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REPORT

drawn up on behalf of the Committee on Budgets

in application of Article 204 of the EEC Treaty and Article 8 of the Financial Regulation authorising further provisional twelfths for Section I - Parliament - of the general budget of the European Communities

Rapporteur: Mr Robert JACKSON

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This report is submitted pursuant to Article 204 of the Treaty and Article 8 of the Financial Regulation, and embodies the proposed decision of the European Parliament for the granting of extra provisional twelfths under Section I 'Parliament' of the general budget of the European Communities.

At its meeting of 16 June 1980 the Committee on Budgets examined the draft submitted to it by Mr Robert Jackson, rapporteur for Sections I, II, IV and V of the draft general budget.

It approved the proposal to grant extra twelfths by 21 votes to 2 with 2 abstentions.

Present : Mr Lange, Chairman; Mr Notenboom, first Vice-Chairman; Mr Rossi, third Vice-Chairman; Mr Robert Jackson, rapporteur; Mr Aigner, Mr Ansquer, Mr Baillot, Mr Balfe, Mr Bonde, Mrs Boserup, Mr Flanagan, Mr Forth, Mrs Gaspard, Mr Gouthier, Mrs Hoff, Mr Hord, Mr Langes, Mr Nord, Lord O'Hagan, Mr Pfennig, Mr Konrad Schön, Mrs Scrivener, Mr Simonnet and Mr J.M. Taylor.

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A

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

in application of Article 204 of the EEC Treaty and Article 8 of the Financial Regulation authorising further provisional twelfths for Section I - Parliament - of the general budget of the European Communities

The European Parliament,

- having regard to Article 204 of the EEC Treaty,
- having regard to Article 8 of the Financial Regulation of 21 December 1977,
- having regard to the rejection of the draft 1980 budget in its entirety on 13 December 1979,
- having regard to the conclusion of Council (Doc. 1-240/80),
- having regard to the report of the Committee on Budgets (Doc. 1-255/80),

1. Points to the economy measures undertaken by Parliament, in particular with regard to members' allowances, in order to prevent the exceeding of the one-twelfths system;
2. Recalls the particular difficulties arising for Parliament as a result of the basing of the one-twelfths on expenditure from the previous year (for half of which Parliament had less than half the present number of members);
3. Points out that Council's failure to present speedily a new draft budget is the principal factor which makes it now necessary to approve extra provisional twelfths;
4. Therefore approves the following extra provisional twelfths, broken down as follows:

Chapter 10	Members of the institution - 2 extra twelfths -	2,874,750	EUA in payments
Chapter 13	Expenditure relating to missions - 2 extra twelfths -		
	and displacements	583,300	EUA in payments
Chapter 21	Rent of buildings and accessory - 1 extra twelfth in commitments		
	expenditure	1,006,600	EUA
		3 extra twelfths in payments	
		3,020,000	EUA

EXPLANATORY STATEMENT

1. Following the rejection of the draft 1980 budget, and at the beginning of the new financial year, it became clear that there were three areas of expenditure where Parliament might encounter difficulties in keeping within the one-twelfth system.

- (i) Rents. Given that rents on large buildings are in general not paid on a monthly but on a three-monthly or six-monthly or even an annual basis, it seemed likely that Parliament, like the other institutions of the Community, would require extra provisional twelfths for Chapter 21 "Rent". Council and the Economic and Social Committee applied for extra twelfths for this purpose in February and Parliament gave its approval during the February part-session. ⁽¹⁾

Parliament's administration, however, attempted to make certain temporary arrangements with its landlords in order to obviate the need for extra twelfths. It was clear, however, that such arrangements could only suffice were the period before the adoption of a new budget to be a short one. This was not the case and therefore Parliament, in order to meet existing contractual obligations, has requested three extra twelfths in payments (3,020,000 EUA) and one extra twelfth in commitments (1,006,600 EUA).

- (ii) For the allowances for members of the institution it was clear that the 1979 budget total would not be sufficient to finance the different allowances because of the doubling of the number of members of Parliament (from June 1979 onwards), the increase in allowances for the offices of members and the more intense activity of the institution.

As a provisional arrangement, and on the basis of a proposal from the Quaestors, it was agreed to limit the daily allowance of members to 60% of their entitlement, and to suspend the office allowance, until such a time as the budget was adopted.

Whilst this arrangement was acceptable for members of Parliament for a short period, it became clear that in a certain number of cases, genuine difficulties arose for members, which might hamper their ability to function as effective representatives of their constituents.

⁽¹⁾ Doc. 1-755/79.

For this reason the Bureau of the European Parliament decided that the allowances should be paid in full as from 1 June, in the absence of a Council decision on the budget, and that two extra twelfths (2,874,750 EUA) in payments should be applied for.

- (iii) As regards the mission expenses of Parliamentary staff (Chapter 13) which are governed by an advances system, it was noticed that the system of payment which does not seem to permit detailed control of expenditure on a day-to-day basis, gave rise to an exceeding of the twelfths by as much as 30% over the first one-third of 1980.

It appears that, while certain economies were made as to the number of officials travelling on behalf of the institution, it was not, however, possible to go beyond a certain point of retrenchment given the current obligation of the institution to work in three separate places. Any further cutback might have had an effect on the functioning of the institution.

For these reasons the Bureau of Parliament requested that two extra provisional twelfths in payments for Chapter 13, "Mission expenditure" (583,300 EUA) be made available.

Observations of the Committee on Budgets

2. The Committee on Budgets

- (i) approves the requests for extra twelfths for Chapters 10, 13 and 21 which it considers have become necessary in view of Council's delays in adopting the 1980 draft budget;
- (ii) considers that economy measures, as regards the missions of its staff, should be maintained provided that the functioning of the institution is not jeopardised;
- (iii) instructs the administration of Parliament to continue to provide its rapporteurs with monthly statements of expenditure on a chapter by chapter basis so that any problems under the one-twelfths system, or subsequently, with the implementation of the 1980 budget, can be signalled to it;
- (iv) urges in future that Parliament's administration attaches to any requests for extra twelfths the fullest possible breakdown of expenditure, and statements as to forthcoming anticipated outlays.

