

Brussels Bulletin No. 128 – July 2018

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CORPORATE

• Brexit: COSLA President speaks on the Future of Europe and Maintaining Relations



As the European institution representing cities and regions, the European Committee of the Regions (CoR) has prioritised engaging citizens in discussions on the Future of Europe. To continue and deepen these discussions, the Presidents of national associations of local and regional authorities were recently invited to an opening meeting with the President of the CoR and the President of the CEMR (Council of European Municipalities and Regions) in Brussels. COSLA President Alison Evison (Aberdeenshire) attended to address the CoR Plenary and specifically request that the proposed UK-CoR Joint Commission is established before April 2019 so as to prevent the 25 years of political dialogue ending abruptly. While in Brussels, Cllr Evison relayed key messages for Scottish Local Government maintaining that COSLA wants positive meaningful connections with the EU to continue whatever happens after Brexit. Scottish Local Government wants progressive future policy development, in Scotland and the EU and to benefit from the exchange of ideas and experience going forward. Speaking to the full Plenary of CoR she urged CoR to start preparations of the Joint UK-CoR Commission for the post Brexit relationship. The potential impact of restrictions on EU migration to public services in Scotland was also highlighted and Cllr Evison put forward the case that Scottish communities want to continue welcoming EU migrants and their families to Scotland. In addition to meeting with the CoR President Karl-Heinz Lambertz (pictured), Cllr Evison met with the winners of the European Alliance (EA) school competition, students from Barrhead Academy. It was a busy agenda and Cllr Evison also presented the views of Scottish Local Government to the UK Delegation, updating members on a COSLA meeting with Michel Barnier where continued cooperation at political and project level with the EU post-Brexit was discussed.

CoR: COSLA selected to as technical expert in INTERREG 2021-2027 proposal

COSLA has have been appointed the expert to draft the CoR Opinion on the ETC Regulation that will be led by Corsican regional minister Nanette Maupertuis (well-known of the Island Councils due to her CPRM work which incidentally met in Corsica last week). We are already working on a draft and are welcoming input until end August. In essence the broad sentiment that we are picking up so far is: No opposition (and in fact welcoming) to the UK opting in as proposed to ETC cross border, maritime, Transnational and interregional; Support for Priority 5 (the successor of Vanguard that Welsh and Scottish Government are very active on) and consideration is being made on where this new scheme would best sit; Clear support to bring back maritime interregional to Priority 1 Interregional rather than the proposed Priority 2B (including transferring back the 800m or so that the Commission has proposed); Clear support to recapitalise the whole ETC budget to at least levels consistent with the current period but most in particular Priority 4 Interreg (so that it is not reduced to INTERACT and ESPON) and Priority 1 Cross border. We are likely to propose that Priority 5 - regardless of where it might end up sitting – to include a provision whereby third countries could contribute. Something we expect the DAs would be making a case themselves directly but one that we are happy to support as well. At the same time, we have had a number of meetings with UK Government officials as to ensure that the White Paper commitment on INTERREG is delivered in the EU-UK negotiations.

• EU Regions Week: COSLA co-organising two workshops



As it is tradition at this time of the year, COSLA Brussels Office recently circulated a shortlist of European Week of Regions and Cities (EWRC) workshops that in our view are likely to be the most interesting. The Open Days (EU Region and City Week) will be held this 8-11 October in Brussels. As was the case in previous years, we are involved in organising workshops and have ended up leading on one and co-organising another: Thursday 11 09:30hs - 11:00hs

European Week | Brussels one and co-organising another: Thursday 11 09:30hs - 11:00hs <u>Europe's social future: a local and regional debate</u> (COSLA CEMR co-organised event); also on Thursday 11 11:30hs - 12:30hs <u>Structural Reform, Capacity Building and Good Governance for post 2020</u> <u>Cohesion</u> (COSLA staff co-organised event). As usual we would be delighted to welcome you in Brussels and you are more than welcome to use our premises if you need to and let us know in advance. Equally, we are available to oragnise a get together with all Scottish local delegates making their way to Brussels next October.

Open Government Partnership: Cllr Buchanan represent Scotland at summit



Cllr Tony Buchanan participated in a Council of Europe delegation that attended the 5th Open Government Partnership Global Summit in Tbilisi, Georgia, on July 17-19, 2018. The Scottish Government and SCVO also participated. The Summit will provide an excellent opportunity for leaders from OGP's 75 participating countries, local governments, and beyond to exchange ideas on how they are making their governments more transparent, accountable, and responsive to citizens. A few weeks ago COSLA

had been invited by SG to become an observer of the OGP Scotland programme in recognition of LG wok on community empowerment.

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INSTITUTIONAL ISSUES

• Brexit: Chequers Deal

On 12 June the UK Government published its White Paper "The future Relationship between the United Kingdom and the European Union" which is the UK bid on the post Brexit EU-UK relationship. It is not new because it does not only reflect the Chequers Cabinet Agreement, but also previous papers such as the Mansion House, Florence Speech speeches and others as well as the "Future Relationship" papers that DexEU has been issuing since last Summer. Still the matter is that it is now an official position of the UK that can be negotiated with the EU27. The main difficulty that it will encounter is that there is little incentive for the EU to agree to many of these provisions as they presume that the EU and UK have a broadly similar negotiation strength, apart from the hard line that the EU has taken over Internal Market or access to EU bodies. However more broadly the fundamental issue is that for all this to work there must be a continuous high level of good will and trust between the EU and UK, which will be put to test in the first time there is a crisis or a difference of interpretation of the deal – provides the EU accepts it. In spite of Cabinet resignations and knife edge votes on the Trade and Customs Bills the EU side regards this as a start in the final status negotiations - even if fundamental different remains. COSLA Brussels Office circulated an on the day assessment.

Subsidiarity: Task Force publishes blueprint for future EU

The Subsidiarity Task Force, (to which COSLA has contributed) of the European Commission, National Parliaments and CoR has finally reported on 10 July. The Task Force recommends more involvement of regional and local authorities and national Parliaments in EU policy making − check out their final report → http://europa.eu/!HU49Fg

• EU policy: MEPs support role of local government in decision-making

On 3 July MEPS in favour of a proposal on the "Role of cities in the institutional framework of the Union". It aims to establish a legal basis to allow cities and their representative associations to be formally and systematically involved in EU decision-making. For cities and, more broadly, local government associations, this is undoubtedly good news. Indeed, it explicitly advocates the consolidation of the involvement of local government associations, like COSLA and our European umbrella CEMR, in the design of EU policy. Furthermore, it calls for them to become key partners to the EU Institutions through a permanent structured dialogue mechanism. No doubt that COSLA (with the support of a number like-minded MEPs) did very much lobby for this result. As the UK bodies (UK Government, Scottish Government, MEPs, CoR Members) will lose any official access to EU decisions even if in all likelihood (judging by the various positions on Brexit) the UK will have to closely relate to EU decisions if it wishes to trade with the EU. This also concerns local government hence the need to have open channels. We are on a separate note working with the EP researchers to see how we could still be working with them post exit.

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TERRITORIAL COHESION

• ESIF: June Lead Partner event slides and Q&A published

Many of you have received this already but just in case the slides for our lead partner event held in June 2018 have now been published and can be viewed below. Questions and answers from the day have also been published. Audit slides; European Regional Development Fund slides; European Social Fund slides; Main slides; Questions and answers. While we continue to wait for HMT guarantee (notwithstanding the Withdrawal Agreement) being translated into legal text and the UKSPF be consulted end this year, it is notable that according to recently available data the Scottish Local Government share of ESIF, theoretically 1/3 of allocations is in practice sliding down. Meanwhile we continue welcoming views on EU replacement funds (e.g. recent paper from HIE) on the back of the note we circulate on June 25 in order to convene a meeting in early September as to agree on arrange of key proposals to share with SG and HMG before the consultation document is finalised.

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SUSTAINABLE DEVELOPMENT

• **Brexit:** White paper sets continued alignment with EU goals and targets

The Brexit White Paper proposals include committing to high regulatory **environmental** standards through a non-regression requirement; maintaining high standards on **climate change**, noting the UK's world leading ambitions; e. committing to high levels of **social and employment** protections through a non-regression requirement for domestic labour standards; and committing to high levels of **consumer protection**." This means that as expected in principle UK to mirror any changes of EU legislation on most issues that are directly binding Scottish Local Government at the moment – except when it chooses not to and then the dispute resolution will kick off.

• **Environmental Governance:** Scottish and UK consultations responses

As you know there are a number of ongoing Scottish and UK Government consultations dealing with EU environmental and rural Brexit matters. **DEFRA Consultation:** Environmental Principles and Governance after EU Exit Closes 2 Aug 2018 **Scottish Government:** Developing an Environment Strategy for Scotland: **Discussion Paper** deadline 24 August 2018. COSLA is preparing a response where it focuses on the need to create a new (and possibly two new bodies) for Environmental regulation and enforcement. It must be independent from the UK Government and its workings should be shared and owned between the Devolved, UK and Local Governments.

• EU Climate and Energy Targets: MS Call for Higher Targets

With the support and encouragement of 14 national governments, the Commission is recommending to the European Council that the EU increases it's 2030 emission targets by 5% to a 45% reduction, compared to 1990. While it still would not put the EU on track to meet the UN global warming goal of 1.5, it would still be significant in terms of increasing ambition and climate leadership. In the same month, the Commission has also confirmed it is now preparing a new EU strategy for long-term EU greenhouse gas emissions reductions, with a <u>public consultation</u> alongside to seek input. This comes after the March EU Council asked for climate efforts to be stepped up in advance of COP24 in Katowice, Poland and will aim to reflect their vision of a prosperous, competitive, greenhouse gas neutral European economy. The consultation particularly seeks views on technological and socio-economic pathways and drivers, but also covers the possibility of setting a carbon neutral target by 2050. Should you be interested in a common response from Scottish Local Government and wish to submit comments, please contact Judith@cosla.gov.uk.

Sustainable Development: Local and Regional Governments' Forum at UN



On 16 July 2018, Local and Regional Governments (including many of our sister organisations as well as CEMR and UCLG) met, together with Member States (SG had a stand too), representatives of the UN system, major groups and other stakeholders, to discuss their important role in localisation and implementation of the 2030 Agenda, in the first Local and Regional Governments Forum. The forum is co-organised by UNDESA, UN-Habitat, and the Global Task Force of Local and Regional Governments, in collaboration with Local2030. On 17 July 2018, Local2030 and the Global Taskforce of Local and Regional Governments

co-hosted a multi-stakeholder event that focused on concrete solutions and new commitments to accelerate the local implementation of the Sustainable Development Goals. Data, financing, local government capacities in humanitarian and conflict settings, and climate action and clean energy will be at the centre of the discussions.

• New European Sustainability Award: Turning SDGs into Local Results

Open to Local Authorities, the Commission has introduced a new European Sustainability Award themed this year on "Empowering people and ensuring inclusiveness and equality". Therefore, this year the award will focus on SDG4 on quality education, SDG 8 on decent work and economic growth, SDG 10 on reduced inequalities, SDG 13 on climate action, SDG 16 on peace justice and strong institutions, and SDG 17 on partnerships for the goals. The Sustainability Award is one of the Commission's seven main action strands to deliver the 2030 Agenda for Sustainable Development. There is no financial award attached to this, but it gives winners recognition and visibility for mainstreaming sustainability into daily activities, operations and practices. Essentially, it is to create "sustainability ambassadors' for the EU. You can find out more here, and are able to contact COSLA should you wish to discuss the application. The deadline is 14 September 2018.

• **SDGs:** Progress Report Highlights Local Contribution

The Commission is not the only actor recognising the need for Local and Regional Government to deliver the SDGs, with the Global Taskforce of Local and Regional Governments presenting a second report on localising the SDGs to the High Level Political Forum (UN body to follow SDG implementation) in New York this month (in addition to participating in the forum mentioned above). The report finds simply that the SDGs will not be achieved without Local and Regional Governments, particularly SDG 11 "Make cities and human settlements inclusive, safe, resilient and sustainable". The report recommends scaling-up the localisation of the SDGs as an integral part of national strategies; strengthening institutional and fiscal frameworks to empower LRGs; shifting to a rights-based approach in local agendas; supporting initiatives to disaggregate data for monitoring localisation processes; promoting international cooperation in partnership with LRGs; and rallying Local and

Regional Governments to strengthen international coalition for SDG implementation. You can see the report here, but there is as good degree of cross-over to the recommendations made by the sub-group for Regional and Local Level of the EU's Multi-Stakeholder Platform on the Implementation of the SDGs: the EU should build upon the existing efforts and facilitate learning and exchange, and stimulate European cities and municipalities to take (additional) measures to achieve the SDGs, and the EU should support national associations of Local Governments to guide Local Governments to localise SDGs in a manner that is articulated with the national implementation plans (both in Europe and in partner countries).

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RURAL & MARITIME AFFAIRS

Brexit: Consultation deadline soon approaching

As you know the National Council of Rural Advisers consultation ends 24 July 2018 and the Scottish Government Rural Scotland transition period consultation ends 15 August 2018. COSLA circulated a draft response on 25 June on the back of the meeting on 22 June. We are happy to receive input as well as your individual Council submissions.

• **INTERREG:** Brexit and Maritime border

The UK Government, "remains committed to delivering a future PEACE programme to sustain vital work on reconciliation and a shared future in Northern Ireland. The UK welcomes the European Commission's commitment to a future programme protecting this work and broader cross-border cooperation, and is committed to finalising the framework for this programme jointly over the coming months." We have asked and HMG has been quick to note that this does not mean as yet a strain commitment to INTRRREG other than the PEACE cross-border programme Ireland Northern Ireland. However, it depends who you ask (BEIS or MHLG, senior or middle management). Still we are aware that some leading work has now started as to meet the Commission proposal in the ETC Regulation that explicitly covers the UK. Another issue of doubt is whether the Treasury Guarantee for the current period covers Technical Assistance. We fear from the exchanges we are having that will not be the case and this is a matter of concern.

• **Brexit:** Fisheries bid following the Faeroe template

This is one of the big topics of the negotiations with its emotional and political impact far exceeding its size. The UK is offering in the White Paper a similar system of negotiation of quotas similar to what exist (including Scottish Government input) but where the UK would set the limits for non-EU vessels access and crucially moving from the EU rules of "relative stability" as both are deemed by fishermen and many others in the UK as deeply unfair on UK fishermen. The mechanism of negotiations looks

similar to EU fishing deals such as the EU-Faroe Islands annual fishing agreement. The problem is that a big part of UK fisheries are transboundary fish stocks. Also, the end of the "relative stability" will be seen as an affront by DG MARE as it would entice other Member States to ask for the same.

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PUBLIC SERVICES

Brexit: Continuity and Risk for Devolution

In the Brexit White Paper the UK has as expected committed to "a common rulebook on state aid, to be enforced and supervised in the UK by the Competition and Markets Authority (CMA); maintaining current antitrust prohibitions and the merger control system with rigorous UK enforcement of competition law alongside strong cooperation with EU authorities; c. committing to high regulatory environmental standards through a non-regression requirement; committing to high levels of social and employment protections through a non-regression requirement for domestic labour standards; and committing to high levels of consumer protection." This confirms last March announcement but is concerning as given the asymmetric nature of UK devolution the CMA is a UK Government Quango. This can risk that the UK is both jury and party. It also means that it is highly unlikely that the UK could agree to widespread changes of EU legislation particularly on state aid, procurement ("buy local") or trading standards.

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TRANSPORT

• Brexit: UK keen to continue open agreements and access to EU agencies

The White Paper shows that many of these mutually beneficial arrangements continue. However, it continues to object to the possibility for the UK to be part of a range of EU agencies on the ground that no 3rd country outside the European Economic Area (Norway, Iceland) has such access. The issue of judicial cooperation (we are not covering here this in detail as it is not a local government power) but it is hugely important for many citizens and companies having properties, jobs, relatives, abroad. However, some of the arrangements proposed such as the Lugano convention offer a standard of protection that according to the Law Societies is inferior to that provided by the EU Justice and Home Affairs rules. Another difficulty, is that some of these provisions need to be agreed already for the transition period, such as the "Free Skies" UK opt in, otherwise the Ryanairs or Easyjets would cease operating on Brexit day. The problem is that negotiations on this have only recently started.

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EMPLOYMENT & SOCIAL AFFAIRS

• Transparent and Predictable Working: CoR Adopts Position

COSLA has been contributing to the CoR position on the new EU Directive for Transparent and Predictable Working, previously in committee stage and this month in Plenary. Cllr Buchanan with support from members in Latvia and Estonia, put forward amendments that aimed to cover pressing concerns of human resources. While welcoming EU action in the field of employment and social affairs, we highlighted the need for *guidance for employers to meet new provisions for non-standard work and the proposed EU right to apply for a more secure and predictable form of employment. Support in determining reference hours and developing processes for managing casual and short-term working is seen as necessary as short-term, part-time and on-call contracts can also be found in the public sector. The amendments were successfully adopted and now form part of the formal CoR position. The European Council adopted its approach in June and will aim to grant 5 new rights: limit of 6-month probation, to take up parallel employment, to know reasonably in advance of work, to ask for a more secure job and receive a written reply from the employer and to receive free mandatory training. It will now go forward for negotiation, and COSLA officers will be liaising with human resources on the reference hours/reasonable notice and requests for other forms of employment elements of this new Directive in due course.*

• Brexit White Paper: New Framework for Mobility

The UK Brexit White Paper also lays out future possibilities for mobility and migration, stating clearly that free movement will end and a new "framework for mobility" introduced. This positioning is intended to complement the previous agreement on citizens' rights which allows for the status quo until the end of 2020. The White Paper confirms that the UK will at the same time seek reciprocal arrangements in some areas and pursue some defined elements of social security coordination (e.g. pensions, healthcare). The UK for example wants continued healthcare for state pensioners and to continue with the European Health Insurance Card. It also states that trade agreements which cover trade in services will include provisions on the mobility of people for the provision of these services. Tourism and short-term business should be allowed as before and a new UK-EU youth mobility scheme is proposed. A future separate white paper on migration and a new UK Immigration Bill are expected to provide further detail on the UK's immigration system post-Brexit. The COSLA Office in Glasgow leads on representation to the UK Migration Advisory Committee (MAC) which is due to report in September.

• Town Twinning: Trebsen Seeks Scottish Twin

Through the new Scotland Hub in Berlin, COSLA has received a request for a twinning relationship with Trebsen, Germany. Trebsen is a small rural town, near the large ex-industrial eastern German town of

Leipzig, with a population of about 4,000. It organises International Highland Games and is particularly keen to establish a relationship in Scotland on this basis in addition to Scottish music and literature, food and drink. Should your Local Authority, local Community Councils or Twinning Associations be interested in exploring this opportunity further, please contact judith@cosla.gov.uk.

• **Economic Forecast:** Unequal Recovery

The <u>annual review</u> of Employment and Social Developments in Europe was recently published, showing that economic recovery has picked up in 2017, as have employment rates in all MS. The report finds that severe material deprivation has decreased but inequality and relative poverty persist. Inequality is reportedly grounded in gaps in education and gender equality. The Commission details issues with changing labour markets and particularly the rise in atypical and non-standard work. Regarding the UK specifically, it finds that hours and wages contribute significantly to inequality and there remain high vacancy rates, combined with low unemployment rates, an indication of tightening job markets.

• European Citizens' Initiatives: Permanent EU Citizenship?

The Commission has this month registered two Citizens Initiatives, one Brexit related. The 'Permanent European Union Citizenship' initiative aims to guarantee that European citizenship and rights cannot ever be lost, as will be the case for UK nationals after Brexit. The second, 'Stop starvation for 8% of the European population' aims to persuade the Commission to introduce legislation to force governments combat the problem of hunger. These petitions now require a million signatures across seven MS, before they will be acted upon. You can find out more about giving support here.

• Culture: SG Consultation

Scottish Government has launched a consultation on a new draft Culture Strategy for Scotland. Local Authorities are mentioned, but there is no detail on future support needs or any prospects outlined to develop capacity. The consultation document does however recognise that *more can be done to ensure that the international successes enjoyed by a relatively small number is shared more broadly, particularly beyond the central belt where there are aspirations to either work internationally, or to have the international work already carried out by many, recognised more broadly.* Should your Council have a dedicated culture and leisure strategy and/or wish to comment, you can see the information here. The consultation is open until September 19.

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COSLA IN BRUSSELS

Policy Updates

- Open Days workshop overview, 18 July
- Brexit White Paper on the day briefing, 12 July

Meetings Attended

- European Parliament Research Service, 18 July
- CoR Rapporteur, 16 July
- Scottish Government, 13 July
- Rory Palmer MEP, 12 July
- ERDF CoR Hearing, 11 July
- CEMR Cohesion Expert Group (chair), 11 July
- EP EMPL Committee Exchange of views with Austrian Federal Minister for Labour, Social Affairs,
 Health and Consumer Protection, 11 July
- ELAN meeting (chair), 10 July
- CoR CIVEX Meeting, 10 July
- UKBO, 5 July
- CoR ESIF Rapporteurs meeting, 5 July
- CoR President Event & UK Delegation, 4 July

COSLA Brussels Office July 2018

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