

## **European & International Board – report from Cllr Clarence Barrett (Chair)**

1. We have seen a number of European issues taking centre stage of the national debate this month, ranging from the issue of EU membership for an independent Scotland, to the reinvigorated debate on climate change. We in local government are acutely aware that very local dimensions are most important to councils, and that local government and the LGA have a multitude of important roles to play. That is why, as these debates develop, the LGA's lobbying focus will remain local, prioritising those issues in the EU legislative pipeline which could have most impact on local government and the services which it provides, so that we can continue to influence EU legislation to support councils and the communities they serve. This focus is reflected in the key developments this month, with EU funding and financial suitability being high up on the agenda.

### **EU Funding 2014-2020**

2. With key decisions being made in the coming weeks, it has been a busy month on all things European Structural Investment Fund (ESIF) 2014-2020. The LGA has been at the forefront of influencing these decisions through the ESIF national Programme Growth Board (PGB) and discussions with Ministers and their officials to ensure that Government commitments to devolve spending decisions locally become a reality as the funds go live later this year.
3. The third meeting of the PGB took place on Friday 28 February, attended by Cllr Sir Merrick Cockell (LGA Chairman), Cllr Sir Richard Leese (Manchester City Council) and Cllr Ian Stewart. With Michael Fallon MP, Baroness Stowell and EU Commissioner Hahn in attendance, LGA and LEP representatives successfully called for a resolution on the main outstanding issues.
4. Our lobbying efforts resulted in a commitment from Government that the strategic role and responsibilities of LEPs and local partnerships vis a vis Government and their local agencies is made explicit (rather than implicit) in the new arrangements, and clearly referenced in national and European strategic documents. This will help safeguard the strategic local role for the duration of the seven year programme, and will safeguard against attempts to take back decisions on spending centrally. We've secured formal consultation of local government and LEPs through the PGB on these documents before they are finalised and successfully called for a special meeting of the PGB to be convened to ensure there is proper discussion and formal sign off of the Partnership Agreement and business process by the wider partnership. Whilst these developments are positive and I am pleased that our lobbying is delivering positive results, this remains a live issue. I will keep you updated on developments.

### **Council of Europe "peer review" of UK local democracy**

5. The Congress of the Council of Europe is completing its periodic review of how the UK complies with the Charter for Local Self-Government, a Europe-wide set of benchmarks on the degree of autonomy and budgetary resources given to local councils by central governments. Each country is reviewed every five years.
6. The draft report 'Local and regional democracy in the United Kingdom' recommends greater devolution of powers to local government, increased tax-raising powers for councils and a fairer funding settlement for English local authorities. The report concludes:

- 6.1. The ability of councils to provide “essential public services, quality health and social care and effective and adequate community services and facilities, especially to the growing number of older people” is under huge pressure following austerity measures.
  - 6.2. It recommends devolution of powers to councils as “the ability of local authorities to discharge their responsibilities sometimes appears to be highly restricted by central government”.
  - 6.3. Despite significant funding reductions themselves, councils in Wales and Scotland are “better off financially than their English counterparts”. The complex formula for distribution of central government funding produces “considerable uncertainty and effects of unequal treatment”.
  - 6.4. A diversified base of local revenue is an “urgent necessity” with council tax “limited by central or devolved governments, due to the referendum obligation” while “all rates are decided by government and funding is still dominated by central government grants”.
7. The LGA will work with Whitehall to try to address these breaches of the Charter before a follow-up review of how the UK has implemented the recommendations next year.

**LGA EU lobbying priority: State aid to airports**

8. The EU has published new state aid rules governing the use of public money to support local and regional airports: [http://europa.eu/rapid/press-release\\_IP-14-172\\_en.htm](http://europa.eu/rapid/press-release_IP-14-172_en.htm). The rules closely regulate local authority subsidies of airports, but the LGA has helped to secure a more flexible regime for airports with fewer than 700,000 passengers per annum. A response from CEMR, the European LGA, can be found here: <http://www.ccre.org/en/actualites/view/2794>.

**LGA EU lobbying priority: Finance**

9. The LGA has engaged with Members of the European Parliament ahead of a vote on the types of investment vehicles which are available to local authority treasurers. New EU proposals on ‘money market funds’ would effectively make it impossible for local councils to invest in ‘constant net asset value’ (CNAV) funds - a low risk and reliable financial product often used by councils, charities, and faith groups.

**LGA EU lobbying priority: EU procurement rules**

10. A range of training sessions on the newly-agreed Directives will take place around the country as part of a comprehensive nationwide training programme for procurement managers being run by Government. Details can be found on a new site dedicated to implementing the EU Directives in the UK: <https://www.gov.uk/transposing-eu-procurement-directives>.

**Lobbying in Brussels**

11. I visited Brussels last week in advance of our lobbying on a number of topics including the new Public Procurement Directives which are scheduled to go live in October 2014. The LGA is helping to ensure a national training programme is available to councils.
12. I also had discussions on proposals for a new ‘EU format’ for birth, marriage, and death certificates - which will affect the activities of councils’ registrars - as well as taking part in discussions with the Welsh and Scottish LGAs to ensure councils are fully consulted on national spending plans for EU funds currently being drafted by Government.

**CEEP meeting**

13. I meet with Cllr Dave Allan (President CEEP UK) and Janet Beaumont (President of CEEP UK) this month to discuss areas of commonality. CEEP UK is part of CEEP Europe, a highly

influential body officially recognised by the European Commission to participate in social debate and influence European policy. Going forward we have agreed to work together to join up resources to maximise our influence in Europe.

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