OVERHEAD CHARGES FOR THE SUPPLEMENTARY PROGRAMME
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Two papers, CERN/538 and CERN/FC/709, were submitted to the Finance Committee in which it was proposed that the general expenses of CERN should be shared between the basic and the supplementary programme. This proposal was approved by the Finance Committee at its Sixty-second Meeting on 21 October. At its last meeting, the Finance Committee asked for further explanation of the sum of 890 000 Swiss francs charged to the 1965 supplementary programme from the basic budget of CERN.

Experience has shown that the overall cost (including personnel) of the administrative and general services runs very closely parallel to the growth in the numbers of scientific and technical people they serve, or of the building space the latter occupy. It seems reasonable to assume, therefore, that a supplementary programme would, taking one year with another, have a similar influence upon the growth of general services, as would any other technical or scientific programme. Some of these effects may be immediate - extra staff for cleaning, typing, drawing office work, etc., and their consequential consumption of materials - whereas others may become apparent only later, or indirectly - e.g., the need to provide an extra man here or there to cope with the combined extra load of both the supplementary programme and a growing basic programme; the need, with the growth of the site, to establish perhaps a separate division to handle site services, etc., rather earlier than would otherwise have occurred. Whilst the cost of the former category can be readily identified, it is less easy to separate with certainty expenses of the latter kind into those directly attributable either to growth in the basic programme or to the incidence of the supplementary programme.

It was therefore considered preferable to use the fairly reliable relationship established between scientific staff members and space on the one hand, and the overall costs of general services on the other, rather than attempt annually the very difficult task of trying to identify all the visible and invisible but real extra costs. In this way the growth in services is properly shared between the two programmes with no double payments.

The figure of 890 000 Swiss francs now included as an overcharge from the basic to the supplementary programme is made up as follows:

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(i) **Items pro-rata to staff numbers**

Library services, local workshop and drawing office services, services of Finance and Personnel Divisions, senior management costs, transport costs, etc.

Average number of staff members = 90

Average cost of services per staff member = 8,000 francs p.a. = 720,000 Swiss francs.

(ii) **Items pro-rata for building space occupied**

Cleaning, building maintenance, safety, fire and site security, health physics, etc.

Average building space occupied = 1,200 m³

Average cost of services per m³ = 140 francs p.a. = 170,000 Swiss francs

Total = 890,000 Swiss francs.

These rates, which are the ones quoted in the Annex to document CERN/538, have been calculated from the actual cost of the relevant services taken from the divisional budgets of 1964. For comparison, actual extra costs in divisional budgets for 1965 amounting to 760,000 Swiss francs can be identified. These include, for example, thirteen extra staff required in other divisions, extra supernumerary employees for cleaning and labour pool, as well as a share of staff costs in local workshops and drawing offices; social insurance costs for the Study Group staff and for extra staff in other divisions; consumable items in local workshops, drawing offices, cleaning services, typing pool, accounting services, etc. None of these items is, of course, separately charged to the supplementary programme, as are, for example, central workshop hours, computer time and design work in SB Division. Thus the figure arrived at as an overhead charge does not differ very greatly from the actual extra costs.