

Budgets



James Elles MEP
Budgets Spokesman

James Elles, Conservative Spokesman on the Budgets Committee of the European Parliament, was Rapporteur (the person appointed to steer a measure through Parliament) for both the 1996 and 2007 Budgets, which firmly encouraged a ‘value for money’ approach. Recognised for his key role in the downfall of the Santer Commission in 1999, his action in this affair was summed up by the European Parliament’s newsletter: ‘James Elles has become the unsung hero of Parliament’s challenge to the Commission, the man who was in at the birth and the kill of the two-year campaign to establish Parliament’s authority over the way public money is spent.’ James has been a Member of the European Parliament’s Committee on Budgets since 1984.

Setting the Scene:

There are huge contrasts in the international arena today. Countries in Asia have double digit high growth rates and are accumulating vast reserves of capital. In contrast, the United States has had its AAA rating downgraded following intensive political discussions on how to raise the ceiling for its national debt, currently standing at around £15 trillion.

Furthermore, the economic situation in the European Union is of deep concern with many Member States saddled with unsustainable levels of debt and interest payments. Some remain in particularly perilous positions, with Greece existing day-to-day on handouts from other Eurozone members.



James Elles MEP and Neelie Kroes, European Commission Vice President with responsibilities for the Digital Agenda, at the tenth anniversary of the European Internet Foundation, of which James is a co-founder

It is against this backdrop that Conservative MEPs within the European Conservatives and Reformists Group (ECR) have been leading calls for a freeze on European spending, maintaining the level agreed upon for 2011. For this reason, James and Conservative MEPs voted against a resolution setting a mandate for negotiations with the Council of Ministers and European Commission on the 2012 Draft Budget for the European Union.

Budget Commitments of the Coalition Government

- We will strongly defend the UK’s national interests in the ongoing budget negotiations for 2012 and agree that it should only focus on those areas where the EU can add value.
- We recognise that the EU Budget cannot be immune from the financial and economic pressures being faced by Member States.
- We will make sure that every Euro spent at an EU level delivers on the principles of effectiveness, efficiency and economy, ensuring value for money for UK taxpayers.
- We will be calling for ‘a thorough review of administrative expenditure – the EU staff regulations must reflect both the austerity measures in the Member States and the demographic challenges faced by the Union’.

The 2012 Budget

General Principles

The EU Budget cannot remain immune from the financial and economic pressures faced by Member States, and the Conservatives take the view that the difficult economic situation across the Union makes it more important than ever to ensure proper implementation of the EU Budget, quality of spending and optimal use of existing Community financing.

The European Commission has been asked by the Parliament in a recent resolution concerning the discharge of the Budget, that it 'undertake urgently during 2011 a comprehensive review of all areas of activity to ensure all expenditure is delivering value for money in order to identify possible savings which could reduce the pressure on the Budget in this period of austerity'.

Our position is clear. That the Budget should focus on those areas where it adds value, indeed increases in these areas are not unwelcome, provided they are offset with reductions in, and reallocations from, more wasteful areas. The policy areas where Conservatives are calling for a concentration in spending, believing that they represent value for money, are the single market, international trade, trans-border energy and infrastructure projects, science, research and innovation.



Specific Actions

James has taken the lead on this front in the Budgets Committee, successfully ensuring that the resolution on Parliament's guidelines for the 2012 Budget enshrined, as a core principle, the idea that a thorough review should be undertaken of those lines which have a history of low outturn or where problems have consistently arisen in implementation so that cutbacks can be identified.

To ensure this commitment would be followed up, James has tabled over 60 questions to the European Commission over the summer, focussing on lines where implementation in the 2011 Budget was weakest. These answers have shown that more than €2 billion can be cut back from the Commission's proposals for the 2012 Budget without affecting the running of existing policies.

Budgetary Control and the Discharge

In the area of budgetary control, the EU's books have, for the 16th year running, not been approved by the Court of Auditors. Some progress has been made but is still insufficient. This issue needs to be tackled urgently and vigorously, in particular by the Member States where over 80% of EU money is spent.

We are promoting reform of the management of EU funds at a Member State level, for example, requiring national audit offices to audit and sign off EU funds spent by local and national authorities, with stiff penalties for those who fail to comply with agreed standards. The current reform underway of the rules governing the spending of EU money, known as the Financial Regulation, provides a good opportunity to ensure further improvement. 🍏



James in the plenary chamber of the European Parliament.