

2011 budget, other sections: guidelines

2010/2003(BUD) - 04/03/2010

The Committee on Budgets unanimously adopted the report drawn up by Helga TRÜPEL (Greens/ALE, DE) on the guidelines for the 2011 budget procedure for the other institutions. It recalls that the ceiling for heading 5 in 2011 is EUR 8.415 billion (representing an increase of EUR 327 million, or 4%, compared with 2010, including 2% for inflation). Members recall that the European Parliament's budget for 2010 amounts to EUR 1 607 363 235, representing 19.87% of heading 5 for this year before the revision of the 2007-2013 MFF (which lowered the ceiling of heading 5 by EUR 126 000 000 in order to contribute to the financing of the European Economic Recovery Plan), and 20.19% after that revision.

The report points out that the entry into force of the Lisbon Treaty, notably the single budget reading by each of the two arms of the budgetary authority, followed by a conciliation meeting with a view to arriving at a final budget, will require even closer cooperation and dialogue among all the institutions throughout the whole procedure, including the presentation of realistic estimates in due time. Members point out that the circumstances under which the **2010 and 2011 budgets will be adopted are quite exceptional and challenging**, since, on the one hand, successful implementation of the Lisbon Treaty is a major priority that will also be challenging financially, while, on the other hand, the effects of the financial crisis are still very present in many Member States, resulting in a **political dilemma** at EU level. The report notes that the institutions may encounter problems in reconciling the financing of all needs with their desire to maintain budgetary discipline and self-restraint in order to comply with the multiannual financial framework.

Members also note that a number of administrative areas are financed outside heading 5 and request that all administrative expenditure be included in that heading, and that the ceiling be revised accordingly. Therefore, they reiterate the belief that **priorities will have to be set** and that core activities should be prioritised.

Moreover, the committee reiterates its conviction that **interinstitutional cooperation** is essential in order to exchange best practices and explore further the scope for improving effectiveness and efficiency and, where possible and appropriate, identifying savings and sharing resources better as regards in particular **building policy**. In this context, it calls on the other EU institutions likewise to develop medium- and long-term buildings strategies. Members take the view that, in this context, cooperation with other institutions in working towards the harmonisation of such information in order to allow a comparison of building space and costs should be considered a key issue. They point to the need for a specific report and possible recommendations concerning unnecessarily high maintenance, renovation and purchase costs.

European Parliament: as regards the Parliament's own budget, Members underline the fundamental challenge of managing a number of uncertainties in relation to the 2011 budget, which will make precise forecasts and budgeting extremely difficult until the very late stages of the procedure. They call on relevant EP bodies and the administration to make available, in due time, a set of basic scenarios able to facilitate the taking of final political decisions by affording a better understanding of the corresponding financial consequences. The committee expects the Bureau to submit **realistic requests** when presenting the estimates. It is prepared to examine the Bureau's proposals on a wholly needs-based and prudent basis in order to ensure the appropriate and efficient functioning of the institution. It emphasises that **legislative excellence** is Parliament's priority, and highlights the need to provide the institution with the necessary means to achieve it. Members consider that measures to make the **Lisbon Treaty work effectively** are a crucial priority for the 2011 budget, and that this will necessitate the best possible management of available resources in order to make a success of the exercise.

Other budgetary elements to be taken into consideration can be summarised as follows :

- **New expenditure:** Members note that since 2006, Parliament has had to include expenditure not foreseen in its self-imposed 1988 declaration, such as the Statute for Members and direct and indirect expenditure related to its new role following the Lisbon Treaty. They highlight the need for an open and in-depth discussion on the current, self-imposed 20% threshold, which applies to the level of the European Parliament budget. The Bureau and the Committee on Budgets should work together to re-assess this limit before opening an interinstitutional dialogue on the issue. They take the view that, on the basis of the original MFF references negotiated in 2006 and in force since 2007, its expenditure should be established around the traditional 20% limit, taking into account the needs of the other institutions and the available margin.
- **Services allocated to Members:** the committee cannot stress enough the fundamental principle that all Members should enjoy equal access to comprehensive, high-quality services allowing them to work and express themselves and to receive documents in their native language.
- **Europarl TV:** Members request information about its viewing figures and viewers' geographical distribution and age range.
- **Zero-based budget policy:** Members await a reply from the competent bodies as to how the concept of a zero-based budget policy, which also distinguishes between fixed and variable costs, can be applied in the context of the EP budget procedure. They call for the Bureau to submit annual estimates of these fixed costs for the years corresponding to the MFF.
- **Financial impact and new accredited parliamentary assistants:** the committee calls for an evaluation of the use of secretarial assistance allowances and an assessment of the total cost of the increase currently awaiting approval from both arms of the budgetary authority. It recalls that wider cost implications should always be assessed in relation to new measures introduced, for example when deciding on schemes for staff and accredited parliamentary assistants for both 2010 and 2011. It especially underlines that, if additional assistants were to be recruited in Brussels, this would have an impact on the situation as regards office space, building maintenance and security, IT equipment, human resources for dealing with administrative tasks, and general facilities. The committee insists on the need for long-term planning of its buildings policy in order to ensure the sustainability of the budget.
- **Parliament's building strategy:** Members call for the development of a medium- and long-term buildings strategy that includes the following objectives: (i) establishment of guidelines for the planning and development of buildings; effective use of existing office and other space; (ii) an accurate needs assessment and the provision of proper working conditions for Parliament's staff and MEPs; (iii) an effective strategy for building upkeep, maintenance and renovation, so as to prevent any recurrence of incidents such as the one at Parliament in Strasbourg in 2008 or problems in relation to asbestos; (iv) a rigorous review of liability issues, including the process of determining liability, and the pursuit of claims for compensation in respect of damage for which third parties are liable, as well as strict and transparent adherence to procurement procedures; (v) for the medium- and long-term buildings strategy to be geared to sustainability, and for factors such as environmental friendliness, energy efficiency and health to be taken into account. The report points out once again that the Committee on Budgets sees the acquisition of buildings as taking priority over expensive rental or leasing arrangements.
- **Follow-up and expense analysis:** Members emphasise the need for continuous follow-up and analysis of Parliament's budget implementation in general. They recall, in this context, the negative media coverage resulting from subsidies being given to relatives of Parliament staff members, and calls for the Secretariat to scrutinise in advance any subsidising of event-type activities and bring it to the attention of the committee responsible.
- **House of European History:** the report underlines the need to receive a complete financial statement concerning the House of European History once the architects' competition has been completed, as otherwise there will be no possibility of an in-depth assessment of the long-term costs in terms of Parliament's buildings strategy and budget.

Other institutions: the committee calls for realistic and **cost-based budget requests**, which take full account of the need to manage scarce resources in an optimal way and must be presented in good time. It takes the view that it may be advisable to request information about, and to compare, the other institutions' systems for various types of remuneration, allowances and travel costs. The committee wishes to follow up on last year's priority of better sharing of the available resources among all the institutions, including the concrete measures taken in the area of translation, and considers that the area of interpretation could also be looked at once again in this context. Members even suggest that the same kind of operation be called out for 2011 in the field of interpretation.

Salaries: lastly, Members point out that, with regard to the staff salaries adjustment and the pending court case, the additional cost for all the institutions may be estimated at some EUR 135 million (for the period from July 2009 to 31 December 2010) if the Court were to rule in the Commission's favour. They note that this ruling is expected in 2010, but does not exclude the possibility that it could be delayed until 2011.