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Board EU lobbying priorities – Round-up of activity

Purpose of report

For discussion and direction.

Summary

At the last meeting, European and International Board (E&I) members requested a regular update on recent developments on each of our six key priority topics.

Recommendation

Members are asked to comment on the report and make any recommendations for officers to action.

Action

Officers to take action as directed by Members.

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Board EU lobbying priorities – Round-up of activity

EU structural funds 2014-2020

1. LGA Vice-Presidents Catherine Bearder MEP and Derek Vaughan MEP continue to play a very helpful role in taking forward LGA views in the European Parliament via tabling amendments and holding a special hearing with local government associations. The LGA delegation of elected members due to visit Brussels on 17-18 September 2012 will be a crucial opportunity to bolster our lobbying and build further support amongst UK MEPs, ahead of the European Parliament plenary vote.
2. Councillors are also playing an important role in the Committee of the Regions (CoR). Most recently Councillor Garvie (Scotland) successfully secured a number of amendments to the CoR position on creating common procedures for different EU funds. He has been appointed CoR rapporteur on the local aspects of EU funds – particularly on the involvement of councils and local community groups in shaping the delivery of the funds.
3. There will need to be a significant push from the LGA to convince Government to embed localism principles into the design, management and delivery of EU funds in England. The LGA has invited all local authorities to provide examples of the current system's successes and failures, and ideas for future more localised models, and is also working with Whitehall to identify local sources of match funding. In June 2012 the Chief Executive wrote to all local authority chief executives inviting them to get involved in our work.
4. On current European Social Fund, the LGA continues to support councils in their role to refer families to the £200 million Department for Work and Pensions (DWP) Families with Complex Needs provision. Activity includes our Chairman's meeting with Chris Grayling MP, and a dedicated forum on the Supporting Troubled Families Knowledge Hub.

Procurement

5. As part of the ongoing LGA campaign for simpler future procurement rules, the Board Chairman has sent a letter to all UK MEPs in conjunction with the Improvement Board Chairman to secure their support ahead of a crucial vote in the Autumn. The Brussels office has worked with associations across Europe to develop a number of legislative amendments for our MEPs to table.

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6. On 21 June 2012 a meeting took place in Brussels between Cabinet Office officials, LGA, the Council of European Municipalities and Regions (CEMR – the European LGA) and eight other associations of local government. A significant consensus was reached on the need for renewed joint central-local working towards the EU on this topic.
7. The LGA has produced its 'procurement pledge': a short document created on behalf of councils as a whole to underline the core procurement values councils will follow. It also includes the need to influence EU rules, and work closely with the Cabinet Office and the Foreign and Commonwealth Office (FCO) in doing so.
8. Councillor Keymer successfully secured a number of amendments to the CoR position on the topic at the 25 June 2012 Economic and Social Policy (ECOS) meeting.

Energy efficiency Directive

9. A provisional agreement was reached in June 2012 between the European Parliament, Commission and European Council that new energy efficiency legislation will not contain mandatory obligations towards local government. This results from a lengthy and effective lobbying campaign by the LGA, CoR and CEMR in Brussels and Whitehall.
10. To recall, the draft Directive proposed new measures on energy to bring the EU back on track to achieve a 20 per cent reduction in energy use by 2020. The most important aspect for local councils was the requirement to buy energy-efficient buildings, products and services, and to refurbish 3 per cent of their buildings each year to drastically reduce their energy consumption. This obligation will now apply to central Government buildings and activities only, although local councils will be encouraged to achieve energy efficiencies on a voluntary basis. The European Parliament plenary vote is expected in September 2012.
11. Other contributions will be made by energy utilities (who must help end users to cut their energy consumption through replacement of old boilers or insulation of their homes); industry (large companies required to undertake energy audits every 3 years); and consumers (better information provided on their meters and bills).
12. LGA lobbied UK ministers across Whitehall (Departments for: Communities and Local Government, Environment, Food and Rural Affairs and Energy and Climate Change) to ensure the local government perspective was taken into account in European Council negotiations. This engagement will continue in relation to departments' deliberations on encouraging councils to procure energy efficient products.

Air quality review

13. The Commission is conducting a review of existing air quality rules, which is expected to result in strengthened targets on existing pollutants and a broadening of the scope to include new ones. The main objectives of the review are to assess progress towards achieving levels of air quality that do not give rise to significant negative impacts on human health and the environment, and to identify options - both regulatory and non-regulatory - that could improve implementation of existing policy and contribute towards the greening of the economy.
14. The drafting of new EU targets is still some way off. The CoR represented local government at an EU Stakeholder Expert Group meeting on 21 June 2012. The LGA will contribute to the preparation of an initial position paper by the CEMR in September 2012, which will be used in future lobbying of the Commission and MEPs.
15. A group of 12 European regions, including the Greater London Authority (GLA), have recently issued a position paper which, whilst welcoming existing EU legislation and objectives on air quality, recommends a greater focus on energy efficiency to achieve better air quality, on simpler legislation and implementation procedures, and greater EU funding to assist compliance.
16. The existing legislation could cause difficulty in the UK. Recent media coverage announced in June that the UK has been denied permission by the Commission to delay air quality improvements in 12 localities and is therefore liable to face infringement proceedings which could, in theory, lead to fines. However, further discussion with Defra reveals that the recent EU announcement is not about infringement or fines and the Commission has made no decision yet about whether to infract or not. Following the red tape challenge exercise, the Government is currently refining a number of options for future local air quality management and will be having further discussion at an officer level with the LGA before it formally consults on those options.

Working Time Directive

17. There have been no developments since the last Board meeting.
18. To recall, the Working Time Directive, implemented in the UK as the *Working Time Regulations 1998 (amended 2003)*, ensures that every worker is entitled to: a maximum 48 hour week, a minimum daily rest period, daily and weekly rest breaks, 4 weeks paid annual leave, extra protection in the case of night work. Special rules apply for working time in a small range of sectors.
19. The EU has repeatedly sought to revise the Directive, and is currently consulting the social partners on various aspects that might feature in a new Directive: on-

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call time; timing of minimum rest periods; tackling excessive working hours; better reconciliation of work and family life; and clarifying areas where the law appears unclear. The outcome of these negotiations is not yet known, but an update will be provided at the Board meeting.

20. A draft Directive is expected in 2013. The LGA evidence-based work on the impact that changes to the Directive may have on local authority managed or commissioned services is in hand.

21. The LGA European, Workforce Board and Fire Services Management Committee and Commission have coordinated their work on the Directive, and in June 2012, took further steps to coordinate our views in Brussels with UK representatives on the European Centre of Employers and Enterprises (CEEP), providing Public services, which is also involved in social partner negotiations.

Localism Act: EU financial sanctions

22. In April, the LGA responded to the Government's consultation on a draft policy statement to determine the process by which a Minister could seek to pass on an EU financial sanction to a local authority. Our response covered the following:

- 22.1. The LGA had significant concerns about the original proposals. Once it was clear Government would not delete the policy, we played a significant role in shaping the policy, given its likely impact on our member authorities – our aim has been to protect their interests. The final version must provide clarity, and above all avoid fines being imposed.
- 22.2. The Act introduces new liability issues into public contracts as it suggests that where a local authority has contracted with another party to deliver services regarding that function, the legal obligation remains with the original authority. The LGA recommends that the independent advisory panel takes account of local authority steps to ensure contractor-compliance.
- 22.3. We recommend that the Government explicitly specifies in domestic legislation which EU law it fully, or in part, transposes, and that any targets and deadlines are clearly stipulated. This is important given local authorities, in the main, implement UK legislation rather than EU law directly.
- 22.4. The LGA is pleased with the Government's new *working in partnership* principle to specifically involve local authorities, given the amount of EU obligations which impact on them locally. It should result in earlier, closer and more structured involvement than through regular 'consultation' and must be effective if it is to minimise EU fines arising from future EU laws.

23. The LGA will take forward discussions with the Government on the basis of the final policy statement, expected to be published by the DCLG next month.