

Note of decisions taken and actions required

Title:	European & International Board
Date and time:	Thursday 7 February 2013, 11.00 am
Venue:	Westminster Suite, Local Government House, London

Attendance

Position	Councillor	Council
Chair	Dave Wilcox OBE	Derbyshire CC
Vice-Chair	Richard Kemp	Liverpool City
Deputy Chair	Cllr Shirley Flint	North Kesteven DC
Deputy Chair	Gr. Uff. Marco Cereste OSSI OMRI	Peterborough City
Members	Guy Nicholson	Hackney LB
	Roger Lawrence	Wolverhampton City
	Keith Glazier	East Sussex CC
	David Shakespeare OBE	Ycombe DC
	Joanne Beavis	Braintree DC
	Sandra Barnes MBE	South Northamptonshire DC
	Lord Graham Tope CBE	Sutton LB
	Sian Reid	Cambridge City Council
	Sherma Batson MBE DL	Stevenage BC
	Dave Allan	Sunderland City
	Sue Whitaker	Norwich
Apologies	Sir Albert Bore	Birmingham City
	Sue Murphy	Manchester City
	Liz Eyre	Worcestershire CC
	Gordon Keymer CBE	Tandridge DC
	Sir Simon Day	Devon CC
Speakers	Sue Baxter	Department for Business, Skills and Innovation
	Kenroy Quellennec-Reid	Greater London Authority
Officers	Ian Hughes, Richard Kitt, Ivor Wells, Jasbir Jhas, Nick Porter, Drago Djekovic, Russell Reefer and Frances Marshall	

Item	Decisions and actions	Action by
1.	Welcome and Introductions	
	<p>The Chair opened the meeting by welcoming everyone present and noted the apologies that had been received.</p>	
2.	Update on future EU funding 2014-2020	
	<p>Jasbir Jhas (Senior Advisor) outlined the report which provided an update on the LGA's recent lobbying activities to secure local delivery of EU funds as well as practical examples of the innovative use of EU funds to secure local growth. She drew particular attention to the publication of an LGA commissioned report '<i>EU Funds for Local Growth</i>.' The publication identified a number of key questions for discussion over the coming months and a series of recommendations, aiming to inform national and local thinking around determining a model that delivers maximum local impact. Members were invited to comment on the next steps for taking this work stream forward.</p>	
	<p>Kenroy Quellenec-Reid, the Senior Financial Engineering Manager at the Greater London Authority, provided a detailed PowerPoint presentation about a range of Financial Engineering Instruments which can help to secure growth in local areas, with particular focus on JEREMIE and JESSICA. In doing so, he outlined the structure of these innovative delivery mechanisms and the advantages they provide in terms of: sustainability; flexibility; and leverage from other funding sources. By drawing on his experiences of setting up a JESSICA in London as part of the London Green Fund, he provided some practical advice and key lessons for councils looking to use these Financial Engineering Instruments.</p>	
	<p>Sue Baxter, the senior civil servant leading the UK negotiations on structural fund reform, provided an update on the latest position in the EU-wide negotiations. In doing so, she highlighted the key messages that had come out of the Government consultation, and outlined the proposed structure which had been developed based on consultation feedback and in line with the Heseltine Review 'single pot' notion. Whilst noting that the timescale for implementation was subject to EU budget negotiations, she expressed cautious optimism that should the EU budget be approved on schedule, the new 2014-2020 programmes should be on target to go live by mid/late 2014.</p>	
	<p>A detailed discussion arose in which Members made a number of comments, relating to the following issues:</p>	

European Investment Bank (EIB) Loans

- A number of questions were asked regarding the differences in interest rates, timescales and risk between EIB loan schemes compared with alternative private sector loan schemes. It was noted that whilst no investment was without risk, the length of the EIB loan schemes, which were often up to 20 years, could provide lower interest rates than the market.
- Members discussed the flexibility within the JEREMIE and JESSICA loan structures and the options this provided for local authority involvement, such as: co-financing; commissioning; and potentially strategic overview.
- With reference to the functional similarity between an EIB holding fund and a private sector bank, Members queried what regulations were in place to govern EIB schemes and the ability of individuals to invest in them.

Future EU Funding

- Members expressed concerns regarding the disparity in skills, capacity and accountability of Local Enterprise Partnerships (LEPs) across the country and discussed how to address these inconsistencies. Members welcomed the work being undertaken by the Economy and Transport Board to map what powers and responsibilities LEPs will be responsible for by 2015, with a view to raising the profile of the debate around the need for appropriate resources to ensure effective local delivery. Members asked that the European and International Board be kept apprised of this work stream as it progresses.
- In discussing the timescale for the operation of the 2014-2020 funding programmes, Members asked for guidance on what priorities they should focus current funding applications on.

Decisions

That the Board:

- i. **noted** the report;
- ii. **endorsed** the proposed next steps; and
- iii. **asked** that a report be brought to a future Board on the Economy and Transport Board's Local Enterprise Partnership work.

Action

That the Board receive a report on the Economy and Transport Board's work on Local Enterprise Partnership as it progresses. Ian Hughes

3. International Development Report

Ivor Wells (Advisor) introduced the report which provided an update on the delivery of the externally funded African Peer Review Project. He highlighted the successful completion of four out of the five planned reviews, however noted that due to a number of logistical problems, the fifth review remained outstanding, pending confirmation as to whether the LGA would receive an extension to enable the final review to be completed. He outlined the next steps which included, external evaluation, audit, disseminating the learning, and noted that as the project had been positively received, it was likely to lead to further international demand of the LGA's peer review model. It was also noted that the LGA was seeking to initiate a new dialogue with the Department for International Development (DIFID), through which the LGA hoped to make the case for the role of local government in sustainable municipal development, particularly in areas relating to governance.

A detailed discussion arose in which Members made a number of comments, which were responded to by officers, relating to the following issues:

- On behalf of the Board, Councillor Kemp thanked Ivor Wells for his outstanding contribution to the successful delivery of the complex and time intensive project thus far.
- Members discussed how best to build on the success of the project and highlighted the transferable value of the peer review model. They highlighted the unique contribution that local government can offer due to its ability to make political and diplomatic links and emphasised the importance of making this case to the Foreign Office. Members expressed optimism for taking this work stream forward and asked that a report be brought to a future meeting capturing the current and future opportunities and objectives for the LGA in international development work and how these fit within the business plan.
- In discussing the international development funding opportunities through the Commonwealth Local Government Forum (CLGF), it was suggested that the General Secretary of CLGF be invited to attend a future meeting of the Board.

Decisions

That the Board:

- i. **noted** the report;
- ii. **asked** that their comments inform the development of the work stream;
and
- iii. **asked** that a report be brought to a future meeting capturing the current and future opportunities and objectives for the LGA in international development work.

Action

That a report be brought to a future meeting capturing the current and future opportunities and objectives for the LGA in international development work.

Ivor Wells /
Drago Djekovic

4. Council's role in supporting International Trade and Investment

Russell Reefer (Advisor) introduced the report which provided an update on the work to support councils' role in trade and investment, being led jointly by the LGAs' European and International and Economy and Transport Boards. In outlining the project, which sought to align local council's international trade and inward investment activity with the national role of UK Trade and Investment (UKTI), he asked Members for their steer on the future development of the work stream.

In the discussion that followed, Members made a number of comments, which were responded to by officers, relating to the following issues:

- A number of suggestions were made regarding how the LGA could progress the work stream to the deliver practical benefits to local councils, however in doing so, Members were mindful of the finite level of LGA resources and capacity. Suggestions included: developing a database of local authorities' current or past international trade and development activities, expertise and contacts; and developing practical, outcome focused best practice case studies.
- Whilst Members welcomed the collaboration between the LGA and UKTI, they emphasised the importance that central government provide funding towards the joint venture.
- Members asked that the Board be kept appraised of progress, as the discussions with UKTI develop.

Decisions

That the Board:

- i. **noted** the report;
- ii. **asked** that their comments be taken into account in the development of the work stream; and
- iii. **asked** that as the work stream progresses, that a report be brought to a future meeting.

Action

That a report be submitted to a future meeting as the work stream progresses.

Russell Reefer

5. Round-up of activity: Board EU lobbying priorities, institutions and international activities

The Chair briefly summarised the report which gave an overview of recent developments: in the Board's key priority topic areas; in the European and international bodies to which the Board nominates members; and the LGA's international activities. In the ensuing discussion, the following issues were raised:

- Implications of widening EU Membership
Members asked that the LGA pull together the existing work in this area and report back to the Board.
- Working Time Directive
Councillor Dave Allan provided an update on the negotiations around the new Working Directive that had broken down in December.
- UK review of EU competences
In discussing the Government's audit of what the EU does and how it affects the UK, Members asked that the Whitehall official leading on the review attend a subsequent Board meeting to provide an overview of the review.
- Congress - Peer review of local democracy in the UK
It was noted that the external evaluation of UK compliance with the Charter, with specific reference to English local government, would be brought to a future Board meeting.

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- EU Committee of the Regions

Assurances had been received from Government that appointments to the Committee of the Regions would be dealt with in a timelier manner going forward.

- Local Government Pensions

With reference to European Commission's work programme, it was noted that the proposed review of the Pension Directive was a priority on the LGA's EU lobbying programme.

- United Cities and Local Governments (UCLG)

It was noted that Councillor Kemp was working with UCLG to support them address a number of governance related issues.

Decision

That the Board **noted** the report

Action

Bring together existing work on approaches to Roma integration and European migration.

Richard Kitt /
Emma Jenkins

Invite the Whitehall official leading on the UK review of EU competencies to a future Board meeting.

Jasbir Jhas

7. Notes of the last meeting

The notes of the last meeting were **agreed** subject to the inclusion of Cllr Nicholson listed as attending.

8. Date and Time of Next Meeting

Tuesday 21 May 2013 at 11am, Local Government House, London, SW1P 3HZ.