

# COMMISSION OF THE EUROPEAN COMMUNITIES

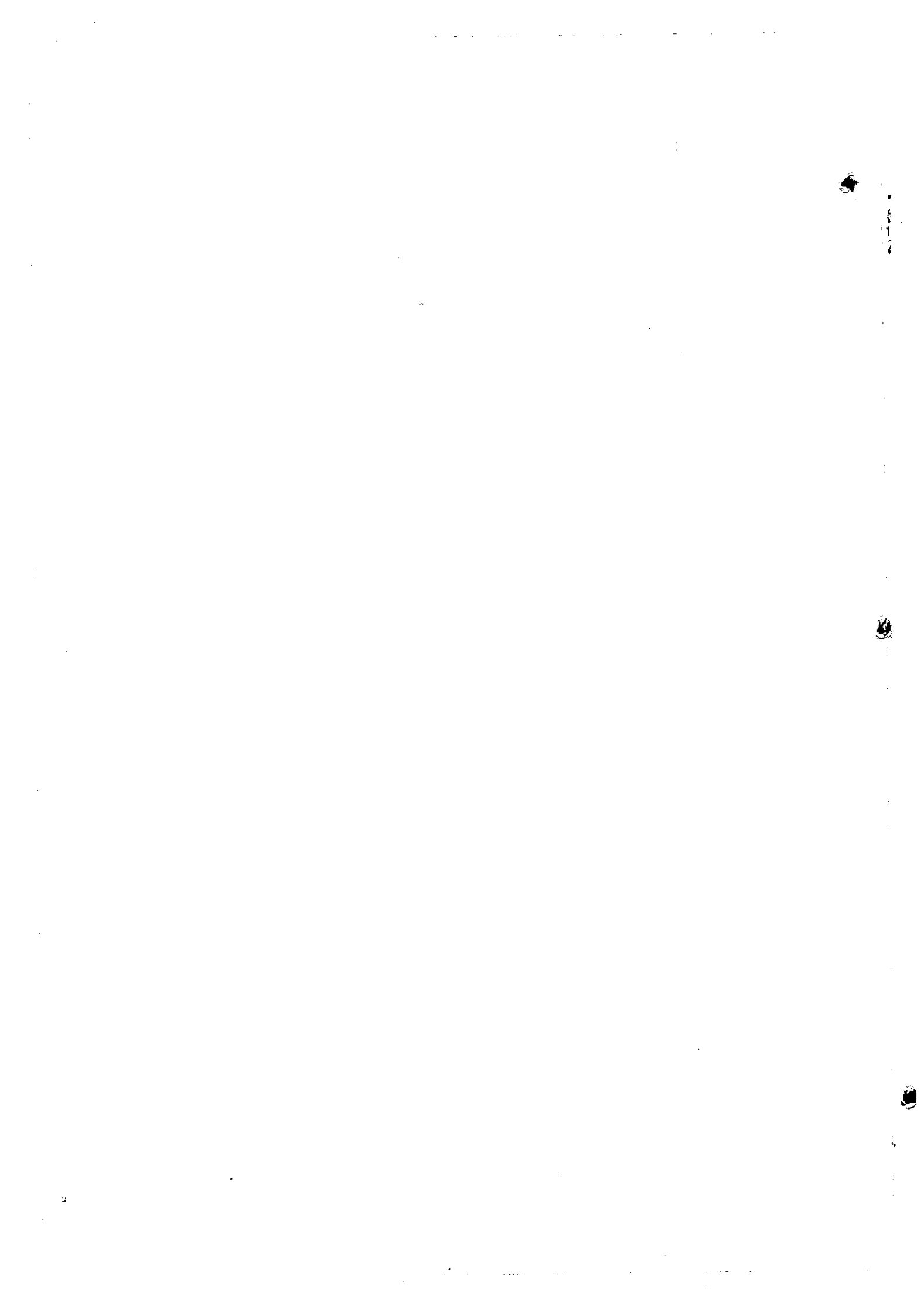
Brussels, 3rd February 1981

## COMMISSION COMMUNICATION TO THE COUNCIL

concerning the method of the survey conducted for the purposes  
of the annual adjustment of daily allowances for missions  
in Community countries (Article 13 of Annex VII to  
the Staff Regulations of Officials)

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(Article 13 of Annex VII to the Staff Regulations of Officials)

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1. INTRODUCTION

1.1 When the Council adjusted the allowances on 20 November 1978 (Regulation (EEC) No 2711/78), the Commission stated that for future adjustments it would continue to use the method devised for the survey conducted on that occasion in order to help produce greater clarity in the arrangements for reimbursing mission expenses.

The criteria used then are set out below:

1.1.1 Hotels

Single room with a bath in a first-class (not luxury) hotel for grade A1-A3 and LA3 officials and in a second-class hotel for officials of other grades.

The first-class (not luxury) category corresponds to a "top class" or "very comfortable" classification in the Michelin Guide.

The second-class category corresponds to the "good average" classification in the Michelin Guide (hotels classified as "fairly comfortable" are too uncomfortable and often do not have enough rooms with bathroom).

1.1.2 Meals

A simple meal:    soup of the day  
                  the cheapest main course  
                  the cheapest sweet

A full meal:     a medium-priced starter  
                  red meat dish  
                  a medium-priced sweet  
                  a cup of coffee

The prices of these meals are taken in the following establishments:

- for grade A1-A3 officials: in the restaurants of the reference hotels and in a few restaurants equivalent to "fairly comfortable" restaurants in the Michelin Guide classification;
- for officials of other grades: in the restaurants of the reference hotels and in a few restaurants equivalent to "plain but good" restaurants in the Michelin Guide classification.

### 1.1.3 Sundry expenses

The daily allowance is divided up in the following way:

A1-A3:            Allowance = 100%  
                  Two meals = 90%  
                  Sundry expenses = 10%

Other grades:    Allowance = 100%  
                  Hotel + breakfast = 50%  
                  Two meals = 45%  
                  Sundry expenses = 5%

Sundry expenses are calculated by taking one ninth of the total cost of the two main meals. They are supposed to cover the cost of four journeys by public transport and two local telephone calls.

1.2    When the Council adjusted the allowances on 18 December 1979 (Regulation (EEEC) No 2955/79) it made its agreement subject to the condition that the Commission revise the method hitherto applied for ascertaining the level of hotel and restaurant prices. The following points to be taken into consideration were set out in the report of the Working Party on the Staff Regulations (doc. 10878/79, para II, 1b):

"Regardless of their position with regard to this proposal for an adjustment, most of the delegations considered that the hotels and restaurants covered by the Commission survey charge particularly high prices; they feel that the method of the price survey should be revised in the light of the following points:

- the survey should be based primarily on hotels and restaurants charging lower prices;
- in the main places of mission the institutions should try to conclude agreements with hotels with regard to the prices which Community officials on mission are charged;
- in the main places of mission, there are restaurants or canteens run by the institutions which charge fairly low prices and which are open to officials on mission."

1.3    This paper sets out the conclusions of a review of the criteria made in the light of the recommendations of the Working Party on the Staff Regulations.

## 2.    PROPOSAL FOR A REVISED METHOD

2.1    Under Article 13(6) of Annex VII to the Staff Regulations, "the daily subsistence allowance for officials on mission shall be considered to cover all expenditure incurred by the official ....". The procedure for preparing a proposal for adjustment involves breaking the allowance down into the main expense components in order to determine by how much prices have changed. The expenses allowed hitherto were very reasonable (drinks not included for meals), and certain additional personal expenses which missions always entail are not taken into account in determining the fixed allowance.

The Commission's response to the points set out at 1.2 above is as follows:

- 2.2.1 It is not possible to lower the standard of the reference hotels: the present criteria (point 1.1.1) already exclude luxury hotels and take into consideration, for grades A1-A3, first-class hotels ("top class" or "very comfortable" categories in the Michelin Guide) and, for other grades, second-class hotels ("good average" category in the Michelin Guide).

A lower standard would mean that the reference hotels would be too uncomfortable and often would not have sufficient rooms with a bathroom (telephone, work table, distance from place of mission).

The present list of reference hotels will be reviewed on the basis of classifications drawn up by the various national tourist offices.

- 2.2.2 Since 1975 the Commission has been attempting to conclude agreements with hotels to secure reduced prices for staff on mission.

With a few exceptions, these attempts have proved fruitless for the following reasons:

- in the cities most frequently visited by staff on mission, hotels except for luxury ones, will not offer reductions since they are already well patronized;
- any hotel which, exceptionally, is prepared to offer a reduction, will require an agreement guaranteeing a minimum number of overnight stays; the administration cannot offer such guarantees since staff travelling on mission are free to choose their hotel (section II of the General Implementing Provisions relating to Articles 11, 12 and 13 of Annex VII to the Staff Regulations);
- in the rare cases where reductions are granted on a personal basis, a condition is that the booking is not made through a travel agency.

#### Conclusions

There would be no point in having agreements with hotels unless the following conditions were fulfilled:

- grant of exclusive rights to certain hotels;
- guarantee of a minimum number of overnight stays per year;
- obligation for officials to stay in the hotels specified by the Commission;
- centralization of bookings by the administration.

These conditions cannot be fulfilled for reasons deriving from the rules (free choice of hotel for staff travelling on mission) and for reasons of administrative infrastructure (staff are not available for this work).

2.2.3 On the other hand, it would be possible in certain cases to use restaurants charging lower prices as reference points in the survey.

The new criteria would be as follows:

- price of a meal (with a drink and coffee) in a restaurant run by the institutions or, failing that, in a snack bar;
- price of a lunch (menu of the day or business lunch with a drink and coffee) in the reference hotels;
- price of two dinners (à la carte -- average prices with a drink and coffee) in the same hotels.

The total price of the four meals divided by two gives the part of the allowance covering two meals.

2.2.4 In the light of our experience, we would suggest that the fixed allowance covering all mission expenses (Article 13(6) of Annex VII to the Staff Regulations) might be broken down as follows:

Grades A1-A3	Allowance	=	100% + maximum hotel price
	Two meals	=	80%
	Breakfast	=	10%
	Sundry expenses	=	10%
Other grades	Allowance	=	100%
	Hotel + breakfast	=	55%
	Two meals	=	40%*
	Sundry expenses	=	5%

2.2.5 The survey would be conducted in the capital and in one other major city in each Member State.

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\* To be determined after the surveys.