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EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-298/83

Report

drawn up on behalf of the Committee on Budgets

on the draft estimates of revenue and expenditure of
the European Parliament for the financial year 1984

Rapporteur: Mr G. PFENNIG

PE 84.550/fin.

At its meeting of 29 November 1982 the Committee on Budgets appointed Mr PFENNIG rapporteur.

On 12 January 1983 the Bureau drew up the establishment plan section of Parliament's first preliminary draft estimates for 1984. The Committee on Budgets delivered its opinion to the Bureau on 16 February 1983.

On 9 March 1983 the Bureau adopted the establishment plan section of the draft estimates including the section relating to the political groups.

On 23 March 1983 the Bureau drew up the first preliminary draft estimates of the European Parliament's revenue and expenditure for 1984, which it forwarded to the Committee on Budgets on 11 April 1983.

The Committee on Budgets delivered its opinion on the first preliminary draft estimates at its meeting of 20 April 1983.

At its meeting of 28 April 1983 the enlarged Bureau adopted the preliminary draft estimates.

On 11 May 1983 the Committee on Budgets drew up the draft estimates of Parliament's revenue and expenditure for 1984 and unanimously adopted them, together with the following resolution, with 16 votes in favour and 1 abstention.

Present: Mr Lange, chairman; Mr Notenboom, vice-chairman; Mr Pfennig, rapporteur; Mr Abens, Mr Adonnino, Mr Aigner (deputizing for Mr Croux), Mr Balfour, Mr Barbagli, Mr Fich, Mrs van Hemeldonck (deputizing for Mr Balfe), Mr Langes, Mr Nebout; Mr Newton Dunn, Mr Price, Mr Protopapadakis, Mr Saby, Mr Konrad Schön, Mrs Scrivener, Mr Simonnet and Mr Zagari (deputizing for Mr Lalumière).

The final text of the report was tabled on 13 May 1983.

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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

on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1984

The European Parliament,

- having regard to the decisions of the Bureau and the enlarged Bureau and the draft estimates submitted by the Committee on Budgets,
- having regard to the report of the Committee on Budgets and its opinions on the establishment plan and the revenue and expenditure for 1984 (Doc. 1-298/83 and annex),

I. As regards the establishment plan of posts in the secretariat

1. Notes the following decisions of the Bureau which has the last word on the establishment plan in the preliminary deliberations:

Creation of 11 established posts for the Greek language service and the Athens Information Office

1 LA 3, 4 LA 5/4, 1 B 3/2, 5 C 3/2

Creation of 14 posts for Spanish and Portuguese temporary staff

6 LA 5/4, 1 B 5/4, 7 C 3/2

Conversion of 2 posts

2 B 5 to B 3/2 (establishment of 2 permanent auxiliary staff)

12 upgradings

2 B 4 to B 3

7 C 2 to C 1

2 C 4 to C 3

1 D 2 to D 1

2. Notes in respect of these posts the decision taken by its Bureau during its deliberations of 9 March 1983

3. Reserves the right to review the establishment plan in the course of the procedure for the establishment of the general budget of the Communities for 1984 and if necessary to make further proposals;

II. As regards the establishment plan of the political groups

4. Notes the following decisions of the enlarged Bureau regarding the establishment plan of the political groups:

Creation of posts

2 C 3, 2 C 1, 2 B 3, 1 A 7, 1 A 5

Conversions

7 C 3 to C 2

2 C 4 to C 3

3 C 2 to C 1

2 B 2 to B 1

5 A 7 to A 6

1 A 5 to A 4

List of reserve posts

. New posts: 2 C 2

2 A 6

. Upgrading: 7 C 2 to C 1

7 B 4 to B 3

1 B 2 to B 1

2 A 6 to A 5

1 A 4 to A 3

5. Calls on the Bureau to examine whether the pyramid of posts in the groups is well balanced and whether the secretariat staff are evenly distributed between the groups;
6. In connection with the creation of new posts and upgrading of posts in the secretariat, calls on the Bureau to put into practice its decision on increased mobility in the establishment plan in the future and to take account of this in the development of careers in order to make conversions and upgradings of posts largely superfluous; recalls in this connection that the increased application of data processing and office automation virtually makes flexibility in the form of job reductions in certain areas inevitable, thus liberating staff for areas in which there is an increased requirement;

III. As regards the estimates themselves

revenue

7. Establishes the draft estimates of revenue for 1984 at 19,233,000 ECU; the contribution of the European Communities to the financing of expenditure therefore amounts to 219,894,804 ECU;
8. Has increased the estimates for revenue vis-à-vis the original estimates in some cases and welcomes in this connection the statement by the President that the gross principle (ie no re-use of revenue) will be used in future;

expenditure

9. Adopts the estimates of expenditure for 1984 totalling 239,127,804 ECU, including 18,609,500 ECU under Item 3708 for information for electors in connection with the second direct elections to the European Parliament;
10. Emphasises that the increase in expenditure vis-à-vis the previous year amounts to around 4.9% and, if the extraordinary expenditure for the second direct elections is deducted, there is even a slight reduction in expenditure;
11. Believes that, by pursuing such a thrifty line at an economically very difficult time, it is living up to its responsibility towards the European tax-payer;

12. At the same time, expresses its discontent at the procedure used in the administration to produce the first draft estimate and demands that the long-requested zero-based budgeting, which is so far only used for Item 1100 'basic salaries' and Item 1301 'mission expenses for staff' should in future be applied to other budget items;
13. Has therefore had to take the actual expenditure for 1982 as its principal guideline for 1984 and has thus been unable to maintain the 1983 budget estimates for 1984 in some areas;

individual items in the draft estimates

14. Calls on the Bureau to complete work on a standardized European system of allowances for Members in time for the results to be applied in the 1985 budget;
15. Asks the Bureau to ensure that all aspects of the present system are reviewed taking into account the different starting points;
16. Expresses its support for the unrestricted use of the latest technologies and rational working methods in its administrative services and has therefore ~~adopted in some cases considerably increased resources for data processing, office automation, etc;~~
17. Will however carry out a further scrutiny of the allocation of resources ~~for this purpose in the course of the budgetary procedure in the light of further develop-~~ments and in particular with regard to the optimal utilization of these resources;
18. Insists that the necessary restructuring, reorganization and training measures should be initiated now and that a report on these measures should be submitted to the Committee on Budgets by 15 November 1983 at the latest;
19. Calls on its President to ensure that no incompatible system or pieces of equipment are acquired in the course of the provision of Parliament with data processing and office automation installations;

execution of the budget

20. Demands that the 'budget' division within the administration should have a central responsibility not only in the drawing up of the draft estimates but also in the execution of the budget so that at any time it will have a precise view of what expenditure has been incurred and what allocations are required;
21. Notes that in principle the Secretariat has been able to meet the increased quantitative and qualitative demands made on it by Parliament's expansion since 1979; at the same time points to existing structural and organizational shortcomings in the Secretariat and demands that the Secretary-General should report to the Bureau and the Committee on Budgets on the measures taken and improvements made by the time the drafting of the next estimates starts at the latest; expressly includes in this demand questions of mobility of staff;
22. Stresses in conclusion the good cooperation between the Committee on Budgets, the Bureau and the enlarged Bureau in the drawing up of the estimates which show an increase vis-à-vis the last estimates far below the maximum rate of increase of 11.6% fixed for the general budget of the European Communities and thus in step with the economy measures undertaken in national budgets;
23. Instructs its President to forward the annexed estimates to the Commission of the European Communities.

ESTIMATES - REVENUE.

	<u>in ECU</u>
<u>TITLE 4 - MISCELLANEOUS COMMUNITY TAXES, LEVIES AND DUES</u>	16,900,000
<u>Chapter 40</u> - Deductions from staff remuneration	16,900,000
Article 400 - Proceeds from taxation on the salaries, wages and allowances of officials and other servants	9,700,000
Article 401 - Staff contributions to the pension scheme	5,100,000
Article 402 - Levy on remuneration	2,100,000
<u>TITLE 5 - REVENUE ACCRUING FROM THE ADMINISTRATIVE OPERATION OF THE INSTITUTION</u>	1,372,000
<u>Chapter 50</u> - Proceeds from the sale of movable and immovable property	372,000
Article 500 - Proceeds from the sale of movable property	30,000
Article 502 - Proceeds from the sale of publications, printed works and films	242,000
Article 503 - Proceeds from the sale of vehicles	100,000
<u>Chapter 52</u> - Revenue from investments or loans granted, bank and other interest	1,000,000
Article 520 - Revenue from investments or loans granted, bank and other interest	1,000,000
<u>Chapter 53</u> - Exchange gains	-
Article 530 - Exchange gains	-
<u>Chapter 55</u> - Transfer or repayment of pension rights by staff	p.m.
Article 550 - Transfer or repayment of pension rights by staff	p.m.
<u>TITLE 6 - CONTRIBUTIONS TO COMMUNITY PROGRAMMES, REPAYMENT OF EXPENDITURE AND REVENUE FROM SERVICES RENDERED AGAINST PAYMENT</u>	1,000
<u>Chapter 61</u> - Repayment of miscellaneous expenditure	1,000
Article 610 - Repayment of expenditure incurred on behalf of another institution	1,000
<u>TITLE 9 - MISCELLANEOUS REVENUE</u>	800,000
<u>Chapter 90</u> - Miscellaneous revenue	800,000

in ECU

<u>Chapter 91</u> - (Voluntary) contribution by members to a retirement pension scheme	160,000
Total	19,233,000
Contributions due	219,894,804
 GRAND TOTAL	 239,127,804

in ECU

ESTIMATES - EXPENDITURE

	TOTAL ...	239,127,804
<u>TITLE 1 - EXPENDITURE RELATING TO PERSONS WORKING WITH THE INSTITUTION</u>		156,514,294
<u>Chapter 10</u> - Members of the institution		43,427,000
Article 100 - Salaries, allowances and payments related to salaries		23,596,000
Item 1000 - Basic salaries		p.m.
Item 1001 - Residence allowances		p.m.
Item 1002 - Family allowances		p.m.
Item 1003 - Representation allowances		p.m.
Item 1004 - Travel and subsistence allowances, attendance at meetings and associated expenditure		13,870,000
Item 1005 - Special travel expenses in the exercise of the parliamentary mandate		272,000
Item 1006 - Allowance to cover expenditure resulting from the activities of members in their capacity as members of the European Parliament other than activities covered by Item 1005		9,454,000
Article 101 - Accident and sickness insurance and other social security charges		569,000
Article 102 - Temporary allowances		-
Article 103 - Pensions		510,000
Item 1030 - Retirement pensions		250,000
Item 1031 - Invalidity pensions		p.m.
Item 1032 - Survivors' pensions		260,000
Article 105 - Language courses for members		400,000
Article 106 - Members' secretarial expenses		15,373,000
Article 109 - Provisional appropriations to cover any adjustments to the allowances of members		2,979,000
<u>Chapter 11</u> - Staff		102,633,770
Article 110 - Officials and temporary staff holding a post provided for in the establishment plan		88,025,630
Item 1100 - Basic salaries		70,622,870
Item 1101 - Family allowances		5,932,330
Item 1102 - Expatriation and foreign residence allowances (including Article 97 of the ECSC Staff Regulations)		10,593,430

	<u>in ECU</u>
Item 1103 - Secretarial allowances	877,000
Article 111 - Other staff	2,500,000
Item 1110 - Auxiliary staff	2,500,000
Item 1111 - Auxiliary interpreters	p.m.
Item 1112 - Local staff	p.m.
Item 1113 - Special advisors	p.m.
Article 112 - Pensions, severance grants and unemployment insurance	p.m.
Item 1123 - Severance grants	p.m.
Article 113 - Insurance against sickness, accidents and occupational disease	2,762,840
Item 1130 - Insurance against sickness	2,162,200
Item 1131 - Insurance against accidents and occupational disease	600,640
Article 114 - Miscellaneous allowances and grants	1,250,300
Item 1140 - Birth and death grants	28,500
Item 1141 - Annual leave travel expenses	1,061,600
Item 1142 - Housing and transport allowances	-
Item 1143 - Fixed entertainment allowances	76,000
Item 1144 - Fixed travel allowances	37,000
Item 1145 - Special allowance for accounting officers and administrators of imprest accounts	28,000
Item 1146 - Constitution or maintenance of pension rights for temporary staff	19,200
Item 1149 - Other allowances and repayments	p.m.
Article 115 - Overtime	500,000
Article 116 - Salary weightings	p.m.
Article 117 - Supplementary services	4,005,000
Item 1170 - Interpreters and conference technicians	3,305,000
Item 1171 - Freelance proof-readers	-
Item 1172 - Other services and work sent out for translation and typing	700,000
Article 119 - Provisional appropriation	3,590,000
Item 1190 - Provisional appropriation to cover any adjustments to the remuneration of officials and other staff	3,590,000

in ECU

<u>Chapter 12</u>	- Allowances and expenses on entering and leaving the service and on transfer	2,602,832
Article 120	- Miscellaneous expenditure on staff recruitment	337,000
Article 121	- Travel expenses (including family members)	46,000
Item 1211	- Travel expenses for staff	46,000
Article 122	- Installation, resettlement and transfer allowances	750,000
Item 1221	- Installation, resettlement and transfer allowances for staff	750,000
Article 123	- Removal expenses	400,000
Item 1231	- Removal expenses for staff	400,000
Article 124	- Temporary daily subsistence allowances	522,832
Article 125	- Allowances for staff assigned non-active status, retired in the interests of the service or dismissed	430,000
Item 1250	Allowances for staff retired in the interests of the service under Articles 41 and 50 of the Staff Regulations	72,000
Item 1252	Allowances for staff whose service is terminated (Regulation (Euratom, ECSC, EEC) No 2530/72)	185,000
Item 1254	Allowances for staff whose service is terminated (Regulation (ECSC, EEC, Euratom) No 2150/82)	173,000
Article 129	- Provisional appropriation to cover any adjustments to the remuneration and various allowances paid to officials and other servants	117,000
<u>Chapter 13</u>	- Expenditure relating to missions and duty travel	6,500,000
Article 130	- Mission expenses, travel expenses and incidental expenditure	6,500,000
Item 1301	- Mission expenses for staff	6,500,000
Item 1302	- Special equipment for missions	-
<u>Chapter 14</u>	- Socio-medical infrastructure	437,800
Article 140	- Restaurants and canteens	361,500
Article 141	- Medical service	76,300
<u>Chapter 15</u>	- Graduate traineeships and further training for staff	619,292
Article 150	- Cost of organizing graduate traineeships with the institution	200,000
Article 151	- Language courses, retraining, further training and information for staff	419,292

	<u>in ECU</u>
<u>Chapter 16</u> - Expenditure on social welfare	293,600
Article 160 - Special assistance grants	22,500
Article 161 - Social contacts between staff	51,100
Article 162 - Other welfare expenditure	220,000
Item 1620 - Other expenditure	220,000
Item 1621 - Fitting-out of an inter-Community sports centre	p.m.
 <u>TITLE 2 - BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE</u>	 53,954,010
 <u>Chapter 20</u> - Investments in immovable property, rental of buildings and associated costs	 23,470,000
Article 200 - Rent	15,300,000
Item 2000 - Rent	15,300,000
Item 2001 - Deposits	p.m.
Article 201 - Insurance	80,000
Article 202 - Water, gas, electricity and heating	2,050,000
Article 203 - Cleaning and maintenance	3,600,000
Article 204 - Fitting-out of premises	750,000
Article 205 - Security and surveillance of buildings	1,570,000
Article 206 - Acquisition of immovable property	p.m.
Article 207 - Construction of buildings	p.m.
Article 208 - Other expenditure preliminary to the construction of buildings or to the acquisition of immovable property	 p.m.
Article 209 - Other expenditure on buildings	120,000
 <u>Chapter 22</u> - Movable property and associated costs	 8,769,610
Article 220 - Office machines	412,000
Item 2200 - New purchases of office machines	50,000
Item 2201 - Replacement of office machines	167,000
Item 2202 - Hire of office machines	p.m.
Item 2203 - Maintenance, use and repair of office machines	 195,000

	<u>in ECU</u>
Article 221 - Furniture	305,000
Item 2210 - New purchases of furniture	218,000
Item 2211 - Replacement of furniture	77,000
Item 2212 - Hire of furniture	p.m.
Item 2213 - Maintenance, use and repair of furniture	10,000
Article 222 - Technical equipment and installations	2,316,500
Item 2220 - New purchases of technical equipment and installations	625,000
Item 2221 - Replacements of technical equipment and installations	280,000
Item 2222 - Hire of technical equipment and installations	864,500
Item 2223 - Maintenance, use and repair of technical equipment and installations	547,000
Article 223 - Vehicles	817,000
Item 2230 - New purchases of vehicles	25,000
Item 2231 - Replacement of vehicles	177,000
Item 2232 - Hire of vehicles	270,000
Item 2233 - Maintenance, use and repair of vehicles	345,000
Article 224 - Equipment, operating costs and services relating to data-processing	4,321,110
Item 2240 - New purchases	1,356,000
Item 2241 - Replacements	p.m.
Item 2242 - Hire and maintenance of equipment	520,310
Item 2243 - Development and maintenance of applications	2,416,800
Item 2244 - Interrogation of data bases	28,000
Article 225 - Documentation and library expenditure	598,000
Item 2250 - Library funds, purchase of books	145,000
Item 2251 - Special library, documentation and reproduction equipment	10,500
Item 2252 - Subscriptions to newspapers and periodicals ...	161,000
Item 2253 - Subscriptions to news agencies	270,000
Item 2254 - Binding and upkeep of library books	11,500
<u>Chapter 23</u> - Current administrative expenditure	6,598,400
Article 230 - Stationery and office supplies	1,750,000
Article 231 - Postal charges and telecommunications	4,169,900
Item 2310 - Postage on correspondence and delivery charges	1,117,000
Item 2311 - Telephone, telegraph, telex, television	3,052,900

	<u>in ECU</u>
Article 232 - Financial charges	15,000
Item 2320 - Bank charges	15,000
Item 2321 - Exchange losses	p.m.
Item 2329 - Other financial charges	p.m.
Article 233 - Legal expenses	69,000
Article 234 - Damages	p.m.
Article 235 - Other operating expenditure	594,500
Item 2350 - Miscellaneous insurance	75,500
Item 2351 - Uniforms and working clothes	130,000
Item 2352 - Miscellaneous expenditure on internal meetings	173,000
Item 2353 - Departmental removals and associated handling	115,000
Item 2354 - Petty expenses	85,000
Item 2359 - Other operating expenditure	16,000
Article 239 - Services rendered between institutions	p.m.
Item 2390 - Services rendered by the Office for Official Publications	(1)
Item 2391 - Joint Interpreting Service	p.m.
Item 2393 - Automated Legal Information Service	p.m.
<u>Chapter 24</u> - Entertainment and representation expenses	352,000
Article 240 - Entertainment and representation expenses	352,000
Item 2400 - Entertainment and representation expenses for members of the institution	320,000
Item 2401 - Entertainment and representation expenses for staff	12,000
Item 2402 - Fund for expenses in accordance with Rule 18 of the Rules of Procedure of the European Parliament	20,000
<u>Chapter 25</u> - Expenditure on formal and other meetings	398,000
Article 250 - Meetings in general	48,000
Article 251 - Committee meetings	-
Article 255 - Miscellaneous expenditure on the organization of, and participation in, conferences, congresses and meetings	350,000

¹ Approps. 1984: 2,493,490 ECU

<u>Chapter 26</u> - Expenditure on studies, surveys and consultations	270,000
Article 260 - Limited consultations, studies and surveys	270,000
<u>Chapter 27</u> - Expenditure on publishing and information	10,553,000
Article 270 - Official Journal	4,193,000
Article 271 - Publications	4,100,000
Item 2710 - General publications	3,400,000
Item 2719 - Expenditure on publicity and promotion of publications	700,000
Article 272 - Expenditure on the dissemination of information and on participation in public events	2,260,000
Item 2720 - Expenditure on information, publicity and participation in public events	690,000
Item 2721 - Expenditure on audio-visual information	1,570,000
Item 2722 - Participation of the Communities in international exhibitions	p.m.
<u>Chapter 29</u> - Subsidies and financial contributions	3,543,000
Article 290 - Subsidies to higher education institutions	p.m.
Article 294 - Study grants	368,000
Item 2940 - Research and study grants	110,000
Item 2941 - Grants for further training of conference interpreters	58,000
Item 2949 - Grants for nationals of non-member countries ...	200,000
Article 299 - Other subsidies	3,175,000
Item 2990 - Subsidies and financial contributions towards the cost of group visits	2,600,000
Item 2991 - Subsidies towards the cost of visits by 'opinion multipliers' from the Member States	575,000
<u>TITLE 3 - EXPENDITURE RESULTING FROM SPECIAL FUNCTIONS CARRIED OUT BY THE INSTITUTION</u>	27,234,500
<u>Chapter 37</u> - Expenditure relating to certain institutions and bodies	27,234,500
Article 370 - Special expenditure of the European Parliament	27,234,500

in ECU

Item 3700	- Expenditure on interparliamentary institutions stipulated in the ACP-EEC Convention of Lome ...	1,000,000
Item 3701	- Expenditure on contacts between members of the European Parliament and members of the parliaments of third countries	700,000
Item 3702	- Expenditure on the Joint Parliamentary Committee provided for within the framework of the association with Turkey	p.m.
Item 3703	- Expenditure on interparliamentary contacts set up under the association with Malta	28,000
Item 3705	- Contribution to secretarial expenses of the political groups and expenses of the non-attached members:	4,623,000
Item 3706	- Other political activities	2,274,000
Item 3708	- Contribution to the costs of preparations for the next European elections	18,609,500
<u>TITLE 10 - OTHER EXPENDITURE</u>		1,425,000
<u>Chapter 100 - Provisional appropriations</u>		1,425,000
Article 1000	1,425,000
Article 1001	-
<u>Chapter 101 - Contingency reserve</u>		-
Article 1010	-
Article 1011	-

GRAND TOTAL 239,127,804

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B
EXPLANATORY STATEMENT

OPINION ON THE SECTION RELATING TO THE ESTABLISHMENT PLAN

I. Introduction

1. The Bureau's proposals concerning the establishment plan of the European Parliament were made available to the rapporteur on 27 January 1983. He has attempted within a very short time to gain an insight into the extremely complex subject matter involved, and in particular to obtain background information with the help of a list of questions submitted already in December.
2. The rapporteur takes this opportunity to thank the administration expressly for the extraordinarily prompt answers to his questions, many of which were accompanied by extensive supporting documents.

Unfortunately, a substantial part of this documentation could not be traced for a long time, seemingly because the routing of internal mail from one department to another is too complicated.

This additional background information was all the more important and essential for the rapporteur as the Secretary-General and Bureau had supplied very sparse and in some cases extremely vague justifications for their requests for new posts and upgradings.

II. Efficiency of staff policy within the Secretariat

(a) Reorganization

3. The rapporteur for the 1983 budget of the European Parliament, Mr SABY, referred in his opinion on the establishment plan to the report on the supplementary estimates for 1979, adopted in May 1979. That resolution set out a series of demands relating to structural changes within the Secretariat. Last year's rapporteur described the measures to achieve a qualitative improvement in the establishment plan, in response to the various requests put forward by Parliament since 1979, as inadequate. He called for an 'overall, carefully considered and concerted policy governing the structure and management of the establishment plan'¹.

¹ PE 77.328/fin., p. 6

(b) Recruitment policy

4. At a time when the number of unemployed in the European Community has passed the 12 million mark, when millions of other workers have to accept reduced social benefits and a decline in real incomes, the Appointing Authority in the European Parliament ought to consider whether the moment has not come to utilize all the grades provided for in the Staff Regulations down to the lowest within each category. For example, in the case of Category A officials no appointments are at present made in the lowest grade, A 8, and secretaries are recruited at C 3, provided that they can type and take shorthand. In the case of the latter, especially, it is then scarcely surprising if the majority find themselves in C 2 within a short time and a bottle-neck occurs at C 1, where career opportunities largely come to an end.

5. Conclusions

(i) In 1983 the Committee on Budgets once again finds that, since the substantial increase in the staff of the European Parliament¹, only few and inadequate restructuring and reorganization measures have been taken within the Secretariat. Instead, only disjointed measures are taken in regard to the 1984 establishment plan, the reasoning behind which, particularly in the case of promotions, is not altogether clear.

¹ Growth since 1978 (established and temporary posts):

1978 - 1,540 + 146

1979 - 1,917 + 160 (supplementary budget)

1980 - 2,126 + 406

1981 - 2,561 + 313

1982 - 2,559

1983 - 2,565 + 323

- (ii) The Committee on Budgets demands that action finally be taken on the various internal and external investigations of possible structural reforms, especially as the restructuring of the Secretariat proposed by the new President of Parliament has again been shelved.
- (iii) Such restructuring should be approached not from above, but from below, in close cooperation between all those concerned: staff, administration, Committee on Budgets and Bureau. In that context full use must be made of the staff mobility called for both by the Bureau and by the Staff Committee; a detailed description of posts should serve as the basis for a scrutiny of the duties and assignment of existing staff and the various departments, with a view to the possible transfer of posts from services 'where the evolution of work has led to over-staffing to services that are under-staffed'¹. Such an examination followed by appropriate action would make increases in staff superfluous for many years to come!
- (iv) Consideration should also be given in this connection to the possibility of appointing a personnel manager or strengthening the position of the Personnel Director, to ensure that this person, backed up by his professional knowledge, authority and extensive powers, directs and supervises the efficient use of staff.

¹ See Bureau proposals as set out in the letter from the President of Parliament, PE 82.688/Ann., p. 5

(c) Promotions

6. 'Normal' career development or promotion of staff is in the general interest, in order to avoid bottlenecks and dissatisfaction among staff. In this connection special attention needs to be given to the problem of advancement from one category to another. This problem arises in particular where officials reach the last step in the highest career bracket in their category. It is not easy to devise a flexible system which is at the same time fair and appropriate to the needs of the situation.
7. On the other hand, it is debatable whether promotion within a category at intervals of 2 or 3 years should be regarded as 'normal'. In this context it should be borne in mind that the average time taken to obtain promotion is very different in the other institutions: whereas at the Commission promotion from A6 to A5, that is from one career bracket to another, takes about seven years and three months, in Parliament two years and three months is the rule.
8. The Staff Committee, which generally adopts a maximalist approach in representing the interests of staff, admits that the promotion opportunities in the European Parliament continue to be far better than in all the other institutions, partially because of the rapid expansion in the establishment, from 1,500 staff in 1977 to nearly 3,000 in 1981/1982 (see activity report, p.24).
9. If, moreover, one takes into account the fact that the upgraded posts requested already exist in other divisions, directorates or directorates-general and are not used at present, most of the upgradings requested appear to be quite unjustified and superfluous.

10. Conclusions

- (i) The Committee on Budgets has never left any doubt that promotion opportunities for existing staff of the European Parliament must not be blocked, despite all budgetary restrictions and despite the freezing of the establishment plan.
- (ii) The Committee on Budgets calls, however, for examination of the question whether, on the basis of the abovementioned movements in the establishment plan of the Secretariat (as a result of both the creations of posts and the consequent promotions), further conversions or upgradings of posts are justified, and whether these promotions cannot already now be arranged with the aid of the corresponding posts already existing in other divisions (transfer or exchange of posts). In this connection the flexibility and mobility already called for by the Bureau should be applied also in the area of promotions policy!
- (iii) Where this approach cannot be implemented, exceptions may need to be made to the general promotion rules (seniority in service, age, etc.) in particularly well-founded and justified cases - and it is no doubt on such justifications that the proposals of the Secretary-General and Bureau are based - so that staff are promoted in order to place greater weight on performance and ability, as has always been demanded by the Committee on Budgets.
- (iv) After searching study and investigation by the rapporteur and in the light of the points made above, the Committee on Budgets considers only the following staff promotions to be justified, although these promotions should not be implemented through the upgrading of the corresponding posts:

(v) Conversions of posts

- Given that 18 out of a total of 20 auxiliary staff have already been established according to information supplied by the administration, the Committee on Budgets can no longer maintain its reservations with regard to the conversion of the remaining two B V posts into B 3/2.

Projected over a 30-year period, these conversions of posts will result in additional costs amounting to 147,288 ECU.

(vi) Upgradings of posts

In the Directorate-General for Sessional
and General Services: 3 upgradings

Central word-processing unit: Upgrading of 2 B 4 posts to B 3

Projected over 30 years, the additional costs of these upgradings - at the given salary level - will amount to at least 87,700 ECU.

Word-processing in language service: Upgrading of one C 2 post to C 1

Projected over 30 years the additional costs of this upgrading will amount to at least 74,500 ECU.

These three upgradings appear to be justified, because the additional enquiries made by the rapporteur indicate that the officials in question have actually been assigned new and extended responsibilities.

Directorate-General for Administration,
Personnel and Finance: 2 upgradings

Personnel Division: Upgrading of one C 2 post to C 1
for the official in charge of
administration of other staff.

This is a new activity sector taken over by the Personnel Division, which will enable substantial savings to be made. Against the 'additional' costs amounting to 74,500 ECU (over 30 years) must be set savings amounting to approximately 672,000 ECU.

College of Quaestors: Upgrading of a C 2 post to C 1

Justification: extension of responsibilities

Costs: 74,500 ECU over 30 years.

- (vii) These various promotions, which are regarded by the Committee on Budgets as justified, should not however be implemented through upgrading of the posts in question but - in line with the mobility called for by the Bureau, which should be applied also in the area of promotion - through transfer to and/or exchange of existing posts with the department concerned, so that they may be filled by the officials in question.

- (viii) On the basis of the information made available, the Committee on Budgets considers that all the other requests for upgradings of posts or promotions have not been adequately justified. In particular, as regards the request for the upgrading of a C 4 post to C 3 in Brussels, it calls attention to the possibility of exchanging this post with a corresponding post in the typing pool.

(d) Creation of posts

- 11. It is gratifying to observe that, after the huge increases in the period 1978 to 1981, the establishment plan has remained virtually unchanged since 1982 and that no appreciable increases in it are envisaged in 1984. In a Parliament working in seven languages and with Members from

ten countries, in which two additional languages are to be added in the near future and provision made for the appropriate services to be provided for the Members from the two new countries, it is not in the rapporteur's view possible, and certainly not desirable, to create posts on a purely arithmetical basis simply because a certain establishment plan already exists for staff of the present official languages. In future it will be essential for services to be structured not according to the establishment plans existing for the other languages, but according to the need to carry out the work in the most efficient way, which may entail contracting work out or reorganizing existing establishment plans.

12. There is a danger that the increase in the number of official languages from seven to nine will be accompanied by a further growth of the administrative apparatus - one has only to look at the posts to be created in connection with enlargement for the new officials - and that the Secretariat will gradually degenerate into a machine that is no longer capable of fulfilling its fundamental task, namely the provision of services to Members. In this connection one has only to consider that, according to the administration's own calculations, already now some 35% of staff expenditure totalling around 95 m ECU, in other words around 33 m ECU, is needed almost exclusively for the administration of the staff itself!

Greece

13. As already pointed out above, the establishment plan of the European Parliament has more or less doubled since direct elections, or rather since the preparatory years immediately preceding them, the accession of Greece being adduced in the period 1980 to 1982 as an additional justification for this increase.
14. At the moment, Greek officials occupy the following posts in the establishment plan:

10 A, 40 LA, 7 B, 66 C and 4 D

Total: 127

15. In contrast, using Greek accession as the justification, the following posts were created for Greeks in the period 1980 to 1982:

1980: 113
1981: 98
Total: 211

According to the information received 8 posts for interpreters and 7 posts for translators are currently unfilled.

16. From the Secretary-General's explanations it appears that the posts to be created for the Greeks relate to the Reports of Proceeding Service and the Minutes of Proceedings Service. The creation of an LA 3 post is the second such post, which in the other language divisions was created only after a long time, to reduce the pressure on the establishment and create opportunities for advancement.
17. In the light of the explanations given it is difficult to understand why, only two years after the accession of a new Member State, we should again - or still - be creating posts to 'supplement the establishment'.

Spain and Portugal

18. The Bureau itself states in its proposals on the preliminary draft estimates that, in connection with the accession of Spain and Portugal, 'new overall proposals will be necessary once the definitive date of accession is known' (p. 5).
19. The Committee on Budgets takes the view that the Bureau or the administration should already now have formed an idea of the size of the establishment for Spanish and Portuguese officials and which of these posts should already now be filled with staff from those countries.

20. Conclusions

Greece

- (i) According to information from the administration, the posts requested for 1984 for translators and their secretaries would entail additional costs over a 30-year period of at least 7.56 m ECU. To this must be added costs amounting to 1.13 m ECU for the two posts in the Information Office in Athens.
- (ii) According to the information supplied to the Committee on Budgets it is at the present time impossible in practice to fill the existing posts in the Greek Translation Division with the right calibre of staff. Since the Greek language service still has unfilled posts, as well as posts filled at lower level (A 7/6 officials in A 5/4 posts), the Committee on Budgets sees no possibility in the foreseeable future of the creation of new posts and therefore regards the requested five LA posts and four secretarial posts as superfluous.
- (iii) If the Bureau should nevertheless decide for political reasons and in order to maintain a certain balance between the language services that this work, which at the moment is for the most part performed outside, should be carried out with in-house staff, the Committee on Budgets asks that this measure be implemented with the aid of the existing establishment of the Greek Translation Division, which is not yet fully utilized, or else through reorganization of the general establishment plan.
- (iv) With regard to the B 3/2 post in the Athens Information Office, the committee is in favour of filling that post with the auxiliary member of staff already employed. However, no new post should be created for this purpose and an unfilled B 3/2 post transferred from the Directorate- General for Information and Public Relations.

Nor can the Committee on Budgets endorse the creation of a C 3/2 post for a secretary, which should be filled by means of a transfer.

Spain and Portugal

- (v) According to the information from the administration, the posts requested for 1984 will entail costs amounting to 10.085 m ECU over 30 years. These are minimum costs for the created post without taking into account the additional costs for the subsequently recruited staff.
- (vi) In the present state of discussions, the Committee on Budgets sees no reason to provide already now for the creation of 14 posts to give a nucleus of linguists. It warns in that connection against the possibility of repeating the errors made on the accession of Greece to the Community.
- (vii) On the basis of its previous experience, the Committee on Budgets does not in this case consider it feasible to acquire Spanish and Portuguese linguists able to translate all the Community languages by 1984 through the normal recruitment procedure. Consideration should therefore be given to the possibility, in case of need, of recruiting auxiliary staff on a short-term basis, for which appropriations might be entered under Chapter 100. Furthermore, the Committee on Budgets refers to the points made by the rapporteur in Section II. 2 concerning the possibility of changing the recruitment policy by employing new staff in the lowest grades of individual categories, as provided for in the Staff Regulations.
- (viii) With regard to the B 5/4 post and C 3/2 post in the Personnel Directorate to establish a minimum reception structure, the Committee on Budgets takes the view that, if necessary, these posts should be filled from the existing staff in the present establishment plan.

OPINION ON SECTION RELATING TO APPROPRIATIONS

I. GENERAL BACKGROUND

1. The budgets of the European Parliament have been characterized in recent years by a wide gap between the appropriations entered in the budget and actual expenditure. This is clear from the following table:

(in 1000 ECU)

	(1) Budget appropriations	(2) Cancelled appropriations	(2) : (1) %	(3) Actual expenditure
1980	177 391	39 562	22.3	137 829
1981	199 401	27 386	13.7	172 015
1982	209 229	27 859 *)	13.3	181 370 **)
1983	228 018			
1984 ***)	243 365			

*) incl. 17.4 m ECU in transfers of appropriations which were able to be used owing to a last minute open transfer of appropriations for the election campaign.
**) minus 17.4 m ECU for the election campaign
***) Bureau estimate

2. The concept of zero-base budgeting consistently advocated by the Committee on Budgets has so far still not prevailed, except in the case of Items 1100 and 1301. The rapporteur therefore had no alternative in the case of Parliament's estimates for 1984 but to compare the proposed new level of appropriations with the most recent figures available for actual expenditure. In so doing he has not even addressed the question of whether the actual level of expenditure in 1982 was really necessary!

3. The rapporteur welcomes the fact that intensive preparatory work was done in a working party consisting of the President, first Vice-President, rapporteur and the competent officials of the administration, prior to the drawing up of Parliament's provisional preliminary draft estimates, in order to arrive at the most realistic estimates of expenditure possible. It was agreed in this working party that, for 'normal' budget items, the increase over actual expenditure in 1982 would be not more than 15%. Individual budget items, for instance for the intensive programme for the introduction of data processing equipment and the appropriations earmarked for the 1984 election campaign, are excepted.

4. This concerted view is realistic for the following reasons:

- The increase in budget appropriations in 1982 over 1981 was only 4.9%.
- In spite of that, appropriations of the order of 10.5 m ECU, i.e. 5%, were cancelled. Had some 17.4 m ECU not been transferred at the last moment from various surplus budget items to Item 3708 for the 1984 election campaign, the percentage of appropriations cancelled in 1982 would have been 13.3% (see table on page 2).

5. The appropriations proposed for 1984 are thus calculated in the following manner:

. Actual expenditure 1982	198.8 m ECU
. /. Election campaign appropriations	- 17.4 m ECU
	<hr/>
	181.4 m ECU
. + 15%	= 27.4 m ECU
	<hr/>
	209.4 m ECU
. Election campaign appropriations	+ 19.0 m ECU
	<hr/>
	228.4 m ECU

6. It should be pointed out that the Administration's original proposal was for total expenditure of 262 m ECU (including election campaign appropriations). In the course of intensive talks between President, first Vice-President, rapporteur, and the competent officials, a number of reductions were made in this estimate, to give an eventual total of 249 m ECU which, after further preliminary talks, was reduced by the Bureau to its present level of 243 m ECU.

7. The rapporteur has also endeavoured to examine each item in detail, comparing previous levels of appropriations and expenditure and adapting these to actual requirements. In a personal 'first reading' he has arrived in this way at a figure of 237 m ECU. The rapporteur considers after further examination, in particular of the points left in abeyance by the Bureau, that this amount is just acceptable, even though it represents - excluding election campaign appropriations - an increase over actual expenditure in 1982 of not just 15% but nearly 20%.

The next chapter deals with those items of the budget which raise specific problems.

II. PARTICULAR FEATURES OF THE 1984 BUDGET

Drawing up of budget estimates

8. Although the rapporteur was able to refer, as was the case last year, to the financial statements from the authorizing officers, containing their forecasts for the financial year in question together with the relevant calculations, the procedure for drawing up budget estimates remains unsatisfactory. Generally speaking, the authorizing officers still use the budget appropriations of the previous year as a basis and by multiplying them by the rate of increase which they consider necessary for the next financial year they arrive at a final figure. Since under the current procedure a start has to be made on financial statements for the 1984 financial year in October 1982, the most recent actual expenditure figures available are those for the 1981 financial year. The result is consistently inaccurate forecasts, producing over the past three financial years the effects which are summarized in the table in Chapter I.

9. A study, commissioned by the Bureau from the firm 'Ernst & Whinney', reached the same conclusions:

- Estimates of expenditure are not sufficiently accurate.
- The 'speculative' element has too much influence on the drawing up of financial statements.
- There are no precise guidelines either on paper or in practice for the calculation of estimates.
- There is no horizontal or vertical exchange of information with the result that the authorizing officers are working virtually in a vacuum.
- There is no department responsible for harmonization of methods, dissemination of information and technical back-up.
- There is no mechanism for simulating and analysing the impact of budget decisions.

- There is a serious discrepancy between budget information and financial reality.
- The inventory of furniture, office equipment, etc. is only a recent development and therefore has not been used to draw conclusions for the 1984 financial year.

Ernst & Whinney went on to suggest a number of improvements involving a reorganization of the administration and in particular of the budget department. Clearly, electronic data processing also has a special role to play in this process. The rapporteur will come back to this aspect in a separate chapter.

1984 elections

10. Because of the forthcoming direct elections in 1984, the budget estimates are affected by a number of unknown factors which are difficult to compute. In any event it was assumed for the purpose of budgeting expenditure on travel costs and other expenditure for Members and staff and for meetings (particularly Items 1004 and 1301) that there would be a 20% reduction in activities and, for instance, only 12 part-sessions. Article 109, on the other hand, was substantially increased because of the likelihood, allowing for periods of notice, of some overlapping in the payment of Member's assistants even if Members were not re-elected. It was assumed that around 30% of Members of Parliament would not be returned to office after direct elections.

Exhaustion of the recruitment reserve

11. Chapter 11, which covers the basic salaries and other allowances for the staff of the Secretariat, accounts for the largest share of the European Parliament's budget, namely 103 m ECU or 42% of the total level of appropriations proposed. Expenditure on the basic salaries of staff alone is budgeted at 70.6 m ECU, i.e. an increase of 14.6% over actual expenditure in 1982, compared to an original proposal of a 23% increase. A particular point to remember in the case of this item (Item 1100) is that currently 200 posts on the establishment plan are unfilled. Even after the establishment plan - which was expanded in the years up to 1981 - has been completed, there is still likely to be a certain reserve of posts vacated by officials retiring or changing jobs. However, this reserve should consist of no more than 100 posts and therefore expenditure on staff in 1984 will be at its highest ever level. Like last year, appropriations have been set aside in a special reserve (Item 1190) to cover salary adjustments decided by the Council.

One factor not allowed for in these estimates is the revaluation of the Belgian franc (from 44.97 to 44.37 Bfrs per ECU), the currency in which staff salaries and other allowances are paid. Additional expenditure of around 1.4 m ECU is therefore likely in Chapter 11 alone.

12. The rapporteur recalls in this connection the request by last year's rapporteur that Secretariat officials should be paid in ECUs. At that time the Bureau instructed the Secretary-General to examine the practical feasibility of this request and he in turn set up a working party of experienced officials. The report by this working party has been available since September 1982. The rapporteur is not aware of any further conclusions or discussions by the Bureau concerning the alternative proposals contained in that report or of any preparatory measures for implementing these proposals. He therefore calls for redoubled efforts to resolve this problem.

13. Since actual expenditure on staff in 1982 fell well short of the amounts budgeted (one reason being the appreciable two-fold devaluation of the Belgian franc from 40.7 to nearly 45 Bfrs/ECU), this chapter is a candidate for possible corrections upwards or downwards during the budget procedure in the autumn.

Data processing

14. The purchase of equipment for Parliament in the field of data-processing and office automation poses a particular problem in the case of the 1984 budget, since the amount entered against Article 224 of the first preliminary draft estimates is 200% higher than the appropriation for 1983. As the Bureau itself states in its remarks on the first preliminary draft estimates, it is not sure either about the level of appropriations which will ultimately be necessary. Naturally, the opinions of the Committee on Budgets and the Committee on Budgetary Control on the report by the Steering Committee on Data Processing will help to determine the final assessment. These opinions were not available either to the Bureau or to the rapporteur for the purpose of drawing up their respective documents. The rapporteur would like nevertheless to put forward a number of considerations and specific proposals on this subject.

For quite some time, i.e. since 1980, the Committee on Budgets has been looking into the European Parliament's EDP requirements and in February 1981 it drew up an initial report on this subject for the Bureau. It recommended, inter alia, an extremely cautious approach to the introduction of new technology in the European Parliament so as to avoid the over-hasty and uncoordinated purchase of equipment and thus the wastage of appropriations. It called in particular for inter-institutional cooperation to be studied and encouraged. Finally, the Committee on Budgets requested that a report be drawn up annually on the progress made during the previous year and proposing new initiatives. This report by the Steering Committee on Data Processing for the period October 1981 to September 1982 has been available since October of last year, although unfortunately it was not made available to the Committee on Budgets until recently. Consequently, it was unable to include the report in its consideration of appropriations for the 1983 budget as requested. The result was that 1 m ECU was set aside in the 1983 budget as a reserve. However, it is likely that not all of this amount will be required and therefore a sizeable carry-over of appropriations to 1984 can be expected.

Then, in mid-1981, the resolution on the seat of the institutions (Zagari report, 1-333/81) was adopted, which called for the use of the latest communications technology in the Secretariat in order to improve Parliament's working conditions at its three places of work and to facilitate cooperation between the institutions. The administration of the European Parliament Secretariat is now fond of quoting the Zagari resolution to support requests for very large amounts of appropriations to provide the Secretariat with all possible technologies at all possible levels, without any particular planning or coordination between the departments concerned. As a result, the requests for appropriations for 1984 by the individual departments of the administration far exceed in total the amount recommended in the report by the Steering Committee on Data Processing as the maximum possible for 1984, even though the expenditure proposed in the report for the period 1983-87 is distributed very unevenly with the bulk (30%) of the total expenditure of 11.3 ECU being earmarked for 1984.

15. After a thorough but by no means definitive study of the problem the rapporteur has reached the following conclusions:

- A level of appropriations nine times higher than actual expenditure in 1982 or more than three times more than the anticipated expenditure in 1983 in the data processing sector is just not workable. The rapporteur need only recall in this connection the doubling of the number of staff during the years 1979-81 which is still causing technical and organizational problems. Committing a similar error by providing the Secretariat with complex technical equipment which then can not be used efficiently would be not only regrettable but a further waste of taxpayers' money.

- The rapporteur takes the view that the procurement of complex electronic equipment for Parliament's secretariat for its internal business and for communications and documentation should be approached with care and on the basis of priority needs. Otherwise there is a danger that, because of organizational shortcomings, lack of information and probably also inadequate training of staff who would be expected to use the available facilities once they were programmed accordingly, equipment would only be partially utilized. Moreover, it is urgently necessary to ascertain exactly how the availability of such equipment would facilitate and improve the work of the Members of the European Parliament.

- Naturally, all kinds of data may be stored in EDP programmes for the purpose of making work easier and for rapid information. However, these programmes and new technologies are only as good as the relevance of the data used. Continuous revision and updating of programmes is essential. In his work on the establishment plan, the rapporteur discovered one example of incomplete data which indicated that information on the job descriptions of officials in the secretariat is not being updated properly. Not only are officials' duties only listed in a totally unsystematic way, but the rapporteur also found in cases known to him that the job description was often not only incomplete but even in some cases totally incorrect. The report by the Steering Committee on Data Processing mentions many similar examples of information already stored in the computer - it goes without saying that such a programme is worthless.

- All the fears expressed above with regard to inadequacies especially at organizational level are confirmed in the abovementioned report by the Steering Committee on Data Processing. It would appear, for instance, that

the team which various reports have suggested should be set up to reorganize the sectors in which data processing and office automation are to be introduced and to advise individual departments on the optimum use of the resources available to them has still not been set up. As early as 1980 it was stated in a report by the firm Marcel van Dijk that no systematic examination of administrative and organizational procedures had been conducted. Even at that time this resulted in:

- . lack of compatibility between existing equipment,
- . different procedures, particularly different filing procedures,
- . overlapping.

- In conclusion, the rapporteur would point out that the new technologies necessitate a reorganization and restructuring in many sectors of the administration with all that this entails. They require not only a rethinking of the recruitment of new staff (e.g. typists who are able to operate word processing equipment), but also increased mobility on the part of the existing staff, since new work techniques and methods in certain posts release existing staff, who can be more usefully employed in other posts. This is also one way of avoiding the need to recruit new staff or to expand the establishment plan for many years to come.

Much closer cooperation is needed between the individual departments but also between institutions in order to avoid each institution and each Directorate General building up its own 'data processing empire'.

- The report by the Steering Committee on Data Processing talks of an average annual level of 2.3 m ECU required for the five year period for 1983-87, compared with nearly 5 m ECU proposed in the provisional preliminary draft. However, the latter figure does include appropriations for the purchasing of word processors, to which the rapporteur intends to refer in his conclusions. Over-purchasing and the concentration of the bulk of the appropriations in a single financial year should be avoided. Furthermore, it should not be forgotten that in the medium term the increases in individual budget items for data processing and office automation must be accompanied by corresponding savings in other headings.

III. CONCLUSIONS REGARDING THE ALLOCATION OF APPROPRIATIONS: PROPOSALS
OF THE COMMITTEE ON BUDGETS

16. In the light of the considerations set out above, the Committee on Budgets proposes to the enlarged Bureau the following additional amendments to the provisional preliminary draft estimates, following the order of titles and chapters of the budget:

(a) Revenue:

It is difficult to obtain a clear picture of the revenue side of the budget because it is not adequately broken down and there are no remarks explaining the individual revenue items.

The Committee on Budgets therefore reserves its final opinion. However, it does consider that additional revenue items need to be created or considered because of the adoption of the gross principle (no offsetting of revenue against expenditure). This applies in particular to revenue from the sale of official vehicles (see expenditure item 2231).

On Article 500 it proposes an increase to the 1982 level, i.e. around 30,000 ECU.

Reason: the replacement of typewriters in particular, on quite a large scale in some cases, should generate at least the same revenue as in 1982 from the sale of the old machines.

(b) Expenditure

CHAPTER 10 - Members of the Institution

Articles 101 - Accident and sickness insurance

To be reduced by 200,000 to 569,000 ECU

Reason: An increase of 18% over 1983 expenditure ought to be sufficient

Overall reductions for Chapter 10: 200,000 ECU

CHAPTER 11 - Staff

Extensive cuts have already been made in this area in the working party on the budget. The Committee on Budgets therefore has only one more cut to propose namely:

Article 115 - Overtime

To be reduced by 310,000 to 500,000 ECU

Reason: During the years 1978 to 1981 the number of staff in particular in categories C and D were increased considerably, inter alia on the grounds of reducing the amount of overtime which had previously been necessary. In spite of the substantial increase in staff, in particular in category D, the amount of overtime worked by these grades continues to be very high. According to information and statistics made available to the rapporteur this is due to a highly unequal distribution of work, with the result that only a relatively small group of category D staff are fully employed and work overtime. The aim of this reduction is to oblige the administration to improve the organization of the messenger service and, in particular in the case of category C staff, to enforce more strictly the existing instructions that overtime should be compensated primarily by days in lieu.

Overall reductions in Chapter 11: 310,000 ECU

CHAPTER 12 - Allowances and expenses on entering and leaving the service
and on transfer

Here too cuts were made during the discussions in the working party.

No further amendments.

CHAPTER 13 - Mission and travel expenses

Article 1301 has already been cut from 7.4 to 6.5 m ECU

No further amendments.

No amendments at present.

CHAPTER 15 - Graduate traineeships and further training for staff

Article 150 has already been reduced by 42,000 ECU

Article 151. A substantial increase in this appropriation is proposed because of the need to organize more further training courses for staff as part of the data processing plan for the Secretariat, with the aim of ensuring optimum use of the equipment.

The Committee on Budgets proposes that the bulk of this expenditure be earmarked for these courses and that this should be specified in the remarks.

CHAPTER 16 - Expenditure on social welfare

No amendments at present.

CHAPTER 20 - Investments in immovable property, rental of buildings and associated costs

Item 2000 - Rent

The allocation against this item is always excessive. In 1982, 2.7 m ECU of the appropriation were not utilized. The working group reduced the original allocation against this line by 500,000 ECU and entered it against Chapter 100. This amount was intended to cover possible rental of new premises in Strasbourg, a slight increase in rent for alternative offices in the Boulevard de l'Empereur in Brussels and the European Parliament's hire of the rent for the inter-institutional early childhood centre. The Committee on Budgets agrees with this reserve, but still proposes a further 2.2 m ECU reduction in the appropriation against this line, bringing it down to 15.3 m ECU.

However, because of these significant reductions, it has decided to enter a further 500,000 ECU against Chapter 100 as a reserve, bringing the total reserve for Item 2000 to 1 m ECU.

Reason:

The statement of expenditure in the 1982 budget (17.2 m ECU) was over-estimated by 15% (actual expenditure was 14.5 m ECU). Assuming a similar error in the estimates for 1984 (since the estimates are always calculated on the basis of the previous year's appropriations), a realistic level of appropriations would be 15.3 m ECU (18 m ECU minus 2.7 m ECU).

This drastic reduction should, moreover, serve as an incentive to the administration to abolish the often criticised indexation of rents in rent agreements and to use the rent agreement for Strasbourg as a model. Presumably the only explanation for the increase in appropriations for Strasbourg, which the Bureau has proposed despite the fact that there is no indexation in Strasbourg, is that this appropriation already includes the rent subsidy for the 'Parliamentary Association'. According to the information made available to the rapporteur, only FF 29 m, or 4.3 m ECU, are to be paid for 1984.

Article 202 - Water, gas, electricity and heating

To be reduced by 300,000 ECU to 2,050,000 ECU (1982 expenditure + 15%).

Article 204 - Fitting-out of premises

To be reduced by 50,000 to 750,000 ECU (1982 expenditure + 15%).

Total reductions in Chapter 20: 2,550,000 ECU (from which the 500,000 ECU entered in the reserve should be deducted).

CHAPTER 22 - Movable property and associated costs

Here again, a number of budget items have already been cut by the working party and by the Bureau. This is the most difficult chapter in the 1984 budget, since it contains the appropriations for data-processing equipment. The Committee on Budgets proposes further reductions in the following items:

Item 2200 - New purchases of office machines

To be reduced by 60,000 ECU to 50,000 ECU.

Reason:

According to the remarks, these appropriations are to cover accessories for electronic typewriters of which a large number are already in use. The Committee on Budgets emphasizes that accessories can be purchased for the existing typewriters to adapt them for word-processing functions.

Nevertheless, the financial statement from the authorizing officer provides for the purchase of new machines and appropriations for this purpose have been entered against Item 2201. The Committee on Budgets stresses the desirability of purchasing accessories, because they are significantly cheaper and allow a considerable reduction in appropriations for word-processing equipment.

Item 2211 - Replacement of furniture

To be reduced by 73,000 to 77,000 ECU.

Reason

The fact that office desks and other furniture have been in use for 10 to 15 years is not a sufficient reason for replacing them. This reduction brings the level of appropriations down to the actual expenditure for 1982. Another factor is that there is no inventory of new furniture held in reserve or used furniture in store.

Item 2220 - New purchases of technical equipment and installations

To be reduced by 488,000 to 625,000 ECU.

Reason:

The appropriations entered against this item have nothing to do with the provision of data processing equipment for Parliament. In particular, the Committee on Budgets has halved the appropriations requested by Directorate-General IV (288,000 ECU). The working party agreed that Directorate-General I should use 200,000 ECU of the sum requested by it for word-processing machines (Item 2240) instead of for additional equipment for the print shop and/ or the archives.

Item 2222 - Hire of technical equipment and installations

To be reduced by 403,000 to 864,000 ECU, by reducing the allocation for photocopiers to 257,000 ECU and deleting the 146,000 ECU for unspecified 'other equipment'.

Reason: The European Parliament currently rents 102 photocopying machines (this figure is likely to increase) on which 18 million photocopies are made annually. This is equivalent to nearly 50,000 copies per day, 365 days a year!)

This enormous expenditure must be cut by at least half. The administration must introduce appropriate economy measures.

Item 2231 - Replacement of vehicles

The Committee on Budgets can agree to this allocation provided that at least 100,000 ECU from the sale of vehicles, particularly of surplus official cars (far more cars than drivers), is entered against revenue.

Item 2242 - Hire and maintenance of equipment

To be reduced by 203,000 to 520,310 ECU.

Reason:

The appropriation of 100,000 ECU for rental of word-processing machines is no longer necessary in view of the large-scale purchase of such machines proposed. On the basis of the information contained in the report on data processing, an amount of only 83,000 ECU is required for the maintenance of word-processing machines. In any case, a further 547,000 ECU is entered under Item 2223.

Total reductions in Chapter 22: 1,227,000 ECU.

CHAPTER 23 - Current administrative expenditure

Item 230 - The appropriation for stationery and office supplies has already been reduced to an amount 15% higher than 1982 expenditure.

CHAPTER 24 - Entertainment and representation expenses

The Bureau itself reduced these appropriations to 50,000 ECU less than last year.

CHAPTER 25 - Expenditure on formal and other meetings

Article 255 - Miscellaneous expenditure on meetings other than at the places of work

To be reduced by 50,000 to 350,000 ECU

Reason:

The Committee on Budgets considers that these costs should be kept constant.

CHAPTER 26 - Expenditure on studies, surveys and consultations

No amendments.

CHAPTER 27 - Expenditure on publishing and information

Item 2710 - General publications

To be reduced by 500,000 to 3,400,000 ECU.

Reason:

An increase of 37% over 1982 is still relatively high. The purchase of additional equipment for office automation and simplified printing processes (photocomposition) ought to enable some savings in expenditure.

With regard to Article 272 - Expenditure on the dissemination of information and on participation in public events - which is to cover the bulk of appropriations for information during the election campaign, 'The Committee on Budgets will await the final proposals by the enlarged Bureau'.

Total reductions in Chapter 27: 500,000 ECU

CHAPTER 29 - Subsidies and financial contributions

The allocations for study grants (Article 294) have already been reduced by the working party.

Item 2990 - Subsidies and financial contributions towards the cost of group visits

To be increased by 500,000 to 2,600,000 ECU.

Reason: Group visits to Parliament have a considerable multiplier effect and therefore should be given full encouragement.

CHAPTER 37 - Expenditure resulting from special functions carried out by the European Parliament

No further amendments.

CHAPTER 100 - Provisional appropriations

The Committee on Budgets can agree to the appropriations in Chapter 20, Item 2311 and 3702.

The decision to maintain the appropriations against this line in full - albeit with a reservation - obviates the need to enter a provisional reserve of 400,000 ECU for Article 224.

CHAPTER 101 - Contingency reserve

The Committee on Budgets welcomes the fact that the appropriation of 2 m ECU originally requested has been withdrawn by the Bureau. After allowing for these proposed reductions, the Committee on Budgets has reached a total figure of 239.1 m ECU.

The final decisions of the Committee on Budgets

At its meeting of 11 May 1983 the Committee on Budgets considered the preliminary draft estimates drawn up by the enlarged Bureau, which had raised the appropriations shown in the opinion of the Committee on Budgets by a total of 1,375,000 ECU, the headings concerned being Items 2000 'Rent', 2220 'New purchases of office machines', 2990 'Subsidies and financial contributions towards the cost of group visits' and reserve appropriations under Chapter 100 'Reserves for rent and EDP equipment for the preparation and implementation of the budget'.

On the basis of the searching discussions and examinations conducted by the rapporteur and in the conviction that the amounts proposed for the budget headings in question at its meeting of 20 April 1983 were correctly judged, the Committee on Budgets decided to stand by its original proposals and established the draft estimates in a sum of 239,127,804 ECU.

