

Written evidence submitted by Dr Christopher Huggins [BRX 037]

My background

1. I am a Research Fellow at the University of Aberdeen. I also teach European politics at Keele University. This submission is provided in a personal capacity, drawing on my research into local government's role in European Union (EU) politics. Much of this formed the foundation of my PhD, which investigated on the European engagement activities of local authorities in south-east England and northern France and the transnational partnerships developed between them (Huggins, 2015). More recently I undertook a small pilot study investigating Brexit and local government. This was a scoping exercise for a larger research project due to start in early 2018, aiming to examine the impact of Brexit on local government. This submission draws on the findings of this research. Findings drawn from the pilot study come with the proviso that it only involved a small number of participants (12), but they nevertheless provide useful insights which the committee may find useful in their inquiry. The focus in this submission is on English local authorities, though many of the points apply equally to local government in Scotland, Northern Ireland and Wales.

What are the greatest risks, and opportunities, for local government posed by Brexit?

2. Given the extent of the EU's impact on local authorities this is a broad question. My research points to three main themes:

Influence and input in the policy process

3. Influence and input into the policy process is vital to local authorities. While EU policy may be made in Brussels, much of the on-the-ground implementation of that policy is done at the local level. Indeed local authorities estimate that they are responsible for the implementation of around 70 per cent of the EU's legislative output (Local Government Association, 2010). Furthermore EU rules, such as on state aid and procurement, affect the way councils commission and deliver services.
4. In the EU, local authorities have a formal advisory role in the development of EU legislation. The European Committee of the Regions (CoR) has been a part of the EU's institutional structure since Maastricht. Under the EU treaties, the European Commission must consult with the CoR on legislative proposals which will have a direct impact on the local or regional level. Furthermore, the European Commission, European Parliament or Council of the EU may decide to seek the CoR's opinion on other legislative proposals, if any of these institutions feels there is a potential impact on the local or regional levels. The CoR can develop opinions on its own initiative, and plays a role in monitoring the application of the subsidiarity principle. While the CoR's overall visibility in and influence over the EU policy process has been questioned, the formal recognition of local and regional actors in the EU's institutional structure and policy making process is significant.
5. No equivalent body to the CoR exists in the UK. In short, there is no institutionalised body representing local government, where local authorities have the statutory right of consultation on legislative proposals in areas which affect them. As things stand, there are no plans to create such a body upon the UK's withdrawal from the EU.
6. In addition to the formalised role of the CoR, local authorities have adopted informal approaches to influencing EU policy. This falls into two broad categories. Firstly, local authorities have developed their own presence in Brussels by establishing offices, often in consortia with neighbouring authorities (examples exist across the EU, but in England include Southern England Local Partners, the East of England Brussels Office and the Birmingham and West Midlands Brussels Office). Staff in these offices serve multiple functions, but core roles include monitoring the development of EU policy and seeking to interact with the EU policy process where opportunities arise. Secondly, local authorities participate in a range 'transnational networks' (Huggins, 2017). Some of these networks have a rather broad focus (such as the Assembly of European Regions and Eurocities). Others focus on thematic policy areas (such as the Conference of Peripheral Maritime Regions and the European Regions Research and Innovation Network). Like the Brussels offices discussed above, these networks serve multiple purposes, but again monitoring the EU policy process and seeking to represent local views in that process are core functions. Local authorities have pursued these informal approaches to influence partly because the EU's policy-making process is conducive to interest representation, but also based on a perception that EU policy makers are generally more receptive to local concerns, or at least more willing to listen, than their counterparts in Westminster and Whitehall.
7. The risk from local authorities' perspectives, therefore, is that Brexit means a loss of influence and voice in policy making, particularly once decisions previously made in Brussels are made in the UK. In the case of the CoR, the concern is that local authorities will lose a statutory consultative role in the legislative process. Indeed this is a fundamental issue highlighted by the Local Government Association in their briefing on the EU Withdrawal Bill (Local Government Association, 2017a). In the case of the more informal approaches, the concern is reinforced by a perception that the EU institutions and EU policy makers have generally been more open and receptive to local input than their counterparts in the UK.

Opportunities for transnational networking and partnership working

8. Local authorities have used the UK's membership of the EU to facilitate direct links and transnational networks with other local authorities in Europe. For example, my research on nine local authorities in south-east England revealed they were together involved in 190 transnational links between 2001 and 2011 (Huggins, 2015; 2017). Engagement in these partnerships is voluntary, and their work goes far beyond traditional cultural town twinning initiatives, often involving active engagement by the local authorities involved and substantive joint working.
9. There are three main motivations local authorities have for engaging in these networks. Firstly, they offer opportunities to obtain EU funding. This is particularly the case for EU funding programmes such as INTERREG and URBACT which require transnational partnerships as a prerequisite. In addition to providing the actual project partnership, these networks pool members' resources making it easier for councils to access funding schemes often regarded as time consuming and administratively burdensome to apply for and manage.
10. Secondly, as outlined above, these networks serve a policy influence function. As noted, local authorities are the main implementers of EU legislation, and so councils have a stake in ensuring EU policy proposals are fit for purpose and represent their interests. These networks are often actively invited into the EU policy process as, from the European Commission's perspective, they offer a representative view of European local authorities. The place-based knowledge and expertise offered by local government networks, particularly those focusing on thematic policy areas, is also valued.
11. Thirdly, they offer opportunities for exchanging policy innovation and best practices with European counterparts. With increasing pressure on local services and reducing budgets, local authorities often look abroad to see how the challenges they face are addressed in different countries, and bring back those ideas to the UK. This often leads to the identification of approaches which would not be found if looking within the UK, and may lead to greater effectiveness and efficiencies in delivering local services. These networks also provide opportunities to showcase English local authorities as policy innovators in certain areas.
12. These networking activities also promote localities on the global stage. In participating, local authorities argue they are able to market themselves as outward looking and global locations, which are ripe for economic investment from abroad.
13. While the benefits local authorities seek from these networks are not exclusively tied to EU membership, and while many networks reach well beyond the EU, the EU nevertheless provides a useful frame of reference for these networks to come together. In my recent pilot study, local authorities were committed to continued engagement with European and international partners after the UK withdraws from the EU, particularly for exchanging policy

knowledge and attracting investment. Depending on the nature of the UK's future relationship with the EU, there was also perception that continued engagement with the EU institutions could remain a priority. There was a sense, however, that there may need to be a shift in focus beyond Europe, again depending on the final UK–EU relationship.

Regional funding

14. Local authorities are a key beneficiary of the European Regional Development Fund, from which the UK as a whole stands to benefit from €5.8 billion between 2014 and 2020 (£5.2 billion at today's exchange rate). This funding is supplemented by national co-financing, meaning its true value is €10.3 billion (£9.2 billion at today's exchange rate). Local communities also benefit from a range of other European Structural and Investment Funds (ESIF), including the European Social Fund (£8.7 billion including national co-financing), the European Agricultural Fund for Rural Development (£7.3 billion including national co-financing) and the Youth Employment Initiative (£600 million including national co-financing) (European Commission, 2017). While this funding is unevenly distributed across the UK, reflecting uneven levels of regional development, all areas of the UK receive funding, and almost all principal local authorities will have received EU funding.
15. In a context where local services are under considerable pressure, and while local authorities are simultaneously seeing their budgets fall, EU funding has provided a means for councils to deliver local projects they otherwise would not have been able to afford. It would be wrong, however, to view the benefits of participating in EU funded projects in purely pecuniary terms. As noted, many project partnerships provide an 'added value' beyond the funding received, such as exchange of policy knowledge and innovation and developing joint solutions to common policy problems. The potential loss of this funding, and the activities it supports, is therefore a matter of concern to local authorities.
16. However, while EU funding is regarded as a benefit, it has also been a source of frustration. Often the objectives of EU funding programmes do not directly match local needs, or the aims and objectives in council strategies. Councils generally will not change their pre-determined strategic objectives just to 'shoe horn' projects to fit EU funding criteria. For most bids, especially those by authorities in so-called "more developed regions", funding only covers a proportion of the total project costs (usually 50 per cent), meaning councils have to find the rest. In a context of tight budgets, finding this necessary match funding from within councils is often difficult. And if co-finance cannot be obtained from other sources then the project will not go ahead. In addition, councils have been critical of the onerous application process and the perceived heavy administrative burden associated with reporting, audit and management of EU grants. This, coupled with a high risk in some programmes of bids being unsuccessful, puts many local authorities off applying for EU funding in the first place.
17. Ahead of the 2017 general election, the Conservative Party manifesto committed to establishing a "Shared Prosperity Fund" to replace ESIF following the UK's withdrawal from the EU (Conservative Party, 2017). Though there has been little substantive development on this since the election, local authorities have generally welcomed this commitment to replace ESIF. Councils also see it as an opportunity to address some of their frustrations. In particular local authorities have called for a greater place-based approach which better accounts for the needs of local areas and, accordingly, allowing local authorities to set their own priorities for funding. A less administratively burdensome approach to managing this funding is also desired (Local Government Association, 2017b; Industrial Communities Alliance, 2017).

What powers could be devolved from the EU directly to local authorities?

Centralisation and the scope for devolution

18. Without commenting on the specific powers which could be devolved, it is worth highlighting the highly centralised system English local government operates in. By one measure, the UK is 31st out of a ranking system of the local autonomy of 39 European countries (Committee of the Regions, 2015). While the highly centralised nature of English local government has been the focus of much academic attention (for example Copus, Roberts & Wall, 2017), it is also recognised by local authorities themselves. A recent 'councillors commission' report into local councillors' perceptions of their role found widespread dissatisfaction with the level of central government control over local authorities (Copus & Wall, 2017). While there have been efforts to devolve powers locally, aimed primarily at English city-regions, these attempts are confined to a relatively small number of areas. This devolution agenda has also been criticised for being led from the top-down, lacking adequate consultation and citizen engagement, lacking policy ambition, and failing to give devolved areas the necessary resources (for example Blunkett et al., 2016; Prosser et al., 2017).
19. In this sense, there is scope for greater devolution of powers to the local level post-Brexit, and there is a desire among local authorities that they should see greater powers and autonomy come their way. This came up during my pilot study. The devolution of powers repatriated from Brussels, and indeed powers currently held by central government, to the local level was cited as the key post-Brexit opportunity for local government.
20. So far, most the debate on post-Brexit devolution focuses on the powers of Scotland, Wales and Northern Ireland. Given the constitutional implications of Brexit for these nations this is to be expected. However, little attention has been paid to the potential for post-Brexit devolution to the local level, and commitments to local authorities have been vague at best. The government's White Paper on legislating for the UK's withdrawal from the EU speaks of "ensuring power sits closer to the people of the UK than ever before", yet largely focuses on the competences of the devolved administrations (Department for Exiting the European Union, 2017). And the White Paper on the UK's withdrawal and future partnership with the EU only manages 28 words on the implications of local government: "We will also continue to champion devolution to local government and are committed to devolving greater powers to local government where there is economic rationale to do so" (HM Government, 2017). So, while there is an opportunity in Brexit for devolution to local authorities, there is also a risk that local dimensions to post-Brexit devolution is being overlooked.

The extent to which local government's voice is being heard in the Brexit negotiations and how representation can be improved

21. There is a perception among local authorities, their officers and councillors that local government is not adequately listened to in national politics, let alone in the Brexit negotiations. This was brought up in the recent 'councillors commission' report, where councillors felt Westminster and Whitehall has little understanding, nor a desire to understand, councillors' and local government's role (Copus & Wall, 2017). This perception has largely been reinforced by the highly centralised nature of the English local government system.
22. Participants in my pilot study were asked if they felt the UK government was receptive to local government's concerns and input into the Brexit negotiations. All of them, representing senior officers and senior councillors from a diverse range of local authorities across England, were unanimous in their negative response. Participants felt that at the technical level civil servants were keen to engage with local authorities. However this did not extend to higher levels in government departments. As one participant stated, ministers and senior civil servants have treated local government's role as nothing more than "toy town politics".
23. This is worrying. On the one hand, local government represents one of the most 'Europeanised' parts of the British state. Councils have as much, if not more, at stake in the outcome of Brexit than central government. Furthermore, councils are undertaking extensive research and community engagement to assess the potential impact of Brexit on their local areas. For example, Cornwall Council and the Isles of Scilly have set up a 'Futures Group' bringing together local partners to investigate the impact of Brexit on their area (Cornwall Council, 2017). Bristol City Council has similarly set up a 'Brexit Response Group' (Bristol City Council, 2016). Organisations such as the Local Government Association and the Core Cities network are actively involved in researching the implications of Brexit and communicating that research to their members and government. Rather than excluding local authorities, central government could be making use of this place-based knowledge to inform their approach to the Brexit negotiations and their future relationship with the EU, especially given the heterogeneity of local areas in England means Brexit will affect different localities in different ways.

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