

AMENDING BUDGET 1/2011

of the Office of the Body of European Regulators for Electronic Communications (BEREC office)

1. Introduction

The current BEREC Office Budget 2011 was approved by the Management Committee (hereinafter, MC) on 18 February 2010.

At the end of July 2011, the BEREC Office was informed by DG INFSO that an Amending Budget (hereinafter, AB) should be drawn up to adapt its current budget to its actual expenditures.

Pursuant to Articles 27(7) and 28 of the BEREC Office's Financial Regulation, an Amending Budget should be adopted by the MC and published accordingly.

Having regard to its needs, the BEREC Office hereby proposes Amending Budget 1/2011 in order to be considered for adoption by the MC.

In order to prepare the AB 1/2011, the BEREC Office reviewed the Budget 2011 through an internal consultation process that has involved all its Units, with a view to maximise the efficiency of the management of funds entrusted. The outcome of the internal consultation is AB 1/2011, which rearranges appropriations to address the expenditure forecast until the end of the year 2011.

Within the proposed AB 1/2011, the BEREC Office has adapted its budget to its new forecast of administrative and operational expenses.

The distribution of appropriations among Titles of the Budget 2011 is as follows.

2. Budget

2.1. Revenues

The revenues and resources of the Body shall consist of:

(a) a subsidy from the Community, entered under the appropriate headings of the general budget of the European Union (Commission Section), as decided by the budgetary authority and in accordance with point 47 of the Interinstitutional Agreement on budgetary discipline and sound financial management;

(b) any voluntary contribution from the national regulatory authorities of the Member States.

Revenues in EUR	Budget 2011	Amending Budget AB 1/2011	New Appropriations 2011
1. Revenue from fees and charges			
2. European Community Subsidy	3 579 000	-1 769 000	1 810 000
Of which DB			
Of which assigned revenues deriving from previous years' surpluses			
3. Third countries contribution (incl. EFTA and candidate countries)	p.m.		p.m.
4. Other contributions (*)	200 000	- 200 000	0
5. Administrative operations			
6. Revenues from services rendered against payment			
7. Correction of budgetary imbalances			
Total revenues	3 779 000	-1 969 000	1 810 000

(*) Estimated voluntary contributions from Member States or from their National Regulatory Authorities (NRAs). These contributions shall be used to finance specific items of operational expenditure as defined in an agreement to be concluded between the Office and the Member States of their NRAs.

2.2. Expenditure

2.2.1. Commitment appropriations

Commitment appropriations in EUR

<u>Expenditure</u>	Budget 2011	Amending Budget AB 1/2011	New Appropriations 2011
Title 1 Staff Expenditure			
11 Salaries and allowances	1 827 000	-883 000	944 000
12 Expenditure relating to Staff recruitment	300 000	-215 000	85 000
13 Mission expenses	56 000	69 000	125 000
14 Socio-medical infrastructure	21 000	-20 000	1 000
142 Professional development			
- For Temporary Agents	21 000	40 000	61 000
- For Contract Agents	5 000	7 000	12 000
17 Reception and Events	10 000		10 000
Title 1 - Total	2 240 000	-1 002 000	1 238 000
Title 2 Infrastructure and operating/running expenditure			
20 Rental of buildings and associated costs	350 000	-300 000	50 000
21 Information and Communication technology	165 000		165 000
22 Movable property and associated costs	103 000	-18 000	85 000
23 Current administrative expenditure	52 000	-32 000	20 000
24 Postage / Telecommunications	16 000	-4 000	12 000
25 Meeting expenses	103 000	-13 000	90 000
Title 2 - Total	789 000	-367 000	422 000
Title 3 Operational expenditure			
30 Studies on selected aspects of Economic Regulation	250 000	-230 000	20 000
31 Studies on Market Analysis aspects	200 000	-200 000	
32 Workshops and other measures for improved Regulatory Cooperation	100 000	-35 000	65 000
33 Exchanges of Best practices and Technical expertise	100.000	-50.000	50 000
34 Member States expert group	100 000	-85 000	15 000
Title 3 - Total	750 000	-600 000	150 000
Total Expenditure	3 779 000	-1 969 000	1 810 000

2.2.2. Payment appropriations

Payment appropriations in EUR

<u>Expenditure</u>	Budget 2011	Amending Budget AB 1/2011	New Appropriations 2011
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Total Expenditure	3 779 000	-1 969 000	1 810 000

3. Justification of the needs

The Budget components affected by AB 1/2011 are listed below:

Title 1: Staff Expenditure

Chapter 11 “Staff Salaries and allowances”: An amount of 883 000 EUR is released from salaries and allowances appropriations. This surplus has been created due to the recruitment of most of the staff during the second and third quarters of the current year.

Chapter 12 “Expenditure relating to Staff Recruitment”: The appropriations of Chapter 12 are decreased by 215 000 EUR. Most of the 2011 recruitment meetings, incl. interviews and reimbursement of candidate travels were conducted in 1st Semester. Large part of the expenses (although not all) were also reimbursed. The recruitment procedures for the vacant posts are ongoing, but the expenditures are not expected to reach the current budget of 300 000. An approximation of the real costs was made, which led to the release of the surplus.

Chapter 13 “Mission Expenses”: The appropriations of Chapter 13 are increased by 69 000 EUR. The expenses in 1st Semester include largely the almost weekly participation of Administrative Manager on recruitment meetings in Brussels and very dense training schedule (ABAC financial system and financial management principles) of most of team members in May/June 2011. Given the expenditures in 1st Semester 2011 and the forecasted travel needs (CNs, Plenaries, participation on EWG meetings and trainings for new staff) the current budget of 56 000 EUR appears not to be adequate and has been increased.

Chapter 14 “Socio-medical infrastructure”: This includes expenses on regular yearly staff medical check by the Commission Medical Services. The costs for new staff members are covered under Chapter 12 Staff recruitment. Only Administrative Manager would require regular medical check in 2011. The appropriations of Chapter 14 are therefore reduced by 20 000 EUR.

Article 142 “Professional development”: is increased by 47 000 EUR based on the experiences of financial commitments on training in 1st Semester (not yet paid in June) and the need to address an accrued need for trainings in 2011, especially on financial and administrative matters among others. Trainings needs in the start-up phase with new staff members are somewhat higher than in a mature organisation.

Title 2: Infrastructure and Operating expenditure

Chapters 20, 21, 22, 23 and 24 “Infrastructure and operating Expenditure”: Estimates in 2010 for infrastructure costs and other elements of administrative expenditure were based on available data for entities of similar size, and as the seat of the entity was not yet decided, Brussels was taken as the basis for the calculations. The rental of the permanent premises is currently provided free of charge during the first two years by the Latvian Government and the other administrative expenditure have been reassessed.

Chapter 25 “Meeting expenses”: The largest expenses in this Chapter are the reimbursements to the members of the Board of Regulators and of the Management Committee. Sufficient appropriations are available under this chapter 25 to cover the travel reimbursements for Plenaries 3 and 4 and partial coverage for Plenary 2 commitments. Also travel expenses of BEREC/Regulatel summit have been taken into consideration.

This results in the decrease by 367 000 EUR in title 2 appropriations.

Title 3: “Operational Expenditure”

In its first months of operational existence, the new entity has started building its own corpus of expertise. The recruitment of the key personnel has been done mostly during the second and third quarters of the current year and will not be completed until late 2012. The appropriations of title 3 are reduced by 600 000 EUR and will cover all the operational needs currently foreseen, such as an improved website and other communication tools, support for translations, reports and studies on the key areas of BEREC activity, organisation of workshops (incl. workshop requested by IP-Interconnect EWG and BEREC workshop in Riga) and reimbursements of travel costs associated with CN and EWG meetings.

Done at Barcelona, on 30 September 2011.

For the Management Committee

**Chris FONTEIJN
BEREC Chair for 2011**