

COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET FOR 1979
SECTION III - COMMISSION

COM(79) 124 final

Brussels, 9 March 1979.

TRANSFER OF APPROPRIATIONS BETWEEN CHAPTERS N° 5/79
(non-compulsory expenditure)

GENERAL BUDGET FOR 1979
SECTION III: COMMISSION

TRANSFER OF APPROPRIATIONS BETWEEN CHAPTERS No 5/79

(non-compulsory expenditure)

	EUA
<u>From Chapter 11 - Staff</u>	
Article 110 - Officials and temporary staff holding a post provided for in the establishment plan	
Item 1100 - Basic salaries	3.700.000
Item 1101 - Family allowances	300.000
Item 1102 - Expatriation and foreign residence allowances	430.000
Total	<u>4.430.000</u>
 <u>To Chapter 22 - Movable property and associated expenditure</u>	
Article 224 - Hire of equipment, operating costs and cost of services relating to the Computer Centre and the running of the information and documentary research system (CIRCE)	
Item 2240 - Operation of the Computer Centre	3.480.000
Item 2243 - Development of data-processing applications	950.000
Total	<u>4.430.000</u>

The Financial Controller has approved this proposal, attesting that the appropriations are available at 14 February 1979.

EXPLANATORY MEMORANDUM

I. Description of the operation

1. Replacement of equipment in the Computer Centre

In October 1976, the Commission decided to replace its data-processing equipment (one IBM 370 and one CII 10 070) with the following:

- a central configuration supplied by ICL (one ICL 2980 processing unit);
- a network of terminals (Mitra mini-computers and Olivetti and Nixdorf intelligent terminals).

2. Installation of the central configuration and conversion of the Commission's programmes

The ICL 2980 central configuration was installed in the Commission's Computer Centre in Luxembourg in November 1977. The work of converting the applications of the old equipment into programmes for the ICL computer is in progress. Much of this work has been given to DP service bureaux (Cap-Sogeti, etc.) under the direction of ICL.

The appropriations required for the conversion (labour and machine time) have already been entered in Article 224 of the administrative budget for 1977 and 1978. For 1979 the Commission has requested the appropriations needed to finish this work.

3. Development of the terminal network

On the basis of a study made by ICL and the terminal suppliers, it was decided that, at the outset, the network should be made up of 50 plug-compatible terminals (25 Olivetti and 25 Nixdorf) and 6 Mitra RJE (remote job entry) terminals. The Nixdorf terminals can provide access to both the Commission's Siemens computer and the ICL 2980 computer.

It will be possible to extend the network by increasing the number of terminals, without incurring any additional development costs. At the same time, the Commission will still be able to move towards a network based on suitable European standard interfaces as they become recognised by the competent standardization bodies and made available by equipment manufacturers.

4. The programme of the operations is given in the annex to this explanatory memorandum.

II. Need for a transfer of appropriations

1. The total amount of the appropriations entered under Article 224 in the 1979 Budget (11 293 000 EUA) stands at the figure which the Commission had entered in the Preliminary Draft Budget. However, the expenditure estimates were drawn up in direct relation to the 33 new posts requested for the data-processing departments, the cost of which is chargeable to Title 1, Expenditure relating to persons working with the Institutions.

Overall, only 37% of the requests for new posts made by the Commission were accepted. In absolute figures, 299 posts were not authorized. It will, accordingly, be impossible to allocate more than six new posts to the data-processing departments.

To avoid interruption of the work of converting the data-processing programmes, limit the period when the old and new configurations overlap and gradually adapt the size of the operating staff to the computing power available, it will be necessary to use service bureaux staff to take the place of the staff requested but not authorized in the Budget, although this will cost more than employing Community officials. Such staff must be called in at once.

- (a) For 12 months the expenditure (chargeable to Item 2240, Operation of the Computer Centre) on outside staff equivalent to 27 officials is estimated at 1 780 000 EUA.
- (b) Until the six new posts assigned to the data-processing departments have been filled, it will be necessary to employ outside staff during the first half of 1979; this will cost 160 000 EUA.

In all, a supplementary appropriation of 1 940 000 EUA is requested for Item 2240 to make up for the posts not provided in the establishment plan.

2. Since October 1976, when the Commission decided to replace the data-processing equipment then in use, calculating power has been increased eightfold. Because of this increase in capacity, the estimates for operating costs for the ICL 2980 computer were not entirely definitive.

A study, the results of which were submitted on 2 February 1979, explains the difference between the estimates and the requirements which experience has shown to be necessary. In future, the estimates will be drawn up on the basis of the norms defined in this study.

Essentially, the study reveals that:

- (i) the newness of the software requires a larger number of category A staff than was estimated;
- (ii) the installation of an extremely dense network of terminals means an increase in technical operations (monitoring);
- (iii) the putting into service of 11 heavy terminals means that more operators are needed;
- (iv) machine time has had to be revised upwards after the definitive list of applications was drawn up.

For 1979, expenditure for Item 2243, Development of data-processing applications, was under-estimated by 950 000 EUA. This sum represents the cost of 15 additional computer staff.

3. The fact emerged during 1978 that there were very few ICL computer experts available on the labour market.

To deal with this situation, the programme for retraining staff was extended and stepped up.

However, as can be seen from the attached programme for replacing DP facilities, the conversion of residual applications - numbering 150¹ - was not started, as had been intended, in September 1978. The decommissioning of the old IHM computer is now planned for the end of 1979.

- (a) The prolongation of the overlapping period will cost 1 000 000 EUA. This additional expenditure will have to be charged to Item 2240, Operation of the Computer Centre.
- (b) The speeding up of training has, in addition, meant a temporary diversion of staff, which must be made up for by bringing in service bureaux staff equivalent to 16 category C officials. To this end an additional appropriation of 540 000 EUA would be needed for Item 2240.

¹These are all the programmes other than the main applications, which are CRONOS, SABINE, CIRCE, external trade, salaries and allowances.

4. To sum up, the total amount of additional appropriations requested for Article 224 is as follows (in EUA):

Point	Reason	Items	
		2240	2243
1(a)	Making up for 27 posts requested but not authorized	1 780 000	
1(b)	Cost of six service bureau staff for six months	160 000	
2.	Cost of 15 unscheduled computer staff		950 000
3(a)	Prologation of the overlapping period	1 000 000	
3(b)	Making up for 16 C grade officials	540 000	
	Total	3 480 000	950 000

III. Availability of appropriations

(a) Title 2: Buildings, equipment and miscellaneous administrative expenditure

The appropriations entered under Title 2 of the 1979 Budget stand at 171 649 040 EUA. In relation to the initial 1978 Budget (158 675 300 EUA), the increase in appropriations amounts to 8.2%. The increase is only 6.2% against the 1978 appropriations at the end of the financial year (161 621 300 EUA).

As most of the expenditure under Title 2 is paid out in Belgian francs, it should be pointed out that the estimates of the foreseeable expenditure, expressed in EUA, were drawn up on the basis of the EUA exchange rate in force on 1 February 1978 (Bfrs 40.1924). On 1 February 1979, the value of the EUA was Bfrs 39.5592.

Because of this depreciation, the increase in appropriations for 1979, as compared with 1978, amounts to only 4.5%.

It is therefore impossible to consider a transfer within Title 2.

(b) Title 1: Expenditure relating to persons working with the Institution

At its meeting on 18 December 1978, the Council, in agreement with the Commission, decided to record in the minutes its intention to reduce the distortions brought into salary scales when the salary weighting applicable in Belgium was incorporated in basic salaries on 1 January 1977.

The effect of this measure will be a reduction in the increase rate for overall expenditure on staff, which will mean savings totalling more than the requested transfer of appropriations.

It is proposed to draw funds from the following Items of Chapter 11, Staff:

1100: Basic salaries	EUA 3.700.000
1101: Family allowances	EUA 300.000
1102: Expatriation and foreign residence allowances	EUA 430.000
	<hr/>
Total	EUA 4.430.000

Programme for replacing IF facilities

November 1977

Delivery of ICL 2980 computer

January 1978

ICL service bureau set up

Beginning of programme conversion work for the main applications
(CRONOS, SABINE, SAFIR, external trade, salaries and allowances, CIRCE)

May 1978-July 1978

Training by ICL of programmers for the analysis and programming service

June 1978-October 1978

Setting up of the terminal network (Mitra, Olivetti, Nixdorf)

December 1978 (September 1978)

Commencement of the conversion of the remaining applications (around 150 in all)

February 1979 (December 1978)

Completion of the conversion programmes for the major applications

April 1979 (February 1979)

Acceptance tests

- of the ICL 2980 computer
- of the applications already converted
- of the terminal network

Fourth quarter of 1979 (third quarter of 1979)

Takeover of the Information and Documentary Research Centre (CIRCE)

Incorporation of DG II programmes

Completion of conversion of remaining applications

Decommissioning of IBM computer

Note: the dates in brackets represent deadlines which it still seemed possible to meet in September 1978.

