

## **European Union 2012 lobbying programme**

### **Purpose of report**

For decision. This paper seeks member approval on LGA European Union (EU) lobbying priorities arising from the European Commission 2012 work programme, seeks approval on ways to take forward our lobbying, and updates members on current lobbying priorities.

### **Summary**

Half of all regulation affecting councils originates from the EU, directly impacting councils' statutory duties. It is critical we influence draft EU laws. In November 2011, the European Commission published its annual programme of EU legislative proposals, which will frame the LGA's EU work.

The LGA's lobbying in Brussels is delivered in partnership with sister LGAs through the pan-EU association, CEMR. Frederic Valier, the General Secretary of CEMR will be attending the meeting and presenting the work of the pan-EU associations, how it can support LGA priorities and how we maximise the value of our membership.

### **Recommendation**

Members to consider the content of the report, LGA 2012 EU lobbying priorities, and note current lobbying work.

### **Action**

Officers to take forward members' recommendations.

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## **European Union 2012 lobbying programme**

### **Importance of EU lobbying to councils**

1. Around half of all regulation affecting councils or the services they provide and procure originates from the EU. Councils also stand to benefit substantially from £8bn of EU regeneration and skills funding available to the UK during this funding period (2007-2013).
2. **EU laws are developed several years in advance of becoming UK law and implemented by councils.** The decision making process is broadly defined in three stages: pre-legislative; legislative; and implementation. The LGA is active at each stage to lobby EU decision makers in Brussels and Whitehall.
  - 2.1 **Pre-legislative:** *European Commission (EC)* initiates draft EU laws. Its annual Work Programme, EU version of our Queen's speech, can highlight proposals years in advance. The LGA prioritises proposals which may have a regulatory, financial or administrative impact on councils. With CEMR (pan European LGA), we seek to influence EC officials drafting proposals, and Whitehall departments negotiating the UK position.
  - 2.2 **Legislative:** *Members of the European Parliament (MEPs)* and *national governments* (Council of the European Union) debate, amend, approve or reject draft EU laws. The Committee of the Regions (CoR), an EU body for councillors, is also consulted. The LGA tests EU draft laws with councils to evidence our lobbying, and through CEMR and UK CoR members, will proactively lobby MEPs, UK Government and Commission officials.
  - 2.3 **Implementation:** UK government must transpose EU laws into UK statutory instruments, and communicate this to councils. The LGA will work with the relevant Whitehall department to ensure this is done.

### **European Commission work programme 2012: the local impact**

3. The EC 2012 programme was published on 15 November 2011. It contains legislative proposals to be put forward between now and 2014. It highlights 129 proposals for 2012 alone. From this officers have identified proposals which could have a regulatory, financial or administrative impact on councils or the services they procure.
4. The table below highlights all the issues which will impact on councils and categorised as: "priority" where we will proactively lobby, or "watching brief" where less staffing resource will be provided. It also includes current EU lobbying priorities which include the EU Budget 2014-2020, reviews of public procurement and working time laws, and new energy efficiency rules etc. **Members are asked**

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**to consider these recommendations from officers.** Once members have agreed a final list, officers will ensure agreed priorities are reflected in relevant Programme Board priorities to ensure mainstreaming.

<b>EU proposal and expected impact on our member authorities</b>	<b>When</b>	<b>Priority/ Watching brief</b>
<b>Children and Young People</b>		
<b>Child poverty:</b> common principles of intervention on support to families (labour market, income support) and childcare, education, healthcare, housing, social services.	June 2012	<i>Watching brief</i>
<b>Economy and Transport</b>		
<b>EU Budget review (2014-2020) incl. structural funds:</b> UK councils benefit from £8bn EU skills and regeneration funding. We seek a coherent, locally responsive and accessible future funding package.	Live	<b>Priority</b>
<b>CO2 from cars and vans:</b> new targets for manufacturers, but may affect procurement of local authority fleet.	Dec 2012	<i>Watching brief</i>
<b>Revisions to regional aid guidelines</b> post 2013 will affect the UK 'assisted areas' map and the levels of grant support councils can offer to both EU and UK businesses. <b>Revisions to 'block exemption' &amp; de minimis state aid regulations</b> could make it easier for councils to award state aid to companies without having to notify the EU. <b>Revisions to state aid rules for broadband</b> may make it easier for councils to provide support schemes in locally.	Sept 2012  July 2012	<b>Priority</b>  <i>Watching brief</i>  <i>Watching brief</i>
<b>Environment and Housing</b>		
<b>Directive on energy efficiency:</b> LGA opposes inflexible annual 3% binding renovation target for buildings by 2014.	Live	<b>Priority</b>
<b>Directive on water efficiency in buildings:</b> expected to set binding targets and incur a significant cost to councils as owners of municipal buildings and social housing.	Expected 2012	<b>Priority</b>
<b>Review of Environmental Impact Assessment Directive</b> will seek to improve councils' implementation of EU laws. Other items: <b>seventh environmental action programme</b> including better enforcement, and evaluation. Potential review of <b>Environmental Liability Directive</b> .	July 2012  Oct 2012  2014	<b>Priority</b>  <i>Watching briefs</i>
Revision of <b>Waste</b> Framework and Waste Stream Directives must not add to existing duties. New diversion targets from other waste streams to be added to <b>Landfill</b> Directive moving towards zero land filling by 2050.	Both in 2014	<b>Priority</b>
<b>Air Quality Directive:</b> review may set new air quality management standards. 2013 is European air quality year	2013	<b>Priority</b>
<b>Energy efficient production and distribution:</b> may scope EU harmonisation of smart energy grids / metering.	Autumn 2012	<i>Watching brief</i>

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<b>Revision of EU Greenhouse Gas:</b> fluorinated greenhouse gases (led to fridge mountains).	June 2012	<i>Watching brief</i>
<b>Finance</b>		
<b>Review of MIFID directive:</b> Proposes reclassification of UK councils as 'non-professional' investors, thus harming their ability to invest public funds.	Live	<b>Priority</b>
<b>VAT affecting public authorities:</b> councils' ability to claim back VAT from government for goods/services they buy for the public sector (crèches etc) may be threatened by common EU approach for public bodies in the EU.	<i>In 2011 plan, but not published</i>	<i>Watching brief</i>
<b>Improvement</b>		
<b>Major review of EU public procurement rules. LGA will lobby to ensure a simpler and lighter regime overall, and a more flexible approach to shared services.</b>	Live	<b>Priority</b>
Lobby for light touch regulation on <b>service concessions</b> affecting councils' franchise arrangements: toll bridges car parks, leisure centres, waste, school canteens	2012	<b>Priority</b>
<b>International</b>		
Role of civil society and local authorities in development.	Oct 2012	<i>Watching brief</i>
European Neighbourhood Policy and Eastern Partnership	2012	<i>Watching brief</i>
<b>Regulation</b>		
Proposals to review EU Directives/regulations on organic food, tobacco sales, general product safety, animal health, and official food chain controls may affect councils' <b>trading standards</b> and <b>environmental health</b> teams.	During 2012-13	<i>Watching brief</i>
<b>European consumer agenda:</b> consumer safety, rights redress and access to justice, enforcement, information.	Summer 2012	<i>Watching brief</i>
<b>Tourism</b>		
<b>European tourism label sector:</b> legislation to bring quality evaluation of the sector.	2012	<i>Watching brief</i>
<b>Workforce</b>		
<b>Working Time Directive Review:</b> may affect care homes and fire services. LGA lobbying to keep 48 hour opt-out; ensure not all on-call time classed as working time; and compensatory rest is taken flexibly.	Ongoing	<b>Priority</b>
<b>Freedom of movement for workers</b> within the EU may establish certain obligations on employers, incl councils.	Late 2012	<i>Watching brief</i>
<b>Green Paper on restructuring:</b> identify good practice in employment restructuring promoting employment/growth.	2012	<i>Watching brief</i>
<b>Protection of workers</b> may set cancer risk levels and extend scope to risks which are toxic for reproduction.	2012	<i>Watching brief</i>
<b>Work/family and private life</b> - measures to increase female employment rates and tackle demographic change	2012	<i>Watching brief</i>

## **Taking 2012 lobbying forward**

5. As discussed at the last Board meeting, the **Localism Act EU financial sanctions provisions** are a reminder why we must get future EU laws and their implementation into UK law right, and why councils must fulfil their obligations arising from them. The LGA proposed statement of policy, now subject to consultation, highlights Government's role in working in partnership with local government when developing UK positions to new EU laws which may result in legal obligations. Actions include:
  - 5.1 sharing details of Whitehall EU leads, and an LGA-Whitehall summit to take forward our partnership working on draft new EU laws;
  - 5.2 involving LGA ahead of negotiations on new EU laws;
  - 5.3 highlighting local implications in preliminary UK Government positions; and
  - 5.4 involving LGA ahead of transposition, and making clear new obligations.
6. **Whitehall and UK Parliament** engagement will include liaising with EU leads in departments on specific EU draft laws, Commons' and Lords' EU committee clerks, and feeding into relevant inquiries.
7. **UK CoR members** play a crucial role in Brussels and Whitehall to develop lobbying messages i.e. members are currently championing LGA priorities on EU funding, and energy efficiency lobbying. On 9 January they will agree 2012 priorities. It is proposed we identify members to lobby on LGA priorities.
8. **Members of the European Parliament (MEPs)** are important to our lobbying. We continue to strengthen our relationship with UK MEPs on key committees. The LGA appoints Vice Presidents in key institutions to champion LGA issues; this includes the European Parliament. Our EP VPs are Julie Girling and Philip Bradbourn (Cons), Richard Howitt and Derek Vaughan (Labour), Edward McMillan Scott and Catherine Bearder (Lib Dem) and Keith Taylor (Ind).
9. The **fourth UK Local Government-EU summit** in Brussels brings together key EU and UK decision-makers in Brussels (UK MEPs, UKREP and EC officials) to understand the impact the 2012 EU legislative programme will have on councils. It will involve all four UK local government associations.
10. The LGA plays a key role in the pan-EU association, **CEMR**, particularly on EU lobbying. Our Brussels lobbying is dependent on a strong lobbying alliance with sister LGAs. This is achieved through CEMR, where three committees are chaired by UK members, and a fourth steered by an LGA officer; these are currently being reconstituted. All proposed LGA priorities are included in the CEMR's own lobbying priorities. In the recent reform of CEMR, the LGA played a

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leading role to ensure CEMR's lobbying work is prioritised over other issues within its annual work programme.

11. At the last meeting, members considered how we maximised our membership of CEMR. In order to achieve this objective, the General Secretary of CEMR, Frederic Vallier, has been invited to the meeting to address members and set out how CEMR will support LGA priorities in 2012.

**Update on ongoing LGA EU lobbying**

12. The following briefing provides members with an update on the work of the LGA's current lobbying priorities.

***Review of EU Public Procurement Directive***

13. On 20 December 2011 the European Commission published proposals for a new public procurement directive to replace the current regime. The proposals are a significant reform affecting how councils purchase supplies, works, and services. They introduce a number of new measures which aim to make public procurement easier for both SMEs and local authorities:
  - 13.1 new possibilities for councils to share services without going to tender, but only in limited circumstances;
  - 13.2 a new 'light' regime governing the award of social, health and education service contracts above €500,000;
  - 13.3 a new requirement to explain why contracts above €500,000 have not been broken down into smaller lots to help SMEs;
  - 13.4 a requirement for councils to fully adopt e-procurement by June 2016;
  - 13.5 a stronger steer for councils to purchase 'green' and socially-responsible supplies and services.
14. The European Parliament and national governments are planning to agree the proposals by the end of 2012, with the aim that they come into effect on 30 June 2014. As part of its 'Productivity Programme', the LGA is working with Whitehall and the European institutions to ensure the new regime reflects councils' interests. In particular, consultation with local authority procurement managers is underway and an online 'hot seat' event is planned to discuss the proposals on 23 January.
15. LGA has also launched '[buying into communities](#)' a new guide with case studies to help councils achieve their goals in line with the existing EU procurement rules.

***Directive on energy efficiency***

16. The LGA opposes the inflexible annual 3% binding renovation target for buildings by 2014 and the requirements to procure only high energy efficient works,

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products and services. Our lobbying has been effective as we seek to influence EU decision makers in Brussels and Whitehall.

17. The LGA position is now reflected in the CEMR and CoR positions, the latter through amendments proposed through Cllr Keymer. The resulting CoR report rejects the EU proposal that 3% of local government buildings be renovated each year. In the European Parliament, the draft Directive is currently at first reading stage and received 1700 amendments which are being processed before a first reading vote in committee in February. Within these are a number that supported the LGA position put forward by Fiona Hall MEP. We will lobby MEPs' to ensure they support amendments in line with the LGA position
18. The lead Whitehall department is DECC, but DCLG and DEFRA have a clear interest. The LGA has met with all three prior to the EU Energy Council debate in November 2011. The emerging government position is largely in line with that of the LGA. Cllr Parsons, Environment and Housing Board Chair wrote to lead ministers in each department before Christmas emphasising the potential impacts for local government and the LGA has received press coverage on our position. The full Energy Council will consider the outcome of the first reading in the Spring and LGA will work with Government in advance of this.

***Future EU funding 2014-2020***

19. This is a crucial year in determining what structural funds programmes will look like from 2014-2020. Local government will continue to play a leading role in discussions with European institutions and the UK Government to ensure future spending contributes to local ambitions for growth.
20. It was agreed at the previous Board meeting to establish an informal task and finish group to oversee LGA work on EU funding, to include members from this Board and the Economy and Transport Programme Boards. Officers will present a draft work programme for member steer, including proposals for a:
- 20.1 for a refreshed position paper on councils' engagement with EU funds;
  - 20.2 elected member involvement to Ministers and MEPs, and
  - 20.3 LGA initiated stakeholder events involving Government and others.
21. Since the last meeting, the Board has responded to a House of Lords Inquiry into the future EU Budget, and held an event on which brought together councils, the European Commission, Catherine Bearder MEP, and lead Whitehall departments. Cllr Wilcox spoken at this event, and a House of Lords event on the future of the European Social Fund. In Brussels, Cllr Flo Clucas championed a CoR report on the EU Budget, supported by LGA officers.