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REV 1

FIN 438

NOTE

From: General Secretariat of the Council
To: Budget Committee
Subject: Estimate of expenditure and revenue for the financial year 2027 for the European Council and Council (Section II of the EU Budget) - Explanatory memorandum

I. INTRODUCTION

1. The budgetary procedure for the financial year 2027 will be carried out in conformity with the Inter-institutional Agreement of 16 December 2020 on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources¹.

¹ OJ L 433I, 22.12.2020, p. 28.

The Council conclusions on the budget guidelines for 2027, approved by the ECOFIN Council at its meeting on 17 February 2026², stress the need for all Union institutions, bodies, offices and agencies to respect and comply with all elements of the multiannual financial framework (MFF) 2021-2027 when establishing and implementing the budget for 2027, to maintain budgetary discipline and to budget only expenditure items considered necessary. It is reaffirmed that the ceiling for heading 7 of the MFF 2021-2027 is founded on the premise that all Union institutions adopt a comprehensive and strict approach for ensuring that staff resources are optimized in respect of the stable staffing principle, as well as for achieving efficiency gains and corresponding cost savings in non-salary related administrative expenditure.

2. The general inter-institutional framework for elaborating the proposals for the draft budget (DB) 2027 has been laid down in the Commission's letters dated 12/12/2025 and 18/12/2025, where all institutions were invited to prepare their estimates based on the following guidelines:
 - include the following estimates for the update of staff remuneration: +2.2% as of 01/07/2026; +2.3% as of 01/07/2027,
 - 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 2026 level.

According to the Commission, the evolution of the cost of living to be used for DB 2027 is estimated at 2,0% for Brussels and 1,9% for Luxembourg.

3. Considering the above guidelines, the General Secretariat of the Council (GSC) has elaborated a proposal for DB 2027 estimates for the European Council and Council (Section II of the EU budget).

The estimates include following provisions related to the renovation of the Justus Lipsius building:

- a) Provision for the continuation of the preparatory works for the renovation, i.e. the creation of the additional meeting rooms in LEX building and construction of a new interpretation facility (referred to in the relevant documentation as “accompanying measures”), is made within the GSC normal budget³ and contained within the 2% maximum increase set out in the abovementioned guidance.

² Document ST 5755/26.

³ Section IV in document ST 15565/25, paragraph 20 of document ST 12456/24 and paragraph 17 of document ST 15565/25.

- b) Provision of EUR 1,5 million for an additional, separate, external cost efficiency study by independent consultants in which several scenarios will be assessed, notably renovation works required to ensure exclusively and solely compliance with legal obligations and profound renovation⁴. This amount takes the draft estimates beyond the Commission's guidance.

Despite the stabilization of inflation, the cumulative loss of purchasing power in the non-salary related part of the budget continues to have an impact on all areas of the GSC activities. Efforts have been made to find savings while preserving, at the same time, the quality and continuity of operations. The GSC budget finances first and foremost recurring activities which cannot be reprogrammed or scaled down given the need to ensure that normal business can continue. The erosion of funding is therefore felt the most as regards modernisation of the existing infrastructure, equipment and investment. Budget execution is high and margins to cover unexpected costs or unforeseen activities triggered by external developments are limited.

As regards staffing, in the annual budgetary procedures for 2025 and 2026 the GSC made requests for six and five additional AD posts, respectively, in order to recruit experienced IT security specialists following the entry into force of the Cybersecurity Regulation⁵. The outcome of these procedures for the GSC was a net increase of the establishment plan by one post only, unlike other institutions such as the European Parliament and the Court of Justice of the European Union which have received strong reinforcements in terms of additional cybersecurity posts in recent years. As the significant and urgent needs in this domain remain unmet, the GSC maintains its limited request for five additional AD posts for qualified cybersecurity experts, to be recruited in the course of 2027.

The GSC proposes DB 2027 estimates of EUR 755,0 million. This amount corresponds to an overall increase of EUR 15,4 million or 2,1% compared to the voted budget 2026.

Salary related expenditure amounts to EUR 484,0 million - an increase of EUR 8,5 million or 1,8% compared to 2026.

⁴ On 13 March 2026 COREPER provided guidance for further work, and 11 Member States submitted a statement which was attached to the minutes.

⁵ Regulation (EU, Euratom) 2023/2841 of the European Parliament and of the Council of 13 December 2023 laying down measures for a high common level of cybersecurity at the institutions, bodies, offices and agencies of the Union (OJ L, 2023/2841, 18.12.2023).

Non-salary related expenditure totals EUR 270,9 million - an increase of EUR 6,9 million or 2,6 % compared to 2026. That increase has three components:

- EUR 5,3 million or 2,0% compared to 2026, in strict compliance with the Commission guidance under point I.2 above,
- EUR 0,12 million for the first annuity payment for the modernisation works in the ECCL building in Luxembourg⁶ and
- EUR 1,5 million or 0,6% for the additional, separate, external cost efficiency study of the Justus Lipsius renovation project by independent consultants (see point I.3b above).

Table 1 presents the budget proposal for 2027 by category. More detailed comments on the development of each category are set out in Section II below.

Table 1: Proposal for draft budget of the EC/C for 2027 (by category, EUR)

Chapter / article / item	Category of expenditure	Budget 2026	DB 2027	Difference	Change 2027/2026
		1	2	3=2-1	4=3/1
10	Member of the Institution (President)	2.525.000	2.667.000	142.000	5,6%
11	Statutory staff (Establishment plan)	460.822.187	468.359.321	7.537.134	1,6%
12	Other staff and external services	17.228.500	17.969.500	741.000	4,3%
13	Other expenditure relating to personnel	12.842.000	13.724.000	882.000	6,9%
TITLE 1	Persons working with the Institution	493.417.687	502.719.821	9.302.134	1,9%
200, 201	Buildings	63.230.500	67.362.500	4.132.000	6,5%
210	Computer systems	55.781.000	59.575.000	3.794.000	6,8%
211	Furniture	1.055.500	1.055.500	0	0,0%
212	Technical equipment	3.476.500	1.243.250	-2.233.250	-64,2%
213	Transport	2.068.500	2.260.750	192.250	9,3%
2200	Travel expenses of delegations	15.505.000	15.505.000	0	0,0%
2202	Interpreting costs	85.060.000	85.060.000	0	0,0%
2201, 2203, 2204, 2205	Meetings and conferences	8.784.000	8.622.000	-162.000	-1,8%
2210, 2212, 2213	Information	9.814.000	10.174.000	360.000	3,7%
223	Miscellaneous	1.386.000	1.406.000	20.000	1,4%
TITLE 2	Buildings, equipment and operating expenditure	246.161.000	252.264.000	6.103.000	2,5%
TITLE 10	Reserve	p.m	p.m	n/a	n/a
TOTAL BUDGET		739.578.687	754.983.821	15.405.134	2,1%
	Salary related expenditure	475.544.187	484.049.321	8.505.134	1,8%
	Non-salary related expenditure	264.034.500	270.934.500	6.900.000	2,6%
TOTAL BUDGET		739.578.687	754.983.821	15.405.134	2,1%

⁶ Details about the modernisation works are outlined in document ST 6108/26. According to the latest information received from the Luxembourg authorities, the first payment foreseen in 2027 is of EUR 0,12 million.

II. COMMENTS BY CATEGORY OF EXPENDITURE

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

This chapter is intended to cover the expenses of the President of the European Council and ensure the fulfilment of his/her duties according to the Treaties.

The increase of 6% (EUR 0,14 million) in this chapter is mainly driven by the additional appropriations needed for “other management expenditure”. Based on a comprehensive analysis of the outturn in 2025, the increase aims to accommodate the needs of the President of the European Council in 2027, taking into account the current geopolitical situation, the costs related to multilateral summits and high-level meetings, as well as inflation in the travel market.

2. Officials and temporary staff (Chapter 11)

The increase of 2% (EUR 7,5 million) in this chapter is mainly determined by the following factors:

a) Salary adjustment

The increase in the basic salaries budget line (EUR 7,9 million) reflects the Commission guidance set out in Section I.2 above. The final rates for the 2026 and 2027 adjustments of remuneration will become available in December 2026 and in December 2027 respectively.

b) Establishment plan

The request for five additional AD 8 posts is based on needs for meeting the GSC’s obligations under the EU Cybersecurity Regulation.

The GSC estimates that the 2027 occupancy rate will improve further and will be 98,7 % on average. This represents a decrease in the flat-rate reduction by 0,5 percentage points compared to 2026, which is linked to more efficient recruitment procedures. This brings the Council into line with the current Commission flat-rate reduction.

Continuing previous years’ efforts to adapt staff profiles to changing job requirements, it is proposed to transform 10 AST posts into 10 AD posts.

3. Other staff and external services (Chapter 12)

The total change of 4% (EUR 0,74 million) in appropriations within this chapter is mainly related to the estimated salary adjustments of other staff in 2027. While the number of Full Time Equivalents (FTEs) of the other categories of external staff (contractual agents and interim staff) remains unchanged in 2027, it is proposed to increase the appropriations and the estimated number of FTEs for Seconded National Experts (SNEs) to cater for needs for specialists in certain sectors in the GSC.

The appropriations for traineeships increase by just under 12% (EUR 0,12 million) to ensure the opportunity for highly qualified young people from as many Member States as possible to spend time working in the GSC.

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

The total change of 7% (EUR 0,88 million) in appropriations within this chapter is mainly due to the increase in “mission expenses of the Council Secretariat” and “travel expenses of staff related to the European Council”. The additional needs are mainly linked to the current geopolitical situation, multilateral summits and high-level meetings, inflation in the travel market, as well as to cater for higher costs for mission allowances⁷.

5. Buildings and associated costs (Chapter 20)

a) Buildings (Article 200)

The budget for the functioning of the buildings increases by 12% (EUR 1,65 million). This is due to the provision of EUR 1,5 million for the additional, separate, external cost efficiency study by independent consultants on the budget line for expenditure preliminary to the acquisition, construction and fitting-out of buildings. EUR 0,12 million is also allocated for the modernisation works of the ECCL building in Luxembourg, for which the Council will provide yearly contributions, spread over the duration of the Convention⁸ until 2048.

⁷ Commission Delegated Regulation (EU) 2025/693 of 26 February 2025 on reviewing the scale for missions by officials and other servants of the European Union in the Member States, OJ L , 12.5.2025, p. 1.

⁸ An agreement on the use of the ECCL building by the Council was signed on 18 June 2015 between the State of Luxembourg and the Council. Information about the modernisation works of the ECCL building in Luxembourg is available in the document ST 6108/26.

b) Costs relating to buildings (Article 201)

The overall budget for the operating and maintenance costs of buildings shows an increase of EUR 2,5 million (or 5%). This results from an price increase of 12% under the new framework contract for security and surveillance of the GSC buildings. The indexation of security services is governed by Belgian legislation and the collective labour agreement.

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

a) Computer systems and telecommunications (Article 210)

The budget for IT increases by 7% (EUR 3,8 million). This increase results mainly from additional appropriations necessary to implement the Cybersecurity Regulation (EUR 1,5 million) and from moving the appropriations for audiovisual equipment, which becomes increasingly digitalised, from Article 212 (EUR 2,2 million).

b) Furniture (Article 211)

The budget for rental and renewing of furniture remains at the same level as in 2026.

c) Technical equipment and installations (Article 212)

The budget for replacing and renewing technical equipment and installations decreases by 64% (-EUR 2,2 million) as a result of moving the budget for audiovisual equipment to Article 210 (see Section II.6(a)).

d) Transport (Article 213)

The budget on this article increases by 9% (EUR 0,19 million). This results from the expected number and size of multilateral summits and high-level meetings.

7. Operating expenditure (Chapter 22)

a) Travel expenses of delegations (Item 2200)

The budget for the travel expenses of delegations remains unchanged compared to 2026.

b) Interpreting costs (Item 2202)

The budget for the interpreting costs remains unchanged compared to 2026.

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

A slight decrease of EUR 0,16 million for meetings and conferences stems from savings on catering costs.

d) Information (Article 221)

The budget for information and communication increases by 4% (EUR 0,36 million). The additional appropriations will allow to further develop outreach activities and to cater for the cost increase of the audiovisual services.

e) Miscellaneous expenses (Article 223)

The budget of this article increases by 1% (EUR 0,02 million) mainly due to provisions for postal and bank charges.

8. More detailed information is provided in the annexes:

Annex I: Estimate of Revenue and Expenditure for the financial year 2027

Annex II: Establishment plan 2027

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

**Estimate of Revenue and Expenditure
For the financial year 2027
Section II - European Council and Council**

Item	Description	Outturn 2025	Voted Budget 2026	DB 2027	% 2027/2026
TITLE 1 - Persons working with the Institution					
1000	Basic salary	425.594	465.000	477.000	3%
1001	Entitlements related to the post held	86.755	103.000	105.000	2%
1002	Entitlements related to the personal circumstances	12.222	16.000	16.000	0%
1003	Social security cover	16.095	24.000	24.000	0%
1004	Other management expenditure	1.645.258	1.650.000	1.855.000	12%
1006	Entitlements related to entering, transfer and leaving the service	6.955	0	0	
1007	Annual adjustment of the remuneration	0	0	0	
100	Remuneration and other entitlements	2.192.878	2.258.000	2.477.000	10%
1010	Transitory allowance	262.986	267.000	190.000	-29%
101	Termination of service	262.986	267.000	190.000	-29%
Total Chapter 10 - Members of the Institution		2.455.864	2.525.000	2.667.000	6%
1100	Basic salaries	319.830.457	343.985.187	351.872.321	2%
1101	Entitlements under the Staff Regulations related to the post held	1.583.511	1.989.000	2.024.000	2%
1102	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	80.489.291	87.315.000	89.009.000	2%
1103	Social security cover	12.795.545	13.875.000	14.231.000	3%
1104	Salary weightings	103.020	161.000	161.000	0%
1105	Overtime	646.766	1.290.000	1.290.000	0%
1106	Entitlements under the Staff Regulations related to entering the service, transfer and leaving the service	2.655.000	2.195.000	2.195.000	0%
1107	Annual adjustment of the remuneration	0	7.626.000	5.273.000	-31%
110	Remuneration and other entitlements	418.103.590	458.436.187	466.055.321	2%
1110	Allowances in the event of retirement in the interests of the service	1.358.320	2.386.000	2.304.000	-3%
1112	Entitlements of the former Secretaries-General	0	0	0	
111	Termination of service	1.358.320	2.386.000	2.304.000	-3%
Total Chapter 11 - Officials and temporary staff		419.461.910	460.822.187	468.359.321	2%
1200	Other staff	13.352.729	14.022.000	14.450.000	3%
1201	National experts on secondment	1.241.209	1.524.000	1.793.000	18%
1202	Traineeships	899.874	999.000	1.116.000	12%
1203	External services	197.332	328.000	328.000	0%
1204	Supplementary services for the translation service	381.000	122.500	119.500	-2%
1207	Annual adjustment of the remuneration	0	233.000	163.000	-30%
120	Other staff and external services	16.072.144	17.228.500	17.969.500	4%
Total Chapter 12 - Other staff and external services		16.072.144	17.228.500	17.969.500	4%
1300	Miscellaneous expenditure on recruitment	111.448	163.000	163.000	0%
1301	Professional development	2.053.140	2.241.000	2.273.000	1%
130	Expenditure relating to staff management	2.164.588	2.404.000	2.436.000	1%
1310	Special assistance grants	0	24.000	25.000	4%
1311	Social contacts between members of staff	179.006	162.500	164.000	1%
1312	Supplementary aid for persons with disabilities	360.000	361.500	360.000	0%
1313	Other welfare expenditure	36.449	53.000	53.000	0%
131	Measures to assist the institution's staff	575.455	601.000	602.000	0%
1320	Medical service	285.914	425.000	373.000	-12%
1322	Crèches and childcare facilities	3.184.000	3.282.000	3.333.000	2%
1323	Interinstitutional cooperation in the field of staff management	1.255.376	1.460.000	1.460.000	0%
132	Activities relating to all persons working with the Institution	4.725.290	5.167.000	5.166.000	0%
1331	Mission expenses of the Council Secretariat	3.220.000	2.970.000	3.370.000	13%
1332	Travel expenses of staff related to the European Council	1.950.000	1.700.000	2.100.000	24%
133	Missions	5.170.000	4.670.000	5.470.000	17%
134	Schooling fees for Type II European schools	0	0	50.000	
Total Chapter 13 - Other expenditure relating to persons working with the institution		12.635.332	12.842.000	13.724.000	7%
TOTAL TITLE 1		450.625.251	493.417.687	502.719.821	1,9%

Estimate of Revenue and Expenditure
For the financial year 2027
Section II - European Council and Council

Item	Description	Outturn 2025	Voted Budget 2026	DB 2027	% 2027/2026
TITLE 2 - Buildings, equipment and operating expenditure					
2000	Rent	148.456	452.000	513.000	13%
2003	Fitting-out and installation work	9.474.018	10.745.000	11.230.000	5%
2004	Work to make premises secure	1.692.808	1.500.000	1.100.000	-27%
2005	Expenditure preliminary to the acquisition, construction and fitting-out of buildings	813.327	543.000	2.047.000	277%
200	Buildings	12.128.609	13.240.000	14.890.000	12%
2010	Cleaning and maintenance	20.476.758	22.413.000	22.143.000	-1%
2011	Water, gas, electricity and heating	6.941.242	6.931.000	6.982.000	1%
2012	Building security and surveillance	18.475.606	19.257.000	21.961.000	14%
2013	Insurance	805.814	831.500	831.500	0%
2014	Other expenditure relating to buildings	454.713	558.000	555.000	-1%
201	Costs relating to buildings	47.154.133	49.990.500	52.472.500	5%
Total Chapter 20 - Buildings and associated costs		59.282.743	63.230.500	67.362.500	7%
2100	Acquisition of equipment and software	17.554.723	16.465.500	17.550.000	7%
2101	Outside assistance for the operation and develop. of computer systems	33.055.705	30.409.000	32.403.000	7%
2102	Servicing and maintenance of equipment and software	6.493.846	7.196.500	7.752.000	8%
2103	Telecommunications	1.952.710	1.710.000	1.870.000	9%
210	Computer systems and telecommunications	59.056.984	55.781.000	59.575.000	7%
211	Furniture	1.201.842	1.055.500	1.055.500	0%
2120	Purchase and replacement of technical equipment and installations	1.726.431	2.037.000	726.750	-64%
2121	Outside assistance for the operation and development of technical equipment and installations	88.000	103.000	110.000	7%
2122	Rental, servicing, maintenance and repair of technical equipment and installations	1.286.158	1.336.500	406.500	-70%
212	Technical equipment and installations	3.100.589	3.476.500	1.243.250	-64%
213	Transport	1.849.990	2.068.500	2.260.750	9%
Total Chapter 21 - Computer systems, equipment and furniture		65.209.405	62.381.500	64.134.500	3%
2200	Travel expenses of delegations	15.104.171	15.505.000	15.505.000	0%
2201	Miscellaneous travel expenses	398.063	510.000	510.000	0%
2202	Interpreting costs	82.536.829	85.060.000	85.060.000	0%
2203	Representation expenses	143.219	191.000	191.000	0%
2204	Miscellaneous expenditure on meetings	5.561.622	5.662.000	5.505.000	-3%
2205	Organisation of conferences, congresses and meetings	809.853	2.421.000	2.416.000	0%
220	Meetings and conferences	104.553.757	109.349.000	109.187.000	0%
2210	Documentation and library expenditure	2.797.130	2.853.000	2.853.000	0%
2212	General publications	342.986	326.000	336.000	3%
2213	Information and public events	6.855.603	6.635.000	6.985.000	5%
221	Information	9.995.718	9.814.000	10.174.000	4%
2230	Office supplies	460.435	390.000	390.000	0%
2231	Postal charges	55.000	45.000	50.000	11%
2232	Expenditure on studies, surveys and consultations	0	45.000	45.000	0%
2234	Removals	25.200	33.000	33.000	0%
2235	Financial charges	5.000	0	15.000	#DIV/0!
2236	Legal expenses and costs, damages and compensation	556.000	556.000	556.000	0%
2237	Other operating expenditure	239.051	317.000	317.000	0%
223	Miscellaneous expenses	1.340.686	1.386.000	1.406.000	1%
Total Chapter 22 - Operating expenditure		115.890.161	120.549.000	120.767.000	0%
TOTAL TITLE 2		240.382.308	246.161.000	252.264.000	2,5%
TOTAL BUDGET		691.007.559	739.578.687	754.983.821	2,1%

ESTABLISHMENT PLAN 2027
Section II - European Council and Council

Budget 2026				Draft budget 2027			
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 ³⁾	1	0	AD 15	33 ³⁾	1	0
AD 14	145 ⁴⁾	2	1	AD 14	145 ⁴⁾	2	1
AD 13	140	3	0	AD 13	140	3	0
AD 12	214	7	1	AD 12	212	7	1
AD 11	112	2	0	AD 11	132	2	0
AD 10	202	2	0	AD 10	211	2	1
AD 9	250	0	1	AD 9	242	0	0
AD 8	141	0	0	AD 8	132	0	1
AD 7	134	1	2	AD 7	113	1	1
AD 6	67	1	0	AD 6	83	1	0
AD 5	116	0	0	AD 5	126	0	0
Sub-total AD	1562	20	5	Sub-total AD	1577	20	5
AST 11	42	0	0	AST 11	47	0	0
AST 10	49	0	0	AST 10	41	0	0
AST 9	191	7	0	AST 9	186	7	0
AST 8	88	2	0	AST 8	110	2	0
AST 7	164	0	0	AST 7	177	0	0
AST 6	226	0	0	AST 6	212	0	0
AST 5	235	1	0	AST 5	208	1	0
AST 4	150	0	0	AST 4	127	0	0
AST 3	46	2	0	AST 3	59	2	1
AST 2	10	1	0	AST 2	23	1	0
AST 1	8	0	0	AST 1	8	0	0
Sub-total AST	1209	13	0	Sub-total AST	1198	13	1
SC 6	0	0	0	SC 6	2	0	0
SC 5	1	0	0	SC 5	5	0	0
SC 4	9	0	0	SC 4	16	0	0
SC 3	36	0	0	SC 3	44	0	0
SC 2	97	0	0	SC 2	104	0	0
SC 1	77	0	0	SC 1	49	0	0
Sub-total SC	220	0	0	Sub-total SC	220	0	0
Total	2992	33	5	Total	2996	33	6
Overall total	3030			Overall total	3035		

- 1) Including 4 agents of grade AD16 ad personam.
- 2) Including 7 agents of grade AD15 ad personam.
- 3) Including 4 agents of grade AD16 ad personam.
- 4) Including 7 agents of grade AD15 ad personam.

Evolution of number of and expenditure on external staff

<i>Council</i>	<i>Voted budget 2026</i>		<i>Statement of estimates 2027</i>	
Type of staff	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	13.851.000	232	14.279.000	232
Seconded National Experts	1.524.000	22	1.793.000	26
Local Agents	0	0	0	0
Intérimaires	244.000	3	244.000	3
Parliamentary Assistants	N/A	N/A	N/A	N/A
Total	15.619.000	257	16.316.000	261

* Full-time equivalent units