



Council of the
European Union

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NOTE

From: General Secretariat of the Council

To: Budget Committee

Subject: Estimate of expenditure and revenue for the financial year 2021 for the European Council and Council (Section II of the EU Budget) - Explanatory memorandum

I. INTRODUCTION

1. The budgetary procedure for the financial year 2021 will be carried out in conformity with the Interinstitutional Agreement on budgetary discipline, on cooperation 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).

The ECOFIN Council adopted on 18 February 2020 conclusions on the budget guidelines for 2021 urging all institutions to maintain budgetary discipline at all levels, and stressing the need to finance all necessary expenditure through prioritisation and without compromising budgetary principles. 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) 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) 2021 has been laid down in the Commission's letters dated 12/12/2019 and 15/01/2020, where all institutions are invited to prepare their estimates on the basis of the following guidelines:
 - include 3,1 % and 2,6 % for the salary adjustment in 2020 and 2021 respectively,
 - aim at a stable staffing policy,
 - aim at limiting the increase for all non-salary related expenditure to a maximum of 2% compared to the 2020 level.

The Commission communicated an inflation forecast of 1,4 % for Brussels and 1,9 % for Luxembourg for the period December 2020 to December 2021.

3. Following these guidelines the General Secretariat of the Council (GSC) has elaborated a proposal for DB 2021 estimates for the European Council and Council (Section II of the EU budget).

The general objective of the proposal has been not to exceed by more than 2 %, in nominal terms, the level of the budget 2020 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 activities taking into account the budget implementation in the recent years.

As a result, the GSC proposes DB 2021 estimates of EUR 605,6 million. The proposal corresponds to an overall increase of EUR 15,0 million or 2,5 % compared to the voted budget 2020.

Salary related expenditure amounts to EUR 362,7 million resulting in an increase of EUR 10,1 million or 2,9 % whereas non-salary related expenditure totals EUR 242,9 million with an increase of EUR 4,9 million or 2,0 % compared to 2020.

Table 1 presents the budget proposal for 2021 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 2021 (by category, EUR)

Chapter / article / item	Category of expenditure	Budget 2020	DB 2021	Difference	Change 2021/2020
		1	2	3=2-1	4=3/1
10	Member of the Institution (President)	1.125.000	1.761.000	636.000	56,5%
11	Statutory staff (Establishment plan)	341.218.000	350.825.000	9.607.000	2,8%
12	Other staff and external services	14.069.000	14.503.000	434.000	3,1%
13	Other expenditure relating to personnel	10.172.000	12.319.000	2.147.000	21,1%
TITLE 1	Persons working with the Institution	366.584.000	379.408.000	12.824.000	3,5%
200, 201	Buildings	56.644.000	57.151.000	507.000	0,9%
210	Computer systems	44.509.000	47.116.000	2.607.000	5,9%
211	Furniture	1.171.000	951.000	-220.000	-18,8%
212	Technical equipment	6.026.000	7.192.000	1.166.000	19,3%
213	Transport	2.284.000	1.368.000	-916.000	-40,1%
2200	Travel expenses of delegations	17.228.000	17.228.000	0	0,0%
2202	Interpreting costs	81.450.000	80.000.000	-1.450.000	-1,8%
2201, 2203, 2204, 2205	Meetings and conferences	6.285.000	5.814.000	-471.000	-7,5%
2210, 2212, 2213	Information	7.235.000	8.020.000	785.000	10,9%
2211	Official Journal	p.m.	p.m.	n/a	n/a
223	Miscellaneous	1.217.000	1.360.000	143.000	11,8%
TITLE 2	Buildings, equipment and operating expenditure	224.049.000	226.200.000	2.151.000	1,0%
TITLE 10	Reserve	p.m.	p.m.	n/a	n/a
TOTAL BUDGET		590.633.000	605.608.000	14.975.000	2,5%
	Salary related expenditure	352.584.000	362.695.000	10.111.000	2,9%
	Non-salary related expenditure	238.049.000	242.913.000	4.864.000	2,0%
TOTAL BUDGET		590.633.000	605.608.000	14.975.000	2,5%

II. COMMENTS BY CATEGORY OF EXPENDITURE

1. Member 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 changes in the entitlements, remuneration and travel expenses.

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 factors:

a) Salary adjustment

The salary adjustment reflects the estimates for 2020 (3,1 %) and 2021 (2,6 % for 6 months). The final percentage for the 2020 and 2021 adjustments will become available in December 2020 and in December 2021 respectively.

b) Occupancy rate in the establishment plan

The GSC estimates that the 2021 occupancy rate will be on average 95 % (same as in budget 2020).

Furthermore, 25 AST posts will be transformed into 25 AD posts. This change of the establishment plan is done in a budget neutral way.

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 2020 (Annex III). The total change of 3,1 % (EUR 0,4 million) in appropriations within this chapter is related to the estimated salary adjustments in 2020 and 2021.

The budget related to the National Experts on Secondment increases by 2,6 % (+ EUR 0,03 million). As in the previous years, 22 Full Time Equivalent SNEs are budgeted.

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

The budget on this Chapter increases by 21,1 % (EUR 2,1 million). This increase is partly due to, in line with other EU institutions, the creation of a new item 1323 - *Interinstitutional cooperation in the field of staff management*. The amount on the new item is deducted from the budget item 1100 - *Basic salaries*.

5. Buildings and associated costs (Chapter 20)

a) Buildings (Article 200)

The budget for the functioning of the buildings is increased by 2,5 % (EUR 0,35 million). This increase is the net result of:

- increase of EUR 0,39 million related to building and security projects and associated studies;
- additional revenues from rental of office space to other institutions and bodies (-EUR 0,04 million).

b) Costs relating to buildings (Article 201)

The overall budget for the operating and maintenance costs of buildings is increased by 0,4 % (EUR 0,2 million), mainly driven by higher prices for gas and electricity (EUR 0,3 million) that are partially compensated by economies of EUR 0,1 million in costs relating to cleaning and maintenance.

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

a) IT-expenditure (Article 210)

The budget for IT increases by 5,9 % (EUR 2,6 million), out of which EUR 2,1 million correspond to the project High Classified Information - HCI.

b) Furniture (Article 211)

The budget for replacing and renewing furniture has been decreased by 18,8 % (EUR 0,2 million) compared to 2020.

c) Technical equipment and installation (Article 212)

The increase of 19,3 % (EUR 1,2 million) is related to :

- the necessity to invest in security equipment (itemisers), enabling to respect applicable security standards (EUR 0,7 million);
- the requirements to cover conference technical services for two events organised abroad (Portuguese and Slovenian presidencies, EUR 0,3 million);
- additional needs to upgrade technical equipment in meeting rooms (EUR 0,2 million).

d) Transport (Article 213)

The budget on this article decreases by 40,1 % (EUR 0,9 million).

7. Operating expenditure (Chapter 22)

a) Travel expenses of delegations (Item 2200)

The budget for the travel expenses of delegations remains unchanged compared to 2020.

b) Interpretation (Item 2202)

The budget decreases by 1,8 % (EUR 1,45 million) compared to 2020, given past implementation rate and implementation of the technical envelope as foreseen in the decision 54/2018. The on-request language envelopes remain constant.

The proposal for the interpretation breaks down as follows:

- EUR 34,7 million for general interpretation including contingencies,
- EUR 45,3 million for on-request envelopes (EUR 1,97 million/envelope).

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

The budget for meetings and conferences, i.e. catering and related administrative expenditure, has been decreased by 7,5 % (EUR 0,5 million) compared to 2020.

d) Information (Article 221)

The increase of 10,9 % (EUR 0,8 million) is mainly linked to increased needs in audio-visual information activities.

e) Miscellaneous expenses (Article 223)

The budget on this article increases by 11,8 % (EUR 0,1 million). The increase is related to higher legal expenses.

8. Contingency reserve (Title 10)

As in 2020, the Contingency reserve is set to zero.

9. More detailed information is provided in the annexes:

Annex I: Estimate of Revenue and Expenditure for the financial year 2021

Annex II: Establishment plan 2021

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

Estimate of Revenue and Expenditure For the financial year 2021 Section II - European Council and Council					
Item	Description	Outturn 2019	Budget 2020	DB 2021	% 2020/2021
TITLE 1 - Persons working with the Institution					
1000	Basic salary	338.188	350.000	365.000	4,3%
1001	Entitlements related to the post held	69.055	74.000	75.000	1,4%
1002	Entitlements related to the personal circumstances	8.278	11.000	25.000	127,3%
1003	Social security cover	12.794	15.000	16.000	6,7%
1004	Other management expenditure	608.985	475.000	1.075.000	126,3%
1006	Entitlements related to entering, transfer and leaving the service	0	p.m.	p.m.	n/a
1007	Annual adjustment of the remuneration	0	p.m.	p.m.	n/a
100	Remuneration and other entitlements	1.037.300	925.000	1.556.000	68,2%
1010	Transitory allowance	0	200.000	205.000	2,5%
101	Termination of service	0	200.000	205.000	2,5%
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		1.037.300	1.125.000	1.761.000	56,5%
1100	Basic salaries	241.906.628	254.462.000	262.570.000	3,2%
1101	Entitlements under the Staff Regulations related to the post held	1.302.748	1.697.000	1.767.000	4,1%
1102	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	62.368.847	67.144.000	66.736.000	-0,6%
1103	Social security cover	9.737.351	10.352.000	10.773.000	4,1%
1104	Salary weightings	130.953	143.000	147.000	2,8%
1105	Overtime	899.127	1.248.000	1.287.000	3,1%
1106	Entitlements under the Staff Regulations related to entering the service, transfer and leaving the service	1.498.500	1.895.000	1.855.000	-2,1%
1107	Annual adjustment of the remuneration	0	3.834.000	3.989.000	4,0%
110	Remuneration and other entitlements	317.844.153	340.775.000	349.124.000	2,5%
1110	Allowances in the event of retirement in the interests of the service	29.241	363.000	1.543.000	325,1%
1112	Entitlements of the former Secretaries-General	544.123	80.000	158.000	97,5%
111	Termination of service	573.364	443.000	1.701.000	284,0%
1120	Provisional appropriation (officials and temporary staff)	p.m.	p.m.	p.m.	n/a
1121	Provisional appropriation (retired staff and special arrangements)	p.m.	p.m.	p.m.	n/a
112	Provisional appropriation	p.m.	p.m.	p.m.	n/a
Total Chapter 11 - Officials and temporary staff		318.417.518	341.218.000	350.825.000	2,8%
1200	Other staff	10.035.315	11.250.000	11.691.000	3,9%
1201	National experts on secondment	947.492	1.213.000	1.244.000	2,6%
1202	Traineeships	677.980	706.000	770.000	9,1%
1203	External services	189.277	493.000	385.000	-21,9%
1204	Supplementary services for the translation service	163.972	235.000	235.000	0,0%
1207	Annual adjustment of the remuneration	0	172.000	178.000	3,5%
120	Other staff and external services	12.014.037	14.069.000	14.503.000	3,1%
Total Chapter 12 - Other staff and external services		12.014.037	14.069.000	14.503.000	3,1%
1300	Miscellaneous expenditure on recruitment	112.599	156.000	156.000	0,0%
1301	Further training	2.397.905	2.413.000	2.539.000	5,2%
130	Expenditure relating to staff management	2.510.464	2.569.000	2.695.000	4,9%
1310	Special assistance grants	11.000	30.000	27.000	-10,0%
1311	Social contacts between members of staff	116.999	117.000	130.000	11,1%
1312	Supplementary aid for the disabled	208.311	208.000	250.000	20,2%
1313	Other welfare expenditure	75.245	66.000	72.000	9,1%
131	Measures to assist the institution's staff	411.555	421.000	479.000	13,8%
1320	Medical service	350.942	415.000	390.000	-6,0%
1321	Restaurants and canteens	p.m.	p.m.	p.m.	n/a
1322	Crèches and childcare facilities	2.383.513	2.837.000	2.605.000	-8,2%
1323	Interinstitutional cooperation in the field of staff management	n/a	n/a	900.000	n/a
132	Activities relating to all persons working with the Institution	2.734.455	3.252.000	3.895.000	19,8%
1331	Mission expenses of the Council Secretariat	3.030.000	3.130.000	3.600.000	15,0%
1332	Travel expenses of staff related to the European Council	900.000	800.000	1.650.000	106,3%
133	Missions	3.930.000	3.930.000	5.250.000	33,6%
Total Chapter 13 - Other expenditure relating to persons working with the institution		9.586.475	10.172.000	12.319.000	21,1%
TOTAL TITLE 1		341.055.329	366.584.000	379.408.000	3,5%

Item	Description	Outturn 2019	Budget 2020	DB 2021	% 2020/2021
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TITLE 2 - Buildings, equipment and operating expenditure					
2000	Rent	333.879	505.000	457.000	-9,5%
2001	Annual lease payments	p.m.	p.m.	p.m.	n/a
2002	Acquisition of immovable property	p.m.	p.m.	p.m.	n/a
2003	Fitting-out and installation work	14.915.774	10.465.000	10.871.000	3,9%
2004	Work to make premises secure	1.224.682	2.155.000	2.321.000	7,7%
2005	Expenditure preliminary to the acquisition, construction and fitting-out of buildings	997.120	918.000	743.000	-19,1%
200	Buildings	17.471.455	14.043.000	14.392.000	2,5%
2010	Cleaning and maintenance	17.943.850	18.873.000	18.735.000	-0,7%
2011	Water, gas, electricity and heating	4.476.449	4.396.000	4.689.000	6,7%
2012	Building security and surveillance	18.178.136	18.493.000	18.493.000	0,0%
2013	Insurance	264.792	285.000	285.000	0,0%
2014	Other expenditure relating to buildings	459.996	554.000	557.000	0,5%
201	Costs relating to buildings	41.323.223	42.601.000	42.759.000	0,4%
Total Chapter 20 - Buildings and associated costs		58.794.678	56.644.000	57.151.000	0,9%
2100	Acquisition of equipment and software	10.323.567	10.138.000	12.731.928	25,6%
2101	Outside assistance for the operation and develop. of computer systems	25.251.764	25.108.000	25.565.072	1,8%
2102	Servicing and maintenance of equipment and software	6.554.434	7.318.000	6.999.000	-4,4%
2103	Telecommunications	1.949.168	1.945.000	1.820.000	-6,4%
210	Computer systems and telecommunications	44.078.934	44.509.000	47.116.000	5,9%
211	Furniture	1.174.396	1.171.000	951.000	-18,8%
2120	Purchase and replacement of technical equipment and installations	2.804.678	3.009.000	3.958.000	31,5%
2121	Outside assistance for the operation and development of technical equipment and installations	413.659	310.000	100.000	-67,7%
2122	Rental, servicing, maintenance and repair of technical equipment and installations	1.173.716	2.707.000	3.134.000	15,8%
212	Technical equipment and installations	4.392.054	6.026.000	7.192.000	19,3%
213	Transport	1.030.414	2.284.000	1.368.000	-40,1%
Total Chapter 21 - Computer systems, equipment and furniture		50.675.797	53.990.000	56.627.000	4,9%
2200	Travel expenses of delegations	18.694.243	17.228.000	17.228.000	0,0%
2201	Miscellaneous travel expenses	551.000	495.000	570.000	15,2%
2202	Interpreting costs	51.331.235	81.450.000	80.000.000	-1,8%
2203	Representation expenses	111.818	160.000	150.000	-6,3%
2204	Miscellaneous expenditure on internal meetings	4.167.269	4.980.000	4.779.000	-4,0%
2205	Organisation of conferences, congresses and meetings	256.157	650.000	315.000	-51,5%
220	Meetings and conferences	75.111.723	104.963.000	103.042.000	-1,8%
2210	Documentation and library expenditure	3.901.126	2.350.000	2.655.000	13,0%
2211	Official Journal	689.311	p.m.	p.m.	n/a
2212	General publications	219.999	300.000	270.000	-10,0%
2213	Information and public events	5.281.744	4.585.000	5.095.000	11,1%
221	Information	10.092.180	7.235.000	8.020.000	10,9%
2230	Office supplies	399.425	358.000	398.000	11,2%
2231	Postal charges	55.000	55.000	50.000	-9,1%
2232	Expenditure on studies, surveys and consultations	4.500	45.000	45.000	0,0%
2234	Removals	18.000	18.000	18.000	0,0%
2235	Financial charges	4.003	10.000	10.000	0,0%
2236	Legal expenses and costs, damages and compensation	632.721	450.000	550.000	22,2%
2237	Other operating expenditure	156.240	281.000	289.000	2,8%
223	Miscellaneous expenses	1.269.889	1.217.000	1.360.000	11,8%
Total Chapter 22 - Operating expenditure		86.473.793	113.415.000	112.422.000	-0,9%
TOTAL TITLE 2		195.944.268	224.049.000	226.200.000	1,0%
TITLE 10 - Other expenditure					
10 0	Provisional appropriations	p.m.	p.m.	p.m.	n/a
10 1	Contingency reserve	p.m.	p.m.	p.m.	n/a
TOTAL TITLE 10		p.m.	p.m.	p.m.	n/a
TOTAL BUDGET		536.999.598	590.633.000	605.608.000	2,5%

Section II - European Council and Council

Budget 2020				Draft budget 2021			
Category and grade	Permanent posts	Temporary posts		Category and grade	Permanent posts	Temporary posts	
		President EC	Others			President EC	Others
HC	1	0	0	HC	1	0	0
AD 16	8	1	0	AD 16	8	1	0
AD 15	33 ¹⁾	1	0	AD 15	33 ²⁾	1	0
AD 14	136 ³⁾	2	1	AD 14	140 ⁴⁾	2	1
AD 13	139	3	0	AD 13	139	3	0
AD 12	195	2	0	AD 12	192	2	0
AD 11	89	2	1	AD 11	90	2	1
AD 10	153	5	0	AD 10	161	5	0
AD 9	241	0	0	AD 9	249	0	0
AD 8	180	0	0	AD 8	170	0	0
AD 7	133	3	0	AD 7	146	3	0
AD 6	107	2	0	AD 6	96	2	0
AD 5	54	0	0	AD 5	69	0	0
Sub-total AD	1468	21	2	Sub-total AD	1493	21	2
AST 11	38	0	0	AST 11	40	0	0
AST 10	39	0	0	AST 10	43	0	0
AST 9	187	2	0	AST 9	190	2	0
AST 8	144	1	0	AST 8	124	1	0
AST 7	128	1	0	AST 7	133	1	0
AST 6	191	1	0	AST 6	191	1	0
AST 5	270	3	0	AST 5	269	3	0
AST 4	219	1	0	AST 4	204	1	0
AST 3	109	2	0	AST 3	97	2	0
AST 2	8	1	0	AST 2	8	1	0
AST 1	12	0	0	AST 1	21	0	0
Sub-total AST	1345	12	0	Sub-total AST	1320	12	0
SC 6	0	0	0	SC 6	0	0	0
SC 5	0	0	0	SC 5	0	0	0
SC 4	2	0	0	SC 4	4	0	0
SC 3	20	0	0	SC 3	18	0	0
SC 2	68	0	0	SC 2	68	0	0
SC 1	90	0	0	SC 1	90	0	0
Sub-total SC	180	0	0	Sub-total SC	180	0	0
Total	2994	33	2	Total	2994	33	2
Overall total	3029			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	<i>Budget 2020</i>		<i>Statement of estimates 2021</i>	
	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	11.080.000	223	11.523.000	223
Seconded National Experts	1.213.000	22	1.244.000	22
Local Agents	0	0	0	0
Intérimaires	208.000	3	230.000	3
Parliamentary Assistants	N/A	N/A	N/A	N/A
Total	12.501.000	248	12.997.000	248

* Full-time equivalent units

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