BEREC Office Ref. No MC (14) 116

**To**

**The Management Committee of**

**the BEREC Office**

**Subject:** *proposal for transfers from Title 2 to Title 3 in the BEREC Office 2014 Budget.*

**Dear Management Committee,**

I would like to address you in relation to the provisions of Article 27 (2) and (3) of Decision MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office (hereinafter referred to as “the BEREC Office Financial Regulation”) and I would like to suggest transfer of appropriations in the 2014 BEREC Office budget from Title 2 to Title 3 amounting to EUR **218 511.**

The main reasons for the suggested transfers are the following:

* The BEREC Office plans to finalise the Net Neutrality Ecodem study with an additional desk research. Another contract for purchasing study for sector developing with estimated amount of EUR 200 000 is planned to be signed until the end of 2014 (with maximum of EUR 300 000);
* Need to increase the amount envisaged for organisational costs of the 4th Contact Network and Plenary meetings 2014 (that substantially increased due to the change of location) and reimbursements paid while assisting 4th Plenary.

The proposed transfers from Title 2 are planned to be executed as follows:

Reduction of four budget lines as follows:

* Budget line 2100 “Computer equipment”: – EUR 80 090. Due to delays with and re-consideration of replacements of computer equipment, the actual expenses are lower than forecasted.
* Budget line 2101 “Software”: – EUR 49 600. Due to delays with and re-consideration of HR tool project, the actual expenditure on this budget line is lower than planned.
* Budget line 2102 “Other external data processing services”: – EUR 31 800. Due to the workload of staff members, the expected expenditure on this budget line was re-evaluated and realisation of efficiency gain projects was re-considered and is planned to be done with the help of external consultants under another budget line.
* Budget line 2410 “Telecommunication charges” – EUR 57 021. Telecommunication charges are updated in accordance with real needs, amounts available under contracts and information on realisation by the European Commission of TESTA NG project (which the BEREC Office was planning to join by the end of 2014).

More detailed information on the suggested transfers can be found in the attached explanatory paper (Annex).

According to the provisions of the Article 27 (2) of the BEREC Office Financial Regulation the Management Committee has three weeks in which to oppose to the proposed transfers. After this time-limit they shall be deemed adopted.

**Yours Faithfully,**

Riga, 4 November 2014

***László IGNÉCZI***

*Administrative Manager*

*Encl./*

**Annex I**

**Proposed Transfers in BEREC Office Budget 2014 from Title 1 to Title 3 in compliance with Article 27 (2) and (3) of the BEREC Office Financial Regulation**

# Short description of the additional needs for operational expenditure

The Budget for 2014 of the Office Body of European Regulators for Electronic Communications (BEREC)[[1]](#footnote-1) was approved by the Management Committee during its 17th plenary meeting held on 6 December 2013 in Budapest.

The BEREC Office plans to finalise the Net Neutrality Ecodem study with an additional desk research. Another contract for purchasing study for sector developing with estimated amount of EUR 200 000 is planned to be signed until the end of 2014 (with maximum amount of
EUR 300 000).

After re-evaluation of the activities related to the Plenaries and Contact Network meetings, it is also evident that there is also a need to increase the amount envisaged for organisational costs and reimbursements.

In that respect, the BEREC Office has considered all reserves in its current 2014 budget and requests to transfer the financial resources available in Title 2 to Title 3, so as they could be used for partial covering of the afore-mentioned increased operational needs.

# Short overview of the proposed transfer

The BEREC Office would like to propose transfer of appropriations from Title 2 to Title 3 as follows:

* EUR **218 511** from four budget lines under Title 2:
	+ BERO-B2014-A02100-C1-BEREC – EUR 80 090

**Justification**: Due to delays with and re-consideration of replacements of computer equipment, the actual expenses are lower than forecasted.

* + BERO-B2014-A02101-C1-BEREC – EUR 49 600

**Justification**: Due to delays with and re-consideration of HR tool project, the actual expenditure on this budget line is lower than planned.

* + BERO-B2014-A02102-C1-BEREC – EUR 31 800

**Justification**: Due to the workload of staff members, the expected expenditure on this budget line was re-evaluated and realisation of efficiency gain projects was re-considered and is planned to be done with the help of external consultants under another budget line.

* + BERO-B2014-A02410-C1-BEREC – EUR 57 021

**Justification**: Telecommunication charges are updated in accordance with real needs, amounts available under contracts and information on realisation by the European Commission of TESTA NG project (which the BEREC Office was planning to join by the end of 2014).

Total to be transferred: EUR **218 511**

Total of Title 3 after transfer excluding contributions from EEA countries and NRAs of Members States: EUR **1 722 485.**

1. **Rational behind the proposal**

Reason for inadequate forecasting of Title 3 in budget 2014:

* Budget 2014 forecast for budget line BERO-B2014-B03001-C1-BEREC was made in January/ February 2013. At the moment of preparation of Budget 2014 there was no complete clarity on studies to be materialised in 2014. Now the BEREC Office plans to finalise the Net Neutrality Ecodem study with an additional desk research. Another contract for purchasing study for sector developing with estimated amount of
EUR 200 000 is planned to be signed until the end of 2014 (with maximum amount of EUR 300 000). Due to availability of resources under budget lines BERO-B2014-B03002-C1-BEREC (Activities under Articles 7 and 7a Framework Directive) and BERO-B2014-B03003-C1-BEREC (Collection, exchange and transmission of information), the budget line was already partially increased by EUR 27 900.
* The volume and amounts of organisational costs and reimbursements connected to support activities to BEREC 4th Plenary 2014 (due to the change of location) and BEREC International activities have grown up. EUR 93 115 are transferred in to BERO-B2014-B03101-C1-BEREC (Other support activities to BEREC) from BERO-B2014-B03102-C1-BEREC (Provision of advice and other ad-hoc services to BEREC and other parties). The amount of EUR 36 911 is still needed is asked to be transferred in from Title 2 budget lines.
1. **Conclusion**

Taking into account the aforementioned considerations and in compliance with Article 27 (2) and (3) of Decision MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office (hereinafter referred to as “the BEREC Office Financial Regulation”), the BEREC Office Management Committee is hereby notified about the proposed transfer of EUR **218 511** from Title 2 to Title 3 in the BEREC Office budget.

According to the BEREC Office Financial Regulation the Management Committee has three weeks in which to oppose to the proposed transfers. After this time-limit they shall be deemed adopted.

**Detailed Overview**

**of the Proposed Transfers from Title 2 to Title 3 in BEREC Office Budget 2014**

| **Budget Line** | **Budget Line description** | **Budget 2014 approved by Budg. Authority**  | **Agency and MC transfersMay-October 2014** | **Agency transfersNovember** | **Transfer Request from Title2 to Title 3** | **Budget with transfers Title1 to Title 3** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Budget Total** | **4,162,874**  | **0**  |  | **0**  | **4,162,874**  |
| **1**  | **STAFF** | **2,560,600**  | **-409,500**  | **0**  | **0**  | **2,151,100**  |
| **2**  | **BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE** | **507,800**  | **0**  | **0**  | **-218,511**  | **289,289**  |
| **2 1** | **INFORMATION TECHNOLOGY PURCHASES** | **280,000**  | **-30,237**  | **0**  | **-160,105**  | **89,658**  |
| **2 1 0** | **Information technology purchases** | **280,000**  | **-30,237**  | **0**  | **-160,105**  | **89,658**  |
| A-2100 | Computer equipment | 125,000  | -30,237  | 0  | -78,705  | **16,058**  |
| A-2101 | Software | 80,000  |   | 0  | -49,600  | **30,400**  |
| A-2102 | Other external data processing services | 75,000  |   | 0  | -31,800  | **43,200**  |
| **2 4** | **POSTAGE AND TELECOMM.** | **77,500**  | **0**  | **0**  | **-57,021**  | **20,479**  |
| A-2410 | Telecommunication charges | 76,000  |   | 0  | -57,021  | **18,979**  |
| **3**  | **OPERATIONAL EXPENDITURE** | **1,094,474**  | **409,500**  | **0**  | **218,511**  | **1,722,485**  |
| **3 0** | **Support to implementation of BEREC WP 2014** | **552,000**  | **316,500**  | **0**  | **181,600**  | **1,050,100**  |
| **3 0 0** | **Support to implementation of BEREC WP 2014** | **552,000**  | **316,500**  | **0**  | **181,600**  | **1,050,100**  |
| B3-001 | Support to the BEREC Expert Working Groups | 440,000  | 336,500  | 27,900  | 181,600  | **986,000**  |
| B3-002 | Activities under Articles 7 and 7a Framework Directive | 40,000  |   | -24,500  | 0  | **15,500**  |
| B3-003 | Collection exchange and transmission of information | 72,000  | -20,000  | -3,400  | 0  | **48,600**  |
| **3 1** | **Horizontal activities (other support not directly related to BEREC WP)** | **542,474**  | **93,000**  | **0**  | **36,911**  | **672,385**  |
| **3 1 0** | **Horizontal activities (other support not directly related to BEREC WP)** | **542,474**  | **93,000**  | **0**  | **36,911**  | **672,385**  |
| B3-101 | Other support activities to BEREC | 250,000  | 132,874  | 93,115  | 36,911  | **512,900**  |
| B3-102 | Provision of advice and other ad-hoc services to BEREC | 292,474  | -39,874  | -93,115  |   | **159,485**  |

Riga, XX November 2014

**László IGNÉCZI**

*Administrative Manager of the BEREC Office*

1. Document MC (13) 79 available on the BEREC website at: http://berec.europa.eu/eng/document\_register/subject\_matter/berec\_office/budget\_of\_the\_office/annual\_budget\_of\_the\_office/3950-budget-of-the-berec-office-for-2014 [↑](#footnote-ref-1)