
EUROPEAN PARLIAMENT

Working Documents

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REPORT

drawn up on behalf of the Committee on Budgets
on/Section II - Council - of the draft general
budget of the European Communities for the
financial year 1980

Rapporteur: Mr Robert JACKSON

1.21

On 6 September 1979 the Committee on Budgets appointed Mr JACKSON rapporteur on Section II (Council).

At its meeting of 10 October 1979 the Committee on Budgets unanimously adopted the following resolution.

Present: Mr Lange, Chairman; Mr Notenboom, first Vice-Chairman, Mr Spinelli, second Vice-Chairman; Mr Jackson, rapporteur; Mr Adonnino, Mr Arndt, Mr Barbi, Mrs Boserup, Mr Colla, Mr Gouthier, Mrs Hoff, Mr Johnson (deputizing for Mr Tuckman), Mr Lega, Mr O'Leary, Mrs Pruvot (deputizing for Mr Nord) and Mr Simonnet.

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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 Section II -Council -of the draft general budget of the European Communities for the financial year 1980

The European Parliament,

- having regard to the draft general budget for the 1980 financial year and its explanatory memorandum (Doc. 1-378/79),
 - having regard to the report of the Committee on Budgets (Doc. 1-446/79),
 - having regard to Council's resolution entered in the minutes of its meeting on 22 April 1970 relating to the section of the budget concerning the European Parliament,
- Approves Section II of the draft budget relating to the expenditure and revenue of the Council.

EXPLANATORY STATEMENTIntroductory remarks

1. In drawing up this report, your rapporteur has noted the resolution adopted by Council at its meeting of 22 April 1970 which relates to the section of the budget concerning the European Parliament. It reads as follows:

'The Council undertakes to make no amendments to the estimate of expenditure of the European Parliament. This undertaking shall only be binding in so far as this estimate of expenditure does not conflict with Community provisions, in particular with regard to the Staff Regulations of Officials and Conditions of Employment of Other Servants, and to the seat of the institutions.'

This is Council's expression of the 'gentleman's agreement' between Council and Parliament that neither institution would amend the other's budget.

2. Although it could be maintained that this agreement was limited to the transitional period of the budgetary arrangements covered by the 1970 Treaty (1970 until 1977) and has been superseded by the 1975 budgetary powers Treaty, your rapporteur considers that the "gentleman's agreement" is even more in the interest of both parts of the Budgetary Authority now that Council and Parliament wield independent budgetary powers. There is a risk that, if the agreement is broken or is ended, general negotiations on the shape of the annual budget could become sidetracked into discussion of their respective administrative budgets.

3. This agreement is very much in Council's interest. The European Parliament has the right of last word over administrative expenditure - which is, by common agreement, classified almost entirely as non-compulsory. However, as a result of this agreement, the practice has grown up that Parliament forebears from exercising its full rights over Council's budget.

4. This will not, nevertheless, inhibit your rapporteur from making general comments about Council's administrative expenditure and structure. The Chairman of the Committee on Budgets has written to the President of Parliament asking her to seek from Council a confirmation that it intends to respect the "gentleman's agreement." In view of this, and in the confident expectation that Council will provide this confirmation in time for the first reading of the budget by Parliament, your rapporteur proposes no amendments relating to Council's part of Section II of the general budget.

Council's estimates

5. Section II of the general budget, dealing with Council, shows an increase in total expenditure for Council for 1980 from 86,208,300 EUA to 88,647,849 EUA. The increase (in 1979 EUA terms) is of the order of 1.21%.

6. This very moderate growth has been achieved as a result of a limited number of requests for new posts and of systematic reductions in the estimates under Title 1 ('Expenditure relating to persons working within the institution') on the basis of the actual cost of the implementation of these budgetary lines over the past three years.

7. Your rapporteur commends to all the institutions the practice adopted by the Council of cutting back administrative appropriations where experience shows that there has been a consistent over-estimation in the past.

8. However, even with this moderate increase suggested by Council it is to be noted that there is still a major increase from actual expenditure incurred in 1978 (+ 68.1 mEUA) to appropriations sought for 1980 (+ 88.6 mEUA).

Commentary on staff and administrative costs within Council's budget

9. If the 1980 budget is adopted, Council's establishment plan will have grown as follows:

1978	1,511 posts
1979	1,541 posts
1980	1,593 posts

The 52 new posts sought for 1980 are broken down as follows:

8 A
6 B
22 C
16 D

Furthermore, an upgrading of 3 LA 4 posts to LA 3 posts is proposed.

10. The new A posts are requested for the following sectors: divisions dealing with the accession of new Member States, relations with the European Parliament, the legal service, the Lomé Convention, the private office, administrative data-processing and the budget. It would be helpful if, in future, the Council could accompany its requests for new administrative posts with detailed job descriptions - a principle which your rapporteur hopes will become normal practice in the budgetary presentations of all the institutions.

11. The 28 B and C posts proposed are spread widely throughout the institution, and mostly cover administrative departments.

The 16 D posts are partly compensated for by the reduction in expenditure under Item 1112, 'Local Staff', (from 800,000 EUA to 627,000 EUA): the institutions have all proceeded to establish local staff after certain numbers of years of service, where the duties of those staff are of a permanent nature.

12. Your rapporteur notes the further increases in rental costs under Item 2110 (1978 expenditure - 5.1 mEUA, 1979 appropriations - 5.5 mEUA, 1980 appropriations - 6.1 mEUA). The escalation of rental costs is common to all the institutions. In Council's case considerable amounts of money have been placed in Chapter 100 (995,300 EUA in 1979 and 250,000 EUA in 1980) for preliminary expenditure for the acquisition of immovable property or construction of buildings. The Committee on Budgets will want to examine separately the rental and building policies of the institutions, particularly in view of the report of the Court of Auditors⁽¹⁾ on the accommodation policies of the institutions of the Community. This report underlines the explosion in rental costs for all the institutions. It also points out the need for a clearly coordinated approach of the administrations of the institutions to the rent question, particularly in their dealings with host governments.

13. In general, where there are major increases under individual items in Title 2 (buildings, equipment and miscellaneous operating expenditure), the Council provides adequate explanations (e.g. as regards replacements).

(1) OJ C 221, Volume 22, 3 September 1979.

Conclusion

14. Your rapporteur suggests that the Committee on Budgets approves the estimates of Council.

These estimates raise certain general questions common to all the institutions, and relating to administrative structures and management procedures. Your rapporteur will deal with these common questions in his report on the revised estimates of the European Parliament.

