

EU update

Purpose

For discussion and direction

Summary

Two EU proposals are being developed now which require the LGG to take a stance as we develop our position and take it through our lobbying through the EU decision making process here in Whitehall and also in Brussels.

Recommendation

Members are asked to discuss the overarching principles.

Action

Officers to use the principles as the basis for policy positions for lobbying on these EU proposals.

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EU update

Background

1. Two EU proposals are being developed now which require the LGG to take a stance as we develop our position and take it through our lobbying through the EU decision making process here in Whitehall and also in Brussels. Our elected members on the Programme Board and the EU's Committee of the Regions will be pivotal in our lobbying on these issues.

Energy efficiency and savings directive

2. As the EU risks missing its 20% energy efficiency target by 2020, further measures will be taken by the European Commission, the initiator of EU laws. A new legislative proposal on Energy Efficiency Savings/Services Directive will be published towards the end of June.
3. Although not yet published, public bodies will play a leading role. The impact on local authorities will be significant as owners of building stock and key local purchasers of goods and services. The proposals may require public authorities to:
 - 3.1 refurbish at least 3% of their buildings each year to high energy performance levels to increase the refurbishment rate of their buildings including energy efficiency upgrading, taking into account cost-effectiveness, technical feasibility and national circumstances, including conditions related to heritage buildings. This will be based on floor area, which has not yet been specified. The rate will be twice the current rate for the European building stock. Each refurbishment should bring the building up to the level of the best 10% of the national building stock.
 - 3.2 rent or buy existing buildings at the best available energy performance class (e.g. ICT equipment), and, where appropriate, services and works (e.g. refurbishment, operation and maintenance of buildings, energy and transport) that achieve high standards of energy efficiency.

LG Group activity

4. The issue was first mooted by the European Commission in its annual work programme (equivalent to the Queens Speech) in 2010 and then again in 2011. LG Group highlighted this as an issue we should seek to influence the outcome of. To date we have worked to highlight this issue with all the relevant decision makers in this process. This involves MEPs in the European Parliament, national governments working through the Council of the EU.

5. We will work with MEPs working in the lead committees, and in particular UK members. Through our European LGA, Council of European Municipalities and Regions (CEMR).
6. The UK government has indicated that it does not support binding targets, and that existing renewable energy and emissions reduction targets, along with Energy Services Directive targets provide incentive enough. LGG will work with DECC to clarify if the 3% is UK wide.

Air Quality Review

7. Councils already play a key role in tackling air pollution. The European Commission is starting work on the review of air quality policy and legislation, with a view to adopting a revised Directive no later than 2013. The Commission states that air quality problems remain and that current EU and national policy efforts have not delivered the expected results for a range of reasons. These include: an increase in transport; slow fleet turnover; and the gap between vehicle emissions in real world conditions compared to testing. Stakeholder consultations will take place during 2011 and beyond.

Overarching principles

8. There are several overarching, strategic principles which could be applied to one or more of the above issues.
9. Mandatory targets
 - 9.1 Local authorities will have to play a significant role in any energy efficiency targets and the deadlines, and should be effectively consulted by national government as it negotiates the UK line and subsequent EU directive. The cost of implementing these targets could be significant, and the LGG will want to work with local authorities to analyse costs.
 - 9.2 Duties and targets should not be placed on local government where they do not have full control over compliance. Example: councils do not have full control over pollution sources in their areas such as motorways and airports. It would therefore be unreasonable to place any direct duties on them.
10. Potential penalties: We would not support the European Commission suggesting any reference to penalties in the Directive. This would be against the principle of subsidiarity, and has crept into various EU Directives in recent years.

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11. Light touch EU law: Proposals should not add additional administrative or financial burdens to councils. Any changes should develop a “light touch” approach to enable councils to provide local solutions to local challenges.
12. Impact assessment: Any EU legislation must take account of potential negative impacts on councils’ existing operations and not increase costs. To ensure this, proposals should be subject to a full impact assessment to ensure that future changes would result in legislation which is fit-for-purpose.
13. Evidence base: EU legislation and targets must be based on the most robust and up-to-date evidence to ensure that the approach is proportionate and that resources are focused where most appropriate/needed.
14. Members are asked to discuss the over-arching principles.
15. Subject to Members’ discussion, officers to use the principles as the basis for policy positions for lobbying on these EU proposals.

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