

***European Aviation Safety Agency***

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## **ANNEX 1: EXPLANATORY NOTE**

## EXPLANATORY NOTE

The 2012 Budget has been prepared fully in line with the Business Plan 2012-2016 presented for adoption to this Management Board.

The Draft Budget 2012 presented to the Management Board in March 2011 has now been amended taking in to account the following elements:

- Reduction of the Subsidy amount by 1%;
- 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 2012 Provisional Budget is based on the assumption that the implementing rules related to the first extension will be adopted in April 2012 at the latest. This results in a headcount target of 634 TAs at the end of 2012, fully in line with the approved SPP 2012-2014.

## Final Budget Proposal

All activities (Euro)	Provisional Budget 2012	Draft Budget 2012	1st Amending Budget 2011
Income from Fees&Charges (Current year)	93,821,000	85,390,000	75,148,000
Income from Fees&Charges (Carry over)	18,974,670	27,135,133	24,742,671
Subsidy from the European Community	34,862,000	35,284,000	34,399,000
Third Countries contribution	1,718,000	1,732,000	1,692,000
Other Income	3,125,000	1,094,000	2,717,000
<b>Total Income</b>	<b>152,500,670</b>	<b>150,635,133</b>	<b>138,698,671</b>
Title 1 - Staff	69,425,000	69,276,000	61,696,000
Title 2 - Building equipments	13,949,000	14,604,000	14,212,000
Title 3 - NAA/QE outsourcing	40,127,000	31,961,000	28,842,000
Title 3 - other operational cost	15,961,000	13,893,000	13,741,000
Title 4 - Special programmes	2,089,000	158,000	1,233,000
Title 5 - Provisions	10,949,670	20,743,133	18,974,671
<b>Total Expenditure</b>	<b>152,500,670</b>	<b>150,635,133</b>	<b>138,698,671</b>

## 1. Fees and Charges Financed Activities

<b>Fees &amp; Charges activities (Euro)</b>	<b>Provisional Budget 2012</b>	<b>Draft Budget 2012</b>	<b>1st Amending Budget 2011</b>
Income from Fees&Charges (Current year)	93,821,000	85,390,000	75,148,000
Income from Fees&Charges (Carry over)	18,974,670	27,135,133	24,742,671
Other Income	606,000	506,000	492,000
<b>Total Income</b>	<b>113,401,670</b>	<b>113,031,133</b>	<b>100,382,671</b>
Title 1 - Staff	44,606,000	44,588,000	37,901,000
Title 2 - Building equipments	10,167,000	9,341,000	8,731,000
Title 3 - NAA/QE outsourcing	40,127,000	31,961,000	28,842,000
Title 3 - other operational cost	7,552,000	6,398,000	5,934,000
Title 5 - Provisions	10,949,670	20,743,133	18,974,671
<b>Total Expenditure</b>	<b>113,401,670</b>	<b>113,031,133</b>	<b>100,382,671</b>

Compared with the DB 2012, both Income (Income from Fees & Charges Carry over) and Expenditure (Title 5 – Provisions) have been corrected, including the negative final outturn of 2010 (- € 2.4m) and subtracting the Working Capital allocated to Title 3 – NAA/QE outsourcing (€ 8m).

The refinement of the assumptions on the transition period for new remits and more precise workload estimation generated an increase in Revenues of € 8.4m.

Regarding costs, the T1 increase is mainly linked to the evolution of the hiring plan, while the T3-NAA/QE outsourcing shows an increase linked to additional hours outsourced for the new activities and the Working Capital (as discussed during the 1<sup>st</sup> amending budget procedure 2010) allocated in order to ease the administrative process.

## 2. Subsidy financed Activities

Subsidy activities (Euro)	Provisional Budget 2012	Draft Budget 2012	1st Amending Budget 2011
Subsidy from the European Community	34,862,000	35,284,000	34,399,000
Third Countries contribution	1,718,000	1,732,000	1,692,000
Other Income	2,519,000	588,000	2,225,000
<b>Total Income</b>	<b>39,099,000</b>	<b>37,604,000</b>	<b>38,316,000</b>
Title 1 - Staff	24,819,000	24,688,000	23,795,000
Title 2 - Building equipments	3,782,000	5,263,000	5,481,000
Title 3 - other operational cost	8,409,000	7,495,000	7,807,000
Title 4 - Special programmes	2,089,000	158,000	1,233,000
<b>Total Expenditure</b>	<b>39,099,000</b>	<b>37,604,000</b>	<b>38,316,000</b>

The Subsidy and Third Countries contribution have been updated with the 1% reduction compared with the DB 2012. Staff evolution is in line with the MSPP 2012-2014.

### 3. Temporary Agents at the end of the year<sup>1</sup> (per department)

Temporary Agents	Actual 2010	Actual EOY 2011	BP 2012
			Total
C0 - Director's Office	4	3	3
C1 - Products	68	85	85
C2 - Experts	63	64	77
C3 - Flight Standards	23	28	29
C4 - Certification Policy & Planning	4	6	6
C5 - ATM/ANS	1	2	2
<b>Total C</b>	<b>163</b>	<b>187</b>	<b>202</b>
<i>Delta year on year</i>		25	15
S0 - Director's Office	4	4	4
S1 - Standardisation	41	46	49
S2 - Organisations	53	54	65
S3 - Technical Training	8	7	10
S4 - Operators	14	15	17
<b>Total S</b>	<b>120</b>	<b>126</b>	<b>145</b>
<i>Delta year on year</i>		6	19
R0 - Director's Office	3	4	4
R1 - International Cooperation	14	15	15
R2 - Environmental Protection	5	4	5
R3 - Flight Standards	20	21	23
R4 - Product Safety	15	17	18
R5 - ATM/Airport	16	17	18
R6 - Process Support	13	13	14
R7 - Legal	13	13	14
<b>Total R</b>	<b>99</b>	<b>104</b>	<b>111</b>
<i>Delta year on year</i>		5	7
E0 - Director's Office	4	5	7
E1 - Communication	7	8	8
E2 - Safety Analysis & Research	15	17	18
E3 - Internal Audit & Quality	7	8	8
E4 - Policy Officers and Mail	6	3	3
E5 - Human Resources	14	16	19
E6 - Internal Occurrence Reporting System	7	10	11
<b>Total E</b>	<b>60</b>	<b>67</b>	<b>74</b>
<i>Delta year on year</i>		7	7
F0 - Director's Office	4	4	4
F1 - Applications & Procurement Services	35	34	41
F2 - Finance Services	23	27	28
F3 - Information Services	14	14	19
F4 - Corporate Services	7	10	10
<b>Total F</b>	<b>83</b>	<b>89</b>	<b>102</b>
<i>Delta year on year</i>		6	13
<b>Total Agency</b>	<b>525</b>	<b>573</b>	<b>634</b>
<i>Delta year on year</i>		49	61
<b>F&amp;C financed</b>	<b>318</b>	<b>352</b>	<b>405</b>
<i>Delta year on year</i>		35	53
<b>Subsidy financed</b>	<b>207</b>	<b>221</b>	<b>229</b>
<i>Delta year on year</i>		14	8

<sup>1</sup> End of year 2011 snapshot based on situation known as of 22/11/2011 (including all agreed future staff movements)