

EUROPEAN PARLIAMENT

Working Documents

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COMMITTEE ON BUDGETS

REPORT

on the

outcome of Council's deliberations on the
amendments adopted by the European Parliament
to

Section I 'Parliament'

Section II 'Council'

Annex I to Section II 'Economic and Social Committee'

Section IV 'Court of Justice'

Section V 'Court of Auditors'

of the draft general budget of the European
Communities for the 1981 financial year

Rapporteur: Mr V. ANSQUER

10 December 1980

On 28 April 1980 the Committee on Budgets appointed Mr Ansquer rapporteur on Section I "Parliament", Section II "Council", Annex I to Section II "Economic and Social Committee". Section IV "Court of Justice" and Section V "Court of Auditors" of the draft general budget of the European Communities for the financial year 1981.

The Committee on Budgets at its meeting of 10 December 1980 adopted the following motion for a resolution by 28 votes to 0 with 1 abstention. The amendments adopted by the Committee on Budgets at the same meeting are annexed to this report.

Present: Mr Lange, Chairman; Mr Notenboom, first Vice-Chairman; Mr Ansquer, rapporteur; Mr Adonnino, Mr Aigner, Mr Arndt, Mr Baillot, Mr Barbi, Mrs Boserup, Mr Colla, Mr Dankert, Mr Forth, Mr Gouthier, Mrs Hoif, Mr Howell, Mr R. Jackson, Mr Langes, Mr Megahy (deputizing for Mr Jalton), Mr Motchane, Mr Newton Dunn, Mr Nord, Mr Orlandi, Mr Pfennig, Mrs Rabbethge (deputizing for Mr Ryan). Mr Konrad Schön, Mrs Scrivener, Mr Seeler (deputizing for Mr Balfe), Mr Simonnet, Mr J.M. Taylor and Mr Tuckman.

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Annexes Amendments 87.88.89.90.

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 outcome of Council's deliberations on the amendments adopted by the European Parliament to Section I "Parliament", Section II "Council", Annex I to Section II "Economic and Social Committee", Section IV "Court of Justice" and Section V "Court of Auditors" of the draft general budget of the European Communities for the 1981 financial year

The European Parliament,

- having regard to Council's deliberations of 23 November 1980 on the amendments to the draft general budget for 1981 adopted by the European Parliament on 6 November 1980, (Docs. 1-546, 1-541, 1-542, 1-543, 1-544/80)
- having regard to the supplementary report of the Committee on Budgets (Doc. 1-706/80)
- having regard to the absence of any new information advanced by the Council for the rejection of certain of these amendments.

As regards Section I "European Parliament" of the draft general budget for 1981

1. Takes note that the amendments it had tabled to Section I of the draft general budget for 1981 have not been modified by Council;
2. Asks that the evolution of rent in the three working places of Parliament be scrutinised with great vigilance;

As regards Section II "Council" of the draft general budget for 1981

3. Recalls that it has not tabled any amendments to Section II of the draft general budget for 1981;

As regards Annex I "Economic and Social Committee" to Section II of the draft general budget for 1981

4. Confirms its decision to strengthen the establishment plan of the Economic and Social Committee;

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As regards Section IV "Court of Justice" of the draft general budget for 1981

5. Confirms its decision to strengthen the establishment plan of the Court of Justice;

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As regards Section V "Court of Auditors" of the draft general budget for 1981

6. Notes that Council has accepted some of the extra posts proposed by the European Parliament for the Court of Auditors;
7. Retables an amendment to create those posts necessary to permit the translation of documents in Greek to other Community languages.

EXPLANATORY STATEMENTIntroduction

1. In the Parliamentary scrutiny of the administrative budgets of the institutions for the financial year 1981, as expressed in the reports of the Committee on Budgets, ⁽¹⁾ an attempt was made to open a dialogue with Council, Parliament's partner as a budgetary authority, over a whole range of issues related to the functioning of the institutions.
2. Parliament's responsibility as an arm of the budgetary authority with the last word over the establishment plans of the institutions and their administrative expenditure, runs parallel with Council's last word in the legislative procedure and over the Staff Regulations.
3. It seemed to Parliament that the two arms of the budgetary authority of the Community should look for common solutions to the common problems confronting the organization of the Community's institutions. Therefore, as well as examining each budget, line by line, and each of the establishment plans, Parliament decided to launch certain initiatives such as proposals for common recruitment procedures, cooperation to improve budgetary transparency, and an appeal for the Member States to decide quickly on the seat question in order to reduce expenditure. So far these initiatives and proposals have not elicited a response from Council. Furthermore, Council has not provided any new information relating to the amendments put forward by Parliament to the administrative budgets of the institutions. Certainly the explanations provided by Council in its conclusions on these amendments do not give a clear indication of Council's political approach.
4. It will be recalled that in formulating these amendments the Parliament tried to reconcile two distinct objectives:
- (i) the desirability of remaining within the overall budgetary envelope of the draft budget, as drawn up by Council;
 - (ii) the necessity to provide the institutions with the human and material resources necessary for them to fulfil the tasks assigned to them by the Treaties.

(1) Doc. 1-546/80 (European Parliament), Doc. 1-541/80 (Council), Doc. 1-542/80 (Economic and Social Committee), Doc. 1-543/80 (Court of Justice), Doc. 1-544/80 (Court of Auditors)

5. By a series of economy measures, and as a result of requests to the other institutions to make extra efforts to stretch appropriations further, Parliament was able to accord the extra staff heads that it judged necessary without increasing substantially the volume of any of the sections of the draft budget.

6. Council has not sufficiently recognized the validity of this approach and has not subjected each of the amendments to a separate assessment on its merits.

7. In these conditions it would be very understandable were Parliament to retaliate by using its last word to re-establish all the amendments it had voted in the first reading and which were rejected by Council, in their entirety. Your rapporteur, however, believes that Parliament must lead by example and should leave the door open for further attempts to reach common agreement within the budgetary authority. Therefore, he has examined each of the amendments put forward by Parliament at the first reading and submitted every one of them to the following test: could the amendment be withdrawn without jeopardising the functioning of the institutions? Where possible, your rapporteur will not retable those amendments which are not absolutely essential for the functioning of the institutions in 1981, thus demonstrating the determination of Parliament to cooperate actively with Council during the closing stages of the budgetary procedure.

Section I - Budget of Parliament

8. As will be seen from the attached table, Parliament adopted ten further amendments to its establishment plan and draft budget during the first reading of the draft general budget for 1981. These amendments concern:

- (i) minor alterations to the structure of the establishment plan;
- (ii) certain reductions in appropriations in view of the experience acquired during 1980 over the utilisation of appropriations;
- (iii) the putting into effect of certain Bureau decisions concerning members' allowances e.g. Item 1005, creation of a new line "Contacts with the electorate", and entering under Chapter 100 payments of 200,000 EUA, provisionally earmarked for Item 1032 "Members' survivors' pensions".

9. It was this last amendment (no. 592) which seemed to cause certain difficulties when Council came to examine Parliament's amendments to its own budget. It appeared that certain Member States feared that the introduction of these survivors' pensions might prejudice the right of the Member States to take a final decision on the system of members' salaries, pensions and other allowances.

10. Your rapporteur would point out that this measure, decided upon by the Bureau at its meeting of 29 April 1980, was introduced in order to deal with the humanitarian problems arising from the death of members during the course of the mandate, before the definitive system has been set up. It prejudices in no way the system that will have to be agreed by the budgetary authority. It would be for the Bureau of Parliament to ensure that the rules governing these survivors' pensions arrangements make it explicit that this allowance is not in any way supplementary to any national arrangements, and that there is therefore no overlapping between the national systems and the transitional system proposed by the European Parliament.

11. Despite this reservation, Council did not call into question any of Parliament's amendments and therefore respected the terms of the gentleman's agreement between Council and Parliament which implies mutual non-interference in their respective administrative budgets. Your rapporteur continues to hold to the view that this agreement is in the interests of both institutions and of the Community.

He therefore proposes that Parliament simply confirm Section I "Parliament" of the draft general budget for 1981.

Section II - Council and Annex I to Section II - Economic and Social Committee

12. It will be recalled that Parliament did not seek to amend the budget of Council in any way and therefore respected, for its part, the gentleman's agreement in full.

13. Your rapporteur did, however, request that both branches of the budgetary authority should make extra efforts to strengthen the flow of information between the two so that both sides were fully informed as to the political justifications for changes in each others administrative budgets. He awaits a positive response from Council on this initiative.

14. As regards the budget of the Economic and Social Committee, which is Annex I to Section II of the draft budget, Parliament limited itself to three minor amendments, all related to the establishment plan and to the increase in the workload of the Economic and Social Committee, partly resulting from enlargement.

15. To summarise it was proposed to create seven posts (in the linguistic sectors), convert five posts (thereby reaffirming a decision taken by Parliament in the previous financial year) and to increase appropriations for overtime, in the light of experience acquired this year.

16. It should be pointed out that Parliament did not propose any increase in the overall level of appropriations for the Committee: all these amendments were compensated by transfers from within the Committee's budget. ⁽¹⁾

Council rejected all three draft amendments without providing any adequate justification.

17. Your rapporteur proposes that the amendment to create the seven new posts (former draft amendment 510) and the amendment to convert posts (former draft amendment 511) should be retabled without change, because both have been amply justified and neither involves any overall increase in the level of appropriations.

⁽¹⁾ See first reading amendments 510, 511 and 512

18. For former amendment 512, concerning overtime payments, your rapporteur does not propose retabling this item since it would be possible for the budgetary authority to effect a transfer if necessary during the course of the 1981 financial year.

19. Your rapporteur believes that these two amendments would assist the Economic and Social Committee to fulfil the tasks assigned to it by the Treaty. They would not, however, involve Parliament using up any of its margin for manoeuvre on administrative purposes.

Section IV - Court of Justice

20. It will be recalled that during the first reading of the 1981 draft budget Parliament decided to strengthen the establishment plan of the Court of Justice in order to take account of the growing quantitative and qualitative demands made upon the Court. Furthermore, it was decided to provide for a certain number of post conversions in order to align the career development pattern within the Court with that applying in the European Parliament. ⁽¹⁾

21. Two further amendments were introduced: no. 514 to permit preliminary work to be undertaken prior to the construction of a new annexe to be built next door to the existing Court of Justice building, and no. 515, which sought to increase payments by 300,000 EUA to cover the mandatory publication of the reports of proceedings of the Court and to enable the publication of past case law in Greek.

22. Council accepted the amendment (no. 514) permitting the preparatory work for the construction of the annexe to go ahead. It rejected the staff amendment and the publications amendment without adequate justification.

23. On former amendment 513 your rapporteur proposes retabling this amendment for the nineteen new posts and the eighteen post conversions. However, he asks the Court of Justice to schedule its recruitment of the extra staff in such a way as to require a smaller amount of appropriations to finance recruitment in 1981. Instead of the 326,000 EUA increase envisaged in the first amendment, your rapporteur proposes that this increase be limited to 163,000 EUA, i.e. 50%. This will have the effect of providing the Court with the necessary staff but at a lesser cost for the Community during 1981.

24. As regards former amendment 515, concerning publication of reports, your rapporteur does not propose retabling this amendment but the budgetary authority should indicate now its willingness to authorise a transfer during the course of 1981, should it prove necessary, in order to enable the Court of Justice to publish the mandatory reports of proceedings in all languages.

(1) Draft amendment no. 513.

Section V - Court of Auditors

25. It will be recalled that Parliament adopted amendment no. 516 to the budget of the Court of Auditors, creating thirteen extra posts to cope with the consequences of enlargement and to strengthen certain sectors of financial control.

26. The breakdown of the posts requested is as follows: 1 C 3/2, 1 A 5/4, 2 A 7/6, 1 B 3/2, 2 C 3/2, 3 LA 7/6, 2 C 3/2 and 1 B 1.

27. Council, when it examined this amendment, approved five posts (2 A 7/6 and 3 C 3/2). This decision would provide for the staff for the private office of the Greek member and add some staff to the Greek secretarial service.

28. Of the eight posts not accorded, your rapporteur considers that those concerning the linguistic sector (3 LA 7 and 2 further C 3/2) should have priority as it is necessary to provide for the translation from Greek into other languages (in this case notably French, German and English) so that a relay system can be used into the other three Community languages.

29. The other posts (1 B 1 to coordinate the linguistic service and 1 A 5 and 1 B 2 post in the control sectors) could perhaps have their creation postponed until the 1982 financial year. It will then be possible to recruit Greek staff in certain of these control sectors.

30. Therefore, your rapporteur proposes the creation of five extra posts to strengthen the linguistic service of the Court of Auditors. As at the first reading, these amendments will have no net financial consequences because the Court has already been requested to finance the necessary recruitment from the mass of appropriations already existing in Chapters 11 and 12.

31. Parliament also adopted, at the first reading, amendment 517, which transferred appropriations from Chapter 100 to finance certain technical consultations and surveys (Article 260).

32. Council rejected this amendment without any justification. However, your rapporteur does not propose retabling this amendment. He does, however, believe that the budgetary authority should give priority to any proposed transfer for this line because it is particularly useful that in its control work and in its assessment of Community policies, the Court of Auditors should be able to have recourse to independent expert advice.

Conclusions

33. The Committee on Budgets

- (i) maintains its view that a certain reinforcement of the establishment plans of the other institutions remains necessary after Council's decisions;
- (ii) regrets that Council has not participated constructively in a dialogue with Parliament over these administrative budgets;
- (iii) therefore retables four amendments, without significant overall financial effect.

34. It will thus have been possible for Parliament to assist in a positive way the tackling of the administrative problems confronting the other institutions without significantly using up Parliament's own margin for manoeuvre at the last round of the 1981 budgetary procedure.

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35. The Committee on Budgets recalls the initiatives launched during the first reading procedure to encourage the Council and other institutions to participate actively in the search for common solutions to common problems in the administrative and statutory domains e.g. recruitment policy, Staff Regulations, mobility, etc.

The Committee on Budgets reiterates its invitation and awaits a speedy response from the other institutions.

SECTION I - PARLIAMENT

Budgetary Line	Heading	First Reading DA	Effect
STAFF	Conversion of post of Head of Division in the Committee on Budgets and Committee on Budgetary Control from A3 to A2	609	
	Add the following to the list of posts set aside for secondments to the political groups: 5 A 6, 1 B 1, 1 B 4, 5 C 2 (total 12 posts) Modify the list as follows: 1 A 4 to A 6, 1 LA 4 to LA 3, 1 LA 6 to B 2	610	
	Add the following new permanent post: 1 A 7/6	64	Increase PA by 20,155 EUA
	Add the following temporary posts: 4 A 7/6 in grade A 7 (to replace the 4 auxiliary posts held by the 4 language teachers)	299	Increase PA by 241,974 EUA (part of the expense may be covered by the abolition of the 4 auxiliary posts)
	Convert the following posts: Drivers' section 5 D 1 posts into C 3/2, 5 D 3/2 posts into D 1	544	
	Add the following new permanent post: 1 A 2 (Greek)	595	Increase PA by 82,100 EUA
<u>TITLE 1</u>			
Item 1005 (new)	Contacts with the electorate	570	Enter PA of 2,083,200 EUA Decrease by 2,083,200 EUA the appropriations under Item 1004 "Travel and subsistence allowances; attendance at meetings and associated expenditure"

SECTION I - PARLIAMENT

Budgetary Line	Heading	First Reading DA	Effect
<u>TITLE 2</u>			
Art. 204	Fitting out of premises	465	Reduce PA by 400,000 EUA (from 1,400,000 EUA to 1,000,000 EUA)
Item 2230	New purchases of transport equipment	424	Reduce PA by 100,000 EUA
<u>TITLE 10</u>			
Ch. 100	Provisional appropriations	592	Increase PA by 200,000 EUA (Item 1032 "Members survivors' pensions)

Budgetary Line	Reading	First Reading DA	Effect	Outcome of Council's deliberations of 24.11.80	Proposals of the rapporteur for the second reading of the budget
STAFF	Add the following new posts: 3 LA 6, 3 C 3, 1 C 5	510	Increase PA under Title I by 70,700 EUA Reduce approps. under Article 270 "Official Journal" by 70,700 EUA	Rejected	Retabled (PE 69.866/1) Approved by 22 votes to 4 with 1 abstention
	Add the following five conversions: 1 A 7 into A 6, 1 LA 5 into LA 4, 1 B 2 into B 1, 2 C 5 into C 3	511	Increase PA under Ch. 11 by 14,200 EUA Reduce approps. under Article 120 "Recruitment" by 14,200 EUA	"	Retabled (PE 69.866/2) Approved by 22 votes to 4 with 1 abstention
<u>TITLE I</u>					
Art. 115	Overtime	512	Increase PA by 10,000 EUA Reduce approps. under Article 120 "Recruitment" by 10,000 EUA	"	Not retabled

SECTION IV - COURT OF JUSTICE

ANNEX

Budgetary Line	Heading	First Reading DA	Effect	Outcome of Council's deliberations of 24.11.80	Proposals of the rapporteur for the second reading of the budget
STAFF	Create the following posts: 1 A 5, 2 A 7, 1 B 1, 1 B 2/3, 5 B 5/4, 7 C 3/2, 2 D 3/2 (total 19 posts) Convert the following posts: 1 A 4 to A 3, 6 B 3/2 to B 1, 2 B 5 to B 4, 4 C 2 to C 1, 5 C 5 to C 4	513	Increase PA by 326,320 EUA	Rejected	Retabled (but PA to be increased by 163,160 EUA) (PE 69.866/3) Approved by 22 votes with 5 abstentions
<u>TITLE 2</u>					
Art. 208	Other expenses prior to the acquisition of immovable property or to the construction of such property	514	Increase PA by 130,000 EUA	Accepted	
Item 2710	General publications	515	Increase PA by 300,000 EUA	Rejected	Not retabled

SECTION V - COURT OF AUDITORS

ANNEX

Budgetary Line	Heading	First Reading DA	Effect	Outcome of Council's deliberations of 24.11.80	Proposals of the rapporteur for the second reading of the budget
STAFF	Add the following posts: 1 C 3/2, 1 A 5/4, 2 A 7/6, 1 B 3/2, 2 C 3/2, 3 LA 7/6, 2 C 3/2, 1 B 1 (total 13 posts)	516		Modified by Council which accepted the creation of 2 A 7/6 and 3 C 3/2 posts (5 out of 13)	New amendment tabled to create 5 posts for the language service (3 LA 7/6, 2 C 3/2) (PE 69.866/4) Approved by 27 votes unanimously.
<u>TITLE 2</u>					
Art. 260	Limited consultations, studies and surveys	517	Increase PA by 50,000 EUA Decrease approps. Ch 100 "Provisional approps." by 50,000 EUA	Rejected	Not retabled

