

## **European & International Board – report from Cllr Dave Wilcox OBE (Chair) to Councillors’ Forum**

### **Delivering Our Lobbying Priorities**

1. It is said that a week is a long time in politics, so it is not surprising that a lot has happened since my last report two months ago. In that time, there have been significant developments on the next phase of EU funding for 2014-2020, the LGA has responded to a number of important European Commission and UK Government consultations, and significant progress has been made in taking forward our work stream on councils’ role in supporting international trade and investment. This is to mention but a few of the European and International Board’s activities.

#### **Future EU funding powers for councils**

2. It is great news that for the first time, the EU is set to recognise that local authorities must be closely involved in the preparation of the UK’s spending plan for the next round of EU funding. The new rules, which the LGA lobbied hard to secure, will require Government to formally organise and demonstrate a partnership with local authorities for agreeing funding for essential local infrastructure and skills projects.

#### **2014 - 2020 EU funding blow to England**

3. However, there is still lobbying work to be done, as last month saw Ministers allocate England a proposed £6.174 billion of EU funding, which represents 65% of the total UK pot. The majority of this will be devolved to local areas to determine spend. We have expressed concern that this is a considerable shift in resource from England to the devolved administrations. The LGA Chairman raised this personally with the European Commission and MEPs, and has sought further clarification on the funding methodology.

#### **EU Structural and investment funds: preliminary guidance for LEPs**

4. On 12 April, the Department for Business Innovation and Skills (BIS) recently released preliminary guidance on how Government envisages the new EU Structural and investment funds programme working. Given that EU funds will support key local responsibilities, it is vitally important that councils strongly articulate their expertise so that LEP plans are grounded in local innovation and supported by council leadership. Once the detailed guidance is published in June, the LGA will be bringing councils together to discuss these issues, so watch this space.

#### **Future European Social Fund delivery**

5. On 18 April, BIS published results of a research study on the effectiveness of European Social Fund (ESF) delivery, concluding that current provision is too generic with limited local impact, which is in part due to the large contracts. Many of the report’s recommendations reflect the LGA’s views, including that future ESF provision should: support economic growth and employment opportunities within a locality based context; governance and management mechanisms should be sufficiently attuned and responsive to local priorities and needs; and that procurement and contracting should be more flexible and that aligning ESF and the ERDF guided by a ‘place based’ needs should be a priority. The LGA is working with councils to develop ideas on the future design of ESF.

#### **Future public procurement rules**

6. Negotiations on the new EU procurement rules continue between the European Parliament and national governments. With the new rules scheduled to be adopted by the EU in the Autumn 2013 and coming into force in the UK at some point during 2015, we have written to the key

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players to ensure certain shared services agreements between local authorities can be clearly exempted from the need to conduct a costly and lengthy EU-wide tender process.

**European Commission and UK Government Consultations**

7. The LGA have responded robustly to two consultations over the past month. On the European Commission's consultation on Regional Aid Guidelines, we made the case that now is not the time to reduce public bodies' ability to support large companies given the need to create and safeguard jobs and tackle the on-going effects of the economic crisis in local areas of all types. Whilst in our response to the Government's consultation on the national applicability of licences under the Services Directive, we expressed deep concern that the approach taken by BIS prevents us from understanding what the impact of proposed changes will be on council services and reminded Government of the need to work in partnership with us on this issue.

**International Links: Learning and Sharing**

**Platforma Forum**

8. On the 3 and 4 March 2013 I spoke at the Platforma Forum, hosted at the European Parliament in Brussels. Platforma is a network of European local and regional government associations promoting the role of local government as a partner in EU international development policy. Within the context of rapid political and economic change in European policy making, I was pleased to represent the LGA in calling for a more decentralised approach to European aid spending.

**Council's role in supporting International Trade and Investment**

9. From the 11 - 15 March 2013, Board colleagues and I (in partnership with the British Embassy in Mexico and UKTI) co-hosted a trade delegation of senior political and executive representatives of three states Republic of Mexico. This formed part of the Board's on-going work to nurture trading links with emerging markets via local government.
10. The delegation were very interested in learning about new methods of local service delivery, in particular how to develop better public private and NGO partnerships. There was also strong interest in establishing trade links with British business and a high regard for British innovation. We are currently exploring how we can support this project through developing an international potential peer review model, around the theme of capacity for public sector working with private and third-sector partners and local economic growth.
11. On 19 March, I chaired a meeting between the LGA and UK Trade and Investment (UKTI) regional directors to explore opportunities for better integration of national and local inward investment and trade efforts. The LGA's work with Mexican and African local government, alongside other examples from within the sector, provided strong examples of why this was important. It was agreed that both organisations would set out a framework for better co-ordination, engagement and intelligence-sharing between UKTI, local authorities, business and LEPs.

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