



National Commission for Local Administrations (CNAL)

Montoro: "Local Councils have committed to the deficit and debt target for 2013"

- He announces that, in like-for-like terms, the Central Administration deficit in the first six months of the year has been around 2.5% of GDP.
- He affirms that, of the 41 former senior civil servants who have responded to date, 16 have renounced the compensatory pension

30 July 2012.- The Minister of Finance and Public Administrations, Cristóbal Montoro, highlighted the fact the "Local Councils have committed to the deficit target for 2013, and to keeping their debt ceiling for that same year below 4% of GDP", following the meeting of the National Commission for Local Administrations (CNAL), which set the Budgetary Stability targets for 2013-2015.

This means that Local Authorities will have to have a "zero deficit", that is, they will not be able to spend above their income for the next three years, between 2013 and 2015. Montoro also said that Local Councils "must continue with their efforts" to cut down on the number of public bodies.

The minister also announced that, at the end of June, the State deficit, in like-for-like terms, stood at around 2.5% of GDP, while the National Accounting deficit will be around 4%. Montoro stated that "what matters is the deficit in like-for-like terms, because it does not take into account the transfers to Social Security, the Regional Administrations and the European Union". "We are on the road to achieving the deficit target for 2012, which is crucial for bringing this recession to an end as soon as possible", concluded Montoro.

Severance Payments

At the press conference following the meeting, Montoro announced that 16 former senior civil servants from the General State Administrations and from the constitutional bodies have renounced their compensatory salary, or severance pay, which is paid to them for two years after they cease to work at 80% of their salary. Although the deadline set in Royal Decree Law 20/2012 is 1 August, a total of 41 former senior civil servants have already responded.

Other agreements

At the meeting, the Government and the FEMP also agreed to sign an agreement to use electronic services to link up registers and content management. This agreement will enable all the Administrations to share resources electronically, which will help to prevent overlap of efforts, reduce public spending and streamline the administrative structures.