

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities, the three fire and rescue authorities, and four police authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. We support the committees' decision to launch this inquiry into Wales' future relationships with the European Union at this stage and look forward to contributing further to the work of the committee as the nature of Wales' future relationship with the EU and wider European partners evolves over the coming period.
4. We welcomed the opportunity to provide oral evidence during the stakeholder event the committee hosted as part of this inquiry on Monday the 29th of January. This written submission builds on the issues we raised during that event and is also supplemented by some additional observations regarding Wales's future relationship with the EU.
5. Our response is also based on feedback received by our member local authorities as part of our second Brexit Questionnaire, issued recently to all Local Authorities in Wales to seek their views on a number of Brexit related issues. We look forward to further engagement with the committee as the planning for Brexit intensifies.

Our future relationship with the EU: Priorities for Wales

6. Wales should remain outward looking and maintain constructive dialogue with the EU in the future. Wales should also continue to have close relationships with nations and regions across the EU, and wider, which face similar challenges and opportunities.
7. Continued access to the Single Market and the Customs Union and maintaining free movement of workers and goods with minimal restrictions are key priorities for Wales.
8. Ideally Wales should continue to have access to all EU Funding Programmes that it currently accesses. Realistically, however, continued access to the following Funding Programmes will be vital for Wales, both for the remainder

of the current EU programming period (to 2020) and for the future programming period (Post 2020):

- HORIZON
- ERASMUS
- European Territorial Cooperation (Cross-Border Ireland Wales in particular)
- Creative Europe
- LIFE
- Cooperation aspects of both the LEADER element of the Rural Development Plan and the Fisheries Fund
- Themed Sectoral Programmes e.g. funding for nuclear energy, digital and young people

Continued access to the European Investment Bank will also be vital for Wales.

Wales' presence in Brussels

9. In our view a key component of Wales' future relationship with the EU is a need for a different Wales presence in Brussels. We encourage the Welsh Government to start a dialogue with all its key partners, from the wider public sector, higher and further education, private and third sector, and cultural organisations, to consider what kind of presence Wales needs to have in Brussels to maximise all the opportunities from our different relationship going forward.
10. New arrangements will need to reflect the current context of devolution in Wales, including the emergence of 4 Economic Development Regions. Future arrangements will thus need to accommodate and offer opportunities for our four Economic Development Regions to build relevant partnerships with similar areas across Europe as they deliver their respective City and Growth Deal initiatives.

Our future relationship with the EU: Opportunities for continued engagement with the EU and its institutions after Brexit

Associate and/or observer status on EU Institutions

11. The LGA has presented options for the future relationship between UK Local Government and the EU Committee of the Regions post Brexit. Welsh local authorities that responded to the WLGA's second Brexit Questionnaire all told us there should be a future relationship between UK local Government and the CoR, along the lines of the LGA's proposals.
12. The UK Delegation to the EU Committee of the Regions (WLGA & National Assembly for Wales have 2 elected representatives each) is in the process of considering a discussion paper outlining potential future arrangements that would ensure continuing links between UK Local Government and Devolved Parliaments with their counterparts in the EU 27 (notably regions bordering the North Sea, Channel and Irish Sea) and possibly Norway and Iceland.
13. The paper advocates a North West Europe Forum involving Local Government representatives from the UK, EFTA and the EU Committee of the Regions, underpinned by a North West Europe macro-regional strategy. Similar arrangements exist for other areas outside of the EU. They provide opportunities for non- EU countries to continue to benefit from some funding programmes (European Territorial Cooperation in particular), networking initiatives and other forms of cooperation. Other benefits of such an arrangement would be that UK local government and devolved parliaments are enabled to:
 - maintain a pan-European dialogue
 - debate and seek solutions to topical issues of common concern
 - influence new EU laws that may affect UK laws
 - give political direction and oversight for continuing pan-European projects and programmes
 - maintain networks and partnerships
 - facilitate continuing economic ties between regions
 - promote exchanges of experience and good practice in local and regional governance
 - promote cultural and academic exchanges

A phased approach is proposed to achieve this new arrangement as follows:

- Short term: set up a EU Committee of the Regions and UK Joint Committee for bilateral dialogue.
- Medium term: merge CoR-UK Joint Committee with EFTA Forum to enable a dialogue with Norway and Iceland to progress the North Sea and Atlantic/Channel links.
- Long term: establish a North-West Europe Forum involving CoR, EFTA and the UK, underpinned by a macro-economic strategy.

14. On many environmental matters, there is widespread acceptance of the need for a trans-boundary approach, based on minimum common standards. This is essential for the effective protection of the environment and the prevention of competitive deregulation. At present such areas are strongly governed by EU policy and legislative frameworks, with oversight by EU institutions. (For example, a common set of standards has been established for the designation and management of protected Natura 2000 sites and the conservation of habitats and species. Bathing water standards, air quality, water quality and waste would be other areas where the EU has been a driving force in setting standards). Compliance with EU requirements has also been important in meeting a range of some 40 international environmental commitments and obligations, to which the UK and/or the EU is a signatory.
15. WLGA believes that the common sets of (minimum) environmental standards in place as part of the UK's membership of the EU should be retained in domestic law post-Brexit. The UK government has given a commitment that environmental standards will not suffer as a result of Brexit. All four UK governments will therefore need to work together on new domestic governance arrangements to replace functions currently carried out by EU institutions in securing compliance with these common standards. At present, when a Member State breaches EU law, the European Commission refers the case to the Court of Justice of the EU – a process that can ultimately result in fines for non-compliance. A mechanism for dispute resolution (and for agreeing derogations) will also need to be agreed between the UK and the EU to deal with those cases where questions over the acceptability of new standards are raised.
16. There is obvious merit in any new UK institution(s) set up to take on roles currently undertaken by EU institutions establishing close working relations with the existing EU bodies. For example, the European Environment Agency is an agency of the EU that has 33 member countries and six co-operating countries. It already works closely with national environment agencies and current reporting requirements ensure that there is transparency in the comparability of national performance.

17. Crucially, in establishing any new institutions there must be respect for the devolution settlement. In addition, strengths and expertise in the devolved nations in relevant areas (including Universities etc) need to be taken into account when establishing a new body(ies) and considering where it is (they are) located. The ability to continue to participate in EU research projects that can help to inform future environmental policies is of clear relevance here too.

Continued involvement in all EU and non-EU Organisations, Associations, Partnerships and Networks

18. Wales should continue its engagement with all existing EU and wider Associations, Partnerships and Networks. Participation in these will become more important after Brexit as it will enable Wales to continue to influence key EU legislative and policy developments and access funding from some programmes. Of particular importance to Wales is ensuring continued involvement in the following organisations:

- CEMR (Council of European Municipalities and Regions; WLGA members)
- CPMR (Conference of Peripheral Maritime Regions; Welsh Government members)
- Council of Europe (WLGA and National Assembly for Wales members)
- Eurocities (Cardiff Council members)
- European Network for Rural Development (Wales Rural Network members)

The Welsh Government to commit to the European Charter of Local Self Government and the principle of subsidiarity

19. The presumption is that power is transferred to the level of government closest to the people. Such a commitment could be incorporated within a concordat between Welsh Government and local government.
20. Furthermore, as Brexit progresses and EU powers are 'repatriated' to the UK, the WLGA would argue that, following such a principle, relevant powers should be devolved not only to Wales and the National Assembly, but also to local government where appropriate.

Develop new relationships

21. It will also be important for Wales to develop relationships with new organisations, associations and networks as follows:

- EEA (European Economic Area)
- EFTA (European Free Trade Association)