



David Lammy MP
House of Commons
London
SW1A 0AA

Your ref:

Date: 26th January 2011

Our ref:

Direct dial: 020 8489 2687

Email: Nilgun.canver@haringey.gov.uk

Dear David,

I am writing to express my deep concern with the EU Fines section of the Localism Bill, which will be scrutinised in Commons Committee over the next few weeks. The proposal to give Ministers the power to fine local authorities as a consequence of fines being passed down to the UK by the European Union is unfair, unworkable, dangerous and unconstitutional, as I set out below. I urge you to take action to oppose it as the Bill progresses through Parliament.

1. The policy is unfair. Real influence at European level lies with UK Government which negotiates, and signs up to, EU laws and targets. On issues such as air quality, Government never made clear in national law, which councils work towards, that this was related to EU law, or subject to an EU fine. This legislation would therefore completely change the nature and scope of agreements previously made between councils and the national government. It is especially concerning that there has been no consultation with local government at all on this.
2. The policy is unworkable. In many cases, such as with air quality, it would be impossible to accurately attribute liability for fines between countries of the UK, and then between individual English and Welsh councils. There are also numerous mitigating factors that mean that local fines would be impossible to accurately assess and fairly distribute.
3. The policy is dangerous for local economies. We are already struggling to protect vital public services following an exceptionally tough financial settlement. The possibility of our being forced by Ministers to pay EU fines, especially when these cannot be distributed fairly, will create new financial uncertainty that makes future economic planning much more difficult. The UK is potentially facing, for example, a £300million EU fine for breaches of air quality targets. At local level this translates as a £15 annual increase on your constituents' council tax bills. The legislation would also apply to any laws passed by the EU in the future.
4. The policy is unconstitutional. It would put in place an entirely new regime for the Government to impose fines on councils extra-judicially through executive action. This is an unprecedented creation of new and unwarranted powers for the Government at a time when they have promised to remove financial shackles and improve the ability of local authorities to plan for their futures, and must be challenged. There is a significant danger that the imposition of fines could lead to costly and unnecessary legal battles.

It is important to be clear that any argument suggesting this is a localist policy is nullified once the above issues are taken into account, in particular the arbitrary powers for unfair fines to be passed down from the centre, and the fact that so many issues relating to European legislation at the local level are out of the hands of local authorities.

I would like you to write to Greg Clark MP, the Decentralisation Minister, to set out our concerns and those of the sector as a whole, and to let me know of any response you receive. The Local Government

Association will be campaigning for its complete removal, and I would also urge you to register your support for any amendments made at Committee Stage or beyond to strike this section from the Bill.

I look forward to hearing from you.

Best regards,

A handwritten signature in black ink, appearing to read 'N Canver', with a stylized flourish at the end.

Cllr Nilgun Canver
Cabinet Member for Neighbourhoods

LGA European and International Programme Board Member

UK Delegate to European Union 'Committee of the Regions'