

Policy Committee Report

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.
- 1.3 Nottinghamshire County Council is a leading member council of EMC and two councillors are members of EMC:
- Cllr Alan Rhodes (member of EMC Executive Board).
 - Cllr Kay Cutts (member of the Regional Migration Board).
- 1.4 EMC also 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 focus on the key areas of:
- a) Economic Growth and Infrastructure
 - b) Asylum and refugee resettlement programmes
 - c) Employment Policy (Apprenticeship Proposals)
- 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

- 2.1 Sir John Peace has now taken over as Chair of the Midlands Engine, and will combine this with his existing role as Chair of the Midlands Connect partnership.

- 2.2 At the Autumn Statement on 23rd November 2016, the Chancellor of the Exchequer announced that the Government will unveil its strategy for the Midlands Engine. It is expected that strategy will be a high level narrative that reaffirms Government's commitment to the Engine and its role in delivering growth and increased productivity in the Midlands.
- 2.3 Following its publication (likely to be in late-January 2017), the Midlands Engine partnership will be expected to respond to government with a vision and action plan. This should be completed and presented to Government ahead of its last Spring Budget in March next year (from then onwards there will be a Spring Statement and an Autumn Budget).
- 2.4 As part of the Autumn Statement, Government confirmed its commitment to a UK Industrial Strategy. As it develops the Industrial Strategy, the Government will be soon publishing a Green Paper seeking the Partnerships' views before issuing a White Paper early 2017. There will need to be a clear link between the Industrial Strategy work and the Midlands Engine Strategy.
- 2.5 The Autumn Statement also introduced a number of funding programmes of relevance to the Midlands Engine. In summary these are:
- A £23bn National Productivity Investment Fund (NPIF) for innovation and infrastructure over the next five years, aimed at science and tech research and development.
 - £392m Growth Deals funding for LEPs in the Midlands (£1.8bn nationally) – individual LEP funding deals to be announced in the coming weeks.
 - £1.1bn in English local transport networks, £220m for 'pinch points' on national roads, £450m to trial digital signalling on railways and £390m for development of low emission vehicles
 - Additional £5m to Midlands Connect in preparation costs for the Midlands Rail Hub project – although this was half the amount requested. If fully implemented, the Midlands Rail Hub will create an extra ten trains paths through central Birmingham, which would facilitate a significant improvement in east-west rail connectivity across the Midlands.
 - Around £80 million will be allocated to accelerate the roll out of smart ticketing including season tickets for commuters in the UK's major cities.

b) Midlands Connect

- 2.6 Midlands Connect is a partnership of Local Transport Authorities and Local Enterprise Partnership that have come together to develop a Strategic

Transport Strategy for the Midlands by March 2017, with financial support from the Department for Transport.

- 2.7 In addition to the £5m for Midlands Connect up to March 2017, the Government has recently announced a further £12m up to March 2020. This gives the partnership greater certainty over the medium term and the ability to progress key priorities identified in the March 2017 Strategy.
- 2.8 The Midlands Connect Strategic Board met on the 13th October 2017 and agreed the Emerging Strategy Document, which was then submitted to Government prior to formal publication. It had been expected that the Emerging Strategy would be published along with the Autumn Statement in November 2016. Instead its publication is likely to form part of a wider Midlands Engine announcement linked to the emerging Industrial Strategy later this year.
- 2.9 Over the coming weeks the focus of work through the Midlands Connect Technical Advisory Group and Steering Group will be to develop a sequence of key interventions that can most effectively deliver the key objectives of the Emerging Strategy. EMC is working with the relevant Local Transport Authorities to ensure that this reflects key priorities for the East Midlands.
- 2.10 Prior to sign off by the Strategic Board in February 2017, there will be a period of direct engagement with Leaders and LEP Chairs early in the new-year to ensure that the full Strategy commands widespread support.

c) HS2

Phase 1

- 2.11 The Hybrid Bill for Phase 1 of HS2 remains on course to receive Royal Assent by the end of 2016, with construction starting in early 2017. As a result, by 2026 both Birmingham city centre and Birmingham International Airport will be within 45 minutes of the centre of London – equivalent to Zone 5 of the capital's public transport system. This is likely to result in a significant boost to the West Midlands economy.

Phase 2b Route Announcement

- 2.12 The Secretary of State made the long awaited Route Announcement on Phase 2b of HS2, including the Eastern Leg through the East Midlands, on

the 15th November 2016. The announcement confirmed the majority of the route through the East Midlands including the Hub Station at Toton and the Infrastructure Maintenance Depot at Staveley. The Secretary of State also endorsed Sir David Higgins' recommendations for serving South Yorkshire by a classic compatible connection to Sheffield Midland Station via Chesterfield.

- 2.13 Where significant changes have been made to the line of route originally proposed in 2013, further public consultation will take place early in 2017. In the East Midlands these changes cover:
- The area around Measham (North-West Leicestershire).
 - The area around East Midlands Airport.
 - The vertical alignment through Long Eaton.
 - The route through northern Derbyshire to serve Sheffield.
- 2.14 The Secretary of State confirmed that the whole route, including that subject to further consultation, has been safeguarded for planning purposes and property owners directly affected are eligible for statutory compensation. The Government is also consulting on a non-statutory scheme for other property owners impacted by the decision who can also demonstrate a pressing need to sell.
- 2.15 Now the Route Announcement has been made, the remainder of the process for Phase 2b is likely to be as follows:
- Development of more detailed plans, further engagement and consultation: 2017-19.
 - Deposit of Hybrid Bill: 2019.
 - Royal Assent for Hybrid Bill: 2022.
 - Start of construction: 2023.
 - Phase 2 opens: 2033.

East Midlands HS2 Growth Strategy

- 2.16 In the meantime, the East Midlands HS2 Strategic Board has continued to drive forward the development of the East Midlands HS2 Growth Strategy.
- 2.17 An Emerging Strategy Submission was made to Government at the end of September 2016 setting out initial proposals to maximise the economic benefits of HS2 in the East Midlands, including:
- The Hub Station at Toton.
 - The Infrastructure Maintenance Depot at Staveley.

- The provision for classic compatible services serving Chesterfield as part of revised plans for serving Sheffield.
- 2.18 The Emerging Growth Strategy is available [here](#). A press launch took place on the 18th November 2016 led by the Chair and Vice Chair of the Strategic Board. Presentations have been made to senior DfT officials, including the Permanent Secretary, and the document has been well received. However, this has yet to translate into tangible support for key projects. The recent rejection of the Large Local Majors bid for the proposed Derby-Nottingham Mass Transit Strategy and ongoing doubts about the delivery of Midland Main Line Electrification are both cases in point.
- 2.19 The second tranche of £625,000 from the Department for Transport will help to support the completion of the Growth Strategy by the end July 2017. The focus of the work programme is on providing greater detail on key infrastructure requirements, constructing a robust financial model and developing proposals for an effective delivery body.
- 2.20 In the absence of a combined authority or devolution deal, which have been used by Government as the vehicles for supporting the implementation of HS2 Growth Strategies elsewhere, the scope and powers of any delivery body will assume greater importance in the East Midlands. As a result councils and LEPs will need to consider bold and innovative arrangements.

d) East Midlands Rail Franchise

- 2.21 In the context of Government moves towards rail devolution, 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.
- 2.22 With financial contributions from the region's Local Transport Authorities, EMC has secured additional technical advisor support who is embedded with the DfT Franchise team in London on a part-time basis.
- 2.23 The Government published the East Midlands Franchise Competition Prospectus on 16th November 2016 and confirms the timetable for the franchise completion as:
- | | |
|----------------|----------------------|
| December 2016: | Public Consultation |
| May 2017: | Invitation to Tender |

March 2018: Contract Award

July 2018: New Franchise Starts

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/569286/east-midlands-rail-franchise-competition-prospectus.pdf

- 2.24 The Department for Transport has confirmed the franchise will last between 7 - 10 years, with the potential of an extension of up to a further 2 years. The shorter timeframe may be partly a reflection of the uncertainty of the delivery of planned infrastructure improvements (e.g. Midland Mainline electrification).
- 2.25 In order to provide a clear mandate for engagement for EMC with the Department for Transport and bidders over the coming months, EMC Executive Board agreed:
- A Strategic Statement that sets out regional objectives for new franchise. This is based on an initial document endorsed by the Executive Board in April 2016 and discussed at a stakeholder consultation event in Newark, subsequent comments from key stakeholders and further consideration with Local Transport Authority rail officers.
 - A 'social value statement', as required by the Public Services (Social Value) Act 2012, which allows for public bodies to set out social, economic and environmental objectives for the delivery of services procured from the private sector.
- Both documents are available at ([here](#)).
- 2.26 The next key stage in the process is a consultation on key issues to inform the development of the formal invitation to tender document. The consultation started in December 2016 and run for 12 weeks. It will be very important for councils, LEPs, businesses representatives and rail user groups to respond constructively and where possible consistently to secure a positive outcome. The EMC Strategic Statement and Social Value Statement provide a basis for a co-ordinated approach to the consultation.
- 2.27 In order to facilitate and support the consultation process, EMC has organised an event for councils and other stakeholders on 10th/13th February 2017 (tbc at time of writing), to be chaired by Cllr Roger Blaney, Leader of Newark & Sherwood District Council.

e) Midland Mainline Upgrade and Electrification

- 2.28 The upgrade and electrification of the Midland Main Line (MML) has been the region's top strategic rail infrastructure improvement for many years. In 2012

the then Secretary of State Justine Greening announced the scheme would be completed by 2020. As a result of wider cost pressures within Network Rail, the electrification element was paused in 2015. Following the subsequent Hendy Review, the Government decided to complete the upgrade measures and electrification to Corby by 2019, but to delay electrification to Sheffield until 2023.

- 2.29 Since then cost pressures within Network Rail have intensified further. In particular the electrification of the Great Western Line (which was prioritised above the MML in 2009 despite having a less compelling business case), is now running at five times the original estimated cost.
- 2.30 During September and early October 2016 there was significant concern within the industry that electrification to Sheffield would either be paused or shelved indefinitely. As a result EMC coordinated interventions, setting out the continued strategic importance of electrification, particularly in the context of securing effective integration between the classic rail and HS2 networks.
- 2.31 This was followed by an adjournment debate¹ led by Nicky Morgan MP on the 7th November 2016 and subsequent meetings with the Rail Minister Paul Maynard MP. There was also considerable media interest on this matter and EMC on behalf of councils was a key contributor to both local and regional (BBC and print) media.

3. Asylum and Refugee Support Programmes in the East Midlands

- 3.1 The main asylum and refugee support programmes in the East Midlands are:
- a) Asylum Seeker Dispersal.
 - b) The Syrian Vulnerable Persons Resettlement Scheme (SVPRS).
 - c) Unaccompanied Asylum Seeking Children (UASC).
- Members are reminded that local authority participation in all schemes remains voluntary.
- 3.2 Through its Regional Migration Board, EMC provides the regional oversight and co-ordinating role for these asylum and refugee resettlement programmes but in this work is grateful for the support of Colin Pettigrew, Corporate Director - Children, Families and Cultural Services at Nottinghamshire County

¹ A record of the adjournment debate can be found at:
<https://hansard.parliament.uk/commons/2016-11-07/debates/33D8D1FC-BEEF-4686-9378-529FB89198C5/MidlandMainLineElectrification>

Council (as lead DCS for the UASC programmes), and John Robinson, Chief Executive at Gedling Borough Council (as lead Chief Executive for the SVPRS).

- 3.3 To support the consideration and joint response of local authorities on asylum and refugee resettlement matters, EMC is hosting a regional summit on Tuesday 17th January 2017 (at Leicester City Council). Members and senior officers are welcome to attend.

a) Asylum Seeker Dispersal

- 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 current dispersal model is placing disproportionate pressure on existing dispersal areas (principally Derby, Leicester and Nottingham) and the COMPASS contract accommodation providers (G4S in the East Midlands). Notwithstanding the identification of 3 additional areas; Broxtowe, Gedling² and Oadby & Wigston, it is becoming increasingly important to widen dispersal across other local authority areas. The position remains that the Home Secretary reserves the power to mandate local authority participation if there are an insufficient number of asylum dispersal areas – although there are no indications that this power will be exercised.
- 3.6 The latest information on the dispersal on asylum seekers supported under Section 95 of the Immigration and Asylum Act 1999 can be found via the following link.
<https://www.gov.uk/government/publications/immigration-statistics-july-to-september-2016/asylum#asylum-appeals>.
- a) The information shows that at the end of September there were just under 42,000 asylum seekers in receipt of support nationally.
- b) In the East Midlands, there are 2932 asylum seekers; 2649 asylum seekers were receiving 'Section 95' asylum support; 283 'Section 4' asylum seekers whose claim has been refused but are appealing the decision (and so qualify for more limited support); and a further 121 asylum seekers receiving subsistence only support (with no accommodation support).

² Although, to date, G4S have failed to procure suitable properties in Gedling.

- c) The figures continue to show an increase on the previous quarter, particularly in Leicester and Nottingham.

3.7 The UK Visas and Immigration (UKVI) are developing a model for asylum accommodation and support to replace existing arrangements when they expire in 2019. As part of this project, EMC is working with UKVI to; ensure learning from current arrangements, consider different models of asylum dispersal, and the potential of a more substantive role for local authorities in the development and delivery of future arrangements.

b) Syrian Resettlement Programme (The Syrian Vulnerable Persons Resettlement Scheme)

3.8 The Government has stated its intention to resettle 20,000 Syrians in need of protection during this Parliament. The most recent cohort to be resettled in the East Midlands arrived at the end of November. Refugees now been resettled across 13 participating local authorities in the region; Broxtowe Borough Council, Charnwood Borough Council, Chesterfield Borough Council, Derbyshire Dales District Council, Gedling Borough Council, Leicester City Council, Mansfield District Council, Melton Borough Council, Newark and Sherwood District Council, North West Leicestershire District Council, Nottingham City Council, Rushcliffe Borough Council and Rutland County Council.

3.9 The latest published data on Syrian Refugee Resettlement can be found at <https://www.gov.uk/government/publications/immigration-statistics-july-to-september-2016/asylum#asylum-appeals>

3.10 Overall, it appears the families have settled well into their new communities and the professionalism of the participating councils deserves recognition.

3.11 The next scheduled arrivals from refugee camps in the Middle East are due in March 2017. EMC is working with Ashfield Borough Council in the identification and procurement of suitable properties, and supporting Bassetlaw District Council in their consideration of participation in this scheme.

- 3.12 Across the East Midlands, councils have pledged a further potential 830 places over 27 local authority areas. Councils in Nottinghamshire have pledged 310 places over the period of the scheme. Other local authorities have made a firm commitment to participate but are continuing to assess the capacity within their local housing markets before identifying numbers.
- 3.13 The Government has recently announced additional support for English for Speakers of Other Languages (ESOL) programmes through the following streams of funding:
- Core ESOL funding Year 1-5. Local Authorities participating in both the Syrian VPRS and Vulnerable Childrens Resettlement Scheme (VCRS) receive funding in the form of a per person tariff from Government, within which they are expected to provide ESOL provision for resettled people one month after they arrive in the UK.
 - Additional £10m ESOL funding - targeted at adult Syrians to improve their resettlement, integration and employability.
 - ESOL with additional childcare needs – targeted at those individuals who identify childcare as a significant barrier to accessing ESOL.
 - EMC has successfully secured Home Office funding (£30,000) to deliver a short-term regional project, working with East Midlands Further Education Councils (emfec), in order to map ESOL provision and support the roll-out of additional English language training and integration services.
- 3.14 The Home Office are continuing to seek offers of pledges for the Vulnerable Children’s Resettlement Scheme. The scheme applies to children and their families outside of Europe in refugee camps in the Middle East and North Africa over the lifetime of this Parliament, with the same funding levels as the current Syrian scheme. Of the 3,000 places available 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. A small number of cases have been allocated for consideration within the East Midlands.

c) Unaccompanied Asylum Seeking Children

- 3.15 Government wrote to councils on 13th May 2016 outlining its proposals for a National Transfer Scheme for Unaccompanied Asylum Seeking Children including the transfer of unaccompanied asylum seeking children (UASC), children at risk from countries around Syria (VCRS) and children currently in other European countries into the UK ‘Dubs children’.

- 3.16 The transfer scheme is built on each region taking a proportion of UASC in relation to their child population, with no region, or local authority area, expected to exceed 0.07% UASC and refugee children as a proportion of the total child population in their area by the end of the financial year. The agreed levels of UASC transfers should also factor in existing commitments of local authorities, e.g. asylum dispersal and Syrian resettlement.
- 3.17 The East Midlands (through DCSs and EMC) has taken part in the initial phase of the national transfer scheme, subject to individual Local Authority agreement, and to date around 40 children have been transferred to the region. The local authorities that have participated in the National Transfer Scheme are Derbyshire County Council, Leicester City Council, Leicestershire County Council, Nottingham City Council, Nottinghamshire County Council and Rutland County Council.
- 3.18 While all local authorities in the region continue to be engaged in ongoing discussions and planning, it is confirmed that:
- Derby City has indicated that due to funding and capacity it is not able to participate at this time.
 - Leicestershire County Council agreed at their Cabinet on 11th October to disengage 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 have agreed to participate in the scheme subject to the participation of all East Midlands authorities.
- 3.19 Northamptonshire County Council responsibilities for UASC are well in excess of the 0.07% threshold. Participating councils within the region continue to prioritise in-region requests from Northamptonshire, and the Regional Migration Board has formally requested that the Home Office include Northamptonshire as a transferring authority within the National Transfer Scheme (similar to Kent and some London councils) to further relieve the pressure on the County.
- 3.20 The dismantling of the camp known as 'the Jungle' in Calais has led to the resettlement of unaccompanied children under 2 different schemes:
- a) Dublin iii. Approximately 30 children have arrived in the region with existing family connections.
 - b) Dubs Amendment. A scheduled flight including UASC, formerly in the Calais camps, arrived via the 'Dubs amendment' scheme in early

December 2016. A small number of children were resettled directly in the East Midlands. Any future Dubs arrivals are likely to be very small and from camps in Italy and Greece.

- 3.21 While local authorities have received enhanced daily rates for UASC since 1st July 2016, significant concerns regarding the adequacy of funding remain. East Midlands Councils are continuing to make the case for these rates to be revised. A review is currently being undertaken to identify the full costs to local authorities in the region of supporting UASC (direct and in-direct costs) to make the case to Government.
- 3.22 EMC, with the support of Members and chief officers, will continue to work with the Home Office in order to address the concerns of local authorities in the East Midlands. A meeting took place with UASC lead officers on 1st December to consider arrangements for joint commissioning, independent foster placements, interpretation and translation, finance and the Immigration Act. Local authorities have also been requested to complete a financial breakdown to support the case for additional funding from the Home Office. Home Office officials have confirmed that the current level of funding will be reviewed.

4. Employment Policy

a) Introduction of an Apprenticeship Levy and Targets

- 4.1 A key policy area for EMC's Regional Employers' Board is focusing on the introduction of an apprenticeship Levy and associated targets. It is estimated that the Government's proposals to introduce this levy with a target number of apprenticeships from April 2017 will impact on the region's councils by costing £15m in levy charges and requiring over 3000 new apprenticeships. The finalised policy for funding apprenticeships from May 2017 can be accessed here [funding policy](#).
- 4.2 The Executive Board has previously agreed that EMC should support councils on the opportunities and challenges provided by the new apprenticeship regime and to maximise councils' return on the levy. As part of this, on 8th November 2016 EMC hosted a free event attended by over 110 officers from across the region. The event was an opportunity to hear directly from the national bodies on how the new framework for apprenticeships will work and included workshops to share information and identify common issues.

- 4.3 The Regional Joint Council continues to provide a useful forum to engage trade unions and help with potential tensions arising from increasing apprenticeships whilst reducing workforces in the context of financial constraints.

b) Learning & Development Support within the Region

- 4.4 As the Regional Employer Organisation, EMC provides learning and development opportunities for local authorities where collaborating at a regional level provides real value, both in terms of cost-effectiveness and impact.
- 4.5 For the first time within this region, in November 2016 EMC offered a key leadership development opportunity for local authority officers – the Local Authority Challenge. This event, held at Donnington Park, enabled middle managers and aspiring leaders to gain experience and learning through a range of role-play, exercises and activities. 20 teams from Councils across the region participated in the Challenge (including the county council and 4 district councils).
- 4.6 Feedback was extremely positive, with participants saying they would recommend it to other councils and expressing a wish to enter teams in the future. EMC is therefore going to offer the Challenge again in November 2017.

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