

European and International Programme Board

Agenda

Tuesday 19 July 2011
2.00pm

The Milbank Room (8th floor)
Local Government House
Smith Square
LONDON
SW1P 3HZ

To: Members of the European and International Programme Board
cc: Named officers for briefing purposes

Guidance notes for visitors

Local Government House, Smith Square, London SW1P 3HZ

Welcome!

Please read these notes for your own safety and that of all visitors, staff and tenants.

Security

All visitors (who do not already have an LGA ID badge), are requested to report to the Reception desk where they will be requested to sign in and will be handed a visitor's badge to be worn at all times whilst in the building.

Fire instructions

In the event of the fire alarm sounding, vacate the building immediately following the green Fire Exit signs. Go straight to the assembly point in Tufton Street via Dean Trench Street (off Smith Square).

DO NOT USE THE LIFTS.

DO NOT STOP TO COLLECT PERSONAL BELONGINGS.

DO NOT RE-ENTER BUILDING UNTIL AUTHORISED TO DO SO.

Members' facilities on the 7th floor

The Terrace Lounge (Members' Room) has refreshments available and also access to the roof terrace, which Members are welcome to use. Work facilities for members, providing workstations, telephone and Internet access, fax and photocopying facilities and staff support are also available.

Open Council

"Open Council", on the 1st floor of LG House, provides informal meeting and business facilities with refreshments, for local authority members/officers who are in London.



Toilets

Toilets for people with disabilities are situated on the Basement, Ground, 2nd, 4th, 6th and 7th floors. Female toilets are situated on the basement, ground, 1st, 3rd, 5th, and 7th floors. Male toilets are available on the basement, ground, 2nd, 4th, 6th and 8th floors.

Accessibility

Every effort has been made to make the building as accessible as possible for people with disabilities. Induction loop systems have been installed in all the larger meeting rooms and at the main reception. There is a parking space for blue badge holders outside the Smith Square entrance and two more blue badge holders' spaces in Dean Stanley Street to the side of the building. There is also a wheelchair lift at the main entrance. For further information please contact the Facilities Management Helpdesk on 020 7664 3015.

Further help

Please speak either to staff at the main reception on the ground floor, if you require any further help or information. You can find the LGA website at www.local.gov.uk

Please don't forget to sign out at reception and return your badge when you depart.

LG Group European and International Programme Board
19 July 2011

The **European and International Programme Board** meeting will be held on **Tuesday 19 July 2011 at 2.00pm**, in the Milbank Room, Local Government House, LONDON, SW1P 3HZ

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Angela Page: 020 7664 3264 email: angela.page@local.gov.uk
Liberal Democrat: Evelyn Mark: 020 7664 3235 email: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Location

A map showing the location of the Local Government House is printed on the back cover.

Contact

Paul Johnston (Tel: 020 7664 3031, email: paul.johnston@local.gov.uk)

Carers' Allowance

As part of the LGA Members' Allowances Scheme, a Carers' Allowance of up to £5.93 per hour is available to cover the cost of dependents (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

Hotels

The LG Group has negotiated preferential rates with two hotels close to Local Government House – the Novotel (020 7793 1010), which is just across Lambeth Bridge and the Riverbank Park Plaza (020 7958 8000), which is along the Albert Embankment. When making a booking, please quote the LGA and ask for the government rate.

http://www.parkplaza.com/hotels/gbriver?s_cid=se.bmm2175

<http://www.novotel.com/gb/hotel-1785-novotel-london-waterloo/index/shtml>

European & International Programme Board - Membership 2010-2011

Councillor	Authority	Role
Conservative (6)		
Gordon Keymer CBE	Tandridge DC	European rep (CoR)
Sandra Barnes (Deputy Chair)	South Northants DC	LGIB Board
Roger Phillips	Herefordshire	Workforce PB
Liz Eyre	Worcestershire CC	Community Wellbeing PB
David Lloyd	Hertfordshire CC	Culture, Tourism & Sport PB
Andrew Povey	Surrey CC	Improvement PB
Substitutes		
Clare Whelan	Lambeth LB	
Joanna Spicer	Suffolk CC	
Jim Harker	Northamptonshire CC	
Labour (4)		
Dave Wilcox (Chair)	Derbyshire CC	LGIB Board
Sir Albert Bore	Birmingham City	European rep (CoR)
Peter Box CBE	Wakefield City	Economy & Transport PB
Nilgun Canver	Haringey LB	Safer & Stronger Communities PB
Substitutes		
Clyde Loakes	Waltham Forest LB	
Caitlin Bisknell	High Peak BC	
Derek Bateman	Cheshire West & Chester	
Tim Cheetham	Barnsley MBC	
Dave Allan	Sunderland City	
Liberal Democrat (3)		
Richard Kemp (Vice-Chair)	Liverpool City	LGIB Board
Lord Tope CBE	Sutton LB	European rep (CoR)
Paula Baker	Basingstoke & Deane BC	Environment & Housing PB
Substitutes		
Zoe Patrick	Oxfordshire CC	
Richard Knowles	Oldham MBC	
Duwayne Brooks	Lewisham LB	
Steve Comer	Bristol City	
Independent (1)		
Linda Gillham (Deputy Chair)	Runnymede BC	LGIB Board

LG Group European and International Programme Board Attendance 2010 -2011

Councillors	26/11/10	20/01/11	02/06/11	19/07/11
Conservative Group				
Gordon Keymer CBE	NO	YES	YES	
Sandra Barnes MBE (Deputy Chair)	YES	NO	NO	
Roger Phillips	YES	NO	NO	
Liz Eyre	YES	NO	YES	
David Lloyd	YES	NO	NO	
Dr Andrew Povey	NO	NO	NO	
Labour Group				
Dave Wilcox OBE (Chair)	YES	YES	YES	
Sir Albert Bore	YES	YES	YES	
Peter Box CBE	NO	NO	NO	
Nilgun Canver	NO	YES	NO	
Lib Dem Group				
Richard Kemp (Vice-Chair)	YES	NO	NO	
Lord Tope CBE	NO	NO	YES	
Paula Baker	NO	NO	YES	
Independent				
Linda Gillham (Deputy Chair)	YES	YES	YES	
Substitutes				
Clare Whelan	YES			
John Commons	YES	YES		
Steve Comer	YES			

Agenda

LG Group European and International Programme Board

Tuesday 19 July 2011

2.00pm

Local Government House

For discussion

	Item	Page
1.	The renewed LG Group European and International Offer	3
2.	European economic and skills development funds	15
3.	EU fines	21
4.	Possible EU proposals on VAT and public authorities – next steps	25
5.	Future LG Group International work	29

For information

	Item	Page
6.	Update on Board work	37
7.	Notes of the last meeting	43

Date of Next Meeting to be confirmed

The renewed LG Group European and International Offer

Purpose of report

For discussion and direction.

Summary

This report sets out how E+I services will be delivered for councils under the new LG Group structure.

It sets out:

- The detail of services to be offered to member councils, with a note where this differs from previous expectations.
- The names of officers who will be responsible for delivery
- How we could develop the Brussels offer over the next year.

Recommendation(s)

Members are requested to consider the report and offer any comments.

Action

LG Group officers to take forward any work identified by members.

Contact officer: Ian Hughes
Position: Head of Programmes, LG Group
Phone no: 020 7664 3101
E-mail: ian.hughes@local.gov.uk

The renewed LG Group European and International Offer

Background

1. At the last European and International Programme Board, members requested further details of how E+I services would be delivered under the new LG Group structure.
2. This paper provides members with:
 - 2.1 The detail of services to be offered to member councils. This builds on the service offer that was developed with members in 2010 and there are details about where the current/future service may differ from previous expectations.
 - 2.2 The second section details the names of officers within the new LG Group Programmes Team who will be responsible for delivery of E+I services.
 - 2.3 The final section sets out how the Brussels-based offer could be developed over the next year, where our lobbying on structural fund reform should provide a basis to help coordinate UK lobbying at the EU, especially in relation to Local Enterprise Partnerships.

The European and International offer from the LG Group

3. Detailed below is the high-level E+I offer that will be provided to member councils under the new LG Group. When this offer was first modelled in 2010, its underlying premise was that few councils would be able to fund wide-ranging European and international work in future and that the value-added of the LG Group would be to ensure that councils had a national service upon which they could rely. It was also felt that certain services should be delivered once at the national level to provide good value-for-money and to avoid duplication across the sector.
4. This high-level offer has been re-focused below and members are asked to consider whether it is fit-for-purpose as a national service from which councils can benefit.
5. Our offer to councils:
6. **Annual EU lobbying programme**

Every year, the LG Group will consider the EU Commission's legislative programme and agree a lobbying programme on those proposals which will have most impact on councils. From these priorities, we will work with our leading members, sister associations, the European LGA (CEMR), Committee

Item 1

of Regions and a network of council experts to influence decisions in both Whitehall and Brussels. The 2011 lobbying priorities are **appended**.

7. From this lobbying programme, we will also offer:
 - 7.1 Policy briefings and intelligence: We will deliver a national policy information service through a monthly bulletin, e-alerts and other media. This will provide information on policy proposals/changes, key LGG lobbying events so councils can influence them, early-warning so councils can support lobbying locally with MPs, MEPs and ministers , and progress on key lobbying objectives
 - 7.2 EU lobbying partnerships: We will manage a close partnership with a range of bodies and people to maximise the impact of lobbying, including FCO, Whitehall leads, UKRep, MEPs, the European LGA and business and trade union representatives in Brussels. LGG will also hold an annual UK local government summit in Brussels with EU partners to maximise the impact of lobbying. *Under the new LG Group, this work will continue, with the following two additions, the analysis of the 2012 European Commission work programme will be undertaken in November and will be presented to members along side the priorities from the Queen's Speech to ensure that there can be a clearer overview of both UK and European legislative pressures and to ensure that LG group staffing resources are allocated appropriately. Secondly, to support the "Brussels summit" above, we will initiate a "Whitehall EU Summit" where we bring together Whitehall-based EU leads to help coordinated the "Team UK" approach of our work.*
 - 7.3 Futures: We will seek to influence future EU legislative programmes and will work with councils on their concerns about EU regulation, or the lack of it. *The current review of EU procurement is a good example of this proactive LGG work.*
8. **Early warning on funding opportunities**
We will provide a weekly alert on funding opportunities for councils to provide intelligence on funding calls: service area, amount, partners needed, deadline, etc. *As under the LGG, there will be no capacity to provide a support service to help complete application forms.*
9. **Providing a national secretariat for councillors on formal European bodies**
LGG will provide a single, national secretariat to support members on statutory European bodies, for example, on the EU Committee of Regions and the Council of Europe. To ensure effective and responsive support to all UK members, we work closely with officers from across the UK to ensure they feed into our policy support to members.

Item 1

10. In summary, we will provide a policy briefing on priority issues at each plenary and committee meeting, support for lobbying and governance issues, support to “*rappoteurs*” on key issues and on-the-spot advice at committees and plenary sessions.

As discussed with members in December 2010, there will be changes to this offer from June 2011: the annual meeting of COR/Congress will now be a day-event (rather than over-night) and support at committee meetings outside Brussels (COR) and Strasbourg (Congress) will be on an exceptional/business case basis.

11. **Managing demand upon LG Group member councils from the developing world**

We will provide a gateway to manage the growing demand for UK local government practitioners to support developing local government abroad. There is a formal relationship with Commonwealth LGA, EU, FCO and DFID and LGG promotes the use of practitioners to deliver aid programmes, rather than expensive consultants, to ensure greater value-for money from the EU and UK aid budgets. We will continue to work with aid organisations and the private sector to secure extra funding for this work to ensure that councils have additional resources to undertake this work.

12. **Working directly with UK members and officer networks**

There will continue to be a politically led European and International Programme Board to coordinate and drive all of this work and to ensure our work reflects the councils’ views, we have developed national networks of council officers to consult and involve them on lobbying work.

13. **Supporting service improvement from international practice**

We will continue to disseminate knowledge through events, the web and seminar about innovative and basic good practice from abroad. More importantly, we will use international practice in our lobbying work to test the boundaries of the UK local/central settlement. *In 2011, we will be looking at how international learning can advance our work on regeneration and finance.*

14. Members are asked to comment on this revived offer.

The staffing to deliver the E+I offer

15. Within the new LG Group, core E+I services will be provided from with the generic Programmes Team. This team has been established to ensure that as LG Group priorities change, staffing resources can be moved easily.
16. To deliver the current LGG priorities, staffing within the Programmes Team has been allocated to nine key programmes, one of which is “European and International”. The staff allocated to the E+I programme will be responsible for

Item 1

the management, policy coordination and delivery on behalf of the Board. Staff from other programme teams (such as the environment and housing programme) will provide more detailed policy advice on specific EU lobbying priorities. Their contributions will be managed by the core team.

17. In practice, this means that members can rely on a core team to coordinate and manage delivery, whilst being able to call on other policy advisors to deal with day-to-day priorities. The latter helps to ensure that EU issues are integrated into domestic work programmes and will ensure a wider “ownership” of EU issues across the LG Group.
18. The current work plan will be delivered by the following people:

PROGRAMMES

CORE SUPPORT

	Title	Key area of responsibility
Ian Hughes	Head of Programmes	Responsible for overall programme
Richard Kitt	Senior Advisor	Leads Brussels-based work and COR, Congress and CEMR secretariat.
Jasbir Jhas	Senior Advisor	Leads Whitehall based work.
Dominic Rowles	Advisor	Brussels-based, with responsibility for public service reform, (eg procurement), finance (eg VAT) and EU funding.
Ivor Wells	Advisor	International development, international learning, Commonwealth UCLG.
Drago Djekovic	Advisor	International development, international learning, Support to COR/Congress.
Rachael Donaldson	Advisor	London-based, with responsibility for Whitehall summit and coordinating work of specialist advisors.
George Moody	Programme Support Officer	Members secretariat work (CoR and Congress).
Benedicte Mottard	Programme Support Officer	Brussels admin support

SPECIALIST SUPPORT

Issue	Name	Current area of work in LGG
EU fund reform	Nick Porter	Economy and Transport (Programmes Team)
EU procurement reform	Siobhan Coughlan Neil Rimmer	LG Efficiency Programme
EU Public Health	Alyson Morley	Wellbeing (Programmes Team)
EU Environment policy (inc, waste, energy and recycling)	Clarissa Corbisiero Russell Reefer	Environment and Housing (Programmes Team)
EU transport policy	Charles Loft	Economy and Transport (Programmes Team)
Working Time Directive	Sarah Messenger	Workforce Team
Members Services and Board support	Paul Johnston	Chief Executives Office

Developing the LGG Brussels offer

19. Members will be aware that the English regional presence in Brussels has altered radically in the last year, primarily as much of this work was funded by Regional Development Agencies. The LGG made an offer to all regional LGAs last year which, in summary, offered support to regional LGAs in Brussels through sharing LGG accommodation, using the LG office as a base (for those without premises) and sharing lobbying briefs.
20. Some of the offers have been taken up. However, given the rapid change both at a local level and in the LG, the pursuing the Brussels offer was unlikely to have been high-priority for the sector over the last few months, thus it may need to be revived and the audience for the offer reconsidered.

Where are we now?

21. The map of local government representation in Brussels is now quite different than the period in which most English regions had a representative office in Brussels.

21.1 Regional offices

- 21.1.1 Some have closed leaving the councils in that area without any Brussels presence (eg Yorkshire & Humberside and East Midlands);

Item 1

- 21.1.2 Some offices have been retained (eg South-West, East of England and West Midlands);
- 21.1.3 the GLA/Mayor's office is retained, but the London Councils office has shut.

21.2 Sub-regional offices

- 21.2.1 These offices (such as Kent, Merseyside and Greater Manchester) have been retained, and one new one recently (Northamptonshire) has opened.

- 22. Thus we have a new landscape in Brussels and we need to adjust the detail of the Brussels offer.

Taking the LG Brussels offer forward

- 23. It is suggested that we take the offer forward in three ways:

23.1 Shared accommodation: One of the biggest barriers to pursuing the joint-premises aspect of the LGG offer in Brussels was the number of long-term leases which were in place amongst English regions. Members will be aware that the LG Group is located in the CEMR (European LGA) offices where it is co-located with about 20 other LGAs. We had offered the model of Dutch local government where the Dutch LGA and cities share a corridor in our building and share lobbying and back-office services. We should revive the debate on shared accommodation and investigate the possibilities as leases come up for renewal.

23.2 Short-term accommodation in LG Group Brussels Office: The LG Group has made an open offer to local councils either to base staff in our office for periods of time, or to use the office and its meeting rooms as a base for visiting delegations. This has been taken up by some councils, but there is a concern that the offer could have been lost as staffing in economic development and EU funding have been changed or restructured. Another concern is that this offer was made via the regional structures rather than directly to councils. This offer should be revived directly to councils.

23.3 Sharing lobbying work: The LG Group has made a 'national service' offer that is set out in earlier parts of the report. This includes a lobbying offer on key EU legislative proposals. There is a high level of collaborative lobbying and intelligence work between the LGG office and other LGAs in Brussels. However, collaboration between offices representing UK councils has diminished with closures and downsizing. Indeed the remaining UK offices tend to concentrate on inward investment. In the

19 July 2011

Item 1

next year, it is anticipated that lobbying work by UK councils and Local Enterprise Partnerships will increase during the Parliamentary stages of the EU budget and structural fund reform. Thus this is an opportunity to help support this work and to re-open an agenda about collaboration and efficiency. It is suggested that we open discussions with councils and LEPs on this issue.

Financial Implications

24. All work will be met from existing budgets and resources.

2011 EU lobbying priorities	
	Lead Board
Review of the EU budget (2014-2020) including structural funds is crucial to councils as they can currently benefit from the £7 bn EU regeneration and skills funding which comes to the UK. The LGG seeks a more coherent, locally responsive and accessible EU future funding package. This is a live issue, and the LGG has taken clear lead in the debate.	Economy and Transport / European and International
Working time directive review: will affect services provided by local authorities (care homes, and fire services etc). While ensuring the health and safety of our workforce, we expect to lobby to keep the 48 hour opt-out; ensure not all on-call time is classed as working time; and that compensatory rest is taken in a flexible way.	Workforce
Review of EU procurement rules: welcomed by councils, since current rules are uncoordinated and create some legal uncertainties on the ground. The LGG will lobby to ensure the review simplifies legislation, separating mandatory from voluntary rules.	Improvement
Initiative on concessions: depending on the scope, it may affect councils' franchise arrangements (leisure centres, toll bridges, bus franchises, waste concessions). We will lobby for light touch regulation.	Improvement
Review of the Market in Financial Instruments Directive: local authorities should continue to be classified as 'professional' investors rather than 'retail' to continue to invest public funds. In line with the principle of subsidiarity, national and local government should decide if local authorities should assess and manage financial risk, taking into account national regimes to ensure prudential borrowing / investments.	Group Executive
New rules on VAT affecting public authorities: councils' ability to claim back VAT from government for goods/services they buy for the public sector (crèches etc) may be threatened by a common EU approach for public bodies in the EU. This must remain a national competence.	Group Executive
New Directive on water efficiency in buildings: this is expected to set binding thresholds – this will have a significant cost to councils who own significant numbers of municipal buildings and social housing.	Environment and Housing

Item 1

<p>New Directive on energy efficiency and savings: proposals are expected to highlight the public sector's exemplary role; it could be accompanied by national energy efficiency targets.</p>	<p>Environment and Housing</p>
<p>EU environmental legislation: although non legislative, the European Commission will look at ways to enhance EU environment law compliance and strengthen inspections. Since councils implement EU environment rules, LGG will need to influence this process and work closely with Whitehall.</p>	<p>Environment and Housing</p>
<p>Simplification of EU waste/recycling laws: many of these laws are implemented by councils, and the review is welcome. It is expected to cover directives on End-of-life Vehicles, Batteries and Packaging. The review should not add to councils existing duties.</p>	<p>Environment and Housing</p>
<p><u>Watching briefs</u> <i>Economy and Transport: Future of transport white paper; strategies on youth unemployment; new skills and jobs; and EU 2020 strategy on smart, sustainable and inclusive growth.</i> <i>Workforce: Posting of Workers; white paper on pensions; free movement of workers</i> <i>Regulation: Animal health; tobacco sales; product safety</i></p>	
<p><u>Ongoing priorities:</u> <i>Environment and Housing: Directives on Waste of Electronic and Electronic Equipment revision, Soil, and Climate Change, Energy efficiency funding</i> <i>Workforce: pregnant workers Directive</i></p>	

19 July 2011

Item 2

European economic and skills development funds

Summary

EU structural funds are worth well over £8 billion over the 2007-2013 period, with further available through the EU Rural Development Programme for England, typically funding economic and skills development activity.

This paper updates on the debate on their future, and seeks Member comment on LGG next steps.

Recommendation

The Board are asked to comment on the paper.

Action

Officers to progress proposed next steps subject to Members feedback.

Contact officer: Nick Porter
Position: Adviser, LG Group
Phone no: 020 7664 3113
E-mail: nick.porter@local.gov.uk

Item 2

European economic and skills development funds

Background

1. European Union structural funds typically support economic and skills development activity, and are regularly accessed by local authorities to help realise local ambitions. They include the European Regional Development Fund (ERDF) and the European Social Fund (ESF), and transnational co-operation funds. The funds are worth over £8 billion to the UK between 2007-2013 period, which, once match-funded, represents a potential total investment over £16 billion. Further investment opportunities are available to councils through the Rural Development Programme for England, and a range of thematic funds. Local authorities are key partners in these funds, holding strategic, support and delivery roles.

The issue

2. The European institutions are entering a critical point in the design of funding programmes for 2014-2020. The European Commission published EU Budget proposals on 29 June, with further detail on structural funds expected in the autumn 2011. In Whitehall, government has a good degree of discretion in arranging and managing the structural funds in England, and is beginning to consider delivery, and the role of local authorities, in the 2014-2020 funds.

EU Budget and structural funds - top issues for local authorities

3. This paper updates Members on emerging issues for local authorities and seeks comment and endorsement on Local Government Group's lobbying and support activity during the negotiation and establishment of these funds.
4. **Less money for the UK.** The amount received by the UK is likely to fall, as GDP is higher than in other Member States. The overall budget for the structural funds at EU level will remain roughly the same (€376 billion); the greatest proportion will be earmarked for poor areas below 75% of the EU GDP average. It is unlikely that there will be any areas below 75% GDP in England, possibly one in Wales. Nevertheless, the levels of total investment will still be significant, and all areas will continue to have at least some access to funds, something that the LGG helped develop consensus for. UK currently receives €9.4 billion in the 2007-13 round. Over the course of negotiations the LGG will make the case for a fair return to places that need it.

19 July 2011

Item 2

5. **New opportunities for some places.** There is opportunity for some areas of England to benefit from greater levels of structural funding. In the current programme, areas were either identified as rich (competitiveness) or poor (convergence) with some phasing in areas in between, receiving levels of funding accordingly. From 2014 it is proposed a new transition category be created between the two, at the level 75%-90% GDP, which would receive greater levels of funding than competitiveness areas. Some initial forecasting suggests areas that may benefit include: Tees Valley, South Yorkshire; Merseyside; Lincolnshire; Shropshire; Cumbria; Devon; Durham; Cornwall and areas of Wales. At this stage, this is speculative. All other areas, with a GDP above 90%, will continue to benefit from competitiveness funding as they do now. The LGG will begin to work with partners to explore what areas might be eligible for what level of funds.
6. **Tightening priorities.** Proposals aim to target structural funds at a fewer number of EU priorities. Competitiveness and transition areas will be required to focus economic development spending (ERDF) on energy efficiency, renewable energies, SME competitiveness and innovation. It is also proposed at least half of structural funds must be spent on skills development projects (ESF) in next programme round. LGG are concerned that ERDF spending in England can only fund three priorities, and that ESF be less centrally driven than it is in the current programme, arguing flexibility on local targeting.
7. **Stronger performance management.** The EU will negotiate a partnership contract with the UK government, setting out a commitment for spending structural funds to address priorities. Progress will be assessed through a performance framework measuring outcomes. The contract will likely include agreed conditionalities aiming to improve the effect of funds; for instance they might require certain administrative arrangements be in place before funds are awarded to projects. LGG support the focus on outcomes, should systems must not marginalise or burden councils.
8. **Rural development.** The rural development element of the Common Agricultural Policy (CAP) will receive €89.9 billion from 2014-20, less than the current round, and will be subject to performance and conditionality measures like structural funds. Funding for farm payments is proposed at €281.8 billion, roughly the same. The EU will, however, make proposals permitting flexibility between the rural development and farm payment funds. LGG continue to argue rural development programmes receive a larger proportion of funds.
9. **New funds for research, infrastructure and education.** A range of expenditure lines will be integrated into three new EU-wide programmes: a 'Connecting Europe Facility' is proposed to offer €40 billion into transport,

Item 2

energy and ICT infrastructure projects; 'Horizon 2020' will integrate a range of research and innovation funds into a single €80 billion programme; and a single education and youth programme of €15.2 billion will integrate the range of youth development, learning and exchange funds. The LGG has led the call for integrated programmes, but warns against sectoralisation, a co-ordinated focus on place is essential.

10. **More coordinated spending.** A common strategic framework for ERDF, ESF, the rural development programme will aim to join up the strategic ambitions of the different funds, as driven by the EU2020 strategy. The LGG welcomes alignment, which must translate into genuine strategic and operational coordination on the ground.
11. **Financial engineering instruments.** Proposals place more emphasis on using the EU budget to leverage additional private sector investment. LGG welcome further exploration where they add value, and do not unduly distract the focus away from grant funding.
12. **Simplified administration.** Proposals aim to simplify, speed up and improve administration and delivery. The LGG continues to call for simplification.
13. **Negotiation timetable.** Proposals must be agreed unanimously by Member States, who are working towards an agreement for the end of 2012. Alongside this, important detail for each of the individual funds will be published in the autumn 2011, and Government is beginning to plan how funding programmes will be administered in England.

Local Government Group activity

14. Members are asked to comment on some of the streams of LGG activity that take forward the Local Government Group objectives for protecting investment, establishing locally responsive funds, and moving towards joining-up spending at the local level:
15. **Continued political and officer engagement.** The legislative process for negotiating and establishing the EU funding programmes is lengthy and involves many interests. Collectively, Members of the European and International Programme Board and Economy and Transport Programme Board have now opened discussions with the political leadership of the UK Government and European institutions. This includes meetings and correspondence with the European Commissioner, the European Parliament, and the responsible Ministers at DCLG, DBIS and DEFRA. Further engagement will be necessary as the legislation is negotiated up to 2013, particularly once

19 July 2011

Item 2

the EU Budget proposals and Structural Fund proposals are announced over the course of 2011.

16. **Cross-Whitehall initiative on future spending models.** The LGG has initiated thinking with Government departments – including DCLG, DBIS, DEFRA, DWP and HMT - exploring how local partners might help lead the delivery of European programmes in the future. Local leadership will be a significant contributor to this discussion, and as a part of this work the LGG has worked with 5 local areas to contribute thinking on how they might participate to the operation of European programmes, addressing two questions:
 - 16.1 How local areas can help future European programmes address the specific needs of local communities and businesses, increasing the value for money of these investments; and
 - 16.2 How European programmes can be organised in England to achieve this, while ensuring delivery is cost-effective and compliant with EU regulation.
17. The local contributions have been discussed with the government working group, and form the basis of activity moving forward and some more detailed lobbying principles supporting it. For instance we could look to explore how these models can be tested and piloted locally. The five areas involved are: Cornwall and Isles of Scilly (in partnership with the LEP); Greater Birmingham and Solihull (in partnership with the LEP); Kent, Greater Essex and East Sussex (in partnership with the LEP); Liverpool City Region, and; Newcastle City Council.
18. **EU funding survey of local authorities.** In May 2011 the LGG launched a survey of local authorities to capture local authority concerns on the availability of match-funding in the remainder of current ERDF programmes. Lead members of the Economy and Transport Board have discussed concerns over the availability of match-funding with the CLG Minister. It was agreed that, on the back of the survey results, LGG and CLG officers will take forward recommendations on the match-funding issue through a special focus group with central, local government and private, third sector partners.
19. The survey also gauges local authority opinion on the kind of roles councils would want to play in the future programmes. The results will provide vital evidence that reinforces the need for future programmes to be negotiated and established in an all together more local way. Emerging headline results will be tabled at the Programme Board meeting; full analysis will be available soon.

Item 3

Update on EU Fines (Localism Bill)

Purpose of report

For information / noting.

Summary

This paper provides updates Board Members on LG Group work to influence the EU fines clauses within the Localism Bill, currently going through the House of Lords. Officers will present the issue at the meeting following LG Group Executive discussions on the issue.

Recommendations

This paper provides updates Board Members on LG Group work to influence the EU fines clauses within the Localism Bill, currently going through the House of Lords.

Action

Officers will present the issue at the meeting following LG Group Executive discussions on the issue.

Contact officer: Jasbir Jhas
Position: Senior Adviser
E-mail: jasbir.jhas@local.gov.uk

Item 3

Update on the Localism Bill

Background

1. Part 2 of the Localism Bill introduces EU Fines clauses which would give Ministers the power to force local authorities in England to pay part, or all, of any EU fine to the UK Government for failing to comply with an ECJ ruling relating to non compliance with EU law. The Welsh Assembly Government is responsible for determining how any fines are levied in Wales.
2. The LG Group and our member authorities believe these unprecedented and retrospective plans to allow Ministers to pass down national fines to local authorities are **unfair, unworkable, unconstitutional, and dangerous for council budgets**. At a time when local authorities' budgets are already being stretched to their limits, the added threat of Ministers delegating national fines on to them is of serious concern to our member authorities.

Progress on EU Fines

3. This issue which has most exercised councils, and legal commentators, is the 'unconstitutional' issue. The policy would enable a Minister to be judge, jury and executioner when passing down EU fines to councils, even though the Government is likely to be partly to blame for incurring the fine e.g. for poorly communicating EU laws and their implementing measures. If an authority disputes this, their only option will be to challenge decisions through judicial review.
4. Elected members and officers have taken every opportunity to discuss EU fines with Ministers and CLG officials. During the Bill's passage through the Commons, LG Group called for the clauses to be removed from the Bill, and have worked to suggest alternative solutions to enable Ministers to scrap the policy:
 - 4.1 '*Team UK*' partnership solution between central and local government working together to negotiate practicable future EU laws; and
 - 4.2 '*Sector self improvement*' offer to support and early warn councils where clear local authority responsibilities could result in an EU fine.

Recent activity

19 July 2011

Item 3

5. Moving into the Lords, our understanding is that Ministers are unlikely to delete the policy. Our strategy is to secure safeguards for the sector should the policy ever be enacted. Peers were briefed in advance of Second Reading and Committee (28 June). In Committee, Peers raised LG Group concerns throughout a lengthy debate. A stand part amendment for deletion was tabled. Dealing with the 'unconstitutional' issue:
 - 5.1 Baroness Eaton (Con) tabled a detailed set of LG Group cross-party amendments for independent arbitration building in procedural safeguards. Presented by Cllr Lord Tope, it would remove the Minister from the decision making process. It protects the sector should the policy ever be enacted by ensuring the authority and the Minister make representation to independent arbitration. As well as being independent, this is quicker, cleaner and cheaper than going through the courts. Ministers responded that decisions should not be made by a single unelected individual.
 - 5.2 An alternative amendment, supported by a statement of policy, tabled by Baroness Gardner of Parkes (Con), enables a Minister to appoint an independent review panel, but this still means the Minister appoints the panel, and makes the decision as to whether to issue a fine, and does not have to take on board the panel's view. While this does not address the impartiality issue, we understand Ministers are sympathetic to this amendment.
6. Earl Atlee (Con), a Government Whip, undertook to come back to Report stage with a compromise based on the mood of the House, before which he will undertake discussions with interested Peers and bodies (LG Group, GLA etc). This is encouraging.

Next steps

7. On 14 July, LG Group Executive Members were due to agree options to pursue discussions with the Government that build on this debate and which result in a compromise that allowed the clauses to remain in an amended form. Officers will provide an oral brief to this report, and Board members may provide further insight into developments.

Item 4

Possible EU proposals on VAT and public authorities – next steps

Summary

The report provides a short update to the report discussed at the June 2011 board meeting.

It highlights the current state of play and what members can do to ensure LGG is well prepared to further influence legislative proposals expected in 2012.

Recommendations

Members are asked to discuss the issue and consider the next steps (paragraphs 11-16).

Action

Officers to take forward steps outlined within the report, subject to Members' comments.

Contact officer: Dominic Rowles
Position: Adviser (Brussels), LG Group
Phone no: 00 32 2502 3680
E-mail: dominic.rowles@local.gov.uk

Possible EU proposals on VAT and public authorities – next steps

Background

1. As discussed at the June 2011 Board meeting, the European Commission has launched a major review of the current VAT system as applied across the EU, and may bring forward legislative proposals in 2012 affecting public bodies.
2. 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.
3. 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.
4. Car parks, crèche services, adult education and training, sports facilities, and letting of business units are some areas which have caused difficulties.
5. As a solution the EU may propose in 2012 a move towards 'full taxation' of local authorities. This means VAT is applied to all local authority goods and services provided to the public (all 'outputs') in the same as private sector provision. The system is currently operated in New Zealand which is often cited as a best practice.
6. The issue is particularly relevant in the UK as councils have special 'powers to trade' on the market and are increasingly do so. This is not the case to the same extent in many other Member States where the dividing line between public and private sector provision is often more clearly defined.
7. An important part of any EU proposals will be that local authorities can continue to claim back from government the VAT they pay on goods and services purchased (all 'inputs') to support the provision local services.
8. LGG has conducted some research on the situation in other member states. Austria, Denmark, Finland, France, Netherlands, Portugal, and Sweden also operate a similar VAT reimbursement system to the UK allowing local authorities to claim back they VAT they spend.

19 July 2011

Item 4

9. These Member States, and their local and regional government associations are therefore likely to be important allies in our ongoing advocacy work towards the European institutions.
10. It is notable that Germany does not operate such a VAT reimbursement system for its local authorities. The views of the Federal Republic (not yet formulated) will hold weight in both the Council and the European Parliament and may be decisive to the final shape of any new VAT regime governing public bodies.

Next steps

11. In the June meeting members gave consideration to key messages and provided LGG with a mandate to engage with Whitehall and the European institutions on this topic.
12. Given the potential importance of the issue, LGG has consulted with local authority experts who have made some early representations to the EU, including a detailed written submission.
13. Alliances have also been made with the NHS who are considering the potential impact on the provision of health services.
14. The Commission has not yet drafted its proposals expected for 2012, so some informal discussions via the Committee of the Regions with like-minded associations would be valuable towards the end of 2011. Building alliances at an early stage with the German LGAs and those seven countries operating VAT reimbursement systems for their local authorities would be particularly helpful.
15. One challenge is that other associations are not yet considering the issue as no proposals are yet published. LGG however recognises the value of lobbying at the 'pre-legislative' stage and is leading the debate in Brussels.
16. November 2011 will be a decisive moment in the timetable when we will learn a little more about the Commission's plans as part of their 2012 work programme.

19 July 2011

Item 5

Future LG Group International Work

Purpose of report

For discussion.

Summary

This report gives members an overview of the current international work in the LGG and how the new LGG structure will be used to refresh delivery programmes in the future.

There will be a presentation at the meeting which will set out our strategy to develop this work in the future through working with a series of partners who are interested in working with local government on international development issues.

Recommendations

Members are asked to consider this report and comment on the presentation

Action

Officers to progress as appropriate.

Contact officer:

Ivor Wells

Position:

Adviser, LG Group

E-mail:

ivor.wells@local.gov.uk

Item 5

Future LG Group International Work

Background

1. The reputation of the LG Group and the councils it represents is shaped locally, nationally and internationally. 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.

A new “brand” and refreshed principles

2. The development of the new LG Group gives us the opportunity to refresh some of this work and to revisit the principles to which we work. Members are asked to comment on the issues below:
3. **Responding to demand:** Our work responds to demand from our sister associations.
4. **Cost:** Despite increasing demand, our international work must also be responsive to the challenging financial climate that both the association and its membership are in. Where the LG Group can support local government abroad within its modest means, it will do on the basis that running costs are covered by external funding (outside top-slice and membership fees).
5. **A New “Brand”:** While the uncertainty of the recent LG Group restructure caused some concern amongst the organisation’s international stakeholders, this has been proactively managed in recent months and the clear message is that the UK’s national association remains committed to its international relationships and its role as a provider of support to developing countries. The day to day management of the Group’s international project work as well as maintaining our relationships with our international partners will be coordinated by two advisors in the Programmes Team, but a newly created LGG officer level steering group pulling together teams from across the Group will also ensure a better system of delivery and synergy between our lobbying, peer review and leadership teams.
6. **Refreshing our products:** The new LG Group has also allows us to renew our product and offers to sister LGAs. We have worked across the Group to ensure

Item 5

that our work is clearly linked to our core offer to UK local government as this is the basis of our reputation (and attraction) abroad.

7. Thus our refreshed Group international offer will be guided by demand for the skills and expertise of UK local government, as well as the capacity to deliver good services. Our products reflect the Group's core business and are designed and delivered by individuals and teams across the Group and where appropriate we can also commission work within the sector.
 - 7.1 Peer Review & Sector-led Improvement
 - 7.2 Innovation & Best Practice Exchange Programmes
 - 7.3 Leadership Development
 - 7.4 Association Capacity Building
 - 7.5 Community Engagement/Citizen participation
 - 7.6 Workforce Development
 - 7.7 Local Economic Development
 - 7.8 Election Monitoring
8. **Focus:** The LG Group will retain some flexibility on where it operates geographically in order for it to be able to respond to changing UK foreign and development policy objectives and other political considerations. However, it is proposed that project activities focus primarily on the transitional countries of Eastern Europe, developing Commonwealth countries of Africa and South Asia and fragile and post-conflict states where HMG has an interest.
9. **Political leadership:** There is demand upon the LG Group from abroad as a result of the clear political leadership of improvement. Thus the organisation's international work must be owned, championed and guided by elected members. Whilst members in the past have had a clear political overview, it is proposed that each international project should also have a member champion to ensure that work with members in sister associations have a clear political anchor in the LGG.

Current projects

10. Currently, the LG Group has eight projects in delivery phase and two in various stages of the bidding process. Whilst members were given an overview of each project at the last Board (**appended** for information), they asked for the value of each project:

Item 5

Delivery phase:

	Value of LGG work (NB all resources are externally funded)
Two multiannual projects in Kosovo (where LG Group is partner in two international consortia, one lead by Coffey International and second by NI-CO)	£100,000
Falkland Islands	£20,000
RIPA International	£15,000
Pakistan; supporting the Local Councils Associations of Punjab (CLGF Good Practice Scheme)	£45,000
South Africa; supporting the South African Local Government Association (CLGF Good Practice Scheme)	£45,000
Zimbabwe; supporting the Urban Councils Association of Zimbabwe (EU Commission funded)	TBC
Pan-African Peer Review, supporting UCLG Africa (Grand Duchy of Luxembourg funded)	£100,000

Developing future work

11. Since June, we have undertaken a review of our activities and assessed the potential partnerships that can be formed in the next year to develop this area of work. In summary, the only way in which we can meet the demand for support by developing associations is to work with those bodies which have a record of delivery and winning competitive bids, but who recognise the benefit of a public service input.
12. Our future work will be broadly under the following heading:
 - 12.1 Developing existing work
 - 12.2 Developing new private sector partnerships
 - 12.3 Linking to national policy priorities
 - 12.4 Linking to new funding streams
13. Officers will provide a presentation on these issues at the meeting.

UPDATE ON EXISTING WORK
(from June report)

UCLGA Pan-African Peer Review Project

The LG Group is embarking upon a pioneering pan-African peer review project with the pan-African LGA (UCLGA). This work is funded by the government of Luxembourg. The project will be delivered over an 18 month period will pilot one peer review in each of UCLGA's regions (north, south, east, west and central). The African participants in each of the five peer reviews will be selected through UCLGA's internal political processes, but there is flexibility around whether the reviews are between two LGAs or two councils within a region. To take one region as an example, this could mean that the "eastern pilot" could be a peer review between either the Kenyan and Ugandan LGAs, or the cities of Nairobi and Kampala. For the local authority reviews, there is also flexibility to include both urban and rural authorities.

The project will be delivered in two stages. 1) initial training and capacity building delivered by the LG Group to the UCLGA Secretariat on facilitating and supporting peer learning, and 2) delivery of five peer reviews with each peer review team being an equal mix of African and UK peers.

The process for the selection of African member peers will be addressed in the initial training stage of the project and broadly modelled on the peer accreditation mechanism used for UK peer reviews (adaptations of course will need to be made to take into account differences in political and leadership structures and local and regional contexts). It is proposed that the selection process for UK member peers is carried out along the same procedures as current UK peer reviews whereby members participating in reviews must be 1) accredited peers and 2) selected by the four national member peers. In addition to this however, given the international dimension of this project, it is also suggested that the Chair of the European & International Programme Board play an active role in the selection process for member peers.

Kosovo

DFID funded project "Strengthening Financial and Administrative Systems for the Decentralisation of the Social Care Services Programme" started in January 2011. The LG Group is delivering the project together with the lead partner, COFFEY International and two other implementing partners from Kosovo and Slovenia. LG Group has made a significant contribution to work budget and finance reform and is now working on a detailed implementation plan.

South Africa

19 July 2011

Item 5

The project with South African LGA (SALGA) – funded by the Commonwealth LGA (CLGF) - comes to an end in September and there is one more phase of activities planned to wrap up the project. Local government elections were held in South Africa on 18 May and SALGA has naturally been preoccupied in recent months. However, the final activities will take forward some of the recommendations of the peer review carried out by UK local government practitioners in 2010 to ensure that the issues raised are provided to the new political leadership of SALGA.

Pakistan

Like the South Africa project, our work with the Local Councils Association of Punjab (LCAP) is also funded by the CLGF and will be coming to an end in September. The strategic planning workshop held in January has resulted in a new national campaign to strengthen elected local government, while also mobilising more funding. The final activity programme will focus on capacity building and dates are being finalised.

Zimbabwe

The EU-funded project with the Urban Councils Association of Zimbabwe is ongoing, despite significant delays at the Zimbabwe end. All but one of UCAZ member councils are controlled by the Movement for Democratic Reform. By mid June we expect to have a clear indication of the LG Group's contribution to the project, which is focussing on strategic business review of the association, stakeholder engagement with members and a leadership training programme.

Item 6

Update on Board work

Purpose of report

For noting and discussion.

Summary

This paper provides members with an update on key Board issues:

- EU procurement reform
- Congress vacancies
- UK Presidency of the Council of Europe
- Committee of the Regions

Recommendation(s)

Members are asked to note the update.

Action

LG Group officers to action as necessary.

Contact officer: Ian Hughes
Position: Head of Programmes, LG Group
Phone no: 020 7664 3101
E-mail: ian.hughes@local.gov.uk

Update on Board work

EU procurement rules – update

Work in the last month

1. Following the discussion on reform of the EU procurement rules which took place at the June 2011 Board meeting, the activities below have taken place.
 - 1.1 LGG has had a major success in influencing the European Parliament's draft report on modernising procurement rules. Following a series of meetings between Brussels office staff and the responsible MEP (Heidi Ruhle, German Green) the Parliament's report contains several key paragraphs reflecting the exact wording of the LGG/CEMR position. This raises the pressure on the EU to deliver a genuine simplification of the rules in line with local government's views.
 - 1.2 Representatives of the European Commission and Cabinet Office joined Cllr David Parsons and a director of Birmingham City Council at the LGG's conference fringe event 'Cutting EU procurement red tape' (also 30th June). The event proved a successful platform to get all parties talking together in local government's interest and provides a good basis for ongoing joint work.
 - 1.3 LGG briefed Anders Knappe, an Executive President of the European LGA (CEMR), who presented local government's views at a major EU conference in Brussels on reform of the procurement rules (30th June).

Next Steps

2. Legislative proposals are expected from the Commission by the end of 2011 or in early 2012. LGG will continue to work with UK MEPs (Harbour, Girling), Whitehall, and EU officials to influence the proposals as they are debated at EU level.
3. A particular focus will be on:
 - 3.1 Simplifying the administrative requirements and reducing the timescales involved.
 - 3.2 Making it easier for contracts to be awarded between public sector bodies, allowing efficiency savings.
 - 3.3 Reducing litigation from failed bidders.
4. The work forms part of the LGG's 'Productivity Programme' steered by the Improvement Board.

UK delegation to Congress – managing vacancies

5. As reported at the last meeting, two LGA-nominated members (both Liberal Democrat) lost their elected mandate in the 5 May local elections and will therefore lose their Congress seat from 5 November 2011. The six month notice is expressly intended to enable a smooth replacement process.
6. Because of the change in overall political balance, it is proposed that the vacant full member place should be filled by a Labour nominee. Details of the vacancy process, background stats and requirements of council type and gender/ethnicity targets have been sent to Group offices.

UK Chairmanship of the Council of Europe

7. As reported last month, the UK will assume the six-month rotating Chairmanship of the Council of Europe in November, co-inciding with the continuing presidency of Cllr Keith Whitmore (UK, LD, Manchester) in the Congress. The Deputy Prime Minister has been invited to attend the October Congress plenary in order to mark the Chairmanship and the mid-point in Cllr Whitmore's Congress presidency. If he attends, the UK Delegation will sponsor a small reception to launch the UK Chairmanship.
8. The UK secretariat is progressing the other initiatives reported last month to mark the Chairmanship (meeting with Minister to influence priorities; microsite on LG website; rough guide publication)

Committee of the Regions

9. Croatia looks set to join the EU from mid-2013 and will have members appointed to CoR from that date. This has triggered a renewed effort from the Commission to find a solution to the fact that the new members will cause CoR to breach its 350-seat limit, stipulated in the Lisbon Treaty. The UK delegation and other larger countries are lobbying for their share of CoR seats to be proportionate to the UK presence in the European Parliament, as was the case when CoR was established in 1994.
10. The CoR met in plenary session at the start of July. Although there were no English rapporteurs this time, Cllr Flo Clucas has secured appointment to draft the CoR response to the EU Budget 2014-20 and has nominated LGG officer, Dominic Rowles, as her expert. This will give the LG Group great influence over the EU structural funds debate in Brussels.
11. In the margins of the CoR plenary, Cllr Wilcox chaired the second meeting of the CoR intergroup on health. Foremost was the preparation for a likely

Item 6

meeting with the EU Commissioner for Health in October. The group confirmed its key priorities as:

- 11.1 the opportunities offered by advances in e-health,
 - 11.2 training the health workforce and ensuring Europe-wide acceptability of qualifications
 - 11.3 measures and approaches to dealing with ageing populations.
12. Seeking out good local practice in reducing heart disease and cancers as well as reducing health inequalities and recognising the job creating potential of the health sector are likely topics for further examination. The group also needs to work to ensure that a local and regional social dimension is considered essential in driving health improvement and tackling inequalities.

Council of European Municipalities & Regions (European LGA)

13. The CEMR was unfortunately obliged to cancel its Policy Committee scheduled for mid-June. This was because the host association (Spain) was unable to provide the promised financial contribution, and because of recent political developments in Spain and in the host city. The meeting was due to take forward the reform of CEMR, which will instead be considered at its Executive Bureau late-September (Cllr Keymer attending).
14. The Executive Bureau will also take stock of CEMR finances in the light of unilateral decisions by the UK and Italy to pay reduced fees in 2011 and beyond.

Note of decisions taken and actions required

Title:	LG Group European & International Programme Board
Date and time:	Thursday 2 June 2011, 11.30am
Venue:	Council Chamber, Exeter, Devon

Attendance

Position	Councillor	Council
Chair	Dave Wilcox OBE	Derbyshire CC
Deputy Chair	Linda Gillham	Runnymede BC
Members	Gordon Keymer CBE	Tandridge DC
	Liz Eyre	Worcestershire CC
	Sir Albert Bore	Birmingham City
	Lord Graham Tope CBE	Sutton LB
	Paula Baker	Basingstoke & Deane BC
Apologies	Richard Kemp CBE	Liverpool City
	Sandra Barnes MBE	South Northants DC
	Roger Phillips	Herefordshire CC
	David Lloyd	Hertfordshire CC
	Dr Andrew Povey	Surrey CC
	Peter Box CBE	Wakefield City
	Nilgun Canver	Haringey LB

Officers: Ian Hughes, Jasbir Jhas, Nick Porter, Paul Johnston (LG Group)

Members agreed that the Chair write to Jonathan Bell to congratulate him on his appointment as Junior Minister in the Office of First Minister and Deputy First Minister in the Northern Ireland Assembly. Members also agreed that the Chair write to John Commons to thank him for his service to the Board.

Item	Decisions and actions	Action by
1	Minutes of last meeting	
	The notes of the last meeting were agreed as a correct record.	

2 Getting Closer – Update to Programme Board

Officers outlined the implications of the Getting Closer process on the Board's future activity and on the Local Government Group more widely. Officers stressed that the Group would continue to have European and international issues as a point of focus, and would continue to provide support to Councillors involved in European and international work.

Members thanked officers for their work during the period of reorganisation, and conveyed their best wishes to those officers who had recently left the organisation.

Members considered how to communicate the benefits of LG Group membership in a more robust way. This issue would be addressed through a revived membership offer and a refreshed website which would be launched at LG Conference.

Decision

Members noted the outcomes of the Getting Closer programme, and requested that information be circulated to the Board on future European and International activity and officer support.

Action

Officers to provide a report detailing future European and International activity and a list of future officer support for European and international activity.

Ian Hughes

3 Possible EU proposals on VAT and public authorities

Members discussed potential EU proposals on VAT and public authorities arising from the Commission's current review on the issue.

Member agreed that the Committee of the Regions should have early involvement in the formulation of the proposals. Officers said that CoR involvement would be examined.

Decision

Members agreed the next steps as outlined in the report.

Action

Officers to prepare a report for the next Board meeting outlining further detail on the proposals, including a comparison of VAT issues in other EU states and how CoR can develop its work in this area.

Jasbir Jhas

4 Modernisation of EU procurement rules

Officers introduced the report and set out current lobbying activity.

Members said that the Group's response needed to reflect concerns around the European Commission's consultation process, and that the criteria in public contracts relating to environmental and social benefits should be encouraged but not mandated.

Decision

Members agreed the next steps as outlined in the report.

Action

Officers to reflect Members' comments within the Group's response.

Dominic Rowles

5 Congress of the Council of Europe

Members noted the key messages in the LGA / UK aims for the UK Chairmanship, and said that some consideration needed to be given to the 2012 Games and the Queen's Diamond Jubilee.

Members noted the forthcoming international peer review of UK local democracy in 2012 and asked about sign-up to the European Charter of Local Self-Government and applicability of the Charter to Northern Ireland.

Action

Officers to prepare a note to the Chair on NILGA issues regarding the Charter of Local Self-Government.

Richard Kitt

6 Update on international work

Officers informed Members that a Group-wide approach would be taken to progress a number of international projects.

Decision

Members agreed that a report be prepared for the next Board meeting detailing each international project.

Action

Officers to prepare a report for the next Board meeting detailing each international project.

**Ivor Wells /
Drago Djekovic**

7 General update

Members noted the report and requested further details on the LG Group's survey of local authorities on the lack of match-funding, and details on the LG Group's Brussels offer.

Action

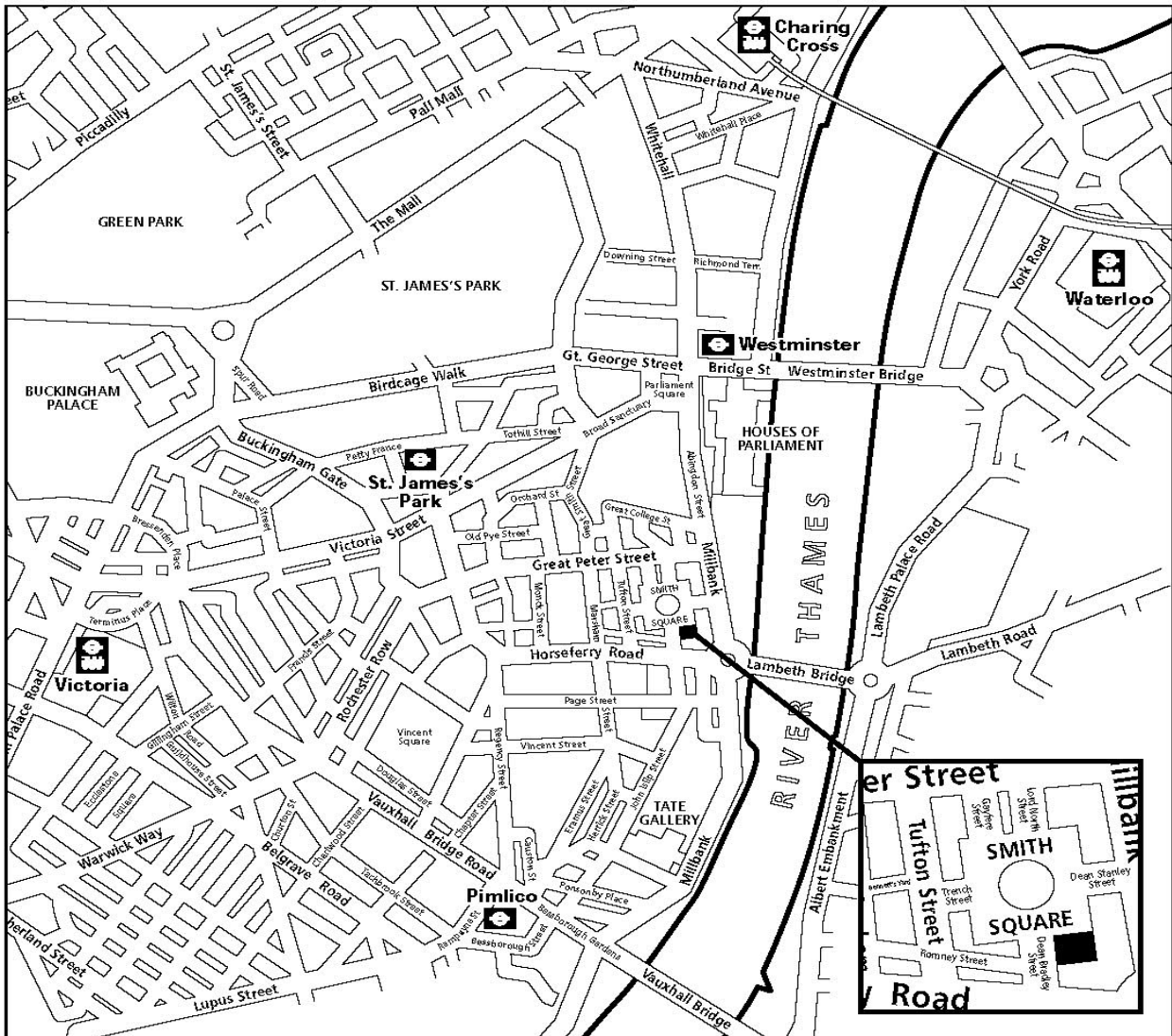
Officers to prepare a report for the next Board meeting on the Group's Brussels offer.

Richard Kitt

Officers to prepare a note to Members on the results of the LG Group's match-funding survey.

Nick Porter

LG Group Location Map



Local Government Group

Local Government House
 Smith Square, London SW1P 3HZ
 Tel: 020 7664 3131
 Fax: 020 7664 3030
 Email: info@local.gov.uk
 Website: www.local.gov.uk

Public transport

Local Government House is well served by public transport. The nearest mainline stations are;

Victoria

and **Waterloo**; the local underground stations are **St James's Park** (District and Circle Lines); **Westminster** (District, Circle and Jubilee Lines); and **Pimlico** (Victoria Line), all about 10 minutes walk away. Buses **3** and **87** travel along **Millbank**, and the **507** between Victoria and Waterloo goes close by at the end of **Dean Bradley Street**.

Bus routes - Millbank

87 Wandsworth - Aldwych **N87**
3 Crystal Palace - Brixton - Oxford Circus

Bus routes - Horseferry Road

507 Waterloo - Victoria
C10 Elephant and Castle - Pimlico - Victoria
88 Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Cycling Facilities

Cycle racks are available at Local Government House. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone. For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car Parks

Abingdon Street Car Park
 Great College Street
Horseferry Road Car Park
 Horseferry Road/Arneway Street