

European Update

Purpose of report

This report considers the results of the recent European Parliament elections. It sets out that the new Parliament is one of many major political changes which are due in Brussels over the coming months. It makes recommendations to enhance LGA influence during this period of change.

Summary

This report sets out the political changes that are due to take place in Brussels to the end of 2014. It summarises and makes recommendations in the following areas:

- Working with the new European Parliament.
- Engaging with the UK's new Commissioner.
- Working with the new European Commission.
- Appointing to the new Committee of Regions.

The report concludes by raising the imbalance of representation in Brussels as a result of the role of devolved administration within the UK's formal decision making processes for EU affairs.

Recommendation

That the Leadership Board agrees the recommendations set out in the report to enhance LGA influence in Brussels over the coming months.

Action

Officers to take forward in accordance with Members' decision/s.

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Background

1. Regulation and legislation from the European Union affects councils in many ways. For example, it provides resources for regeneration. One of our successful lobbying achievements over the last year has been to localise the delivery of £5.3b EU structural funding in England. This was based on an LGA proposal and negotiated by the Chairman and other leaders through the National Growth Board. In other areas, EU proposals have caused financial concerns for councils. The EU's proposed energy efficiency programme would have created a new statutory duty on councils to upgrade all council-owned buildings. LGA and Committee of the Regions lobbying ensured that the financial risk to councils was a major concern of MEPs and the UK and other national Governments. Consequently, the proposal was dropped. Independent estimates indicated that this LGA lobbying saved councils at least £732m in this area
2. Our influence in Brussels is dependent on good working relationships with the various EU institutions. These include the Parliament, the Commission, the UK Representation to the EU (UKRep) and local government's own Committee of the Regions. There will be political change in all these areas over the next few months.
3. With the new European Parliament and Commission in the first of its five year term, the 2015 EU work programme (Brussels equivalent of the Queen's Speech) is likely to be a wide-ranging package of legislative and regulatory change. The 2015 programme will be developed by the new Commission from September and will be heavily influenced by the new Parliament. It is expected to include reviews of national climate change, waste and air pollution responsibilities. We should expect new initiatives favoured by newly-appointed Commissioners and in response to the political impact of the European elections.
4. Debates in Brussels over the next year are likely to be dominated by the future shape of the EU. However, the annual legislative programme is unlikely to feature in news headlines but it will have more immediate impact on councils. To influence this programme, our relationships across all the new institutions will need to be secured quickly and we will need to emphasise our own pro-active agenda for local government which could be lost in other debates. Our issues should include:
 - 4.1 The long-term priorities for English councils (for example, through our conference proposals).
 - 4.2 Our existing EU lobbying priorities (for example, the localisation of EU regeneration funds).
 - 4.3 The limited capacity of councils to deliver major new initiatives without additional resources.
 - 4.4 The responsibility of the EU and national leaders to empower all levels of government from EU to local level – i.e. the principle of subsidiarity extends beyond Westminster to the local level.

5. Whilst our Brussels lobbying is wide-ranging (for example based on alliances with other European LGAs, through whom we influence non-UK parliamentarians), the following sections concentrate on our influence with those Brussels institutions where there has been or will be changes of political personnel.

European Parliament

6. New MEPs were recently elected, with a large number having significant local government experience. Six of seven LGA Vice Presidents were re-elected. The appendix sets out those new and returned MEPs with a council background.
7. Our past work with the European Parliament has been focused on the LGA Vice Presidents and leading members on relevant Committees (such as Environmental Affairs and Regional Policy). This focus has ensured that we have a number of MEPs who understand councils' front-line issues and who have influence in EU policy areas of importance to the LGA.
8. Over the next few weeks, the leadership of political groupings in the new Parliament will be formed. From these discussions, leaders and members of Committees important to local government will be decided.
9. It is recommended that we continue to focus on work with LGA Vice Presidents and MEPs leading for their Groups on Committees where legislation relevant to councils is developed. It is suggested that this is led by the new Chairman and through a series of 1-2-1 meetings in Brussels before or soon after the summer recess.
10. A letter to all MEPs is also proposed, but it is suggested that this is aligned to the launch of our conference proposals. This will enable the welcome letter to set out the LGA's own political changes and its policy priorities. Group Offices may want to customise engagement with relevant MEP political leaders and ensure party-based relationships are renewed. The Brussels Office can help facilitate such meetings.

European Commission

11. The 28 members of the new European Commission will be nominated by member states later in 2014. In the first instance, national Governments and the European Parliament have the task of appointing the new Commission President by July. The new Commission President will then set strategic goals for the EU for the next five years. The legislative programme for 2015 will then be developed and the policy portfolios of the new commissioners agreed.
12. A new UK Commissioner is expected to be nominated by August. After Baroness Ashton's foreign policy role, it is anticipated that the new UK Commissioner is likely to be Brussels based and have a domestic policy brief. At a recent meeting in Brussels, the LGA Chairman offered to support the FCO-led induction programme to ensure that our new Commissioner is influenced by the local practicalities of EU proposals. This has been agreed with FCO and details are currently being developed with UK officials in Brussels.

13. All nominees to the new Commission will have their appointments confirmed through US-style Parliamentary hearings in Brussels in the autumn. Through our LGA Vice Presidents and the European LGA, we have the opportunity to suggest questions in these hearings and help anticipate future EU initiatives. We will seek to influence the key Commissioner hearings (for example, environmental policy and regional policy). It will be important to ensure that our relationship with a number of new Commissioners in relevant policy areas is developed quickly. For example, our work with current Austrian Regional Affairs Commissioner Hahn ensured his support for the LGA objective of devolving EU funds to LEP areas.
14. Once new Commissioners are confirmed in post, relevant introductory meetings with the new Chairman are recommended.

New Delegation to the Committee of the Regions

15. Local government's formal voice at the EU is through the EU Committee of the Regions. In UK terms, it is the equivalent of councillors forming the membership of a Select Committee and being consulted on all EU proposals affecting local government. The LGA has responsibility for nominating to the 15 English seats (and 15 reserves) on the Committee (subject to FCO and No 10 ratification). COR term of office has recently been aligned with the Parliament and Commission. Members' current mandate ends in December 2014 and Group Offices are currently providing the nominations for 2015-20 term.
16. The 2015/20 political balance for the LGA delegation to the EU Committee of the Regions is below. These are based on proportionality figures for England only.

Labour:	6 full, 6 substitutes
Conservative:	6 full, 6 substitutes
Liberal Democrats:	2 full, 1 substitutes
Independents:	1 full, 2 substitutes
17. A detailed brief has been sent to political groups setting out the criteria for the selection of COR members (for example, geographical spread, type of authority, gender balance and ethnic diversity). A recommendation on the make-up of the LGA delegation will be brought to the Leadership Team in September 2014 for formal submission to No 10.

The Imbalance of UK Representation in Brussels

18. In May, the Chairman held a number of meetings in Brussels as part of a visit to support the localisation of £5.3b EU funds in England. He also met representatives of devolved UK governments to ascertain their influence in Brussels compared to English councils. What was clear from the conversations was that there is a disparity of influence within the UK.
 - 18.1 Devolved Administrations (DA) of Wales, Scotland and N Ireland form part of the formal UK representation in Brussels and have significant number of staff ensuring that regional interests are reflected in formal UK positions.

- 18.2 DAs receive confidential Council of Ministers' papers and are directly consulted on all the important UK positions, including the decisions of the Cabinet Office Committee.
- 18.3 There is a Joint Ministerial Committee on Europe (JMCE) which meets before each EU Summit, bringing together Whitehall and the three DAs to help direct UK positions on EU proposals. The JMCE is chaired by the Deputy Prime Minister.
- 18.4 There is a concordat between Whitehall and the three DAs establishing that ministers from the DAs can attend Council of Ministers meetings. This was established by William Hague in 2010 and DAs are only excluded by exception.
- 18.5 In the absence of Whitehall ministers, ministers from DAs, sometimes take the UK seat in Council of Ministers meeting. Recent examples include Fisheries, and Energy Council (Scottish Government) and Education, Youth and Culture Council (Wales).
- 18.6 DA representative share responsibility with BIS and CLG for the detailed negotiations as the detail of 2014-20 EU structural funds spend is finalised with the Commission. Though it should be noted that the LGA negotiated deal for English councils is much better than the deal in the other three nations where funds have been centralised in Cardiff, Edinburgh and Belfast.
19. It should be noted that the £700m transfer of resources from the original English EU structural funds allocation to the other three nations was discussed at the JMCE (above). Due to the constitutional imbalance, there were no English representatives at these meetings.
20. The LGA's engagement with Brussels over the next few months will be critical to ensuring a voice for English local government. Our representation with parliamentarians and new Commissioners needs to make the point that the LGA's advocacy plays an important role in the absence of a designated English voice to influence EU policy.
21. Although the "English question" is greater than the gap in EU policy making, Members may wish to consider whether we re-new requests for an LGA presence at some of the above UK policy making fora.

Our resources

22. The LGA's EU lobbying and member support is delivered through two Brussels-based advisors, a part-time office manager and part of the remit of a London-based Head of Programmes. Given this level of staffing, our work is focused on annually-agreed lobbying priorities and work with Parliamentarians and Commissioners who have most influence on issues relating to local government.

LIST OF MEPs (2014-2019) WITH LOCAL GOVERNMENT CONNECTION
MEPs will take up their seats from 1st July 2014

East Midlands

Cllr Andrew Lewer (Con): current cllr, Derbyshire CC. LGA Leadership Board member. CoR member

Glenis Wilmott MEP (Lab): ex-cllr Nottinghamshire CC

East of England

David Bannerman MEP (Con): ex-cllr Tunbridge Wells BC

Vicky Ford MEP (Con): ex-cllr South Cambridgeshire DC;

Richard Howitt MEP (Lab): ex-cllr Harlow DC; LGA Vice-President

London

Lucy Anderson (Lab): ex-cllr LB Camden

Mary Honeyball MEP (Lab): ex-cllr LB Barnet

Charles Tannock MEP (Con): ex-cllr Royal Borough of Kensington and Chelsea

North East

Paul Brannen (Lab): ex-cllr, Newcastle City Council

North West

Louise Bours (UKIP): ex-cllr, Congleton DC

Theresa Griffin (Lab): ex-cllr, Liverpool City Council

Sajjad Karim MEP (Con): ex-cllr Pendle Council

Cllr Afzal Khan (Lab): current cllr, Manchester City Council

South East

Catherine Bearder MEP (LD): ex-cllr Cherwell Council; Oxfordshire CC. LGA Vice-President

Cllr Ray Finch (UKIP): current cllr, Hampshire CC

Cllr Diane James (UKIP): current cllr Waverley Council. LGA E+I Board member.

Keith Taylor MEP (Green): ex-cllr Brighton and Hove; LGA Vice-President

South West & Gibraltar

Cllr Molly Scott Cato (Green): Stroud DC

Ashley Fox MEP (Con): ex-cllr Bristol City Council

Julie Girling MEP (Con): ex-cllr Cotswold DC; Gloucestershire CC. LGA Vice-President

West Midlands

Philip Bradbourn MEP (Con): ex- local govt officer, Wolverhampton MBC. LGA Vice-President

Yorkshire & Humberside

Timothy Kirkhope MEP (Con): ex-cllr Northumberland CC

Linda McAvan MEP (Lab): ex local govt officer Barnsley Council