

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

2010/2005(BUD) - 18/05/2010 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted a resolution on the estimates of revenue and expenditure of Parliament for the financial year 2011.

General framework and overall budget: Parliament underlines that the level of the Parliament's budget for 2011 will, at this stage, amount 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). Parliament considers, however, that certain issues need to be clarified, before the final budget is established in autumn 2010.

The issue of the overrun of the 20% limit of Heading 5 of the MFF: Parliament recalls 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. It indicates that this limit is in the process of being reassessed by Parliament's Bureau and the Committee on Budgets. In this regard, it seeks 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, it indicates that significant (potential) projects and staff developments are already included in this programming for the next two to three years. It does 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**. It indicates, 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: Parliament approves several Bureau proposals concerning, in particular, the creation of a specific reserve at EUR 9.4 million for the arrival of the 18 additional new Members **in application of the Lisbon Treaty** and its proposal on reinforcing expertise to contribute to the objective of legislative excellence. It also supports proposals to increase Parliament's staff (e.g. 28 posts in the library). It considers, 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. Parliament also considers that visibility of the institution's support services should be strengthened, in particular via the internet.

Enlargement and creation of new posts: Parliament welcomes the provisions for enlargement to include Croatia. It notes that a total of 180 new posts will be created (62 of which are linked to enlargement) but calls for more information about the posts that will be redeployed or transferred. It decides to place part of the amount for the creation of these posts in a reserve pending the receipt of detailed information. It also calls for further information on the allocation of contract agents' appropriations.

Buildings: Parliament expresses its 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. It notes

that **it is not clear over how the multitude of projects fit in with the MFF**. Further details are awaited in this regard. 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, it recalls 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 it welcomes 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, it does 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, Parliament recognises 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, Parliament calls for a good balance to be maintained between security concerns, on the one hand, and accessibility and openness, on the other. It stresses that **Parliament should remain as much as possible an open and accessible institution**.

ICT strategy: Parliament welcomes the more structured approach to ICT and also reiterates its support for a sufficient internalisation of functions to reduce the dependence on external providers. It also calls 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: Parliament welcomes the CO2 reduction measures and the overall reduction in Parliament's carbon footprint of 13%. However, it wishes 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. It fully supports the incentives to use public transport instead of cars and the availability of more bicycles in Strasbourg. It notes that the budget item for Members' travel costs is actually higher than the one for salaries. It underlines the need for responsible use of allowances, notably travel allowances, and points out that, without changing the current rules and by using, where possible, other means of transport than business class air travel 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: Parliament welcomes the steps taken to enable Members to invite, on an individual basis, more visitors to Parliament. It also approves the EUR 3 million budgeted in relation to the opening of the visitors' centre and points 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, Parliament calls on the office holders to provide supporting documents in order to be reimbursed for extra costs incurred in the performance of their duties. It also callq for a clear overview of the costs envisaged for the **House of European History** project as a whole, including administrative costs.

Horizontal issues: Parliament welcomes the inclusion of an initial analysis identifying fixed and variable costs in the budget proposal. It awaits 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 it supports activities that have a social, cultural or

linguistic dimension, for staff and their families, it disapproves of **individual subsidies** given in that context and, consequently, modifies the remarks to the relevant budget item. Lastly, it approves the conclusions of the budgetary trilogue of 25 March 2010 on the new budgetary procedure.