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From:	General Secretariat of the Council
To:	Delegations
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Subject:	European Court of Auditors' Special Report No 34/2018: Office accommodation of EU institutions - Some good management practices but also various weaknesses – <i>Council conclusions (18 March 2019)</i>

Delegations will find in the annex the Council conclusions on the European Court of Auditors' Special Report No 34/2018 entitled "Office accommodation of EU institutions - Some good management practices but also various weaknesses", adopted by the Council at its 3680th meeting held on 18 March 2019.

COUNCIL CONCLUSIONS**on the European Court of Auditors' Special Report No 34/2018: Office accommodation of EU institutions - Some good management practices but also various weaknesses**

THE COUNCIL OF THE EUROPEAN UNION:

1. WELCOMES the European Court of Auditors' ("the Court") special report on office accommodation of EU institutions¹ and the Court's conclusion that, overall, the EU institutions manage their spending on office accommodation efficiently, although various weaknesses have been identified.
2. NOTES that the EU institutions spend around EUR 1 billion yearly (approximately 11 %, this percentage remained stable over the last five years) of their budget for administrative expenditure on buildings and UNDERLINES the importance of monitoring and controlling strictly this expenditure in order to increase the efficiency and reduce the cost.
3. SUPPORTS fully the recommendations made by the Court in the special report and CALLS ON the institutions to take all necessary measures for their timely and effective implementation.
4. NOTES with concern the Court's observation that the institutions' building strategies are set out in various documents, some of which are outdated or not formally approved, and that planning of property requirements does not always involve different scenarios, and URGES the institutions to update and formalise their building strategies and to complement them with medium-term planning based on a regular assessment of needs.

¹ The audit covers the five institutions with the most office accommodation (European Parliament, Council, Commission, Court of Justice and European Central Bank).

5. WELCOMES the existing extensive cooperation between institutions in the same location, aimed at discussing strategic property issues, sharing information on upcoming building projects and exploring the possibilities for co-location and joint participation in inter-institutional tendering procedures, and ENCOURAGES the institutions to continue to actively work together in the established inter-institutional fora².
6. WELCOMES the fact that host countries generally offer technical support and preferential conditions to the institutions, allowing thus for significant savings in the EU budget.
7. SUPPORTS the Court's recommendation No 3 on budgetary transparency and less complexity for the financing of construction projects.
8. REGRETS the practice of some institutions to make significant advance payments for their construction projects at year-end and URGES the institutions, in line with the Court's recommendation, to accurately foresee, where possible, the advance payments on building projects in the appropriate budget lines when establishing their annual budgets.
9. URGES the institutions to carefully assess risks before launching large construction and renovation projects as well as long-term leases in order to set up the appropriate management procedures, aiming to avoid delays and additional financial costs, and CALLS ON the Commission to collect and share examples of good practices in this respect.
10. REGRETS the insufficiency and inconsistency of reported data for space categories and cost ratios identified by the Court and URGES the institutions to adopt a common methodology for monitoring the efficiency of their building portfolios with a view to ensuring comparability of information by harmonisation of the data.

² The Inter-Institutional Infrastructure, Logistics and Internal Services Working Group in Brussels and the "Groupe Interinstitutionnel de Coordination Immobilière à Luxembourg" in Luxembourg.

11. VALUES the input provided to the Council by a number of institutions concerned by the report in line with the principle of loyal cooperation and REGRETS the absence of feedback from the European Parliament which would have proven useful in assessing the observations made by the Court, considering also the important role of the European Parliament and the Council in jointly monitoring building projects.
 12. RECALLS to all institutions the importance of timely submission of information on their building policies to the European Parliament and the Council in accordance with the requirements of the Financial Regulation.
 13. INVITES the Commission to regularly provide, on an annual or semestrial basis, an indicative calendar of submission of its building project requests to the European Parliament and the Council.
 14. REMINDS all institutions that the award of contracts in tender procedures for buildings must be based on the most economically advantageous bid.
 15. SUGGESTS to the Court to complement the present special report by a rapid-case review of spending on office accommodation in EU decentralised agencies and joint undertakings.
 16. INVITES the Court to report on the progress achieved by the institutions in the management of their expenditure on office accommodation following the proposed timeframe for recommendations.
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