



Management Board

AMENDING BUDGET 1/2014

CT/CA-026/2014EN

CONTENTS

I. INTRODUCTION

- A. General introduction
- B. Prices 2014
- C. Revenue
- D. Expenditure

II. STATEMENT OF REVENUE AND EXPENDITURE – OVERVIEW

III. STATEMENT OF REVENUE FOR 2014

IV. STATEMENT OF EXPENDITURE FOR 2014

ANNEX 1 – ESTABLISHMENT PLAN

I. INTRODUCTION

A. GENERAL INTRODUCTION

The Translation Centre has drawn up this amending budget 1/2014 in accordance with Article 34 of its Financial Regulation of 2 January 2014, for the following reasons:

- In line with the opinions of the Commission and the Parliament, as well as the Court of Auditors, the Centre has taken measures to reduce its accumulated surplus. As an exceptional measure, the Centre will reduce the prices for some of its services during the current year.
- In order to further improve and facilitate the translation process, and to enable the handling of large volumes of translation with a limited number of staff, the Centre will invest in the creation of new, high-quality translation memories.
- The Council's decision on the salary adjustments for 2011 and 2012 resulted in a 0.8% increase in 2012. The Centre was able to cover the retroactive payment of this adjustment from Title 1 of the ordinary budget, and the reserve for salary adjustment has therefore been cancelled.
- The budget surplus from the previous year has been introduced into this budget.

All amounts in this document are expressed in EUR.

B. PRICES 2014

The initial budget for 2014, approved in October 2013, included lower prices for the translation of documents, trade marks and term lists, as well as editing. For the first time since its creation, prices for some of the Centre's services will be reduced during the course of the year. With effect from 1 July, the prices for the translation of documents and the modification of documents will be reduced by 4.3% and 4.4% respectively. The price reduction for the translation of trade marks, on the other hand, will be applied to all translations requested during 2014. This is because the final unit price is determined by the final volume of pages of trade marks translated during the year. Depending on the final volume, the price reduction will most likely be between 3.5% and 4.1%.

Based on forecasts from clients, as included in the initial budget, this exceptional measure is expected to result in a reduction of approximately EUR 1.10 million in revenue.

The table below shows the prices applicable in 2014, with the new prices in italics.

Service provided	Normal (EUR)	Scheduled/Slow (EUR)	Urgent (EUR)	Very urgent (EUR)
Translation (price per page <i>as of 1 July 2014</i>)	<i>88.00</i>	<i>79.20</i>	<i>110.00</i>	<i>158.40</i>
Translation (price per page <i>until 30 June 2014</i>)	92.00	82.80	115.00	165.60
Modification (price per page <i>as of 1 July 2014</i>)	<i>172.00</i>	<i>154.80</i>	<i>215.00</i>	
Modification (price per page <i>until 30 June 2014</i>)	180.00	162.00	225.00	
Revision (price per page)	60.00	54.00	75.00	
Editing (price per page)	45.00	40.50	56.25	
Trade marks (price per page)	<i>EUR 38.66 for 396 066 pages (bilateral arrangement)</i>			
Community designs (price per term)		EUR 4.00		
Term lists (price per term)		EUR 4.00		
Revision of term lists (price per term)		EUR 2.50		
Language consultancy, terminology		EUR 900 per man/day		
<i>Ex-post</i> quality check for trademark translations	EUR 900 per man/day (50% of the total costs, bilateral arrangement)			

Surcharges

Type of document	Additional cost per page, in EUR
Complex format	15.00
Confidential	20.00
Non-EU language	10.00

C. REVENUE

In accordance with Article 20 of the Centre's Financial Regulation, the sum corresponding to the budget surplus from the previous year, namely EUR 7.13 million, has been entered as revenue for 2014 in Item 5000 ('Surplus carried over from the previous financial year'). Furthermore, the effect of the reduced prices, EUR 1.10 million less revenue, has been included in this item as well, giving a total amount of EUR 6.03 million. There are two reasons for this. Firstly, the Centre cannot estimate with sufficient precision how its clients will react to the price changes and therefore cannot include

the effect in the budget items for individual clients. Secondly, it is not possible to include the effect in a single budget item, because that would result in negative revenue, prohibited in the Financial Regulation.

The decision by the Parliament and the Council on the disputed salary adjustments for the years 2011 and 2012 has resulted in the cancellation of the reserve that the Centre had established to cover any possible adjustments. The retroactive payment, made in May 2014, was covered by the ordinary budget in Title 1. The cancellation of the reserve that was created before 2014 to cover the effect on salaries for the years 2011-2013, EUR 1.48 million, is shown in the new Item 5017, 'Transfer from "Reserve for the disputed salary increase"'. The cancellation increases the budget revenue in 2014.

Lastly, the initial transfer into revenue of EUR 4.11 million from the 'Reserve for stability pricing' to Item 5015 ('Transfer from "Reserve for stability pricing"'), has been reversed, since it is no longer necessary to use the reserve to balance the budget. The total change in the Centre's revenues is therefore an increase of EUR 3.41 million.

D. EXPENDITURE

The Centre has a steady and, to some extent, increasing workload in the field of document translation. Taking into account the limited number of staff available, the Centre is striving to further streamline and improve the efficiency of its translation process. As one measure towards achieving this goal, a project aimed at optimising the use of translation memory technology will be implemented in 2014 in the context of the Centre's migration to a new computer assisted translation tool (SDL Studio). The project aims at creating reliable, high-quality translation memory databases for a number of language combinations. Systematic integration of these databases in the workflow will enable overall quality to be improved, increase efficiency and reduce costs.

The project will mainly be carried out by an external supplier. The expected expenditure in the 2014 budget is EUR 720 000, of which EUR 600 000 have been included in the new Item 2255 ('Documentation, translation and multilingual tools'). The remaining EUR 120 000 is for external technical support to reinforce the project team tasked with the implementation of SDL Studio at the Centre. This investment is expected to speed up the project and to ensure seamless integration of the tool in the Centre's workflow. The expenditure is included in the item for IT consultancy services, Item 2120.

The initial budget for 2014 included an increase in the reserve for the disputed 2011 and 2012 salary adjustments of EUR 770 000. This amount was estimated to cover the effect of any possible adjustments on salary payments for 2014. Since the Centre's ordinary budget in Title 1 was sufficient to cover the retroactive payments resulting from the final decision, this reserve has been cancelled. The amount included in Item 10005 ('Reserve for the disputed salary increase') has therefore been changed to zero in the amending budget.

Three transfers have been made during the year and are included in this amending budget. A total amount of EUR 36 000 was transferred from Item 2000 ('Rent') to Item 2040 ('Fitting-out of premises'), the main purpose being to improve the insufficient sun protection in those offices that are exposed to the sun during the whole working day and EUR 2 000 were transferred from Item 1100 ('Basic salaries') to Item 1190 ('Salary weightings').

Following the above changes in revenue and expenditure, an amount of EUR 3.46 million has been included in Item 10003 ('Reserve for stability pricing'). The total amount in this reserve is EUR 12.17 million.

II. STATEMENT OF REVENUE AND EXPENDITURE – OVERVIEW

Heading	New amount 2014	Amending budget 1/2014	Budget 2014
REVENUE			
PAYMENTS FROM THE AGENCIES AND BODIES	39 757 500	0	39 757 500
COMMISSION SUBSIDY	0	0	0
INTERINSTITUTIONAL COOPERATION	3 138 400	0	3 138 400
OTHER REVENUE	363 250	0	363 250
SURPLUS CARRIED OVER FROM THE PREVIOUS FINANCIAL YEAR AND TRANSFERS FROM RESERVES FROM PREVIOUS YEARS	8 450 950	3 407 300	5 043 650
REFUNDS	0	0	0
TOTAL	51 710 100	3 407 300	48 302 800
EXPENDITURE			
STAFF	25 243 200	0	25 243 200
BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	6 657 600	720 000	5 937 600
OPERATIONAL EXPENDITURE	16 345 000	0	16 345 000
RESERVES	3 464 300	2 687 300	777 000
TOTAL	51 710 100	3 407 300	48 302 800

III. STATEMENT OF REVENUE 2014					
Title Chapter Article Item	Heading	New amount 2014	Amending budget 1/2014	Budget 2014	Remarks
1	PAYMENTS FROM THE AGENCIES, OFFICES, INSTITUTIONS AND BODIES				
	Title 1 – Total	39 757 500		39 757 500	
2	SUBSIDY FROM THE COMMISSION				
	Title 2 – Total	p.m.		p.m.	
3	INTERINSTITUTIONAL COOPERATION				
	Title 3 – Total	3 138 400		3 138 400	
4	OTHER REVENUE				
	Title 4 – Total	363 250		363 250	
5	SURPLUS CARRIED OVER FROM THE PREVIOUS FINANCIAL YEAR AND TRANSFERS FROM RESERVES FROM PREVIOUS YEARS				
5 0	SURPLUS CARRIED OVER FROM THE PREVIOUS FINANCIAL YEAR AND TRANSFERS FROM RESERVES FROM PREVIOUS YEARS				
5 0 0	<i>Surplus carried over from the previous financial year</i>				
5 0 0 0	Surplus carried over from the previous financial year	6 033 450	6 033 450	p.m.	Surplus carried over from the previous financial year in accordance with Article 16(1) of the Centre's Financial Regulation of 22 December 2003. The amount includes the surplus from 2013, and the estimated impact of the price reductions, EUR -1.10 million.
	<i>Article 5 0 0 – Total</i>	6 033 450	6 033 450	p.m.	
5 0 1	<i>Transfers from reserves from previous years</i>				
5 0 1 0	Transfer from 'Reserve for exceptional investments'	937 000	0	937 000	The transfer from the 'Reserve for exceptional investments' in 2014 corresponds to the expenses in Chapter 32, 'Expenditure relating to the e-CdT programme'.

Title Chapter Article Item	Heading	New amount 2014	Amending budget 1/2014	Budget 2014	Remarks
5 0 1 5	Transfer from 'Reserve for stability pricing'	p.m.	-4 106 650	4 106 650	It is no longer necessary to transfer resources from the 'Reserve for stability pricing'.
5 0 1 6	Transfer from 'Reserve for relocation expenses'	p.m.	0	p.m.	The 'Reserve for relocation expenses', created in the second amending budget 2012 to cover expenses relating to the Centre's relocation in 2013, was consumed in 2013.
5 0 1 7	Transfer from 'Reserve for the disputed salary increase'	1 480 500	1 480 500		This new budget item has been created to include the transfer from the "Reserve for the disputed salary increase" in 2014. The amount corresponds to the reserve set aside in the accounts for the disputed salary adjustments' effect on 2011-2013 years' salaries. The reserve did not have to be used for the retroactive payment of the adjustment, and has now been fully cancelled. The amount contributes to the Centre's budget revenue in 2014.
	<i>Article 5 0 1 – Total</i>	2 417 500	-2 626 150	5 043 650	
	CHAPTER 5 0 – TOTAL	8 450 950	3 407 300	5 043 650	
	Title 5 – Total	8 450 950	3 407 300	5 043 650	
6	REFUNDS				
	Title 6 – Total	p.m.	0	p.m.	
	GRAND TOTAL	51 710 100	3 407 300	48 302 800	

IV. STATEMENT OF EXPENDITURE 2014

Title Chapter Article Item	Heading	New amount 2014	Amending budget 1/2014	Budget 2014	Remarks
1	STAFF				
11	STAFF IN ACTIVE EMPLOYMENT				
110	<i>Staff in active employment</i>				
1 1 0 0	Basic salaries	14 611 900	-2 000	14 613 900	Staff Regulations of officials and Conditions of employment of other servants of the European Union, in particular Articles 62 and 66 thereof. This appropriation is intended to cover basic salaries of officials and temporary staff. A transfer has been made to Item 1190 'Salary weightings'.
	<i>Article 110 — Total</i>	18 335 000	-2 000	18 337 000	
119	<i>Salary weightings and adjustments to remuneration</i>				
1 1 9 0	Salary weightings	2 500	2 000	500	Staff Regulations of officials of the European Union, in particular Articles 64 and 65 thereof. This appropriation is intended to cover the cost of weightings applied to the remuneration of officials and temporary staff, and to overtime payments. A transfer has been made from Item 1100 'Basic salaries' to cover increased expenditure following the 2012 adjustment.
	<i>Article 119 — Total</i>	2 500	2 000	500	
	CHAPTER 11 — TOTAL	24 762 300	0	24 762 300	
	Title 1 — Total	25 243 200	0	25 243 200	
2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE				
20	INVESTMENT IN IMMOVABLE PROPERTY, RENTAL OF BUILDINGS AND ASSOCIATED COSTS				
200	<i>Investment in immovable property, rental of buildings and associated costs</i>				

Title Chapter Article Item	Heading	New amount 2014	Amending budget 1/2014	Budget 2014	Remarks
2 0 0 0	Rental of buildings and associated costs	1 824 000	-36 000	1 860 000	This appropriation is intended to cover the payment of rents for buildings or parts of buildings and parking spaces occupied by the Centre. Two transfers have been made to Item 2040 'Fitting-out of premises'.
	<i>Article 200 — Total</i>	1 824 000	-36 000	1 860 000	
204	<i>Fitting-out of premises</i>				
2 0 4 0	Fitting-out of premises	76 000	36 000	40 000	This appropriation is intended to cover the fitting-out of the premises and repairs in the building. Transfers have been made from Item 2000 'Rent'.
	<i>Article 204 — Total</i>	76 000	36 000	40 000	
	CHAPTER 20 — TOTAL	2 549 100	0	2 549 100	
21	DATA PROCESSING				
212					
2 1 2 0	External services for the operation, implementation, development and maintenance of software and systems	1 280 000	120 000	1 160 000	This appropriation is intended to cover expenditure on external operating staff (operators, administrators, systems engineers, etc.). The increase of EUR 120 000 is to integrate the new CAT tool into the translation workflow.
	<i>Article 212 — Total</i>	1 280 000	120 000	1 160 000	
	CHAPTER 21 — TOTAL	2 720 000	120 000	2 600 000	
22	MOVABLE PROPERTY AND ASSOCIATED COSTS				
225	<i>Documentation and library expenditure</i>				
2 2 5 5	Documentation, translation and multilingual tools	600 000	600 000		This new budget item is intended to cover expenditure on documentation, translation and multilingual tools, such as the acquisition, consolidation and extension of the contents of linguistic and terminological databases, translation memories and automatic translation dictionaries. The amount in 2014 is for the creation of reliable, high-quality translation memory databases.
	<i>Article 225 — Total</i>	622 000	600 000	22 000	

Title Chapter Article Item	Heading	New amount 2014	Amending budget 1/2014	Budget 2014	Remarks
	CHAPTER 22 — TOTAL	710 500	600 000	110 500	
	Title 2 — Total	6 657 600	720 000	5 937 600	
3	OPERATIONAL EXPENDITURE				
	Title 3 — Total	16 345 000	0	16 345 000	
10	RESERVES				
100	PROVISIONAL APPROPRIATIONS				
1000	<i>Provisional appropriations</i>				
1 0 0 0 3	Reserve for stability pricing	3 464 300	3 464 300	p.m.	Reserve created in 2011 for stability pricing. The total amount of the reserve is EUR 12 169 441.
1 0 0 0 4	Reserve for the permanent prefinancing fund	p.m.	0	p.m.	Reserve to create the permanent prefinancing fund provided for by Article 67a of the Centre's Financial Regulation. Article 58(2) of the detailed rules for the implementation of the Financial Regulation states that the amount of this fund may not be less than four twelfths of the appropriations for the financial year. The total amount of the reserve is EUR 16 529 466.
1 0 0 0 5	Reserve for the disputed salary increase	p.m.	-777 000	777 000	Following the decision of the Council and the Parliament on the disputed salary adjustments for 2011 and 2012, it is not necessary to set aside a reserve for the effect on the 2014 year's salaries. The full reserve has been cancelled in this budget, see also revenue item 5017.
1 0 0 0 6	Reserve for exceptional investments	p.m.	0	p.m.	No appropriations have been set aside 2014 to cover exceptional investments. The total amount of the reserve is EUR 2 993 258.
1 0 0 0 7	Reserve for relocation expenses	p.m.	0	p.m.	This reserve was created in 2012 to cover expenses relating to the Centre's relocation in 2013. The reserve was consumed in full in 2013.
	Article 1000 — Total	3 464 300	2 687 300	777 000	
	CHAPTER 100 — TOTAL	3 464 300	2 687 300	777 000	
	Title 10 — Total	3 464 300	2 687 300	777 000	

Title Chapter Article Item	Heading	New amount 2014	Amending budget 1/2014	Budget 2014	Remarks
GRAND TOTAL		51 710 100	3 407 300	48 302 800	