups and a service directory which comprises a database of health and migration services with contact information, and areas of specialism categorised based on its services provided. The service directory can be searched by location (town or postcode) or by category of service.

The toolkit has been populated and additions have been made to it over time by the Strategic Migration Partnership Health Task Group. To coincide with the Immigration Act 2014, the toolkit is being updated to reflect recent developments and to include recent research.

Where to find the Toolkit

The Migrant Health Toolkit is available at http://migrationtoolkit.emcouncils.gov.uk/

Contact: Sarah Short
Email: sarah.short@emcouncils.gov.uk

Recommendation 6

DN: to be determined

2.7 Community Safety

2.7.1 Police forces across the East Midlands (under the regional project ADVENUS) are developing performance framework to improve data collection on information on foreign national offenders. Numbers of foreign national offenders going through custody suites in the East Midlands vary across the region but on average are between 16-20%. The types of crime are generally low level and include shoplifting, violence including assaults, drink and drug driving.

2.7.2 Foreign nationals from Poland, Latvia, Romania and Lithuania account for roughly 50% of all foreign national offenders in the East Midlands but there are local variations.

2.7.3 Part of the work of Project Advenus, a project aimed at making the East Midlands a hostile environment for foreign national offenders is to highlight intelligence gaps and resource shortages which will aid in the strategic direction of the group and assist the Police in making informed decisions on policing issues around
foreign national offenders and assist future bids for funding to enhance the current establishment.

2.7.4 Data on victims of crime is not consistently collected across the five forces in the East Midlands. Where data is available it suggests that where foreign nationals are victims of crime in 85% of cases the perpetrators are UK nationals. Where crime is foreign national on foreign national invariably both victim and perpetrator are the same nationality. Findings from Project Advenus have identified the need to use victim data in conjunction with offender data to determine the size of communities in the East Midlands.

2.7.5 The police have identified under reporting of crime particularly in respect of human trafficking.

2.7.6 The East Midlands Anti Human Trafficking Partnership is working collaboratively with Operation Advenus. The partnership working that has been established places the East Midlands in a strong position in responding to the requirements of the Modern Slavery Bill.

Case Study 7: Nottingham City Council

DN: Information awaited

Contact: Leanne Taylor
Email:

Recommendation 7

DN: to be drafted

2.8 The Impact of International Migrants on Children’s Services

2.8.1 Following section highlights the pressures on Children’s services associated with international migration and how councils are seeking to respond. Data in this area is not routinely or consistently available.

DN: Further information to follow

2.8.2 Local Education Authorities (county and unitary councils) have a statutory duty to ensure that sufficient school places are available to meet the needs of their populations. Rapid growth in the school age population through a combination of natural change, internal migration and international migration can present significant challenges for councils. There has been a major reduction in the overall level of financial support for councils since 2010 and the existing funding
formula does not fully reflect the scale and pace of population change. In addition Government has introduced far-reaching reforms to the education system itself.

### Case Study 8: Northamptonshire School Admissions (Northamptonshire County Council)

Northamptonshire has seen an unprecedented increase in its primary age population now moving through the school system towards the secondary phase, alongside a 600% increase in-year pupil movements over the last 4 years. 42% or 2,867 of ‘in-year’ pupil moves, recorded in the 2012/13 academic year were as a direct result of new pupils moving into the county. In-migration from the rest of the UK accounted for 27% of all ‘in-year’ applications, with 15% resulting from migration from overseas. Demographic growth in the early years and primary age groups has also been a significant factor.

The impact is a need for 10,000 additional school places by September 2015 to meet the duty on the Council to secure sufficiency of school places.

#### Growth in in-year pupil movements across Northamptonshire

As a designated growth County on the edge of the South East economy, demand for schools places is expected to increase further with a recent acceleration in planning applications, public consultations on new developments and resultant house-building.

A rapid large-scale expansion programme has therefore been implemented, with innovative schools solutions required during a period of financial restraint. Notably this includes several strategic Free Schools projects, an office to school conversion, and joint working with Academy sponsors and the Education Funding Agency. Designs for one of the largest conversion projects in the country are being developed. A number of example projects are highlighted below.

**Corby Technical School** – new secondary Free School operated by the Brooke Weston Trust with 375 places opened in September 2012. Land donated by NCC (former teacher training
centre) with space for sports pitches and built to enable a further expansion that would see the school double in size. The school has already expanded its intake to accommodate 150 pupils in Year 7 from September 2014.

**Stirling House** – conversion of office block for primary school opened in September 2013 in a central part of Northampton with limited sites and high demand. Stirling House operates as a satellite site to an Ofsted “outstanding” school and provides space for 210 pupils. Conversion value was less than 50% of an equivalent-sized new build. Internal design features unique and adaptable open plan learning spaces.

![Stirling House – Offices converted to primary school](image)

**Northampton PFI schools primary expansion** – an 11 school project covering extensions and a new build currently mobilising on-site. Awarded through a single construction contract managed by the PFI Provider. Banking consortium approval was required as it forms a variation to the original 42 school scheme in Northampton - one of the largest in the country.

**New special schools and SEN satellite provision** – the overall population expansion has added to pressure on specialist education provision. Proposals for two new SEN free schools are in development with Academy sponsors, requiring close co-operation and joint planning.

**Barrack Road secondary Free School conversion** – planned conversion of a disused former Post Office sorting office into a 1750 place secondary school and sixth form, with potential for a primary school and ‘commercial’ spaces. One of the largest projects of its kind nationally subject to planning approvals, with detailed proposals being worked up currently. Through creative design, the aim is to convert an unloved large concrete structure into a high quality urban school with a range of integrated facilities.

**University Technical Colleges** - Northamptonshire in partnership with the Education Funding Agency and sponsors, has opened two new 14-19 University Technical Colleges (UTCs). One at the side of Silverstone racetrack (viewing terrace over national pit straight) specialising in high performance engineering and technical events, and the other designed into a hill slope overlooking Daventry town centre and specialising in new and sustainable technologies.

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Section 3: Conclusions & Recommendations

3.1 Summary Conclusions

3.1.1 There remains a lack of analysis and understanding about the scale and impact of international migration within Parliament, the media and the public at large. This report represents an attempt by councils to ‘shine a light’ on such issues in an East Midlands context - but more needs to be done at a national level by Government and the LGA to frame the debate in a positive manner.

3.1.2 The available evidence suggests the impact of international migration on the East Midlands has generally been positive, particularly from an economic perspective. However the scale of population change and resulting impacts on public services and communities varies considerably and has resulted in particular challenges for some communities.

3.1.3 The total population of the East Midlands grew at a faster rate than the average for England, at 8.2% compared to 7.7% between 2002 and 2012, due to a combination of natural change, UK and international migration.

3.1.4 According to the 2011 Census, 9.9% of the East Midlands resident population was foreign-born, below the UK average of 13.8%. This equates to 448,200 individuals in a population of 4.5 million. This is an increase from the 2001 Census, where 6.1% of the resident population were estimated to have been born outside the UK.

3.1.5 There is strong evidence that international migrants make a positive net contribution to the UK budget. Migrants are 45% less likely to receive state benefits or tax credits compared to non-migrants and are estimated to make a contribution to regional output of around 10% (GVA). There is no firm evidence to suggest that international migrants have had an impact on wage levels, displaced UK-born workers or have contributed to an increase in unemployment.

3.1.6 However, within this regional picture there are significant local variations in population structure and the pace of migration related population change that can give rise to a number of practical challenges for councils.

3.1.7 Firstly, a rapid rise in population (from whatever source) can mean that demand on council services grows at a faster rate than is recognised by the Government’s funding formula – meaning that council services can be almost permanently under-resourced. Secondly, some new communities give rise to specialised short term needs that councils can sometimes find difficult to meet quickly. Thirdly, the impact of new communities on local labour and housing markets (real or imagined), can have implications for community cohesion that councils, along with other relevant public bodies, have a responsibility to manage.

3.1.8 Although the numbers of supported asylum seekers (1197 as at 31st March 2014) and those classed has having ‘No Recourse to Public Funds’ are a tiny proportion of the total migrant population, numbers have been growing recently such that there has been a significant impact on some communities and councils.
Whilst councils are as keen as the Government that new migrants should learn English, this shared objective is being undermined by a lack of ESOL provision.

3.1.9 The Home Office, BIS, DWP and DCLG all appear to have different perspectives on international migration which reflect their individual departmental policy objectives. It has been left to councils and local partners to attempt to join up Government policy ‘on the ground’. This has resulted in a number of unfunded new burdens that should be met by Government.

3.2 Key Recommendations

3.2.1 Government and councils should take forward the following recommendations

(DN: Replicated from Section 2 when complete)
Statistical Annex

1. UK Demographic Change

The LTIM series estimates the number of individuals moving from their usual country of residence for more than a year⁴ and is primarily based on the International Passengers Survey (IPS). The IPS is based on a relatively small sample of individuals arriving at and departing from UK airports, ports and the Channel Tunnel, and provides information on the purpose and expected duration of their visit. The LTIM estimates are drawn from a subset of the IPS (those individuals surveyed who meet the criteria of Long Term Migrants leaving or entering the UK to/from international destinations),⁵ and augmented by management information from the Home Office, such as asylum applications - to adjust the estimates for the numbers of asylum seekers and their dependents.

Chart 1 shows annual (mid-year/year ending in June) LTIM estimates of immigration, emigration and net migration for the UK as a whole. This shows that:

- Following the enlargement of the EU in 2004, both volumes of immigration and the net balance of migration reached their highest points in the LTIM time series in mid-2005, at 596,000 individuals entering the UK to stay for at least 12 months, whilst 336,000 individuals emigrated to other countries – resulting in a net balance of 260,000 migrants;
- The volume of immigration has been close to this peak in both mid-2007 and mid-2011, but in both cases emigration was estimated to be higher than in mid-2005; and
- Net migration for mid-2013 was estimated to be significantly lower than the mid-2005 peak, at 182,000, principally due to lower immigration (503,000) with a level of emigration similar to 2010, 2011 and 2012 (320,000 individuals).

Chart 1: Long-Term International Migration to/from the UK, June 2004-June 2013⁶ (thousands)

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⁴ In line with a definition of ‘Long Term Migrants’ agreed by the UN. For more information on LTIM estimates, and the International Passenger Survey, please see the ONS guidance: http://www.ons.gov.uk/ons/guide-method/method-quality/specific/population-and-migration/international-migration-methodology/index.html

⁵ Between 700,000 and 800,000 people are interviewed on the IPS each year. Of these, 4,000-5,000 meet the criteria to be identified as ‘Long Term Migrants’.
LTIM estimates are also available for the origin of migrants, in terms of their ‘citizenship’. The net balance of migration (inflows less outflows) by citizenship is shown in Chart 2.

This shows a number of trends that are particularly pertinent to the current debate:

- The volume of net migration from non-EU countries has fallen significantly, from a peak of 254,000 in mid-2005 (also the peak in overall net migration as shown in Chart 1 – demonstrating that this was not just an A8-related phenomena) to the latest net-balance of 140,000 in mid-2013. The chart shows that this has been driven by a steep fall in net migration from Commonwealth countries between mid-2011 and mid-2013 (from 143,000 to 59,000). However, the chart also shows that non-EU migrants continue to account for a larger share of net migration to the UK than EU migrants, although the difference is significantly less than previously;
- Net migration from all EU countries is currently close to its peak (122,000 in mid-2007), at 106,000 in mid-2013. The chart shows that, following the 2004
enlargement of the EU, migrants from the 8 Central and Eastern European Countries (A8, or EU8 in the chart) accounted for the largest share, but that this fell steeply as the recession began in the UK in 2008 (from 76,000 in mid-2007 to 21,000 in mid-2009, before recovering to the latest net balance of 36,000);

- Conversely, net migration from the 15 pre-2004 EU member states has increased strongly (from 26,000 in mid-2011 to 52,000 in mid-2013), and currently exceeds the level of net-migration from A8 countries;

- Analysis of National Insurance Number (NINo) registrations later in this note suggests that much of this recent upturn in EU migration comes from Spanish and Italian nationals, i.e. two of the southern European countries that continue to experience high levels of overall unemployment and very high levels of youth unemployment; and

- Chart 2 also shows that, for each year in the time-series, there has been a net-outflow of British citizens. This was significantly higher at the start of the time-series, with 122,000 more British citizens leaving the UK than returning in the 12 months to June 2007. This then fell to a net balance of just -33,000 in mid-2011, with the latest comparable figure (mid-2013) at -64,000.

Chart 2: Net Balance of LTIM to the UK by Citizenship, June 2004-June 2013 (thousands)

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Malta and Cyprus); the EU 27 between 2007 and June 2013 (the EU 25 plus Bulgaria and Romania); and the EU 28 (the EU 27 plus Croatia) from July 2013. Note that separate data on Chart 2 is not shown for Cyprus, Malta (EU2) or Bulgaria and Romania (A2), or Croatia, therefore, from 2004 net migration from the EU15 plus the EU8/A8 do not sum up to the all-EU total.
Chart 3 presents the net balance by stated reason for travel for migrants of all citizenships (EU and non-EU, with non-EU migrants continuing to account for the largest share of the total, see Chart 2). This shows that migration for formal study has made up the largest share of total net international migration to the UK throughout the period 2010 to 2013 (the period for which robust data on reason for travel is available). However, the extent of annual net migration due to formal study has fallen from 210,000 in the 12 months to June 2010 to 158,000 in the 12 months to June 2013.

Of the two 'work-related' reasons for travel: long term migration because of a 'definite job' fell to a negative net balance in 2012, with 16,000 fewer individuals entering the UK for this reason than leaving; whilst migration to 'look for work' fell to a negative net balance in both 2010 and 2012, at -18,000 and -10,000 respectively. This is likely to be a consequence of the recession in the UK and associated lower rates of employment over this period, with a reduction in the demand for labour reducing the incentives to migrate to the UK for work reasons and increasing the incentive to return to the country of origin or look for work elsewhere.

Chart 3: Net balance in LTIM for migrants of all citizenships by reason for travel, June 2010-June 2013p (thousands)
Chart 4 shows that this picture is very different for migrants from EU countries only. In contrast to Chart 3, migration for work-related reasons (with ‘definite job’ and ‘looking for work’ combined for reasons of sample size) accounted for the largest share of net EU migration to the UK and increased significantly in the 12 months to June 2013, to 83,000 (up from 42,000 the previous year) – accounting for the majority of the increase in total net EU migration shown in Chart 2.

As in the case of all migrants shown in Chart 3, net migration from EU countries for formal study fell over the period, from 37,000 in the 12 months to June 2010 to 22,000 in the year ending June 2013.

The net balance of EU migrants traveling because they were returning home was significant and negative throughout the period, peaking at -27,000 in the 12 months to June 2011 but falling in the latest estimate, to -16,000, perhaps influenced by improving economic conditions in the UK compared to other EU countries of origin, especially southern European member states.
Chart 4: Net balance in LTIM for EU Citizens (all EU) by reason for travel, June 2010-June 2013 (thousands)


p Estimates for the year ending June 2013 are currently provisional.

Changes in migration by specific country of origin, as well as an indication of more recent developments, can be explored through management information. The Home Office and the Department for Work and Pensions publish data derived from their administration of immigration controls, benefit payments and tax and insurance contributions. Data sources include: entry clearance visas and Work Permits (for non-EEA nationals); registrations for new National Insurance Numbers (NiNo) by overseas nationals; student visas; and the Workers' Registration Scheme (WRS).9

Registration for a NiNo is compulsory for individuals who wish to work in the UK. NiNo data thus provides an indication, in addition to the IPS, of the extent of migration for work-related reasons. Because it is based on management information rather than a sample survey, NiNo data enables more detailed analysis by country of origin. However, such management sources need to be used with caution. The key weaknesses of NiNo data is the lack of compulsion for individuals to de-register on leaving the UK, meaning

9 The WRS was a transitional system of recording the location and sector of the first employer of new migrants from recent EU member states, introduced in 2004 to record workers arriving from the ‘A8’ new member states. The WRS closed in 2011, and did not cover self-employed workers.
that these data neither represent a net flow nor a stock measure (rather they are a cumulative record of inflows through a given year – they are not adjusted for out-flows or repeat registrations).

With this caveat in mind, Chart 5 shows that:

- Consistent with the picture for the LTIM estimates, registrations for NINos from EU nationals increased between 2012 and 2013, by 28% - exceeding the rate of change for non-EU nationals (which increased by just 0.4%);
- The number of EU nationals registering for a NINo in 2013 significantly exceeded that of non-EU nationals, at 440,020 compared to 176,720. Although the LTIM estimates suggest that non-EU nationals continue to make up the largest share of net migration, the data shown in Chart 5 is not unexpected – given NINo data relates to adults who migrated for work-related purposes (see Chart 3 and 4, showing that work-related travel accounts for the largest share of net migration for EU citizens, whilst formal study accounts for by far the largest share of net migration of non-EU citizens);
- Nationals from Poland accounted for the largest share (18%) of all NINo registrations to overseas nationals in both 2012 and 2013 (80,470 and 111,450 respectively), but the highest percentage increase in registrations have been for nationals from Italy (a 66% increase between 2012 and 2013) and Portugal (a 47% increase); and
- Spanish nationals accounted for a significant number of registrations in 2013, at 51,730 (the second highest share for any single country of origin, at 8%), and also increased significantly between 2012 and 2013, by 36%.

Chart 5: National Insurance number (NINo) registrations to overseas nationals, 2012 and 2013 (thousands)
Neither the LTIM estimates or relevant management information reliably indicate the size of the migrant population at a given point in time (i.e. a measure of stock). For this, and for labour market participation, it is necessary to return to survey sources – principally the Labour Force Survey (LFS)\(^ {10} \) and the Census.

The LFS is the principal source of information on labour market participation, education and training, and demographic characteristics of individuals aged 16 and over who are resident in UK households. The LFS/APS includes estimates of the size and composition of the total and working age populations in a given year, and enables consistent comparisons of employment status across different migrant groups and between migrants and non-migrants. However, published data is based on proxy-definements of ‘migrant’ - most commonly country of birth. This is a key conceptual problem which affects both LFS and Census analysis. Defining individuals born outside the UK as ‘migrants’ will include those born to British parents abroad (such as children born to members of the armed forces serving overseas.) and those who have lived in the UK for the majority of their lives, and may have since acquired British citizenship (and may not therefore consider themselves to be ‘migrants’). The recent joint BIS/Home Office research\(^ {11} \) compares the number of migrants identified in the LFS according to country of birth against those identified on the basis of stated nationality, finding significant differences between the two definitions. This indicates that there is a substantial number of individuals born outside the UK who define themselves as ‘UK

\(^{10}\) Also referred to as the ‘Annual Population Survey’ (APS) from 2004, due to the introduction of an annual boost to the survey in that year.

nationals’, including those who have attained formal British citizenship. Although country of birth is the most widely used means of quantifying migrant populations – it may therefore lead to significant over-estimates.

LFS data is published in two main forms: annual (based on 12 months of observations published four times a year, with 9 months overlapping from the previous release – known as ‘rolling quarterly estimates’); and monthly estimates published by the ONS in the ‘Labour Market Statistics’ First Release for the UK as a whole (3 months of data, published every month, with 2 months’ overlapping with the previous release).

Chart 6 is based on the annual release. This is the most statistically robust LFS release (due to larger sample size), but includes less detail on migrant populations as results are disaggregated to a small level of geography. The chart shows the total UK population and working-age population (16 to 64) disaggregated by the two LFS definitions of ‘migrant’, for the latest period for which both definitions are available (January 2012-December 2012). This shows that:

- In the 2012 calendar year, 87.7% of the total population were born in the UK. Those who defined their ethnicity as ‘white’ accounted for 82.1% and those who identified themselves as belonging to an ethnic minority group accounted for 5.6%;
- In the same period, 12.3% of the total resident population were not born in the UK (7.7 million individuals), 5.9% described themselves as ‘white’ and 6.4% as belonging to an ethnic minority group;
- When expressed as a proportion of the working age population (16-64), 84.4% were born in the UK. The proportion born outside the UK is significantly higher compared to the total population, at 15.5% (7.3% white and 8.2% from an ethnic minority group). This is because migrant populations have a younger age profile than non-migrants;
- On the basis of nationality, 92.2% of the total population defined themselves as a UK national and 7.8% defined themselves as a non-UK national (4.8 million individuals); and
- Individuals who identify their nationality as non-UK account for 9.5% of the working age population (16-64), again a higher percentage compared to the total population – indicating the younger age profile of migrants on both definitions.
Chart 6: Total population (%) and working age population (% 16-64) by stated nationality, country of birth and ethnicity, January-December 2012


Charts 7 to 10 are based on the latest monthly 'Labour Market Statistics' release, for the LFS period January to March 2013. These estimates are less reliable than those shown in Chart 6, because of the smaller total sample size, but are more timely and provide more detail on migrant groups, because this data relates to the UK as a whole and is not disaggregated sub-nationally. These estimates also relate to the total stock of migrants (aged 16+) in employment in the UK (rather than the total resident population in Chart 6).

Chart 7 presents employment levels by country of birth and nationality between the LFS periods January to March 1999 and January to March 2013. This shows that there has been a consistently higher level of individuals in employment who could be defined as ‘migrants’ due to being born outside the UK compared to non-UK nationals, but levels of both non-UK born and non-UK nationals in employment have grown significantly since the early 2000s. The numbers in employment who are not UK-born have more than doubled, from 2.1 million in January to March 1999 to 4.6 million in January to March 2014. The numbers in employment who are not UK nationals remains lower, but has

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grown at a significantly faster rate, from 1.1 to 2.8 million between the same LFS periods. Although the numbers of UK-born and UK-nationals in employment have also increased, this has been at a comparatively slower rate in both cases.

**Chart 7: Employment levels by country of birth and stated nationality, January to March 1999 to January to March 2014 (thousands)**


Chart 8 shows the same time-series as a percentage of all in employment where country of birth/nationality is known (i.e. the respective totals exclude those who did not state their country of birth or nationality). Between January to March 1999 to January to March 2014, ‘migrants’ have increased in percentage share of total employment levels in the UK:

- From 7.9% to 15% for individuals not born in the UK; and
- From 3.9% to 9.1% for individuals who do not define themselves as UK-nationals.

The percentage in employment defined as ‘migrants’ on either definition increased significantly after 2004, following the enlargement of the EU and significant increase in migration from the A8 countries (see Chart 2 for the increase in net migration flows from the EU8 between 2005 and 2008).

**Chart 8: Proportions of total employment levels by country of birth and stated nationality, January to March 1999 to January to March 2014 (%)**
Chart 9 shows change in the distribution of the non-UK born population in employment by more detailed country of birth, comparing January to March 2004, 2013 and 2014, whilst Chart 10 shows percentage change in the numbers of non-UK born individuals in employment between January to March 2013 and 2014 (i.e. the rate of change over the last year).

These charts indicate that:

- Individuals born outside the EU make up the largest share of the non-UK born population in employment (consistent with the picture from LTIM flows, where non-EU citizens continue to comprise the largest share of annual net migration to the UK, see Chart 2). The number of individuals in employment who were born in non-EU countries has increased significantly over the decade - from 1.8 million in January to March 2004 to 2.8 million in January to March 2014 (Chart 9). Between the first three months of 2013 and 2014, the number of individuals born in non-EU countries increased by 4.6% - compared to a total increase in non-UK born employment of 6.9% over the year and an increase of 1.8% of UK-born employment (Chart 10);
- Of those born in non-EU countries, Africa (excluding South Africa) accounts for the largest numbers, which have increased on the decade but fallen slightly on the year, by -5.9% to 325,000. Individuals born in India also account for comparatively high number, at 443,000 in employment in the first quarter of 2014, up 4.6% on the previous year. Although there are lower numbers born in Pakistan and Bangladesh (325,000) this is a significant increase (17.3%) on the first quarter of 2013.
- Non-EU migrants born in ‘the rest of the world’ including China and East Asia) accounted for significant numbers in employment, at over 1 million, an increase of 8.2% on the year;
- Charts 9 and 10 shows that although the total number of individuals born in the EU in employment accounts for smaller numbers compared to the total of non-EU migrants (Chart 9), these numbers have increased more significantly on both the decade and
the year (Chart 10). The number of EU-born individuals in employment in January to March 2014 has more than doubled compared to the same period in 2004, increasing from 746,000 to 1.7 million. On the year, the number increased by 10.6%. Those in employment who were born in A8 countries have increased from a very small number in the first quarter of 2004 (64,000) to 802,000 in the first quarter of 2014 – exceeding the number born in the EU14 countries (775,000) and increasing by a significantly greater rate on the previous year (16.8% compared to 3.9%); and

- Individuals in employment born in Bulgaria and Romania accounted for relatively small numbers in January to March 2014, at 140,000. Chart 10 shows that this was a relatively high percentage increase on 2013 (25.9%) but is a relatively small absolute increase (28,000 individuals).

Chart 9: Numbers in employment by country of birth (not UK-born), January to March 2004 to January to March 2014 (thousands)


Chart 10: Change on year in employment by country of birth (not UK-born), January to March 2013 to January to March 2014 (% change)
Finally, Chart 11 shows the variations in employment rate (the percentage of the resident population aged 16 to 64 in employment) by country of birth, comparing the first quarters of 2013 and 2014:

- The total employment rate for all adults (where their country of birth is stated) was 72.5% in the period January to March 2014;
- The employment rate for those born in the UK was higher than for those not born in the UK, at 73.1% compared to 69.3%;
- However, the employment rates for all groups born in EU countries significantly exceeded both the overall employment rate and that of UK-born adults, at 78% for the EU27 overall. The highest rate of employment for individuals born in EU countries was for the A8, at 81.3%, followed by individuals born in Romania and Bulgaria, at 76.2%;
- Average employment rates for individuals born in non-EU countries were significantly lower, at 64.8% in January to March 2014. However, the charts shows the very significant variation between groups – with adults born in Australia and New Zealand (84.9%) and South Africa (82.5%) having very high rates of employment, whilst those born in Africa (excluding South Africa) and the rest of the world (e.g. China and East Asia) have much lower rates of employment – at 63% and 63.3% respectively. This is likely to be affected by the high proportions of students on full-time courses in these two groups;
- The lower employment rates for individuals born in Pakistan and Bangladesh (52.1%) is likely to be a function of a number of factors, including migration for full time study as well as lower rates of labour market participation amongst women with child and elder care responsibilities; and
Employment rates increased for all groups over the year January to March 2013 to January to March 2014, with the exception of individuals born in India and the USA.

Chart 11: Employment rates by country of birth, January to March 2013 and January to March 2014 (% population aged 16-64 in employment)

2. Demographic Change within the East Midlands

The Census is the most complete and statistically robust source of information on population characteristics, with detailed data available at a local level due to the comparatively large number of observations. The 2011 Census includes more detailed information on migrant populations compared to previous censuses – including data for several different definitions of ‘migrant’: country of birth; stated nationality; citizenship and passports held; and additional information on immigration controls and reason for and length of stay. The most detailed data so far published from the 2011 Census relates to country of birth (and is thus affected by the same caveats discussed in the previous section). This section combines analysis undertaken by the Migration Observatory, University of Oxford, in July 2013 with recent analysis undertaken by Nottingham Business School.

Chart 12 shows that individuals born outside the UK accounted for a smaller proportion of the East Midlands population compared to the average for England in 2011 – at 9.9% compared to 13.8%. This is equivalent to 448,200 individuals in the region who were not born in the UK (out of a total of 4.5 million residents in the East Midlands in 2011). The chart also shows that the national average is significantly skewed by London, where over a third of residents (36.7%) were born outside the UK. There is significantly less variation between the other regions, with the lowest proportion in the North East (4.9%) and the highest in the South East (12.1%).

The Migration Observatory compared the 2011 and 2001 Censuses. In 2001, 6.1% of the East Midlands population (252,300 individuals) were born outside the UK. This increased by 77.7%, compared to a total population increase of 8.7% in the East Midlands over the decade, with the UK-born population growing more slowly at 4.2%. The Migration Observatory analysis also identified the younger age profile of migrants (as defined by country of birth), with 42% of non-UK born residents in the East Midlands aged between 20 and 39 compared to 24% for UK born residents.

Chart 12: Non-UK born population by Government Office Region, 2011 (%)

Chart 13 shows the profile of the East Midlands population compared to the national average by broad country of birth. This shows that, given that the East Midlands has a smaller overall proportion of residents born outside the UK, it is relatively over-represented in terms of residents born in EU Accession countries (in the case of the 2011 Census, this group refers to those countries that joined the EU between 2001 and 2011 – with the majority being migrants from the eight Central and Eastern European Countries that joined the EU in 2004, also known as the CEECs). In the East Midlands in 2011, 2% of the resident population were born in an EU Accession state, equivalent to 91,700 individuals. Those born in non-EU countries accounted for 6.3% of the East Midlands population (285,600 individuals).

Chart 13: Total population by country of birth, England and East Midlands, 2011 (%)
Chart 14 shows that Leicester City has by far the largest proportion of residents born outside the UK, at 33.6% (110,800 individuals) - which is nearly a quarter of all non-UK born residents in the East Midlands - followed by Nottingham (19.5%) and Derby (13.8%). Map 1 confirms that the largest proportions of non-UK born residents are concentrated within and around the five largest cities and towns in the region (including Lincoln and Northampton) – with the exception of two districts in Lincolnshire, Boston and South Holland. The lowest proportions of non-UK born residents were in Derbyshire, at 3.3% of the total population (25,600 individuals).

Lincolnshire overall has a below average proportion of the total population born outside the UK (7.1%), but a slightly higher proportion who were born in EU Accession countries (3% compared to 2% in England and the East Midlands). Map 2 shows that residents born in EU Accession countries are highly concentrated in the Lincolnshire districts of Boston and South Holland (together accounting for 13% of all residents in the East Midlands born in EU Accession countries, despite the two districts accounting for just 3% of the total population of the East Midlands). Boston has the highest proportions of this migrant population group in the East Midlands - at 10.6% of the 2011 resident population. This is equivalent to 6,800 out of a total of 64,600 residents. This is also the highest
proportion of A8 migrants of any Local Authority in England and Wales, followed by the London Borough of Haringey, at 9.8%. Conversely, as Map 3 shows, only 2.7% of the resident population of Boston were born in non-EU countries (compared to 6.3% in the East Midlands and 9.4% in England).

Chart 14: Non-UK born population by East Midlands County and Unitary Authority, 2011 (%)


In contrast, Map 3 shows that those born in non-EU countries are more evenly distributed – with higher proportions in Nottingham, Derby, Leicester and the south of the region (Leicestershire and Northamptonshire). Leicester City in particular stands out, with 28.2% of residents born in non-EU countries (93,000 individuals) – closely associated with the significant, established communities in the city originating from the Indian sub-continent.

Map 1: Non-UK born population by East Midlands Local Authority District and Unitary Authority, 2011 (%)
Map 2: Population born in an EU Accession country by East Midlands Local Authority District and Unitary Authority, 2011 (%)
% born in EU Accession countries (2011 resident population)
- 11 to 11 (1)
- 5 to 11 (3)
- 3 to 5 (6)
- 2 to 3 (6)
- 0 to 2 (24)

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According to the Migration Observatory’s analysis of change over time between the two Censuses, Leicester experienced the largest increase in absolute number of foreign-born residents between 2001 and 2011 (by 46,300) whilst Boston experienced by far the largest percentage increase (by 467%).

The Migration Observatory also undertook analysis of more-detailed country-of-birth data obtained from the ONS, which identified the countries of origin accounting for the largest number of non-UK born residents of the East Midlands as follows:

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17 Ibid. pages 8-9.
• India represent the country of birth for the largest number of East Midlands residents born outside the UK in 2011, at 68,500;
• Poland was the country-of-birth for the next largest number, at 53,400;
• This was followed by Ireland (22,200), Pakistan (20,800) and Germany (20,400);
• Kenya, Zimbabwe, China, South Africa and Latvia also accounted for significant numbers of East Midlands residents born outside the UK.18

Between censuses, the ONS produce estimates of resident population – the Mid-year population estimates (MYE). These draw from administrative records of births and deaths, the IPS, the LFS and other sources to account for population change due net migration and natural change. The latest MYE relates to the 12 months to June 2012.

Chart 15 shows total population change in the East Midlands between 2002 and 2012, showing that the region’s population has increased year-on-year from 4,221,800 (4.2 million) in 2002 to 4,567,700 in 2012 (4.6 million).

**Chart 15: Total resident population in the East Midlands, 2002-2012**


Chart 16 compares % population growth across the nine English regions and Chart 17 compares the County and Unitary Authorities within the East Midlands. Chart 16 shows that the total population in the East Midlands grew at a faster rate than the national average – at 8.2% between 2002 and 2012 compared to 7.7% in England overall. Although this was below the rate of growth experienced in the South East (8.4%), the East of England (8.7%) and London (12.6%), the population of the East Midlands grew at a faster than any other northern or midlands region and the South West. The slowest rate of population growth was in the North East, at 2.4%.

Chart 17 shows that Leicester and Nottingham experienced the highest rates of population growth within the East Midlands, at 16.2% and 13.6% over the decade, followed by Northamptonshire at 10%. The population of Lincolnshire also grew at a

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18 Ibid., page 10.
faster rate than the national or regional average, at 9.6%. Derbyshire and Rutland both experienced relatively slow rates of population growth, at 4.8% in both cases.

**Chart 16: Population growth by Region, 2002-2012 (% change)**

% | 14 |
---|---|
North East | 2 |
North West | 4 |
Yorkshire and The Humber | 6 |
West Midlands | 8 |
South West | 10 |
England | 12 |
East Midlands | 14 |
South East | 12 |
East | 10 |
London | 8 |


**Chart 17: Population growth by East Midlands County and Unitary Authority, 2002-2012 (% change)**

% | 18 |
---|---|
Derbyshire | 4 |
Rutland | 6 |
Nottinghamshire | 8 |
Leicestershire | 10 |
England | 12 |
Derby | 14 |
East Midlands | 16 |
Lincolnshire | 14 |
Northamptonshire | 12 |
Nottingham | 10 |
Leicester | 18 |

Each Mid-year estimate is based on the population of the previous year adjusted for the balance between live births and deaths (net natural change) and net long-term
migration, using the same definition of long-term international migrant used in the LTIM estimates. Sub-national estimates disaggregate between international migration and internal (i.e. inter-regional) migration. These data provide an understanding of the balance between the two drivers of population growth in a given year and thus the importance of migration in determining total population change.


* note that the net migration figures in this chart a lower than the LTIM estimates shown in Chart 1, as they relate just to England – rather than the UK.

Chart 18 shows the components of total annual population change for England as a whole over a twenty year period. At the start of the period, net migration accounted for

19 In the components of change, ‘net migration’ also includes migration to and from other parts of the UK, international migration, and ‘other changes’ – which include changes to the size of armed forces and prison populations and other, small, adjustments.
the smaller share of population change – with natural change making up between 110% and 59% of the annual increase until mid-1998-1999, after which migration outstripped natural change. Net migration peaked as a component of total population change in the period immediately after EU enlargement, 2004-2005, where it accounted for 70.5% (290,100 additional individuals, compared to 121,400 due to natural change). Although migration has remained significant and positive as an annual component of change in 2010-2001 and 2011-2012, accounting for 230,900 and 152,200 of additional residents, this is significantly lower than the 2004-2005 peak and has been outstripped by natural change – which accounted for the higher share of annual population growth in both years at 50.3% and 60.6% (233,800 and 234,300 respectively). Of course, the two components are not disconnected – and with recent migrants being younger than non-migrants, post-2004 migration will have itself contributed to increased natural change.

Chart 19: Components of population change in the East Midlands, mid-2011 to mid-2012

![Chart 19: Components of population change in the East Midlands, mid-2011 to mid-2012](chart19.jpg)


Detailed components of change for the mid-2012 estimates for the East Midlands region are shown in Chart 19. Although migration accounted for a smaller share of population change compared to natural change in England overall in 2011-2012 (see Chart 18), in the East Midlands net migration accounted for a slightly higher share, at 50.7%. However, internal migration (from other English regions) accounted for 20% of this change (with 118,300 estimated to have moved to the East Midlands from other regions and 112,000 estimated to have left to other regions). International migration flows to and from the East Midlands were much smaller (with only 27,700 entering the region from international origins compared to 18,500 leaving the region to international destinations, a net balance of 6,300). Because the gap between immigration and emigration to and from the East Midlands is larger than the gap between internal migration in and out-flows, net international migration accounted for the larger share of the total net migration to the region in 2011-2012 (9,300 or 30.6%).
To summarise, international migration flows to and from the East Midlands are significantly smaller than flows to and from other regions – but the net balance for international migration in 2011-2012 was larger. This demonstrates that internal migration (flows between English regions) are important components of total population change at a sub-national level, which are often overlooked in the public debate.
3. **Economic & Labour Market Impacts**

Media and political attention has focussed on a series of Government and independent academic studies into the impacts of migration on the UK economy, public finances and the labour market. Much of this work has been very high quality, and rigorously peer-reviewed. However, all such studies are affected by the same challenge: it is not possible (or at least, it is highly problematic) to identify a causal link between wider economic and labour market developments and trends in migration. Associations between variables can be identified, and possible links can be discussed – but cause and effect can rarely be clearly established.

A wide range of research has recently been collated and evaluated in a joint Home Office and Department for Business, Innovation and Skills (BIS) study. This was undertaken for two key reasons. Firstly, a series of earlier studies found little or no evidence of negative impacts of increased net migration on either wages or employment of UK-born residents during the period preceding the onset of recession in 2008, but there has been limited comparable analysis relating to the post-2008 period. Secondly, a study by the Migration Advisory Committee (MAC) in 2012 did find a statistically significant association between increased net migration and the displacement of native workers into unemployment (the association between an increase of 23 UK-born workers unemployed for every additional 100 migrants cited by Theresa May and the incoming Immigration Minister James Brokenshire in speeches on the Government’s programme of immigration reform). However, both BIS and Home Office officials were reportedly concerned about the robustness of the MAC approach and wished to undertake a more wide-ranging study to update the Government’s evidence base.

In this recent study, Home Office and BIS analysts identified the following conclusions:

- From the late 1990s until 2007-2008, a sustained increase in net migration coincided with a similarly sustained period of economic growth (GDP growth in the UK averaged 3.2% per annum between 1992 and 2007). These factors are not unrelated: the relative strength of the UK economy, and associated demand for labour, attracted economic migrants from both EU and non-EU origins.

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Employment levels and rates for both UK-born residents and non-UK born migrants increased between 1995 and 2005. Employment levels for UK born adults remained stable and high from 2005 until the onset of recession in 2008, whilst they grew significantly for both EU and non-EU migrants.

During this period of economic growth, the labour market adjusted to high net migration with little observable negative impact.

However, when demand for labour fell – as the economy entered recession – this adjustment may have become slower, resulting in displacement of some workers into unemployment in the short term. This is reflected in falling employment levels for UK-born and non-EU migrants between 2008 and 2012. However, after initially falling after 2008, employment levels of EU-migrants began to rise again. Where displacement effects were observed (i.e. both UK-born and non-EU migrants potentially displaced between 2008 and 2012).

However, in 2012 to 2013, employment levels for UK nationals grew more strongly than for foreign nationals - suggesting that any displacement effects had dissipated as the labour market recovered.

From this, the joint-Departmental study concluded that “there is relatively little evidence that migration has caused statistically significant displacement of UK natives from the labour market in periods when the economy has been strong. However… there is evidence for some labour market displacement in recent years when the economy was in recession.” (p. 4) These displacement effects are also more likely to be observed in period when net migration volumes are high and, where displacement is observed, it tends to be concentrated amongst low-skilled UK natives.

Significant attention has also been focussed on the fiscal impacts of migration, including concerns that the UK may be a target for ‘benefit tourism’ – with recent net migration levels constraining the Government’s deficit reduction objectives. Independent analysis, including from the Institute for Fiscal Studies (IFS) and the Office for Budgetary Responsibility (OBR), strongly indicates that the opposite is the case - with EU migrants in particular making a large, positive net fiscal contribution. A study published by specialist centre on migration analysis at the University College London, the Centre for Research and Analysis of Migration (CReAM), in late 2013 presented the following conclusions:

- The authors at UCL assessed the net fiscal contribution of migrants resident in the UK between 1995 and 2011 and disaggregated the contribution of ‘recent’ migrants (who arrived in the UK after 2001) between 2001 and 2011.
- Migrants were assigned a share of each item of Government expenditure related to given benefits or services used, which was compared to their contribution in taxation to Government revenues.
- Migrants overall (recent and established) are less likely than UK-natives to receive benefits or tax credits, or to live in social housing, but there are significant differences between recent migrants and those from EU countries compared to non-EU migrants and UK-natives.

Recent migrants and those from EU countries are, on average, younger and more likely to be in employment (thus paying income tax or PAYE and National Insurance) - and are less likely to have dependents (with lower associated costs in terms of education and health services). Recent migrants were estimated to be 45% less likely that non-migrants to receive state benefits or tax credits.

Therefore these groups have made a significant net positive contribution to the UK. Between 1995 and 2011, all EU migrants were estimated to have contributed 4% more to the fiscal system than they received; and between 2001 and 2011, recent EU migrants contributed 34% more to the fiscal system than they took out.

Non-EU migrants overall and UK-natives both made a negative net fiscal contribution. UK-natives were estimated to have contributed 89% of the total value of benefits and services they received between 2001 and 2011 (and 93% of what they received between 1995 and 2011). Non-EU migrants were estimated to have contributed 86% of what they received between 1995 and 2011 – due to the older age profile of this group and greater likelihood of dependent children. However recent (post-2001) non-EU migrants made a small positive fiscal contribution of 2% between 2001 and 2011.

In the East Midlands, the Institute for Employment Research (IER), at the University of Warwick, were commissioned to assess the economic and labour market impacts of migration in 2007 and again in 2010 by the East Midlands Development Agency (emda). The 2007 study found that:

- As migrants are predominantly young (working age), rates of economic activity are relatively high.
- Migrants, especially from A8 countries tend to be concentrated in industry sectors where the wages are significantly lower than average – but these sectors experienced faster than average increases in pay between 2001 and 2007.
- The occupational structure of migrant employment was bi-polar, with migrants concentrated in either very highly skilled/high pay occupations in the East Midlands (e.g. ICT and Health professionals) or in low skill/lower pay occupations (such as machine operative or elementary occupations). Rates of pay growth did not differ in occupations in which high proportions of migrants were employed compared to the average.
- Therefore, there was no evidence, at the time of this study, that migrants were causing wages to be suppressed.
- There was little evidence that migrants displaced UK-born workers into unemployment in the period between 2001 and 2007 in the East Midlands (in line with the above Home Office/BIS findings for the UK overall when the economy was expanding). Exits by UK-born workers from occupations where large proportions of migrants were employed were stable over time, and did not appear to increase as the number of migrants in the East Midlands increased after 2004.

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The IER estimated that, in 2005, migrants (based on country of birth) contributed 9.6% to East Midlands economic output in Gross Value Added (GVA). The migrant contribution to GVA was higher than this average in a number of sectors, including Hotels and Restaurants, Health and Social Work and Manufacturing (including food processing).

This study was updated in 2010, following the marked change in the economic context, to understand whether the regional impacts of migration may have also changed. This study presented the following conclusions:

- Analysis of management data, such as NINo registrations, suggested that international migration to the East Midlands peaked in 2007 (from 42,000 NINo registrations to overseas nationals in the region in 2007 to 33,000 in 2008 and stabilisation thereafter).
- Poland became the country of origin for the largest number of new migrants to the East Midlands registering for a NINo from 2004, overtaking India. However, numbers of new migrants from Poland fell significantly after 2007, whilst new registrations for a NINo increased for migrants from Latvia and Lithuania.
- Migrants continued to be younger compared to non-migrants.
- Case studies on origin countries suggested that improving economic conditions in Poland and Lithuania compared to the UK acted as pull factors for increased return migration from 2007.
- Compared to the 2007 IER study, migrants (especially post-2003 migrants) were increasingly likely to be working in lower skill occupations. The bi-polar distribution (high skilled or low skilled) of employment was less evident in 2010. Job losses were particularly evident in Manufacturing and Transport and Storage, with the impacts being proportionately similar for migrants and non-migrants.
- There continues to be little evidence to suggest that, in the case of the East Midlands, migrants have had a negative impact on the employment of UK-born workers. At a local level, there was no strong relationship between changes in the numbers of migrant workers and changes in the rate or numbers unemployed.
- The extent of migrant contribution to regional GVA was slightly higher than estimated in the 2007 (for 2005), at 10.6% for 2008 - declining to 10% in 2009 both due to the impacts of recession and the increase in the proportion of migrants working in lower productivity sectors and lower skill/pay occupations.

Compared to the Home Office/BIS conclusion for the UK as a whole, the IER study for the East Midlands is more positive – finding limited evidence of displacement in the region during recession and a continued significant contribution to total regional output (albeit during a period when the % rate of per annum output growth was negative).
Summary

This report updates member on the Strategic Economic Plans prepared by LEPs which will also be used as a basis by Government for determining Local Growth Fund allocations by the end of July 2014.

It goes on to highlight the outcome of the joint meeting between EMC, the East Midlands APPG and LEP representatives chaired by Cllr Martin Hill OBE, which took place at the House of Commons on the 7th April 2014.

Finally it seeks endorsement for efforts by EMC, MPs and LEPs to maximise the Local Growth Fund investment across the East Midlands.

Recommendation

Members of Executive Board are invited to:

- Note the submission of Strategic Economic Plans by LEPs covering the East Midlands.
- Endorse efforts to maximise Local Growth Fund investment across the East Midlands.
1. **Background**

1.1 All 39 LEPs across England were required to produce a Strategic Economic Plan by 31 March 2014. The SEP sets out the vision of each LEP to deliver economic growth. It also provides the basis for the agreement of a ‘Growth Deal’ with Government to secure resources from the Local Growth Fund and additional freedoms & flexibilities to use national resources to support locally identified priorities.

1.2 The Local Growth Fund will be worth around £2 billion for 2015/16 across England, of which around 56% is allocated on a competitive basis. It is made up of a number of existing funding streams which have been brought together in one pot and made available to LEPs. (see Table 1 below).

1.3 A new team has been established drawing together Cities Policy Unit, Local Growth from BIS and DCLG and BIS Local to support LEPs in developing their bids, negotiating with Government and supporting delivery of the deal.

### Table 1: Funding available for LEPs through the Local Growth Fund (2015/16)

<table>
<thead>
<tr>
<th>Source</th>
<th>Capital</th>
<th>Revenue</th>
<th>Allocated</th>
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<td>Large Sites funding</td>
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<td><strong>Total LGF</strong></td>
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<td><strong>303</strong></td>
<td><strong>873</strong></td>
<td><strong>1129</strong></td>
<td><strong>2002</strong></td>
</tr>
</tbody>
</table>

*Via ESF match opt-in, i.e. if LEPs opt into SFA support through their EU Strategic Investment Fund.

**Not all revenue - will provide detailed breakdown of allocated projects in due course.

*** Additional £50 million agreed for 16/17
2. **Strategic Economic Plans in the East Midlands**

2.1 This paper is based on consideration of the Strategic Economic Plans produced by the 5 Local Economic Partnerships based largely in the East Midlands:

- D2N2 LEP: covering Derby/Derbyshire, Nottingham/Nottinghamshire;
- GLLEP: covering the county of Lincolnshire and the unitary councils of North Lincolnshire & North East Lincolnshire;
- LLEP: covering Leicester/Leicestershire
- NEP: covering Northamptonshire
- SEMLEP: covering parts of Northamptonshire and the South Midlands

2.2 In addition parts of north Derbyshire and north Nottinghamshire also fall within the Sheffield City Region LEP and Rutland is wholly within the Greater Cambridgeshire and Greater Peterborough LEP.

2.3 The collective requirement for LGF support for 2015/16 across the 5 SEPs (£474 million) would appear to be in excess of the likely level of funding for the East Midlands.

2.4 Although reflecting local circumstances, there are a number of common strengths and priorities which are significant across a number of SEPs set out below.

- **Transport Equipment Manufacturing/High Performance Engineering.**
  This is common to all 5 LEPs and reflects the East Midlands traditional strengths in manufacturing, engineering, rail and motorsport. The East Midlands has the highest proportion of manufacturing employment in England. The MIRA Enterprise Zone is growth opportunity of national significance.

- **Food & Drink**
  Again, this is common to all 5 LEPs, reflecting the region’s agricultural and horticultural heritage but also more recent developments in food processing and technology - where the East Midlands is more productive than the country as a whole and has significant growth potential.

- **Logistics**
  The area stretching across Northamptonshire, Leicestershire and into Warwickshire forms a logistics ‘golden triangle’. East Midlands Airport is the largest freight airport outside of London. The development of a new
intermediate terminal in NW Leicestershire (the East Midlands Gateway) and extension of the DIRFT facility near Daventry are key investment priorities

- **Housing Growth & construction**
  The East Midlands has traditionally delivered a higher than average proportion of the nation’s housing needs – and more homes than the West Midlands for example. The SEPs include ambitious programme of mixed use sustainable urban extensions and regeneration schemes which will boost housing and job growth across the East Midlands.

- **Visitor Economy**
  The East Midlands has diverse visitor offer which is particularly important to rural and coastal economies, as well sporting venues of national significance such as Silverstone and Trent Bridge Cricket Ground and growing city offer based on culture and conferencing.

- **Greater support for infrastructure funding and delivery**
  The forward funding of infrastructure and a joined-up approach by public agencies to key schemes is considered essential to the delivery of large scale planned growth and regeneration schemes. LEPs are seeking greater financial freedoms to develop revolving ‘local infrastructure funds’ and longer term certainty over Government capital funding for transport and flood defences.

- **Greater control over skills funding and priorities**
  There is widespread frustration that priorities for skills funding do not fully reflect local labour market conditions and opportunities for growth in key sectors – particularly support for higher level skills and apprenticeships. LEPs believe they could achieve better outcomes with a greater degree of local control.

- **Greater control over business support funding and priorities**
  Similarly, there is in an appetite from LEPs to flex national business support programmes and funding in ways that better reflect local sector priorities.

- **HS2 Connectivity & Skills**
  HS2 will have a significant impact across the D2N2 and LLEP areas in particular, if built as currently proposed. Connectivity to the proposed station at Toton and taking a strategic approach to associated major development opportunities are key issues, along with local supply chain development and the location of the proposed High Speed Skills Academy.
3. **Joint Working with the East Midlands APPG & LEPs**

3.1 SEP priorities across the East Midlands were discussed at joint meeting pf EMC/East Midlands APPG meeting on the 7th April 2014 at the House of Commons, chaired by Cllr Martin Hill OBE. Also in attendance were a number of LEP representatives and Matthew Hancock MP, the Skills Minister at BIS.

3.2 MPs, council leaders and LEP representatives agreed at the meeting to work together to maximise the proportion of Local Growth Fund allocated by the Government to LEPs based in the East Midlands. EMC subsequently met with a number of LEP Chief Executives and BIS Local on the 9th May to scope out a joint LGF prospectus to act as a lobbying document for MPs and others in the run up to the Government’s decision, adding value to the efforts of individual LEPs. EMC worked with Nottingham Trent University to provide an updated economic analysis as context for the prospectus, which Jo Lappin, the Chief Executive of the Northamptonshire Enterprise Partnership agreed to pull together. However, at the time of writing, not all LEPs have been able to finalise their contributions to the document. A verbal update on progress will be given at the meeting.

3.3 EMC is continuing to work with LEPs and relevant local authorities to take forward work on a number of related infrastructure priorities, including HS2, the Midlands Main Line and the A5. In relation to the latter, EMC is working as part of small task group chaired by Hinckley & Bosworth BC to develop an outline business plan for major improvement to the A5 corridor between the M42 and the M69 linked to the MIRA Enterprise Zone. The work has been supported financially by the Highways Agency and a number of councils and LEPs, and will form a submission to the Chancellor’s autumn statement later this year.

3.4 Finally, a number of LEPs have undertaken a study looking at connectivity across the midlands. There is the potential to use this work of a basis for joint lobbying on a small number of strategic infrastructure priorities, particularly in the context of HS2. Any proposal for joint working will be considered at a future meeting of the Executive Board.
4. Recommendations

4.1 Members of Executive Board are invited to:

- Note the submission of Strategic Economic Plans by LEPs covering the East Midlands; and
- Endorse efforts to maximise Local Growth Fund investment across the East Midlands

Andrew Pritchard
Director of Policy & Infrastructure
High Speed 2: East Midlands Strategic Leadership Board

Summary

This report updates members the key elements of David Higgins’ ‘HS2 Plus’ report, which makes recommendations on how construction timescales of HS2 can be expedited and costs controlled, and ‘Get Ready’ a report of the HS2 Growth Task Force chaired by Lord Deighton on maximising local economic benefits.

It goes on to update members on the establishment of an East Midlands Strategic Leadership Board to provided strategic co-ordination and leadership for the implementation of HS2 in the East Midlands.

Recommendation

Members of Executive Board are invited to:

- Endorse proposals for an East Midlands HS2 Strategic Leadership Board
- Note the rest of this report
1. Background

1.1 The HS2 Hybrid Bill for Phase 1 (London to Birmingham) is still progressing through Parliament, currently at the Select Committee review stage, with the target date for Royal Assent by the end of 2015.

1.2 The response to the HS2 Phase 2 consultation previously agreed by the EMC Executive Board represents an agreed collective negotiating position for councils to shape the implementation of the project in the East Midlands, assuming that it progresses in the way currently proposed by Ministers. The Government is committed to making a response to the consultation before the end of 2014, although a final decision on line of route and station location may not be made until after the General Election. Any significant changes to the proposed route may require a further round of public consultation, but the revised proposition will form the basis for the development of a second hybrid bill in the next Parliament.

1.3 Whilst the Government remains committed to implementation of Phase 2 in its entirety, many observers have noted that the ‘unity of purpose’ amongst local political leaders on the western leg between Birmingham and Manchester seems to be lacking across the eastern leg between Birmingham and Leeds (of reference to the East Midlands). This has led some to question the deliverability of the eastern leg.

2. HS2 Plus: A Report by David Higgins

2.1 The Chair of HS2 Ltd Sir David Higgins was asked by the Government to review proposals for HS2 with a view to speeding up construction and controlling costs. The report’s key recommendations are set out below and have already been accepted in principle by Government subject to the agreement of Parliament (The full report is available here).

- Extending the Phase 1 works to deliver a new regional transport hub at Crewe by 2027.
- Removing the proposed HS1-HS2 link between St Pancras International and Euston.
- Developing a more ambitious scheme at Euston that would also enable associated housing, retail and commercial development.
Advancing completion of the rest of Phase 2 to 2030, and taking a more strategic approach to integrating HS2 with the classic rail network.

2.2 A second report from Sir David Higgins on Phase 2 is planned for autumn 2014 and is likely to focus on the opportunities of better linking the northern and midlands cities both by HS2 but also by classic rail.


3.1 The Commercial Secretary to the Treasury, Lord Deighton, has led a task force to examine ways to maximise the local economic impacts of HS2. The resulting report makes 19 recommendations, including the establishment of local delivery bodies, the agreement of local HS2 growth strategies, and strategic collaboration across organisational and administrative boundaries. The report also proposes the establishment of a national regeneration company to help deliver local growth strategies and reaffirms support for a High Speed College to ensure that UK workers have the necessary skills to design and build the new line and rolling stock.

3.2 The Task Force's report has been informed by a number of roundtable discussions across the country, including one hosted by EMC in February 2014 at Loughborough Town Hall. The Government’s formal response to the report is expected shortly and is likely to be very positive.

4. **East Midlands HS2 Strategic Leadership Board**

4.1 In Birmingham, Manchester, Leeds and Sheffield, local partners have moved to establish high level strategic ‘Programme Boards’ to help shape the HS2 proposition with Government and to align local planning and investment decisions in ways that maximise the economic benefits HS2 to local communities. These structures will present opportunities to influence Government not currently available to local partners in the East Midlands and give Government and HS2 Ltd a clear focus for strategic engagement as the project progresses. This approach is consistent with key recommendations of the HS2 Growth Task Force Report.

4.2 Following discussions with HS2 Ltd and the Department for Transport and individual council leaders, EMC has been working to develop a similar arrangement based on the revised proposals set out in Appendix 6 (a). The proposals seek to reflect the particular challenges and opportunities of delivering HS2 successfully across the East Midlands.
4.3 An initial meeting of the Leadership Board is planned by the end of July 2014. Whilst there may be a limit to how much progress can be made the absence of a definitive Government decision on Phase 2 of HS2, it is vital that the local partners are in a position to move forward rapidly once the position becomes clear.

4.4 In addition, EMC is supporting the re-establishment of the Eastern Network Partnership to actively promote the economic benefits of the eastern leg of HS2 between Birmingham and Leeds.

5. **Recommendations**

Members of Executive Board are invited to:

5.1 Endorse proposals to establish an ‘HS2 Strategic Leadership Board’ for the East Midlands.

5.2 Note the rest of this report

Andrew Pritchard  
Director of Policy & Infrastructure
Executive Board Meeting
13th June 2014

Supporting the East Midlands Response to the Changing Climate

Summary
This report outlines the legislative and scientific context for local government in terms of climate change, some key data trends for the East Midlands, the work of the regional climate change partnership (Climate East Midlands) and emerging issues of relevance to Members.

Recommendation
Members of the Executive Board are invited to note the contents of this report.
1. **Background**

1.1 Climate East Midlands is hosted by East Midlands Councils and provides services to EMC’s member councils (and other local organisations) to help them respond to the causes and consequences of the changing climate, to cut energy costs, build resilience to extreme weather and capture the benefits of the growing low carbon economy.

1.2 CEM is a partnership that is chaired by Cllr Neil Clarke and administered by two full time EMC staff. CEM is a net contributor to EMC financially, drawing its funding from central government and other sources.

1.3 Although not a legal entity in its own right, CEM is part of a national network, Climate UK, which incorporated in 2011 as a Community Interest Company. This enables the nine climate change partnerships in England to enter into contracts with large organisations requiring services with a national reach but requiring local knowledge. Climate UK and the network of partnerships is recognised by Defra and provides outreach to the Environment Agency’s national **Climate Ready** service. It has also delivered work with and for DECC, DfT, DH, NHS, National Lottery, research networks and the Joseph Rowntree Foundation. CEM reclaims funding from Climate UK for its contributions to national projects.

2. **Legislative Context**

2.1 The main legislation governing action on climate change in the UK is the Climate Change Act 2008, which includes provisions on both reducing carbon and assessing and managing climate risks. Although the Act itself does not require specific action by local government, there are many things that local authorities can do to reduce greenhouse gas emissions and so help meet the legally binding target of an 80% cut in emissions by 2050 from 1990 levels. This was emphasised in a 2012 report by the independent Committee on Climate Change ‘**How local authorities can reduce emissions and manage climate risk**’ which highlighted that without concerted action by councils, the UK may not meet its reduction targets.

2.2 The Climate Change Act also enables the Government to require certain organisations and sectors to report publicly on their climate risks (the Adaptation Reporting Power), as it did in 2010 with a range of infrastructure and utility companies. Local government was not included at the time, but could be brought in at some point in the future if councils are perceived to be insufficiently prepared.

2.3 A range of subsequent legislation that covers issues including energy, water, flood risk, the natural environment, communities and the planning system
does have more specific requirements for local government and all of these
have climate implications. Taking action on the causes and consequences of
climate change is gradually becoming more and more integral to the day to
day work of the local authority.

3. Latest Scientific Reports

3.1 The United Nations Inter-governmental on Climate Change (IPCC) has published three major new reports in recent months which together make up the Fifth Assessment Report 2014 (the Fourth was in 2007). These are very detailed global scientific assessments with quantified levels of confidence and probability designed to inform national governments and help them to develop appropriate policies.

▪ The Physical Science Basis
▪ Impacts, Adaptation and Vulnerability
▪ Mitigation of Climate Change

A synthesis report combining all the key messages is due in October 2014.

3.2 These confirm much of what has been said in previous IPCC Assessment Reports, but generally with greater confidence, due to the much larger range of data and evidence that has been considered over the last seven years. Some of the key findings include:

▪ Warming of the climate system is unequivocal.
▪ Each of the last three decades has been successively warmer at the Earth’s surface than any preceding decade since 1850.
▪ Human influence on the climate system is clear.
▪ Global surface temperature change for the end of the 21st century is likely to exceed 1.5°C relative to 1850 for all scenarios.
▪ Global mean sea level will continue to rise during the 21st century (within the likely range of 0.26 - 0.82m).
▪ Continued emissions of greenhouse gases will cause further warming and changes in all components of the climate system. Limiting climate change will require substantial and sustained reductions of greenhouse gas emissions.

4. The Picture in the East Midlands

4.1 The local implications of climate change for the East Midlands have been analysed and interpreted in a number of ways and have been thoroughly disseminated throughout Member councils over several years. Climate East Midlands provided intensive support to councils (including councillors and planning officers) through the DCLG-funded Climate Change Skills Programme 2010 – 2013, with projects on Decentralised Energy, Planning for Adaptation, Corporate Carbon Management, Carbon Reduction Scenario
Reports, Schools Collaboration on Resource Efficiency, Inspiring Leaders, Community Skills and Well Adapting East Midlands.

4.2 Due to ongoing budget reductions, many councils (particularly districts) have had to cut back on their climate related activities and hence the current picture is much more uneven than in 2012, with an inevitable loss of knowledge, experience and capacity. Conversely, the budget restrictions have in some ways helped focus attention on the quantity and quality of the council property estate and there are now various local examples of good asset and energy management with fewer, better buildings which are more energy efficient and utilised more effectively. Examples include Melton Borough Council’s Parkside offices, Hinckley & Bosworth Borough Council’s Hinckley Hub and Derby City Council’s Council House which is also (perhaps uniquely) part powered by a hydropower plant on the River Derwent.

4.3 Many councils have been pro-active and entrepreneurial in exploiting renewable energy opportunities which can provide guaranteed income over a long timescale and in using new mechanisms (e.g. the RE:FIT programme developed in London and now available in the East Midlands, with support from Nottingham City Council) to invest in their estate and achieve guaranteed savings in energy bills.

4.4 The data trends illustrated in the Appendix 7 (b) suggest that the East Midlands is continuing to make progress in gradually reducing its carbon emissions, but is lagging behind other regions in the deployment of renewable energy and particularly in the domain of household energy consumption.

4.5 Indicators that help to measure progress in adaptation and resilience are much less well developed, though the Committee on Climate Change (CCC) is now doing this at a national level, via annual reports to Parliament. Climate East Midlands is also working with local authorities to pilot indicators designed to inform local decision makers about whether local areas are becoming more or less resilient. The concern is that whilst local authorities may be able to manage (at least to some extent) current levels of climate risk, they might not be doing the right things to assess and reduce longer term risks. It is also possible that some risks may indeed be increasing, e.g. through inadvertent decisions in the planning process - the CCC’s research in 2012 suggests that over a ten year period some 40,000 homes were built in flood risk areas without adequate protection.

5. Current and emerging issues

- **Flood Risk** A succession of extreme wet weather events in recent times has highlighted the country’s vulnerability to flooding, including England’s
wettest year on record in 2012, the wettest and stormiest winter on record in 2013/14 and the biggest tidal surge since 1953 in December 2013. A new Cabinet Committee on Flooding was established in February 2014 following the flooding in Somerset, the Thames Valley and different parts of the coast (particularly Lincolnshire). Such events are projected to become more frequent and more intense as the climate continues to warm. Sustainable Drainage Schemes (SUDs) are one response that councils can influence, to help reduce surface water flooding from new developments, though Lead Local Flood Authorities are still awaiting the implementation of delayed regulations under the Flood and Water Management Act 2010 to set up SUDS Approval Bodies. The Committee on Climate Change has also estimated that the current level of investment in flood defence spending will not be sufficient to keep up with the increasing risk of flooding.

- **Insurance** Related to this is the issue of affordable insurance for homes and businesses in flood risk areas. Over 490,000 people in the East Midlands are at risk of flooding according to the 2011 National Flood Risk Assessment. The Government and Association of British Insurers agreed a new Flood Re scheme last year to replace the previous Statement of Principles, but there are concerns that this does not sufficiently factor in the issue of increasing risk due to climate change.

- **Climate Justice** New research from the Joseph Rowntree Foundation is helping provide new insights for policy makers about the impacts of climate change on vulnerable groups. By combining datasets of social deprivation with climate risk, researchers have started to build up a picture of how climate change is likely to affect the most vulnerable in society, and how well meaning public policies may even exacerbate such differences. Climate UK has been commissioned by JRF to develop a new Climate Just tool during 2014, designed to help local authority and other public service providers take such findings into account.

- **Low Carbon Economy** One of the surprising successes of the recent recession was strong growth in the low carbon goods and services sector of the economy. This is particularly welcome as one of the opportunities arising from climate change, along with the potential of the adaptation economy which Defra projects could be a major export opportunity for the UK. The new EU programme of Structural Funds 2014 - 2020 requires 20% expenditure on the low carbon economy, via the UK’s mechanism of financing through Local Enterprise Partnerships and their investment plans. There is some encouraging local progress on this in the form of D2N2’s Low Carbon Plan which starts to detail how LEP job creation priorities can be partly achieved through growth in the low carbon sector.
6. Climate East Midlands

6.1 The priorities for CEM during the current year are to build upon the successes of last year (Appendix (a)), in particular:

- Continue to work with businesses to build resilience to extreme weather and future climate (in association with local authority emergency planners).
- Continue to support local authorities in starting to use new climate tools which help quantify the impacts of extreme weather and understand who and where is most at risk.
- Continue to pilot adaptation indicators with local authorities.
- Support local authorities and Local Enterprise Partnerships in growing the low carbon/green economy.
- Implement the second year of a project supporting farmers and land managers in soil management in a changing climate.

7. Recommendations

Members of the Executive Board are invited to note the contents of this report.

Cllr Neil Clarke MBE
Vice Chair, East Midlands Councils

Mike Peverill
Climate East Midlands
Climate East Midlands activities in 2013/14

- **Events** A large number of events that were organised and facilitated, which directly engaged some 670 people in total in either half or full day events. These included people from 100 businesses, 57 schools, 85 farmers, 60 planners, 25 highway engineers and 65 energy/environment officers. Every event was separately evaluated and the majority of the feedback was very positive.

- The **Land Management Business Resilience (LaMB)** project provided six on farm Soil Management workshops in August near Swadlincote (Derbyshire), Costock (Leicestershire) and Balderton (Nottinghamshire), organised by CEM in conjunction with EA Midlands and Farming Advisory Service and attended by around 85 farmers (with 87% rating them as good or excellent). It concluded with an on-farm training event in Screveton, Notts on 18th March for EA (Midlands) Land and Water staff, in how to work effectively with farmers to promote good soil management.

- A **Resilient Highways workshop** was organised by CEM (part of a national programme commissioned via EA) in July in Derby, attended by 8 out of 9 local highway authority representatives (30 participants). A project briefing was also provided to the East Midlands ADEPT network in July in Kettering.

- A **Green Economy round table** was organised by CEM in Melton in July, part of the ERDF-funded project led by East Midlands Councils to help maximise EU investment into the region 2014-2020 (25 participants)

- A **Nearer to Zero conference**, organised by CEM in association with Zero Carbon Hub, Northamptonshire and Leicestershire County Councils was held in Leicester in July, with 135 participants and followed up with a further meeting in September.

- The **Business Resilience in a Changing Climate (BRiCC)** project provided workshops for businesses in Derby, Leicester, Nottingham, Stafford, Wolverhampton and Stoke (funded by EA Midlands), with a further two in Daventry and Corby (funded by Northamptonshire County Council). **3 new case studies** were completed for Boots, Plantool Hire and British Gypsum.

- CEM recruited 19 people to undertake **accredited training** in the use of the **Business Resilience Health Check** on 31st March, including insurance brokers and other business advisors.

- An **East Midlands Low Carbon Schools** conference took place on 7th March 2014 at the National College for Teaching & Leadership, Nottingham and was attended by over 180 headteachers, governors, school finance/premises staff, local authorities and energy service providers.

- A new set of **9 Low Carbon School Case Studies** was published to coincide with the conference, with examples from across the region.
Climate UK won a contract with the Joseph Rowntree Foundation in December to develop a new Climate Just web based tool and engage and train local authorities in how to use it (project managed by CEM).

The Peer Learning project included a REFIT workshop with Nottingham City Council in May, a 3 districts hosted event in Leicestershire in June and concluded with an EA hosted day for local authority staff on 10th Jan 2014 at Trentside, all well received.

The Green Economy project supported a ‘Growing a Low Carbon Sector business and employment sector’ conference in Nottingham on 6th November 2013 which was attended by 80 people.

A new case study of Derby City Council’s Hydropower scheme (which supplies electricity to the council’s main offices) was also completed.

The Adaptation Indicators research project continued throughout the year and presented in report form to the 5 partner local authorities and supporter, EA Midlands.
Data trends

1. Carbon Dioxide emissions per capita in the East Midlands
   This is a DECC dataset which started as NI186 and is still collected to help inform local authorities about the level of CO2/capita from their local area. The general trend is downwards in all nine local areas, though the upwards spike is thought due to the increase in gas consumption due to the very cold winter of 2010/11. There is a big variation between the highest (Rutland) and lowest (Nottingham and Leicester) figures. This visualisation is due to be updated in September following the latest annual data release.

2. Renewable Energy Deployment
   There has been a steep rise in the installation of renewable technologies across the country over recent years, particularly since the introduction of new incentives like the Feed in Tariff, however when the figures are disaggregated to a regional level, there are big variations. The East Midlands sits somewhere in the middle, but has less than one third of the capacity of the East of England, the region with the highest installed capacity. (Graphs from DECC’s Renewable Energy Statistics database)
3. Household Energy Consumption

These figures, released by ONS in 2013, show an encouraging trend of steadily declining average household energy consumption of gas and electricity across the country. However for reasons not yet understood, the East Midlands is the worst performing region and the worst ten local areas are all in the East Midlands, mostly Leicestershire.

Figure 3: Average household energy consumption, English regions and Wales, 2005–11

Table 1: Highest and lowest average total household energy consumption, local authorities, 2011

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<th>Local authority</th>
<th>Region/Country</th>
<th>Mean household energy consumption (megawatt hours)</th>
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<td>Gedling</td>
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<td><strong>Lowest household energy consumption</strong></td>
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Summary

This paper updates Members on the recent work of East Midlands Councils’ Regional Employers’ Board.

Recommendations

Members of the Executive Board are invited to:

- Note this report.
- To provide comments and feedback on the employment issues identified within the report to inform EMC’s input to future Employers’ meetings at Regional, National and European level.
1. Introduction

1.1 The Regional Employers’ Board leads the development of employment issues and on councillor development; it forms the Employer’s side of the Regional Joint Council. East Midlands Councils (EMC) through its role as the region’s Employers Organisation, has the responsibility of supporting employment relations through the operation of the Regional Joint Council. This report updates members on the progress and work of the Board to date.

2. Background

2.1 At East Midlands Councils’ AGM 2013, Cllr Tom Beattie from Corby Borough Council was elected as Chair of the Employers’ Board with Cllr Ian Fleetwood from Lincolnshire County Council as Vice-Chair.

2.2 The Board is comprised of 15 members:
- Cllr Tom Beattie    - Corby BC (Chair)
- Cllr Ian Fleetwood   - Lincolnshire CC (Vice Chair)
- Cllr Ken Savidge   - North East Derbyshire DC
- Cllr John Clarke   - Gedling BC
- Cllr John Burrows   - Chesterfield BC
- Cllr Simon Greaves   - Bassetlaw DC
- Cllr Dennis Kelly   - Bolsover DC
- Cllr Pat Lally   - Broxtowe BC
- Cllr Robert Parkinson   - Erewash BC
- Cllr Mary Malin   - Kettering BC
- Cllr Tony Roberts MBE   - Newark and Sherwood DC
- Cllr Terry King   - Rutland CC
- Cllr David Slater   - Charnwood BC
- Cllr Jeffrey Kaufman   - Oadby & Wigston BC
- Cllr Christopher Darcel   - West Lindsey DC

3. Employers’ Board and Regional Joint Council Meetings

3.1 The Regional Employers’ Board had identified the following as the key areas of focus:
- Implementation of the Living Wage
- Zero-hour contracts
- Relationship with CEEP UK/Europe
- Creating jobs and youth employment
- Blacklisting amongst contractors
- Working together on terms and conditions
Progress made to date on these issues is summarised below.

a) **Living Wage**

3.2 It is for each local authority to decide whether it wishes to pay the Living Wage, and accreditation with the Living Wage Foundation is voluntary. The Living Wage has been discussed regularly at meetings of the Regional Employers’ Board and Regional Joint Council, including a presentation from Bassetlaw District Council following their accreditation as a Living Wage Employer during the year. EMC continues to provide information and advice to authorities on the implementation of the Living Wage.

b) **Zero-Hours Contracts**

3.3 A response was submitted on behalf of the Regional Employers’ Board to the Government’s consultation on proposals regarding the use of zero-hours contracts. The Board’s submission was in agreement to proposals for an employer-led code of practice, to include the fair use of exclusivity clauses and to promote transparency and clarify the rights and responsibilities of all parties to the contracts.

c) **Relationship with CEEP UK/ Europe**

3.4 EMC is a member of CEEP UK, which represents the interests of public sector employers at European level negotiations through its role in CEEP, which is a social dialogue partner.

3.5 EMC has continued its membership of CEEP UK and is seeking to maximise the benefits of membership and ensure that opportunities for influence are fully utilised. An example of this is my recent appointment to CEEP UK’s Executive Board.

3.6 With over 50% of regulations affecting local government stemming from the EU, the importance of effective influence is clear. The EU’s main forthcoming agenda issues of youth employment, equality, procurement and health and safety have particular relevance for local government.

3.7 A knowledge briefing was held for councillors in March 2014 to provide information on maximising opportunities for influence and funding at European level. The event was well-supported and received positive feedback.
3.8 As a member of the CEEP UK Executive, two EU-funded events were attended since the last meeting of the Executive Board. These were both on the issue of gender equality. The first event was a seminar to launch the publication of the EU Gender Equality toolkit which is web-based and provides information and practical examples of initiatives that have been taken to improve gender equality across the EU. The second event, was the meeting of the Advisory Committee, which discussed key issues such as equal pay, and EU funding for projects to address violence against workers, which in local government particularly relates to front-facing roles which tend to be occupied by more women than men.

3.9 East Midlands Councils has submitted a proposal for a part-funded EU project that will look at the impact of EU policy and priorities on the East Midlands region and young people within the region. If the proposal for funding is accepted, there will be five events/seminars to look at the following:-

- What should be the policy priorities for the next European Commission 2014-19?
- EU employment and social legislation: a burden on business and a boon for workers?
- What is the impact of intra-EU migration? Are changes to free movement rules needed?
- Is Europe still relevant to young people? How do they view British EU membership?
- Does EU policy help or hinder addressing energy and environmental challenges in the UK?

d) Creating Jobs and Youth Employment

3.10 At the Regional Joint Council meeting held on 2nd June 2014, the issue of supporting youth employment was discussed, with a presentation received from Corby Borough Council on a range of successful approaches they have taken to support young people into work, for example through a wide-ranging approach to neighbourhood management, apprenticeship and training programmes and positive working with partners.

3.11 Youth employment and how authorities are driving the creation of jobs and skills will be the topic of the councillor knowledge briefing being held in Melton Mowbray on 4th November 2014.

4. National Association of Regional Employers (NARE)
4.1 NARE brings together all of the regional employers’ organisations across the country to inform developments in local government employment and terms and conditions.

4.2 At its meeting of 18th March 2014, there was a discussion concerning the implications for local authorities, including legal and cost issues, of the Public Sector Network Security Checks required by the Cabinet Office (see below). The meeting also focused on the ongoing national pay negotiations, developments with pensions and changes to LGA governance arrangements, with the workforce board being replaced by a broader resources board.

4.3 The next meeting of NARE will be held on 19th June 2014 (agenda to be finalized).

5. National Employment Developments

a) Pay

5.1 Members will be aware that a final offer of a national pay award was made to local government services employees (those covered by the Green Book). This followed the claim by unions for a minimum increase of £1 an hour on scale point 5 to achieve the Living Wage and the same flat rate increase on all other scale points. It has been estimated by the LGA that this would add 8.5% to the national pay bill in local government. A copy of the employers’ offer is attached as background information. Trade unions consulted their members on the offer with a recommendation to reject it. Trade unions are now balloting their members to take industrial action, and announced a potential strike taking place on 10th July 2014. The results of the ballots are likely to become known at the end of June, with Unison’s result likely to be announced on 24th June.

5.2 East Midlands Councils are providing advice to authorities on the issue, including support and guidance on managing the implications of industrial action. EMC will also be co-ordinating information and communication on behalf of the LGA to authorities in the region.

5.3 EMC is holding an employment law seminar on 3rd July which will include specific advice and Q&As on queries authorities have regarding industrial action.

b) Public Services Network (PSN) Security Checks

5.4 EMC worked with regional counterparts and the LGA to lobby the Government over its proposals to require local authorities to carry out security checks for all
employees in order to comply with the arrangements for the Public Services Network (PSN). EMC have been providing information and guidance to authorities through its officer networks.

5.5 Cabinet Office guidance indicated that **all those directly employed** by local authorities who may have access to the authority’s own network need to be checked in line with Baseline Personnel Security Standard (BPSS), if that authority is to be allowed to be part of the wider network. The element of the BPSS concerning the verification of any criminal record could not be taken forward for all staff through DBS (Disclosure & Barring Scheme) because the statutory framework only allows DBS to be used for certain posts (ie those working with vulnerable clients.) As a result councils would be required to have the unspent convictions check carried out by Disclosure Scotland or Access Northern Ireland, not DBS.

5.6 The compliance requirements would add to costs, both direct and administrative, with one medium sized unitary council estimating the additional cost to them of checking all employees would be around £100,000.

5.7 The outcome of our lobbying has been successful, as the Cabinet Office has reviewed and updated its requirements in response to the comments made. Its guidance now states that while the approach is recommended, it is no longer a mandatory requirement to have all users of a PSN-connected network validated to BPSS or equivalent. Authorities are now able to decide for themselves if there is a need for BPSS or equivalent validation, based on their own internal risk assessment.

6. **Recommendations**

Members of the Executive Board are invited to:

6.1 Note the contents of the report.

6.2 Provide comments and feedback on the key employment issues identified above to inform EMC’s input to future Employers’ meetings at regional, national and European level.

Cllr Tom Beattie
Chairman
Regional Employers’ Board
Summary

The following report provides members of the Executive Board with an update on the work of the Regional Improvement and Transformation Board with particular reference to:

- The savings delivered by the RIEP legacy programme;
- The roll-out of the 2014/15 member development programme; and

Recommendations

Members of the Executive Board are invited to consider and comment on the issues detailed in this report.
1. Introduction

1.1 The following report provides members of the Executive Board with a summary of the work of the Regional Improvement and Transformation Board.

2. Formal Closure of RIEP Legacy Programme (2011/12 - 2013/14)

2.1 Members agreed the formal closure of the previous RIEP legacy programme and final accounts that included the transfer to the EMC general reserve of £588,831 against which £114,400 is committed to programmes for completion in 2014/15 (adult social care; climate change programmes).

2.2 Members directed that the impact of the programme be widely shared with the EMC membership through a number of focused summary bulletins. Information to highlight includes the £2.46m of grant investment that has resulted in total savings to local councils of £18.97m, a return of 1:8.

2.3 A ‘lessons learnt’ summary document will also be developed to highlight case studies and good practice to reflect where particular approaches to supporting sector-led improvement were successful; and also where programmes were less successful in order to inform a more effective approach to any programme funding in the future.

3. Regional Networks

3.1 EMC runs a number of networks to support local government learning and development by:
- Sharing practice and information.
- Informing the development and delivery of specific work programmes and events that can be offered on a regional basis to achieve efficiencies of scale and coordination.
- Reflecting the strategic priorities of East Midlands Councils, as agreed by its membership.

3.2 In order to focus resources against the recently agreed business plan and budget, the Board informed a review of networks with specific reference to EMC strategic priorities.

3.3 Consequently, for 2014-15; it was agreed that the following lead-Member networks are the focus for EMC support for 2014-15:
- Health and Wellbeing Boards
- Adult Social Care
- Children’s Services
3.4 It was also agreed that the following lead-Member and Officer networks are the focus for EMC support for 2014-15:
- Scrutiny Network
- Councillor Development Network

3.5 There are a number of additional officer networks that also deliver against EMC strategic objectives that have the support of the Board and will inform the development of on-going work and reviews that will be presented to Members, e.g. welfare reform, ERDF programme funding, and performance management.

4. **Member Development Programme 2014/15 (Summary)**

4.1 Developed in consultation with the Chair of the Regional Employers’ Board and the member Development Working Group; a draft programme is proposed and attached in Appendix 9(a).

4.2 The proposed programme for 2014/15 encompasses knowledge briefing events, skills development and networking opportunities to provide a range of development support opportunities for members to attend.

4.3 The aim is for the programme to be flexible and responsive to meeting the needs identified by members both currently and in the future.

4.4 There are a number of different pricing structures for the member development programme; some free, some discounted and some that seeks to return marginal profit. In all cases, participants from non-member councils are charged a fee, and at levels substantially higher than those applicable to member councils.

4.5 The Member Development Programme offers at least one member development opportunity per month (with the exception of August). Members of the Improvement and Transformation Board endorsed the draft programme but agreed the addition of a specific development session to support more effective scrutiny for scrutiny chairs and lead officers over and above the standing scrutiny network.

4.6 Further opportunities will be provided at the request of members.


5.1 Members endorsed proposals to hold a headline event on 21st November 2014, ‘The Future of Local Government and Public Service Delivery in the
5.2 A summary note of proposals is attached as Appendix 9(b).

5.3 The objectives of this event are to:
- To deliver on the EMC commitment to be an ‘All-Member’ Organisation.
- Provide an opportunity for councillors and partner organisations to discuss and inform proposals relating to public service delivery.
- Presentation of ‘Prospectus’; a limited number of proposals that Councils would like to see reflected in the manifestos of the main political parties.
- Highlight opportunities to inform and support the further development of manifesto proposals.
- Deliver value-added to member councils and their councillors.

5.4 A core element is the suggested presentation of a ‘Prospectus’ that may include a limited number of proposals that Members would like to see reflected in the manifestos of the main political parties.

5.5 It is suggested that the core principles for this prospectus are considered and discussed at the EMC AGM on the 11th July. This would in turn inform the work of the Management Group that would act as the ‘task and finish group’ in the development and drafting of the prospectus and final agenda.

5.6 To provide the context and framework for the discussion at the EMC AGM on 11th July, Members of the Executive Board are invited to highlight specific issues as the basis for the initial development of the ‘prospectus’.

5.7 This ‘prospectus’ will provide an important element of the ‘all-member’ pillar of activity of the EMC business plan with an opportunity for all councillors across the region to engage and directly influence the direction and focus of this piece of work.

5.8 The Executive Board will be presented a final draft of the prospectus at its meeting on September 2014 for its consideration and final sign-off, with any further changes delegated to the Management Group on its behalf.

5.9 Members are also invited to propose frontbench speakers for the event.

6. Health

6.1 In response to the direction set by Executive Board, members discussed the scope of the proposed review into health in the East Midlands. The following issues were highlighted:
- An analysis of health outcome inequalities.
- The determinants of health inequalities.
- Child poverty and obesity.
- Levels of health spending in the East Midlands both compared to other regions (the latest HM Treasury data shows that expenditure per head in the East Midlands is only 92% of the levels for England), and disparities within the region (rural/urban).

6.2 A wider summit of MPs, council leaders, Public Health England, NHS providers and Health and Well-Being representatives to lead this review was suggested. The potential for this will be explored.

6.3 It was proposed that the scope of the review will be presented to the AGM on 11th July 2014 with a final report being presented to the next full meeting of EMC scheduled for February 2015.

7. **Recommendations**

7.1 Members of the Executive Board are invited to consider and comment on the issues detailed in this report.

Cllr Roger Begy OBE
Chair, Improvement and Transformation Board
East Midlands Councils
Member Development Programme

East Midlands Councils, supporting your local authority needs

East Midlands Councils (EMC) provides a comprehensive Councillor Development programme for councils in the East Midlands that range from policy events covering issues such as Welfare Reform, to personal development planning for Councillors.

The Councillor Development and support programme includes;

- A tailored programme of knowledge Briefing events for Councillors in the East Midlands
- A weekly briefing service with the latest digested news for local government
- Skills workshops delivered in house or at our headquarters on areas such as Chairing skills, Time management and Presentation skills
- The East Midlands Regional Councillor Development Charter support, assessment and validation of
- Community Leadership Awards
- Councillor Development Network
- A Scrutiny Network for practitioners
- Member Development Political Skills Audit Tool
- Personal Development Planning for Councillors
- Action Learning Sets for Councillors
- Developing Impact and Influence Workshops for Councillors

For more information of our events and the support we can provide visit www.emcouncils.gov.uk/Councillor-Development

The future of Local Government and Public Service Delivery in the next Parliament

21 November 2014

Our flagship event in 2014. The event will provide an overview and update of current and emerging policies across the political spectrum ahead of the 2015 General Election, a not to be missed event for Councillors

Councillors will have the opportunity to hear from leading political thinkers and commentators on the future of local government

Free to Members of EMC
King Power Stadium, Leicester

Invitations will be sent to member authorities in September 2014
An overview of events and key dates for your diary during 2014/15 - further information will be made available in the monthly newsletter

**11 June - Role of Civic Head and Civic Team**
Understanding the roles and requirements to be effective in Civic Office
£175 for EMC Member. Venue - EMC Office, Melton Mowbray

**17 June - The impact of Migration in the East Midlands - Understanding social impact of population change**
This event will provide an update on the current and future migration trends, issues and developments and how councillors can make effective use of the migration data at a local or ward level
Free for members of the Regional Programme of Briefing events. Venue - EMC Office, Melton Mowbray

**19 June - Strengthening and Sustaining Personal Resilience**
A seminar providing practical methods and ideas to manage pressures and challenges faced by Councillors
£175 for EMC Member. Venue - EMC Office, Melton Mowbray

**3 July - Action Learning Experience**
Learn how to develop effective reflection and questioning techniques to help understand real challenges and issues experienced in order to take action
£95 for EMC Members. Venue - EMC Office, Melton Mowbray

**24 September - Wet, Wet, Wet - Building Local Resilience in a Changing Flood Risk Context**
Focusing on the increasing problem of flooding and extreme weather and the pressing need to build local resilience alongside the council roles and responsibilities under the relevant legislation
Free for members of the Regional Programme of Briefing events. Venue - Parkside, Melton Mowbray

**1 October - Convincing Communication Skills**
A practical workshop to support councillors communicate and influence effectively
£175 for EMC Member. Venue - EMC Office, Melton Mowbray

**8 October - Where are we now? What the changes in Welfare Reform, Housing and Planning mean for local government now**
A policy update event exploring the Welfare Reform, Housing changes. The event will provide an overview of the changes to date and provide analysis of what impact the changes have had on local government and its residents
Free for members of the Regional Programme of Briefing events. Venue - Parkside, Melton Mowbray

**16 October - The Councillor and Officer Relationship**
This session defines clearly how member and officer relations can work to best effect and for mutual benefit
£95 for EMC Member. Venue - EMC Office, Melton Mowbray

**4 November - Employment Matters—local authorities driving jobs and skills**
An event focusing on employment issues, particularly youth unemployment, exploring how authorities can support young people in employment, education and training

**14 November - Decision making and effective problem solving**
A practical workshop to understand and develop strategies for effective decision making and problem solving
£175 for EMC Member. Venue - EMC Office, Melton Mowbray

**21 November - The Future of Local Government in the next Parliament**
An overview and update of current and emerging policies across the political spectrum ahead of the 2015 General Election
Free to EMC Members. Venue - King Power Stadium, Leicester
3 December - Local Government Finance
Covering the basics of local government finance and financial management as well as the implications and impact of forthcoming Government changes
£175 for EMC Member. Venue - EMC Office, Melton Mowbray

22 January 2015 - Community Safety
An update event on Police and Crime Commissioners and Panels, exploring community safety issues facing local government
Free for members of the Regional Programme of Briefing events. Venue - Parkside, Melton Mowbray

24 February 2015 - Knowledge briefing event
Content to be confirmed
Free for members of the Regional Programme of Briefing events. Venue - Parkside, Melton Mowbray

6 March 2015 - Councillor Mentoring skills
A half day Mentoring workshop, exploring the skills required to be an effective political mentor
Costs - £95. Venue - EMC Office, Melton Mowbray

March 2015 - LGA/EMC Councillor and Chief Officer Road show event
Free for EMC Members. Venue - EMC Office, Melton Mowbray

Networks
EMC offers a range of practitioner networks, which seek to support the development of Councillors in specific areas. Network attendance is free and offers a valuable opportunity for Councillors to learn together and from each other.

Details of our Councillor Networks are below, further information is available from www.emcouncils.gov.uk/Councillor-Development-Events

Adult Social Care Network
The East Midlands Lead Member network for Adult Social Care Services provides an opportunity for Councillors to discuss current issues and practice.

Children’s Services Network
The East Midlands Lead Member network for Children’s Services provides an opportunity for Councillors to discuss current issues and practice.

Councillor Development Network
The network supports Councillors and Officers responsible for councillor learning and development, by sharing knowledge, information and ideas across the region.

Health and Well-Being Chairs’ Network
The Health and Well-Being Chairs’ network supports the chairs to develop their role through exchange of information, practice and ideas.

Scrutiny Network
A dedicated network for Councillors and Officers, providing an opportunity to explore national and local developments concerning scrutiny.

For more information about any of these sessions visit www.emcouncils.gov.uk/Councillor-Develoment-Events

Regional Programme of Briefing events for Councillors
The Regional Programme of Briefing events for Councillors is a series of 6 low cost knowledge based events for Councillors in the region. The programme aims to be informative, topical and responsive. The programme was launched in 2012, since then over 500 Councillors have benefitted from attending the events.

2014/15 programme;
17 June 2014 – The impact of Migration—understanding social impact of population change
24 September 2014—Wet, Wet, Wet—Building Local Resilience in a Changing Flood Risk Context
8 October 2014—Where are we now? What the changes in Welfare Reform, Housing and Planning mean for local government now
4 November 2014—Employment, local authorities driving jobs and skills
22 January 2015—Community Safety—Police and Crime update
24 February 2015—content is yet to be confirmed

The Regional Programme of Briefing events is a subscription based service available from EMC. The cost to EMC member authorities is £500, which entitles authorities to 12 places across the programme.

Already over 20 authorities have subscribed to the programme for 2014/15.
Our extensive Councillor Development Programme is accompanied by a range of services that member authorities can access. These services include:

**Community Leadership Awards for Councillors**

Community Leadership Awards recognise the development of skills, knowledge and experience of councillors as they progress in their roles.

**Developing Impact and Influence, Tailored Workshop on Politicians and Personality**

EMC offers a workshop for political leadership teams, committees/scrutiny groups, partnership groups or individuals, which explores how communication, leadership and management of change skills can be enhanced through knowledge of your own preferences and those of others, using the Myers Briggs Type Indicator (MBTI).

**Personal Development Planning**

EMC can provide a range of support to authorities on identifying individual Member learning and development needs.

**Regional Skills Development Sessions**

EMC offer a range of workshops for councillors which can be delivered in house or at our offices in Melton Mowbray. The programme can be tailored to the needs of your authority with the flexibility to run short bite size sessions through to full day workshops.

**Skills Workshops by County areas**

EMC have supported partnerships of local authorities with the design, coordination and successful delivery of member development programmes. The partnership approach to member development has enabled Councillors from across a range of local authorities to learn together, enhancing the experience and saving money.

The range of support outlined above is not exhaustive and is always tailored to the needs, context and culture of the local authority. If you would like further information and/or to discuss your member development needs in more detail please contact Lisa Butterfill on 01664 502643

lisa.butterfill@emcouncils.gov.uk

www.emcouncils.gov.uk/Councillor-Development

Discover what East Midlands Councils can do for you...

What our customers have said...

“Excellent event”

“A wonderful and extremely useful conference that should be available more widely”

“Well put together with topics and excellent speakers”

“The course was interactive and the exercises worked in a very standard way. I feel that it is one of the better courses I have been on.”

“It will help me to implement some intergenerational project groups within my ward”

“Great, this was really useful and enjoyable, I learnt a great deal in such a short period of time”
Future of Local Government and Public Service Delivery in the Next Parliament

10am - 2.30pm, Friday 21st November 2014

King Power Stadium, Leicester City FC

Objectives

- To deliver on the EMC commitment to be an ‘All-Member’ Organisation.
- Opportunity for councillors and partner organisations to discuss and inform proposals relating to public service delivery.
- Presentation of ‘Prospectus’; a limited number of proposals that Councils would like to see reflected in the manifestos of the main political parties.
- Highlight opportunities to inform and support the further development of manifesto proposals.
- Deliver value-added to member councils and their councillors.

Audience

- Councillors: EMC Members
  Council Leaders
  Portfolio Holders
  Group Leaders
  Member Councils offered further 3 places[?]
- Council Chief Executives/Senior Officers
- MPs
- MEPs
- Police and Crime Commissioners
- Business Representatives
- Higher and Further Education
- Voluntary and Community Sector
- Housing Providers

Speakers

- Chaired by Jon Hess, BBC East Midlands Political Editor [confirmed]
- Professor Tony Travers, Director LSE London [confirmed]
- Frontbench Representatives (MPs) from all main Parties
- EMC Leadership

Cost

£4200 - to be met (all, or substantially in part) by 3rd party sponsorship
Summary

EMC Management Group met on 19th May 2014. The following report summarises the issues that relate to the organisational performance, audit control and governance of EMC specifically; Audit and Financial Control, Political Advice and Support, Corporate Governance, Performance Management, Conduct and Standards.

All papers are available on the EMC website or on request to the Executive Director or Corporate Governance Manager.

Recommendations

Members of the Executive Board are invited to:

a) Note the draft financial report for the period 2013/14 as detailed in Section 2 of this report, and on the recommendation of Management Group:
   • Approve the transfer to reserves of the trading surplus £83,500.
   • Note the payment from reserves to LCC of £83,500.
   • Note the transfer to EMC Reserves of the final RIEP legacy balance (£588,880 – £114,400).
   • Note that unallocated reserves now stand at £1,020,900

b) Note the results of the recent local and European elections as detailed in Section 3 of this report.
   • Welcome Cllr Ranjit Banwait (Derby City Council) as a member of the Executive Board.
   • Formally thank Cllr Paul Bayliss (Derby City Council) for his contribution to the Board over the past two years.

c) Note the update on corporate governance as detailed in Section 4 of this report.

d) Endorse the proposed KPIs as suggested in Section 5 of this report.

e) Note the update on conduct and standards as detailed in Section 6 of this report.
1. Introduction

1.1 This following summary report of the issues considered by the Management Group at its meeting on 19th May 2014 reflects recently agreed lead member roles, specifically:

a) Audit and Financial Control Cllr Martin Hill
b) Political Advice and Support Cllr Jon Collins
c) Corporate Governance Cllr Neil Clarke
d) Performance Management Cllr Robert Parker
e) Conduct and Standards Cllr Fiona Martin

2. Audit and Financial Control – (Report by Cllr Martin Hill)

2.1 Members considered the draft annual accounts for the period ending 1st April 2013 - 31st March 2014 that showed a £83,500 contribution to reserves after one-off costs associated with the office move and the transfer of accountable body.

2.2 The original budget of £130,000 surplus to be added to reserves has not been met largely due to the unanticipated costs associated with the statutory requirement to provide the Certification Officer with a fully compliant set of IFRS accounts in fulfilment of EMC's role as a Regional Employers Association (£35,000). These costs were previously reported to Management Group and Executive Board.

2.3 Members considered the draft annual accounts report in detail and noted that at 31st March 2014 reserves stood at £1,135,300 after receipt of the trading surplus in para 2.1 and payment to LCC of £83,500 with regard to EMC's commitment to reduce the pension deficit. This balance includes the final balance of RIEP legacy money £588,800.

<table>
<thead>
<tr>
<th>Reserves</th>
<th>£'000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>B/Fwd from 2012/13</td>
<td>546,500</td>
</tr>
</tbody>
</table>

2013/14 transactions

<table>
<thead>
<tr>
<th>Transaction</th>
<th>£'000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from I&amp;E (£102,500 - £19000)</td>
<td>83,500</td>
</tr>
<tr>
<td>EM IEP Reserve</td>
<td>588,800</td>
</tr>
<tr>
<td>Pension Payment to LCC</td>
<td>-83,500</td>
</tr>
<tr>
<td>Reserves As at 31.3. 2014</td>
<td>£1,135,300</td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Earmarked reserves (RIEP)</td>
<td>-114,400</td>
</tr>
<tr>
<td><strong>BALANCE AVAILABLE</strong></td>
<td><strong>£1,020,900</strong></td>
</tr>
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</table>

Allocated on the following basis

- General Reserve £660,900
- Staffing Reserve £300,000
- Equipment Reserve £60,000
- **TOTAL** £1,020,900

2.4 The accounts of East Midlands Councils for the financial year 2013/14 will be consolidated within those of the accountable body for that period, Leicestershire County Council, who will produce the formal Statement of Accounts.

2.5 Members agreed to adopt a financial reporting structure based on the 6 core areas of activity:
- Core Services
- Contracts and Grants
- Members Learning and Development
- Consultancy
- Fee paying events
- Fee paying services

2.6 In addition, there will be detailed information for each core area together with a report which aligns resources against each of the four pillars of EMC work agreed as key objectives of the business plan.

3. **Political Advice & Support - (Report by Cllr Jon Collins)**

Summary of Local Government and European Parliament Election Results and Regional Political Balance for the East Midlands

a) **Introduction**

3.1 The following report provides a brief summary of the election results of the five East Midlands’ councils and its impact upon the region’s political balance. The political balance has not changed significantly, with Labour remaining the largest party. The results do not therefore change the overall governance of East Midlands Councils.
### Local Government Election Results

3.2 Local Government elections were held in five authorities within the East Midlands on the 22nd May 2014:

- Derby City Council (18 seats – one third up for election) remained under Labour control.
- Amber Valley Borough Council (15 seats – one third) changed from Conservative to Labour control.
- Bassetlaw District Council (16 seats – one third) remained under Labour control.
- Daventry District Council (12 seats – one third) remained under Conservative control.
- Lincoln City Council (11 seats – one third) remained under Labour control.

<table>
<thead>
<tr>
<th>Derby City Council</th>
<th>Conservative</th>
<th>Labour</th>
<th>Lib Dem</th>
<th>UKIP</th>
<th>Independent</th>
<th>Others</th>
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</thead>
<tbody>
<tr>
<td>No. of seats</td>
<td>14</td>
<td>27</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>0</td>
<td>-2</td>
<td>+2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Result (18 seats)</td>
<td>Labour control - no change</td>
<td>Leader - Cllr Ranjit Banwait</td>
<td></td>
<td></td>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Amber Valley BC</th>
<th>Conservative</th>
<th>Labour</th>
<th>Lib Dem</th>
<th>UKIP</th>
<th>Independent</th>
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<tbody>
<tr>
<td>No. of seats</td>
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<td>24</td>
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<tr>
<td>Change</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Result (15 seats)</td>
<td>Labour gain from Conservatives</td>
<td>Leader - tbc</td>
<td></td>
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<table>
<thead>
<tr>
<th>Bassetlaw DC</th>
<th>Conservative</th>
<th>Labour</th>
<th>Lib Dem</th>
<th>UKIP</th>
<th>Independent</th>
<th>Others</th>
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</thead>
<tbody>
<tr>
<td>No. of seats</td>
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<td>3</td>
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<tr>
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<td>+1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Result (16 seats)</td>
<td>Labour control - no change</td>
<td>Leader - Cllr Simon Greaves</td>
<td></td>
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<table>
<thead>
<tr>
<th>Daventry DC</th>
<th>Conservative</th>
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<th>UKIP</th>
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<td>3</td>
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<td>0</td>
<td>+2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Result (12 seats)</td>
<td>Conservative control - no change</td>
<td>Leader - Cllr Chris Millar</td>
<td></td>
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</tbody>
</table>
3.3 In accordance with the EMC Constitution, the leaders of each unitary and county authority are invited to join the Executive Board. Consequently, the Board are invited to welcome Cllr Ranjit Banwait (Derby City Council) as a member of the Executive Board.

3.4 The Board is also invited to formally thank Cllr Paul Bayliss (Derby City Council) for his contribution to the Board over the past 2 years.

c) Regional Political Balance (EMC member authorities)

3.5 As a result of the local government election results, the political balance in the region has changed marginally. Labour retains its position as the largest political group in terms of political balance, with the Conservatives in second place.

<table>
<thead>
<tr>
<th>East Midlands</th>
<th>Conservative</th>
<th>Labour</th>
<th>Liberal Democrat</th>
<th>Independent</th>
<th>Total</th>
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<td>2014</td>
<td>38.5</td>
<td>43.5</td>
<td>9.1</td>
<td>8.9</td>
<td>100.0</td>
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<td>2013</td>
<td>40.2</td>
<td>42.9</td>
<td>9.1</td>
<td>7.8</td>
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</tbody>
</table>

3.6 Members are advised that political balance is determined on the basis of political proportionality information provided by the LGA rather than the number of councils held by each political group.

3.7 The EMC Constitution states that the chair of EMC shall be nominated by the largest political group of Local Authorities in membership and from within the members of the Executive Board. The Chair of EMC shall also be the Chair of the Executive Board.

3.8 The Principal Vice Chair of EMC shall be nominated by the second largest political group of Local Authorities in membership and from within the members of the Executive Board.
3.9 The Annual General Meeting (AGM) of EMC shall normally be held in July to appoint a Chair and Vice Chair(s) and to make appointments to EMC Groups and external organisations.

3.10 However, as the political balance has not changed significantly, with Labour remaining the largest party, the results do not change the overall governance of East Midlands Councils.

d) European Parliament Elections

3.11 A European Parliamentary Election was also held on 22\textsuperscript{nd} May 2014, where five MEPs for the East Midlands region were elected.

3.12 The five MEPs who were elected for the East Midlands region, in order of votes received, were as follows:

- Roger Helmer (UK Independence Party)
- Emma McClarkin (Conservative)
- Glenis Willmott (Labour)
- Margot Parker (UK Independence Party)
- Andrew Lewer (Conservative)

3.13 The voting results for the three parties with elected MEPs were; UKIP 368,734 (32.9%), Conservatives 291,270 (25.99%), Labour 279,363 (24.93%).

4. Corporate Governance (Report by Cllr Neil Clarke)

4.1 Members adopted the revised working arrangements for Management Group and the allocation of Lead Member Roles as defined at the front of this report and set out below.

- Audit and Financial Control - Cllr M Hill
- Political Advice and Support - Cllr J Collins
- Corporate Governance - Cllr N Clarke
- Performance Management - Cllr R Parker
- Conduct and Standards - Cllr F Martin

4.2 As lead member for matters relating to the accountable body arrangements, including the performance of the Service Level Agreement with Nottingham City Council and oversight of organisational management, Executive Board members are informed that:
The transfer of Accountable Body from Leicestershire County Council to Nottingham City Council took place on 1st April 2014.

All staff were successfully transferred through TUPE arrangements.

EMC and NCC officers are working closely to address any outstanding financial reporting and IT access arrangements.

4.3 EMC moved to its new office accommodation on 28th March 2014; securing £30,000 saving on the costs of previous accommodation.

5. **Performance Management; A Summary of Proposed Key Performance Indicators (2014-15) - (Report by Cllr Rob Parker)**

5.1 The Management Group, as agreed in its terms of reference, has responsibility for performance management specifically, ‘to ensure that non-financial performance is properly monitored and to review EMC progress in delivering its annual key performance indicators and report appropriately to the Executive Board’.

5.2 The Business Plan is a formal statement of EMC’s objectives for 2014/15 and was agreed by the Executive Board at its meeting on 21st March 2014. The proposed KPIs reflect the focus of the business plan and provide a means of measuring the performance of the organisation and demonstrating value added.

**KPI 1 - Pillar 1: All-Member Organisation**

a) To increase attendance at meetings of East Midlands Councils, Regional Employers’ Board, Strategic Migration Board and Improvement and Transformation Board from 2013/14 levels.

b) To secure at least 80% attendance at EMC Executive Board and Management Group.

c) To maintain levels of council membership of EMC (44 councils, as at 1st April 2014).

d) To undertake an annual satisfaction survey of member councils (both councillors and chief executives) on the provision of direct support services and ‘strategic added value’. [Note - While the focus of this survey will be developed and agreed by Management Group; Executive Board Members are invited to highlight issues that should be considered].
Item 10

e) Provide direct membership benefits to councils through increasing by 10% the number of councillors participating in:
   - EMC supported continuous professional development [baseline 2013/14; 197].
   - Briefing programmes [baseline 2013/14; 95].

f) Provide direct membership benefits to councils through increasing by 10% the number of officer delegate places in EMC supported continuous professional development [baseline 2013/14; 1371].

KPI 2 - Pillar 2: Policy Development

a) Establish an effective relationship and joint approach between councillors, MPs, MEPs and other partners, through:
   - Holding at least 3 joint events and/or summits.
   - The agreement of joint priorities as the basis for collective work.
   [Note – while the bullet points above suggest proxy measures for the ‘effectiveness’ of the MP and councillor relationship; Executive Board Members are invited to consider other measures of ‘effectiveness’].

b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan, e.g. Welfare Reform, Migration, Health, Economic Growth and Infrastructure, EU funding.

KPI 3 - Pillar 3: Collective Work and Lobbying

a) Working with LEPs and local councils to:
   - Secure the implementation of infrastructure and investment priorities as highlighted in LEP SEPs and ESIFs.
   - Increase the share of national growth funding from 2013/14 levels [base figure tbc, ref Regional Growth Fund and Growing Places Fund].

b) Establish a HS2 Programme Board and provide strategic political leadership for the implementation of HS2 through high level liaison with Government and monitor the effective alignment of local decision making.

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

KPI 4 - Pillar 4: Improve Communication
a) To launch re-branded EMC Councillor weekly policy brief and monitor feedback on a 3 monthly basis.

b) To launch monthly MP and MEP policy brief and monitor feedback on a 3 monthly basis.

c) To improve the effectiveness of the EMC website as measured by:
   - 10% increase in website ‘hits’ [baseline 2013/14; 23,641].
   - 10% increase in pages per visit [baseline 2013/14; 67,587].
   - 10% increase in time on site [baseline 2013/14; 2m 25 seconds].
   - 10% reduction in the bounce rate [baseline 2013/14; 37%]¹

d) To increase to 250 the number of followers of EMC Twitter account [baseline 2013/14; 110 followers].

**KPI 5 - People Management**

a) Maintain staff sickness rate at less than 6 days per full time equivalent (public sector average 9.6 days, local government average 10.3 days) [For information 2013/14 EMC sickness rate; 4.3 days].

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

**KPI 6 - Budget Management**

a) To deliver services within budget across all areas.

b) To meet the traded services income target set [£270,000].

c) To secure additional external grants / programme funding opportunities with a combined value of at least £40,000.

**KPI 7 - Membership Service Standards**

¹ Bounce rates can be used to help determine the effectiveness or performance of an entry page at generating the interest of visitors. An entry page with a low bounce rate means that the page effectively causes visitors to view more pages and continue deeper into the web site. High bounce rates typically indicate that the website isn’t doing a good job of attracting the continued interest of visitors. As a rule of thumb, a 50 percent bounce rate is average; if you surpass 60%, you should be concerned; if you’re in excess of 80%, there’s a major problem.
a) To respond and fully answer 95% of advice requests from member councils within 2 working days.

6. **Conduct and Standards - (Report by Cllr Fiona Martin)**

6.1 As part of the implementation of revised working arrangements for Management Group, EMC has adopted Local Arrangements (Appendix 11(b)) relating to complaints against members of EMC for alleged failure to comply with the ‘Members Code of Conduct’ (a ‘standards complaint’) in relation to members’ actions whilst engaged on EMC business.

6.2 If a Member of East Midlands Councils is subject to a standards investigation at their own local authority that, in the view of the respective Monitoring Officer, is of a serious nature; then the member council is invited to withdraw the nomination of the member concerned from acting as their EMC representative in any capacity during the course of the investigation. If the complaint is upheld, then Management Group will agree on any further action from an EMC perspective after consultation with both the EMC Monitoring Officer and the Monitoring Officer from the member’s own local authority.

6.3 The process highlighted in paragraph 6.2 is intended to link the standards regimes of EMC and its member councils, and support EMC to uphold high standards of behaviour and integrity. It should in no way be taken as a judgment of the standards investigation before its conclusion.

6.4 The EMC Corporate Governance Manager acts as EMC Monitoring Officer.

7. **Recommendation**

Members of the Executive Board are invited to:

7.1 Note the draft financial report for the period 2013/14 as detailed in Section 2 of this report, and on the recommendation of Management Group:
- Approve the transfer to reserves of the trading surplus £83,500.
- Note the payment from reserves to LCC of £83,500.
- Note the transfer to EMC Reserves of the final RIEP legacy balance (£588,880 – £114,400).
- Note that unallocated reserves now stand at £1,020,900.

7.2 Note the results of the recent local and European elections as detailed in Section 3 of this report.
f) Welcome Cllr Ranjit Banwait (Derby City Council) as a member of the Executive Board.

g) Formally thank Cllr Paul Bayliss (Derby City Council) for his contribution to the Board over the past two years.

7.3 Note the update on corporate governance as detailed in Section 4 of this report.

7.4 Endorse the proposed KPIs as suggested in Section 5 of this report.

7.5 Note the update on conduct and standards as detailed in Section 6 of this report.
## Key Organisational Performance Indicators 2014/2015

### 1. Pillar 1: All-Member Organisation

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<tbody>
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<tr>
<td>East Midlands Councils</td>
<td>58%</td>
<td>57%</td>
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<tr>
<td>Executive Board</td>
<td>74%</td>
<td>65%</td>
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<tr>
<td>Management Group</td>
<td>75%</td>
<td>79%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Regional Employers’ Board</td>
<td>55%</td>
<td>67%</td>
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<tr>
<td>Strategic Migration Partnership Board</td>
<td>63%</td>
<td>81%</td>
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<tr>
<td>Regional Improvement and Transformation Board</td>
<td>46%</td>
<td>57%</td>
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b) To secure at least 80% attendance at EMC Executive Board and Management Group

### Progress in Achieving Objective

- **Activity successfully completed**: ✔️
- **Activity on target for completion**: 🔄
- **Activity not on target for completion**: ❌
- **Activity subject to review**: ⏳
| **c)** To maintain levels of council membership of EMC (44 councils, as at 1st April 2014). |  |
| **d)** To undertake an annual satisfaction survey of member councils on the provision of direct support services. |  |
| **e)** Provide direct membership benefits to councils through increasing by 10% the number of councillors participating in:  
  - EMC supported continuous professional development  
  - Briefing programmes. | Baseline 197  
Baseline 95 |
| **f)** Provide direct membership benefits to councils through increasing by 10% the number of officers participating in EMC supported continuous professional development. | Baseline 1371 |
Key Organisational Performance Indicators 2014/2015

2. Pillar 2: Policy Development

<table>
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<th>Progress</th>
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| a) Establish an effective relationship and joint approach between councillors, MPs, MEPs and other partners, through:  
  - Holding at least 3 joint events and/or summits.  
  - The agreement of joint priorities as the basis for collective work. |                        |          |
| b) Develop a portfolio of agreed policy positions on issues as identified in the Business Plan, e.g. Welfare Reform, Migration, Health, Economic Growth and Infrastructure, EU funding. |                        |          |
### Key Organisational Performance Indicators 2014/2015

#### 3. Pillar 3: Collective Work and Lobbying

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| a) Working with LEPs and local councils to:  
  • Secure the implementation of infrastructure and investment priorities as highlighted in LEP SEPs and ESIFs.  
  • Increase the share of national growth funding from 2013/14 levels [insert base figure]. | | |
| b) Establish a HS2 Programme Board and provide strategic political leadership for the implementation of HS2 through high level liaison with Government and monitor the effective alignment of local decision making. | | |
| c) Secure Parliamentary debate on securing additional investment into the East Midlands. | | |

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<tr>
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<tr>
<td>Activity subject to review</td>
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Item 10, Appendix (a)
4. **Pillar 4: Improve Communication**

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<td>c) To improve the effectiveness of the EMC website as measured by (from 2013/14 levels):</td>
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<td>d) To increase to 250 the number of followers of EMC Twitter account.</td>
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### People Management

#### Key Performance Indicators 2014/2015

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<td>Q1</td>
<td>Q2</td>
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<td>b) Wherever possible, to meet all staff learning and development needs, as identified by annual Staff Development Interviews (SDIs).</td>
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* L/T = long term.
### 6. Budget Management

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### 7. Membership Service Standards

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<td>a) To respond and fully answer 95% of advice requests from member councils within 2 working days.</td>
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#### Progress in Achieving Objective
- **Activity successfully completed**
- **Activity on target for completion**
- **Activity not on target for completion**
- **Activity subject to review**
Local Arrangements for Dealing with Standards Complaints

1. EMC has adopted its Code of Conduct (July 2012) setting out the expected behaviours required of its members, acknowledging that they each have a responsibility to represent EMC and work constructively with EMC staff and partner organisations to secure better social, economic and environmental outcomes for the East Midlands.

2. In accordance with the Localism Act provisions, when acting in this capacity all Councillors must be committed to behaving in a manner that is consistent with the principles detailed in the EMC constitution, agreed July 2012.

3. The Local Arrangements relate to allegations of failure to comply with the Members Code of Conduct (a 'standards complaint') as stated in EMC Constitution.

4. For clarity (a) these Local Arrangements apply to complaints against members of EMC whilst, upon the judgement of the Monitoring Officer, are engaged on EMC business and (b) they do not apply to complaints alleging more serious issues such as alleged criminal offences which are dealt with by other means such as referral to the Police.

5. The arrangements reflect commitment of the Management Group to maintaining high standards of conduct and their wish to demonstrate that commitment by playing a leading role.

6. Following a standards complaint made to the Monitoring Officer or referred to him/her, the Monitoring Officer will inform the Member and relevant Group Leader that a complaint has been received. The EMC Monitoring Officer will also inform (and provide further updates to, as appropriate) the Monitoring Officer of the Council from which the Member has been nominated to EMC.

7. The Monitoring Officer will review the complaint to evaluate whether it is covered by the Code of Conduct.

8. If it is not covered by the Code of Conduct the Monitoring Officer will inform the Member and relevant Group Leader and notify the complainant.

9. Where the complaint is covered by the Code of Conduct the Monitoring Officer will consult the Group Leader and evaluate whether the behaviour complained about presents a serious risk to the reputation of EMC.

10. If there is no serious risk to the reputation of EMC, the Monitoring Officer will work with the Member and relevant Group Leader to seek an informal resolution. The Monitoring Officer will notify the complainant.
11. If there is a serious risk to the reputation of EMC, the Monitoring Officer will appoint an appropriate independent person to investigate the complaint.

12. Where the independent investigator finds that no breach of the Code has occurred, the Monitoring Officer will notify the Member and relevant Group Leader and complainant.

13. Where the investigator finds that a breach of the Code has occurred, the Monitoring Officer will make arrangements for a 'Hearing'. The Hearing will be by the Management Group, and will consider the Investigators Report, consult the Independent Person and, except in cases covered by paragraph 14 below, make recommendation(s) to the relevant Group Leader (or their nominated senior member, as referenced in paragraph 15) who will decide the appropriate action and notify the Member and Monitoring Officer. The Monitoring Officer will notify the complainant of the outcome and any sanctions imposed.

14. Where the Hearing, having consulted the Independent Person, decides that the complaint is of such extreme seriousness that it should result in the censure of the Member, then such a proposal should be referred to the next meeting of EMC Executive Board.

15. In cases where the complaint is against a Member of the Management Group, the process will be that as detailed in paragraphs 6-14 above except that (a) a nominated representative of the Member of Management Group will attend the Hearing in their stead, and (b) the Monitoring Officer will consult the nominated representative in all cases where he/she would have otherwise consulted a Group Leader.

16. The ‘nominated representative’ shall be a senior Member of EMC, not from that Member’s own local authority, specifically nominated for that purpose in advance of any complaint of a Member of Management Group.

17. In cases that involve the engagement of a nominated representative, the Hearing will in accordance with the processes highlighted in paragraphs 13-14 above.