



Brussels, 27 February 2019
(OR. en)

6378/19

FIN 138

NOTE

From:	General Secretariat of the Council
To:	Budget Committee
Subject:	Estimate of expenditure and revenue for the financial year 2020 for the European Council and Council (Section II of the EU Budget) - Explanatory memorandum

I. INTRODUCTION

1. The budgetary procedure for the financial year 2020 will be carried out in conformity with the Interinstitutional Agreement on budgetary discipline, on co-operation in budgetary matters and on sound financial management¹.

¹ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

In this context, the ECOFIN Council adopted on 12 February 2019 conclusions on the budget guidelines for 2020 (Council document 5823/19) urging all institutions to reduce or freeze their administrative expenditure as much as possible and to request financing only for justified needs. The Council considers that the level of staff of all institutions, bodies and agencies needs to be kept under continuous monitoring and control. The ECOFIN Council furthermore emphasised that sufficient margins should be left under the ceilings of the EU's multiannual financial framework (MFF) for 2014-2020 in order to be able to deal with unforeseen events.

2. The general inter-institutional framework for elaborating the proposals for the draft budget (DB) 2020 has been laid down in the Commission's letter dated 21/01/2019, where all institutions are invited to prepare their estimates on the basis of the following guidelines:
 - include 3,1 % and 2,5 % for the salary adjustment in 2019 and 2020 respectively,
 - reflect the full-year impact of the UK withdrawal in the 2020 Statement of Estimates;
 - aim at a nominal freeze at the 2019 level of all non-salary related expenditure;
 - increase of expenditure due to indexation of contracts is expected to be compensated by savings in other expenditure, and

The Commission communicated an inflation forecast of 1,6 % for Brussels and 1,8 % for Luxembourg for the period December 2019 to December 2020.

3. Following these guidelines the General Secretariat of the Council (GSC) has elaborated a proposal for a DB 2020 estimates for the European Council and Council (Section II of the EU budget).

The general objective of the proposal has been not to exceed, in nominal terms, the level of the budget 2019 for non-salary related expenditure.

Increases related to statutory or contractual obligations or in domains which have been considered as essential for the proper functioning of the GSC have been compensated, whenever possible, by prioritising and reprogramming certain projects taking into account the budget implementation in the recent years. However, following increases represent additional tasks in 2020 and could not fully be absorbed:

- EUR 3.9 million increase relating to the Multilateral Summit EU-Africa which is a major Summit with around 100 delegations;
- EUR 0,8 million increase linked to the IT project HCI ("High Classified Information Capabilities") - i.e. information classified Confidential UE/EU Confidential and Secret UE/EU Secret within the GSC and with our main stakeholders (Member States, the Commission, and the EEAS).

As a result, the GSC proposes a DB 2020 estimates of EUR 594,8 million for 2020. The proposal corresponds to an overall increase of EUR 12,9 million or 2,2 % compared to the voted budget 2019.

Salary related lines amount to EUR 356,3 million resulting in an increase of EUR 9,7 million or 2,8 % whereas non-salary related lines total EUR 238,5 million with an increase of EUR 3,2 million or 1,3 % compared to 2019.

Table 1 presents the budget proposal for 2020 by category. More detailed comments on the development of each category are set out in paragraph II below.

Table 1: Proposal for a draft budget of the EC/C for 2020 (by category, EUR)

Chapter / article / item	Category of expenditure	Budget 2019	DB 2020	Difference	Change 2020/2019
		1	2	3=2-1	4=3/1
10	Member of the Institution (President)	1.431.000	1.125.000	-306.000	-21,4%
11	Statutory staff (Establishment plan)	336.749.511	344.845.000	8.095.489	2,4%
12	Other staff and external services	13.502.000	14.119.000	617.000	4,6%
13	Other expenditure relating to personnel	10.144.000	10.172.000	28.000	0,3%
TITLE 1	Persons working with the Institution	361.826.511	370.261.000	8.434.489	2,3%
200, 201	Buildings	55.888.948	56.694.000	805.052	1,4%
210	Computer systems	41.355.000	44.559.000	3.204.000	7,7%
211	Furniture	951.000	1.171.000	220.000	23,1%
212	Technical equipment	5.745.000	6.026.000	281.000	4,9%
213	Transport	1.134.000	2.284.000	1.150.000	101,4%
2200	Travel expenses of delegations	17.372.000	17.228.000	-144.000	-0,8%
2202	Interpreting costs	81.694.000	81.700.000	6.000	0,0%
2201, 2203, 2204, 2205	Meetings and conferences	5.237.000	6.285.000	1.048.000	20,0%
2210, 2212, 2213	Information	8.425.000	7.285.000	-1.140.000	-13,5%
2211	Official Journal	700.000	0	-700.000	-100,0%
223	Miscellaneous	1.267.000	1.267.000	0	0,0%
TITLE 2	Buildings, equipment and operating expenditure	219.768.948	224.499.000	4.730.052	2,2%
TITLE 10	Reserve	300.000	0	-300.000	-100,0%
TOTAL BUDGET		581.895.459	594.760.000	12.864.541	2,2%
	Salary related expenditure	346.555.511	356.261.000	9.705.489	2,8%
	Non-salary related expenditure	235.339.948	238.499.000	3.159.052	1,3%
TOTAL BUDGET		581.895.459	594.760.000	12.864.541	2,2%

Non-salary related expenditure remains practically unchanged between 2019 and 2020 (+0,01 %) when removing from the calculation:

- 1) the increase of expenditure due to the EU-Africa Multilateral Summit and the highly classified information (HCI) project;
- 2) the decrease of expenditure due to the transfer of the transitory allowances and pensions of the former President(s) of the European Council and the former Secretary-Generals of the Council;
- 3) the decrease of expenditure due to the transfer of the Official Journal to Publications Office.

II. COMMENTS BY CATEGORY OF EXPENDITURE

1. Members of the Institution, President (Chapter 10)

The appropriations related to the function of the President of the European Council have been adjusted to take into account small changes in the entitlements and remuneration.

The decrease of 21,4 % (EUR 0,3 million) is due to the transfer to Commission services of the allowances related to the former Presidents of the European Council (EUR 0,1 million) and the fact that budget 2019 included entitlements related to entering in service of the new President of the European Council in December 2019 (EUR 0,2 million).

2. Officials and temporary staff (Chapter 11)

The level of appropriations for the budget headings relating to the establishment plan is mainly determined by the following changes:

a) Change of the establishment plan

In accordance with the practice agreed by institutions in previous years, the GSC has included 3 AD5 and 1 AST1 posts for the new regime of the Irish translation.

As part of the Service Level Agreement with the Commission on SYSPER, the Council will transfer 1 AD5 and 7 AST1 post to the Commission.

b) Occupancy rate in the establishment plan

The GSC estimates that the 2020 occupancy rate will be on average 95 % (same as in budget 2019).

c) Salary adjustment

The salary adjustment reflects the estimates for 2019 (3,1 %) and 2020 (2,5 % for 6 months). The final percentage for the 2019 and 2020 adjustments will become available in December 2019 and in December 2020 respectively.

3. Other staff and external services (Chapter 12)

In line with the objective to stabilise the level of human resources the overall head count of external staff has been kept at the level of 2019 (Annex III). The total change of 4,6 % (EUR 0,6 million) in appropriations within this chapter is related to the estimated salary adjustments in 2019 and 2020, changes in the career structure of the contractual agents and the increase of the average FTE cost observed since 2017 (+6,1 % in 2017 and +4,0 % in 2018) due to the change in proportion between different function groups in favour of CA FG IV;

The budget related to the National Experts on Secondment increases by 2% (EUR 0,02 million). 22 Full Time Equivalent SNEs are budgeted.

4. Other expenditure relating to persons working with the institution (Chapter 13)

The budget on this Chapter remains stable, with an increase of 0,3 % (EUR 0,03 million). The increases on the supplementary aid for the disabled (EUR 0,02 million) and training (EUR 0,01 million) are partly compensated by savings in the area of medical service.

5. Buildings and associated costs (Chapter 20)

a) Buildings (Article 200)

The budget for the functioning of the buildings is increased by 6,3% (EUR 0,8 million). This increase is the net result of:

- increase of EUR 1,1 million related to building and security projects and associated studies, mainly due to works and maintenance costs during the Multilateral Summit EU-Africa (EUR 0,9 million);
- invoicing to EEAS of office space rental in Lex building (EUR 0,2 million);
- savings on the annual occupation payment for the conference premises in Luxembourg (EUR 0,1 million).

b) Costs relating to buildings (Article 201)

The overall budget for the operating and maintenance costs of buildings is decreased by 0,1 % (EUR 0,03 million), with an increase of EUR 0,07 million related to legal controls on technical installations partially compensated by a shift of EUR 0,1 million of costs relating to cleaning of kitchens to the miscellaneous expenditure on internal meetings (sub-item 220401).

6. Computer systems, equipment and furniture (Chapter 21)

a) IT-expenditure (Article 210)

The budget for IT increases by 7,7 % (EUR 3,2 million) corresponding to :

- the shift of the projects "Information Knowledge Management" and "Open Data Implementation" from the item Documentation and library expenses (2210), for EUR 2 million;
- the project HCI (EUR 0,8 million);
- the reinforcement of Network Defence Capabilities (EUR 0,34 million);
- the costs related to the Multilateral Summit EU-Africa (EUR 0,06 million).

b) Furniture (Article 211)

The budget for replacing and renewing furniture has been increased by 23,1 % (EUR 0,2 million) compared to 2019, corresponding especially to

- new furniture including for the new PEC and its cabinet (EUR 0,14 million);
- the rental of furniture during the Multilateral Summit EU-Africa (EUR 0,06 million).

c) Technical equipment and installation (Article 212)

The increase of 4,9 % (EUR 0,3 million) comes from the costs related to the Multilateral Summit EU-Africa, during which audio-visual, media, technical, safety and security equipments will have to be bought/rented/maintained:

d) Transport (Article 213)

The increase of 101,4 % (EUR 1,1 million) in transport expenditure is explained by the cost of the rental of cars for the Multilateral Summit EU-Africa.

7. Operating expenditure (Chapter 22)

a) Travel expenses of delegations (Item 2200)

The budget for the travel expenses of delegations decreases by 0,8 % (EUR 0,01 million) which corresponds to the UK travel envelope for 2020 which will not be used after the withdrawal on 30/03/2019. The amount has been calculated for the whole year 2020 (12 months) on the basis of the envelope that would be allocated to the UK for 2020 (EUR 0,57 million for the whole year) under the decision 54/2018 (Decision of the Secretary-General of the Council concerning interpreting for the European Council, the Council and its preparatory bodies and reimbursement of travel expenses of Delegates of EU Member States).

b) Interpretation (Item 2202)

The budget remains stable compared to 2019, given past implementation rate and implementation of the new technical envelope (EUR 4 million) as foreseen in the decision 54/2018.

The proposal for the interpretation breaks down as follows:

- EUR 37,3 million for general interpretation including contingencies;
- EUR 46,7 million for on-request envelopes (EUR 2.031.967 /envelope).

c) Meetings and conferences (Items 2201, 2203, 2204, 2205)

The budget for meetings and conferences, i.a. catering and related administrative expenditure, has been increased by 20,7 % (EUR 1 million) compared to 2019.

The increase is due mainly to the Multilateral Summit EU-Africa (EUR 0,7 million) during which catering / accommodation / accreditation/ other protocol services will have to be organised. The decisions to include cleaning of the kitchens in the new contract foreseen for 2020 (as mentioned, shift from the sub-item 201001) and the use of glass bottles instead of plastic bottles have an impact of EUR 0,3 million on DB 2020.

d) Information (Items 2210, 2212, 2213)

The decrease of 13,5 % (EUR 1,1 million) is linked to:

- as mentioned, the shift of the projects "Information Knowledge Management" and "Open Data Implementation" to the item 210, for EUR 2 million;
- increase in needs for EUR 0,9 million, out of which EUR 0,3 million related to the Multilateral Summit EU-Africa (maintenance of technical equipments, host broadcaster and video-streaming services).

e) Official Journal (Item 2211)

The whole budget (EUR 0,7 million for 2019) is transferred to the Publications Office.

f) Miscellaneous expenses (Article 223)

The budget on this article remains equal to budget 2019.

8. Contingency reserve (Title 10)

In the course of the adoption of the budget 2019, the Contingency reserve had been decreased from EUR 1 million to EUR 0,3 million. As this Contingency reserve has not been used for the past years it is proposed to set the Contingency reserve to zero.

9. More detailed information is provided in the annexes:

Annex I: Estimate of Revenue and Expenditure for the financial year 2020

Annex II: Establishment plan 2020

Annex III: Evolution of number of and expenditure on 'external staff'

Estimate of Revenue and Expenditure
For the financial year 2020
Section II - European Council and Council

Item	Description	Outturn 2018	Budget 2019	DB 2020	% 2019/2020
TITLE 1 - Persons working with the Institution					
1000	Basic salary	332.041	342.000	350.000	2,3%
1001	Entitlements related to the post held	67.800	73.000	74.000	1,4%
1002	Entitlements related to the personal circumstances	8.874	10.000	11.000	10,0%
1003	Social security cover	12.561	14.000	15.000	7,1%
1004	Other management expenditure	448.959	675.000	675.000	0,0%
1006	Entitlements related to entering, transfer and leaving the service	p.m.	155.000	p.m.	n/a
1007	Annual adjustment of the remuneration	p.m.	50.000	p.m.	n/a
100	Remuneration and other entitlements	870.235	1.319.000	1.125.000	-14,7%
1010	Transitory allowance	48.718	112.000	p.m.	n/a
101	Termination of service	48.718	112.000	p.m.	n/a
1020	Provisional appropriation for changes in the entitlements	p.m.	p.m.	p.m.	n/a
102	Provisional appropriation	p.m.	p.m.	p.m.	n/a
Total Chapter 10 - Members of the Institution		918.953	1.431.000	1.125.000	-21,4%
1100	Basic salaries	234.570.366	250.943.511	258.089.000	2,8%
1101	Entitlements under the Staff Regulations related to the post held	1.347.756	1.951.000	1.697.000	-13,0%
1102	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	61.048.178	65.197.000	67.144.000	3,0%
1103	Social security cover	9.492.623	10.284.000	10.352.000	0,7%
1104	Salary weightings	141.318	125.000	143.000	14,4%
1105	Overtime	776.123	1.300.000	1.248.000	-4,0%
1106	Entitlements under the Staff Regulations related to entering the service, transfer and leaving the service	1.658.878	2.275.000	1.975.000	-13,2%
1107	Annual adjustment of the remuneration	p.m.	3.632.000	3.834.000	5,6%
110	Remuneration and other entitlements	309.035.242	335.707.511	344.482.000	2,6%
1110	Allowances in the event of retirement in the interests of the service	173.982	362.000	363.000	0,3%
1112	Entitlements of the former Secretaries-General	590.361	680.000	p.m.	n/a
111	Termination of service	764.343	1.042.000	363.000	-65,2%
Total Chapter 11 - Officials and temporary staff		309.799.585	336.749.511	344.845.000	2,4%
1200	Other staff	10.532.544	10.776.000	11.300.000	4,9%
1201	National experts on secondment	987.789	1.182.000	1.213.000	2,6%
1202	Traineeships	659.500	694.000	706.000	1,7%
1203	External services	213.649	541.000	493.000	-8,9%
1204	Supplementary services for the translation service	130.510	200.000	235.000	17,5%
1207	Annual adjustment of the remuneration	p.m.	109.000	172.000	57,8%
120	Other staff and external services	12.523.992	13.502.000	14.119.000	4,6%
Total Chapter 12 - Other staff and external services		12.523.992	13.502.000	14.119.000	4,6%
1300	Miscellaneous expenditure on recruitment	136.100	156.000	156.000	0,0%
1301	Further training	2.230.918	2.390.000	2.413.000	1,0%
130	Expenditure relating to staff management	2.367.018	2.546.000	2.569.000	0,9%
1310	Special assistance grants	3.593	30.000	30.000	0,0%
1311	Social contacts between members of staff	117.000	117.000	117.000	0,0%
1312	Supplementary aid for the disabled	176.374	180.000	208.000	15,6%
1313	Other welfare expenditure	85.400	66.000	66.000	0,0%
131	Measures to assist the institution's staff	382.367	393.000	421.000	7,1%
1320	Medical service	370.327	450.000	415.000	-7,8%
1322	Crèches and childcare facilities	2.598.244	2.825.000	2.837.000	0,4%
132	Activities relating to all persons working with the Institution	2.968.571	3.275.000	3.252.000	-0,7%
1331	Mission expenses of the Council Secretariat	2.831.152	3.130.000	3.130.000	0,0%
1332	Travel expenses of staff related to the European Council	785.622	800.000	800.000	0,0%
133	Missions	3.616.774	3.930.000	3.930.000	0,0%
Total Chapter 13 - Other expenditure relating to persons working with the institution		9.334.730	10.144.000	10.172.000	0,3%
TOTAL TITLE 1		332.577.260	361.826.511	370.261.000	2,3%

TITLE 2 - Buildings, equipment and operating expenditure					
2000	Rent	1.872.944	799.000	505.000	-36,8%
2001	Annual lease payments	p.m.	p.m.	p.m.	n/a
2002	Acquisition of immovable property	45.035	p.m.	p.m.	n/a
2003	Fitting-out and installation work	8.933.611	9.124.948	10.515.000	15,2%
2004	Work to make premises secure	1.722.095	2.447.000	2.155.000	-11,9%
2005	Expenditure preliminary to the acquisition, construction and fitting-out of buildings	928.751	887.000	918.000	3,5%
200	Buildings	13.502.436	13.257.948	14.093.000	6,3%
2010	Cleaning and maintenance	18.363.217	18.973.000	18.873.000	-0,5%
2011	Water, gas, electricity and heating	3.997.862	4.396.000	4.396.000	0,0%
2012	Building security and surveillance	17.399.661	18.493.000	18.493.000	0,0%
2013	Insurance	279.888	285.000	285.000	0,0%
2014	Other expenditure relating to buildings	614.419	484.000	554.000	14,5%
201	Costs relating to buildings	40.655.047	42.631.000	42.601.000	-0,1%
Total Chapter 20 - Buildings and associated costs		54.157.483	55.888.948	56.694.000	1,4%
2100	Acquisition of equipment and software	9.407.311	9.702.000	10.188.000	5,0%
2101	Outside assistance for the operation and develop. of computer systems	23.764.175	22.225.000	25.108.000	13,0%
2102	Servicing and maintenance of equipment and software	7.565.441	7.495.000	7.318.000	-2,4%
2103	Telecommunications	2.033.585	1.933.000	1.945.000	0,6%
210	Computer systems and telecommunications	42.770.512	41.355.000	44.559.000	7,7%
211	Furniture	923.624	951.000	1.171.000	23,1%
2120	Purchase and replacement of technical equipment and installations	2.853.665	2.994.000	3.009.000	0,5%
2121	Outside assistance for the operation and development of technical equipment and installations	166.479	322.000	310.000	-3,7%
2122	Rental, servicing, maintenance and repair of technical equipment and installations	1.164.220	2.429.000	2.707.000	11,4%
212	Technical equipment and installations	4.184.364	5.745.000	6.026.000	4,9%
213	Transport	1.938.566	1.134.000	2.284.000	101,4%
Total Chapter 21 - Computer systems, equipment and furniture		49.817.066	49.185.000	54.040.000	9,9%
2200	Travel expenses of delegations	11.121.429	17.372.000	17.228.000	-0,8%
2201	Miscellaneous travel expenses	367.007	470.000	495.000	5,3%
2202	Interpreting costs	64.551.319	81.694.000	81.700.000	0,0%
2203	Representation expenses	102.942	170.000	160.000	-5,9%
2204	Miscellaneous expenditure on internal meetings	4.215.150	4.242.000	4.980.000	17,4%
2205	Organisation of conferences, congresses and meetings	263.564	355.000	650.000	83,1%
220	Meetings and conferences	80.621.411	104.303.000	105.213.000	0,9%
2210	Documentation and library expenditure	2.733.978	3.845.000	2.350.000	-38,9%
2211	Official Journal	593.457	700.000	p.m.	n/a
2212	General publications	281.704	220.000	300.000	36,4%
2213	Information and public events	4.774.224	4.360.000	4.635.000	6,3%
221	Information	8.383.363	9.125.000	7.285.000	-20,2%
2230	Office supplies	345.369	358.000	358.000	0,0%
2231	Postal charges	60.000	55.000	55.000	0,0%
2232	Expenditure on studies, surveys and consultations	76.025	45.000	45.000	0,0%
2233	Interinstitutional cooperation	p.m.	p.m.	p.m.	n/a
2234	Removals	13.849	18.000	18.000	0,0%
2235	Financial charges	7.500	10.000	10.000	0,0%
2236	Legal expenses and costs, damages and compensation	323.974	500.000	500.000	0,0%
2237	Other operating expenditure	162.512	281.000	281.000	0,0%
223	Miscellaneous expenses	989.229	1.267.000	1.267.000	0,0%
Total Chapter 22 - Operating expenditure		89.994.003	114.695.000	113.765.000	-0,8%
TOTAL TITLE 2		193.968.552	219.768.948	224.499.000	2,2%
TITLE 10 - Other expenditure					
10 0	Provisional appropriations	p.m.	p.m.	p.m.	n/a
10 1	Contingency reserve	p.m.	300.000	p.m.	n/a
TOTAL TITLE 10		0	300.000	p.m.	n/a
TOTAL BUDGET		526.545.812	581.895.459	594.760.000	2,2%

ESTABLISHMENT PLAN 2020

Section II - European Council and Council

Budget 2019			
Category and grade	Permanent posts	Temporary posts	
		President EC	Others
HC	1	0	0
AD 16	8	1	0
AD 15	33 ¹⁾	1	0
AD 14	135 ³⁾	2	1
AD 13	138	3	0
AD 12	180	2	0
AD 11	88	2	1
AD 10	145	5	0
AD 9	233	0	0
AD 8	180	0	0
AD 7	133	3	0
AD 6	121	2	0
AD 5	72	0	0
Sub-total AD	1466	21	2
AST 11	38	0	0
AST 10	36	0	0
AST 9	185	2	0
AST 8	159	1	0
AST 7	125	1	0
AST 6	176	1	0
AST 5	246	3	0
AST 4	221	1	0
AST 3	142	2	0
AST 2	8	1	0
AST 1	15	0	0
Sub-total AST	1351	12	0
SC 6	0	0	0
SC 5	0	0	0
SC 4	0	0	0
SC 3	20	0	0
SC 2	65	0	0
SC 1	95	0	0
Sub-total SC	180	0	0
Total	2998	33	2
Overall total	3033		

Draft budget 2020			
Category and grade	Permanent posts	Temporary posts	
		President EC	Others
HC	1	0	0
AD 16	8	1	0
AD 15	33 ²⁾	1	0
AD 14	136 ⁴⁾	2	1
AD 13	139	3	0
AD 12	195	2	0
AD 11	89	2	1
AD 10	153	5	0
AD 9	241	0	0
AD 8	180	0	0
AD 7	133	3	0
AD 6	107	2	0
AD 5	54	0	0
Sub-total AD	1468	21	2
AST 11	38	0	0
AST 10	39	0	0
AST 9	187	2	0
AST 8	144	1	0
AST 7	128	1	0
AST 6	191	1	0
AST 5	270	3	0
AST 4	219	1	0
AST 3	109	2	0
AST 2	8	1	0
AST 1	12	0	0
Sub-total AST	1345	12	0
SC 6	0	0	0
SC 5	0	0	0
SC 4	2	0	0
SC 3	20	0	0
SC 2	68	0	0
SC 1	90	0	0
Sub-total SC	180	0	0
Total	2994	33	2
Overall total	3029		

1) Including 4 agents of grade AD16 ad personam.

2) Including 4 agents of grade AD16 ad personam.

3) Including 7 agents of grade AD15 ad personam.

4) Including 7 agents of grade AD15 ad personam.

Evolution of number of and expenditure on external staff

Council	Budget 2019		Statement of estimates 2020	
	Appropriations (EUR)	Estimated number of FTE (*) on the basis of authorised appropriations	Appropriations (EUR)	Estimated number of FTE (*) on the basis of requested appropriations
Contractual Agents **)	10.606.000	223	11.130.000	223
Seconded National Experts	1.182.000	22	1.213.000	22
Local Agents	0	0	0	0
Intérimaires	204.000	3	208.000	3
Parliamentary Assistants	N/A	N/A	N/A	N/A
Total	11.992.000	246	12.551.000	248

* Full-time equivalent units