**COSLA Positions on Brexit**

**Scottish Local Government has longstanding positive links with our counterparts in Europe. Since the Brexit referendum in June 2016 COSLA has sought to review and add to our existing positions and views on EU related matters. This is a short summary of the positions COSLA politicians have adopted on key issues, in a number of important areas, as they currently stand. These will be reviewed and updated as the broader context of Brexit become clearer.**

**Powers**

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| Decentralisation and devolution of powers to the local level are key principles for Local Government and COSLA. Appropriate enhancement of local powers will further empower and provide additional flexibility for councils by enabling them to take decisions which provide policy solutions that are tailored to the specific challenges, circumstances, needs and priorities of local communities and their places. |

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| **COSLA Position: POWERS*** We want a broad review of where powers are exercised in Scotland underpinned by the principle that decisions should always be taken at the level closest to the communities.
* Simplified arrangements for compliance and reporting for environment, state aid, procurement, climate change, employee rights, transport, and consumer protection.
* Development of a “Keep, Amend or Repeal” list of EU legislation.
* The principle of subsidiarity and the European Charter of Local Self-governance should be embedded so that the repatriation of EU powers does not lead to a reduction of local powers.
* ‘Buy Local’ – we want businesses to benefit more directly from public contracts by ensuring that they are awarded with a greater emphasis on local employment benefits.
* The regulation of procurement should be ‘light touch’ but with certain protections.
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**Policy Making**

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| Local Government is a key enabler supporting communities and developing resilient local economies. With democratic mandates closest to the needs and wants of people in their communities Local Government will enhance and protect the mechanisms and opportunities to shape all policy developments at every level relevant to this role. This is an ongoing ambition to which Brexit provides some threats and opportunities. |

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| **COSLA Position: POLICY MAKING*** The UK Government should deliver on their proposal to develop new consultative arrangements with Local Government to deal with EU returned powers which will include;
	+ Pre-legislative official and political consultations on matters intended to be in future Queen’s Speeches.
	+ High level meetings between Ministers (including at least one Cabinet member) more than twice a year to discuss legislative and policy proposals.
	+ Formal publication of Local Government’s opinion of legislation along with the Ministerial response.
* Common UK Frameworks: the new UK-wide bodies or policies to deal with some of the EU returned powers (e.g. Competition, Environment) must have the input from and be owned by UK, Devolved and Local Governments.
* We call for a consultative body of Local Government representatives to formulate UK international policies with parallel arrangements in the Joint Ministerial Committee with representation from the four UK local authority associations. This should include;
	+ Ability to formulate UK Government policy regarding the EU27 and other trade deals on areas that will impact on local services, including common rule books.
	+ Establishment of a new Joint UK EU Committee of the Regions Commission to continue political and policy dialogue at subnational level post Brexit.
	+ Standing arrangements replicating these UK frameworks in Scotland for devolved matters that affect Scottish Local Government are properly informed by our experience, concerns and ambitions.
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**Citizens**

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| Local Government has a central role to play as significant exemplar employers, employment enablers and community leaders. Councils provide the socio-economic and regulatory connections that provide resilience, security and support for cohesive communities. The importance of this role cannot be overstated and neither can the views and positions councils have on future arrangements, mechanisms and policies to provide this stability. |

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| **COSLA Position: CITIZENS*** We want to be able to maintain community cohesion and the links between municipalities, and local institutions, developed during and after separation from the EU.
* A co-ordinated four nations Local Government approach to the way future policy variations are exercised across the UK.
* The various rights – including voting rights – of non-UK EU Citizens should be maintained and the processes needed to realise these must be accessible.
* Existing elected members that are non-UK EU Citizens should continue to be able to serve.
* We want a cross public-sector approach to the assessment and preparedness to the challenges anticipated for the social care, education, construction, hospitality, agriculture and fisheries sectors.
* The rights of EU27 nationals in UK and UK Nationals currently living in EU27 should be preserved post Brexit, with continuation of present employment, social security, healthcare and pension transfer arrangements for nationals of UK or EU27 that are travelling, moving, working on retiring in either place – as far as post Brexit UK/EU27 new migration requirements allow.
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**Funding**

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| In the current 2014-20 programme, Scotland has been allocated €1.8bn in EU Structural Funds for Regional, Rural, Social and Marine economic development. Around one third is currently delivered by the Local Government sector, including Business Gateway and Community Planning Partnerships. COSLA’s position is that post-Brexit we will continue to need funding mechanisms for locally led, sustainable economic development. |

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| **COSLA Position: FUNDING*** We want continued access to EU Structural Funds to the end of the current funding period until 2023 either through the already agreed binding provisions of the Withdrawal Agreement or unilaterally by the UK in the event of a no deal.
* The UK Treasury and Scottish Government current formal statements reassuring beneficiaries on the spending of the current funding regardless of the Brexit date need to be made legally binding.
* We want a strong and sustainable Industrial and Regional Development Strategy supported by a funding programme (UK Shared Prosperity Fund) that takes us outside the electoral cycle and gives us regional and local discretion as well as multi-government partnerships.
* There is a continuing need for funding mechanisms for locally led, sustainable economic development which retains the positive features of the EU Structural Funds (i.e. strategic, partnership based, bottom up and have certainty beyond the term of a single Parliament).
* The existing powers for Scottish Programmes should be decided by the Scottish Government, Local Government and other partners as at present.
* The UK-wide arrangements for governance, reporting and audit of the new fund should replicate the light touch, partnership-based arrangements between the UK, Devolved Administrations and Local Government.
* The funding streams need to be rationalised and monitoring arrangements need to be simplified.
* We want the UK to opt in, as offered by the EU, to the European Territorial Cooperation Programmes (INTERREG), ERASMUS or HORIZON2020 like other non EU-Member States, with the Treasury providing funding for UK authorities participation.
* We want the potential for future access to the European Investment Bank to be explored.
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**Migration**

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| Changes to UK migration policy will have a bearing on the ability, options and approaches Councils and employers in their local areas have to recruit appropriate staff to deliver services and maintain resilient local economies. |

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| **COSLA Position: MIGRATION*** We want the future immigration system to acknowledge the wider contribution that EEA nationals make in terms of demographic profiles and the benefits they bring to communities.
* The role migration plays in Scotland is different to the rest of the UK. We authorities support the need for a flexible immigration system that considers local requirements.
* The projected increase in Scotland’s population has been due to net inward migration to Scotland. We need a system that will allow us to encourage inward migration and incentivise young people to work and settle within areas of Scotland where local populations are facing the sharpest decline.
* Any potential future immigration system for EU nationals must not be focussed exclusively on the principle that people are only required to fill temporary gaps in the labour market and should not undermine the rights and benefits that are currently available through the single market.
* COSLA and our member authorities recognise that Scotland has benefited from membership of the single market, and therefore, the continuation of freedom of movement of workers would be the most advantageous system for Scotland.
* We cannot forecast what immigration system will be put in place post-Brexit but it is crucial Scottish Local Government’s voice is represented and our needs are recognised and reflected in any potential systems.
* It is critical to ensure a steady skills supply to the business continuity of our communities.
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**International Engagement**

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| Future trade arrangements will have an impact on local businesses and economies as procurers of a wide ranges of goods and services. Local Government itself will also be impacted by the freedoms and restrictions any new framework/arrangements might bring. Scotland will remain an outwardly looking country and Scottish Local Government will continue playing a role in this. |

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| **COSLA Position: INTERNATIONAL ENGAGEMENT*** Councils are uniquely positioned to build trade and investment links with cities and regions across the world.
* We want Local authorities to be consulted over the content of draft trade agreements that will have local impacts.
* We want a strong, preferably statutory, role for Local Government in the framing and agreement of new trade arrangements.
* We also want protected right for Local Government to deliver local public services, use procurement to promote the local economy and employment, and protect the right to offer state aid to fragile and remote areas where there may be market failures.
* There needs to be joint work with UK and Scottish Government in attracting Foreign Direct Investment locally.
* The development of relationships with the local authority associations in the countries with which we hope to have trade agreements, including cooperation on International Development and capacity building needs to be explored.
* We want to participate with the UK or Scottish Government or with our international membership bodies UCLG[[1]](#footnote-1), CEMR[[2]](#footnote-2) and others in international fora such as the OECD[[3]](#footnote-3), United Nations (UN HABITAT, UN Climate Conferences), Council of Europe – including the delivery of the UN Sustainable Development Goals through the National Performance Framework.
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**Environment**

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| Local Government is the sphere of government closest to the people and makes the small decisions and actions each day that cumulatively result in shifts in the local, and in turn the wider, environment. Local Government has a crucial role in enabling, regulating and enforcing environmental policies that are designed to prevent or reduce harmful effects of human activities on ecosystems. |

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| **COSLA Position: ENVIRONMENT*** UK domestic environmental standards should continue to align with those of the EU.
* We want the Scottish Local Government to develop, with Scottish and UK Government, negotiating positions on the replacing post 2030 the EU Environment and waste, Energy and Climate targets.
* The case for simplification of reporting lines for environmental compliance and performance needs to be explored.
* We want Scottish Local Government participation in new UK-wide environmental bodies, including Environmental Justice.
* The transposition of recently agreed EU legislation and new targets on Waste, Energy Efficiency, Energy Governance should be done in partnership with Local Government.
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**State Aid**

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| As providers of financial assistance to local businesses Local Government (along with Scottish and UK Governments and the EU) provide State Aid, we are necessarily concerned that support complies with the regulations and is lawful as well as guarding against unfair advantage ensuring a level playing field across Scotland, the UK and the EU. |

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| **COSLA Position: STATE AID*** The diverse State Aid rules for Regional, General Block Exemption and separate EU state aid guidelines for broadband, research, environmental, de minimis and Services of General Economic Interest need to be simplified.
* The existing principles of robust, transparent and fair rules should continue to underpin the returned EU powers in a number of areas including procurement, environmental legislation, trading standards, energy efficiency, state aid after Brexit.
* A UK-wide competition body should be established whose oversight is independent of UK, Devolved and Local Governments, but with the aid and other guidelines being drafted by a partnership of the UK, Devolved and local government representatives.
* The UK Government should consult before agreeing to stricter state aid criteria in future trade deals with EU27 or other countries and blocks.
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**Rural Scotland**

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| Scotland’s unique countryside and rural economy, including that of fishing communities, are areas that are most significantly shaped by EU frameworks and funds notably the Common Agricultural Policy and the Common Fisheries Policy. |

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| **COSLA position: RURAL SCOTLAND*** There should be funding certainty and continuity of support for rural and fishing communities so that the amount of support they receive is not undermined by Brexit.
* We want to work with the Scottish Government and DEFRA[[4]](#footnote-4) on developing a new policy and funding framework for rural Scotland on the back of the UK Agriculture Bill, National Council of Rural Advisors, the Stability and Continuity Consultation, Vision for Rural Scotland and forthcoming work by OECD.
* The new policy and funding frameworks should allow for distinctive approaches on a Scottish and Local basis including place-based community empowerment, focus on diversification and rural services accessibility including broadband.
* Capitalise on the existing Islands and Community empowerment legislation to drive a new vision for Rural Scotland post Brexit.
* Press for future trade deals with EU27 and other countries which allow easy flow of fish and farm produce, particularly the perishable goods, and agree safeguards to ensure that seasonal and food processing workers can continue to come and work, particularly in remote areas, where domestic workforce alternatives are not available.
* Call for a new fishing policy which enables local fishing communities to have a wider access than at present to fish stocks in UK waters while ensuring a fair deal with EU27 where these resources need to be jointly managed.
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1. United Cities & Local Governments. [↑](#footnote-ref-1)
2. Council of European Municipalities and Regions. [↑](#footnote-ref-2)
3. Organisation for Economic Co-operation and Development. [↑](#footnote-ref-3)
4. Department for Environment, Food and Rural Affairs. [↑](#footnote-ref-4)