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INTERIM REPORT

drawn up on behalf of the Committee on Budgetary Control

on the/budgetary control aspects of the publishing, printing
and reproduction practices of the institutions of the European
Communities

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OR:EN

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English Edition

On 22 September 1981 , the Bureau authorised the preparation of a report by the Committee on Budgetary Control on the budgetary control aspects of the publishing, printing and reproduction practices of the institutions of the EC.

At its meeting on 28/29 January 1982, the Committee on Budgetary Control confirmed the mandate of Mr. Kellett-Bowman as rapporteur.

The Committee considered the draft report at its meetings on 27/28 April 1982, 17/18 May 1982 and 23/24 June 1982. At the latter meeting, the Committee adopted the Motion for a Resolution by 7 votes in favour with 2 against and 3 abstentions.

Participated in the vote: Mrs Boserup, acting chairman; Mr Price, vice-chairman; Mr Battersby, Mr Cottrell (deputizing for Mr Kellett-Bowman); Mr Forth (deputizing for Mr Patterson); Mr Gabert, Mr Key, Mr Marck, Mr Mart, Mr Nielsen (deputizing for Mr Jurgens); Mr Saby, Mr Konrad Schon.

C O N T E N T S

	<u>Page</u>	
A	MOTION FOR A RESOLUTION	5
	Need for fuller inter-institutional cooperation	5
	Calls for tender and recourse to outside printers	5
	Conservation of paper and reduction of stock levels	6
	Reduction in photocopying	6
	Mailing lists	6
	Sales	6
	Improved technology and modern management	6
	Action to follow this report	7
B	EXPLANATORY STATEMENT	8
	Introduction	8
	Significance of the sector	8
	Breakdown of costs	8
	Share of staff on publication duties in the institutions	9
	Wide variation of average direct printing costs	9
	Mailing lists	10
	Stocks	10
	Sales	11
	Outside printers	11
	High degree of internal printing	12
	Photocopying	13
	Need for a more business-like approach	13
	Other aspects	14
	Summary	14
	CONCLUSIONS	15

A

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

MOTION FOR A RESOLUTION

on the budgetary control aspects of the publishing, printing and reproduction practices of the institutions of the EC.

The European Parliament,

- A. having regard to the special report of the Court of Auditors;¹
- B. having regard to the interim report of the Committee on Budgetary Control (1-425/82);
- C. aware of the substantial outlay involved in the printing and publications activities of the institutions of the EC;
- D. appreciating the importance of publishing the Official Journal in good time, but seeing the need for an overall reappraisal in so far as publication work and printing generally is concerned;
- E. anxious to ensure that the best possible use is made of taxpayers' funds;
- F. conscious of the possibilities for effecting economies and noting that these could be, potentially, of the order of 20 million ECU (being 25% of Community outlay in this area); and
- G. recognising that the variety and volume of Community activity in the field of printing and publications presents an industrial policy opportunity to encourage innovative enterprise in the new technologies.

Need for fuller inter-institutional cooperation

1. Calls on all the institutions to cooperate fully in the sphere of printing, reproducing and publishing texts so as to secure economies in the use of equipment, personnel and appropriations;
2. Insists that, wherever possible, a joint inter-institutional approach be adopted so as to minimise costs and to avoid duplication of plant and equipment;

Calls for tender and recourse to outside printers

3. Urges that greater recourse be had to calls for tender and to farming out to outside agencies which, as well as being far more economic, would be in harmony with the spirit of the Treaties;
4. Asks the institutions to reserve no more than 25 per cent of their output for internal printing and calls on the institutions to **revise jointly the operations of the various workshops**, including that of the Office for Official Publications, with a view to **securing a higher degree of overall efficiency**;

¹ OJ no. C150, 19.6.81

Conservation of paper and reduction of stock levels

5. Regards the quantity of paper - some 2,000 million pages, equivalent to about 13,000 trees - used in the production of EC texts - as excessive and asks that restraint be exercised in this area, so as to conserve this resource and to reduce demand for storage space, by keeping the numbers of copies of texts to the essential minimum and by ensuring that stocks held are no more than are adequate for EC needs;

Reduction in photocopying

6. Recalls that the Commission advises that, when more than 20 copies are being reproduced, offset printing is more economical than photocopying, and, therefore, asks that recourse to photocopying be kept to a minimum aiming at a 10% reduction in the amount of paper used in photocopying during the coming twelve months;
7. Calls on the institutions to review individually their use of photocopying facilities, taking into account the possibility of substituting fewer machines - which would be operator-controlled - in place of the proliferation of self-service machines;

Mailing lists

8. Considers that it is necessary (a) to develop a computerised system, (b) to prune existing mailing lists from the present excessive level of some 300,000 and (c) to set up a systematic method of regular review of such lists so as to economise on paper, despatchers' time and postal charges;

Sales

9. Asks that greater attention be paid to increasing sales of publications and documents, particularly as the marketability of such texts is often an indication (a) of their relevance and (b) of the justification for their publication;

Improved technology and modern management

10. Calls for the application of modern management techniques to this whole sector of EC activity and urges that decisions be taken on the basis of appropriate costing, stock records and comprehensive data with special attention being given to cost awareness, value for money and a joint overall inter-institutional approach;

11. Urges, in this context, that authors of documents be made aware of the costs of publication of their texts;
12. Requests the Bureau of Parliament to review its earlier considerations to restrict the length of Motions for Resolutions and explanatory statements;
13. Notes that the plurality of working places of Parliament gives rise to certain additional costs which could be reduced by better stock control and improved distribution systems;

Action to follow this report

14. Calls on the Commission (a) to report to Parliament, within six months on the action which it and the other institutions have taken in response to this report and (b) to indicate the savings which will result from the follow-up action initiated;
15. Requests the other institutions to provide the necessary information to the Commission to enable it to report by the due date;
16. Urges that no institution should take steps to acquire additional plant which would increase printing capacity before the Committee on Budgetary Control reports further to Parliament;
17. Recognises that, because the translation process is responsible for delays between text approval and publication and for the high costs of Community publications, it is urgent that the institutions carry out an immediate review of the translation services taking account of technological improvements in this field;
18. Suggests that political groups in the European Parliament should be asked to pay the cost of translation of group documents out of the funds which are allocated to them for language purposes;
19. Asks its President to transmit this resolution and the report of its Committee to the other institutions of the EC.

Explanatory Statement

Introduction

1. A special report¹ of the Court of Auditors concerning the publishing, printing and reproduction practices of the institutions of the EC was published on 19 June 1981. This report highlighted a number of problems in the sector and the Bureau authorized the Committee on Budgetary Control to follow up the issues and to present a resolution (Bureau meeting of 22 September 1981).

Significance of the sector

2. The cost to the budget of this area of activity is substantial. In 1982, the outlay involved is likely to be of the order of 70 million ECU. All the institutions are concerned and a total work force of some 600 persons is engaged in the various operations at issue. The quantity of paper consumed is enormous - some 2,000 million pages/copies annually and a vast park of machinery is used.

Breakdown of costs

3. The following table shows a breakdown of overall costs by institution and other bodies primarily involved, for 1978, the year on which the ECA based its calculations.

<u>Institution</u>	<u>% of total costs</u>
Commission	44.17
Office for Official Publications	21.79
Parliament	15.65
Council	14.23
Court of Justice	2.25
Economic and Social Committee	1.63
Court of Auditors	0.28
	<u>100.00</u>

Source : Appendix II to ECA report (OJ No. C 150, 19.6.1981)

4. As the year on which these statistics are based was 1978, the ratios will have changed somewhat in the interim because the ECA was in its infancy at that stage and has developed its activities since.

¹OJ No. C 150 of 19.6.1981.

Share of staff on publication duties in the institutions

5. As the following table shows, the main concentration of staff on publications duties is in the larger institutions:

<u>Institution</u>	<u>% of total number engaged on publications duties</u>
Commission (Brussels)	34.90
Commission (Luxembourg)	4.70
Parliament (Luxembourg)	27.31
Council (Brussels)	28.39
Court of Justice	2.35
Economic and Social Committee	2.35
	<u>100.00</u>

Source: Appendix IV to ECA report .

These figures, ascertained at 1.1.1979, do not include personnel employed in the various satellites or in the Office for Official Publications who are engaged in publications work.

Wide variation of average direct printing costs

6. The ECA study revealed that the cost of printing, on average, varied quite widely as the following table shows :

	<u>EUA per 1,000 A4 pages</u>
<u>For publications</u>	
- other institutions' external printing of publications (other than the OJ)	37.9
- external printing of the OJ	18.8
- Office for Official Publications workshop printing of OJ reprints and other publications	18.1
- external printing for the Commission of publications other than the OJ	13.7
<u>For documents</u>	
- internal printing by workshops of Council	24.2
Parliament (Luxembourg)	23.1
Court of Justice	19.4
Economic and Social Committee	11.4
Commission	11.0
(Overall)	15.4
- external printing	8.5
- photocopying	22.0

7. From this table, important conclusions can be drawn: considerable savings could be effected by having recourse systematically to external printers. Photocopying is a highly expensive method of reproducing documents, although not as expensive as internal printing in the Council or the Parliament.

Mailing lists

8. The rapporteur found the size of the mailing lists to be surprisingly large - see the following table :

	<u>Approximate number of addresses</u>
Commission (Brussels)	125,000
Commission (Luxembourg)	100,000
Parliament	37,000
Office for Official Publications	30,000
Council	4,000
Court of Justice	1,400
Economic and Social Committee	<u>Not available</u>
	297,400

These mailing lists are not reviewed on a regular basis so as to weed out addresses that have changed or addressees who have lost interest in the documents. In view of the high cost of paper, publication and postal charges, these lists should be pruned substantially - especially as the possibility of duplication exists - and reviewed at least annually; comprehensive computerisation is also desirable.

Stocks

9. Extensive stocks of publications and documents are held by the institutions. The Commission appears to keep satisfactory stock records. However, the same cannot be said, apparently, for Parliament, the Office for Official Publications, the Council, the Court of Justice or the Economic and Social Committee. In certain cases, the audit conducted by the Court of Auditors revealed an excessive level of stocks.⁽¹⁾
10. Clearly, satisfactory continuous records of stocks of documents should be kept by all institutions so as to ensure better management in this sector.

⁽¹⁾ See paragraph 12 below.

Sales

11. Although all publications of the Commission are priced for sale, the fact is that the great bulk of these publications is distributed free of charge. It is, of course, essential that opinion formers and state departments should receive copies of texts so that information should be widely available to those closely concerned with the work of the EC. In this, it is important that there should be a price tag on all booklets, etc, so that the recipients (and the distributors) should be aware of the cost involved in producing documents.
12. In the case of average print runs, only some 11½ % of copies are reserved for sales : the balance is distributed free of charge or held in stocks as the following table shows:

	%
Free external distribution	51.8
Internal distribution	11.4
Further distribution from institutions' stocks	3.4
Reserved for sales offices	11.3
Stocks remaining on hand in institutions	22.1
	<hr/> 100.0 <hr/>

Source: Table 5 of ECA report.

Outside printers

13. Printing on behalf of the Office for Official Publications is undertaken mainly by firms in two Member States - Belgium and Germany - as the following table shows :

<u>Member State</u>	<u>EC printing by Member State</u>	
	<u>Number of firms</u>	<u>% by invoice value</u>
Belgium	19	46.8
Germany	12	27.4
Luxembourg	2	9.6
France	7	7.8
United Kingdom	5	3.4
Netherlands	1	2.9
Denmark	2	1.4
Ireland	1	0.4
Italy	1	0.3
<u>Source:</u> Table 1 of ECA report		<hr/> 100.0 <hr/>

This heavy concentration, which reflects a restriction in the selection of invitation to tender, is explained by (i) the need to have regard to special time constraints and (ii) the fact that not all printers can meet the special technical requirements.

14. The possible potential difficulties cited in the preceding paragraph may be somewhat exaggerated. It is desirable that every effort be made to ensure that the widest scope be made available for full and free Community-wide calls for tender. The tendency to underestimate the technical capacity of printing firms remote from the three working places is unwarranted.

High degree of internal printing

15. As can be seen from paragraph 6 above, the cost of printing documents in the workshops of the Parliament and the Council is approximately three times greater than having documents printed externally. One would expect, therefore, that every effort would be made to have printing contracted out to the maximum extent possible. Exceptionally, texts of a confidential or urgent nature could be printed internally. However, it is surprising to find that the great bulk of printing work is undertaken internally, although considerations of economy would dictate that the opposite situation should apply. Following is the situation found by the ECA:¹

	%
Printing: externally	7.6
by institutions' own workshops	92.4
	<u>100.0</u>

16. If all printing of documents were undertaken externally, the saving to the budget would, obviously, be quite considerable, in view of the table at paragraph 6 above. For 1978, it would have been over 4 million ECU - a figure which does not, of course, include the other elements of potential savings. The Committee on Budgetary Control does not expect that internal printing capacity can be dispensed with: however, it considers that the pattern shown in the table set out in the preceding paragraph should be reversed to one-quarter internal printing and three-quarters external printing. This proportion would provide a margin

¹ Table 3 of ECA report

for confidential and urgent printing whilst, at the same time, respecting the criteria of (i) economy in the use of appropriations and (ii) avoidance of undertaking tasks best left to private enterprise.

Photocopying

17. The reproduction of documents by photocopying is far more expensive (22 EUA per 1,000 A4 pages) than external printing (8.5 EUA per 1,000 A4 pages) but less expensive than internal printing (24.2 EUA per 1,000 A4 pages) in the case of the Council.

18. In view of this high cost, it is difficult to accept that it is necessary to make 60 million photocopies a year. The easy access to photocopying machines - as compared with printing facilities - makes internal control in this area rather difficult. Moreover, there is a danger that the more recent introduction of high-speed modern photocopying machines could encourage a further growth in this form of reproduction of texts. Therefore, all institutions should check (i) the extent to which photocopying is really necessary (ii) whether an excessive number of copies is being made and (iii) whether other methods - especially carbon copies - should not be used instead, in many instances.

Need for a more business-like approach

19. The Committee on Budgetary Control, in examining the printing and publications side of EC activities, was struck by the apparent lack of a coherent, business-like approach. The least expensive means of reproducing texts was not always pursued; the range of cost of internal printing per 1,000 pages varies very widely as between the different institutions - clearly, there are economy measures that could be taken but are not; modern management techniques are not applied in a comprehensive fashion; the work of the institutions - and their sharing of machinery and equipment - is not adequately coordinated; decisions are not always based on appropriate costing, stock records and statistical data. These are wide-ranging flaws which need to be set right speedily, if taxpayers' funds are to be managed prudently.

Other aspects

20. Authors of texts should be made aware of the cost of printing, or otherwise reproducing, their texts. Also, they should be informed of the cost of translation. This knowledge could well, in some instances, inspire authors to re-examine the length of their texts.
21. Consideration was given previously by the Quaestors - and by the Bureau of Parliament - to the scope for reducing the length of texts of motions for resolutions and of explanatory statements. This earlier consideration should be reviewed, because of the potential for effecting economies in time, paper, printing and distribution costs.
22. Some of the additional costs arising from the plurality of working places of Parliament could be reduced by effecting tighter control over stocks of documents and by improving distribution systems.

Summary

23. It is evident from the preceding paragraphs that, over the years, printing and reproducing capacity grew up in the various institutions. The cost of reproducing texts of documents in each institution is greater than the cost of having the printing done by commercial printers. The Official Journal costs rather more to print outside than other documents but this is due to the fact that the Official Journal is a highly specialised text. Nevertheless, the O.J. costs less to print outside (18.8 EUA per 1,000 A4 pages) than do other documents printed internally by the workshops of the institutions (24.2 EUA per 1,000 A4 pages for the Council and 23.1 EUA per 1,000 A4 pages for Parliament).
24. Reasons of economy would indicate that the great bulk of EC printing should be farmed out to the private sector. Only a small printing capacity - to cope with secret, urgent and confidential matters- would remain in-house, if the criterion of economic use of resources was respected. This is not the case. A start must now be made so as to turn around printing activity so that little is done "in-house" and the private sector prints on competitive tender. Speed cannot be an argument for insisting on "in-house" printing: after all, large newspapers are set up daily and printed at different points using modern technology. The potential saving to the budget could be as high as 20 million ECU.

25. Stocks need to be tightly controlled. The size of print runs should be calculated carefully. Photocopying should be brought under stricter control, in view of its high cost. A joint inter-institutional approach should be adopted so as to take advantage of all savings. Mailing lists should be computerised and regularly scrutinised and updated. Decisions in regard to printing should be taken in the light of modern management techniques with special attention being given to cost consciousness, value for money being a key consideration.

Conclusions

26. The conclusions are set out in a clear motion for a resolution. They do not need to be repeated here. The present report is in the nature of an interim text. In view of the potential savings that could be effected, the Commission is urged to collate the reactions of the various institutions as a matter of urgency.

