

## **Britain has now paid more than half a trillion pounds to the EU**

### **Abstract**

Using HM Treasury forecasts for the UK's future contributions to the EU budget, it is estimated that:

- By the end of 2015, the UK's total contributions to the EU will have surpassed half a trillion pounds.
- Over the next five years, the UK is set to pay a further £96 billion to the EU, with total contributions hitting £600 billion in 2020.

ONS figures show the significant amount of money the UK has been forced to give to the EU over the last 40 years:

- Between joining the then EEC in 1973 and 2014, the UK paid £484 billion into the EU budget (nominal payment as adjusted by the official Government deflator).
- In 2014 alone, Britain's gross contribution to the EU budget was £19.1 billion, half of England's Dedicated Schools Grant, four times the UK's science budget and over 56 times more than the budget for the NHS' Cancer Drugs Fund.

Claims by successive British Governments that they have cut the UK's contributions have proved to be misleading. The EU's budget is still increasing in cash terms and Britain has a legal obligation to honour any payments that are demanded by the EU but has no control over what those payments will be. Britain's contributions will remain very high over the coming years while remaining vulnerable to sudden budget demands, such as the recent £1.7 billion 'surcharge'. The money that we now send to the EU will be better spent when we take back control.

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EU budgets are notoriously complex, determined by a mix of seven year spending limits (the Multiannual Financial Frameworks or MFFs) and of individual annual budgets set within this framework. The UK has a veto in the Council of Ministers on the MFF but the annual budget is agreed in the Council via Qualified Majority Voting, allowing the UK to be outvoted.<sup>1</sup> The European Parliament must also approve both the MFFs and the annual budget, making reform even more difficult. Budget contributions are determined by a number of factors, including economic projections for the 28 member states and are subject to administrative reviews (which recently resulted in the UK having to pay a £1.7 billion 'surcharge'). The result of all this is that the UK Government does not have control over the level of its payments to the EU budget and will likely see its payments increase over the coming years.

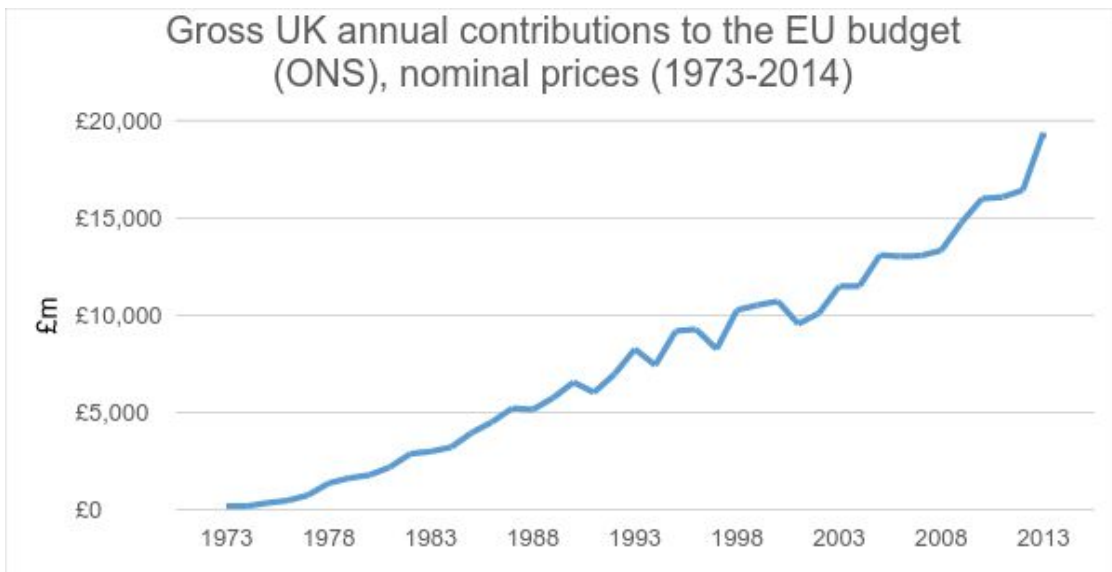
### **The UK is one of main contributors to the EU budget**

The ONS provides details of the UK's contributions. It is useful to look at gross figures, as the UK Government has very little say over how EU funds are spent in the UK (the EU itself states

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<sup>1</sup> Treaty on the Functioning of the European Union (TFEU), art. 312(2) and art. 314.

that ‘funding is managed according to strict rules to ensure there is tight control over how funds are used’).<sup>2</sup> Most EU funds are used to promote EU policies.<sup>3</sup>



Source: ONS

By adjusting the contributions for inflation via the Government’s own GDP deflator (see Annex I), it can be seen that the total amount the UK paid into the EU between joining in 1973 and in 2014 has been £484.2 billion (gross) in 2014 prices. In 2014 alone, the UK sent £19.1 billion (gross) to the EU. This was half of the Dedicated Schools Grant in 2015/16 (£40.1 billion) and over 56 times larger than the 2015/16 NHS cancer fund (£340 million).<sup>4</sup>

### The UK’s contributions surpassed half a trillion pounds in 2015

Official figures for the UK’s contributions to the EU for the calendar year 2015 have not yet been published. Nevertheless, it is possible to estimate the UK’s contributions to the EU for 2015 and subsequent years using HM Treasury forecasts. Full details are provided in Annex II.<sup>5</sup> These forecasts indicate that by the end of 2015, the UK will have paid over £503.3 billion (gross) to the EU. The forecasts also suggest that the UK will pay a further £96 billion to the EU between 2016 and 2020, with total contributions reaching £599.7 billion (gross) in 2020.

### The EU budget will increase

<sup>2</sup> EU, ‘EU funding’, <[http://europa.eu/about-eu/funding-grants/index\\_en.htm](http://europa.eu/about-eu/funding-grants/index_en.htm)>.

<sup>3</sup> EU, ‘EU funding’, <[http://europa.eu/about-eu/funding-grants/index\\_en.htm](http://europa.eu/about-eu/funding-grants/index_en.htm)>.

<sup>4</sup> BIS, ‘Science and research budget allocations for financial year 15/16’, (2014)

<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/278326/bis-14-p200-science-and-research-budget-allocations-for-2015-to-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278326/bis-14-p200-science-and-research-budget-allocations-for-2015-to-2016.pdf)>; HM Government, ‘Dedicated schools grant (DSG) 2015 to 2016’, (17 December 2014)

<<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2015-to-2016>>; NHS England, ‘NHS increases budget for cancer drugs fund from £280 million in 2014/15 to an expected £340 million in 2015/16’, (12 January 2015)

<<http://www.england.nhs.uk/2015/01/12/cancer-drug-budget/>>; NHS England, ‘Our 2014-15 Annual Report’, (21 July 2015)

<[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/447553/NHS\\_England\\_Annual\\_Report\\_print.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447553/NHS_England_Annual_Report_print.pdf)>.

<sup>5</sup> Forecasts are provided by HM Treasury for financial years, rather than calendar years. We assume that the contribution in the calendar 2015 year will be the same as what HM Treasury forecasts for the financial year 2015-2016, see HM Treasury, ‘European Union Finances 2015: statement on the 2015 EU Budget and measures to counter fraud and financial management’, CM 9167, p. 17, (December 2015), <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/483344/EU\\_finances\\_2015\\_final\\_web\\_09122015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/483344/EU_finances_2015_final_web_09122015.pdf)>.

The Prime Minister claimed in 2013 that he had managed to secure an EU budget cut.<sup>6</sup> According to the PM, ‘Under the last seven-year framework, which runs out this year, the credit card limit was €943 billion... what we’ve achieved is an agreement that it must be cut to €908 billion.’

This is not the same as a cut in cash terms. In fact, in cash terms, the EU budget is increasing. The figures for an MFF are agreed by the heads of government several years in advance of payment in nominal prices (the MFF that David Cameron signed was in 2011 prices). However, these are not the final spending limits. The European Commission adapts this figure to reflect inflation by increasing the annual limits by 2% each year. This means the actual ‘credit card limit’ will be €1,024 billion – significantly higher than the previous limit of €925.6 billion (see Annex III for a detailed explanation of the EU budget forecasts and evidence that the EU budget will increase). It follows that the UK’s contributions can be expected to increase. The Treasury forecasts that annual contributions will be £20.7 billion in 2020-2021, significantly higher than today (see Annex II).

One of the characteristics of the MFF between 2014 and 2020 is that annual budgets have been increased by more than was originally envisaged in the framework. To balance the seven year framework the Commission has said it will reduce later annual budgets in the MFF. Given the pressure for increased EU spending, particularly from the European Parliament and because of the refugee crisis, this plan is highly unrealistic. The gap between the MFF’s current plans and reality can be expected to come to a head at the MFF mid-term review in 2016. At this review there will be severe pressure on EU leaders to increase the ‘credit card limit’ of the seven year MFF, further increasing bills to member states.

In 2014 the Chancellor announced in his Autumn Statement that ‘I can confirm that the OBR’s forecast today shows Britain’s net payments to the EU falling by around £1 billion for this year and next year – and falling in real terms over the next 5 years.’<sup>7</sup> OBR figures show that the UK’s net contributions will bounce back in 2016-17 and also show that the UK’s gross contributions (on the OBR measure) are going to increase, from £14.0 billion in 2014-15 to £14.9 billion in 2019-20.

The December 2014 OBR figures which the Chancellor cited are provided below.<sup>8</sup>

	Outturn (£bn)	Forecast (£bn)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Net contribution to the EU budget</b>	10.2	9.1	8.4	10.2	8.0	8.9	9.4

<sup>6</sup> D Cameron, ‘European Council press conference on EU budget agreement’, (8 February 2013) <<https://www.gov.uk/government/speeches/european-council-press-conference-on-eu-budget-agreement>>.

<sup>7</sup> ‘Chancellor George Osborne’s Autumn Statement 2014 speech’, (2 December 2014) <<https://www.gov.uk/government/speeches/chancellor-george-osbornes-autumn-statement-2014-speech>>.

<sup>8</sup> OBR, ‘December 2014 Economic and Fiscal Outlook: Supplementary Fiscal Tables’, (December 2014), <[http://budgetresponsibility.org.uk/pubs/Fiscal\\_Supplementary\\_Tables\\_Dec\\_2014.v2.xls](http://budgetresponsibility.org.uk/pubs/Fiscal_Supplementary_Tables_Dec_2014.v2.xls)>.

<b>Gross contribution to the EU budget</b>	14.1	14.0	12.9	14.8	12.9	14.1	14.9
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Source: OBR

However, these figures are regularly reassessed. This is because data from the EU's Advisory Committee on Own Resources (ACOR) is frequently updated.<sup>9</sup> The ongoing underperformance of the Eurozone has already resulted in the OBR increasing its estimates of the UK's **contributions in December 2014:**

<b>Forecast for net contribution to the EU budget (£bn)</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
December 2014 forecast	9.1	8.4	10.2	8.0	8.9	9.4
March 2015 forecast	9.2	9.9	8.2	8.0	8.8	9.3
July 2015 forecast	9.1	10.4	9.5	8.3	9.4	9.7

Source: OBR<sup>10</sup>

In the November 2015 Economic and Fiscal Outlook, the OBR forecast an additional £1.2 billion in contributions to the EU between 2015-2016 and 2019-2020 compared to its July 2015 forecasts.<sup>11</sup>

Beyond this, there are serious issues with using such forecasts:

- The methodology used to calculate these figures is questionable. The fact that the European Commission, ONS and OBR all have very different numbers for how much the UK contributes to the EU is testament to the complexity of the EU budgetary process and the innate problems involved in trying to predict future contributions.<sup>12</sup>
- The British Government has no control over how much it has to pay into the EU and cannot know in advance how much it will be required to contribute. This is because there are many unforeseeable factors that affect how much the UK will be expected to pay in any given year. The main contribution to the EU budget is the Gross National Income (GNI) own resource which requires each EU member state to send a set

<sup>9</sup> OBR, *Economic and Fiscal Outlook July 2015*, Cm. 9088, p. 129,

<<http://cdn.budgetresponsibility.independent.gov.uk/July-2015-EFO-234224.pdf#page=134>>.

<sup>10</sup> December 2014: <[http://budgetresponsibility.org.uk/pubs/Fiscal\\_Supplementary\\_Tables\\_Dec\\_2014.v2.xls](http://budgetresponsibility.org.uk/pubs/Fiscal_Supplementary_Tables_Dec_2014.v2.xls)>, March 2015:

<[http://budgetresponsibility.org.uk/pubs/Fiscal\\_Supplementary\\_Tables-2015.v3.xlsx](http://budgetresponsibility.org.uk/pubs/Fiscal_Supplementary_Tables-2015.v3.xlsx)> and July 2015

<[http://budgetresponsibility.org.uk/pubs/Fiscal\\_Supplementary\\_Tables-20151.xls](http://budgetresponsibility.org.uk/pubs/Fiscal_Supplementary_Tables-20151.xls)>

<sup>11</sup> OBR, *Economic and Fiscal Outlook*, Cm 9153, (November 2015), p. 142

<[http://cdn.budgetresponsibility.independent.gov.uk/EFO\\_November\\_2015.pdf](http://cdn.budgetresponsibility.independent.gov.uk/EFO_November_2015.pdf)>.

<sup>12</sup> The figures do not align as they measure slightly different things over different time periods (for example calendar vs. UK financial years), however all show same upwards trend.

percentage of its GNI to the EU (a system that penalises successful countries with higher GNIs). The OBR concedes that this means its forecasts of contributions to the EU have been less-than-perfect: 'our forecast of the UK's net contributions to the EU is subject to significant uncertainty, not least because prospective contributions reflect the expected relative performance of 28 Member States' economies.'<sup>13</sup>

- There are also administrative factors that are hard to predict: the unexpected £1.7 billion 'surcharge' that was imposed on the UK in 2014 as a result of Eurostat reassessing historic data is an example. In the December 2014 Economic and Fiscal outlook, the OBR acknowledged that it had failed to predict accurately the size of the UK's unexpected GNI adjustment payment.<sup>14</sup>

Unsurprisingly, therefore, the accuracy of the Government's forecasts of how much the UK will have to pay to the EU is poor. The OBR has a long record of underestimating the amount that the UK will owe to the EU in the near future.

British Prime Ministers have historically failed to curb EU spending. Perhaps the most notorious example is Tony Blair, who in 2005 claimed that, by giving up part of the UK's rebate, he would help to ensure that spending on the Common Agricultural Policy (CAP) was curbed. Ten years on, there has been no such reduction in CAP (nominal expenditure on the CAP has actually increased by €3 billion since 2005), while the value of the UK's rebate has fallen by at least £10.4 billion.<sup>15</sup> (This incident also serves as a warning against believing claims that a fair deal has been negotiated with the EU if that deal is based on promises of future good behaviour by the Commission).

This means that no Prime Minister can be sure that they have negotiated a good deal, so long as the budget formula remains so complex and dependent on factors beyond the British Government's control. For example, if the Eurozone crisis causes other countries to underperform, then Britain's growing economy will be saddled with a greater share of the overall EU budget. Considering that gross contributions are set to increase and that it is likely that EU grants will be directed towards poorer member states over the coming years, the actual net figure too is likely to be significantly higher than what was predicted by the OBR. George Osborne's prediction about Britain's contribution is, therefore, very unlikely to be accurate.

Compounding this lack of control, the UK has a legal obligation to honour any payment request made by the EU. Under the terms of section 2(3) of the European Communities Act 1972, any amount of money 'to meet any EU obligation to make any payments' to either the EU or one of its member states must be paid out of the public revenues. There is no need for Parliament to authorise this potentially limitless expenditure each year.

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<sup>13</sup> OBR, *Economic and Fiscal Outlook December 2014*, Cm. 8966, p. 158  
<[http://budgetresponsibility.independent.gov.uk/wordpress/docs/December\\_2014\\_EFO-web513.pdf#page=163](http://budgetresponsibility.independent.gov.uk/wordpress/docs/December_2014_EFO-web513.pdf#page=163)>.

<sup>14</sup> OBR, *Economic and Fiscal Outlook December 2014*, Cm. 8966, p. 159  
<[http://budgetresponsibility.independent.gov.uk/wordpress/docs/December\\_2014\\_EFO-web513.pdf#page=164](http://budgetresponsibility.independent.gov.uk/wordpress/docs/December_2014_EFO-web513.pdf#page=164)>.

<sup>15</sup> Business for Britain, 'The UK's EU rebate: how much did Tony Blair give away?' BfB Briefing Note 4, (2014),  
<[http://forbritain.org/140518\\_eu\\_rebate\\_blair.pdf](http://forbritain.org/140518_eu_rebate_blair.pdf)>; European Commission, 'CAP expenditure and CAP reform path post-2013', (May 2015)  
<[http://ec.europa.eu/agriculture/cap-post-2013/graphs/graph3\\_en.pdf](http://ec.europa.eu/agriculture/cap-post-2013/graphs/graph3_en.pdf)>.

## The budget 'surcharge'

A separate device that the Commission uses to claim money from member states is the 'surcharge'. On 17 October 2014, the European Commission informed HM Treasury that the UK would have to make an additional contribution to the EU Budget of approximately €2.1 billion (£1.7 billion), reduced to £850 million after the UK rebate was applied.<sup>16</sup>

This 'surcharge' was introduced because Eurostat (which carries out regular audits of the methods and data used to estimate GNI) recalculated the GNI-based contributions of each member state dating back to 1995 (the UK went back to 2002). This study found that certain member states had a GNI which made up a larger proportion of total EU GNI than was previously assumed. As a result, the Commission demanded that these countries provided additional monies to cover the difference. Member states whose GNI made up a lower proportion received a credit.

This 'surcharge' aroused considerable anger within the UK. Prime Minister David Cameron described his 'downright anger about... the completely unjustified and sudden production of the bill', and told a press conference: 'I'm not paying that bill on 1 December, if people think I'm going to they've got another thing coming.'<sup>17</sup> The UK did, however, end up paying.

The Chancellor claimed to have halved the 'surcharge' by negotiating for the rebate to be applied to it. This claim is wrong. The House of Commons Treasury Committee stated that 'it should have been unambiguously clear to the Treasury, well in advance of ECOFIN on 7 November 2014 that the UK was entitled to a rebate on any additional budget contributions that could arise from the GNI revisions.'<sup>18</sup>

One area of concern is that the EU legislation that was used to justify this 'surcharge' still provides that member states' GNI-based contributions from previous years can be changed retrospectively. The Government was only able to secure an amendment that any further large 'surcharges' could be paid over a longer period. Unless this mechanism is revised, there is a risk of more 'surcharges' in the future.<sup>19</sup>

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<sup>16</sup> European Commission, 'Information note for Member States', (17 October 2014), page 3.

<sup>17</sup> 'European Council October 2014: David Cameron's speech', (24 October 2014)

<<https://www.gov.uk/government/speeches/european-council-october-2014-david-camerons-speech>>.

<sup>18</sup> House of Commons Treasury Committee, 'The UK's EU Budget Contributions', 10<sup>th</sup> report of session 2014-15, HC 891, (27 February 2015)

<<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmtreasy/891/891.pdf>>.

<sup>19</sup> Council Regulation 2000/1150/EC, art. 10(7)

<<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1440759733396&uri=CELEX:02000R1150-20141224>>.

## Annex I: UK contributions to the EU (ONS)<sup>20</sup>

GDP deflator at market prices			Net contributions (£m)		Gross contributions (£m)	
Year	2014 = 100	percentage change on previous year	£m (nominal)	£m (June 2014 prices)	£m (nominal)	£m (June 2014 prices)
1973	10.052	8.47	107	1,064	187	1,860
1974	11.566	15.07	60	519	186	1,608
1975	14.563	25.91	-39	-268	350	2,403
1976	16.734	14.91	188	1,123	474	2,833
1977	19.007	13.58	404	2,126	750	3,946
1978	21.198	11.52	439	2,071	1,364	6,435
1979	24.196	14.15	1,313	5,427	1,626	6,720
1980	29.028	19.97	808	2,784	1,783	6,142
1981	32.385	11.57	391	1,207	2,188	6,756
1982	34.761	7.34	574	1,651	2,878	8,279
1983	36.548	5.14	611	1,672	2,994	8,192
1984	38.394	5.05	635	1,654	3,213	8,368
1985	40.742	6.11	1,872	4,595	3,955	9,707
1986	42.504	4.33	517	1,216	4,513	10,618
1987	44.744	5.27	1,658	3,706	5,219	11,664
1988	47.4	5.94	1,355	2,859	5,150	10,865
1989	51.202	8.02	2,295	4,482	5,757	11,244
1990	55.357	8.11	2,480	4,480	6,559	11,849
1991	58.984	6.55	553	938	6,035	10,232
1992	60.913	3.27	2,010	3,300	6,970	11,443
1993	62.48	2.57	2,172	3,476	8,260	13,220
1994	63.243	1.22	2,186	3,457	7,431	11,750
1995	64.808	2.48	4,037	6,229	9,192	14,183
1996	67.417	4.03	680	1,009	9,277	13,761
1997	69.089	2.48	1,559	2,257	8,268	11,967
1998	70.125	1.5	4,493	6,407	10,265	14,638
1999	70.923	1.14	3,593	5,066	10,524	14,839

<sup>20</sup> HM Government's GDP deflator can be found at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/444238/GDP\\_Deflators\\_July\\_Budget\\_2015\\_update.xls](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/444238/GDP_Deflators_July_Budget_2015_update.xls)

2000	72.625	2.4	4,117	5,669	10,719	14,759
2001	73.418	1.09	524	714	9,557	13,017
2002	75.362	2.65	2,878	3,819	10,097	13,398
2003	77	2.17	3,148	4,088	11,485	14,916
2004	79.24	2.91	2,243	2,831	11,505	14,519
2005	81.462	2.8	2,984	3,663	13,098	16,079
2006	83.652	2.69	3,568	4,265	13,025	15,570
2007	86.055	2.87	4,123	4,791	13,060	15,176
2008	88.553	2.9	2,666	3,011	13,334	15,058
2009	90.306	1.98	3,759	4,163	14,779	16,365
2010	93.171	3.17	7,225	7,755	15,999	17,172
2011	95.152	2.13	7,543	7,927	16,075	16,894
2012	96.731	1.66	8,536	8,824	16,441	16,997
2013	98.463	1.79	11,271	11,447	19,377	19,679
2014	100	1.56	9,872	9,872	19,107	19,107
<b>Total</b>			<b>£111,408</b>	<b>£157,343</b>	<b>£333,026</b>	<b>£484,229</b>

## Annex II: Future increases in the EU budget<sup>21</sup>

<b>Year</b>	<b>Gross contributions (£m)</b>	<b>Total contributions (£m)</b>
2015	19,073	503,302
2016	18,984	522,286
2017	18,031	540,317
2018	18,950	559,267
2019	19,877	579,144
2020	20,651	599,795

<sup>21</sup> Forecasts are provided by HM Treasury for financial years, rather than calendar years. We assume that the contribution in the calendar 2015 year will be the same as what HM Treasury forecasts for the financial year 2015-2016 and so on, see HM Treasury, 'European Union Finances 2015: statement on the 2015 EU Budget and measures to counter fraud and financial management', CM 9167, p. 17, (December 2015), <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/483344/EU\\_finances\\_2015\\_final\\_web\\_09122015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/483344/EU_finances_2015_final_web_09122015.pdf)>.





### **Annex III: David Cameron has not cut the EU budget**

In February 2013, David Cameron claimed that he had cut the MFF:

‘This meeting has been about setting the overall limit on EU spending over the next seven years. Now I have been determined to cut the spending limits, and so to cut the amount that Brussels can spend and, working with like-minded allies, I have achieved that today. Every previous time these multi-year deals have been agreed, spending has gone up. Not this time.’<sup>22</sup>

According to the PM, ‘Under the last seven-year framework, which runs out this year, the credit card limit was €943 billion... what we’ve achieved is an agreement that it must be cut to €908 billion.’

It is important to stress this is not a cut in cash terms. The figures for an MFF are agreed by the heads of government several years in advance of payment in nominal prices (the MFF that David Cameron signed in 2013 was in 2011 prices). However, these are not the final spending limits. The European Commission adapts this figure to reflect changes in GNI. This means the actual ‘credit card limit’ for 2014-2020 will be €1,024 billion. This increase is calculated according to a formula set out in Article 6(1)-(2) of the MFF Regulation (Council Regulation No 2013/1311/EU), which provides for a 2% deflator to be used to adjust each year’s expenditure ceilings.<sup>23</sup>

The table on the following page reveals the impact that this has on the final numbers. It compares the agreed figures in nominal prices (green) to the actual uprated prices as adopted (blue) for both the 2007-13 MFF (as amended) and the 2014-20 MFF (as amended).<sup>24</sup> The €943 billion figure that David Cameron used to claim that he had secured a budget cut comes from adjusting the 2007-2013 figures into 2013 prices (red).

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<sup>22</sup> D Cameron, ‘European Council press conference on EU budget agreement’, (8 February 2013)

<https://www.gov.uk/government/speeches/european-council-press-conference-on-eu-budget-agreement>.

<sup>23</sup> Council Regulation 2013/1311/EU <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0884:0891:EN:PDF>>

<sup>24</sup> Respective data tables can be found at European Commission, Com(2012)184, (20 April 2012)

<[http://ec.europa.eu/budget/library/biblio/documents/fin\\_fwk0713/COM2012\\_184final\\_en.pdf#page=5](http://ec.europa.eu/budget/library/biblio/documents/fin_fwk0713/COM2012_184final_en.pdf#page=5)> and European Commission, Annex 1 to Com(2015)320 <[http://ec.europa.eu/budget/mff/lib/COM-2015-320/COM\\_2015\\_320\\_ANNEX\\_en.PDF#page=2](http://ec.europa.eu/budget/mff/lib/COM-2015-320/COM_2015_320_ANNEX_en.PDF#page=2)>.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2004 prices	115,142	119,805	109,091	119,245	116,394	120,649	120,418				
2005 prices	117,445	122,201	111,273	121,630	118,722	123,062	122,826				
2006 prices	119,794	124,645	113,498	124,062	121,096	125,523	125,283				
2007 prices	122,190	127,138	115,768	126,544	123,518	128,034	127,789				
2008 prices	124,633	129,681	118,084	129,075	125,989	130,594	130,344				
2009 prices	127,126	132,274	120,445	131,656	128,508	133,206	132,951				
2010 prices	129,669	134,920	122,854	134,289	131,079	135,870	135,610				
2011 prices	132,262	137,618	125,311	136,975	133,700	138,588	138,322	127,932	131,193	131,046	131,046
2012 prices						141,360	141,089	130,491	133,817	133,667	133,667
2013 prices							143,911	133,100	136,493	136,340	136,340
2014 prices								135,762	139,223	139,067	139,067
2015 prices									142,008	141,848	141,848
2016 prices										144,685	144,685
2017 prices											144,685
2018 prices											
2019 prices											
2020 prices											

## MFF budget ceilings

Green cells are non-inflated figures in 2004/2011 prices for the relevant MFF periods (total amount for 2007-2013 was €821 billion, total amount for 2014-2020 is €908 billion). Blue cells are uprated figures by year, i.e. the actual ceiling in a given year (total amount for 2007-2013 was €926 billion, total amount for 2014-2020 is €1,024 billion). Red cells are all year's uprated to 2011 prices, used to calculate the Prime Minister's €943 billion figure.

When the headline MFF figures are agreed, the figure for each year will be uprated by 2% per annum. It would be far more honest, when considering the effect of Mr Cameron's negotiation for the UK taxpayer, to compare the uprated figures (€925 billion against €1,1024 billion).

## MFF Payment Appropriations (€m)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Final
<b>Uprated ceiling 2004-13</b>	122,190	129,681	120,445	134,289	133,700	141,360	143,911	<b>925,576</b>
<b>Uprated ceiling 2014-20</b>	135,762	142,007	144,685	142,771	149,074	153,362	156,295	<b>1,023,958</b>

It is also possible that the MFF's ceilings will be revised up in the near future. The European Court of Auditors has already warned that the current MFF has a €326 budget gap – and the entire seven year budget will be reviewed at the end of 2016.<sup>25</sup> However, on the nominal measure it is clear that the budget has gone up, not down. In other words, when it comes to nominal prices the budget has increased. The Prime Minister has, in the past, claimed that a nominal increase in spending is still an increase in spending.<sup>26</sup>

<sup>25</sup> European Court of Auditors, 'Making the best use of EU money: a landscape review of the risks to the financial management of the EU budget', (2014), <[http://www.eca.europa.eu/Lists/ECADocuments/LR14\\_02/QJ0614039ENN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/LR14_02/QJ0614039ENN.pdf)>.

<sup>26</sup> The Economist, 'Not keeping it real'

<<http://www.economist.com/news/britain/21647584-david-cameron-quotes-misleading-figure-nhs-spending-not-keeping-it-real>>