

European Commission 2013 Work Programme

Purpose of report

For discussion and direction.

Recommendation

To agree the policy priorities as outlined in the report at paragraphs 9 – 11, consider how the Board can support a refreshed approach to EU lobbying.

Action

LGA officers to take forward Member recommendations.

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European Commission 2013 Work Programme

Why we lobby the EU

1. European Union policy and legislation affects the day-job of councils. Much of our environmental, trading and procurement standards are based on legislation which was drafted by the European Commission rather than in the corridors of Whitehall. Though estimates vary, up to half the regulation which affects councils in England is likely to originate in Brussels.
2. After the Localism Act, EU laws and their UK implementing measures could affect councils in new ways. Fines imposed on the UK by the European Court of Justice for a breach of EU law could be devolved to councils by central government.
3. Whilst Whitehall is currently working on the basis of deregulation and localism, there is no similar philosophy in Brussels. An added problem is gold-plating of EU regulations as it is transposed into EU law by UK civil servants.
4. Thus for LGA's lobbying work, we have two legislatures to influence: London and Brussels. As a result we need a clear prioritised lobbying programme which identifies those EU proposals which will have the greatest impact on councils. This lobbying programme needs to be led at the most appropriate level in the LGA and integrated with our work in Whitehall.

LGA lobbying programme

5. The LGA has developed an annual EU lobbying programme for a number of years. Last year's programme recorded a number of significant wins for the LGA, including:
 - 5.1 The removal of the duty on local government to renew 3% of its public buildings every year in line with new EU environment regulations. This was contained in the draft Energy Efficiency Directive and the removal of the obligation on local government was based on an LGA suggested amendment.
 - 5.2 The safeguards established in the Localism Act to ensure that the devolution of EU fines to councils is not without independent due process.
 - 5.3 A new approach to EU funding through:
 - 5.3.1 Amendments to EU legislation which stressed the important role of local government in delivery of programmes.
 - 5.3.2 Local government secondees joining the UK negotiating team in Whitehall – a first for EU/UK negotiations.
6. This report refreshes our approach to EU lobbying. It suggests policy priorities and roles for LGA leaders, its Boards and its senior managers to ensure that the impact of LGA's lobbying on EU matters is maximised.

Refreshing our lobbying from the 2013 EU Work Programme

7. Every year the EU publishes an annual work programme which sets out the legislative and policy proposals which will be dealt with in the following year. This is Brussels' equivalent of the Queen's Speech. The 2013 work programme was published on 23 October 2012 and is attached as **Appendix A**.
8. In order to optimise our lobbying work in Brussels, it is suggested that from the 2013 EU work programme we develop:
 - 8.1 A short-list of key lobbying issues where we develop a pro-active lobbying strategy covering both Brussels and London, including lobbying of UK ministers and Brussels decisions makers. These issues will be reported into the Executive regularly as part of the round up of Whitehall and Brussels public affairs.
 - 8.2 A long-list that additionally includes a "watching brief" for the LGA Brussels Office – i.e. we will monitor European parliamentary progress, brief MEPs on key issues and escalate into a pro-active strategy if the impact on councils increases.

(a) Proposed new priorities

9. The following proposals are considered to be the new areas which need to be prioritised in the 2013 EU lobbying programme. The priority short list is:
 - 9.1 Economic regeneration and development.
 - 9.1.1 Common Strategic Framework (will shape how the major EU funds will be spent in the UK from 2014-20).
 - 9.1.2 Social investment for growth and cohesion (use of European Social Funds (ESF) to promote social inclusion).
 - 9.1.3 General Block Exemption Regulation (reduces administrative burden in state aid).
 - 9.1.4 State aid modernisation in key sectors (eg regeneration grants).
 - 9.2 Public procurement.
 - 9.2.1 E-invoicing in public procurement (intended to reduce costs).
 - 9.3 Local councils as employers.
 - 9.3.1 Effective occupational retirement pensions (may impose new liquidity rules to local government pension schemes).

- 9.4 Environment and climate change.
 - 9.4.1 Review of air quality legislation (potential new rules, targets).
 - 9.4.2 Review of waste legislation (potential new rules, targets).
- 10. For completeness, and to properly understand the LGA resources available for the above work, it must be recalled that there is ongoing priority work from the 2012 programme (and watching briefs) notably:
 - 10.1 EU funding: preparing for the new period 2014-20.
 - 10.2 Review of EU public procurement laws.
 - 10.3 Review of EU air quality legislation.

(b) Proposed watching briefs

- 11. Members will want to discuss the prioritised list and consider whether it contains the most important issues for councils, or whether the items identified for watching brief should be re-prioritised:
 - 11.1 Annual growth survey.
 - 11.2 Horizon 2020 programme for research and innovation.
 - 11.3 Reducing the cost of broadband deployment.
 - 11.4 Future EU ports policy.
 - 11.5 Adaptation to climate change.
 - 11.6 New energy framework to 2030.
 - 11.7 Integration of the Roma.

Maximising our influence

- 12. Against each policy priority, we will develop a customised lobbying strategy. In order to develop these plans, Members are asked to consider the overall approach to EU lobbying below, and note that LGA senior leadership is keen for our EU work to have more profile, and is considering ways in which this can be achieved .
- 13. The LGA and its member councils have many areas in which it can influence EU policy and meanwhile we can influence in developing pan-European local government responses and co-ordinated lobbying.

Telling the bigger picture to EU decision makers

14. Whilst we lobby MEPs and key EU officials on individual lobbying issues, we have had feedback from MEP Vice Presidents that the LGA should be more proactive in explaining the wider local government picture in Brussels. As much of the legislation passing through the European Parliament each week has an impact on councils, we need to ensure that MEPs are briefed on the wider local agenda and especially on the financial pressures. This will ensure that the impact of recent UK reforms and the ability of councils to deliver new legislation are more widely understood by key Parliamentarians and decision makers in Brussels.

Lobbying on individual policy proposals

15. There is a wider and more detailed work required in the LGA on our prioritised lobbying programme. The practice in recent years has been for the relevant LGA Board (for example, the Environment and Housing Board on the Energy efficiency regulations) to lead the detailed lobbying and policy briefing on EU lobbying priorities within its remit. Board Chairs have been active in briefing ministers and MEPs on draft EU proposals and have built networks across Whitehall and Brussels on key issues. LGA officers in Brussels and London provide the detailed background work to support this lobbying. This practice should be continued, but there needs to be an overview of the overall impact of our work.

Increased activities in Whitehall

16. The Localism Act and the possibility for EU fines to be devolved create the need for more systematic local government engagement in Whitehall on EU issues. When negotiating EU proposals and agreeing "UK lines" for Brussels negotiations, ministers will need to have a better appraisal of the impact of individual EU proposals on councils, our ability to deliver new regulation and any future liability to fines. The LGA needs to be in a position to provide this on those issues that are believed to be priority issues. Given the 2013 EU work programme is the first published EU legislative programme since the Localism Act EU fines provisions; a new engagement is required for 2013 and beyond.
17. As part of the negotiations during the passage of the Localism Bill, we have a commitment from Whitehall (Foreign Office and DCLG) that a more systematic approach is required to gather intelligence and evidence on the local implications to inform the developing UK position on EU proposed law. This has already started. An annual local/central summit on EU issues is being pursued in early 2013.
18. Ensuring that Whitehall is acting on advice from the LGA on the impact of EU proposals requires more systematic lobbying. Board Chairs already brief relevant ministers on individual pieces of legislation but further work is required with CLG and FCO to ensure that Whitehall is acting consistently on these issues. It is suggested that the LGA Leadership and senior managers have an overview of our EU lobbying lines to ministers

and senior CLG officials at their regular meetings to ensure wider pressure is applied and our lines get more traction with the UK Government on EU proposals.

Role of the LGA E&I Board, Committee of the Regions and CEMR

19. There is clearly a role for a detailed appraisal and coordination of our engagement in Brussels. This is undertaken by the European and International Board which will deliver the report to the Executive and Leadership team on EU lobbying described above.
20. One of the key roles that the Board plays is working on the detailed, Brussels-based lobbying work that takes place through our formal representation on the EU Committee of the Regions and the Council of European Municipalities and Regions (CEMR – the European LGA). It is also the Board into which the leaders of the delegations to these bodies report.
21. The Committee of the Regions is the formal representative body for local and regional government within the EU and is consulted on any proposal which impacts on councils. It has growing political influence in Brussels. The LGA sends a delegation of 16 members to this forum (list attached) and their term of office is from 2010-15. Individual members of COR can open doors of decision makers. They can influence legislation from work in committee and they act as lead members (or rapporteurs) on specific policy debate.
22. One concern raised by members is we do not systematically link lead COR members to LGA Board debates, where COR members could act for the Board in Brussels. Whilst there are excellent examples of COR and Board members acting together on strategies (for example in our successful lobby to reduce the burdens contained in EU energy proposals), this work needs to be improved.
23. There is a similar issue with CEMR (European LGA) which has a great influence in Brussels, especially at the earlier stage of drafting proposals. CEMR is the European “association of associations”. Our office in Brussels is part of the CEMR building where we share space with 22 other LGAs. This body is given first sight of new EU proposals and, as with the LGA in England, acts as a collective voice of councils and thus has good access to decision makers. The LGA sends a member-level delegation to its bi-annual meetings. Our Brussels staff work with CEMR and lead a number of work streams where we lobby collectively with other LGAs (for example, procurement).
24. As with COR, we have access to an influential organisation and we need to ensure that there is better links between specific policy debates on Boards and the access that CEMR members provide in Brussels.
25. It is suggested the Board takes a formal role in linking the domestic work of Boards with the influence that can be exerted by our member delegates to both COR and CEMR. The current membership of COR is attached at **Appendix B**.