Dear Bill

**Doc. 2011/0455 (COD); PE-CONS 60/13: Regulation of the European Parliament and of the Council amending the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union**

I am writing to provide you with a further update on the EU staff regulations dossier, which was the subject of an Explanatory Memorandum of 16 January 2012, an exchange of correspondence on 4 July 2012, 26 November 2012, 7 May 2013 and 24 July 2013, and the European Scrutiny Committee's latest report of 23 October. Your Committee is currently retaining this document under scrutiny and has requested a debate take place once the additional information and a supplementary Explanatory Memorandum requested in the 23 October report have been received by the Committee.

I will write shortly with the additional information that your Committee requested, but in the meantime, and further to my letter of 24 July which outlined the content of the compromise text that came out of the trilogue discussions, I can now confirm that, as anticipated, the package was approved at the Transport, Telecommunications and Energy Council on 10 October 2013. This was despite the UK, the Netherlands, the Czech Republic, Austria and Denmark voting against. After being signed by the President of the European Parliament and the President of the Council, the legislative act will be published in the Official Journal of the European Union.

As I have confirmed before, this package was a disappointment in that it did not go far enough to reform the EU civil service. In light of that, the UK tabled a joint statement with the Netherlands, Czech Republic, Austria and Denmark at the Council. The text of our statement is:
As Council votes on the Staff Regulations today, it is a good opportunity to reflect on the negotiations and the next steps. The delegations which voted against the Presidency compromise want to outline why they did so and their hopes for the future of the EU civil service.

The review of the Staff Regulations was an opportunity to modernise the EU civil service, to rein in administrative spend and to ensure that the EU Institutions will be able to afford their future commitments on pensions and salaries. This is an opportunity that only comes every few years. Unfortunately, after nearly two years of intensive work by all parties, and despite broad agreement for those objectives, our delegations felt that the compromise presented did not match the comprehensive reforms which many Member States are already delivering in their domestic civil services. All of our public services are changing and the EU civil service will be left behind at its peril. A modern, effective and dynamic civil service is vital for the EU to be able to deliver on the important issues which matter to our citizens. We should not under-estimate how strongly the public’s support for the EU is linked to their perception of the EU Civil Service. In the next few years, we will continue to work constructively to ensure that EU citizens have the EU civil service they should expect, one that reflects our 21st century EU and one that the EU can afford to maintain.

The Commission are likely to need to propose further amendments to the Staff Regulations before the next Multiannual Financial Framework in 2021. In the meantime, this Government will continue to fight against unnecessary administrative spending at every opportunity; most frequently through the annual budget negotiations. As the Committee is aware, the Staff Regulations determine spending on pay, pensions and allowances which together comprise 70% of EU administrative spending in MFF Heading 5. Nevertheless, the annual budgets will be an essential tool for ensuring that other areas of administrative spending are restrained, that the reforms agreed as part of the updated Staff Regulations, such as the 5% headcount reduction, are being met, and for making certain that the Institutions are not falling behind their own targets for reform.

I hope this letter provides a useful update for your Committee.

I am copying this letter to Lord Boswell, Chairman of the House of Lords European Union Select Committee, Les Saunders at the Cabinet Office, Sophie Middlemiss and Magdalena Williams, FCO Departmental Scrutiny Co-ordinators, and Una Ryan, FCO Select Committee Liaison Officer.

RT HON DAVID LIDINGTON MP