

# 2011 budget, other sections: Parliament's estimates of revenue and expenditure for the financial year and the budget

2010/2005(BUD) - 28/04/2010

The Committee on Budgets adopted a report drafted by Helga TRÜPEL (Green/EFA, DE) on the estimates of revenue and expenditure of Parliament for the financial year 2011, which currently amounts to **EUR 1 710 547 354**, which represents an increase of 5.5% in comparison with the 2010 budget and a percentage of 20.28% of Heading 5 of the multiannual financial framework (MFF). Members consider, however, that certain issues need to be clarified, before the final budget is established in autumn 2010.

**The issue of the 20% limit of Heading 5 of the MFF:** Members recall that, on the basis of the original MFF references negotiated in 2006 and in force since 2007, Parliament's expenditure should be established around the traditional 20% limit of Heading 5 (administrative expenditures) of the MFF. They indicate that this limit is in the process of being reassessed by Parliament's Bureau and the Committee on Budgets. In this regard, they seek clarification on the mid-term financial programming for heading 5 and the projected margins ( EUR 109 million for 2011, EUR 102 million for 2012 and EUR 157 million for 2013), even if the financial programming is only a non-binding indicative planning tool and that the budgetary authority takes the final decisions. In the meantime, Members do not oppose the principle reasoning of a **1% share of the budget as a reasonable contingency reserve for unforeseen expenditure**, limited (given the very restricted situation in heading 5) to **EUR 14 million**. Members indicate, moreover, that in the context of the case on salaries pending before the Court of Justice, the total 'effect' for Parliament in 2011, which could amount to some EUR 12 million in the event of a ruling in the Commission's favour, is included in the proposal

**Lisbon Treaty-related matters:** Members approve several Bureau proposals concerning, in particular, the creation of a specific reserve for the arrival of the 18 additional new Members, at EUR 9,4 million, as well as its proposal on reinforcing expertise to contribute to the objective of legislative excellence. They also support proposals to increase Parliament's staff (e.g. 28 posts in the library). They consider, however, that a further strengthening in terms of funds and human resources of the existing information services should go hand in hand with the development of a user-friendly system, which would allow Members to have easy access to all the information produced in the house. Some of the funding of these posts would thus be placed in reserve pending further justifications on how these posts would be used to improve expertise services for Members.

**Enlargement:** overall, Members welcome the provisions for enlargement to include Croatia and approves the corresponding appropriations and staffing measures. They note that a total of 180 new posts will be created but call for more information about the posts that will be redeployed or transferred. They also call for more information regarding the allocation of contract agents' appropriations and an overview of net-costs or net-savings to the contract agent's envelope, resulting from granted increases to its establishment plan, especially in relation to internalisation of various functions in the fields of security, ICT and library.

**Buildings:** Members welcome the fact that the Bureau has followed up on Parliaments request for a medium- to long-term property and buildings policy. Members express their concern about the feasibility of pursuing in parallel all current and planned building operations that could emanate from the medium to long-term building strategy. They note that **it is not clear over how the multitude of projects fit in with the MFF** and ask for the necessary clarifications. Noting the Bureau's proposal to utilise EUR 85.9 million of assigned revenue (to be used within the area of Parliament's buildings policy) for Members'

offices in Brussels, they recall that any building project likely to have significant financial implications for the budget is subject to consultation of the budgetary authority. This is why even if they welcome the fact that Parliament, through the reimbursement of the same sum of EUR 85.9 million by the Belgian State will be in a position to bring forward new building projects, they do not consider that this revenue should be directly used for this particular building project in Brussels. In the future, the necessary funding for the medium-term property plan would have to be entered in the budget and a special budget line would have to be created for large-scale property projects, in order to facilitate medium-term financial planning. Noting also that a provision for a direct pre-financing of the initial stage of the construction of the new KAD building has been made for an amount of EUR 10.2 million, Members recognise that such a voluntary pre-financing would help reduce the financing costs but, taking into account the extremely tight situation for 2011, they have decided to enter a lower amount of EUR 6.2 million for this purpose in the estimates. In autumn 2010, this amount will be reassessed based on an update of the budgetary situation and developments in Parliament's building policy.

**Security:** recalling the importance of Parliament's security policy, as well as the prudent use of resources, Members call for a good balance to be maintained between security concerns on the one hand and accessibility and openness on the other hand. They stress that **Parliament should remain as much as possible an open and accessible institution** which is why they want to receive more information concerning the so-called "Wiertz project" in order to assess its implications relating to the accessibility of Parliament for the public.

**ICT strategy:** Members welcome the more structured approach to ICT and also reiterate their support for a sufficient internalisation of functions to reduce the dependence on external providers. They also call for a clarification of the precise purpose of the EUR 5 million earmarked for a Members' IT mobility project given the relatively high amount in question.

**Environment-related matters:** Members welcome the CO2 reduction measures and the overall reduction in Parliament's carbon footprint. However, they wish to be kept better informed about the footprint of each of its buildings in Strasbourg, Brussels and Luxembourg and the impact of session-related travel and transport, so as to present the current results of reducing Parliament's carbon footprint and to illustrate the beneficial impact on the environment as a result of these investments. They fully support the incentives to use public transport instead of cars and the availability of more bicycles in Strasbourg. They also suggest that modes of transport other than air travel in business class from and to Parliament's places of work should be encouraged in order to make further savings and to further reduce Parliament's carbon footprint.

**Multi-annual projects and other items of expenditure:** Members welcome the steps taken to enable them to invite, on an individual basis, more visitors to Parliament. They also approve the EUR 3 million budgeted in relation to the opening of the visitors' centre and point out the need to evaluate the initial year also from a financial point of view, including these running costs. They raise the question of the introduction of allowances for **office holders** with a budgetary impact of EUR 400 000. As discussion on the principle is controversial, Members call on the office holders to provide supporting documents in order to be reimbursed for extra costs incurred in the performance of their duties. They also call for a clear overview of the costs envisaged for the **House of European History** project as a whole, including administrative costs.

**Horizontal issues:** Members welcome the inclusion of an initial analysis identifying fixed and variable costs in the budget proposal. They await a reply from the competent bodies as to how the concept of a **zero-based budget policy**, utilising this distinction between fixed and variable costs, could be applied in the context of the Parliament's budget procedure. Although Members support activities that have a social, cultural or linguistic dimension, for staff and their families, they disapprove of **individual subsidies** given in that context and consequently modifies the remarks to the relevant budget item. Lastly, they underline that a more detailed examination of individual budget items, including an analysis of implementation rates, should take place before the vote on the draft budget in the autumn.

It should be noted that, in an annex to the draft resolution, Members approve the conclusions of the budgetary trilogue of 25 March 2010 as adopted by Parliament, the Council and the Commission. In these conclusions, the three institutions take note of the concerns expressed by the Registrar of the Court of Justice and by the Secretaries General of the Court of Auditors, the Committee of Regions and the Economic and Social Committee on the new budgetary procedure and especially on the Conciliation Committee. The trilogue calls on these institutions to send directly in writing to the Conciliation Committee their remarks on the impact of the Council's position and the European Parliament's amendments.