

Local Government and Communities Committee

Implications for Local Government of the United Kingdom Leaving the European Union

Written Submission from COSLA

The Convention of Scottish Local Authorities (COSLA), as the national and international voice of Scottish councils, is pleased to contribute to this consultation of the Local Government and Communities Committee.

As one of the spheres of government of the country, we are the one closest to our communities, with the budget and purchasing power equal to one third of Scottish public expenditure, and also the biggest employer in the country. We have a particular interest in the negotiations to leave the EU and their aftermath.

Equally through our support our four member councillors of the EU Committee of the Regions and the Congress of Local and Regional Authorities of the Council of Europe and our members at the Policy Committee of the Council of European Municipalities and Regions we enjoy of a significant degree of access to EU decision makers and our opposite numbers in other Member States. We work closely with them, many of whom are key players in the formulation of their Government European policy. In addition to our expectation of full inclusion in the domestic negotiations we seek on building on those European links to ensure that the case of Scottish Local Government is fully embedded in the forthcoming negotiations.

Overview

1. The Convention met the day the referendum result was announced to consider the way forward, having already agreed that the benefits of staying in the EU considerably outweighed those of leaving. There were strong feelings in favour of the rights we have gained and the relative peace we have enjoyed.
2. We are concerned that, rather than addressing the expressed remoteness some of our communities feel from important decision making, the way Brexit is being run could become another example of central decision-making taking place in a democratic vacuum.
3. While COSLA accepts that the current EU structures are imperfect, local councillors can and do influence policy, law and practice to the benefit of citizens through formal (and less formal) European arrangements we are party to. Relatively speaking, councils have had a weaker codified position in influencing the shape of UK and Scottish regulation and law.
4. To face the challenges that lie ahead we need a process that ensures, wherever possible, services are controlled and delivered by the part of government closest to the citizens, rather than from the centre. We continue to make the point that the UK is the only EU member state without constitutional protection for the right to local democracy. This needs to be embedded into our domestic law.

Additionally, if there are to be repatriated EU powers, they mustn't simply be kept at Westminster or Holyrood.

5. The exit from the EU will be the most drastic change of the constitutional order of the UK since Devolution. Devolution was designed assuming that the powers already transferred to the EU will remain there. That not being the case in the near future the repatriation of powers have the potential to unravel the existing relations between local, devolved and UK levels. We call for a comprehensive review of the power structures across the UK and, taking the lessons from the strong and weak points of the functioning of the Smith Commission to establish a mechanism to consensuate what is the right level to exercise these new powers, in line with the Principle of Subsidiarity and the recommendations of the Commission on Strengthening Local Democracy in Scotland.
6. In that respect we must recall the fact that neither the UK nor the Scottish Parliaments have transposed the European Charter of Local Self Government, an international treaty under the Council of Europe (where the UK will remain a member). In fact the UK, and Scotland, are the only jurisdictions of all the 47 Members of the Council of Europe, that have not transposed the Charter.
7. Councils want the best deal possible for our local communities' economic and social wellbeing. For us this would be furthered through continued access to the Single European Market, and the ability to move freely within the EU. Businesses in our communities need access to the key UK, EU and international markets. We also need access to migrants to work in our local communities.
8. The Convention wishes to work with both the UK and Scottish Government in formulating their positions ahead of the Brexit negotiations, and to do so in a spirit of partnership. However, we are also working with our counterparts from across the UK to ensure that the Local Government case for both devolved and reserved powers is clearly understood.
9. If a result of the forthcoming negotiations is a repatriation of EU powers this is likely to alter aspects of the UK's constitution. To prevent policy incoherence and a possible fragmentation of the UK's single market (considering state aid, procurement rules, environmental standards, funding for local economic development, farm and fisheries support and regulation), some coordination will be required across the UK. COSLA is keen to see a standing arrangement involving the four UK local authority associations, devolved governments and relevant UK departments in doing this. Such an arrangement should also be used to develop successor trade agreements, and ensure the rights to accountable local services are not undermined.
10. Lastly unnecessary restrictions on our ability to act locally should be relaxed or removed. For example, it would be good if we could have "use local" provisions in the contracts that supply school meals. We could also require a local living wage for those who work in care home services. Ideas such as this would play a meaningful role in reducing inequalities here after Brexit.

Detail

11. We are responding using the terms of reference provided by the terms of this inquiry, breaking them down in sub-sections as appropriate.

I. Brexit Impact on Local Self Government

UK-EU Negotiations

12. Scottish local authorities, like the Scottish and UK Governments, are directly bound by rights and obligations under EU law. Clearly, the forthcoming negotiations with the EU will change this relationship and in the longer term may have significant implications on the laws that we currently take for granted. We are keen that the powers and democratic nature of Local Government, as well as the best possible outcomes for our communities, are protected at the end of this process.
13. COSLA continues to make the case for Subsidiarity - whereby decisions should be made at the level that is as closest to the people. It is the centrepiece of the EU regulatory and legislative landscape. We would like to see the same principle applied when considering whether powers need to be exercised at national, devolved or local level. For the same reason our starting point is that if powers are repatriated from the EU we would be keen that the principle of Subsidiarity is fully applied particularly if prior to EU accession these were local rather than national competencies, even if a national co-ordination framework may be needed to ensure a degree of consistency is achieved across the UK, to maintain a single UK market.
14. Scotland is represented in other European organisations such as the Council of Europe. Both COSLA and the Scottish Parliament nominate two members each to its Congress of Local and Regional Authorities - whose new term starts this October. One of its key international agreements is the Charter of Local Self Government which the UK and Scottish Parliaments and Governments are bound to implement but have failed to do so— unlike most European countries. The current negotiations to repatriate powers from the EU thus present an opportunity to finally address this.
15. COSLA believes that the **appropriate mechanisms should be put in place at political and officer level so that Local Government is embedded in the Scottish Government and UK Government negotiation structures** in all areas we have a current or possible future competency in whether exclusive or shared. As mentioned above, this should include in our view, **assessment of the impact of EU liabilities, legal and financial, of each possible scenario, intelligence sharing, input into formulation of negotiating lines and negotiation discussions**. The same approach has already been confirmed by the UK Government in England for reserved areas for Scottish Local Government and for these and areas managed by the DCLG for the English Local Government Association.

16. Both the recent **Scottish Guidance on Handling EU Obligations** and the **UK Government EU Policy Statement on the Localism Act 2011** foresee that local authorities have a particular role to play in the delivery of EU obligations, and commit the UK Government to involve Local Government or representative bodies, including COSLA, ahead of and during EU negotiations. This is standard practice in Scandinavian and other Northern European countries.¹ We are keen to have an arrangement that is practical, flexible and efficient.

Impact of EU legislation in Councils

17. There have been quite a few discussions about the impact of EU law. The proportion of all Westminster Acts and statutory instruments that are explicitly EU related appears to be close to 50% in a typical year. If devolved legislation and local statutory instruments are also added, COSLA believes that the proportion could be higher. Our Finnish counterparts' own study² show that EU influences 60% of their municipalities' statutory functions.

18. However, we are of the view that as important is the **qualitative impact** that EU legislation and policy has on Scottish Local Government competences and services. A snapshot of recent pieces of EU legislation that COSLA has been working on illustrates this:

- **Services of General Economic Interest (SGEI)** - is the term used in EU law to refer to public services. The European Commission continues only to lightly observe the new EU Treaty provisions (protocol 26) that were added to limit the ability of the EU institutions to constrain the way national and local authorities define and provide public services. This also frames the vast State Aid legal framework that sets the limits for the amounts and ways under which public subsidies (to private or voluntary bodies) for the provision of public goods are deemed lawful within the EU internal market system.
- **EU Public Procurement** –sets the framework on how councils invite tenders for their services and now sets clear limits about when and how to share services between municipalities. It increasingly influences what councils can buy (such as green award criteria, social criteria). Despite the very limited cross border procurement it also includes restrictions on *buying local*.
- **Environmental Legislation (Waste, Emissions, Energy Efficiency)** - the EU sets binding targets and often requires specific commitments from local authorities. Often these proposals have a poor assessment of their impact at

¹ COSLA (2014) *Subsidiarity - Scottish Councils influencing the EU agenda*:

http://www.cosla.gov.uk/sites/default/files/documents/cosla_subsidarity_scottish_councils_influencing_eu_agenda-.pdf

² Kuntalitto (2014) *Finnish local authorities and the European Union*

A report on the EU's influence over Finnish municipalities' statutory functions, local council agendas and Helsinki city decisions. <http://www.localfinland.fi/en/association/international/eu-policy/EU%20impact%20on%20Finnish%20local%20authorities/Documents/Finnish%20local%20authorities%20and%20the%20European%20Union.pdf>

A good summary of problems of implementation of EU law by Norwegian municipalities can be found here NIBR (2008) *Lojal iverksetting eller målrettet medvirkning? Om kommunesektoren og EØS-avtalen* (English summary, p.9) http://interreg.no/wp-content/uploads/2015/08/lojal_iverksetting_malrettet_medvirkning.pdf

a local level and have ad hoc reporting obligations. While Scotland tends to have higher targets than those set at EU level, the EU definitions and reporting duties need not be the same as those defined in Scottish legislation, resulting in a degree of retrofitting of domestic law when transposing EU directives.

- **Employment and social legislation** – affects local authorities as employers of EU nationals, and in terms of community cohesion regarding the status of EU nationals in Scotland and of Scots living abroad full or part of the time. EU legislation enables social rights such as pension transfer, right to residence, employment rights and access to healthcare both in Scotland and in the rest of the EU. A good example is the Working Time Directive. It sets limits on work and rest periods affecting longstanding work practices in key public services such as fire and rescue or health and care providers. A second example is the cross-border Healthcare Directive that grants access and sets the limits to receive healthcare in other EU countries and vice versa.

19. Clearly the body of EU law is large and the forthcoming negotiations will be difficult. However, compared to other sectors, the Local Government EU negotiations need not be extremely difficult for two reasons:

- Most of the EU legislation affecting councils is by way of EU Directives, meaning they are part of the **statute** book by an implementing UK or Scottish legislative act. Thus, even if the Directive stops having legal effect in the UK, the domestic transposition legislation can remain in force.
- A significant part of existing EU legislation sets targets that are less ambitious than current Scottish ones. The crucial difference is that some of these higher domestic targets (e.g. **waste**) were set out in a less binding way than the EU ones - so the status of the domestic targets may need to be reviewed accordingly moving forward.

20. With respect of the above point two areas of particular work are the Trading Standards as most of the EU legislation is set at EU level via EU Regulations. Equally Spatial Planning and Environmental Impact Assessment, access to environmental information are highly technical and economically and environmental issues that will require particular attention.

21. In essence, at the end of the EU negotiations, what is needed is to provide a **legal safeguard at both Scottish and UK levels that confirms that obligations under EU law to councils remain in force unless another Act of Parliament says otherwise**. Early on we made the case for legal stability and welcomed the proposed Great Repeal Bill to address this. For context, a similar clause has been used over the last few decades for the progressive repatriation of powers to Commonwealth Dominions and in regime change transitions to democratic constitutions in European countries.

22. There are however a number of issues that will need to be resolved as part of the negotiations:

- a. Closure of existing liabilities, such as ongoing EU infringement procedures including outstanding fees and dues to the EU budget.

- b. Issues that require reciprocity, such as social rights of EU nationals in the UK/Scotland and of Scottish citizens when they are in the EU. Issues such as waste shipments will require specific arrangements. This will depend on the UK Government proposal for final status negotiations, at the moment unknown.
 - c. Legal adjudication and caselaw: even if the Great Repeal Bill promises to make “UK” law what is now EU law, application of interpretation of EU law is based on European Court of Justice (ECJ) caselaw and related guidance from the European Commission and the European Court of Auditors. One of the few things that the UK Government has made clear is that it will not seek to retain any form of link with the ECJ, not even as a form of dispute resolution or as a form of presumption equivalence as the Swiss Constitutional Court has agreed as per EU rules impacting in Switzerland. This creates a problem: the Great Repeal Act will create new “UK law” that will be based on EU caselaw and guidance. Will UK courts rely on the existing EU caselaw or will go back to the pre UK accession to the EEC? This is a legal question of significant importance to ensure legal certainty post ‘Brexit’.
23. The First Minister has confirmed that Scotland will continue to play its full part in EU-wide policies, most notably on climate change and sustainable development. As the EU is now formulating targets on a range of issues for 2030, consideration is needed on how best to ensure that domestic and European targets continue to be aligned, the more so as the UK and the EU are signatories of a range of related UN agreements on Sustainable Development (UN Sustainable Development Goals 2015), COP 21 Climate Agreement or HABITAT III. These now have to be transposed into UK and Scots law but also through EU law. So it will be necessary to scope how the latter will now be addressed if EU law (e.g. emissions trading, waste shipments) cease to be applicable in the UK/Scotland

II. Local Public Service regulation

EU Single Market access and Devolution

24. Brexit offers the potential to remove some of the constraints on procurement, state aid, environmental reporting and social legislation. The current EU rules were designed to be applied across 28 very different countries, rather than addressing specific local domestic circumstances. European Local Authority Associations have been critical over the disproportionate requirements of some EU legislation and regulation. The EU procurement requirements have also been criticised as being too onerous. Even the European Commission (as guardian of the EU Single Market) has recognised that procurement hardly ever takes place EU wide, with less than 1% being of a cross border nature.
25. Having said that, COSLA is equally clear that we need to have a balance - the EU rules have been helpful in restricting the amount of public funds that can be spent to avoid potential abuse and to make costly unfair trading practices unlawful. Also an advantage of the rules being at an EU level is that whether they concern procurement, state aid or workers’ rights, they can’t easily be removed by a domestic parliamentary vote. Repatriation of powers may give rise

to pressure to change these into. It would be helpful if certain rules, particularly on rights, could be embedded in a way that makes them less easy to alter.

Procurement

26. Some councils are in the process of tendering for the delivery of services funded by European programmes. Further tenders are expected for future activity. The uncertainty over the time EU funding programmes will cease in Scotland will create a further level of risk in entering into any such contracts.
27. We would be keen to look at new post-Brexit scenarios where social provisions can be put into procurement arrangements, allowing the introduction of “buy local” clauses and for public bodies to require that all providers and subcontractors pay a local living wage to their employees.
28. We expect that in the first instance the EU State Aid rules would be incorporated as UK Guidance. However, later, they could be revisited to allow greater help to be given to companies. There may be a greater need to protect and create jobs in the less prosperous areas, and offer further subsidies for public services such as ferries or island airports.

International Trade Negotiations

29. Given the UK Government will want to negotiate many trading deals it is essential that we look to some standing and preferably statutory intercountry arrangement with the devolved administrations and local authority associations to ensure that there is buy in from all parts of the UK governance bodies.
30. As we have seen with TTIP and the recently concluded Canada-EU Agreement (CETA) there are significant areas of concern over local public services and procurement obligations. Echoing what we have said in a previous Parliamentary Inquiry, we are keen that any future Trade Agreement, be they with the EU or with any other country or trading block, includes at the least the same safeguards for local public services that are currently provided by the EU treaties. The safeguards included in the CETA agreement are in our view the bare minimum that any future trade deal must cover. Nevertheless, as the recent controversy with TTIP shows, any trade agreement that touches upon local service provision requires to be negotiated with the input and expertise of Local Government. This is not the case at the moment.

III. Brexit Local Economic Policy Impacts

EU funding issues – current

31. COSLA welcomed Ministerial and UK Treasury reassurances on 3 October - further confirmed by the Scottish Government on 2 November - that the current funds will continue unchanged until the programmes finish. With agreement of the Scottish Government, councils have around a third of the £1.3bn EU Structural Funds allocated to Scotland between 2014 and 2020.

32. There are uncertainties over what will happen with the EU funds that were planned to start after 'Brexit', presumably in March 2019. This is particularly true for sums that might have been spent between 2020 to 2022 (the last years that current EU funds can be spent). Equally, even if the Scottish Government has agreed to pass the Treasury commitment in full to Councils and other bodies, this does not mean that, once EU rules are removed, the Scottish or UK Government would not set new conditions to disburse the monies. COSLA will be urging that there should be no additional home-grown gold plating and ring-fencing.
33. Equally Local Government fund managers would welcome a letter of comfort being sent to them by the Scottish Government confirming the announcements so as to formally reassure partners, contractors and staff. Coupled with an increased audit risk and a lack of a transparent and measurable delivery plan, uncertainty is starting to effect staff morale and retention.

EU funding replacement post 'Brexit'

34. The Great Repeal Act is very unlikely to cover the many rules and guidelines governing the use of the replacement EU fund arrangements. Continually being able to comply with the current requirements is crucial to prevent audit and reporting infractions further down the line while we work our way through the legacy obligations that might persist after leaving.
35. Councils would like to continue to take part in INTERREG (cooperation with other local authorities) and similar funds in the same way as our Norwegian and Icelandic colleagues do. Both participate in the Horizon 2020 programme as it has a dedicated line on innovative societal change. Ideally our colleagues would like the same for the Transport, Energy and IT funding, known as "Connecting Europe". An example is trying to access a €300 million to fund the roll out of e-government across Scotland. It would make our public administrations inter-operable and help access locals services remotely.
36. If possible, the UK should remain a shareholder of the European Investment Bank (EIB). Once the EU Structural Funds go the EIB loans may end up being the only avenue of international funding that UK public authorities will have access to. EIB lending could fund hydrogen and electric buses for example.
37. Post 'Brexit' we will need funding mechanisms for locally led, sustainable economic development. Any new UK and Scottish local economic development funding should aim to retain the main features of the EU Structural Funds. We note the announcement of the National Productivity Investment Fund (NPIF) announced in the Autumn Statement, which concentrates on infrastructure investment. However, we would want there to be something that also covers the European Social Fund dimension.
38. If we do get to have a replacement, we would wish to have clarification over how this will also deliver the non-financial benefits of the current EU funding regime – including our engagement in the design of and the seven-year time frame for the programme. By eliminating the medium term funding uncertainties and taking us beyond a single parliamentary term as well as having an avowedly strategic

nature are all really helpful and should be replicated. These new funds should also be streamlined, devolve responsibilities to the local level and reduce the complexities of different departmental agendas.

Future Scottish economic policy

39. COSLA would want a UK and Scottish industrial policy that heavily invests in the young, upskilling and retraining, and in the case of Scotland ensures that our World ranking universities are given the means to bring ideas to the market.
40. We note the recent Scottish Parliament commissioned study from the Fraser of Allander Institute, the only research so far on specific impacts of 'Brexit' in Scotland. We believe the ramifications of this and future pieces of work need to be considered jointly by the organisations supporting the affected sectors as well as the lobbying bodies for them.
41. We were pleased to attend the Scottish Government's National Economic Forum of 26 October where they outlined a paper on the EU Referendum: Reaction, Impact, Priorities and Opportunities. It gave the first indications of the preparations for the post 'Brexit' environment. We will seek to respond in detail to the issues raised there.
42. As in the past there is a significant degree of communication with the Scottish Government on rural issues. The new Cabinet Secretary, Fergus Ewing, has indicated that he will be carrying out a series of roundtables in the coming months and has specifically indicated that Local Government and COSLA will have priority engagement.
43. In some areas our members have concerns about the limited diversity of their local economies and the future impacts of Brexit on Scottish Agriculture and Fisheries, as well as access to the energy market through interconnectors to the EEA, and the workforce consequences of limiting migrants' free movement. All need to be supported, with greater investment being made into the rural and coastal communities to increase their economic resilience in the face of the uncertainties before us.

IV. Local Business impacts

Exports

44. Scottish Local Government has a key role in supporting small and medium sized enterprises through the cross-Scotland "Business Gateway", as well as local economic development activities, including employability pipe line skills training for areas where growth is expected – or indeed contraction and retraining may be required. Many businesses are dependent on exports to the EU as the core or very significant element of their sales.
45. It is uncertain how the food and drink products sold will be affected by the changes which are taking place as a result of the referendum. The uncertainty is being reported as resulting in lower confidence and forward investment. The

future of inward investment is also unclear. Scottish Local Government is likely to need further investment in its work to address labour force matters locally.

Inward Investment

46. Changes to the single market arrangements that introduce barriers to trade, produce economic uncertainty and currency fluctuations could make Scottish council areas less attractive places to work in, hampering efforts to attract investors to local authority supported projects. The impact on the commercial property market is already being felt, with overseas investment having been key to growth in this sector. The inflow of foreign investment into the commercial property sector fell 50% in the first 3 months of 2016 and has continued to decline.

Tourism

47. Tourism is a very important part of many local authorities' economies. This sector faces conflicting issues, the weakened pound may see an increase in the number of overseas visitors and an increase in domestic visitors who would now find it more expensive to travel overseas. However, it is difficult to anticipate whether Brexit will result in a less positive perceptions of the UK by potential European visitors to Scotland. An unknown will be the effect of visitors from all, or some, EU states being required to acquire visas in advance of travel. This is important given international visitors are higher spenders than domestic ones. The third matter is the high proportion of EU workers servicing the hospitality sector, the difficulty we may have in replacing them and the potential for wage inflation that might develop.

Students / Education / Research

48. Much has been said over the future of the effects of Brexit in relation to the potential weakening of the academic sector. It is not worth repeating the concerns which will be made more eloquently by others. However, we would like to mark up the need to consider the economic effects to local economies should there be a significant drop in student numbers. There has been confirmation that current students and those planning to start this autumn will continue to receive financial support (grants and loans, fee waivers etc) for the duration of their course, but there is no guarantee beyond this year. It may be useful to model, once we know better what sort of Brexit we are facing, the effects on local accommodation and housing markets.
49. We have received initial concerns that modern language students from Europe may be prevented from, or less interested in, working here and that Scottish HE students studying languages may suffer from not being able to take up placements in continental Europe as part of their degree course.

V. Potential impact on labour market issues, including migration and worker rights

Demographic impacts

50. For COSLA and Scottish Local Government, a key concern generated from Brexit is the uncertainty around freedom of movement and the very real possibility there will be a reduction of migration into Scotland from EU countries. We argue that a reduction in EU migrants will adversely impact Scotland's ability to grow its economy and in particular to provide services to our ageing population. As local leaders, we are keen that non-UK citizens of our communities maintain their rights. Scotland is a welcoming country and should remain so.
51. The 2011 Census figures for Scotland show Scotland's population at its highest ever level – nearly 5.3 million. Inward migration has had a significant part to play in this. According to the most recent Scottish projections the population could rise to 5.78 million by 2037. However, this increase is not at an even rate across Scotland. Twelve of our 32 Scottish local authorities are projected to see a decrease in their population. For example, Argyll and Bute's population is projected to drop by 13% and Inverclyde by 19%.³
52. Scotland faces a significant ageing population, with the number of people aged 75 and over projected to increase from 0.42 million in 2012 to around 0.53 million in 2022 (a 28% increase), reaching 0.78 million in 2037 (an increase of 86% over a 25 year period). Meanwhile, the working age population is projected to increase from 3.5 million in 2012 to 3.51 million in 2022 (an increase of 5%), and then decrease to 3.48 million by 2037 (an overall increase of 4% from the 2012 estimate). Again this will not be at an even rate across Scotland. Inverclyde's working age population is projected to decrease the most, by 29%.⁴ These stark figures emphasise the need for Scotland's local authorities to be able to attract a young workforce into their localities.

Workforce and labour shortages

53. The projected period of Brexit related lower growth in the UK economy is likely to interrupt the modest recovery that some areas have experienced in recent years affecting employment/unemployment levels. As stated elsewhere, the healthcare, hospitality, food processing, some agriculture, and knowledge based industries all to a greater or lesser extent rely on workers from EU countries having the right to work in the UK. Scottish Local Government is increasingly reporting shortages and gaps in skills, such as teaching, social work, and the care sector. This would be exacerbated if EU migration were to be impeded.
54. Where we directly rely on EU workers (particularly the care sector), we will need to establish the impact on the supply of current and future workers on the varied

³ Population Projections for Scottish Areas (2012-based): <http://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/sub-national-population-projections/2012-based>

⁴ Population Projections for Scottish Areas (2012-based)

Scottish labour market. Changes to immigration policy are likely to have a real effect on our ability to deliver some services.

55. Any immediate outflow of workers or future restrictions could affect the ability of employers in areas like Dundee to secure the best talent and/or recruit for hard to fill and skill shortage vacancies. Labour shortages may open up opportunities to tap into the pool of unemployed jobseekers (who may have appropriate skills).
56. Where gaps emerge, local authorities will want to take action with local employability partners to fill these. But as mentioned earlier, the workforce profile is challenging, particularly as we may not be far from 'full employment' at the moment.

Local Attractiveness

57. Scottish local authorities are acutely aware of their demographic challenges, and this is highlighted in their Single Outcome Agreements (SOAs). COSLA has carried out a review of the SOAs and population growth is a key priority for Scottish Local Government. Just under half of the SOAs state population growth as an outcome and many stipulate this as their principal outcome. Local authorities are also conscious that migrants are key to achieving a healthy population balance in their local areas. Significant work is being carried out by councils to make their area an attractive place to live and work; such as ensuring affordable housing; attracting inward investment; creating jobs, education and training opportunities; connectivity; local transport solutions; tourism; creating and promoting an attractive, high quality environment; and developing retail and leisure facilities. There are many examples of local policies specifically tailored to attract and retain migrants, such as relocation and overseas recruitment packages, community based adult and family ESOL to enable inclusion and participation in their local community; workplace ESOL to support the retention of those in local employment; a focus on drawing skills and talent from abroad to support public and private skills shortages.

Migration

58. It is not possible to forecast what immigration system will be put in place; however, we would want to be involved in its development. Crucially, if the Points Based System (PBS) was extended to EEA countries the current issues with the system will need to be recognized and addressed. COSLA has consistently voiced concerns about a system in which the aim is to reduce net migration and the bar is consistently raised to the exclusion of particular jobs and sectors (eg the care sector). We have lobbied for a more flexible system that can address the needs of the local Scottish economies and our ageing population and to accrue more policy levers to encourage people to move to Scotland. Some of the key issues we have lobbied for in recent years are: restrictions to Tier 2 visas, the reinstatement of the post-study work visa, salary weighting, and changes to salary thresholds.
59. Finally, COSLA and Scottish Local Government would like to voice our concerns for those EU nationals currently living in Scotland, and the rest of the UK, who

are now living with an increased sense of uncertainty. We have consistently acknowledged and valued the benefits these people have brought with them in terms of social, cultural and economic values.

Conclusion

60. COSLA is keen that local government concerns and competencies outlined here, as one of the spheres of governance in Scotland, are addressed as an integral part of the difficult negotiations ahead. To do this it is essential for there to be a close team working between COSLA and the Scottish and UK Governments and Parliaments to ensure that the principle of local self-governance and subsidiarity is respected throughout this process.

For further information, please contact:

Anil Gupta
Chief Officer – Communities

Serafin Pazos-Vidal
Head of Brussels Office

Convention of Scottish Local Authorities (COSLA)