

LGA EU lobbying priorities for 2014

Purpose of report

For discussion and endorsement.

Summary

European Union (EU) legislation has a significant regulatory and financial impact on councils. Every year the EU publishes an annual work programme, the Brussels equivalent to the Queen's Speech. This was published in late October 2013 and a significant number of legislative proposals will affect councils.

The work programme has been analysed and suggested EU lobbying priorities are outlined in this paper. Members are asked to consider the proposed LGA EU lobbying priorities for 2014 for recommendation to Executive on 12 December 2014.

Recommendations

That the Board considers the proposed LGA EU lobbying priorities for 2014 (**Appendix A**) for recommendation to Executive and notes the wide range of other pieces of EU legislation which will affect councils (**Appendix B**).

Action

Officers to note and action any comments.

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Background

1. The European Commission published its 2014 work programme in late October 2013. It is the European Unions' (EU) equivalent of the Queen's Speech and sets out a programme of EU proposals which will be considered by the EU institutions in 2014.
2. The EU's legislative proposals affect many aspects of councils' activities. It is estimated that at least 50 per cent of regulation affecting councils now has its origins in EU legislation.
3. The 2014 work programme contains 30 new legislative proposals. The full programme can be viewed via the below footnote.¹ There are fewer proposals than usual, as the European Parliament and Commissioners are in the last year of their five-year mandate. European Parliament elections will be held on 22 May 2014. The new European Commissioners will be confirmed in Autumn 2014.
4. The work programme has been analysed to identify those issues which are expected to have a regulatory or financial impact on councils and the services that they provide. This report lists all those proposals and suggests the LGA focus on six themes in 2014. It is proposed that there is a priority list and a "watch list" of other issues:
 - 4.1. **'Priority' issues** which require pro-active lobbying work and engagement in both Brussels and Whitehall.
 - 4.2. **'Other' EU dossiers** will be on a watching brief. These can be escalated to 'priority issues' if the legislative process raises new risks or opportunities.
5. Ensuring that EU legislation is proportionate and is transposed correctly into UK law is important given the 2011 Localism Act EU Financial Sanctions provision. This enables a Minister to seek to pass on to a local authority a fine from the EU for failing to comply with an EU obligation, if the Government can prove that the local authority contributed to UK non-compliance.

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6. Members are asked to consider the following suggested **priorities**, which are expected to have most impact, for the LGA to work on in 2014:
 - 7.1 **EU funds.** LGA lobbying in Whitehall and Brussels has secured the localisation of € 5.3 billion EU structural and Investment funds through Local Enterprise Partnerships (LEPs) to deliver local growth and local economic regeneration. As the final EU and national documents are put in place, it is essential that they enable local areas to drive the funds.

¹ http://ec.europa.eu/atwork/pdf/cwp_2014_annex_en.pdf

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The LGA is working to achieve that through our representation on the EU Funds Programme Growth Board. Final plans will need to be signed off by the European Commission before the funds can flow in local areas.

7.2 EU environmental legislation. The EU is proposing to publish a 'framework for climate and energy policies' and an initiative on 'resource efficiency and waste'. The LGA's aim is to ensure any new subsequent regulation in the fields of energy, waste, and air quality is manageable for councils and that EU targets are realistic in the current financial climate.

7.3 EU procurement rules. A new EU Procurement Directive will come into force in 2016. LGA lobbying to date has achieved a more streamlined and flexible set of EU procurement rules and ensured that shared services are exempt from EU rules. Continued work is required to ensure that councils benefit fully from the new rules which should make councils' purchasing rules more simple, provided that they is no UK "gold-plating".

7.4 EU transport proposals. EU proposals are expected to be published in December 2013 on urban mobility. We should aim to ensure that these do not add new burdens to local transport planning, including road pricing and congestion charging, where there are proposals for EU standardisation. The EU's role on regulating urban transport should focus on sharing best practice, rather than introducing binding measures on Government or councils.

7.5 EU legislation affecting councils' regulatory services. Court rulings in relation to the EU Services Directive may also lead to changes in the licencing fees councils can charge. The proposal for EU birth and death certificates will need to be followed to ensure they are manageable for councils and add no new financial burdens.

7.6 EU data protection regulation. The proposals will impose new processes and procedures for councils as regards use, storage, and deletion of personal data. The proposed regulation, designed for big business, does not contain proper exclusions for public sector use of personal data. Appropriate changes are needed for 'public policy' use and storage of personal data.

7.7 European Aid Policy. The European Commission has recognised local government as a critical partner in delivering its future aid commitments through a recent policy communication. Alongside partners from across Europe and the Commonwealth, the LGA has actively lobbied for this recognition. Further lobbying is required to ensure that funding is mobilised for local government to respond collectively to this new policy.

7. It is suggested that the above issues will require pro-active lobbying work and engagement in both Brussels and Whitehall. Listed in **Appendix A** are the proposals intended for the "watch-list" which will be regularly reported to members for consideration.

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Delivery of our lobbying priorities

8. The LGA will advocate 'light touch' legislation, meaning that the EU sets out the results to be achieved and national and local government is given the right to determine how best to deliver the desired outcome. We will challenge any new administrative and financial burdens.
9. This report does not detail all the areas of influence that the LGA lead members and councils can use to develop our lobbying proposals. An appropriate delivery plan will be developed for each priority and we will expect to work with lead members, Boards and ensure that our influence through the Committee of Regions, CEMR (European LGA) and CEEP (the employers forum in the EU) is used effectively.
10. Given that both regional LGAs and city regions have representation in Brussels, it is the intention to share agreed priorities with these bodies and consider how we share resources to maximise English lobbying.
11. Much of our work will be Whitehall focused as we will need to influence the UK view in Brussels. A meeting was convened by the LGA to discuss our priorities with the EU leads in government departments. This was deemed a priority work area due to the devolution of EU fines to the local level under the Localism Act. Unfortunately, the meeting had to be postponed because of the lack of attendance by Whitehall leads. This is being raised at the higher level in Whitehall.

Lead Member Portfolios

12. At the October meeting of the Board, Members considered how to structure the leadership of the Board's lobbying priorities to make the most effective use of resources and to ensure our priorities have political traction.
13. The Board agreed that each of the four Lead Members be assigned a portfolio area, which they would be responsible for championing, for example by aligning the work of LGA Boards and EU/international bodies to secure the most effective voice for councils. Lead Members could develop work plans in specific priority areas to involve other members in lobbying and to foster stronger links to EU bodies such as the Committee of the regions and other LGA Boards.
14. Lead Members met on 25 November and agreed that LGA's European lobbying priorities be grouped broadly around the below four areas and be championed by each the following members:
 - 14.1. **Public Service Reform** (including: EU procurement, state aid and employment law) - Cllr Clarence Barrett (Chair).
 - 14.2. **EU funding** - Cllr Sue Murphy (Vice-Chair).
 - 14.3. **Environment, energy and waste** – Marco Cereste (Deputy-Chair).
 - 14.4. **Trade and aid**. Cllr Richard Kemp (Deputy-Chair).



**LGA European and
International Board**
10 December 2013

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Appendix A. LGA priority items for 2014

<p>EU Funds 2014-20 (ESF, ERDF) <i>Finalising the design & delivery of EU funds from 2014-20</i></p>
<p>2030 framework for climate & energy policies <i>This will lead to new climate & energy legislation and targets affecting councils, especially greenhouse gas emissions</i></p> <p>Resource efficiency & waste initiative <i>A new legislative initiative which will include revised waste targets and stronger enforcement</i></p>
<p>Implementing new EU procurement directive <i>The new Directive goes live in 2015. We need to ensure that a suite of UK government consultations leads to no UK gold plating.</i></p> <p>E-invoicing directive <i>Legislation proposed in June 2013 will require changes to all councils' payment systems to ensure they can accept EU standard e-invoices in 3 or 4 years' time.</i></p>
<p>EU urban transport package <i>Possible impact on local transport planning, congestion charging, and road pricing (and possibly air quality).</i></p>
<p>EU services directive implementation <i>New regulation (resulting from High Court rulings) will lead to changes in licensing fees charged by councils</i></p> <p>EU format civil documents <i>Legislation for new EU standard birth/death/marriage certificates</i></p>
<p>EU data protection regulation <i>New processes & procedures for councils on use, storage, deletion and permissions relating to use of personal data. The proposed Regulation, designed for big business, does not contain proper exclusions for public sector use of personal data.</i></p>
<p>European Aid Policy <i>The EU Commission's communication "Empowering local authorities in partner countries for enhanced governance and more effective development outcomes" clearly recognises local government as a critical partner in delivering its future aid commitments. The EU Commission has invited local government to come up with a proposal for a collective delivery mechanism.</i></p>

Appendix B. Other proposed EU legislation affecting councils – the “watch list”

<p>Communication on the definitive VAT system <i>EU consultation on VAT on Public Bodies by Feb 2014</i> <i>Need to ensure future legislation doesn't threaten UK VAT reimbursements to councils</i></p>
<p>State aid modernisation in key sectors: <i>EU competition rules should make it easier for councils to make local decisions about how enterprises can be supported with grant funds in line with UK 'assisted areas' map.</i></p>
<p>EU state aid rules to airports & airlines <i>New rules may severely limit public sector ability to support regional airports, outlawing all public operating support to regional airports within 10 years</i></p>
<p>Environmental assessment framework for fracking <i>Proposal to set minimum standards to contain the potential environmental and public health impact of fracking operations</i></p>
<p>Revision of food hygiene legislation <i>New standards on composite products and meat inspection</i></p>
<p>European Accessibility Act <i>Legislative initiative will include binding requirements on the procurement of 'accessible' goods and services, benefiting those with disabilities</i></p>
<p>Tobacco products directive (presentation & sale of) <i>This will affect councils' trading standards/public health activities</i></p>
<p>Directive on free movement of workers & their rights <i>Consideration of the rights of workers from abroad to claim UK benefits & vice-versa</i></p>
<p>Labour mobility package - revision of Regulation on social security schemes* <i>Consideration of accessible to EU workers to social security schemes</i></p>
<p>Directive on information and consultation of workers* <i>The reworking & merging of the 3 current directives may have implications for councils' HR practices</i></p>
<p>EU working time directive <i>EU is currently considering next steps on reforming the Directive: potential major impacts on councils' care homes & fire services functions. However no major development expected in 2014</i></p>
<p>Non-legislative initiative on tackling gender pay gap</p>