

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

Purpose

For information.

Summary

At an earlier meeting, European and International Board (E&I) Members requested a regular update on recent developments on each of our key priority topics. In addition, the Board routinely receives an update of recent developments in the European and international bodies to which it nominates members and on the LGA's international activities.

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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A: BOARD EU LOBBYING PRIORITIES

EU Funds (Brussels)

1. The EU regulations governing all aspects of the 2014-20 funds are scheduled to be agreed in the Autumn 2013. Negotiations are drawing to a close, but one sticking point has been the idea of holding 5 per cent of the funds back in a 'performance reserve', which will be issued as a reward to programmes which are spending efficiently. Another issue is the Commission's proposal that it would have a new ability to suspend structural funds to countries with excessive national deficits: this could cut the flow of funds to local projects because of national borrowing decisions. LGA and local and regional government across Europe have been vocal in opposing these two proposals.

Assisted areas

2. The Department for Business, Innovation and Skills (BIS) is expected to publish a draft map showing the UK's 'assisted areas' in the Autumn, accompanied by a consultation. Assisted areas will not receive any extra funding. They will simply be allowed to give a higher level of grant support (higher intervention rates) to SMEs and will also be able to give grants to support large companies, above 250 employees, in certain circumstances.
3. The map and associated EU rules have the potential to affect both EU and domestic funding including the Regional Growth Fund and, potentially, the new Single Local Growth Fund due to be announced by Government.
4. Around a quarter of local areas in the UK will be classed as 'assisted' by BIS based on socio-economic statistical data. The EU published the final version of its rules which govern the process (Regional Aid Guidelines 2014-20) in June 2013. The LGA and others lobbied successfully to overturn the EU's proposed ban on all investment aid to larger companies in assisted areas. The LGA argued that in tough economic times the need to support investment and job creation needed to remain open in assisted areas whether the beneficiary was an SME or a larger company.

Public Procurement

5. Following LGA lobbying, the latest version of the future procurement rules is set to include, for the first time, an exclusion to allow local authorities to pool their public service delivery activities without always having to go out to tender. Such 'public-public cooperation' will be allowed in certain circumstances when two public bodies have a common task and common objectives to deliver. Securing the exclusion is a significant victory for LGA work in Brussels and will help councils to deliver efficiency savings.

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6. The new Directive will also place even greater emphasis on considering environmental and social issues in public procurement, including considering the life cycle costs rather than the up-front costs of assets purchased. Simply considering price, rather than quality, as the only criteria will also be discouraged. The latest text will also include rules on subcontracting and tougher provisions on 'abnormally low' bids to guarantee respect for labour laws and collective agreements.
7. A new ability to negotiate more closely with suppliers will also be introduced. This should help councils to ensure they are getting best value from their contracts.
8. Finally, bidding will be simplified for companies via a standard European 'Single Procurement Document', which public authorities EU wide will have to accept from the bidder. This will save companies a lot of initial paperwork, with only the winning bidder, rather than every bidder, having to provide documentation. The latest text also encourages the division of contracts into lots to allow SMEs a greater possibility to bid for public contracts.
9. Both the European Parliament and the Member States are expected to endorse the deal early in the autumn 2013. The new rules will then come into force in the UK in 2015 at a date to be set by Government.
10. The LGA will soon begin early discussions with Cabinet Office as regards implementation. The LGA may work with Government, for example, to produce appropriate e-learning tools for councils. Implementation is likely to be a substantial piece of work in its own right. The LGA has reminded Government of several practical and resourcing issues for councils. Councils are individual legal entities with their own individual standing orders. Councils will need to take time and need to follow due process to amend their internal procedures ahead of the 2015 deadline.

Revision of EU environment laws

11. The EU is currently reviewing its laws on air quality and waste management and is expected to launch new rules once the new Commissioners are in post from late 2014. These are important areas for local councils, where strengthened targets can be welcomed on environmental grounds, but could be costly to implement and may increase the risk of fines for non-compliance. This is particularly the case with air quality, where existing targets are proving difficult to achieve.
12. In this area, the CEMR (the European LGA) has a well-functioning committee and specific officer working groups on both waste and air quality; it is consulted directly by the European Commission and is well-regarded by MEPs. Therefore, in this initial phase, LGA actions are focused on contributing to CEMR position papers.

B: INSTITUTIONS

Congress of the Council of Europe

13. LGA Group offices are currently preparing nominations for the following vacancies:

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- 13.1. Labour: 1 full member (to replace Liz Staples, Conservative, Staffordshire); and
- 13.2. Independent: 1 full member (to replace Vanessa Churchman, Independent, Isle of Wight).
14. The main item on the Congress work programme with particular relevance to LGA is the ongoing peer review of local democracy in the UK. This was debated at length at the last meeting of this Board. Subsequently, the Congress conducted its first fact-finding visit to the UK, including a successful half-day visit to the LGA where they met leading Members and technical experts. There will be an oral update on the progress of the review at the next meeting.
15. The next steps are that the Congress rapporteurs will draw up draft recommendations, which will form the basis for discussions with UK Ministers, civil servants and Devolved Administrations during a second visit this Autumn. The Congress is expected to adopt its report in March 2014.

EU Committee of the Regions

16. LGA Group offices are currently preparing nominations for the following vacancies:
 - 16.1. Conservative: 2 full members (to replace Sir Simon Day, Devon; David Parsons, Leicestershire); 1 alternate (to replace Alan Melton, Cambridgeshire); and
 - 16.2. Liberal Democrats: 1 full member (to replace Doris Ansari, Cornwall).
17. Following the election of Cllr Gordon Keymer as President of the CoR European Conservatives and Reformists (ECR), the UK Delegation conducted an election to replace him as CoR Vice-President (UK), which carries with it a full place on the CoR Bureau. Cllr Kay Twitchen was elected unopposed.
18. In parallel, an election was held for UK Delegation Leader. Cllr Gordon Keymer was elected.

Council of European Municipalities & Regions (CEMR)

19. The current CEMR three-year term ends in December 2013. Monday 4 November is the deadline for the reception of the candidacies for office (President, Co-Presidents etc.), and Monday 25 November for nomination of national delegations to the Policy Committee. The UK has seven full and alternate places on the Policy Committee, of which the LGA nominates four and by convention nominates the Delegation Leader who sits on the Executive Bureau (currently Cllr Gordon Keymer). There is a gender quota, which is a minimum of three places for each sex, both as full member and as alternate. Other UK associations and LGA Group Offices will be asked to submit their nominations over the summer.
20. The CEMR has now transferred its headquarters and most staff from Paris to Brussels. As small number of Paris-based staff chose to accept redundancy rather than move to Brussels, amongst them the Director of Finance, whose successor has now been

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appointed with effect from 1 September 2013, after which the transfer will be complete. This has been a long-term goal of the LGA, which we believe will raise the profile and influence of CEMR, whilst making it more efficient and cost-effective.

21. At a recent meeting of the CEMR Executive Bureau, in which Cllr Keymer participated, there was debate on restructuring the basis on which CEMR fees are calculated. Although a definitive system has not been agreed, it was recorded that it would not lead to an increased call on UK subscriptions, which have been frozen at a reduced level for the last three years. Several countries are currently in arrears with their subscriptions and have submitted informal requests for reductions. The Bureau agreed Cllr Keymer's proposal that there should be a structured procedure for submitting requests for deferred or reduced fee payments for LGAs with budgetary difficulties. This will be considered at the CEMR Financial Management Committee on 19 September 2013.

United Cities and Local Governments (UCLG)

22. There will be an update on nominations to the UCLG nominations at the meeting.

Roma Communities

23. Councillor Roger Stone (Leader of Rotherham MBC), who addressed the May Board meeting on the work he had undertaken on Roma policy, has been appointed the Committee of the Regions' Rapporteur on Roma; thus Cllr Stone has a position of influence in Brussels on this issue. Cllr Stone will be supported by the LGA in his work over the next six months, to pursue the issues raised at the last Board.