

European & International Programme Board – report from Cllr Dave Wilcox OBE (Chair)

1. At our 19 July Board meeting we covered a number of important items. Paramount amongst these was to reconsider the service that the LG Group can offer on European and International issues following the recent restructuring.
2. The **service offer** includes a comprehensive programme of lobbying campaigns, focused on priorities established by the Board. Members queried how many member councils are themselves engaged in EU or International work, and how to promote this engagement to LEPs. Members were reminded of the regular policy and funding trackers, which help our councils keep up-to-date on EU developments and opportunities to access EU grants. Members nominated to represent the LG Group on European and international bodies will continue to receive support in terms of briefings, substitution and practical support, but on-the-spot assistance will not normally be provided outside Brussels. In Brussels, the LG Group offer to all regional LGAs - to share LGG accommodation, use of the LG office as a base (for those without premises) and sharing of lobbying briefs - may need to be revived.
3. **EU structural funds** support economic and skills development activity, and are regularly accessed by local authorities to help realise local ambitions. The funds are worth over £8 billion to the UK between 2007-2013 period, which, once match-funded, represents a potential total investment over £16billion. Local councils are key partners in these funds, holding strategic, support and delivery roles.
4. With a view to the next funding period Members asked for a map of current regional GDP and were concerned about a lack of local input into how local EU funding is directed. We welcomed bringing government departments together with local authorities on this issue.
5. The **EU fines section of the Localism Bill** will give the Government the right to pass on to local councils fines imposed on the UK by Brussels for non-compliance with EU rules. This will be debated at report stage in the House of Lords at the beginning of September. Over the summer, the LG Group has been working with Whitehall departments on a compromise to provide safeguards for local councils in the event that a Minister ever seeks to pass on part of an EU fine. We are seeking to influence legislation and the statement of policy which underpins the policy.
6. Our colleague Lord Tope CBE was thanked for raising the debate on EU fines with Lord Attlee; LG Group Chairman Cllr Sir Merrick Cockell has met with the Secretary of State for Local Government and Lord Attlee to highlight the Group's position.

7. By helpful coincidence, our discussion on the **Congress of the Council of Europe** was enriched by having the Congress President with us (Cllr Keith Whitmore); the Leader of the UK Delegation – Cllr Barnes – is a full member of EIPB. Keith outlined the forthcoming UK presidency of the Council of Europe and a forthcoming peer review on UK compliance with the Charter of Local Self-Government. He highlighted the possibility of focussing on coastal issues during the UK presidency and the need to promote European Local Democracy Week, urging Members to consider how to revive this week of activities. Members stressed the importance of promoting Council of Europe achievements and positive news stories and the importance of the House of Commons recognising and launching the presidency.
8. There was a lively discussion on possible proposals from the EU on **VAT and public authorities**. The EU's aim is to simplify the VAT rules by more closely aligning national VAT regimes with each other, and more closely aligning the public and private sector VAT regimes. The principal issue is that some council services can be delivered without charging VAT to the final consumer because the services are either outside the scope of the EU VAT regime, or they are exempted from it. Private sector operators competing in the same markets however are required to charge VAT and it is claimed that this harms fair competition (eg car parks, crèches, etc).
9. Members discussed whether the Association of Parish Councils had been contacted on this matter as they would need guidance; the possibility of authorities interpreting rules differently; the difficulty in categorising services to decide on which VAT rules to follow; the support on offer to procurement officers. Members felt the proposals could be seen as complicated and disadvantageous to local authorities.
10. We concluded with a discussion on **LG Group international work**. There is increasing demand upon the UK local government sector from developing countries for the skills and expertise of British councils. It is clear that our sister associations prefer support from practitioners and peers rather than costly consultants. Responding positively to this demand is a core part of our mission to support, promote and improve local government. It also widens the opportunities for our own councils to benefit from their membership of an internationally active, well networked association committed to engaging with the wider world and the mutual benefits this can have. Despite increasing demand, our international work must also be
11. responsive to the challenging financial climate that both the association and its membership are in: where the LG Group can support local government abroad it will do on the basis that running costs are covered by external funding.
12. At the end of July, the Chair gave a presentation to the Annual Japan Local Government Centre Seminar held in Gateshead, concerning the retention of Japanese investment in the UK and the learning experiences that might assist further growth.

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