

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 1981

Rapporteur: Mr V. ANSQUER

PE 68.282/fin.

On 28 April 1980 the Committee on Budgets appointed Mr ANSQUER^e rapporteur on Section II - Council - of the draft general budget of the European Communities for the financial year 1981.

At its meeting of 29 October 1980 the Committee on Budgets adopted the following motion for a resolution by 16 votes to none with 3 abstentions.

Present: Mr Lange, chairman; Mr Spinelli, second-vice-chairman; Mr Ansquer, rapporteur; Mr Adonnino, Mr Arndt, Mr Balfe, Mr Battersby, (deputizing for Mr Newton Dunn), Mr Brok (deputizing for Mr Ryan), Mr Colla, Mr Doublet (deputizing for Mr Flanagan), Mr Forth, Mr Gouthier, Mrs Hoff, Mr Howell, Mr R. Jackson, Mr Jalton, Mr Lega, Mr Megahy (deputizing for Mr Motchane), Mr O'Leary, Mr Pfennig, Mrs Pruvot (deputizing for Mr Rossi), Mr Konrad Schön, Mr Seeler (deputizing for Mr Orlandi), Mrs Scrivener, Mr J.M. Taylor, Mr Tuckman, Mr von der Vring (deputizing for Mr Dankert).

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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 1981

The European Parliament,

- having regard to the draft general budget for the 1981 financial year and the explanatory memorandum (Doc. 1-465/80),
 - having regard to the report of the Committee on Budgets (Doc. 1-541/80),
 - 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,
1. Approves Section II of the draft budget relating to the expenditure and revenue of the Council;
 2. Recognises that both arms of the budgetary authority must make further efforts, in the interests of budgetary transparency, to supply each other with more exhaustive information on their respective budgets and establishment plans;
 3. Requests Council to complete, in future, the political justifications contained in Volume 7 of the draft budget and the details of those decisions, on its own establishment plan and draft budget; points out that the European Parliament accompanies its draft estimates with the report of its Committee on Budgets which provides a full political explanation for all decisions taken;
 4. Requests Council to participate constructively in all interinstitutional attempts to find joint solutions to common administrative problems;
 5. Calls upon the heads of administration to examine the problem of the absence of a common form of budgetary presentation of the B secretarial and technical posts in the establishment plans of the institutions.

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 related 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. Your rapporteur recalls the words of his predecessor concerning this "gentleman's agreement":

'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.

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.' (1)

In view of this, your rapporteur proposes no amendments to Council's part of Section II of the general budget.

The Committee on Budgets at its meeting of 29 October 1980 confirmed this approach by 23 votes to 3 with 1 abstention: therefore it decided not to proceed to examine the various amendments that had been tabled to this section of the budget.

(1) Doc. 1-446/79

Council's estimates

3. In the 1980 budget total expenditure for Council rose to 88.6 mEUA (an increase of 12% from 1979).

In the 1981 estimates the general secretariat of the Council proposed an increase in expenditure from 88.6 mEUA to 98.4 mEUA.

In its decisions of 23 September 1980 the Council set its own draft budget at 91.8 mEUA or 3.6% (in comparison with 1980).

4. The reductions achieved in comparison with the requests from the general secretariat have resulted mainly from flat-rate abatements in Chapters 11 and 12 (5% and 10% respectively). These take account of previous rates of non-utilisation of the budget (rates which were particularly high for the Council: 37% average for the years 1976 to 1979 for Chapter 12: 12.8% average for Chapter 11 - the highest rate of non-utilisation for that chapter among the Community institutions).

5. Your rapporteur takes note that Council cannot be accused of inconsistency, as regards its expressed desire for austerity, in the application of that wish to its own budget. For two years in a row it has achieved very much lower rates of increase in its budget than the budgets of the other institutions - and a much lower rate than the maximum rate for increase for each year.

Commentary on the establishment plan

6. For the 1980 budget the establishment plan of Council includes 1,593 permanent posts and 6 temporary posts (in 1978 the establishment plan accounted for 1,511 posts).

7. The general secretariat of Council introduced requests for the 1981 budget of 269 permanent and 1 temporary post (169 of these posts being set aside for Greeks). This would have taken Council's establishment plan to 1,862 permanent posts and 7 temporary posts.

8. Council has reduced the requests of its general secretariat, so that the establishment plan now amounts to 1,692 permanent posts with 8 temporary posts. By deduction, therefore, the number of extra posts agreed to for 1981 amounts to 99 permanent and 2 temporary posts.

9. Your rapporteur uses the expression "by deduction" because the documentation so far supplied by Council does not permit a clear view as to Council's decisions. Volume 7 (the explanatory memorandum) does not mention Council's decision on its own establishment plan. The only trace of any decision relating to staff is in the annex to Volume 1 which contains the totals for the new establishment plans. It is not clear which requests of the general secretariat of Council have been accepted and which have been refused. Whereas the original estimates in the Council's preliminary draft certainly represented an improvement in presentation in as much as a breakdown of new posts requested was provided, this improvement becomes irrelevant if there is no corresponding improvement in the presentation of the draft budget. For example, how many of the 99 new permanent posts are, in fact, set aside for Greek accession?

Your rapporteur recommends that Council provides far clearer information in Volume 7 of the draft budget so that it is possible to ascertain the fate of the original requests of the Council's secretariat.

It is worth pointing out that the European Parliament provides a very full information on its establishment plan and decisions relating to its estimates in the form of the report of the Committee on Budgets which is a public document and which is transmitted to Council.

10. Nonetheless, your rapporteur notes the much greater stability in Council's own establishment plan than that which has been achieved by other institutions. The consequences of Greek membership of the Community, in terms of extra staff, have been successfully limited by Council.

Other comments

11. Council, as a budgetary authority, has always maintained that it is keenly interested in all possibilities of retrenchment in the administrative budgets of the institutions. Therefore, your rapporteur hopes that it will participate actively in the search for common solutions which should be undertaken by the heads of administration in the coming months (see rapporteur's comments in the report on the draft budget of Parliament, PE 68.281).

12. In practice, however, it has been noticed that Council tends to adopt an inert position on general administrative questions submitted to it for decision. Its record, as regards proposals for an administrative tribunal, for improving the Staff Regulations, for working towards a common recruitment agency, has not displayed any reforming zeal. Council should recognise the importance of these questions as a means of saving money and of improving the performance and efficiency of the institutions.

13. Finally, your rapporteur has come across a problem of budgetary transparency. All those institutions which have opened up the B grade to secretarial and technical staff by means of creating B (secretarial) and B (technical) posts, present these posts differently in their establishment plans. Your rapporteur requests that the heads of administration should examine the most appropriate transparent and flexible means of presenting these posts in a standard form.

Conclusion

14. The Committee on Budgets

- (i) recommends, in the light of the "gentleman's agreement", no amendments to Council's draft budget and establishment plan and proposes that the draft budget be approved;
- (ii) suggests improvements in the information to be supplied by Council as regards the justification of the decisions that it has taken in drawing up its own draft budget;
- (iii) expresses the wish that Council will participate actively in interinstitutional attempts to find joint solutions to common administrative problems.

