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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT**

**The European Schools' system in 2009**

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## The European Schools' system in 2009

### 1. INTRODUCTION

For the system of the European Schools, 2009 was a year of progress in some fields but also the confirmation that some structural issues still need to be addressed within the system.

The formal decision concerning the reform process in spring 2009 was a big achievement and the benefits will be felt in years to come. The possibility for local schools to seek accreditation, fostered by the possibility for accredited schools to receive an EU financial contribution for children of staff attending the school, is widening the access to the general public of the European curriculum.

The strive to render the system more efficient in terms of governance also resulted in reforms on central and local level with more autonomy for local schools within the boundaries of the existing rules and financial regulations.

Efforts in the area of cost-sharing were difficult to achieve and already signs are evident that more needs to be done in this field combined with cost-cutting efforts.

The overall economic situation obviously had an impact on the schools' finances. Revenues from contracts with outside organisations and revenues based on school fees diminished. The demands on the EU financial contribution were substantial. A reflection on how to improve the economic efficiency of the system will result in continued efforts to modernise and adjust the rules. The Commission will continue to actively drive this discussion in relation to the economic reality in 2010. The issues of irregular expenditures that have been identified for the 2008 budget will continue to be examined in order to assure a correct interpretation and execution of the rules.

It is clear that some systemic problems persisted and even became more serious during the year 2009. The unresolved problem of a constant lack of seconded teachers is continuing to put undue strain on the EU financial contribution to the system. The Member States' delays or non provision of sufficient infrastructure in the locations of the overpopulated schools continued to affect the quality of life for students and parents. It also had major implications on the enrolment policies.

Planning ahead for the years to come, which will prove particularly difficult in Brussels and Luxembourg, has resulted in firm commitments from both host countries to provide temporary facilities until the permanent solutions are available (programmed for the start for the school year 2012).

The school year of 2009 started with a high level of alert in relation to the H1N1 virus. The Secretary General, the Commission and the schools elaborated action and information strategies which proved useful, even if the impact of the epidemic was lower than feared; it showed that the system was ready to face this type of health and communication challenges.

## **2. SITUATION IN THE SCHOOLS**

### **2.1. Alicante**

The school population in Alicante has stayed stable with slightly more than 1000 pupils. Some infrastructural improvements took place during the year, both inside and outside the school.

### **2.2. Bergen**

Despite the ongoing phasing out of the Italian and German sections, the school population increased with almost 4 % in 2009. However, the proportion of pupils being children of staff of the Institutions is low at approximately 17 %. Some important renovation and maintenance works have been programmed for the school.

### **2.3. Brussels**

The saturation of pupils in Brussels I, II and III continued to put strains on the schools during 2009. Despite this, the enrolment policy for 2009/2010 managed to achieve a high satisfaction rate with 90% of pupils getting the school of their first choice.

However, the overcrowding situation in Brussels is becoming dramatic and according to estimates of future pupil populations, the coming school years will be critical and additional facilities will be absolutely necessary for September 2011. Negotiations with the Belgian authorities for additional space in view of the delayed opening of the permanent fourth school in Laeken (now programmed for 2012) are ongoing, in addition a request for a 5<sup>th</sup> school in Brussels has officially been presented to the Belgian authorities on behalf of the Board of Governors<sup>1</sup>.

Following a letter from Vice-President Kallas addressed to then Prime Minister Van Rompuy in November 2009, the newly appointed Prime Minister Leterme answered that additional temporary infrastructures will be made available by the Régie des Bâtiments<sup>2</sup> for September 2011, and if necessary even for September 2010.

The "Groupe de Suivi" (where Belgian authorities, Commission, Local Staff Committee of the Commission, Parents and Schools are represented) meets regularly to discuss in details the concrete options considered by the Belgian authorities regarding additional infrastructures. The meetings also serve the purpose to verify that the renovation works for Brussels IV are running according to the timetable and without delay.

The school of Brussels I has been in the forefront of the reform process and has actively participated as a pilot school in elaborating the new standard school plan and also in elaborating plans for the School Advisory Council to be set up in school as the forum for internal consultation among other things (see point 3.1. below).

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<sup>1</sup> The European Commission has given its agreement subject to completion of the information of the budgetary authority procedure, as defined in point 47 of the Interinstitutional Agreement on budgetary discipline and sound financial management (OJ C 139, 14 June 2006, p.1).

<sup>2</sup> The "Régie de Bâtiments: The Belgian agency in charge of federal buildings and their maintenance.

Furthermore, the school underwent an audit exercise by the internal auditor based on the work program<sup>3</sup> decided by the Board of Governors (see point 3.2. below).

For Brussels II, the approval by the local authorities of the building permit for the bus parking was welcome news after several years of administrative delays. Currently, the more than 50 school busses park on the play ground of the school twice a day. To place the parking on premises outside the playground of the children will constitute a big improvement for the school. Since the administrative procedure now is finalised, the construction work should start without further delay and according to a tight time schedule to be defined together with the Belgian authorities.

Brussels III underwent maintenance works during the year and for the start of the school year welcomed the largest increase of school population among the saturated Brussels schools with 6.1 % in September 2009.

Brussels IV (Berkendael) continued to be the school with most spare capacity and welcomed pupils in the primary cycle with a population of 594 pupils; an increase of 36%. The school is preparing to open up the first year of the secondary cycle in 2010.

#### **2.4. Culham**

The gradual phasing out until 2017 as a type 1 European School continued according to the decision of the Board of Governors of 2007, taken because of the future move of the Joint European Torus to France in 2016. The Commission is committed to backing up the British wish, supported by the parents, to turn the school into an "Academy" within their national education system, with a specific emphasis on delivering a European curriculum. The school in Culham is preparing to continue activities as an accredited school in close cooperation with the European Schools system, see point 3.3.

#### **2.5. Frankfurt**

The school in Frankfurt is saturated and the situation worsened in 2009 as the school population continued to increase. The approval for the proposed restructuring of the school by the German authorities has not yet been communicated.

#### **2.6. Karlsruhe**

The school population stayed stable but the proportion of pupils being children of staff of the Institutions was still well below 20 %. Renovation works continue and the new canteen was operational for the start of the school year.

#### **2.7. Luxembourg**

Overpopulation continued to be a problem on the site of Luxembourg I school that currently hosts the temporary set-up of the Luxembourg II school as well. The

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<sup>3</sup> Document: 2511-D-2007-fr-2 Decision of the Board of Governors 22+23 January 2008

Commission welcomes that the Luxemburg Authorities confirmed in a meeting in November 2009 that additional transitory infrastructures will be made available for September 2010, but regrets the further overcrowding that will be the result on the Luxembourg I, (Kirschberg) site until the permanent structure of the Luxembourg II school is opening in 2012 in Betrange Mamer.

Discussions concerning the practical aspects of the Luxembourgish authorities' decision to organize and run a specific public school transport for the pupils of Luxembourg II to Bertrange/Mamer continued during the year. The Commission considers that school transport is a crucial issue for the whole school community and welcomes this effort by the Luxembourg authorities.

## **2.8. Mol**

The school in Mol continued to grow but the trend is towards a declining proportion of children of staff of the European Institutions. The new English section prospered while the German section showed feeble attendance. The evolution of the language sections will be monitored as decided by the Board of Governors while creating the English section<sup>4</sup>.

## **2.9. Munich**

Major building works were undertaken and additional temporary infrastructure (11 classrooms) was added during the year. Infrastructural improvements are essential for the years to come especially considering the steady increase in the school's population observed.

## **2.10. Varese**

The school population is remaining stable and the European School in Varese is continuing to suffer from a lack of appropriate infrastructure. Vice President Kallas sent a letter on this subject to Prime Minister Berlusconi in May 2009. Unfortunately the letter remained unanswered. The Commission will continue to insist on action by the Italian authorities.

## **3. POLITICAL DEVELOPMENTS AND CHALLENGES**

### **3.1. Reform**

The process of reform that was launched by European Parliament resolutions in 2002 and 2005 came to a close in April 2009 at the Board of Governors' meeting in Stockholm<sup>5</sup>.

Among the major achievements, is the opening up of the system of the European Schools via the possibility of accreditation of national schools, in order to enable them to deliver the European curriculum and possibly also the European Baccalaureate. The European curriculum is taught in Parme, Dunshauglin, Heraklion,

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<sup>4</sup> Ref: 2007-D-129-fr-4. Decision 23+24 January 2008

<sup>5</sup> Ref: 2009-D-353-en-4

Helsinki, Strasbourg and Manosque<sup>6</sup>. A school in Bad Vilbel is currently going through the process of accreditation. In addition, the European School in Culham is in the process of preparing a transition with the aim to apply for accreditation which will be a valuable experience for the system of the European Schools. The Dutch authorities have also expressed their intention to prepare an application for accreditation for a school in The Hague.

The reform includes the possibility for accredited schools to sign an agreement in order to receive a financial contribution from the EU budget in relation to the number of children of EU staff attending the school in question<sup>7</sup>.

The problem of insufficient number of detachment of teachers from the Member States was addressed under the so called "cost-sharing" part of the reform. It was agreed to open up the possibility for countries to second non native speakers in certain limited cases in order to reduce the burden on the Member States seconding teachers for the three vehicular languages. The full effects of the possibility of detachments of non-native speakers in certain cases could not yet be noticed in 2009. The cost of paying for locally recruited teachers in order to make up for the short-fall still falls heavily on the Commission. In 2009, this represented a cost of 2.1 million €

Governance on the central and local level was another cornerstone of the reform. At local level, the internal rules of the Administrative Boards of the European schools have been reviewed. Increased autonomy for the schools at local level was agreed within the general framework of the regulations and decisions of the Board of Governors, including the Financial Regulation, which specifies the limits and the obligations. For each school, a road map setting out the objectives (annual school plan) and resources (draft budget) and also the control mechanisms and reporting obligations are tools to be used in the new framework. It will be used as a basis for evaluation, both internal and external, of the schools. The road map is presented to the Board of Governors to provide all necessary information for the approval of the budget. The school year 2009/2010 has been a transitory year for the implementation of these aspects of the reform.

Furthermore, a School Advisory Council is set up in the schools, as the forum for internal consultation. It will be chaired by the Director and assemble partners and stakeholders in the school community.

On central level, an inventory of the appropriate instance to take relevant decisions has been defined in detail in the reform. Decisions concerning organisational questions entered into force on 1<sup>st</sup> September 2009 and a transitory period was agreed to allow a revision of some existing rules to be completed at the latest on 1<sup>st</sup> September 2010.

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<sup>6</sup> The European section for secondary students in years 1-4 opened at the International school of Manosque in September 2009. The European School inspectors conducted an audit of the school in February 2010 and which will be presented to the Board of Governors in December 2010. Depending on a positive outcome; the Convention of accreditation can then be formally signed.

<sup>7</sup> The calculation of the respective contributions for the primary and secondary cycles, will be based on a balanced mix of the average pupil costs in the European Schools system on the one hand, and of the average pupil costs in the national system on the other hand as described in Document 2009-D-681-en-1 presented to the Board of Governors in January 2009

### **3.2. Internal Audits**

Already in 2007, the Board of Governors decided to establish an internal control function. Later the same year a "Service Level Agreement" was concluded with the Internal Audit Service (IAS) of the European Commission. In early 2008, the Board of Governors approved the strategic plan to be carried out during the period 2008/2010<sup>8</sup>. The first audit performed according to the work program covered human resources management. The audit was conducted in the Office of the Secretary-General and in three schools, Luxembourg I, Brussels I and Varese. The audit fieldwork took place in late 2008. Successive drafts of the reports and the responses were discussed during 2009.

The final outcome of this audit was six separate reports. The first of these on "Cross-Cutting Issues in Human Resources Management" was presented to the Board of Governors in December 2009<sup>9</sup>. That report set out findings that apply to all European schools with proposals for a common approach for implementing the resulting recommendations. The next step is the preparation of an action plan. The other reports "Corporate Responsibilities of the Office of the Secretary-General for Human Resources Management in the European Schools" and four reports on "Management of Human Resources" separately for the Office of the Secretary-General and the Schools of Luxembourg I, Brussels I and Varese were presented to the Board of Governors in 2010.

The follow-up of these reports are of extreme importance for an improved functioning of the system of the European Schools. The recommendations range from pointing out serious problems to more formal lack of procedures. The recommendations resulted in action plans that have been approved by the IAS and that must be taken seriously by the concerned parties. There are cases where the office of the Secretary General must take the lead to issue recommendations and guidance to the schools. The Commission will follow this issue closely.

### **3.3. Culham**

During the year 2009, the UK authorities advanced the process of transforming the European School in Culham to become an "academy" with their national schooling system for which they have the intention to request an accreditation in order to allow the continued teaching of the European curriculum in Culham with the possibility of delivering the European Baccalaureate.

In April 2009, the UK authorities signed a declaration of intention as the first step to create the "academy". A consultant was contracted to realise a feasibility study, constituting the second step, to be finalised before summer 2010.

In parallel, the general interest file for accreditation was approved by the Board of Governors of the European Schools in December 2009. Some outstanding issues concerning the enrolment of children of staff of the Institutions and the conditions for

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<sup>8</sup> Doc: 2511-D-2007-en-2

<sup>9</sup> Doc: 2009-D-2110-en-2

the teachers need to be clarified in view of the presentation of the conformity file in 2010, the next step for the accreditation to become an accredited "type II" school.

### **3.4. Overcrowding/infrastructure**

In several locations, the demand for places has been greater than the supply for some years. The most striking examples of this are Brussels and Luxembourg but also Frankfurt and Varese. This situation is worrying and the Commission is putting constant political pressure on the national authorities in order to assure that they fulfil their obligations in terms of host country to the institutions and, very importantly, to provide adequate facilities for the European Schools. The overpopulated schools are dictating a very restrictive enrolment policy, much to the frustration of parents and pupils, and are in most cases preventing the acceptance of local children whose parents are not staff of the EU institutions.

It is admittedly a costly investment to create a large school. The project of renovating the fourth school in Laeken in Belgium for example represents approximately 60 million € from the Belgian federal budget. Similarly, the project for the second European School in Luxembourg represents huge building works of more than 230 million €. But this is obviously a financial obligation that has to be seen in relation to the economic benefits the countries receive from the presence of the European Institutions established on their territory. The obligations are also defined in the host country agreements and the Commission need to continue to put pressure on the highest levels in order to obtain reasonable infrastructure for the schools whose main purpose is to provide education for children of staff in their mother tongue.

### **3.5. Legal cases**

There are three ongoing legal cases directly involving the Commission: two concern the United Kingdom and one concerns Belgium.

The first relates to the national employment conditions for seconded teachers which has implications on the remuneration paid by the EU contribution to the budget of the European Schools.

The second case concerns seconded teachers from the UK (non-Euro country) whose salaries are a combination of national income (converted into Euro) and a European contribution. In July 2008 their staff regulations were adapted to take into account cases of extreme currency depreciation against the Euro, the legal case relates to the possible retroactivity of this decision and whether the staff regulations for seconded teachers in general is in breach of the treaty of Lisbon in terms of equal treatment and free movement of workers under the same conditions.

The third case concerns a longstanding disagreement over the financing of equipment by the Member State when providing the infrastructure to a new school.

All cases are expected to be pending in 2010.

Furthermore, there is a case brought before the national court by a locally recruited teacher in Belgium regarding payment of holiday allowance before 2004. A judgment is expected in 2010 on the extent of the retroactivity of this payment in principle before 2004. The payment in itself has already been judged as legitimate.

The outcome of the ruling on the extent of the retroactive effect will influence the budgetary consequences especially as another 26 locally recruited teachers have raised the same claims.

#### 4. BUDGETARY DEVELOPMENTS AND CHALLENGES

##### 4.1. Figures for the execution of the budget 2009

- The overall number of pupils increased by 3,15 % from 21.649 to 22.331 from 2008 to 2009. The budgetary execution figures show a decrease in the share borne by the Member States, in the share accounted for by revenue from contracts with private entities (so called category II pupils) and for the revenue from school fees (category III) and also in the share of other sources (mainly bank interests). Consequently, there is an increase in the share paid from the EU contribution:

<b>Budget contributions (extracts from Document 2009-D-62-fr-1 &amp; Document 2010-D-62-fr-1)</b>						
	2009				2008	
	Initial credits	Supplementary credits	Final credits	Incomes	Final credits	Incomes
Member States	57,5	-2,1	55,4	53,8	54,7	54,5
<b>Commission</b>	<b>150,5</b>	<b>4,3</b>	<b>154,8</b>	<b>151,9</b>	<b>144,1</b>	<b>138,9</b>
EPO	17,7	0,0	17,7	17,4	16,0	15,4
Category II fees	15,8	-0,2	15,5	14,3	15,7	14,7
Category III fees	19,7	-1,0	18,7	18,7	19,6	21,0
Other	2,3	0,0	2,3	2,3	2,1	2,0
Surplus+Reserve	0,0	2,7	2,7	2,9	5,9	7,7
<b>TOTAL</b>	<b>263,6</b>	<b>3,6</b>	<b>267,2</b>	<b>261,3</b>	<b>258,0</b>	<b>254,0</b>

##### 4.2. Main events encountered

Two amending budgets have been approved by the Board of Governors for the year, mainly due to a fall of revenues but also an increase of expenses. Compared to the initial budget 2009, the EU contribution increased from 150,5 to 154,8 million €

A surplus from 2008 was carried over to the budget 2009 (2,9 million €), this surplus has been used in the amending budgets approved by the BoG to cover part of the additional needs for credits.

The salary adjustments for teachers and detached staff is linked to the salary increase for staff in the Institutions and thereby directly affected by the Council of Minister's decision in December 2009. The Board of Governors launched its own procedure as a consequence (based on an adjustment of 1.85%), which was closed in January 2010. A commitment corresponding to the amount of 3,1 million € has been carried-over and payments have been executed in 2010.

A budgetary and pedagogical problem is the lack of seconded staff. The figures show a cost for non seconded staff of 2,1 million € for 2009. The corresponding posts need to be filled with locally recruited staff, whose salaries are borne by the school's individual budget and thus to a large extent by the EU budget. The non-compliance

by the Member States of their obligations is problematic and is leading to increased structural problems.

At the Board of Governors meeting in April 2010, the Commission was not in a position to grant discharge for the budget 2008 due to the discovery of the non-respect of rules concerning some classes of mother tongue language in 5 schools for students without a linguistic section. There is an ongoing examination due to this non-respect of rules, and the Commission has strong reasons to believe that this also applies to the budget year 2009. If this is indeed proven to be the case, rectifying actions will need to be implemented by the schools concerned.

## **5. PEDAGOGICAL DEVELOPMENTS AND CHALLENGES**

### **5.1. The European baccalaureate reform**

In the context of opening up of the European Schools system to the accredited schools, the baccalaureate working group has submitted some proposals to simplify the organisation of the examination, to cut costs, to review the examination's content, without jeopardising the certificate's quality and while keeping in mind the current requirements of the universities and other higher education institutions. Some proposals were approved by the Board of Governors in December 2009 and will be implemented already for the 2010 session: abolishment of the presentation of the examination question papers; responsibility of each school as examination centres; special arrangements for the candidates with special needs. The working group continues its work, namely the marking system (internal/external, types of marks, number of written/oral tests, skills to be assessed etc.) in order to implement the complete baccalaureate reform for the 2013 session.

### **5.2. Actions for pupils with Special Education Needs (SEN)**

The European Schools continued their efforts to integrate children with special education needs, where necessary with an adapted programme of studies and appropriate human resources.

The report evaluating the SEN policy and practice in the European Schools which resulted from the study financed by the European Parliament, was presented to the Board of Governors in April 2009. The Board requested the SEN Policy Group to analyse how the proposed improvements could be implemented. As a consequence, the SEN procedures in the secondary and the special arrangements which can be offered to SEN students in years 6 and 7 and at the time of the European Baccalaureate examinations have been adapted.

During the school year 2008/09, there were 457 pupils under a SEN convention, meaning an increase of 10,1% compared to the previous year. The Commission has continued to make the necessary financial resources available by agreeing the transfer of credits which allow the adjustment of credits to real costs supported during the year. The SEN executed budget increased from 3.426.685 € in 2008 to 4.441.142 € in 2009, nevertheless, there is concern about this continuing increase and the necessity to analyse in depth the SEN criteria in order to focus resources optimally.

## **6. FUTURE CHALLENGES**

The evolution of the budgetary demands observed for the European Schools combined with the current economic situation has led the Commission to request a revision of certain expenses in the system of the European Schools. A more cost efficient approach and fairer distribution of the financial burden is necessary. The future budgetary planning needs to be kept under control and the Commission made the approval of the 2011 budget conditional on a certain number of revisions of expenses.

The infrastructure situation is going to be very worrying in the coming years in several locations. The Brussels and Luxembourg schools welcome more than 60 % of the overall pupils of the system and both locations will suffer in the coming years before the permanent solutions will be provided in 2012 by the host countries responsible. Temporary solutions of prefabricated buildings have been proposed for both locations in the meantime. Even though this will solve the problem of the immediate lack of classrooms, it will create other issues due to the continued expansion of the number of pupils on the sites of the existing schools, making the situation in the school yards, canteens, gymnastic halls and for the school bus transport etc very difficult. Several schools are already obliged to rent outside facilities in order to organise the obligatory classes in the curriculum.