

2008 discharge: EU general budget, Council

2009/2070(DEC) - 23/07/2009 - Non-legislative basic document

PURPOSE: to present the final annual accounts of the European Communities for the 2008 financial year – Other institutions: Section II – Council.

Note: this summary provides a general overview of the main trends in terms of the Council's expenditure for the financial year 2008. It provides an overview of the budgetary and financial management of the budget of the institution, as well as of its main expenditures. The amounts presented below are taken from the [Report on the budgetary and financial management in 2008: Section II – Council](#).

CONTENT:

1) Council of the European Union expenditure appropriations 2008:

- **commitments:** EUR 594 715 268;
- **outturn rate:** 97.5% ;
- **cancelled appropriations:** EUR 14 959 380;
- **payments:** EUR 463 133 024.

2) Main axes of expenditure and main activities of the Council for 2008: the report states that the main administrative objectives of the General Secretariat of the Council (GSC) for 2008 were the following :

- **further consolidation of the organisation of the GSC after the enlargement of the EU in 2004 and 2007:** 82 permanent officials from the new Member States (EU-12) were recruited in 2008. At the same time, the number of temporary agents occupying a permanent post went down by 25. The organisation of the GSC was also improved by centralising all language units in the LEX building in 2008. In addition to the physical integration of the language units, working methods in the translation domain have been rationalised and simplified;
- **continuation of the process of administrative modernisation:** the General Secretariat has established an ambitious programme to reinforce the quality of its organisation. Various initiatives have or will have a budgetary impact (investment cost as well as economies resulting from increased efficiency). the GSC introduced a new system for financial management on 1 January 2008. This modernisation has provided up-to-date and efficient means for the financial management of the GSC, as well as for its partners in the project (the Court of Justice and the Court of Auditors). Another important step in administrative modernisation was the implementation of e-tendering, which improves the speed, transparency and equal treatment of tenderers. The GSC also introduced a flexible working time system on 1 January 2008 to better combine the requirements of work and working hours with those of private life;
- **conclusion of the convention with the Belgium State on the construction of Residence Palace:** on 19 March 2008 the Council signed with the Belgian government a contract for the acquisition and renovation of the Residence Palace. The project is a direct result of the decision of the European Council of 25 and 26 March 2004 to accept the offer of the Belgian government to renovate the Residence Palace with a view to turning it into the seat of the European Council and the Council of Ministers. The contract between the Council and the Belgian government enables the Council to make advance payments for the project, which will subsequently reduce the overall cost of the acquisition.

3) Implementation of appropriations by heading in 2008: the implementation rate of the budget 2008 for the institution's current expenditure is 85.7 %. The global implementation, which includes the planned

advance payments for the Residence Palace building, is 97.5 %. An amount of EUR 15 million was cancelled.

The report also provides information about the differences between the budget estimates and the budget implementation. These may be summarised as follows:

Title I: (*Persons working with the institution*):

- **staff:** the difference between the initial budget for the establishment plan and implementation is due to the low occupation rate of the posts in the establishment plan (on average 90 %). Globally, the use of appropriations was EUR 19.2 million lower than foreseen in the budget 2008;
- **other staff expenditures:** the saving of EUR 1 million within the category of other staff expenditure comes mainly from the underspending of appropriations related to other staff and termination of service.

Title II: (*Buildings, computer systems and operational costs*):

- **buildings:** regarding building related expenditure (without Residence Palace) it should be noted that it was not possible to conclude and renew all related contracts in time. Globally EUR 3 million was cancelled (including EUR 1,8 million for costs relating to buildings including postponement of corridor renovation in the Justus Lipsius building and EUR 0,6 million for other fitting-out and installation work);
- **computer systems:** the budget for computer systems (title 2) was reduced by EUR 0.7 million mainly as a result of the reduced use of communication and data-transmission devices. In addition, at the end of the budget year EUR 1.7 million was cancelled mainly because of underspending on acquisition of hardware and software (EUR 0.9 million) and on maintenance of IT installations (EUR 0.6 million);
- **interpretation:** the underspending in interpretation expenditure comes from two sources: i) the saving of EUR 4.8 million for general interpretation, (the initial budget was EUR 36.5 million including EUR 3.9 million for cancellations and contingencies); ii) underspending in respect of ‘on-request’ envelopes by language totalled EUR 18.8 million (the initial budget was EUR 53 million);
- **travel expenses:** the amount available for delegations’ travel expenses after transfers amounted to EUR 47.7 million (initial budget EUR 35.3 million + transfers of EUR 12.4 million from on-request interpreting savings). Since the Member States had to reimburse unused amounts from previous year (s), only EUR 28.3 million was committed for the subsequent payments in the budget 2008. In 2008, this totalled EUR 12.4 million;
- **publication costs:** the implementation of the appropriations for the Official Journal was EUR 0.7 million lower than foreseen.

Title III: (*Expenditures resulting from the exercise by the institution of its specific tasks*): the relatively low implementation rate is explained by the following factors:

- the delay in the implementation of the **SESAME project** (EUR 4.2 million)
- reduced need for outside services in **IT** (EUR 0.7 million)
- reduced need for mission and **travel expenditure** in the framework of CFSP/ESDP.

Lastly, it should be noted that the global underspending of the budget (outturn rate 85.7 %) made it possible to make available for advance payments in respect of Residence Palace EUR 55 million in addition to the EUR 15 million foreseen in Chapter 100.