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NOTE

From:	General Secretariat of the Council
To:	Budget Committee
Subject:	Estimate of expenditure and revenue for the financial year 2025 for the European Council and Council (Section II of the EU Budget) - Explanatory memorandum

I. INTRODUCTION

1. The budgetary procedure for the financial year 2025 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 4331, 22.12.2020, p. 28.

The draft Council conclusions on the budget guidelines for 2025, endorsed by the Committee of Permanent Representatives on 21 February 2024 and to be approved by the ECOFIN Council on 12 March 2024, stress the need for all Union institutions, bodies, offices and agencies to respect and comply with all elements of the revised multiannual financial framework (MFF) 2021-2027 when establishing and implementing the budget for 2025, 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 in non-salary related administrative expenditure.

2. The general inter-institutional framework for elaborating the proposals for the draft budget (DB) 2025 has been laid down in the Commission's letters dated 19/12/2023 and 21/12/2023, where all institutions were invited to prepare their estimates based on the following guidelines:
 - include 5,3 % for the adjustment of staff remuneration as of 01/07/2024, 0,6 % as of 01/04/2025 and 3,7 % as of 01/07/2025,
 - 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 2024 level,
 - in line with the agreement in Conciliation on 2024 budget, expenditure related to Members of the Institutions who receive salaries from the EU budget, which are subject to the indexation, should be classified as salary expenditure. However, the salary parameter is applied only to expenditure which is subject to automatic indexation (salary, allowances), whereas the other budget lines related to Members are subject to the guidance of 2% maximum.

According to the Commission, the evolution of the cost of living to be used for DB 2025 is estimated at 1,9 % for Brussels and 1,8 % for Luxembourg.

3. Taking into account the above guidelines, the General Secretariat of the Council (GSC) has elaborated a proposal for DB 2025 estimates for the European Council and Council (Section II of the EU budget).

The new Regulation laying down measures for a high common level of cybersecurity at EU institutions, bodies, offices and agencies (Cybersecurity Regulation)² entered into force on 7 January 2024. The regulation requires the Secretary-General of the Council to put in place, for the European Council and the Council, new formal cybersecurity risk management, governance and control processes and measures, including regular maturity assessments and a cybersecurity plan. These have to be delivered within specific deadlines, starting in 2025, and undergo regular review cycles. This leads to the assessment that six AD posts need to be added to the establishment plan in 2025 to recruit experienced IT security specialists.

Concerning non-salary related expenditure, the general objective of the proposal has been not to exceed by more than 2 %, in nominal terms, the level of the budget 2024 in strict compliance with the limit set by the Commission.

In view of the ongoing rise in interpretation costs and in order to ensure the expected activities of the European Council and Council, the GSC considers it necessary to increase the interpretation budget by 4%. Consequently, the GSC has provided for limited growth of 1% or less in major areas of its budget such as computer systems, buildings and security.

After several years of high inflation and continuous loss in purchasing power, the GSC has been faced with difficult choices, involving prioritising, reprogramming, and scaling down activities, postponing or cancelling projects and seeking more efficient ways to manage the budget.

4. As a result, the GSC proposes DB 2025 estimates of EUR 706,2 million. This amount corresponds to an overall increase of EUR 29,3 million or 4,3 % compared to the voted budget 2024.

Salary related expenditure amounts to EUR 447,4 million - an increase of EUR 24,2 million or 5,7 % compared to 2024.

Non-salary related expenditure totals EUR 258,8 million - an increase of EUR 5,1 million or 2,0 % compared to 2024.

² 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).

5. It is to be noted that the non-salary budget is increasingly tight and, in 2025, will only be sufficient to fund a stable level of Council activity using current infrastructure. It is expected that there will be little margin for unexpected increases in activity, substantial changes in IT services or physical infrastructure, or any unforeseen demand that might be triggered by external developments.

Table 1 presents the budget proposal for 2025 by category. More detailed comments on the development of each category are set out in Section II below.

Table 1: Proposal for a draft budget of the EC/C for 2025 (by category, EUR)

Chapter / article / item	Category of expenditure	Budget 2024	DB 2025	Difference	Change 2025/2024
		1	2	3=2-1	4=3/1
10	Member of the Institution (President)	2.575.000	2.498.000	-77.000	-3,0%
11	Statutory staff (Establishment plan)	409.748.234	433.542.530	23.794.296	5,8%
12	Other staff and external services	15.676.729	16.370.000	693.271	4,4%
13	Other expenditure relating to personnel	12.790.000	12.842.000	52.000	0,4%
TITLE 1	Persons working with the Institution	440.789.963	465.252.530	24.462.567	5,5%
200, 201	Buildings	59.969.180	60.185.000	215.820	0,4%
210	Computer systems	53.994.000	54.496.000	502.000	0,9%
211	Furniture	1.044.980	1.055.000	10.020	1,0%
212	Technical equipment	3.253.000	3.644.000	391.000	12,0%
213	Transport	2.174.000	2.190.000	16.000	0,7%
2200	Travel expenses of delegations	15.505.000	15.505.000	0	0,0%
2202	Interpreting costs	81.600.000	85.060.000	3.460.000	4,2%
2201, 2203, 2204, 2205	Meetings and conferences	7.531.000	7.609.000	78.000	1,0%
2210, 2212, 2213	Information	9.633.000	9.808.000	175.000	1,8%
223	Miscellaneous	1.387.000	1.407.000	20.000	1,4%
TITLE 2	Buildings, equipment and operating expenditure	236.091.160	240.959.000	4.867.840	2,1%
TITLE 10	Reserve	p.m	p.m	n/a	n/a
TOTAL BUDGET		676.881.123	706.211.530	29.330.407	4,3%
	Salary related expenditure	423.143.963	447.399.530	24.255.567	5,7%
	Non-salary related expenditure	253.737.160	258.812.000	5.074.840	2,0%
TOTAL BUDGET		676.881.123	706.211.530	29.330.407	4,3%

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 overall decrease (-3%) is due to a reduced provision for travel expenses, taking account of average consumption over recent years.

2. Officials and temporary staff (Chapter 11)

The change of 5,8 % (EUR 23,8 million) in the level of appropriations for the budget headings relating to the establishment plan is mainly determined by the following factors:

a) Salary adjustment

The increase in basic salaries (EUR 15,5 million) and in the annual adjustment of remuneration (EUR 2,9 million) budget lines reflects the Commission guidance set out in Section I.2 above. The final percentage for the 2024 and 2025 adjustments will become available in December 2024 and in December 2025 respectively.

b) Establishment plan

The request for six additional AD 8 posts is based on needs for meeting the GSC's obligations under the new EU Cybersecurity Regulation, which entered into force in January 2024.

The GSC estimates that the 2025 occupancy rate will improve further and will be 98,2 % on average. This represents a decrease in the flat-rate reduction of 0,2 percentage points resulting in an increase of EUR 0,9 million compared to what is budgeted for in 2024, as a consequence of more efficient recruitment procedures.

Continuing previous years' efforts to adapt staff profiles to changing job requirements, it is proposed to transform 15 AST posts into 15 AD posts and 10 AST posts into 10 SC posts.

3. Other staff and external services (Chapter 12)

The total change of just over 4 % (EUR 0,7 million) in appropriations within this chapter is mainly related to the estimated salary adjustment of other staff in 2025 (EUR 0,5 million). The number of Full Time Equivalents of all categories of external staff (contractual agents, seconded national experts and interim staff) remains unchanged in 2025.

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

The budget of this Chapter increases by 0,4 % (EUR 0,05 million). Staff training activities and mission expenses are foreseen to grow by 1 % (EUR 0,03 million and EUR 0,06 million respectively). Item 1312 (*Supplementary aid for the disabled*) is reinforced by 45 % (EUR 0,1 million) due to the increased number of applications with a significant financial impact for reimbursement to officials, their spouses or children of non-medical expenses deemed necessary as a result of duly justified disability.

5. Buildings and associated costs (Chapter 20)

a) Buildings (Article 200)

The budget for the functioning of the buildings is reduced by -7 % (-EUR 0,9 million), due to scaling down of the number of building projects and building studies planned for 2025. This scaling down has been necessary to compensate for potential increases expected in the energy costs.

b) Costs relating to buildings (Article 201)

The overall budget for the operating and maintenance costs of buildings is increased by 2 % (EUR 1,1 million), driven by the higher needs to cater for gas and electricity bills (EUR 0,7 million).

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

a) Computer systems and telecommunications (Article 210)

The increase of the budget for IT is limited to just under 1 % (EUR 0,5 million).

b) Furniture (Article 211)

The budget for rental and renewing of furniture is kept stable (slight increase of 1 % or EUR 0,01 million) to enable maintaining a minimum level of stock renewal.

c) Technical equipment and installations (Article 212)

The budget for replacing and renewing technical equipment and installations is increasing by 12 % (EUR 0,4 million) due to a planned renewal of obsolete security equipment.

d) Transport (Article 213)

The budget on this article is kept stable (slight increase of just under 1 % or EUR 0,02 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 2024.

b) Interpreting costs (Item 2202)

The increase by just over 4 % (EUR 3,5 million) is explained by the evolution of the price of SCIC services. The on-request language envelopes have been adjusted with an increase of 4 %.

The proposal for the interpretation budget breaks down as follows:

- EUR 36,0 million for general interpretation including contingencies,
- EUR 49,1 million for on-request envelopes (EUR 2,1 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 increased by 1 % (EUR 0,1 million) compared to 2024 to cover indexation of prices in catering. This increase is compensated by a reduction of -25 % in the organisation of conferences, congresses and meetings.

d) Information (Article 221)

The increase of the budget for information and communication is limited to just under 2 % (EUR 0,2 million) compared to 2024 to address indexations of contract prices.

e) Miscellaneous expenses (Article 223)

The budget of this article increases by just over 1 % (EUR 0,02 million) due mainly to higher postal charges costs.

8. More detailed information is provided in the annexes:

Annex I: Estimate of Revenue and Expenditure for the financial year 2025

Annex II: Establishment plan 2025

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

**Estimate of Revenue and Expenditure
For the financial year 2025
Section II - European Council and Council**

Item	Description	Outturn 2023	Budget 2024	DB 2025	% 2025/2024
TITLE 1 - Persons working with the Institution					
1000	Basic salary	383.305	415.000	430.000	4%
1001	Entitlements related to the post held	78.268	90.000	93.000	3%
1002	Entitlements related to the personal circumstances	27.517	43.000	43.000	0%
1003	Social security cover	14.496	22.000	22.000	0%
1004	Other management expenditure	560.308	1.985.000	1.650.000	-17%
1006	Entitlements related to entering, transfer and leaving the service	0	0	0	
1007	Annual adjustment of the remuneration	0	0	0	
100	Remuneration and other entitlements	1.063.894	2.555.000	2.238.000	-12%
1010	Transitory allowance	0	20.000	260.000	1200%
101	Termination of service	0	20.000	260.000	1200%
Total Chapter 10 - Members of the Institution		1.063.894	2.575.000	2.498.000	-3%
1100	Basic salaries	285.649.910	305.603.234	321.080.530	5%
1101	Entitlements under the Staff Regulations related to the post held	1.466.967	1.866.000	1.911.000	2%
1102	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	72.270.412	77.279.000	81.530.000	6%
1103	Social security cover	11.627.393	12.377.000	13.374.000	8%
1104	Salary weightings	95.214	153.000	153.000	0%
1105	Overtime	788.483	1.290.000	1.290.000	0%
1106	Entitlements under the Staff Regulations related to entering the service, transfer and leaving the service	2.415.000	2.075.000	2.195.000	6%
1107	Annual adjustment of the remuneration	0	6.775.000	9.679.000	43%
110	Remuneration and other entitlements	374.313.379	407.418.234	431.212.530	6%
1110	Allowances in the event of retirement in the interests of the service	1.837.290	2.330.000	2.330.000	0%
1112	Entitlements of the former Secretaries-General	0	0	0	
111	Termination of service	1.837.290	2.330.000	2.330.000	0%
Total Chapter 11 - Officials and temporary staff		376.150.669	409.748.234	433.542.530	6%
1200	Other staff	12.093.520	12.711.729	13.208.000	4%
1201	National experts on secondment	1.323.337	1.439.000	1.472.000	2%
1202	Traineeships	793.614	860.000	905.000	5%
1203	External services	139.184	326.000	328.000	1%
1204	Supplementary services for the translation service	90.000	125.000	158.000	26%
1207	Annual adjustment of the remuneration	0	215.000	299.000	39%
120	Other staff and external services	14.439.656	15.676.729	16.370.000	4%
Total Chapter 12 - Other staff and external services		14.439.656	15.676.729	16.370.000	4%
1300	Miscellaneous expenditure on recruitment	106.901	161.000	163.000	1%
1301	Further training	2.032.367	2.214.000	2.241.000	1%
130	Expenditure relating to staff management	2.139.269	2.375.000	2.404.000	1%
1310	Special assistance grants	1.200	25.000	24.000	-4%
1311	Social contacts between members of staff	154.660	138.000	162.000	17%
1312	Supplementary aid for the disabled	250.000	248.000	360.000	45%
1313	Other welfare expenditure	53.641	75.000	53.000	-29%
131	Measures to assist the institution's staff	459.500	486.000	599.000	23%
1320	Medical service	385.950	598.000	425.000	-29%
1322	Crèches and childcare facilities	3.373.518	3.259.000	3.284.000	1%
1323	Interinstitutional cooperation in the field of staff management	857.434	1.460.000	1.460.000	0%
132	Activities relating to all persons working with the Institution	4.616.902	5.317.000	5.169.000	-3%
1331	Mission expenses of the Council Secretariat	2.552.143	2.912.000	2.970.000	2%
1332	Travel expenses of staff related to the European Council	1.310.819	1.700.000	1.700.000	0%
133	Missions	3.862.962	4.612.000	4.670.000	1%
Total Chapter 13 - Other expenditure relating to persons working with the institution		11.078.632	12.790.000	12.842.000	0%
TOTAL TITLE 1		402.732.851	440.789.963	465.252.530	5,5%

Estimate of Revenue and Expenditure
For the financial year 2025
Section II - European Council and Council

Item	Description	Outturn 2023	Budget 2024	DB 2025	% 2025/2024
TITLE 2 - Buildings, equipment and operating expenditure					
2000	Rent	260.626	444.000	452.000	2%
2003	Fitting-out and installation work	11.551.264	8.437.000	8.378.000	-1%
2004	Work to make premises secure	2.055.585	2.126.000	1.934.000	-9%
2005	Expenditure preliminary to the acquisition, construction and fitting-out of buildings	351.756	1.210.000	570.000	-53%
200	Buildings	14.219.231	12.217.000	11.334.000	-7%
2010	Cleaning and maintenance	19.200.439	21.141.000	21.587.000	2%
2011	Water, gas, electricity and heating	8.376.000	6.340.180	7.021.000	11%
2012	Building security and surveillance	17.934.238	19.133.000	19.089.000	0%
2013	Insurance	592.909	630.000	636.000	1%
2014	Other expenditure relating to buildings	453.279	508.000	518.000	2%
201	Costs relating to buildings	46.556.864	47.752.180	48.851.000	2%
Total Chapter 20 - Buildings and associated costs		60.776.095	59.969.180	60.185.000	0%
2100	Acquisition of equipment and software	16.261.033	14.679.000	16.470.000	12%
2101	Outside assistance for the operation and develop. of computer systems	31.820.993	29.278.000	29.385.000	0%
2102	Servicing and maintenance of equipment and software	6.682.059	8.361.000	7.045.000	-16%
2103	Telecommunications	1.364.544	1.676.000	1.596.000	-5%
210	Computer systems and telecommunications	56.128.630	53.994.000	54.496.000	1%
211	Furniture	1.048.546	1.044.980	1.055.000	1%
2120	Purchase and replacement of technical equipment and installations	2.085.771	1.793.000	2.199.000	23%
2121	Outside assistance for the operation and development of technical equipment and installations	95.000	102.000	103.000	1%
2122	Rental, servicing, maintenance and repair of technical equipment and installations	1.087.987	1.358.000	1.342.000	-1%
212	Technical equipment and installations	3.268.758	3.253.000	3.644.000	12%
213	Transport	2.382.015	2.174.000	2.190.000	1%
Total Chapter 21 - Computer systems, equipment and furniture		62.827.948	60.465.980	61.385.000	2%
2200	Travel expenses of delegations	9.818.789	15.505.000	15.505.000	0%
2201	Miscellaneous travel expenses	322.800	509.000	510.000	0%
2202	Interpreting costs	75.354.196	81.600.000	85.060.000	4%
2203	Representation expenses	136.894	185.000	191.000	3%
2204	Miscellaneous expenditure on internal meetings	5.373.938	5.185.000	5.662.000	9%
2205	Organisation of conferences, congresses and meetings	835.120	1.652.000	1.246.000	-25%
220	Meetings and conferences	91.841.736	104.636.000	108.174.000	3%
2210	Documentation and library expenditure	2.749.288	2.823.000	2.853.000	1%
2212	General publications	389.985	310.000	320.000	3%
2213	Information and public events	6.061.653	6.500.000	6.635.000	2%
221	Information	9.200.926	9.633.000	9.808.000	2%
2230	Office supplies	429.028	398.000	396.000	-1%
2231	Postal charges	51.500	35.000	45.000	29%
2232	Expenditure on studies, surveys and consultations	19.500	45.000	45.000	0%
2234	Removals	41.000	33.000	33.000	0%
2235	Financial charges	6.880	15.000	15.000	0%
2236	Legal expenses and costs, damages and compensation	375.637	550.000	556.000	1%
2237	Other operating expenditure	233.296	311.000	317.000	2%
223	Miscellaneous expenses	1.156.841	1.387.000	1.407.000	1%
Total Chapter 22 - Operating expenditure		102.199.503	115.656.000	119.389.000	3%
TOTAL TITLE 2		225.803.546	236.091.160	240.959.000	2,1%
TOTAL BUDGET		628.536.397	676.881.123	706.211.530	4,3%

ESTABLISHMENT PLAN 2025
Section II - European Council and Council

Budget 2024				Draft budget 2025			
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	214	7	1
AD 11	102	2	0	AD 11	112	2	0
AD 10	192	2	0	AD 10	202	2	0
AD 9	250	0	1	AD 9	250	0	1
AD 8	150	0	0	AD 8	146	0	0
AD 7	146	1	0	AD 7	136	1	0
AD 6	67	1	0	AD 6	67	1	0
AD 5	86	0	0	AD 5	101	0	0
Sub-total AD	1533	20	3	Sub-total AD	1554	20	3
AST 11	42	0	0	AST 11	42	0	0
AST 10	49	0	0	AST 10	49	0	0
AST 9	191	7	0	AST 9	191	7	0
AST 8	88	2	0	AST 8	88	2	0
AST 7	154	0	0	AST 7	164	0	0
AST 6	216	0	0	AST 6	226	0	0
AST 5	275	1	0	AST 5	250	1	0
AST 4	160	0	0	AST 4	150	0	0
AST 3	46	2	0	AST 3	46	2	0
AST 2	10	1	0	AST 2	10	1	0
AST 1	18	0	0	AST 1	8	0	0
Sub-total AST	1249	13	0	Sub-total AST	1224	13	0
SC 6	0	0	0	SC 6	0	0	0
SC 5	1	0	0	SC 5	1	0	0
SC 4	9	0	0	SC 4	9	0	0
SC 3	21	0	0	SC 3	36	0	0
SC 2	72	0	0	SC 2	97	0	0
SC 1	107	0	0	SC 1	77	0	0
Sub-total SC	210	0	0	Sub-total SC	220	0	0
Total	2993	33	3	Total	2999	33	3
Overall total		3029		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 2024</i>		<i>Statement of estimates 2025</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	12.543.729	232	13.040.000	232
Seconded National Experts	1.439.000	22	1.472.000	22
Local Agents	0	0	0	0
Intérimaires	242.000	3	244.000	3
Parliamentary Assistants	N/A	N/A	N/A	N/A
Total	14.224.729	257	14.756.000	257

* Full-time equivalent units