10am, Friday 1st February 2019

Council Chamber, Nottinghamshire County Council, County Hall, Nottinghamshire

9.30am Political Group Meetings
10.00am General Meeting

1. Apologies
2. Declarations of Interest
3. Minutes of EMC Annual General Meeting held on 13th July 2018 *
4. EMC Chairman’s Report *
5. Questions to Chair or Nominee
6. Motion(s) to East Midlands Councils
7. Implications of Brexit on Councils in the East Midlands * - Presentation by Bev Smith, Chief Executive, North West Leicestershire District Council
8. Regional Infrastructure and Growth *
9. Asylum and Refugee Resettlement in the East Midlands *
10. Regional Employers’ Board Report *

*Papers attached
Minutes of the East Midlands Councils Meeting
Friday 13th July 2018
(Nottinghamshire County Council)

Annual General Meeting

Cllr Martin Hill OBE chaired and welcomed everyone to the meeting

1. Apologies

Cllr Bob Adams, Cllr Jason Atkin, Cllr Tom Beattie, Cllr Nick Begy,
Cllr John Boyce, Cllr Patricia Bradwell, Cllr Ian Fleetwood, Cllr Mike Hall,
Cllr Phil King, Cllr David Lomax, Cllr Brian Murray-Carr, Cllr Jonathan Morgan,
Cllr Steven North, Cllr Jonathan Nunn, Cllr Chris Poulter, Cllr Terry Richardson,
Cllr Simon Robinson, Cllr Nick Rushton, Cllr Ann Syrett, Cllr Richard Wright,
Cllr Gale Waller, Cllr Anne Western, Cllr Jeff Summers

2. Declarations of Interest

2.1 Cllr Martin Hill declared an interest in land on the edge of Melton Mowbray – this
is a standing Declaration of Interest held on file since September 2015.

3. Minutes of EMC meeting held on 14th July 2017

3.1 These were agreed as a true and accurate record.

4. Councillor Development Charter - reaccreditation of Charnwood Borough Council

4.1 Cllr Martin Hill presented a certificate to Cllr Tom Barkley, Deputy Leader and
Karen Widdowson, Democratic Services Manager, representing Charnwood Borough Council in recognition of receiving reaccreditation for the councillor development charter.
4.2 Chamwood Borough Council first received this award in 2011, was reaccredited in 2014 and again in 2018.

5. **Chairman's Presentation of Annual Report and Accounts 2017/18**

5.1 Cllr Martin Hill formally presented the Annual Report to Members and highlighted work undertaken by EMC during the past year, including the 4-pillar approach.

5.2 Members attention was drawn to current work on Midlands Connect and HS2 as well as the UASC funding report which submitted evidence to Government on the true costs of UASC.

5.3 Cllr Martin Hill thanked colleagues and officers for their work during the year.

5.4 **Resolution**

Members of East Midlands Councils considered and endorsed the annual report 2017/18.

6. **Questions to Chair or Nominee**

6.1 A question was received from Cllr Owen Bierley, Deputy Leader West Lindsey District Council, in relation to Lincolnshire Wolds Area of Outstanding Natural Beauty Boundary Review. A copy of this is attached as appendix 3(a).

6.2 Cllr Martin Hill informed members that EMC have been in discussion with Lincolnshire County Council in relation to this. North Lincolnshire proposals have not yet been formally submitted, therefore it is difficult at this stage to formally support.

6.3 Cllr Lewis Rose highlighted the Peak District National Park Review which has had a mixed review in Derbyshire. There is potential for housing and infrastructure strain.

6.4 Cllr Kay Cutts informed members of a letter received from Robert Jenrick MP in relation to the Vale of Belvoir and making that an Area of Outstanding Natural Beauty.

6.5 Stuart Young will look at formal proposals once these have been submitted.
7. **Political Appointments**

*Stuart Young, Executive Director East Midlands Councils, took the Chair for this section of the meeting.*

a) **Political Group Leaders**

7.1 The following were appointed as Group Leaders:

- Conservative: Cllr Roger Blaney
- Independent/Other: Mayor Kate Allsop
- Labour: Cllr Anne Western
- Liberal Democrat: As Cllr David Bill MBE was the only Liberal Democratic Member present at the meeting, Stuart Young asked that this be confirmed post-AGM.

b) **Vice Chairs of East Midlands Councils**

7.2 Cllr Jon Collins (Nottingham City Council) was appointed as Principal Vice Chair of East Midlands Councils and Cllr Chris Millar (Daventry District Council) was appointed as District-Vice Chair.

c) **Chair of East Midlands Councils**

7.3 Cllr Martin Hill OBE (Lincolnshire County Council) was appointed as Chair.

*Cllr Martin Hill, took the chair for the remainder of the meeting.*

8. **Constitution and Governance**

8.1 Stuart Young introduced this report and highlighted changes in Leadership in Derby City Council to members following the Elections in May 2018. Also, there has been a change at Ashfield District Council, although this is not related to the election.

8.2 Stuart Young also drew members attention to the change in HS2 Governance arrangements, due to be formalised at the HS2 Board meeting on 23rd July 2018.

**Resolution**

8.3 Members of East Midlands Councils:
- Considered the outcomes and implications of the local council elections held in May 2018.
Item 3

- Endorsed the approach to formalising HS2 governance arrangements within that of EMC.

9. Motion(s) to East Midlands Councils

9.1 None submitted.

10. Health and Adult Social Care Priorities

10.1 Members received a presentation from Glen Garrod, President of the Association of the Directors of Adult Social Services, on health and adult social care priorities.

10.2 He informed members there have been 12 white and green paper consultations since 1998. Green Paper for Adult Social Care should be published in the Autumn.

10.3 Better Care Funding only lasts until the end of the decade.

10.4 There has been an additional £20 billion made available to primary care.

Questions

10.5 Cllr Annette Simpson expressed frustration at NHS/Social Care/other government departments not linking together as bodies and feels this would be beneficial.

10.6 Glen Garrod confirmed the need for the NHS to delegate locally.

10.7 Cllr Barry Lewis highlighted problems with CCGs and concern in relation to adult care fund within the NHS. He is also concerned there have been no assurances from Government for adults to pay into future care.

10.8 Glen Garrod stressed the need to help CCG colleagues as much as possible.

10.9 Cllr Byron Rhodes felt it would be beneficial to move money from the better care fund into adult services and also children's services.

10.10 Cllr Matthew Golby highlighted massive concern in relation to adult social care funding. He felt a piece of work could be undertaken in relation to what implications this has for the region. This has cross-party consensus.

10.11 Glen Garrod informed members any ask for funding needs to have a really good offer with this. Economic arguments will be a strong feature.
10.12 Cllr Neil Clarke highlighted issues with care across county boundaries.

10.13 Glen Garrod informed members that 70% of admissions are non-elective which has a big impact on services.

10.14 Cllr Keith Girling stated there is a need to show money that can be saved in relation to prevention. This would have a big impact.

10.15 Cllr Robert Parker highlighted this is not just a problem for older people but also younger people with mental health issues or physical disabilities.

10.16 Cllr Terri Eynon stated the need for more training for health care staff. If minimum wage is paid it may have an impact on the quality of care.

10.17 Glen Garrod confirmed that working age adults is where the most funds are spent. There is a need for the NHS to recognise the 'wrap-around' care.

10.18 Cllr Martin Hill informed members the EMC Executive Board will lobby on this funding and also have engagement with appropriate people.

11. **Regional Infrastructure and Investment**

11.1 Cllr Jon Collins introduced this report and highlighted the HS2 Growth Strategy which was published in September 2017. There is now a need to move forward with implementation of this.

11.2 Revised Governance arrangements are to be agreed at the next HS2 Board Meeting.

11.3 A further £1.8million has been received from Government and this will be used to fund transport links around Toton.

11.4 Midlands Connect has a commitment for the A46 bypass/growth corridor.

11.5 Electrification of Midland Mainline is moving forward on a ‘bit-by-bit’ bid. Benefits of HS2 are only maximised with classic connectivity enabled by electrification.

11.6 Transport for the East Midlands and Midlands Connect have drawn up a joint priorities document. Cllr Jon Collins feels the biggest immediate priority should be links into East Midlands Airport. This is central to growth and the identity of the East Midlands.
11.7 Cllr Roger Blaney introduced the East Midlands Rail Franchise Competition and informed members of the invitation to tender published on 7th June 2018. These need to be submitted by September 2018.

11.8 Cllr Blaney and Stuart Young have held meetings with the bidders and further meetings with Abellio and Arriva have been arranged.

11.9 Cllr Kay Cutts highlighted the need to make strong representation in relation to underfunding in the East Midlands.

11.10 Resolution
Members of East Midlands Councils:
- Considered the latest developments on HS2 in the East Midlands, Midlands Connect, and the East Midlands Rail Franchise competition, MML Electrification and recent developments on the East Coast Main Line.
- Endorsed the work of Transport for the East Midlands (TfEM) and the HS2 Strategic Board.

12. Asylum and Refugee Resettlement in the East Midlands

12.1 Mayor Kate Allsop, Vice-Chair Regional Migration Board, addressed members and highlighted the work of the board during the last year.

12.2 In relation to the Vulnerable Persons Resettlement Scheme, the East Midlands is slightly under target. The Vulnerable Childrens target is for 3,000 to be resettled nationally by 2020. However, availability and affordability of houses is causing problems.

12.3 2,800 Asylum seekers have been located in 5 dispersal areas across the region.

12.4 The Initial Accommodation Centre has been opened in Derby and is nearing its’ capacity of 220 beds.

12.5 In relation to Modern Slavery, there is to be an anti-human trafficking conference later in the year.

12.6 Stuart Young informed members the UASC funding has still not been announced by Government. There is a possibility that there may be an announcement just before recess. All authorities will be alerted when this is known.

12.7 Resolution
Members of East Midlands Councils:
• Noted recent progress in supporting councils in the management of asylum and refugee resettlement responsibilities.
• Noted the latest position and further delays in confirming future funding arrangements in support of UASC care.
• Supported the delivery and development of the work plan of the East Midlands Anti-Human trafficking partnership.

13. **Regional Employers’ Board Report**

13.1 Stuart Young formally presented this report.

**Resolution**

Members of East Midlands Councils:

- Noted the contents of the report.
- 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.
General Meeting

1st February 2019

Chairman’s Summary Report

Summary

The following report provides an update on a number of significant areas of work that the Executive Board has focused on since the last meeting of EMC at its AGM in July 2018.

Recommendations

Members of East Midlands Councils are invited to:

- Consider the progress made by EMC, its member councils and partner organisations in delivering on its commitments included within its Business Plan 2018/19.

- Consider and advise on the key issues that EMC should include within its proposed work programme for 2019/20.
1. Introduction

1.1 At last summer’s AGM, members confirmed that EMC should focus its resources upon a limited number of core priorities and maintain the clear and collegiate political leadership supported by a small and focused team that minimises the costs for the sector but delivers even greater value added.

1.2 A short summary of progress follows but included within the agenda for this meeting are separate reports detailing progress on asylum and refugee resettlement, our role as the Regional Employers’ Body and providing the sector with low-cost support and advice, the Midland Mainline and wider rail investment, progress in supporting delivery of the region’s agreed infrastructure priorities and how we have made further progress in maximising the benefits from the proposed HS2 investment programme.

1.3 A key role of East Midlands Councils is to support the strategic management and co-ordination of activity against common priorities for Local Authorities and where a collective approach is likely to be effective. Drawing acting together this work and speaking increasingly with one voice, this region is increasing its influence and leaders will need to continue to explore further opportunities as they arise.

2. Infrastructure, HS2 and Midlands Connect/Engine

2.1 Since the AGM in July 2018, there have been a number of significant developments for growth and investment in the East Midlands.

   a) In October 2018, HS2 Ltd released the Working Draft Environmental Statement (WDES) on phase 2b of the project from the West Midlands to Leeds. The consultation is a key milestone in the development of Phase 2b and represents the first opportunity for local stakeholders and communities to have meaningful input into the detailed development of the project. The strength of the partnership approach will be important if the region is to maximise opportunities from HS2 investment.

   b) The Chancellor confirmed support for the Midlands Engine and the opportunity to refresh its strategy this year to give renewed vigour for its pipeline of projects that are in development. Alongside this, EMC welcomes the announcement that the region will be the location for the UK’s first Manufacturing Zones along with the associated £500,000 funding and we will look at further opportunities to secure future investment and continue to work with Government to deliver economic growth and jobs.
c) The Government also announced up to £2m of funding for the Midlands Engine to explore the potential of a Development Corporation to lead the development and secure greater investment and jobs in and around the proposed HS2 site at Toton.

d) Councils have continued to express on-going concern regarding the persistent low level of public investment in the region that is hampering our ability to fully contribute to national economic growth and productivity. The most recent Treasury data confirms, the East Midlands continues to receive the lowest total expenditure per resident on economic affairs, publicly funded transport, and rail and infrastructure projects. We must address this – and securing Government commitment to invest in our ambitious and deliverable infrastructure proposals is a necessary first step.

2.2 Against this background, and as a key partner in the Midlands Engine and Midlands Connect, there are a number of objectives that the Board has set East Midlands Councils in supporting councils to:

- Drive strategic collaboration on industrial strategy, infrastructure, innovation and growth across the East Midlands.
- Maximise strategic influence and collective oversight on HS2 matters including the establishment of revised governance and decision-making structures.
- Consolidate Transport for the East Midlands as the region’s strategic transport board and formalise its role with Midlands Connect (similar to Transport for the West Midlands).
- Co-ordinate and oversee the implementation of those elements of the Midlands Engine Vision for Growth and that specifically apply to the East Midlands.
- Increase levels of public investment into the region.
- Add value to the efforts of individual councils, LEPs and existing partnerships.

2.3 The Board is clear, however, that the EMC and partners should move from the identification of the problem to lobbying for the solution, specifically:

a) The emphasis on our growth potential (the investment return) - reinforcing the argument that investing in the East Midlands is a cost-effective means of delivering national economic growth and productivity.

b) Evidence based approach, e.g. the East Midlands has delivered the highest GVA growth relative to public investment in transport of any UK region/nation since 2010. Conversely, relatively high levels of transport investment in the devolved nations and northern regions does not yet seem to have delivered similar levels of GVA growth. This leads to a clear economic argument, as well as an equity case, for increasing transport investment in the East Midlands.

c) Credible partner in the delivery of the Industrial Strategy, Midlands Connect ‘Our Routes to Growth’ and the Midlands Engine ‘Vision for Growth’.

d) Clarity and impact – the focus on a small number of priorities where value can be added at regional level.
3. **Local Authority Funding**

3.1 The following highlights a number of key announcements included within the Autumn Budget and subsequent provisional local government finance settlement:

3.2 Confirmation that the HRA borrowing cap would be lifted as of 30th October 2018.

3.3 Additional one-off funding of £650m for children and adults, and £420m for roads. While welcome, councils still face an overall funding gap of over £3 billion in 2019/20 due to factors such as:

- Between 2010 and 2020, local authorities will have seen reductions of £15 billion to core Government funding. This has been recognised by the Public Accounts Committee that has expressed its concern at the increasing strain that it places upon local authorities.
- Increases in demand for council services due to demographic change. As population grows and people live longer, this adds pressure on both targeted and universal services.
- Local government and its commissioned services, particularly in social care, have a significant number of lower paid staff, leading to a more significant impact of the National Living Wage than other parts of the public sector, including the requirement to adjust pay scales.
- The last six years have seen a 44% increase in the number of homeless households.

3.4 No increase in the New Homes Bonus (NHB) threshold further next year, and the provision of up to £20 million to fund this.

3.5 In 2019-20, 15 areas (including Leicestershire, Northamptonshire) will pilot 75% business rates retention, and will be able to keep additional growth in their business rate income, with no adverse impact on other authorities across the country.

3.6 Pressures on the High Needs funding block is one of the most serious financial challenges that councils are currently dealing with. The announcement of an additional £350 million of funding over the next two years to support children and young people with special educational needs and disability (SEND) was welcomed. However, it is insufficient to deal with the scale of the funding gap facing these services; research commissioned by the LGA estimates the funding gap to be up to £1.6 million by 2021.

4. **Business Plan 2019/ 2020**

4.1 The 4 pillar model continues to shape our approach and focus our priorities. A balanced budget and associated work programme will be considered and agreed by the Executive Board in late-March 2019.
4.2 In addition to the strategic influencing work and leadership that we have provided on infrastructure and economic growth programmes, it is important to highlight EMC’s continued role as the Regional Employers’ body for councils in the region, our member and officer development programme, HR support and organisational low-cost consultancy service. This provides both a value-added service support for member councils as a well as an income stream for EMC.

4.3 It is important that Members fully inform the work programme of EMC to ensure our work reflects the priorities of its membership. Today’s agenda reflects the current policy and programme work of EMC. Alongside this, please take this opportunity to highlight the key issues that should also be included in EMC’s work programme for 2019/20. Of particular significance is our work on asylum and refugee resettlement, investment, infrastructure and growth; alongside wider issues that may include adult social care and children’s services and the implications of Brexit on the region and local authorities.

4.4 Members previously highlighted that we need to further promote close working with the region’s MPs, council and business leaders who are potentially a powerful collective voice for our local communities and we need to pull together, on a limited set of issues, in order to take advantage of some of the opportunities.

4.5 EMC, in conjunction with the East Midlands Chamber of Commerce, has worked with the region’s MPs to refresh the All-Party Parliamentary Group for the East Midlands and to support focus on core areas of common priority. Nigel Mills MP (Cons, Amber Valley) and Alex Norris MP (Lab, Nottingham North) are co-chairs of the East Midlands All-Party Parliamentary Group and a draft work programme for 2019/20 is currently under development.

5. **Asylum and Refugee Resettlement**

5.1 EMC has effectively managed regional asylum and refugee support programmes – and local authorities in this region should be given credit for playing a full part in delivering the national commitment for resettling those most at risk from the conflict in Syria. This is alongside meeting their strategic responsibilities in looking after spontaneous arrivals.

5.2 We have made good progress in meeting our initial ‘pledge numbers’ for the resettlement of refugees from Syria. Informing the successor to this programme is an important issue, and under the chairmanship of Cllr Ivan Ould, Members will offer their support in working with Government in the determination of successor arrangements.
5.3 With the Home Office’s roll-out of new arrangements to replace the current troubled asylum support system – be assured that EMC will make every effort in working with the new provider (Serco) in putting in place more effective and locally responsive contracts.

5.4 And with Unaccompanied Asylum Seeking Children – councils will of course continue to meet their statutory responsibilities and through EMC, have voluntarily supported neighbouring councils under particular pressures. However, the Government needs to respond by putting in place financial support that more accurately reflects the reality of the costs incurred.

6. Brexit

6.1 Since the settlement, Government announced departmental funding for 2019/20 for preparations for Brexit. This includes £35m for MHCLG. While it is positive that the Government has allocated new resources to local government for Brexit preparations, only £35m is available in 2019/20 with significant concerns that this falls well short of the level required.

6.2 The UK’s exit from the EU will have a significant impact on local government whether these are opportunities and/or challenges. Not waiting for a central lead or the outcome of Government negotiations with the EU, it should be highlighted that councils are already making local preparations. MHCLG have been in touch regarding setting up regional networks of Chief Executives alongside the work of Local Resilience Forums to inform their work over the coming months, and is important that Government is joined-up in its thinking; considering matters relating to adult social care, health and public health, alongside issues that relate to business, growth, trade and investment.

7. Financial Summary

7.1 The Management Group and officers have worked hard to ensure EMC remains on a sustainable financial footing. With firm focus on achieving the agreed balanced budget, the delivery of a focused work programme and success in achieving income generation targets and securing external grant, a small surplus is anticipated for 2018/19. Management Group will consider two-year budget proposals for 2019/20 and 2020/21 and remain confident of EMC’s on-going sustainability.

8. Recommendations

Members of East Midlands Councils are invited to:

8.1 Consider the progress made by EMC, its member councils and partner organisations in delivering on its commitments included within its Business Plan 2018/19.
8.2 Consider and advise on the key issues that EMC should include within its proposed work programme for 2019/20.

Cllr Martin Hill OBE
Chairman,
East Midlands Councils
General Meeting

1st February 2019

Implications of Brexit on Councils in the East Midlands

Summary

This report highlights some of the specific issues and priorities for Local Government as part of Brexit. In particular, as MHCLG steps up its engagement with Local Authorities and with the establishment of a number of local and regional groups, Members are asked to inform the response back to MHCLG in order to inform their subsequent planning.

Recommendation

Members are invited to note this report and advise of the key issues that should be raised with MHCLG to inform their Brexit preparations.
1. **Introduction**

1.1 The purpose of this paper is to highlight some of the specific issues and priorities for Local Government as part of Brexit. In particular, as MHCLG steps up its engagement with Local Authorities and with the establishment of a number of local and regional groups, Members are asked to inform the response back to MHCLG in order to inform their subsequent planning.

2. **Key Points**

2.1 A £35m allocation to the Ministry of Housing, Communities & Local Government will be distributed among councils to help them prepare for Brexit. The money is for 2019-20, and it is to be specifically used for core Brexit activity including deal and no-deal preparations. It is expected that the Secretary of State will make an announcement ‘soon’ with regard to the allocation of this £35m to local government.

2.2 The £35m pot is part of the £2bn recently announced by Government - the lion’s share of which is to go to security, border control, trade and agriculture.

2.3 It was confirmed that there are still no formal proposals for the UK Shared Prosperity Fund - the successor to EU Structural Funds. This is due to the Fund being different in a no-deal scenario as the government states that it could take advantage of new freedoms sooner.

2.4 MHCLG Permanent Secretary, in giving evidence at the housing, communities and local government select committee, stated that Councils could be expected to take on responsibility for inspections at ports in the event of a no-deal Brexit for which it is expected that extra funding would be received.

2.5 MHCLG announced that 60 ‘resilience advisors’ had been appointed from within MHCLG’s existing workforce who will be located in local areas to help them prepare for Brexit.

2.6 It becomes ever more important that there is effective and reliable information flow between central government and local councils. Central government must have an up-to-date grasp of what is happening in local places if it is to understand the additional support and mitigations which might be needed to address potential negative impacts on citizens and businesses, as well as the opportunities that might be exploited. Councils are best placed to provide the government with the intelligence and information to form that picture.

2.7 There is a need for a strategic overview of issue that relate to each region being fed through to MHCLG. This could include key priorities and emerging issues for the region, or if there are particular local authorities or areas experiencing cumulative pressures.
• Gather and organise up to date information on emerging issues of most concern across the region that might impact on Local Government service provision.
• Understand and share best practice on the steps councils are taking to communicate with businesses and residents in making preparations.
• Rapidly disseminate information where necessary from government departments.

2.8 These arrangements are not intended to replace the communication flows between Local Resilience Forums (LRF) and Government. Though, in practice, some of the information being gathered may well also be included in LRF feedback that will be picked up by MHCLG through the Resilience and Emergencies Division.

2.9 Issues that have already been raised by the sector include:
• Putting in place arrangements to ensure resilience of food supply imports into the UK in a no-deal scenario.
• Concerns about the implications of extending Article 50 (if it was to happen) and whether EU elections may need to be held in May 2019, and associated practicalities of doing so.
• Settled status and the high proportion of non-UK EU nations in social care. Members will be aware of the already fragile nature of the social care sector.
• Brexit will bring changes to EEA nationals’ eligibility to access social housing, supported housing and homelessness assistance as result of the UK ending Freedom of Movement.
• The need for DfT and Highways England to engage with the planning, not least in ensuring road disruption is minimised.
• Many councils looking at emergency decision making procedures and whether they are fit for purpose in the context of Brexit.
• How effectively are the potential local impacts on micro businesses and SMEs in local areas being reflected.
• Government is already publishing a range of literature and leaflets and Local Government has an important role to ensure these are made available to business, stakeholders.
• Potential negative community cohesion issues that may result.

3. Recommendation

3.1 Members are invited to note this report and advise of the key issues that should be raised with MHCLG to inform their Brexit preparations.

Stuart Young
Executive Director
East Midlands Councils
Summary

This report updates members on the activity to take forward the region’s strategic infrastructure priorities through the work of Transport for the East Midlands (TfEM) chaired by Sir Peter Soulsby; the East Midlands HS2 Strategic Board chaired by Cllr Jon Collins and its sub-Boards, Midlands Engine and Midlands Connect, both chaired by Sir John Peace.

Recommendations

Members are invited to:

- Consider progress on delivery of the regions six strategic infrastructure priorities.

- Endorse the work of Transport for the East Midlands (TfEM) and the HS2 Strategic Board and its sub-Boards, and of EMC representatives on the Midlands Engine and Midlands Connect Strategic Boards.
1. **Background**

1.1 This report updates members on the activity to take forward the region’s strategic infrastructure priorities through the work of Transport for the East Midlands (TfEM) chaired by Sir Peter Soulsby; the East Midlands HS2 Strategic Board chaired by Cllr Jon Collins and its sub-Boards, Midlands Engine and Midlands Connect, both chaired by Sir John Peace.

1.2 The EMC representatives on the Midlands Engine Strategic Board for 2018/19 are:
- Cllr Martin Hill OBE
- Cllr Jon Collins
- Cllr Barry Lewis
- Cllr Nick Rushton

1.3 The EMC representatives on the Midlands Connect Strategic Board for 2018/19 are:
- Cllr Jon Collins
- Cllr Key Cutts MBE
- Cllr Nick Rushton
- Cllr Simon Spencer (Alternate Member)

2. **East Midlands Strategic Infrastructure Priorities**

2.1 The East Midlands economy is worth over £100 billion has the highest proportion of manufacturing employment in England (12.6%) with significant potential for export-led growth (already 20% of GVA is exported). Economic growth since 2010 has been consistent with the UK average at 1.9% pa.

2.2 However, the most recent HM Treasury report\(^1\) confirms the region is continuing to lose out in terms of public investment. Of particular concern are the comparably low levels of infrastructure and economic development funding.

2.3 In summary the East Midlands has:
- The lowest level of public expenditure on ‘economic affairs’.
- The lowest level of public expenditure on transport, in total and per head.
- The lowest level of public expenditure on rail per head.

2.4 At one level, that fact that East Midlands has delivered economic growth consistent with the UK average with levels of investment substantially below the

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\(^1\) The data has been drawn from the HM Treasury publication *Public Expenditure: Statistical Analyses 2018* published in July 2018. The most recent data available is 2016-17.
UK average can be seen as a positive attribute: the ‘cost of growth’ is much lower here than anywhere else in the UK.

2.5 However the East Midlands will need to grow above the UK average if we are to contribute to re-balancing the economy away from over dependence on London and the south east of England. Boosting infrastructure investment in the East Midlands will benefit both the East Midlands and UK plc.

**Cost of Growth 2010-2015**

*Public Investment (per head) in Transport, per 1% GVA Growth*

2.6 At the First East Midlands Infrastructure Summit held in November 2017 in Leicester key partners committed to work together to increase infrastructure spending towards the average for England. Subsequently, TfEM and Midlands Connect agreed a document highlighting six joint priorities as a basis for renewed lobbying (set out in Appendix 8(a)):

- Making the most of HS2.
- A Midland Main Line fit for the 21st Century.
- Improving access to East Midlands Airport.
- A46 Growth Corridor & Newark.
- A5 Growth Corridor.
- Transforming East-West Connectivity.

2.7 The joint document was presented to the Secretary of State in March 2018 and discussed again with him in July 2018, and has subsequently been used as the basis for working with officials, MPs and other stakeholders. A summary of activity to date on each priority is set out below.
2.8 The second East Midlands Infrastructure Summit will take place on the 8th February 2019 again in Leicester. Key speakers will include Sir Peter Soulsby, Sir John Peace, Shammi Raichura, Regional Cities Lead for Uber and Karen Smart, MD of East Midlands Airport. To book a free place, please contact lois.dale@emcouncils.gov.uk

3. **Making the Most of HS2**

3.1 The East Midlands HS2 Growth Strategy was published at the end of September 2017 and the press launch took place on the 3rd October 2017. The Strategy sets out proposals to use HS2 to deliver an additional 74,000 jobs and £4 million of GVA by 2043. It covers the HS2 Hub Station at Toton, proposals for classic compatible services at Chesterfield and an Infrastructure Maintenance Depot at Staveley. The full document is available on the [EMC Web-site](#).

3.2 Over the last 18 months the focus of activity by local partners has shifted from strategy development to delivery, which has necessitated a review of governance arrangements. The revised arrangements set our below were agreed in July 2018.
**Working Draft Environmental Statement Consultation Response**

3.3 Planning permission for building HS2 will be secured through the Parliamentary ‘hybrid bill’ process. The hybrid bill for the line from Birmingham to Leeds through the East Midlands (known as HS2 Phase 2b), is planned to be introduced to Parliament in mid-2020 and receive Royal Assent in 2023 - after the next General Election. There is a process for relevant third parties to ‘petition’ Parliament to make changes to the hybrid bill, but this can be a complex and costly process.

3.4 A hybrid bill must be accompanied by an Environmental Statement, which sets out a description of the scheme, its environmental impacts and how those impacts are proposed to be mitigated.

3.5 Consistent with previous practice, the Government launched a 10 week non-statutory consultation on a ‘Working Draft Environmental Statement’ (WDES) for Phase 2b, which concluded on the 21st December 2018. The WDES ran to many thousands of pages and describes the emerging scheme design in the East Midlands. Whilst it represents work in progress and proposals will continue to evolve up to the submission of the Phase 2b Hybrid Bill next year, it represents an important stage in the development process and that last public opportunity to amend the proposals before the formal Parliamentary process.

3.6 Work on developing a regional response to the WDES consultation was led by the Mitigation Board chaired by Cllr Simon Spencer, with input from the other Delivery Boards. The final response was agreed by the HS2 Executive Board chaired by Cllr Jon Collins on the 14th December 2018.

3.7 The regional response focusses only on matters of strategic importance, but links clearly to more detailed responses made by individual local authorities. A major concern with the current design for the Hub Station at Toton is that it assumes a car based 'parkway' solution, rather than the multi-model transport interchange envisaged by the Growth Strategy. This will significantly limit the economic benefits of HS2 connectivity to the East Midlands. Whilst there will be opportunities to for the design to evolve over the coming months, the need to petition for changes through the Parliamentary process cannot be ruled out.

**East Midlands Hub Station Growth Zone**

3.8 Following a joint D2N2/EMC submission made in 2018, the DfT made available and additional £1.8 million to support further work to develop the growth proposition around Toton, closely aligned to HS2 themed Housing Infrastructure Fund (HIF) bid led by Nottinghamshire County Council. Priorities for the initial tranche of funding have been agreed through the HS2 Executive Board and
implementation delegated to the Hub Station Delivery Board chaired by Cllr Kay Cutts MBE. Regular reports on progress will be made to the HS2 Executive Board and financial accountability for the funding will be through D2N2.

3.9 The Treasury has also made available up to £2 million to take forward proposals to establish a development corporation covering the Toton area, and potentially other sites in the wider locality. The funding has been made available through the Midlands Engine, and discussions with key parties are expected early in 2019 led by Sir John Peace, Chairman of both Midlands Engine and Midlands Connect.

**Northern Derbyshire Growth Zone**

3.10 Work on taking forward the emerging propositions for maximising the benefits of HS2 for Chesterfield and the proposed Infrastructure Maintenance Depot (IMD) at Staveley has been led by the Chesterfield & Staveley Delivery Board chaired by Cllr Trish Gilby, and joint funded by the East Midlands (via D2N2) and Sheffield City Region.

3.11 The second phase of master-planning for Chesterfield is nearing completion and will support the local element of the HS2 themed HIF bid led by Nottinghamshire County Council. In addition, the HS2 Executive Board on the 14th December 2018 endorsed a bid for additional Government funding to support the further development of the Northern Derbyshire proposition, similar to that awarded for Toton.

**Skills & Supply Chain Activity**

3.12 The initial economic benefits of the HS2 for the East Midland will be felt by the workers and businesses in the local supply chain. The East Midlands Chamber has worked with HS2 Ltd to hold a number of procurement events for local businesses, and so far over 126 companies from the East Midlands have won contracts from HS2.

3.13 However progress on skills and training has been patchy. Local partners including D2N2 have committed to work together to make better use of existing funding and arrangements to support the HS2 agenda, and to formally establish the new HS2 Skills & Supply Chain Board to provide leadership and accountability, supported by an executive group of senior officers.

**Joint Work with Midlands Connect**

3.14 Effective strategic and local connectivity by a range of different transport modes to the HS2 Hub Station at Toton and to Chesterfield are key realising the economic benefits of HS2 for the East Midlands. A number of work-streams are being taken forward jointly with Midlands Connect to establish an integrated
transport package covering rail, mass rapid transit, road, bus, cycling and walking. These include:

- East Midlands Gateways Connectivity Plan - a multi-modal study to develop a package interventions linking Derby, Nottingham and East Midlands Airport with the Hub Station and surrounding areas.
- Economic Case for Conventional-Compatible link at the Hub Station to enable direct high speed rail services between Leicester and Leeds.
- Economic Case for partially opening the Hub Station by 2030 to enable some high speed services to operate between Toton, Birmingham and London prior to the completion of the line to Leeds.
- A study to examine options to close the low level rail line in Long Eaton to avoid severance of the town.
- A programme of work with Network Rail to develop the Midland Connect Indicative Train Service Specification (ITSS), which includes provision for mix of high speed, conventional compatible, and conventional rail services serving the Hub Station.

Strategic Management & Co-ordination

3.15 The successful delivery of the Growth Strategy as a whole will require activity across a wide geography and a number of disciplines and functions, and as a result a level of strategic management and co-ordination. EMC will continue to provide this function to local partners and D2N2 with support from HS2 funding and Midlands Connect for at least the next financial year.

4. A Midland Mainline fit for the 21st Century

MML Electrification

4.1 ‘Key Output 2’ (electrification of the MML between Kettering and Sheffield) has been cancelled and the DfT has decided to procure a new fleet of bi-mode trains.

4.2 However, the East Midlands Rail Franchise assumes that the MML will be electrified as far as the power supply at Market Harborough - which would mean that 52% of the MML will be electrified by 2023.

4.3 The Government has recently confirmed a commitment to electrify the MML between Clay Cross and Sheffield to enable HS2 Classic Compatible trains to serve Sheffield. This means that 62% of the MML will be electrified by 2033.

4.4 The running costs of bi-mode trains in diesel mode are substantially higher than in electric. As a result, there is likely to remain a strong economic case for a
programme of incremental electrification of the remaining 38% of the MML by 2033, subject to affordability.

4.5 There is an opportunity for Network Rail to establish on a permanent basis a small dedicated electrification team to take forward a program of incremental works as opportunities and funding became available. Taking a smaller scale, flexible approach to electrification will allow technical and project management skills to develop, productivity to improve and costs to be controlled more effectively – and is consistent with best practice elsewhere in Europe.

4.6 It is clear that the Bi-mode trains procured for the Great Western line do not have the performance necessary for the MML. Bombardier believe it can develop a train that can run at 125pmh in both modes. Representatives from Bombardier have met with both the East Midlands APPG and TfEM to explain their proposition, which appears to address a number of key concerns. However rolling stock procurement decisions will be new franchise holder.

**East Midlands Rail Franchise Competition**

4.7 EMC through TfEM have been working in partnership with the DfT over the last two years to influence the next East Midlands Rail Franchise, including seconding a resource to work as part of the DfT franchise team in London.

4.8 To provide a clear mandate for engagement with both DfT and bidders, the EMC Executive Board agreed the following documents, available on the EMC website at: [http://www.emcouncils.gov.uk/East-Midlands Rail-Franchise](http://www.emcouncils.gov.uk/East-Midlands Rail-Franchise)

- **EMC Strategic Statement** which sets out regional objectives for new franchise. It is based on an initial document discussed at a stakeholder consultation event in Newark in April 2016, subsequent comments from key stakeholders and further consideration with local transport authority rail officers and transport directors.

- **EMC Social Value Statement** which sets out social, economic and environmental objectives for the delivery of the franchise under powers contained in the Public Services (Social Value) Act 2012. It has been informed by the existing social value statements of Local Transport Authorities.

4.9 The formal ‘Invitation to Tender’ (ITT) was published on the 7th June 2018. The details are available at [https://www.gov.uk/government/collections/rail-franchising#east-midlands-franchise](https://www.gov.uk/government/collections/rail-franchising#east-midlands-franchise). The confirmed bidders are:
4.10 The ITT reflects many of the priorities TfEM have advocated and provides a basis for a significant improvement in rail services across the East Midlands. Whilst the process has at times been difficult, the outcome validates the approach to constructive engagement, and provides a solid foundation for an ongoing role with DfT in the management of the franchise once awarded.

4.11 Engagement with the bidders has been led by Cllr Roger Blaney and Stuart Young. The result of the competition is expected to be announced in April 2019 and the new franchise will start in August 2019. As a result, there will be a further short ‘direct award’ to the current train operating company, East Midlands Trains (Stagecoach).

4.12 On the 20th September 2018 the Government announced a major review of the rail industry including the franchising process in the wake of the recent problems introducing new timetables in the north of England and parts of the South East. Whist the review may be far-reaching, the current East Midlands franchise competition will be unaffected, although the Cross Country franchise competition which had just stated has now been ‘paused’.

5. Improving Access to East Midlands Airport

5.1 Public Transport access to East Midlands Airport for both workers and passengers is a key weakness compared to other regional airports. In the short term, there is scope to make better use of East Midlands Parkway Station under the next East Midlands Rail Franchise, with improved train service connecting to local bus services.

5.2 Over the longer term, there is the potential for a fixed public transport link including access to the East Midlands Hub Station at Toton, which is being considered through the East Midlands Gateways Study. Initial proposals were discussed at the HS2 Executive Board on the 14th December 2018, and further work is now being undertaken on options for heavy rail and tram-train connectivity.

5.3 In terms of road connectivity, there are major improvements currently under construction around M1 J24 linked to the East Midlands Gateway Freight Interchange, and the M1 itself in this area is subject to a smart motorway scheme.
5.4 The section of the A453 (Ashby Road) that links the Airport to the M1 has been subject to a ‘last mile’ study of access to ports and airports commissioned by the Department for Transport published following the October 2018 Budget, available at: [https://www.gov.uk/government/publications/road-connectivity-for-ports-and-airports-study](https://www.gov.uk/government/publications/road-connectivity-for-ports-and-airports-study). There has been some discussion between Leicestershire County Council as the LTA with DfT/HE about the possible de-trunking/re-trunking of the whole route back to the motorway junction. No decision has been made, but the best option would be the arrangement that offers the greatest likelihood of securing investment.

6. **A46 Growth Corridor & Newark**

6.1 Midlands Connect has recently published an initial study into economic impact of the A46 corridor across the whole Midlands available from the Midlands Connect web-site. The report highlights a number of areas of further work including to improve the performance and economic impact of the route.

**Nottinghamshire (Newark)**
- Support for acceleration of Newark Bypass.
- Overcome congestion hotspots to lock in benefits of previous upgrades.

**Leicestershire**
- Potential for a Leicester Eastern/Southern Bypass, including a link from M69 J2 and a new M1 J20A Upgrading Leicester Western Bypass.
- Improving Hobbyhorse Interchange at Syston.

**Lincolnshire**
- Potential for southern Lincoln bypass, connecting to the under construction eastern bypass.
- Targeted improvements on the A15 north of Lincoln.

6.2 The Newark northern bypass remains TfEM’s top trunk road priority for delivery in RIS2 and is a shared objective with Midland Connect. As such it will be included in the Midlands Connect RIS2 submission agreed by the Midlands Connect Strategic Board on the 4th December 2018.

6.3 The impact on services of removing the ‘flat crossing’ at Newark where the Nottingham-Lincoln rail line crosses the East Coast Main Line (the only such junction arrangement in England) will form part of the Midlands Connect Humber Ports/Lincoln – Nottingham Rail corridor study, which is ongoing. Network Rail have undertaken some initial work on an alternative to the flat crossing, but this
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has been paused following the Hendy Review and a new business case will need to be developed if a replacement scheme is to be delivered. In the meantime, Network Rail have committed funding to renew the flat crossing in CP6 to ensure that it remains safe for both passenger and freight movements.

6.4 Because of the likely interaction between the road and rail enhancements in Newark, TfEM/Midlands Connect brought together representatives of the Department for Transport, Highways England, Network Rail, Nottinghamshire County Council, Lincolnshire County Council, Newark & Sherwood District Council and D2N2 to discuss emerging proposals on 24th October 2018. Following discussion a number of action points were agreed:

- Highways England & Network Rail to establish a ‘Joint Working Group’ to inform the development of the emerging bypass and rail enhancement schemes.

- DfT to highlight Joint Working Group approach to respective DfT Sponsorship Teams.

- Midlands Connect to complete Enhanced Strategic Case for Newark Northern Bypass by end of March 2019 to help support the case for RIS2 delivery.

- Newark & Sherwood District Council to liaise with Highways England on impact of Southern Relief Road on the emerging Northern bypass scheme.

- Midlands Connect to undertake assessment of wider economic benefits of replacing flat crossing as part of Humber Ports/Lincoln - Nottingham Rail Study by end of March 2019.

6.5 A further meeting is planned for the 25th March 2019 to review progress.

7. A5 Growth Corridor

7.1 Midlands Connect is about commence a corridor study into the A5 (similar to the A46 study), focussing on the section between the M42 and the M69, which is a key growth corridor as well as a potential alternative to the M6.

7.2 In the meantime, partners are pressing Highways England to expedite the delivery of the ‘pinch point’ improvement between Longshoot and Dodwells by the end of the current RIS period.
8. **Transforming East-West Connectivity**

8.1 The Midlands Rail Hub project is key to improving connectivity between Nottingham/Derby and Birmingham and between Leicester and Birmingham. The scheme involves a number of interventions that can be delivered from 2023 onwards that together will make space for an additional 24 trains per day through central Birmingham. With support from DfT, Midlands Connect is developing a Strategic Outline Business Case for the project which will be submitted into Network Rail’s enhancements pipeline process next year.

8.2 In parallel, Midlands Connect has been undertaking a corridor study looking at the potential to improve rail connectivity between Nottingham/Leicester and Coventry, including re-instating direct services between Leicester and Coventry. The technical work is nearing completion and shows that a number of improvements have the potential for a positive business case. Further work to identify the most viable scheme will then follow.

9. **Recommendations**

Members of East Midlands Councils Executive Board are invited to:

9.1 Consider progress on delivery of the region’s six strategic infrastructure priorities.

9.2 Endorse the work of Transport for the East Midlands (TfEM) and the HS2 Strategic Board and its sub-Boards, and of EMC representatives on the Midlands Engine and Midlands Connect Strategic Boards.

Cllr Jon Collins  
Vice Chair of East Midlands Councils  
Executive Board - Infrastructure

Cllr Roger Blaney  
Executive Board - Rail Franchise Competition
A SHARED VISION FOR THE EAST MIDLANDS

TfEM and Midlands Connect are working together on a common set of key strategic priorities that will help to address the historic underfunding of the East Midlands and support economic and housing growth:

1. Making the most of HS2
2. A Midland Main Line fit for the 21st century
3. Improving access to East Midlands Airport
4. A46 Growth Corridor & Newark
5. A5 Growth Corridor
6. Transforming East-West connectivity
1. **MAKING THE MOST OF HS2**

We believe HS2 can transform the East Midlands, from the Hub Station at Toton and the Staveley Infrastructure Maintenance Depot, to connecting Chesterfield to the HS2 Network. But there is work to do before the benefits can be realised. TfEM and Midlands Connect are working to deliver the following objectives:

**BRING IT FORWARD**

Starting HS2 services in 2030, three years early, and partially opening the Hub Station in the 2020s will stimulate the development of the planned Innovation Campus, with the potential for over 10,000 new jobs, and radically improve connectivity between the East Midlands and Birmingham.

**RAIL CONNECTIONS**

Working to deliver Midlands Connect’s aim of integrating HS2, ‘classic compatible’ and classic rail services and making sure the East Coast Main line is ‘HS2 Ready’ to improve links to the North and Scotland.

**INFRASTRUCTURE**

Building road infrastructure around Toton to support the early phases of the proposed Innovation Campus, starting in the 2020-2025 Road Investment Strategy – and then building in wider capacity for further growth.

**A52 CORRIDOR**

A package of plans to vastly improve access to the Hub Station and solve existing congestion problems through a combination of road, local public transport and mass transit solutions.

2. **A MIDLAND MAIN LINE FIT FOR THE 21ST CENTURY**

The long-term transformation of HS2 must go hand in hand with investment in the Midland Main Line (MML). The Government’s decision to cancel electrification between Kettering and Sheffield is a concern, and TfEM remains committed to a fully electric MML. However, we are keen to work with the DfT to make the most of the current investment in infrastructure and rolling stock, and to explore all options to ensure our rail network has the capacity to meet growing demand for freight and passenger services, including the potential for incremental electrification.

**JOURNEY TIMES**

We want to make sure the proposed ‘bi-mode’ trains can deliver “Nottingham in 90” and “Leicester in 60” without losing key intermediate stops that support local economic growth.

**EAST MIDLANDS FRANCHISE**

With the next franchise award due to take place in 2019, we are working to influence future priorities to deliver a step change improvement in rail services, and to ensure that all rolling stock meets modern standards by 2020.

**HS2 LINKS**

We’re pressing for the HS2-MML link to be operational for the start of HS2, allowing HS2 classic compatible trains to link the East Midlands with Northern Powerhouse Rail.

3. **IMPROVING ACCESS TO EAST MIDLANDS AIRPORT**

East Midlands Airport is a major international gateway and economic asset, generating £268 million of GVA. It serves over 80 destinations and has plans to double passenger numbers to 10 million per year. The airport is also the UK’s largest for dedicated air-freight, handling 350,000 tonnes a year with ambitions to triple that to one million tonnes by 2040.

The adjacent East Midlands Gateway Freight Interchange, currently under construction, will generate thousands of jobs accessible for people across a wide geographic area. The Gateway development has secured a comprehensive package of strategic and local highway improvements, which will address existing congestion issues as well as future growth – although dealing with wider pressures on the M1 corridor will still require a long-term strategic solution.

There is scope to radically improve public transport accessibility to the airport. In the short term, there are plans to improve rail services to East Midlands Parkway Station, combined with better bus links between the station and the airport. Over the longer term, there is potential to develop an innovative and transformational public transport link to the East Midlands Hub Station at Toton.
4. **A46 GROWTH CORRIDOR & NEWARK**

The A46 cuts across the East and West Midlands from the Severn to the Humber, and is key to unlocking major housing and economic development - particularly around Leicester, where a new southern/eastern bypass could unlock up to 4,000 hectares of land and relieve congestion on the A46, M69 and M1.

A Midlands Connect Strategic Study will establish how improvements in key areas could support job growth and housing, and relieve congestion across the whole corridor. In the shorter term, we’re pressing for an upgrade to the A46 around Newark to be prioritised for completion by 2025, removing a major bottleneck on the road network and helping to facilitate major housing and employment development within the town.

The A46 improvement is closely linked to the complex rail infrastructure in Newark. We are pressing for major investment to reduce conflicts between fast East Coast Main Line and slower Lincoln-Nottingham traffic, and to consolidate rail services serving Newark into one station.

5. **A5 GROWTH CORRIDOR**

The A5 through Northamptonshire, Leicestershire and Staffordshire is a key freight route and an alternative to the M6. It’s also driving major housing and employment growth - including the MIRA Enterprise and Technology Park, Phase 3 of DIRFT near Daventry and Magna Park in Lutterworth.

But congestion is a huge problem in several areas. Highways England has plans to address some of the worst bottlenecks, but they’ve been delayed. So we’re pressing for work to start as soon as possible.

Longer term, a Midlands Connect Strategic Study will look at the whole route to generate a wider range of improvements that can be taken forward in the Government’s 2020-2025 Road Investment Strategy.

6. **TRANSFORMING EAST-WEST CONNECTIVITY**

Through the Midlands Rail Hub project, Midlands Connect is looking to reduce conflicts between freight and passenger movements and make space for more trains.

This will be key to improving the existing poor rail connectivity between Leicester, Nottingham and Birmingham, and between Leicester and Coventry.

The East Midlands is the beating heart of UK manufacturing and has the highest proportion of manufacturing jobs in England. Exporting those goods, especially in a post-Brexit world, will be key to the UK’s long-term prosperity. Improving links between the Haven Ports and the distribution hubs of the East Midlands ‘Golden Triangle’ are therefore essential.

The A14 scheme underway in Cambridgeshire is welcome, but plans for improvements around Kettering have been delayed. We are pressing for work to start as soon as possible.
The Way Forward

Together, TfEM and Midlands Connect can transform connectivity and accelerate growth across the East Midlands. Midlands Connect’s landmark strategy offers immediate, early solutions as well as long-term transformational ideas to revolutionise transport in the Midlands, especially East-West connectivity, and helps raise productivity at least to the national average.

TfEM is developing complementary proposals to further boost the regional economic benefits. Together, we can help achieve the Midlands Engine’s aim of adding £54 billion to the economy by 2030.

But our influence can grow further. Midlands Connect is forging ahead to become a statutory Sub-National Transport Body, which would give the partnership legal status and give unprecedented regional influence over major government investment decisions. TfEM is developing proposals for a key role in the management of the East Midlands rail franchise.

We can achieve more in partnership. And the more support we have, the more we can speak with a unified voice to get the best deal for the Midlands.

Sir John Peace, Chairman of Midlands Connect
and Midlands Engine

Sir Peter Soulsby, TfEM Chair & City Mayor of Leicester

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Introduction

This report sets out the progress and key challenges for the East Midlands in respect of Asylum Dispersal, Vulnerable Persons Resettlement Programmes, Unaccompanied Asylum Seeking Children and wider migration developments.

Recommendations

Members of East Midlands Councils are invited to:
- Consider recent progress in supporting councils in the management of asylum and refugee resettlement responsibilities.
- Note the awarding of regional contacts for asylum support services to Serco and Migrant Help.
- Advise on the impact of current resettlement programmes and the scope of future resettlement programmes post-2020 to inform further discussions with the Home Office.
1. Introduction

1.1 This report sets out the progress and key challenges for the East Midlands in respect of Asylum Dispersal, Vulnerable Persons Resettlement Programmes, Unaccompanied Asylum Seeking Children and wider migration developments.

2. Dispersal of Asylum Seekers

2.1 The East Midlands has been an asylum dispersal area since 2001 but it continues to be the case that the distribution of asylum seekers is uneven across the country and within the East Midlands - with areas in the north and midlands accommodating the majority of asylum seekers in urban centres of population.

2.2 At the end of March 2016 there were just over 3000 supported asylum seekers in the East Midlands, at the end of March 2018, this number has remained stable at just under 2800.

2.3 Asylum seekers are located in 6 dispersal areas across the East Midlands with approximately 780 in Derby City, just over 1000 in Leicester City, 950 in Nottingham City, 15 in Broxtowe and 55 in Oadby & Wigston. The first limited dispersal has now taken place in Gedling Borough.

2.4 In order to reduce pressure on existing dispersal areas (particularly Derby, Leicester and Nottingham) and the Home Office asylum support ‘COMPASS’ contract accommodation providers (G4S in the East Midlands); the Government is continuing to seek to widen dispersal beyond the existing areas and to seek the cooperation of local authorities to ensure that the United Kingdom is able to discharge its obligations with regard to the accommodation of those claiming asylum.

2.5 The uneven distribution of asylum seekers and the new asylum contact arrangements have been the subject of meetings between local government and the Immigration Minister Caroline Nokes. The East Midlands was represented by the Regional Migration Board Chair, Cllr Ivan Ould.

2.6 There have been a number of recent high profile criticisms of the operation of current and future contract arrangements - most notably by the Home Affairs Select Committee report\(^1\) and by the Mayor of Greater Manchester.

2.7 EMC continues to work with the LGA in advising how more effective arrangements should be put in place with the commencement of the new Asylum Accommodation and Support Contracts (AASC) scheduled for September 2019. In this region, Serco have been awarded the contract for Initial Accommodation, Dispersed

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Accommodation, Transport and associated Support Services. Migrant Help have been awarded the single, national contract for Advice, Issue Reporting and Eligibility Assistance services.

2.8 It is understood that the new accommodation provider has been asked to submit a mobilisation plan and EMC expects to hold the first Transition Delivery Group meeting in early February. Here are a number of important issues, e.g. contract novation - including existing dispersal properties that Serco may want to take on; instances where councils may wish to withdraw permission for use for properties under one particular landlord/agent and wards where there are disproportionately high concentrations of dispersal; and the operation of selective licensing schemes.

2.9 It remains important that any new arrangements for the accommodation of dispersed asylum seekers supports the full access by councils to any data and information necessary to support local government’s role in dispersal.

3. Refugee Resettlement

a) Vulnerable Persons Relocation Scheme

3.1 Local authorities in the region have resettled 592 refugees as part of the Vulnerable Persons Resettlement Scheme (nationally the figure is approximately 14000).

3.2 Across the East Midlands, councils have pledged a further potential 400 places over 27 local authority areas. The final arrivals under the scheme are likely to arrive in December 2019.

3.3 Mental health continues to be an issue with individuals arriving through the Vulnerable Persons Resettlement Scheme and EMC is working with CCGs to advise on how best to utilise all funding available to them to meet the additional needs of refugees. To date, CCGs in the East Midlands have secured £1.5m of this funding.

3.4 The Government is considering the future of resettlement when the current scheme ends in 2020. Given national developments, the timings for any announcement on this cannot be provided with firm certainty but an announcement on the future position is anticipated in ‘due course’.

b) Vulnerable Children’s Resettlement Scheme

3.5 Whilst nationally and regionally we are broadly on track to meet pledges made under the Vulnerable Persons Resettlement Scheme, this is not the case for the Vulnerable Children’s Resettlement Scheme. This echoed nationally with numbers projected significantly below. Overall 883 children including their families have been resettled through this scheme with the Home Office’s target being 3000 by 2020. In total 21 individuals have been resettled in the region under the VCRS.
3.6 Participating authorities in the East Midlands include East Northamptonshire, Oadby and Wigston, Leicester City, Gedling and Rushcliffe. Derbyshire County Council has accepted four unaccompanied children and Leicester City two children from the VCRS scheme to be looked after as unaccompanied minors.

3.7 Based on population size, the East Midlands might be expected to accommodate roughly 200 individuals under the scheme. This equates to roughly one family per district/unitary authority. Government is asking councils to extend their pledge for the VPRS scheme to encompass VCRS cases.

3.8 Funding for the VCRS scheme for those arriving in family groups is identical to the VPRS scheme. For unaccompanied child refugees the funding rates are as for unaccompanied asylum seeking children.

3.9 Families will be resettled from the Middle East and North Africa. To be eligible for the scheme the family must include a child that meets the UNHCR definition of vulnerable including children facing the risk of child labour, forced marriage, child carers and other forms of abuse and exploitation.

4. **Unaccompanied Asylum Seeking Children (UASC) and Additional Resettlement Requests**

4.1 The National Transfer Scheme for Unaccompanied Asylum Seeking Children (UASC) was introduced on 1st July 2016 as part of a suite of measures included in the Immigration Act 2016.

4.2 To date the transfer scheme has focused on the transfer of children from Kent and some London Boroughs who are above the 0.07% threshold set by the Government.

4.3 In addition Councils in the East Midlands have supported the transfer of a number of children into the region under the Dublin iii regulation to reunify families and under Section 67 of the Immigration Act 2016 (the ‘Dubs’ amendment).

4.4 While all local authorities in the region continue to be engaged in the ongoing discussions and planning, funding arrangements and local placements/capacity constraints have prevented some local authorities in the region from participating in the scheme itself, specifically: Derby City, Leicestershire County Council, Lincolnshire County Council, Nottinghamshire County Council.

4.5 As of December 2018, the total number of UASC in the region stood at around 300. Within this total UASC cohort, less than 15% are a result of participation in the National Transfer Scheme with UASC transferred to the region directly from Europe, from Kent/London Boroughs, or in-region from Northamptonshire (note, this includes Dubs and VCRS arrivals).
4.6 While the overall trend in UASC numbers since the start of the NTS shows a gentle downward trajectory (largely driven by the reduction in UASC numbers in Northamptonshire) the number of former UASC care leavers is increasing.

4.7 A new Controlling Migration Fund (CMF) prospectus was issued by Government in August 2018. EMC and upper tier councils have submitted a bid to the CMF on improving foster care capacity, supported lodgings recruitment and expertise. The anticipated benefits include increasing local authority foster care and supported lodgings capacity across the region, reducing the use of Independent Fostering Agencies bringing savings to Children’s Services budgets, and equip carers to better support UASC, thereby reducing the incidents of missing with corresponding benefits to the police and wider community.

4.8 EMC has put in place better structures to enable cross-agency working including with health sector, police and voluntary sector agencies which support UASC in the region.

4.9 EMC continues to facilitate training, including for UASC foster carers and housing support workers with four training events arranged in the East Midlands.

**UASC Funding and Costs**

4.10 The Home Office review of UASC funding was informed by the comprehensive review undertaken by EMC. Members are reminded that the Home Office originally proposed that it would announce its recommendations in January 2018 with implementation for 2018-19 financial year. Over 12 months on, there has been no announcement. EMC continues to make representations on this issue.

**UASC Care Leavers**

4.11 Following the analysis of local authority UASC costs by EMC previously, it is important that councils are able to gain a more detailed understanding of the costs they incur in Leaving Care support for former UASC care leavers. Whilst the number of Looked After UASC across the region has remained relatively stable over the past year at a little less than 300, the number of former UASC care leavers has increased from 338 (December 2017) to 464 (December 2018), an increase of 37%, adding further pressure to already stretched council budgets. This upward trajectory will continue.

4.12 The Home Office has acknowledged the concerns of local authorities regarding former UASC care leaver cost pressures and is preparing to conduct an analysis of care leaver costs as part of its UASC Funding Review. The basis of this review is likely to rest on EMC’s proposed review.

**5. Recommendations**
Members of East Midlands Councils are invited to:

5.1 Consider recent progress in supporting councils in the management of asylum and refugee resettlement responsibilities.

5.2 Note the awarding of regional contacts for asylum support services to Serco and Migrant Help.

5.3 Advise on the impact of current resettlement programmes and the scope of future resettlement programmes post-2020 to inform further discussions with the Home Office.

Cllr Ivan Ould OBE
Chairman
Regional Migration Board
Summary

This paper updates Members on significant issues relating to local authorities as employers and the programme of support available to address these.

Recommendations

Members of East Midlands Councils 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 provides political leadership on employment issues and forms the Employers’ 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.

1.2 Following EMC’s AGM in July 2018, I was re-appointed as Chair of the Regional Employers’ Board. Two Vice-Chairs were appointed – Cllr Gail Waller, of Rutland County Council and Cllr Byron Rhodes of Leicestershire County Council.

1.3 This report provides information for members on the key issues being faced by Councils in their role as employers, focusing in particular on local government pay, consultation on mandatory ethnicity pay gap reporting, potential developments with exit pay reforms. The report also includes information on councillor development opportunities and programmes to provide continuous professional development for planning and environmental health, which have been identified as resourcing “hotspots”.

2. Regional Employers’ Board Update

2.1 The Regional Employers’ Board held meetings on 21st September and 28th November 2018.

2.2 At the meeting in September, the Board agreed the work programme for the forthcoming year would focus on the following issues:

- Apprenticeships – supporting councils to maximise their return on the levy and identify apprenticeships to assist with skills shortage areas, including IT and occupations to support growth, eg trades, and workforce development.
- Pay and rewards, with particular reference to implementation of the national pay spine.
- Recruitment and retention within planning, building control and social care.
- Addressing the gender pay gap, including supporting more representation of women in senior roles within the sector.
- Support for new ways of working (an agile/remote workforce) and digitalisation.

2.3 At the November meeting, the Regional Employer’s Board discussed recruitment and retention concerns. Board Members were provided with a report on pay,
recruitment and retention incentives for planning officers and for social workers. The reports were produced by EMC and its counterparts from across the country.

2.4 The Board also agreed a response from the region to the consultation on proposals to introduce ethnicity pay gap reporting, which was informed by views and information provided by local authorities across the East Midlands.

3. **Regional Joint Council Update**

3.1 The Regional Joint Council (EMRJC) met following the Employers’ Board meetings as noted in point 2.1 above.

3.2 At the EMRJC meeting in September, Jamie Saddler, LGA’s apprenticeship advisor gave an update on developments regarding apprenticeships. Similar to some other regions, there appears to have been limited uptake of the LGA’s support offer within the East Midlands. This was raised with council Leaders at the subsequent Executive Board of EMC. To facilitate a co-ordinated bid against future funding streams, EMC is organising an event on apprenticeships to link with this timescale.

3.3 The Joint Council also received information from Lisa Butterfill, EMC’s HR & Development Manager, on the support being provided to councils on the management and workforce implications of adopting new ways of working in terms of managing performance, communications, team-working and implementing change. The trade union side was offered the opportunity of being involved and informing this area of work.

3.4 At November’s EMRJC meeting, the implementation of the national pay spine was discussed and it was agreed that the Regional Joint Secretaries would be available to support councils who may be finding it difficult to reach agreement. Naomi Cooke, LGA’s Head of Workforce, attended the meeting. Progress with pay spine implementation was discussed with trade unions, who indicated a pragmatic approach would be taken. EMC hosted a meeting following the EMRJC for Directors and Heads of HR to meet Naomi, share priorities and to hear about the LGA’s workforce offer.

4. **Local Government Pay**

4.1 The most significant issue for the sector has been the implementation of the national pay agreement reached in 2018 which included a revised national pay spine to be implemented in April 2019. The new pay spine has been developed
to address the issues arising from the National Living Wage which has eroded differentials in the pay of employees at the lower end of the pay-scales.

4.2 EMC has been supporting councils to prepare and plan for the implementation of the new national pay spine through a series of free workshops focussed on the aspects of implementation that councils had flagged as of interest or concern. These have covered:
- pay modelling
- equality impact assessments and equal pay audits
- consulting and negotiating locally to implement change

4.3 We have also offered a discounted pay modelling service for councils, which has received extremely positive feedback.

4.4 Most councils are in the process of consulting with trade unions on their proposals and a number have reached agreement. One council in the region is taking the opportunity to move back onto the national pay spine, having moved away a few years ago.

5. **Maintaining Influence within the EU in the Context of Brexit**

5.1 Members will be aware that EU Directives are developed and negotiated through Social Partners. EMC is a member of CEEP UK which in turn provides membership of CEEP, which is one of the social dialogue partners of the EU, thereby providing an opportunity to influence EU Directives. To maximise the region’s influence, I have been President of CEEP UK and Vice-President of CEEP.

5.2 Since the outcome of the EU Referendum and the decision for Brexit, we have been considering the implications for CEEP UK and analysing options going forward. Maintaining our influence in the run-up to the UK’s departure from the EU is important, given that any new European legislation and/or changes to existing legislation that require implementation before the effective leaving date will also have to be implemented by the UK and would remain in place subject to the Government’s implementation period.

5.3 Following negotiations with the General Secretary of CEEP, we have been successfully renegotiated our membership within this context, reducing costs whilst maintaining our influence so that CEEP UK can continue to represent the interests of local government employers within the social dialogue process. EMC has agreed to maintain membership on this basis, subject to review, as and when the Brexit approach becomes clearer. In the event of A no-deal Brexit would
6. **Future Issues**

6.1 As mentioned in 2.4 above, the government has recently consulted on a proposal to introduce a requirement for **Ethnicity Pay Gap reporting**. The consultation covered three elements as set out below:-

- ethnicity pay reporting – this section seeks views on the benefits of ethnicity pay reporting and what should be reported.
- ethnicity data and classifications – gathering information and views on how employers collect ethnicity data and what classifications they use.
- Next steps and Government support for employers – covering the size of organisation to be within scope and how Government could support employers in implementing the requirement. The Government has indicated that legislation will be needed to implement mandatory ethnicity pay reporting but has given no timescales for implementation. Presumably any legislation will in itself be subject to consultation.

6.2 The consultation closed on 11th January 2019 and a copy of the regional response to the consultation is available from EMC. In brief, this highlights the need for, as far as possible, mirroring the approach required for gender pay reporting, ensuring that data protection/privacy concerns are addressed, the potential costs/burdens of changing the categories currently used for data monitoring, and the importance of councils being able to publish contextual information in support of their ethnicity pay gap data.

6.3 Some time ago, the Government had gone through a consultation process on proposals to **reform exit pay within the public sector**. The proposals included setting a cap on exit pay to £95,000 (which includes pension strain costs) and recovery of exit pay for those returning to the public sector. The Treasury has indicated that it aims to start the consultation process again by March. If this timescale is kept to and sufficient parliamentary time is available, the reforms could be implemented as early as October 2019, particular the proposal to set the exit pay cap, which is less complex than the recovery proposal. It is not yet clear what, if any changes are being made to the proposals. EMC will ensure that local authorities are informed as soon as any further information is available. This clearly has significant implications for individuals and for local authorities in terms of planning resources, facilitating change and attracting experienced high-calibre resources back into the sector.
7. National Association of Regional Employers (NARE)

7.1 All regional employers across the country form the above Association, which provides an opportunity for working collaboratively on workforce and councillor development issues to maximise impact and resources.

7.2 NARE has met twice since EMC's general meeting. In October at NARE’s AGM, Cllr Rory Love, OBE of South East Employers was appointed Chairman. As well as providing an opportunity for information sharing across regions and with national LGA colleagues, the meeting discussed ethnicity pay reporting, the TUC’s Great Jobs Agenda and Durham University’s research on “The Forgotten Workers: Low Paid Work and Multiple Employment.” The latter is of relevance to councils because of the likelihood of a number of their employees and casual workers being in multiple employment.

7.3 The meeting on 22nd January 2019 focused on the benefits for councillors, the organisation and communities of the Councillor Development Charter, a framework to support and give accreditation to effective member development. The meeting also received a presentation on a wellbeing initiative “Thrive at Work” which has been developed by West Midlands Combined Authority. Work is now underway to explore opportunities for the programme to be rolled out to regional employers organisations for the benefit of their member councils.

8. Councillor Development

8.1 The regional councillor development offer provides a mixture of opportunities to develop skills and knowledge as well as providing free seminars on significant issues for the sector. Since the last General EMC meeting, the following events have taken place:

- Summit on Housing and Planning, including a session led by Right Hon. Nick Raynsford, President of the RTPI.
- Summit on the Implications of Brexit on Local Growth, with Suella Braverman MP, Parliamentary Under-Secretary of State for the Dept for Exiting the EU.
- Scrutiny Chairs development event.
- Chairing skills.
- Recruitment and selection for councillors (in-house).

Our next key event for Members is an Infrastructure Summit taking place on 8th February 2019.
8.2 East Midlands Councils is in the process of developing a programme of regional Councillor Induction events, to complement local authorities’ own induction programmes. The content of this programme will be shaped based on feedback from the East Midlands Councillor Development network, and the proposed content includes:

- Civic Heads
- Mentoring - half day for mentors and mentees
- New Role as a Councillor Event
- Being an effective councillor: making a difference - doing it your way
- Chairing Skills
- Speed Reading
- Strengthening and Sustaining Personal Resilience
- Local Government Finance
- Advance Finance Scrutiny Skills
- Commissioning Skills
- Public Speaking
- Media

8.3 Further information on councillor development opportunities either in-house or as a regional/shared event is available from lisa.butterfill@emcouncils.gov.uk or Kirsty.lowe@emcouncils.gov.uk

9. **Recommendations**

Members of the East Midlands Councils are invited to:

9.1 Note the contents of the report.

9.2 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