

# COSLA

*Promoting Scottish Local Government*

## **ADVICE TO NEW COUNCILS**

### **6. THE EUROPEAN UNION - A KEY RELATIONSHIP WITH THE NEW UNITARY AUTHORITIES**

## INTRODUCTION

This document outlines the inter-relationship between the European Union and local government and explains why European liaison must be a high priority for all new authorities. Through the work of many existing authorities, Scottish local government has an impressive record in the European Union. It is essential that the relationship between Scottish local government and the EU is maintained and developed.

Through the work of many existing authorities, Scottish local government has an impressive record in the European Union. It is essential that the relationship between Scottish local government and the EU is maintained and developed.

The European Union has already had a great influence in Scottish local government and this influence is likely to grow. There are three ways in which Europe influences local government:-

Funding opportunities

Legislative responsibilities

Influence of the European Union on the daily life of people, businesses and communities

The Treaty on European Union recognised the importance of local and regional government in the Union and gave it an advisory role in the European policy process through the Committee of the Regions (CoR). The CoR must be consulted by the European Commission and the Council of Ministers on a wide variety of policy issues where local and regional government plays a significant role. These policy areas include regional policy, structural funds, economic and social cohesion, education, transport and culture. The CoR has the power to initiate its own reports on EU interests of concern to local and regional government. There are five Scottish members of the Committee and all United Kingdom CoR members had to be elected members of local authorities at the time of nomination.

In local government, the greatest attention has been devoted to funding opportunities and the requirements of EU legislation. A number of local authorities have developed European strategies to raise the awareness of local people,

businesses and communities of the challenges and the opportunities associated with the EU. The construction of a European strategy is an important element in the development of an integrated and co-ordinated approach to Europe across the authority.

The European Union has been working in many areas of interest to local government. It has published documents to stimulate debate and disseminate good practice. The policy areas include economic development, structure planning, the fight against unemployment and social exclusion, equal opportunities and social policy issues.

Scotland will move to a system of unitary local government during a year when there will be a great debate about the future of the European Union (EU). An InterGovernmental Conference (IGC) will take place in the latter part of 1996 which will discuss the path of European integration into the next century.

It is important that the new authorities monitor EU developments and that there is a dialogue between local government and the EU in policy areas where there are shared responsibilities. Leading politicians and officers need to have an understanding of the European policy process in order to exert influence in areas of interest.

## **THE DEVELOPMENT OF EUROPEAN POLICY AND PRACTICE**

While funding opportunities from Brussels often make the headlines and the implementation of European Union legislation is obligatory, there is another consideration for local authorities. Local communities, people and businesses are part of the European Union and this should be recognised in the work of the new councils. Businesses have to survive in the European Union and even if local business does not take advantage of the new trading opportunities, mainland European companies can operate in Scotland adding competitive pressures. The free movement of people to live, work and travel in Europe will mean that local people will need to be given the skills needed to use these freedoms. The policies to assist business and prepare people and communities for the changing Europe do not always attract grants but they are important in a competitive Europe. Moreover, the integration of European considerations into the new unitary authority's policy development will be essential.

There may be a tendency to focus on the European Union funding in economic development terms, but Brussels has a strong influence over a wide variety of issues and there needs to be a corporate response from authorities so that European policy is integrated into the mainstream policy development of the authority.

## **FUNDING OPPORTUNITIES FOR LOCAL GOVERNMENT**

Funding covers a wide range of policy areas. the largest grants for local authorities are through regional policy funds to assist economic development and access to employment.

The European Union provides grants, loans and services over a wide range of policy areas for local authorities. Funding covers a wide range of policy areas and this paper only outlines the major sources of funding. The largest grants for local authorities are through regional policy funds to assist economic development and access to employment. The mainstream European Regional Development Fund and European Social Fund programmes assist local and regional projects and do not have a transnational element. However, the majority of other funding opportunities are for transnational projects.

### **Economic Development and Access to Employment**

These grants are available through the European Regional Development Fund (ERDF) and the European Social Fund (ESF) which are the major funding instruments available through the EU's regional policy. These grants are usually the largest and most well known to local authorities and they have been an important source of European finance to local government since the 1980s.

In order to be eligible for funding under these funds, an area has to be designated eligible under one of the objectives of regional policy. Eighty-five per cent of Scotland's population live in eligible areas for grants under Objectives 1, 2 and 5b of the funds. Outside the Highlands & Islands Objective 1 area, the whole of Scotland is eligible for Objective 3 of the European Social Fund and the new councils eligible for grant aid for the Objectives are found in Table One.

European Regional Development Fund (ERDF) grants fund economic development projects from the capital programme in the following areas:-

- roads infrastructure
- industrial and business centres and workshops

- training premises
- tourism

It also funds a wide variety of business development measures including:-

- the promotion of company growth
- trade and product development.

European Social Fund (ESF) grants are training grants to stimulate economic development (Objectives 1, 2 and 5b) and to promote training and employment measures (wage subsidies) for socially excluded groups e.g. the long term unemployed, ethnic minorities and the disabled through Objective 3. It also provides support for women's training projects in non-traditional occupations.

Apart from the Objective 3 ESF programme, the other programmes are administered by regional partnerships. In the last round of programmes, local authorities were the largest beneficiaries from the funds and influential players in programme administration. There is now greater competition for the funds and more partners wish to gain access. It is important that democratically elected local government plays a leading role in regional policy. Objective 2 areas will be reviewed in 1996 and it is important that the new unitary authorities play a key role in this review.

Community Initiatives are another major component of regional policy and they account for 9% of the EU's regional policy budget. The Employment Initiative is a transnational initiative and this is aimed at innovative training projects. The other Community Initiatives available in Scotland invite projects that do not need transnational partners. A group of initiatives deal with economic regeneration associated with the decline of specific industries. Two other initiatives include innovative actions in urban areas and rural development. These are listed in Table Two.

### **Other Regional Policy Grants**

Through the European Regional Development Fund (Article 10), European Social Fund (Article 6) and the European Agricultural Guidance and Guarantee Fund (Article 8), the European Commission funds innovative transnational projects designed to exchange good practice in a number of policy areas. These include:-

- inter-regional co-operation
- spatial planning
- regional economic development
- urban policy
- employment opportunities in growth sectors
- new methods and approaches to training
- projects aimed at the mobility and flexibility of workers

Local authority links with other European authorities under the PACTE and RECITE programmes are part of these links and this funding also includes projects with Central and Eastern Europe under the OUVERTURE and ECOS programmes.

### **Education**

Currently the European Union has a number of small education and training programmes. These have been merged in 1995 to produce three programmes:- Leonardo (vocational training), Socrates (education) and Youth For Europe (youth exchanges).

The **Leonardo programme** will support transnational projects which improve the quality of vocational training and promote a Community approach to lifelong learning. The types of actions to be supported are:-

- Transnational pilot projects to devise, develop and test approaches to:-
  - \* joint development of training modules;
  - \* anticipation of training needs;
  - \* new methods of delivering training;
  - \* training of trainers;

- \* language learning
- Transnational placements and exchanges of young people, university students and human resource specialists
- Surveys and analyses to improve knowledge about aspects of vocational training, e.g. transparency of qualifications, new types of apprenticeship

The **Socrates** programme will interest local authorities in the following areas:-

- co-operation between schools and the establishment of partnerships examining common themes or objectives
- schooling of the children of migrant workers and travellers
- updating the skills of teaching and guidance staff
- the promotion of language skills
- promotion of open and distance education and learning

**Youth For Europe** exchanges are aimed at 15-25 year olds and include cultural/artistic exchanges, exchanges which include periods of voluntary work, and exchanges with non-Member States.

### **The Environment**

Funding for innovative environmental projects is available under the LIFE programme. This is a wide ranging programme which in 1995 gave priority to the promotion of sustainable development, the quality of the environment and the protection of habitats and nature.

### **Culture**

The European Commission has a number of cultural programmes. For instance, the Kaleidoscope programme seeks to support initiatives to present and enhance distinctive regional cultures and their artistic expression through the collaboration of regions. The MEDIA programme also

assists in the development of cultural identity in the film and television industry.

### **Public Health**

The public health objectives in the Treaty of Maastricht included action programmes to encourage co-operation throughout the European Union on health education, and the prevention of AIDS, cancer and drug abuse. These action programmes have been proposed by the European Commission but are still to be agreed by the EU institutions. These programmes include funding opportunities for the new unitary authorities as key players in the field of social policy.

### **Other Funding Activities**

The European Union also provides a range of grants for a wide number of policy areas. These include energy planning and conservation, tourism, the Raphael programme for heritage projects, twinning and the exchange of experience.

### **Loans from the European Investment Bank and European Coal and Steel Community**

These loans are available for infrastructure projects and local authorities have made extensive use of these loans when interest rate conditions have made them attractive. These projects have included roads and industrial/business parks, etc.

## EUROPEAN UNION LEGISLATION

The introduction of the Single European Act in the late 1980s saw a great deal of new legislation from the European Community. The Act was designed to create four freedoms (freedom of movement of people, goods, services and capital) and it has been calculated that around 150 pieces of legislation in this programme had consequences for local government. A great deal of European legislation is directly implemented by local authorities while other legislation affects the way in which they conduct their business. Legislation has now slowed but legislative developments need constant monitoring and the revision of the Treaty on European Union in 1996 could have effects on local government in legislative terms.

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The major areas of local authority activity affected by EU legislation are as follows:-

### **Public Procurement**

EU legislation covers the way in which local authorities let contracts for works, goods and services.

### **Personnel**

There is a wide body of EU employment legislation which affects the conditions of staff including working conditions and includes the Acquired Rights Directive. Case law judgements in the European Court of Justice can also have a great effect on personnel issues and need constant monitoring. The European Union has played a leading role in equal opportunities policy and a new action programme is expected in this area during 1995.

### **Trading Standards and Consumer Protection**

The harmonisation of standards was an important part of the Single European Act had a great effect on trading standards and the Maastricht Treaty states that there will be a high level of protection in the field of consumer protection. The EU can take specific actions to defend consumers' interests.

### **Environmental legislation**

A great deal of environmental legislation enacted in Scotland by local government emanates from the European Community. This legislation results from the EC's environmental action programmes and the latest programme outlines moves associated with sustainable development. There are 17 draft environmental directives currently in the work programme and these include the Landfill Directive. Another major directive which will come into law in 1996 is the Packaging Waste Directive which sets out targets for waste reclamation and recycling.

### **Mutual Recognition of Qualifications**

The mutual recognition of qualifications is a key factor in the free movement of people and this will have major effect on local authorities as employers and as providers of education.

### **Health & Safety**

A wide range of health and safety legislation originates from Brussels affecting working practices of employees in local government.

## **BRUSSELS REPRESENTATION**

New authorities may wish to consider some form of representation in Brussels.

A significant number of existing authorities have devised various methods of representation in Brussels either through full or part-time representation through the provision of office accommodation which is available for Brussels visits or through a lobbying/information service provided externally.

Representation in Brussels has many aims including raising the profile of the authority in the European Union; representing the authority in dealings with European institutions; providing information and intelligence about EU developments; and the development of transnational projects and networks.

## EUROPEAN STRATEGIES AND LOBBYING

In covering the policy areas where the European Union is currently active, this paper has dealt with many policies which greatly involve Scottish local government. In particular, there is a common interest in employment, economic development, training, education, social exclusion, equal opportunities and the environment.

However, there are wider issues where lobbying at a European level needs to take place. A number of European policies have significant consequences on the economic and social structures in Scotland. This can be demonstrated by an examination of the consequences of the Common Agricultural Policy on rural communities and also by the effects of the Common Fisheries Policy on fishing communities.

There are wider policy aspects that need to be addressed. Geographically, Scotland occupies a peripheral position in the European Union and lobbying at a European level is important so that the effects of peripherality can be reduced through technological change and transport policy. It is important, for instance, that Scotland's transport links to Europe are improved through the introduction of TransEuropean Networks.

It is important that senior politicians and officers have a sound understanding of the European policy process so that lobbying can be used to influence the institutions of the European Union at the most appropriate time. There are now many sources of European information and these sources should be closely monitored for issues of concern to the new authorities.

Effective lobbying has often taken place when Scottish local authorities have worked closely with authorities from other Member States with similar interests.

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## CONCLUSIONS

This paper has shown that the European Union is having a growing influence on Scottish local government, particularly in terms of funding opportunities and legislative responsibilities. The European Union has recognised the importance of local government through the creation of the Committee of the Regions and local government also plays an important role in the partnerships administering regional policy grants.

Scotland is now part of a European Union of over 360 million people and this allows greater opportunities to local people and local businesses. Local government in Scotland is well placed to help their authorities, people and communities benefit from Europe.

This paper has outlined the major areas of European activity. It is vital that the new unitary authorities include European policy in their new structures and that they approach Europe as a corporate issue. Scottish local government has an impressive 'track record' in European affairs and it is important that this performance is built upon by the new authorities.

Currently, COSLA is working to produce a more detailed paper on European policy which looks at the different structures and approaches that can be adopted by the new unitary authorities. An Officer Group made up of officers from existing authorities and COSLA officials are working on this publication, which should be available in autumn 1995.

**TABLE 1 - STRUCTURAL FUND PROGRAMMES IN SCOTLAND (EXCLUDING ESF OBJECTIVE 3)**

Name of Programme	Unitary Authority Coverage	Total Funding £m* (period)
<b>Objective 1 - Under-developed Regions</b>		
Highlands & Islands Objective 1 Programme	Argyll & Bute (part) Highland Moray (part) North Ayrshire (part) Orkney Islands Shetland Islands Western Isles	£242 (1994-1999)
<b>Objective 2 - Economic Regeneration of Industrial Areas in Decline</b>		
Eastern Scotland Objective 2 Programme	Angus City of Dundee City of Edinburgh (part) Clackmannan East Lothian (part) Falkirk Fife (part) Midlothian Perth & Kinross (part) Stirling (part) West Lothian	£95 (1994-1997)
Western Scotland Objective 2 Programme	Argyll & Bute (part) City of Glasgow Dumbarton & Clydebank East Ayrshire East Dunbartonshire East Renfrewshire Inverclyde North Ayrshire North Dunbartonshire North Lanarkshire Renfrewshire South Ayrshire South Lanarkshire	£220 (1994-1997)
<b>Objective 5b - Rural Development</b>		
Borders Objective 5b Programme	Borders	£24 (1994-1999)
Dumfries & Galloway Objective 5b Programme	Dumfries & Galloway	£38 (1994-1999)
Grampian Objective 5b Programme	Aberdeenshire (part) Moray (part)	£31 (1994-1999)
Rural Stirling and Upland Tayside Objective 5b Programme	Angus (part) Stirling (part) Perth & Kinross (part)	£20 (1994-1999)
* Due to exchange rate fluctuations, these figures may vary		

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Name	Aims of Initiative	Area Covered	Period
Employment	Transnational innovative employment and/or training projects for under 20s (Youthstart) Disabled and excluded groups (Horizon) Women and equal opportunities (NOW)	whole of Scotland	1994-1999
Rechar	Economic regeneration of former coal mining areas	Parts of: Clackmannan Dumfries & Galloway East Ayrshire Fife Stirling The Lothians North Lanarkshire South Lanarkshire South Ayrshire	1994-1997
Resider	Economic regeneration of former steel producing areas	North Lanarkshire South Lanarkshire	1994-1997
Konver	Economic regeneration of areas affected by the decline of the defence industry	Argyll (part) Edinburgh Fife Glasgow	1994-1997
SMEs	Initiative to stimulate the competitiveness of small and medium sized enterprises	All Objective 1, 2 and 5b areas of Scotland	1994-1999
URBAN	Initiative to stimulate innovative actions in urban areas	Glasgow Renfrewshire	1994-1999
PESCA	Development of areas hit by the decline of the fishing industry	Aberdeenshire (part) Angus (part) Ayrshire (part) Borders (part) Dumfries & Galloway (part) East Lothian (part) Fife (part) North and South Ayrshire (part)	1994-1999
LEADER II	Encouragement of innovative actions in rural development		
	Objective 1 Leader	Argyll & Bute (part) Highland Moray (part) North Ayrshire (part) Orkney Shetland Western Isles	1994-1999

	Objective 5b Leader	Aberdeenshire (part) Angus (part) Borders Dumfries & Galloway Moray (part) Perth & Kinross (part) Stirling (part)	1994-1999
ADAPT	Promoting employment and the adaptation of the workforce to industrial change	whole of Scotland	1994-1999
RETEX	Economic diversification of areas dependent on textile industry	Parts of: Aberdeenshire Angus Argyll & Bute Borders Clackmannan Dumbarton and Clydebank Dumfries & Galloway Dundee East Ayrshire East Dunbartonshire East Renfrewshire Falkirk Fife Glasgow Highland Inverclyde Moray North Ayrshire North Lanarkshire Orkney Perthshire & Kinross Renfrewshire Shetland South Ayrshire South Lanarkshire Stirling Western Isles West Lothian	