

European Aviation Safety Agency

ANNEX 1: EXPLANATORY NOTE

The Budget 2013 has been prepared fully in line with the Business Plan 2013-2017 presented for adoption to this Management Board.

The Draft Budget 2013 presented to the Management Board in March 2012 has now been amended taking into account the following elements:

- The Subsidy contribution equal to 2012;
- Updated forecast in the F&C revenue calculation;
- Updated inputs in the salary calculation;
- Updated input for the Special programmes revenue (included in Other income) and cost (Title 4).

The 2013 Budget has been developed considering the market evolution under the current economic situation. The headcount target is 692 TAs at the end of 2013, in line with the MSPP 2013-2015 as approved by the European Commission.

Final Budget Proposal

All activities (Euro)	Draft Budget 2013 (EC Proposal)	Draft Budget 2013 (EASA Proposal)	1st Amending Budget 2012
Income from Fees&Charges (Current year)	91,869,000	104,431,000	82,900,000
Income from Fees&Charges (Carry over)	14,788,865	18,974,670	25,225,865
Subsidy from the European Community	34,862,000	36,524,000	34,862,000
Third Countries contribution	1,718,000	1,799,000	1,718,000
Other Income	6,297,000	3,151,000	5,473,064
Total Income	149,534,865	164,879,670	150,178,929
Title 1 - Staff	71,476,000	77,057,000	67,816,000
Title 2 - Building, IT and related equipments	15,842,000	13,806,000	14,044,000
Title 3 - NAA/QE outsourcing	38,220,000	43,979,000	32,237,000
Title 3 - other operational cost	11,455,000	17,770,000	16,856,000
Title 4 - Special programmes	5,397,000	2,089,000	4,437,064
Title 5 - Reserve	7,144,865	10,178,670	14,788,865
Total Expenditure	149,534,865	164,879,670	150,178,929

N.B. Based on the input from the Internal Audit Service, as from 2013 the Agency has reclassified IS expenses as administrative expenses and therefore regrouped them in title 2.

The staff evolution proposed by the Agency is dependent on the final decision of the Budgetary Authority

The "other income" includes technical cooperation with third countries, parking reimbursement from staff and financial interests.

1. Fees and Charges financed activities

Fees & Charges activities (Euro)	Draft Budget 2013 (EC Proposal)	Draft Budget 2013 (EASA Proposal)	1st Amending Budget 2012
Income from Fees&Charges (Current year)	91,869,000	104,431,000	82,900,000
Other Income	748,000	632,000	606,000
Income from Fees&Charges (Carry over)	14,788,865	18,974,670	25,225,865
Total Income	107,405,865	124,037,670	108,731,865
Title 1 - Staff	45,290,000	51,058,000	42,956,000
Title 2 - Building, IT and related equipments	8,984,000	10,216,000	9,145,000
Title 3 - NAA/QE outsourcing	38,220,000	43,979,000	32,237,000
Title 3 - other operational cost	7,767,000	8,606,000	9,605,000
Title 5 - Reserve	7,144,865	10,178,670	14,788,865
Total Income	107,405,865	124,037,670	108,731,865

NB: compared to the BP 2013- 2017 the above table includes the reserve under line Income from Fees & Charges (Carry Over) and Title 5 – Reserve.

Compared with the Draft Budget (EASA proposal) 2013 the major variances can be explained as follows:

Income from Fees & Charges (Current year): the delta of 12.7M derives from revised number of projects and type of application (i.e. TC for smaller airplanes) in Product Certification (-5.3M), delay in the implementation of OEB activities (-1.2M), revised volumes of organisations (-2.3M) and delay in the TCO implementation with an impact of (-3.1M) and other non-operating revenues (0.7M).

Staff: the deviation is explained by the revised staffing plan and the salaries evolution forecast. The draft Budget (EASA proposal) 2013 included an increase of 2% already in 2012 which did not materialise.

Title 3- T3-NAA/QE outsourcing: shows a decrease as a consequence of the revised workload activity. As in the previous years a Working Capital for 7.6M allocated to the budget line in order to ease the administrative process.

Title 5 -Reserve: The Working Capital allocated to Title 3 – NAA/QE outsourcing (7.6m) has been deducted from the reserve. During the 1st Amending Budget procedure the working budget of previous years is reinstated in the budget line.

2. Subsidy financed activities

Subsidy activities (Euro)	Draft Budget 2013 (EC Proposal)	Draft Budget 2013 (EASA Proposal)	1st Amending Budget 2012
Subsidy from the European Community	34,862,000	36,524,000	34,862,000
Third Countries contribution	1,718,000	1,799,000	1,718,000
Other Income	5,549,000	2,519,000	4,867,064
Total Income	42,129,000	40,842,000	41,447,064
Title 1 - Staff	26,186,000	25,999,000	24,860,000
Title 2 - Building, IT and related equipments	4,608,000	3,590,000	4,899,000
Title 3 - other operational cost	5,938,000	9,164,000	7,251,000
Title 4 - Special programmes	5,397,000	2,089,000	4,437,064
Total Expenditure	42,129,000	40,842,000	41,447,064

The Subsidy and Third Countries contribution have been updated compared to the Draft Budget (EASA proposal) 2013 taking into account a flat amount for the Subsidy. The staff evolution is in line with the approved MSPP 2013-2015.

The line Title 3–other operational costs has been impacted by a reduction of travel budget, external services and studies.

The planned Earmarked projects included in Title 4 – Special programmes are listed below.

Project (Euro)	2013	2014	2015	2016
AATIP	949,890	1,108,205	1,108,205	1,583,150
MASC	1,133,132	200,000		
IPAI	339,016	3,664		
TRACECA	1,427,310	250,000		
SATA	643,800	1,786,200	270,000	
CEMAC	570,000	1,410,000	220,000	
Safety-List	333,000	333,000	333,000	
Total	5,396,148	5,091,069	1,931,205	1,583,150

3. Temporary Agents at the end of the year (per department)

<u>Temporary Agents</u>	<u>Actual</u> <u>EOY 2012</u>	<u>SPP 2012</u> <u>(Ref only)</u>	<u>BP 2013</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>
C0 - Director's Office	3	3	3
C1 - Products	98	85	110
C2 - Experts	90	106	114
C4 - Certification Policy & Planning	6	6	7
C5 - ATM/ANS	2	2	2
Total C	199	202	236
<i>Delta year on year</i>			34
S0 - Director's Office	4	4	5
S1 - Standardisation	46	49	49
S2 - Organisations	60	65	69
S3 - Technical Training	11	10	12
S4 - Operators	14	17	22
Total S	135	145	157
<i>Delta year on year</i>			12
R0 - Director's Office	4	4	4
R1 - International Cooperation	16	15	16
R2 - Environmental Protection	4	5	4
R3 - Flight Standards	24	23	23
R4 - Product Safety	18	18	19
R5 - ATM/Airport	17	18	17
R6 - Process Support	13	14	14
R7 - Legal	14	14	15
Total R	110	111	112
<i>Delta year on year</i>			1
E0 - Director's Office	6	7	6
E1 - Communication	7	8	8
E2 - Strategic Safety Analysis & Research	17	18	18
E3 - Internal Audit & Quality	8	8	8
E4 - Policy Officers and Mail	5	3	4
E5 - Human Resources	18	19	22
E6 - SIRD	12	11	13
E7 - General Affairs Department	1	0	1
Total E	74	74	80
<i>Delta year on year</i>			6
F0 - Director's Office	4	4	4
F1 - Applications & Procurement Services	40	41	43
F2 - Finance Services	27	28	29
F3 - Information Services	15	19	21
F4 - Corporate Services	10	10	10
Total F	96	102	107
<i>Delta year on year</i>			5
Total Agency	614	634	692
<i>Delta year on year</i>			58
F&C financed	400	405	464
<i>Delta year on year</i>			59
Subsidy financed	214	229	227
<i>Delta year on year</i>			-2

Note: The existing posts have been decreased by 2 following the request of the Commission in the Draft Budget 2013.