

Policy Committee Report (July 2017)

East Midlands Councils

1. Background

- 1.1 East Midlands Councils is the membership organisation for the region's local authorities. It is a voluntary membership body that focuses on issues of significance and common priorities for councils in the East Midlands and where a collective approach is likely to be effective.
- 1.2 It also provides training and development programmes for councillors and staff of councils in EMC membership (at no additional or marginal cost), access to low-cost services and consultancy, e.g. recruitment and HR, and governance and organisational change support.
- 1.4 EMC hosts lead members networks for 'portfolio holders' of Children's Services, Adult Social Care and Health and Wellbeing Board.
- 1.5 The following policy report includes detail on:
 - a) Economic Growth and Infrastructure
 - b) Asylum and Refugee Resettlement Programmes
- 1.6 Nottinghamshire County Council is a key partner in this work, and EMC welcomes the advice on these and any other matters of policy development and delivery.

2. Economic Growth and Infrastructure

a) Midlands Engine Strategy and Action Plan

- 2.1 On 9th March 2017 the Government set out the strategic framework for the Midlands Engine, with a focus on addressing key productivity barriers through improving connectivity, strengthening skills, supporting enterprise and innovation, promoting trade and enhancing quality of life across the Midlands.
- 2.2 The publication of both the UK's Industrial Strategy and the subsequent launch of Government's Midlands Engine Strategy represents a significant step forward in confirming a role for the Midlands Engine in driving productivity and economic growth. With this comes a clear expectation that

the Midlands Engine is seen as a key partner in the delivery of the Industrial Strategy and will develop a credible, focused and achievable Action Plan.

- 2.3 This drafting process has not been one without its challenges. Firstly, it has demonstrated where the Midlands Engine still does not have a fully developed 'offer'. Secondly, while there are plans to better resource and recruit to a Midlands Engine secretariat, the current lack of capacity has challenged the drafting process. And thirdly, the partnership has lacked the time to benefit from a more methodical and iterative process.
- 2.4 Following the General Election, it is clear that the Action Plan needs the right policy context and strategic narrative required to establish a clear vision and approach – and to secure the buy-in and support from Government and the wider partnership.
- 2.5 In the coming weeks, the governance review and the Action Plan will be brought into a single Midlands Engine 'Prospectus', which it is expected to better support engagement with Ministers and civil servants.
- 2.6 Over the summer, it is proposed to consult with public and private sector partners to enable the Prospectus to be brought back to the Supervisory Board for agreement at its early-September meeting prior to any formal submission to Government, with subsequent launch at stakeholder events and ultimately at the party conferences ahead of the Autumn Budget.

b) Midlands Connect

- 2.7 The Midlands Connect Strategy was published on the 9th March 2017 and is available at: <https://www.midlandsconnect.uk/publications/>
- 2.8 The publication of the strategy is a major technical and political achievement and completes the core requirement of the Government's original £5m investment in Midlands Connect. It is worth noting that Transport for North has yet to produce a similar document, which will be a key requirement of becoming a statutory Sub-national Transport Body.
- 2.9 In addition to the £5 million for Midlands Connect up to March 2017, the previous Government announced a further £17 million up to March 2020, including £5 million for the Midlands Rail Hub project. This gives the partnership greater certainty over the medium term and the ability to progress early priorities identified in the March 2017 Strategy.

- 2.10 The Midlands Connect Three Year Plan sets out how the partnership will use the DfT funding to take forward the early priorities identified in the Strategy. Given that preparation costs for major transport schemes are typically equivalent to 10% of total capital costs, £12million will be nowhere near enough to develop the identified schemes to the point of implementation. Rather, the money will be used to define schemes to a point at which they can be taken forward by Highways England, Network Rail and HS2 Ltd through the established national processes towards implementation.
- 2.11 The previous Government made a commitment to establish Midlands Connect as a Sub-National Transport Body by the end of 2018, similar to the status recently agreed for Transport for the North. Statutory status would give Midlands Connect greater traction over funding decisions taken by the Department for Transport and its delivery bodies than the current voluntary arrangements. The initial proposition has been developed with the following functions (which are also consistent with the Transport for the North proposition):
- To establish a statutory regional transport strategy for the Midlands.
 - To establish recommended priorities for major road and rail investment in the Midlands.
 - To identify a 'Major Road Network' (MRN) for the Midlands.
 - To work with Local Transport Authorities, Combined Authorities and other bodies (such as West Midlands Rail and EMC) to specify the development and delivery of rail franchises.
 - To act jointly with the Local Transport Authorities and Combined Authorities to create multi-modal ticketing schemes.
- 2.12 This is work in progress - it will be necessary to secure an affirmative decision from all member local transport authorities within the Midlands (and to consult relevant bodies in adjoining areas) before making any formal submission to Ministers – probably in early 2018.

c) HS2 in the East Midlands

- 2.13 The East Midlands HS2 Emerging Growth Strategy was submitted to Government in September 2016. It sets out initial plans to use HS2 connectivity to boost economic growth from just below to above the projected UK trend - equivalent to an additional 74,000 local jobs and an extra £4 billion to the UK economy.

- 2.14 The November 2016 Command Paper confirmed Government's intention to build an HS2 Hub Station serving the East Midlands at Toton and an Infrastructure Maintenance Depot at Staveley. It also proposed that instead of a new HS2 station at Meadowhall, South Yorkshire should be served by two 'classic compatible' HS2 trains per hour stopping at the existing Sheffield Midland Station, at least one of which would also stop at Chesterfield.
- 2.15 The Command Paper went on to confirm the release of an additional £625,000 to complete the East Midlands HS2 Growth Strategy by July 2017. The objective of the final HS2 Growth Strategy will be to define a development and infrastructure proposition for Toton, Chesterfield and Staveley that can realise the identified economic growth potential, and which is clear, costed and deliverable. The East Midlands HS2 Strategic Board continues to meet to drive progress on these matters.
- 2.16 A final HS2 Growth Strategy will be submitted in July 2017. Key to this will be establishing a credible and coherent plan for strategic transport connectivity to the Hub Station covering a range of modes. The HS2 Strategic Board has commissioned a series of 'concept studies' to develop initial proposals for key transport infrastructure to form a 'working proposition' of what will be required, which will cover:

Mode	Primary Market
Mainline Rail Services	Regional - including rail access to main city interchanges (Derby, Leicester & Nottingham) and regional network.
Mass Transit Strategy	Sub-Regional & Local - including city centres, district centres, key development locations (including EMA) and enterprise zones, urban and suburban residential locations.
Bus Connectivity	Sub-Regional & Local - including local district centres, urban and suburban residential locations and city centres
Taxi Connectivity	Sub-Regional & Local - including urban, suburban and rural residential, and business locations.
Walking & Cycling	Local & Ultra Local – local district centres and residential locations. Also includes behavioural change interventions
Park & Ride HS2 Connectivity	Sub-Regional & Local - including urban, suburban and rural locations
Highway Access	Sub-Regional & Local - including urban, suburban and rural residential locations.

2.17 Although the level of detail provided by the concept studies will be sufficient for the purposes of a Growth Strategy submission in July 2017, further detailed design work will be required to develop business cases for key projects capable of securing public and private investment.

d) East Midlands Rail Franchise Competition

2.18 EMC is working as a partner with the Department for Transport on the East Midlands Rail Franchise Competition, with the objective of ensuring that future rail services better meet the needs of businesses and communities across the East Midlands and help deliver the Midlands Engine agenda.

2.19 To provide a clear mandate for engagement by EMC with the Department for Transport and bidders over the coming months, the EMC Executive agreed the following documents, available on the EMC website at:

<http://www.emcouncils.gov.uk/East-Midlands-Rail-Franchise>

- EMC Strategic Statement which sets out regional objectives for new franchise.
- 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.

2.20 Before the General Election was called, the Department for Transport indicated that an eight week consultation on the East Midlands Franchise would start the week commencing the 8th May 2017 – already five months later than originally planned.

2.21 To prepare for this, EMC held a seminar for councils and other local stakeholders on the 21st March 2017 at Leicester City Hall to discuss issues likely to feature in the consultation.

2.22 The General Election ‘purdah’ period further delayed the process and could also lead to conflicts with the timetables of a number of other franchise competitions. Consequently, it is possible that the new East Midlands franchise may not be able to start in early 2019. If this is the case, the Government may need to consider making a further direct award to the current franchise holder. The Government will need set out a fully revised timetable when the consultation document is finally published

2.23 The last Government’s public position on MML upgrade and electrification is set out below:

- MML upgrade measures (including the Market Harborough scheme) to be completed by 2019;
 - Electrification to Corby to be completed by 2019; and
 - Preparation works on electrification works from Corby to Sheffield are continuing - but the implementation date yet to be formally confirmed.
- 2.24 The business case for the full electrification of the Midland Main Line remains strong as it will significantly reduce the running costs of the railway, reduce CO2 emissions, improve air quality and enable the faster acceleration and deceleration of trains. It will also promote the future integration of the HS2 and classic rail networks by enabling classic compatible running.
- 2.25 In the light of the recent Public Accounts Committee Report on the electrification the Great Western Main Line, there must be significant doubt about the commitment to the MML scheme. However, the new Government has yet to come to a formal position.
- 2.26 The new Government will also need to confirm a position on future rolling stock. The current franchise holder recently made the case for the direct procurement of bi-mode (electric/diesel) trains to provide flexibility.

e) Transport for the East Midlands (TfEM)

- 2.27 Given the scale of current and future regional transport activity, EMC established a separate East Midlands Strategic Transport Board, to be known as Transport for the East Midlands (TfEM), to provide additional political governance and oversight.
- 2.28 'Transport for the East Midlands' comprises members nominated by the upper-tier authorities. Senior representatives of the Department for Transport, Highways England and Network Rail are invited to attend as ex-officio members.

f) Governance and Representation

- 2.29 As a result of the county council elections in May, there is clearly a new political context that EMC needs to reflect and respond to. In particular, with a renewed emphasis on the opportunities for collective political leadership, council leaders have been invited to consider representation and membership of the main boards and partnerships that EMC supports.

3. Asylum and Refugee Resettlement

- 3.1 East Midlands Councils represents the region on asylum and refugee priorities. Alongside this, it has the responsibility for the delivery of national programmes including working with local authorities to become asylum dispersal areas, coordination of the Syrian Vulnerable Persons Resettlement Scheme and Vulnerable Children's Resettlement Scheme and facilitation of the National Transfer Scheme for Unaccompanied Children. EMC has also been funded to undertake a review of ESOL provision in the region.
- 3.2 The following update provides a summary of the key elements of national migration policy where EMC has a co-ordinating and leadership role on behalf of councils in the region.
- Asylum Dispersal: The need for councils to engage in discussions about the potential to become a new dispersal area.
 - Syrian resettlement: Delivery of the regional coordination model and establishing the regional capacity for 2017/18.
 - The Vulnerable Children's' Resettlement Scheme: To ascertain the capacity of councils in the region in being able to participate in this scheme and to coordinate arrivals.
 - UASC: Delivery of the National Transfer Scheme of Unaccompanied Asylum Seeking Children, support for the resettlement of unaccompanied children from Europe (the 'Dubs children') and those who are reunited with family members in the UK via 'Dublin iii' arrangements.
- 3.3 EMC remains concerned regarding the impact of multiple requests to local authorities of the various asylum and refugee resettlement schemes and is working to ensure that this is better understood by Government.

a) Dispersal of Asylum Seekers

- 3.4 The East Midlands has been an asylum dispersal area since 2001. Recent increases in the flow of asylum seekers nationally, pressure on housing markets and changes in Government policy has increased the need to more equitably disperse asylum seekers both nationally and within the East Midlands.
- 3.5 The East Midlands has put the case for a fairer distribution of asylum seekers across the UK for some time and the most recent figures still suggest that the East Midlands population of asylum seekers remains disproportionately high in relation to the share of the population.

- 3.6 A further round of meetings with local authority chief executives has taken place to determine potential new asylum dispersal areas. No new areas have been identified to date but a limited number of councils have indicated they are willing to give the request further consideration. The position remains that unless sufficient numbers of local authorities consent to becoming an asylum dispersal area, the power to impose asylum dispersal on a local authority area could be invoked by the Secretary of State.
- 3.7 Asylum seekers are located in 6 dispersal areas across the East Midlands; with approximately 800 in Derby City, 10570 in Leicester City, 1050 in Nottingham City, 15 in Broxtowe and 55 in Oadby & Wigston. Gedling Borough Council has also agreed to become an asylum dispersal area but no placements have yet taken place. The latest information on the dispersal on asylum seekers supported under Section 95 of the Immigration and Asylum Act 1999 can be found [here](#)
- 3.8 These figures coupled with reported numbers from the accommodation provider G4S suggest that the normal seasonal upwards trend is less marked this year than previously. The figures will be kept under review. The Regional Migration Board made a request for more a more detailed breakdown of nationality of asylum seekers to be made available in future.
- 3.9 The current COMPASS accommodation contract comes to an end in 2019 and the Home Office are consulting with local government, via EMC's Regional Migration Board, on future asylum dispersal arrangements. However, there remains a lack of clarity of the outcomes the Home Office expects from revised arrangements and until this is confirmed it is difficult to advise on potential delivery models.

b) Syrian Refugee Resettlement

- 3.10 The Syrian Vulnerable Persons Resettlement Scheme (SVPRS) has now been in operation for nearly 18 months. The purpose of the scheme is to resettle 20,000 Syrians in need of protection up to 2020.
- 3.11 Since March 2017, there have been 112 additional arrivals as part of the Syrian Vulnerable Persons Resettlement Scheme bringing the regional total to 331 refugees. This includes just under 40 arrivals in June. Local Authorities that have participated in the resettlement of refugees through the programme are Derbyshire (Chesterfield, Derbyshire Dales, High Peak, South

Derbyshire), Leicester City, Leicestershire (Blaby, Charnwood, Melton, Rutland, North West Leicestershire), Nottingham City, Nottinghamshire (Ashfield, Broxtowe, Gedling, Mansfield, Newark and Sherwood, Rushcliffe) and Northamptonshire (Northampton).

- 3.12 The next charter flight of arrivals is due in September 2017. The number of complex and mobility cases which are being referred to the region has increased to around 50% of the total number of cases. Councils have responded well to the change in allocations but with increased complexity will come increased demand on services. Additional funding is available through the exceptional cases fund and there is an additional £30k for property adaptations. There is also additional funding for health.
- 3.13 EMC is working with East Midlands Further Education Councils (emfec) on analysing ESOL provision and identifying best practice to support the roll-out of additional English language training and integration services. The results of this project will be published in September 2017.
- 3.14 The Home Office are continuing to seek offers of pledges for the Vulnerable Children's Resettlement Scheme (VCRS). The scheme applies to children and their families outside of Europe in refugee camps in the Middle East and North Africa, with the same funding levels as the current Syrian resettlement scheme.
- 3.15 Of the 3,000 national places, it is expected that only a small number of this cohort will be unaccompanied children and these would be dealt with under the National Transfer Scheme. Based on population, the number of refugees the East Midlands might be expected to support under the scheme would be just over 200. Two local authorities have indicated willingness to accept VCRS cases going forward.

c) Unaccompanied Asylum Seeking Children (UASC)

- 3.16 The UASC National Transfer Scheme (NTS) is based on regions taking a proportion of UASC in relation to their current looked after child population, with no region expected to exceed 0.07% UASC of refugee children as a proportion of the total child population in their area by the end of March 2017.
- 3.17 While all local authorities in the region continue to be engaged in the ongoing discussions and planning; funding provision and local placements/capacity

constraints have prevented some local authorities in the region from participating in the scheme itself, specifically:

- Derby City has indicated that due to funding and capacity it is not able to participate at this time.
- Leicestershire County Council have disengaged from the scheme until such time as the Government meets the full costs of placements and service provision; makes adjustments to the operation of the scheme to make it practical to deliver; or makes participation in the Scheme mandatory.
- Lincolnshire County Council's Executive has agreed to participate in the scheme subject to the participation of all East Midlands authorities.
- Nottinghamshire County Council has indicated that they are not in a position to further take part in the voluntary schemes.

3.18 As of 31st May 2017, the total number of UASC in the region stood at 301. Less than 20% of total UASC numbers are a result of participation in the National Transfer Scheme; and to date, 53 UASC have been transferred to the region directly from France, from Kent/London Boroughs, or in-region from Northamptonshire (note, these figures include 10 Dubs arrivals and 1 VCRS arrival).

3.19 Participation in the National Transfer Scheme across English regions has continued to increase which has meant that the East Midlands has seen less frequent requests for national transfers. However, since the above data was collated, numbers in Northamptonshire have again risen above 0.07%. Councils' in the East Midlands have previously agreed to prioritise transfers from Northamptonshire.

Funding and Costs

3.20 Sufficient funding for the NTS remains a challenge. EMC has undertaken research to fully understand the costs incurred by councils in the East Midlands in caring for UASC.

3.21 The full report will be publicly available at EMC's AGM on 14th July 2017. While still subject to clarification on a limited number of issues, e.g. health costs; the following summary is provided to Members of Nottinghamshire County Council's Policy Committee.

Regional Average Local Authority Costs incurred through UASC support

Service provided	Nature of costs	Average Cost (per UASC, per annum)
1. Social Work (including assessment, care planning and case management)	Staff salaries (Team Manager, Social Workers, Independent Reviewing Officers, administrators, agency staff etc.), Referral process, Age Assessment processes (including cases that do not lead to LA Care), Travel	£8,454
2. Placements (foster care, residential, and semi-independent living)	Placement finding services, placement costs (staffing, payments to foster carers, fostering panels, training), Miscellaneous payments (personal allowance, birthday and religious festival payments etc.)	£40,850
3. Education (costs incurred by LAs directly in support of UASC education, not including mainstream school provision)	Virtual school support and staff costs, school integration support, educational equipment, ESOL provision	£3,396
4. Health (costs incurred by LAs directly in support of UASC health, not including costs incurred by CCGs, NHS England or Public Health England)	Initial Health Assessments and Review Health Assessments. Mental health support identified but costs difficult to quantify (see comments below).	£660
5. Legal costs	Age assessment challenges, Judicial Reviews, Care proceedings	£896
6. Miscellaneous costs	Interpreters, advocacy and children's rights, funding for VCS services and support	£897
Total local authority costs	Regional average cost incurred by local authorities in support and care of one UASC per annum	£55,153

- 3.22 Based on the current age demographics of UASC in the region and the distribution across 'legacy' and 'national rate' cases according to the Home Office's funding categories, the weighted average Home Office grant per UASC per annum equates to £30,231.
- 3.23 Therefore, by comparison with the above figure for the average total cost to authorities per UASC per annum of £55,153, the present average Home Office funding level covers just over half (55%) of the actual costs incurred by local authorities. This is in line with the findings of an ADCS report in November 2016, which found a gap of similar magnitude between Home Office funding and local authority costs.
- 3.24 The shortfall in funding between the regional average cost to local authorities and the current average Home Office funding level is calculated to be £24,922 per UASC per annum.
- 3.25 The analysis was based on a regional UASC population totalling 299 unaccompanied migrant children, which therefore equates to a funding shortfall to the East Midlands of £7.45 million per year. Within this overall funding shortfall, £6.35 million (85%) is incurred through local authorities' statutory duty of care to 'spontaneous' (or 'clandestine') UASC arrivals. National Transfer Scheme cases represent £0.82 million (11%) of the overall regional funding shortfall, with the remaining £0.28 million (4%) shortfall accruing through regional support for 'Dubs' arrivals (under s.67 of the Immigration Act 2016).
- 3.26 Local authorities have adopted a conservative approach to identifying costs. Some cost lines were inaccessible to individual local authorities even where costs were known to occur. This was due to the structuring of budgets, particularly where recorded in other (non-social care) departmental budgets, and the limited resources available to access costs within the scope of the research. On the recommendation of the Regional Migration Board further information on health costs is being obtained but early indications suggest that these amounts will not affect greatly the overall conclusions.
- 3.27 It is important to note that the data from local authorities indicate that the cost per UASC is not uniform across all authorities. There is a significant range of overall costs across the different authorities (ranging from £33,850 - £65,002). Therefore, the funding gap is likely to be larger for some local authorities than for others.

- 3.28 Nevertheless, this is the most recent update of UASC costs and the first time that it has been undertaken with a focus on the actual costs incurred at the regional level since the implementation of the NTS, thereby allowing for greater analysis of costs and capacity. This is a necessary step to enable a robust case to be presented to the Home Office on the inadequacy of central government UASC funding.
- 3.29 It is clear that the costs and capacity constraints, and the withdrawal of a number of councils, now challenge the on-going sustainability of the NTS in this region and places greater urgency on the Home Office to implement changes to the funding model.
- 3.30 The Regional Migration Board and Lead Members for Children's Services recommended to EMC Executive Board that this matter be raised directly with the new Immigration Minister (Home Office) and Minister of State for Vulnerable Children and Families (DfE), in the first instance by letter signed by all unitary and county council leaders, and to also share these findings with the Local Government Association, County Councils Network and the Association of Directors of Children's Services.

d) Dubs and Dublin

- 3.31 As reported to the Board in March, as part of the commitment to the National Transfer Scheme, the East Midlands has received a small number of children under the 'Dubs scheme'. It has been announced that the scheme to resettle children from Europe under the Lord Dubs amendment (Section 67 of the Immigration Act) will be closed after the current cohort of 150 is resettled. An additional 130 places were identified in April by the Home Office. There have been no arrivals under this scheme since the last Board meeting although an announcement is expected imminently and a verbal update will be given to the Board.

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