

Budget of the BEREC Office for 2014

1. Introduction

In compliance with the requirement of Article 12, 'Establishment of the budget', of the BEREC Regulation, the Preliminary Draft Budget of the BEREC Office for 2014 was approved by the Management Committee during the Ljubljana plenary meeting on 8 March 2013. It was transmitted to the Commission on 30 March 2013 in accordance with the BEREC Regulation and EU legislation.

2. Revenue

In the standard template for Draft Budgets (entitled 'Agencies financial statement'), the Commission Directorate-General for Budget (further 'DG BUDG') requests that the following, in addition to forecast European Community contributions, be included (see Table 1 below for reference):

1. Budgetary surpluses of previous year N-2 (assigned revenues deriving from previous years' surpluses);
2. Estimations of third-country contributions (incl. EFTA (European Free Trade Association) by a predefined 3.03% of EU contributions);
3. Estimations of other financial contributions (Member States, National Regulatory Authorities (NRAs), etc.).

Table 1: BEREC Office revenue estimate as transmitted to the Commission on 30 March 2013 with Draft Budget 2014 (Financial Statement 2014). For reference

| REVENUES | 2012 | 2013 | 2014 | | VAR 2014/ 2013 |
|---|---------------------|--|-------------------------------|---------------------|-------------------|
| | Executed Budget | Revenues estimated by the agency | As requested by the agency | Budget Forecast* | |
| 1 REVENUE FROM FEES AND CHARGES | | | | | |
| 2. EU CONTRIBUTION | 3,190,000.00 | 4,191,152.08 | 4,313,621.64 | 4,162,873.80 | -0.67% |
| of which Administrative (Title 1 and Title 2) | 2,517,944.00 | 3,165,705.00 | 3,165,705.00 | 3,039,076.80 | -4.00% |
| of which Operational (Title 3) | 672,056.00 | 602,991.00 | 602,991.00 | 578,871.36 | -4.00% |
| of which assigned revenues deriving from previous years' surpluses | | 422,456.08 | 544,925.64 | 544,925.64 | 28.99% |
| 3 THIRD COUNTRY CONTRIBUTIONS (incl. EFTA and candidate countries) | | 105,524.00 | 105,524.00 | 101,302.55 | -4.00% |

| REVENUES | 2012 | 2013 | 2014 | | VAR 2014/ 2013 |
|--|---------------------|--|-------------------------------|---------------------|-------------------|
| | Executed Budget | Revenues estimated by the agency | As requested by the agency | Budget Forecast* | |
| Of which EFTA** | | 105,524.00 | 105,524.00 | 101,302.55 | -4.00% |
| Of which Candidate Countries | | | | | |
| 4 OTHER CONTRIBUTIONS | | 200,000.00 | 200,000.00 | 200,000.00 | 0.00% |
| 5 ADMINISTRATIVE OPERATIONS | | | | | |
| 6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT | | | | | |
| 7 CORRECTION OF BUDGETARY IMBALANCES | | | | | |
| TOTAL REVENUES | 3,190,000.00 | 4,496,676.08 | 4,619,145.64 | 4,464,176.35 | -0.72% |

Footnotes to the March 2013 version of Financial Statement:

* The 2014 budget forecast takes into account the required reduction of EU contributions (excl. budgetary surpluses of previous year N-2) of -2% resulting from the low level of implementation of commitment appropriations in 2012 and the additional reduction of -2% resulting from the low level of payments against commitments.

** Contributions from EFTA in 2013 and 2014 are subject to the signature of the agreement with EEA countries. The contribution is estimated as 2.8% of the EU contribution for both 2013 and 2014.

Approval of the budget by the Budgetary Authority

The Budgetary Authority approves budgets (planned expenditures) WITHOUT surplus, EFTA and NRA contributions. The Budgetary Authority approves only the overall budget, without going into detail at the level of budget items.

The Council and the European Parliament have approved the BEREC Office budget for 2014 (co-decision of the Budgetary Authority with the European Parliament's approval on 22 November 2013) at the same level as requested in the preliminary financial statement for 2014: EUR 3,617,948. For reference, please see the 'fresh' EU contribution in Table 1, column 'Budget Forecast 2014', by excluding assigned revenues from previous years' surpluses.

Surplus from previous years

Budgetary surplus of an EU body from the previous year (2012) does not require the re-approval of the Budgetary Authority in the current year; it is available for the EU body and should be executed as a first priority, before the 'fresh' EU contribution for the current year (2014).

Other contributions

There are prerequisites for the availability of EFTA and NRA contributions:

1. A contribution from EFTA in 2014 is subject to the signature of its Agreement with EEA countries. EFTA's contribution was initially calculated as 2.8% of the EU contribution but was corrected in April 2013 by the Commission to 3.03% of the EU contribution for 2014. It has been corrected accordingly in current revenue estimates. With a fixed ratio to the EU contribution, EFTA's contribution can be precisely estimated.
2. Financial contributions from Member States or from NRAs are subject to approval by the Board of Regulators (further BoR), as stated by Article 5(2) of the BEREC Regulation: 'The Board of Regulators shall approve the voluntary financial contribution from Member States or NRAs before they are made'. The figure of EUR 200,000 for contributions from NRAs, as represented in the preliminary financial statement, is only an estimate.

When presenting its budget for planned expenditures, the BEREC Office is required to consider the following:

- expenditure appropriations have to be specified by Titles, Chapters, Articles and Items (budget lines);
- budgetary surplus for the year 2012 which will be used for expenditures in the current year (2014) has to be divided between Chapters, Articles and Items (budget lines) in proportion to the EU contribution under each Title.

The presentation of revenues for 2014 follows the format used for expenditures. The purpose is to provide:

- an overview of the revenue sources for planned expenditures;
- an overview of the balance between revenue and expenditure with the inclusion or exclusion of different revenue items (e.g. EU contributions, EFTA contributions).

See Table 2 below for a detailed overview of the revenue expected for 2014.

Table 2: Revenue and resources of the BEREC Office budget for 2014

| Budget line | Description | Budget 2014 approved by Budgetary Authority (excl. 2012 surplus, EFTA & NRA contribution) | 2012 surplus divided btw. budget lines | Budget 2014 (incl. 2012 surplus, excl. EFTA & NRA contribution) | Budget 2014 (incl. 2012 surplus, EFTA contribution 3..03%; excl. NRA contribution) |
|----------------|---|--|--|---|--|
| | REVENUES | 3,617,948 | 544,926 | 4,162,874 | 4,272,498 |
| 2 | European Community subsidy | 3,617,948 | 544,926 | 4,162,874 | 4,162,874 |
| 2 0 0 0 | European Community subsidy | 3,617,948 | 544,926 | 4,162,874 | 4,162,874 |
| | European Community subsidy – Titles 1 and 2 | 3,039,077 | | 3,039,077 | 3,039,077 |
| | European Community assigned revenues deriving from previous years' surpluses – Titles 1 and 2 | | 394,734 | 394,734 | 394,734 |
| | European Community subsidy – Title 3 | 578,871 | | 578,871 | 578,871 |
| | European Community assigned revenues deriving from previous years' surpluses – Title 3 | | 150,192 | 150,192 | 150,192 |
| 3 | Third-country contributions (incl. EFTA and candidate countries) | 0 | | 0 | 109,624 |
| 3 0 0 0 | Third-country contributions (incl. EFTA and candidate countries) | 0 | | 0 | 109,624 |
| | Third-country contributions (incl. EFTA and candidate countries) – Titles 1 and 2 | 0 | | 0 | 92,084 |
| | Third-country contributions (incl. EFTA and candidate countries) – Title 3 | 0 | | 0 | 17,540 |
| 4 | Other contributions (Member States, NRAs, etc.) | 0 | | 0 | 0 |
| 4 0 0 0 | Other contributions (Member States, NRAs, etc.) | 0 | | 0 | 0 |
| | Other contributions (Member States, NRAs, etc.) | 0 | | 0 | 0 |

3. Expenditure

Pursuant to Article 11 of the BEREC Regulation, the expenditure of the Office shall cover staff (Title 1), administrative and infrastructure expenditures (Title 2) and operational expenses (Title 3).

For the reasons described above in Section 2, 'Revenues', expenditures are presented in the following format:

1. the budget as approved by the Budgetary Authority (including only 'fresh' EU contributions and excluding 2012 surplus and potential EFTA and NRA contributions);
2. the budgetary surplus for the financial year 2012, and its division between Chapters, Articles and Items (budget lines) in proportion to the EU contribution under each title;
3. the budget including all EU contributions ('fresh' contributions plus the 2012 surplus) but excluding potential EFTA and NRA contributions;
4. the budget including all EU contributions and potential EFTA contributions but excluding potential NRA contributions.

The budget with potential NRA contributions is not presented because a separate approval will be required from the BEREC Board of Regulators before NRA contributions can be used to finance specific items of operational expenditure only under Title 3 (Article 5(2) of the BEREC Regulation).

Approval of an amended budget with exact NRA contributions will then be required from the Management Committee also.

If the BEREC Office has to finance market studies or research for BEREC with the support of NRA contributions, such expenditures will be allocated on budget line 3001, 'Support to the BEREC Expert Working Groups'.

See Table 3 below for a detailed overview of the expenditures foreseen for 2014.

Table 3: Expenditure of the BEREC Office budget for 2014

| Budget line | Description | Budget 2014 approved by Budgetary Authority (excl. 2012 surplus, EFTA & NRA contribution) | 2012 surplus divided btw. budget lines | Budget 2014 (incl. 2012 surplus, excl. EFTA & NRA contribution) | Budget 2014 (incl. 2012 surplus, EFTA contribution 3.03%; excl. NRA contribution) |
|--------------|--|--|--|---|---|
| | EXPENDITURES Budget | 3,617,948 | 544,926 | 4,162,874 | 4,272,498 |
| 1 | STAFF | 2,283,002 | 277,598 | 2,560,600 | 2,560,600 |
| 1 1 | STAFF IN ACTIVE EMPLOYMENT | 1,764,098 | 214,502 | 1,978,600 | 1,978,600 |
| 1 1 0 | Staff in active employment | 1,282,818 | 155,982 | 1,438,800 | 1,438,800 |
| 1 1 0 0 | Basic salaries | 1,042,089 | 126,711 | 1,168,800 | 1,168,800 |
| 1 1 0 1 | Family allowances | 106,991 | 13,009 | 120,000 | 120,000 |
| 1 1 0 2 | Expatriation and foreign residence allowances | 133,738 | 16,262 | 150,000 | 150,000 |
| 1 1 1 | Contract staff and other staff | 397,470 | 48,330 | 445,800 | 445,800 |
| 1 1 1 0 | Contract staff | 89,159 | 10,841 | 100,000 | 100,000 |
| 1 1 1 1 | Seconded national experts | 308,311 | 37,489 | 345,800 | 345,800 |
| 1 1 2 | Employer's social security contributions | 45,471 | 5,529 | 51,000 | 51,000 |
| 1 1 2 0 | Insurance against sickness | 29,422 | 3,578 | 33,000 | 33,000 |
| 1 1 2 1 | Insurance against accidents and occupational disease | 5,350 | 650 | 6,000 | 6,000 |
| 1 1 2 2 | Insurance against unemployment | 10,699 | 1,301 | 12,000 | 12,000 |
| 1 1 2 3 | Constitution or maintenance of pension rights | | | | |
| 1 1 3 | Miscellaneous allowances and grants | 38,338 | 4,662 | 43,000 | 43,000 |
| 1 1 3 0 | Childbirth and death allowances and grants | 892 | 108 | 1,000 | 1,000 |
| 1 1 3 1 | Travel expenses for annual leave | 37,447 | 4,553 | 42,000 | 42,000 |

| Budget line | Description | Budget 2014 approved by Budgetary Authority (excl. 2012 surplus, EFTA & NRA contribution) | 2012 surplus divided btw. budget lines | Budget 2014 (incl. 2012 surplus, excl. EFTA & NRA contribution) | Budget 2014 (incl. 2012 surplus, EFTA contribution 3.03%; excl. NRA contribution) |
|--------------|--|---|--|---|---|
| 1 1 3 9 | Other allowances | | | | |
| 1 1 9 | Salary weightings | 0 | 0 | 0 | 0 |
| 1 1 9 0 | Salary weightings | | 0 | | |
| 1 1 9 1 | Adjustments to remunerations | | 0 | | |
| 1 2 | MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER | 126,606 | 15,394 | 142,000 | 142,000 |
| 1 2 0 | Recruitment expenses | 55,279 | 6,721 | 62,000 | 62,000 |
| 1 2 0 0 | Travel expenses | 49,929 | 6,071 | 56,000 | 56,000 |
| 1 2 0 1 | Miscellaneous expenditure on staff recruitment | 5,350 | 650 | 6,000 | 6,000 |
| 1 2 1 | Expenses on entering/leaving | 71,327 | 8,673 | 80,000 | 80,000 |
| 1 2 1 0 | Travel expenses on entering/leaving | 4,458 | 542 | 5,000 | 5,000 |
| 1 2 1 1 | Installation, resettlement and transfer allowances | 22,290 | 2,710 | 25,000 | 25,000 |
| 1 2 1 2 | Removal expenses | 22,290 | 2,710 | 25,000 | 25,000 |
| 1 2 1 3 | Daily subsistence allowances | 22,290 | 2,710 | 25,000 | 25,000 |
| 1 3 | MISSIONS AND DUTY TRAVEL | 196,150 | 23,850 | 220,000 | 220,000 |
| 1 3 0 0 | Mission expenses, duty travel expenses and other ancillary expenditure | 196,150 | 23,850 | 220,000 | 220,000 |
| 1 4 | SOCIOMEDICAL SERVICES | 26,748 | 3,252 | 30,000 | 30,000 |
| 1 4 0 | Medical service | 26,748 | 3,252 | 30,000 | 30,000 |
| 1 4 0 0 | Medical service | 26,748 | 3,252 | 30,000 | 30,000 |
| 1 5 | TRAINING | 62,411 | 7,589 | 70,000 | 70,000 |
| 1 5 0 | Training | 62,411 | 7,589 | 70,000 | 70,000 |
| 1 5 0 0 | Training | 62,411 | 7,589 | 70,000 | 70,000 |

| Budget line | Description | Budget 2014 approved by Budgetary Authority (excl. 2012 surplus, EFTA & NRA contribution) | 2012 surplus divided btw. budget lines | Budget 2014 (incl. 2012 surplus, excl. EFTA & NRA contribution) | Budget 2014 (incl. 2012 surplus, EFTA contribution 3.03%; excl. NRA contribution) |
|--------------|--|--|--|---|---|
| 1 6 | EXTERNAL SERVICES | 89 159 | 10 841 | 100 000 | 100 000 |
| 1 6 0 0 | External services | 89 159 | 10 841 | 100 000 | 100 000 |
| 1 7 | REPRESENTATION AND MISCELLANEOUS STAFF COSTS | 17,832 | 2,168 | 20,000 | 20,000 |
| 1 7 0 0 | Representation, receptions and events, and miscellaneous staff expenses | 17,832 | 2,168 | 20,000 | 20,000 |
| 2 | BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE | 390,664 | 117,136 | 507,800 | 599,884 |
| 2 0 | RENTAL OF BUILDINGS AND ASSOCIATED COSTS | 59,238 | 17,762 | 77 000 | 77,000 |
| 2 0 0 | Buildings and associated costs | 59,238 | 17,762 | 77,000 | 77,000 |
| 2 0 0 0 | Rent | 23,080 | 6,920 | 30,000 | 30,000 |
| 2 0 0 1 | Insurance | 769 | 231 | 1,000 | 1,000 |
| 2 0 0 2 | Water, gas, electricity and heating | 13,848 | 4,152 | 18,000 | 18,000 |
| 2 0 0 3 | Cleaning | 0 | 0 | 0 | 0 |
| 2 0 0 4 | Fitting-out and maintenance of premises | 7,693 | 2,307 | 10,000 | 10,000 |
| 2 0 0 5 | Security and surveillance of buildings | 13,848 | 4,152 | 18,000 | 18,000 |
| 2 0 0 9 | Other expenditure relating to the acquisition, construction or maintenance of a building | 0 | 0 | 0 | 0 |
| 2 1 | INFORMATION TECHNOLOGY PURCHASES | 215,411 | 64,589 | 280,000 | 280,000 |
| 2 1 0 | Information technology purchases | 215,411 | 64,589 | 280,000 | 280,000 |
| 2 1 0 0 | Computer equipment | 96,166 | 28,834 | 125,000 | 125,000 |
| 2 1 0 1 | Software | 61,546 | 18,454 | 80,000 | 80,000 |
| 2 1 0 2 | Other external data processing services | 57,699 | 17,301 | 75,000 | 75,000 |

| Budget line | Description | Budget 2014 approved by Budgetary Authority (excl. 2012 surplus, EFTA & NRA contribution) | 2012 surplus divided btw. budget lines | Budget 2014 (incl. 2012 surplus, excl. EFTA & NRA contribution) | Budget 2014 (incl. 2012 surplus, EFTA contribution 3.03%; excl. NRA contribution) |
|--------------|--|--|--|---|---|
| 2 2 | MOVABLE PROPERTY AND ASSOCIATED COSTS | 17,694 | 5,306 | 23,000 | 23,000 |
| 2 2 0 | Technical installations and electronic office equipment | 3,847 | 1,153 | 5,000 | 5,000 |
| 2 2 0 0 | Technical installations and electronic office equipment | 3,847 | 1,153 | 5,000 | 5,000 |
| 2 2 1 | Furniture | 7,693 | 2,307 | 10,000 | 10,000 |
| 2 2 1 0 | Furniture | 7,693 | 2,307 | 10,000 | 10,000 |
| 2 2 9 | Other movable property and associated costs | 6,155 | 1,845 | 8,000 | 8,000 |
| 2 2 9 0 | Books, newspapers and documentation | 2,308 | 692 | 3,000 | 3,000 |
| 2 2 9 1 | Cars, transport vehicles, and maintenance and repairs | 0 | 0 | 0 | 0 |
| 2 2 9 9 | Other movable property, and maintenance and repairs | 3,847 | 1,153 | 5,000 | 5,000 |
| 2 3 | CURRENT ADMINISTRATIVE EXPENDITURE | 31,004 | 9,296 | 40,300 | 132,384 |
| 2 3 0 | Stationery and office supplies | 11,540 | 3,460 | 15,000 | 15,000 |
| 2 3 0 0 | Stationery and office supplies | 11,540 | 3,460 | 15,000 | 15,000 |
| 2 3 2 | Financial charges | 231 | 69 | 300 | 300 |
| 2 3 2 0 | Bank charges | 231 | 69 | 300 | 300 |
| 2 3 2 1 | Exchange rate losses | 0 | 0 | 0 | 0 |
| 2 3 2 9 | Other financial charges | 0 | 0 | 0 | 0 |
| 2 3 3 | Legal expenses | 19,233 | 5,767 | 25,000 | 25,000 |
| 2 3 3 0 | Legal expenses | 15,387 | 4,613 | 20,000 | 20,000 |
| 2 3 3 1 | Damages | 3,847 | 1,153 | 5,000 | 5,000 |
| 2 3 5 | Other operating expenses | 0 | 0 | 0 | 92,084 |
| 2 3 5 0 | Miscellaneous insurances | 0 | 0 | 0 | 0 |
| 2 3 5 9 | Other operating expenses | 0 | 0 | 0 | 92,084 |

| Budget line | Description | Budget 2014 approved by Budgetary Authority (excl. 2012 surplus, EFTA & NRA contribution) | 2012 surplus divided btw. budget lines | Budget 2014 (incl. 2012 surplus, excl. EFTA & NRA contribution) | Budget 2014 (incl. 2012 surplus, EFTA contribution 3.03%; excl. NRA contribution) |
|--------------|---|---|--|---|---|
| 2 4 | POSTAGE AND TELECOMMUNICATIONS | 59,623 | 17,877 | 77,500 | 77,500 |
| 2 4 0 0 | Postage and delivery charges | 1,154 | 346 | 1,500 | 1,500 |
| 2 4 1 0 | Telecommunication charges | 58,469 | 17,531 | 76,000 | 76,000 |
| 2 5 | EXPENDITURE ON FORMAL AND OTHER MEETINGS | 7,693 | 2,307 | 10,000 | 10,000 |
| 2 5 0 0 | Meetings in general | 7,693 | 2,307 | 10,000 | 10,000 |
| 3 | OPERATIONAL EXPENDITURE | 944,282 | 150,191 | 1,094,474 | 1,112,014 |
| 3 0 | Support to implementation of BEREC WP 2012 | 476,251 | 75,749 | 552,000 | 569,540 |
| 3 0 0 | Support to implementation of BEREC WP 2012 | 476,251 | 75,749 | 552,000 | 569,540 |
| 3 0 0 1 | Support to the BEREC Expert Working Groups | 379,620 | 60,380 | 440,000 | 440,000 |
| 3 0 0 2 | Activities under Article 7 and 7a Framework Directive | 34,511 | 5,489 | 40,000 | 40,000 |
| 3 0 0 3 | Collection exchange and transmission of information | 62,120 | 9,880 | 72,000 | 72,000 |
| 3 1 | Horizontal activities (other support not directly related to BEREC WP) | 468,032 | 74,442 | 542,474 | 542,474 |
| 3 1 0 | Horizontal activities (other support not directly related to BEREC WP) | 468,032 | 74,442 | 542,474 | 542,474 |
| 3 1 0 1 | Other support activities to BEREC | 215,693 | 34,307 | 250,000 | 250,000 |
| 3 1 0 2 | Provision of advice and other adhoc services to BEREC and other parties | 252,338 | 40,135 | 292,474 | 292,474 |

Done at, on 2013

For the Management Committee,

Dr Leonidas KANELLOS,
BEREC Chair 2013