

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(91) 77 final

Brussels, 15 March 1991

Proposal for a
COUNCIL REGULATION (EEC)
adjusting the daily subsistence allowance rates for officials on mission
laid down in Article 13 of Annex VII to the Staff Regulations
of Officials of the European Communities

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The last general revision of the rates of the allowances for missions within the Community was based on a survey carried out in January and February 1988 the results of which were incorporated in Council Regulation No 2339/88 of 25 July 1988.

The scales fixed then no longer reflect prevailing economic conditions and so the rates of the daily subsistence allowance and the ceiling for the reimbursement of hotel expenses for missions within the Member States urgently need revision.

The rates currently payable are as follows:

Country	Hotel	A1-A3 Allowance	A4 - B Allowance	Other Grades Allowance
GERMANY	2 925	2 295	4 060	3 755
BELGIUM	2 700	2 485	3 625	3 355
DENMARK	4 960	2 940	5 455	5 045
SPAIN	3 345	2 015	3 975	3 675
FRANCE	3 105	2 215	3 845	3 555
GREECE	2 120	1 480	2 390	2 210
IRELAND	4 000	2 400	4 480	4 145
ITALY	4 260	2 355	4 535	4 195
LUXEMBOURG	2 410	2 330	3 625	3 355
NETHERLANDS	3 660	2 520	4 390	4 060
PORTUGAL	3 155	1 680	3 260	3 015
UNITED KINGDOM	3 490	2 130	4 740	4 385

2. Basis of the survey

2.1. The latest survey (during the first half of 1990) covered the hotels used in the previous survey, conducted in January and February 1988.

Only in the odd cases where the hotels used previously had closed down or had been substantially regraded were other hotels substituted.

2.2.5. First-class hotels, other than those charging excessively high prices, were taken for officials in Grades A1 - A3 and second-class hotels for those in other grades.

To provide a coherent frame of reference and in the absence of internationally accepted hotel gradings, there was no alternative but to use the Michelin guide, which is the only currently available work that covers all the Community countries. There the following classification is used:

one house	:	fairly comfortable
two houses	:	comfortable
one turret	:	very comfortable
two turrets	:	extremely comfortable
three turrets	:	luxurious and traditional

First-class hotels are those with one or two turrets in the Michelin guide.

Second-class hotels are those with two houses, and occasionally one turret if there are too few of the others. Those with only one house do not offer a sufficient standard of comfort, often have too few rooms with bathrooms and often have rooms lacking telephones and writing tables. They have therefore not been included as reference hotels.

3. Breakdown of the allowance

The allowance covering all mission expenses (Article 13(6) of Annex VII to the Staff Regulations) may be broken down as follows:

Grades A1-A3:

hotel ceiling plus flat-rate allowance covering breakfast
two meals
sundry expenses

Other grades:

flat-rate allowance covering hotel costs
breakfast
two meals
sundry expenses.

4. Assessment of the various factors constituting the allowance

4.1. Hotel costs: see 2.2 above.

4.2. Cost of breakfast: average of prices quoted by the hotels used for reference.

Hotel costs do not include breakfast (Article 13 of Annex VII to the Staff Regulations).

If, in the case of staff in Grades A1-A3 the hotel price includes breakfast, a deduction is made of either its actual cost or, if this cannot be determined, a flat 7.7% of the price of the room (Commission decision - procedure E/447/67, 9.4.1987).

4.3. Cost of two meals

4.3.1. Lunch

For Brussels and Luxembourg (average of a + b)

(a) Snack or moderately priced lunch - average price of:

- a set menu at an institution restaurant,
- a set menu at an institution cafeteria,
- a set menu at a snack bar in town,
- + a drink and a coffee.

(b) Simple meal: average price in a reference hotel or, failing that, in a Michelin Guide two-fork restaurant in the case of officials in Grades A1-A3 and in a one-fork restaurant in the case of other officials, for:

- a menu of the day or business lunch,
- + a drink and a coffee.

For the other places (average of c + d):

- (c) snack
- (d) same as (b) above

The sum of the prices of these meals is divided by two to give the part of the allowance covering the cost of the midday meal.

4.3.2. Dinner

Price of one full meal (à la carte - average prices with a drink and coffee) in the reference hotels or, failing that, in the restaurants used for (b).

The price of these meals (average of midday plus evening meal) is added together to give the part of the allowance covering meals.

4.4. Sundry expenses

Sundry expenses are supposed to cover the cost of four (two return) journeys by public transport and two local telephone calls.

5. Agreements with hotels

5.1. General

Generally speaking, except for Brussels, Luxembourg and Madrid, it has proved virtually impossible to conclude agreements with hotels to secure price reductions, because:

- hotels cannot be guaranteed a minimum number of bed-nights, since the Administration would be unable to provide efficient centralized management of reservations or compel staff to use particular hotels;
- special prices are impossible to obtain, hotels being already fully booked at certain times, as in tourist centres and towns of special specific interest, such as Strasbourg when Parliament is sitting.

5.2. Brussels - Luxembourg - Madrid

For the cities of Brussels and Luxembourg, having regard to the presence of the institutions and the number of overnight stays and the frequency of trips that this gives rise to, it has been possible, in certain cases, to obtain special prices.

For the same reasons, it has also been necessary to look very closely at the list of reference hotels ensure that they meet the minimum requirements set out above. Some adjustments have had to be made.

For Madrid, with virtually all hotels offering price reductions, consideration was also given to this point when drafting the proposal.

5.3. Other places

In calculating the allowance for other places no account was taken of the few, somewhat rare reductions (which in any event could not be relied on) granted by certain establishments. The range of meeting places and hotel facilities is so widely scattered as to make the sums in question almost negligible and with little likelihood of staff staying in these hotels, they cannot be regarded as representative.

6. Cost saving

In an effort to save costs in reimbursing hotel expenses specifically for Categories A1-A3 (reimbursement against bills) and to some extent other categories of officials (flat-rate refund, unless otherwise authorized), the Commission Administration is presently issuing its officials with lists of hotels offering value for money and/or granting price reductions under specific agreements made during the survey.

7. Short-term outlook - proposal

In order to ensure that the allowances paid to officials on mission are kept properly in line with the rising costs of hotel accommodation and restaurants, and with requests from the other institutions to that effect, the time has come to propose a new method of adjustment that will reflect the economic realities in the places to which officials are sent.

Adjustments are currently made on the basis of 'one-off' surveys conducted at each place of destination listed in this proposal, in order to ascertain in situ, whether our listed hotels and restaurants have maintained their standards and how far their prices have risen.

These surveys commit substantial resources and might in future be scheduled for every three years.

However, so that adjustments can be made annually, as in all areas where administrative expenditure is involved, the Commission Administration is having a study carried out to identify economic indicators specific to the hotel and catering trades.

The study is now under way and approaches have been made to the national tourist boards and the Statistical Office of the European Communities.

Subject to its satisfactory outcome, and if the budgetary authority approved this new method, future adjustments might be made on two separate bases:

- (i) a special on-the-spot survey of a large number of selected hotels and restaurants every three years;
- (ii) the economic indicators for each intermediate year.

8. Results of the survey

As stated at 7, the cost increases noted were recorded during the on-the-spot surveys.

Although the percentage increases in the two sectors (hotels and restaurants) are unrelated to the general rise in prices notified by the Statistical Office, they still clearly to some extent correspond.

The rates of inflation are therefore shown as a guide in the attached table (Annex 1) but do not by any means necessarily reflect the increases we have found, particularly in the hotel trade where these increases may be very substantial.

As regards restaurants, the price rises have been much more in line with inflation.

Proposal for Council Regulation adjusting the daily subsistence allowance rates for officials on mission laid down in Article 13 of Annex VII to the Staff Regulations of Officials of the European Communities

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing a Single Council and a Single Commission of the European Communities,

Having regard to the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68,¹ as last amended by Regulation (Euratom, ECSC, EEC) No 3736/90,² and in particular Article 13(9) of Annex VII to the Staff Regulations and Articles 22 and 67 of the Conditions of Employment,

Having regard to the proposal from the Commission,

Whereas, in view of the increased costs recorded in the different places of employment in the Member States, the rates of daily subsistence allowance for officials on mission should be adjusted,

HAS ADOPTED THIS REGULATION:

Article 1

Article 13 of Annex VII to the Staff Regulations is amended as follows:

1. The scale in paragraph 1(a) is replaced by the following:

1 OJ L 56, 4.3.1968, p.1.

2 OJ L 360, 22.12.1990, p.1.

(BFR)

	I	II	III
	Grades A1 to A3 and LA3	Grades A4 to A8, LA4 to LA8 and Category B	Other grades
Belgium	2 635	4 690	3 900
Denmark	3 130	6 120	5 660
Germany	2 468	4 228	3 910
Greece	1 680	2 880	2 665
France	2 395	4 300	3 980
Ireland	2 565	5 235	4 840
Italy	2 610	5 615	5 198
Luxembourg	2 535	4 435	3 800
Netherlands	2 625	4 955	4 585
United Kingdom	2 510	5 755	5 325
Spain	2 550	5 230	4 840
Portugal	2 000	4 150	3 840

2. The first sentence of paragraph 2 is amended to read as follows:

"2. In addition to the rates set out in Column I of the foregoing scale, the hotel bill covering room, service and taxes, but excluding breakfast shall be reimbursed up to a maximum of BFR 2 535 for Greece, BFR 3 305 for Luxembourg, BFR 3 670 for Belgium, BFR 3 210 for France, BFR 4 420 for the Netherlands, BFR 3 225 for Germany, BFR 5 065 for Denmark, BFR 4 955 for Italy, BFR 4 305 for the United Kingdom, BFR 4 415 for Ireland, BFR 4 685 for Spain and BFR 3 625 for Portugal."

Article 2

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council
The President

8.

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