

*Estimates of revenue and expenditure
of the Court of Justice
of the European Union
for 2019*

S U M M A R Y

	Page
I. INTRODUCTION	3
1. Trends in the judicial activity and other key developments in 2017	3
1.1 Analysis of statistics at the end of 2017	3
1.2 The perspective for 2018 and 2019	5
1.3 Creation of the ‘Judicial Network of the European Union’ (JNEU)	6
2. The scale of efficiency gains achieved	6
2.1 Initiatives taken by the courts and the registries.....	7
2.2 Initiatives taken at the level of support services.....	8
2.2.1 <i>Strict management of the requirements of full multilingualism</i>	<i>8</i>
2.2.2 <i>Reduction in the relative size of horizontal services</i>	<i>9</i>
2.2.3 <i>Buildings policy</i>	<i>9</i>
2.2.4 <i>Inter-institutional cooperation and cooperation with the authorities of the Grand Duchy of Luxembourg.....</i>	<i>9</i>
2.2.5 <i>The scale of the efficiency gains achieved</i>	<i>10</i>
3. The budget guidelines in the 2019 budget estimates	10
3.1 Current operating expenditure	11
3.1.1 <i>Respecting the obligations imposed on all the institutions of the Union and needs specific to the Court.....</i>	<i>11</i>
3.1.2 <i>Freeze on expenditure not related to salaries for current operation with additional resources for freelance translation.....</i>	<i>12</i>
3.2 Extraordinary expenditure	13
3.2.1 <i>Project for the fifth extension to the buildings of the Court and work to upgrade security measures for the Institution’s buildings infrastructure</i>	<i>13</i>
3.2.2 <i>Reinforcement of the General Court (completion of implementation of the reform of the European Union’s judicial structure).....</i>	<i>14</i>
3.2.3 <i>Development of an integrated case-management system</i>	<i>14</i>
4. Summary of changes in appropriations in the 2019 budget estimates	15
II. DETAILED ANALYSIS OF THE CURRENT OPERATING EXPENDITURE IN THE 2019 BUDGET ESTIMATES	16
1. Assumptions for 2019	16
1.1 General price levels	16
1.2 Level of adjustment of remunerations (appropriations in Chapters 10, 12 and 14)	16

2.	Staff trends	16
2.1	Reinforcements within the Institution's services.....	17
2.2	Conversion of posts	20
2.2.1	<i>Upgrading of permanent posts in connection with the promotion policy</i>	<i>20</i>
2.2.2	<i>Conversion of permanent posts in the services</i>	<i>20</i>
2.2.3	<i>Conversion of temporary posts in the cabinets</i>	<i>22</i>
3.	Trends in and analysis of variations in current operating expenditure (that is excepting extraordinary expenditure)	22
3.1	Preliminary observations and summary table of variations in appropriations	22
3.2	Explanatory notes on expenditure linked to Members and to salaries of staff.....	24
3.2.1	<i>Members</i>	<i>24</i>
3.2.2	<i>Expenditure linked to salaries of staff.....</i>	<i>25</i>
3.3	Explanatory notes on expenditure not related to salaries (apart from extraordinary expenditure).....	26
III.	REINFORCEMENT OF THE GENERAL COURT AS FROM 1 SEPTEMBER 2019 ...	33
1.	Introduction.....	33
2.	Explanatory notes on expenditure in Title 1.....	36
3.	Explanatory notes on expenditure in Title 2.....	37
IV.	BUILDINGS PROJECTS FOR THE FIFTH EXTENSION AND WORK TO UPGRADE SECURITY MEASURES FOR THE INSTITUTION'S BUILDINGS INFRASTRUCTURE	38
V.	'INTEGRATED CASE-MANAGEMENT SYSTEM' PROJECT	42
VI.	TECHNICAL AMENDMENTS TO THE STRUCTURE OF THE BUDGET	43

BUDGET ESTIMATES FOR 2019

I. INTRODUCTION

The purpose of this introduction is to recall the background to this new budgetary year in the light of developments in the activities of the Court of Justice of the European Union ('the Court' or 'the Institution') and to identify the budget guidelines which mark the 2019 budget estimates.

Following this introductory Chapter, Chapter II ('Detailed analysis of the current operating expenditure of the 2019 budget estimates'), describes precisely and in detail the various factors on which the budgetary requests submitted by the Institution for its operating budget are based; Chapter III sets out the requests linked to the reinforcement of the General Court in September 2019, in the context of the implementation of the third phase of the reform of the European Union's judicial structure; Chapter IV details the amounts linked to the large-scale buildings projects which the Court must handle, in particular the project for the fifth extension to its buildings, already approved by the budgetary authority (CJ9 project), and to the work to upgrade security measures for the Institution's buildings infrastructure (CJ10 project). Chapter V refers to the new integrated case-management system and Chapter VI proposes, for its part, technical amendments to the structure of the budget.

1. TRENDS IN THE JUDICIAL ACTIVITY AND OTHER KEY DEVELOPMENTS IN 2017

1.1 Analysis of statistics at the end of 2017

It is of fundamental importance to bear in mind that, unlike the other European Union institutions, which are able to control their workload or to set negative priorities, and unlike other supreme or higher courts, the judicial bodies of the Court are for their part unable to control the flow of incoming cases. It is, nevertheless, their task to do all they can to remain capable of dealing with those cases with the high level of quality required and within a satisfactory period of time.

The Court's Annual Report for 2017, directly accessible on the Institution's website (curia.europa.eu/jcms/AnnualReport), gives an account of the judicial activities of the Court of Justice and the General Court in 2017.

The Annual Report also contains all the statistics needed for an assessment both of the number of cases brought before the courts and of the number of cases closed and the duration of proceedings before the courts.

An analysis of those statistics reveals that the past year was marked by **very intense activity** in the two courts which make up the Institution. The overall number of cases brought before those courts in 2017 (1 656 cases) increased in comparison with 2016 (1 604). The number of cases closed in 2017 remained, for its part, at a very high level (1 594 cases, compared with 1 628 cases in 2016).

In particular, the Court of Justice saw a record number of cases brought in 2017 (739 cases, compared with 692 cases in 2016). That increase is due essentially to the rise in the number of requests for a preliminary ruling made to the Court of Justice, which rose to 533 in 2017, that is a 13% increase on the previous year.¹ The Court of Justice completed a similar number of cases as in 2016, with 699 cases closed as against 704 in 2016.

As regards the General Court, 2017 may be regarded as the first full year which put to the test that court's new organisation, established following the two first phases of the General Court's structural reform designed to enable it to deliver its mandate long term. Although the number of cases lodged in 2017 (917) fell slightly compared with the number of cases lodged in 2016 (974), the General Court's productivity increased considerably (+ 140 more cases closed than in 2016, or an increase of + 18.5%) following the inevitable dip in 2016 experienced by the General Court in the context of its triennial renewal and its internal reorganisation resulting from the reform. That productivity is set to grow further in 2018, during which time the General Court should be reaching its new cruising speed.

As regards the average duration of General Court proceedings, it should be noted this was once again reduced quite considerably, with an average of 16.3 months (that is a reduction of 2.4 months compared with 2016 and 10.6 months compared with 2013). The tendency witnessed for the past five years thus became noticeably more pronounced and did so in respect of all contentious matters.

As regards the Court of Justice, the average duration of proceedings regarding requests for a preliminary ruling remained relatively stable compared with 2016, at less than 16 months (15.7 months in 2017 compared with 15 months in 2016), which is still noteworthy in the light of the complexity of some of the legislation recently referred to the Court of Justice for interpretation. However, the average duration of appeal proceedings increased (17.1 months compared with 12.9 months in 2016), which can be largely explained by the completion over the past year of complex competition law cases.

Lastly, it is worth underlining that the number of cases at the General Court referred to an extended Chamber sitting with five judges increased very significantly, which is illustrative of

¹ The increase in the number of requests for a preliminary ruling can largely be explained by the lodging of a series of similar cases (43) seeking an interpretation of Regulation (EC) No 261/2004 concerning compensation to air passengers.

one of the methods of organisation and operation chosen by the General Court to pursue its objective — which it set itself in the context of the implementation of the reform of the European Union’s judicial structure — of maintaining its quality standards. Accordingly, in respect of the number of cases lodged, the proportion of cases referred to an extended Chamber bordered on 10% in 2017, which may be contrasted with the average number of such references made during the period preceding the reform of the judicial structure, which was in the region of 1% in the period 2010–2015.

As shown in the table below, **the trends in judicial activity over the period 2010-2017** are clear confirmation of the **distinct upward trend**, which, moreover, bears testimony to the confidence placed by national courts and tribunals and by litigants in the Courts of the European Union.

	2010		2017	% variation 2010-2017
Cases brought	1 406		1 656	17.7%
Cases closed	1 230		1 594	29.6%

The even greater rise in the number of cases closed (+ 30%), and the trend downwards in the length of the duration of proceedings before the General Court, call for particular attention, for they **constitute objective evidence of the constant endeavours** of the courts, aided by the support services, **to improve productivity**, endeavours detailed in Section 2.

1.2 The perspective for 2018 and 2019

For the years 2018 and 2019, it is to be expected that there will be an **increase in the number of cases annually closed by the General Court** once the first two phases of the reform of that court are fully effective, enabling the General Court to accelerate the reduction in the number of cases pending.

As regards the activity of the Court of Justice, an increase in the number of cases brought is expected in particular as regards requests for a preliminary ruling. In that connection, apart from the general trend towards an increase in such requests in recent years, it is envisaged that the withdrawal of the United Kingdom from the European Union may give rise to numerous new questions which the Courts of the EU-27 might submit to the Court of Justice. In addition, the activity of the Court of Justice cannot fail to be affected by the changes in the nature of litigation and the productivity of the General Court, in particular because of the **increased number of appeals**, which now includes appeals against judgments on civil service cases delivered by the General Court as the court of first instance, given that, in 2017, 22% of General Court decisions were the subject of an appeal.

Without any doubt, those trends represent an **immense challenge for all the support services**, notably the language services, taking into account the levels of productivity they have achieved and the severe cuts in staff numbers they have suffered pursuant to the application of the inter-institutional agreement on budgetary discipline, cooperation in budgetary matters and sound financial management (IIA²), which did not however take account of the specific context of the Court.

1.3. Creation of the ‘Judicial Network of the European Union’ (JNEU)

At the Meeting of Judges organised in March 2017 in the context of the 60th anniversary of the Treaties of Rome, it was decided to create the ‘Judicial Network of the European Union’ comprising the Constitutional and Supreme Courts of the Member States, which is coordinated by the Court. That network, operational since 1 January 2018, seeks to reinforce the cooperation between the Court and the national courts by means of a multilingual platform which will enable them to share, in a perfectly secure environment, a range of information and documents intended to promote mutual knowledge of the case-law of the European Union and that of the Member States, and the deepening of the dialogue between the Court of Justice and the national courts in the context of requests for a preliminary ruling.

2. THE SCALE OF EFFICIENCY GAINS ACHIEVED

In addition to the legislative decisions adopted to deal with the increase in its judicial activity, the Court has for several years explored, at the level of the courts and at the level of support services, all avenues that might enable it best to pursue the prime objectives of quality and speed in the handling of cases.

Accordingly, and for a better understanding of the challenges to be met and the directions to be followed in 2019, it is important to bear in mind both the reforms of working methods implemented and the extent of the efficiency gains made.

² That agreement was concluded on 2 December 2013 by the European Parliament, the Council and the Commission as part of the adoption of the 2014-2020 multiannual financial perspective and imposes a reduction of staff numbers by 5% over the 2013-2017 period, at a rate of - 1% per annum.

2.1 Initiatives taken by the courts and the registries

The very significant increase in the productivity of the courts, described above, is primarily the fruit of the following initiatives:

- Improvement of the regulatory framework

The Court's activity takes place within a very strict framework of rules designed to guarantee the proper administration of justice and equal treatment of all parties, the **reform of the Rules of Procedure of the courts** (submitted for the approval of the Council) offering a valuable opportunity to enhance efficiency in dealing with cases. In recent years, each of the courts has adopted new Rules of Procedure.

In addition to the necessity of adapting the Rules of Procedure to the reality of the actions currently brought before the courts, one of the major objectives of those amendments to the rules is to foster the increased use of the various procedural instruments that allow the handling of certain cases to be accelerated while having due regard to the requirements of a fair hearing.

- Working methods and tools of the courts and the registries

The increasing number of cases brought before the Court also necessitates some measures of organisation, inter alia:

- (a) changes made with a view to streamlining work within the courts, in relation, for example, to the composition of Chambers or rules for the allocation of cases;
- (b) measures linked to performance evaluation, definition of objectives and monitoring of cases, aided in particular by more efficient IT tools;
- (c) substantial progress in the digitalisation of flows of documents inherent in the activity of the courts, the digitalisation of flows of documents upstream of the judicial decisions having been the first priority. The **e-Curia** application constitutes crucial progress in the exchange of documents with parties, without which the registries of the courts could not have coped with the challenge of the considerable growth in the number of cases brought. In 2017, more than 3 700 access accounts were opened and all Member States have made use of the application; the percentage of documents lodged by means of e-Curia reached 81%, as compared with 38% in 2012. At the same time, digitalisation of flows of documents downstream of judicial decisions, associated with the dissemination of the case-law of the Court, was achieved by the replacement of the old paper reports with **electronic case-law reports**.

2.2 Initiatives taken at the level of support services³

The following paragraphs indicate the main directions taken with a view to increasing efficiency gains within the support services.

2.2.1 *Strict management of the requirements of full multilingualism*

The Court's rules on the use of languages are notable for the fact that every one of the official languages of the Union can be the language of a case.⁴ The Court is required to observe the principle of multilingualism in full in order to communicate with the parties in the language of the case and to ensure that the case-law is disseminated in every one of the Member States.

Such requirements, together with the growth in the volume of litigation, readily explain why the objective of **greater efficiency in the area of languages** has for a long time been an **absolute priority**, above all **in order to avoid a bottleneck that will delay the handling of cases** by the courts.

That is why, so far as translation is concerned, **numerous measures, leading to savings, have been taken by the courts**, such as, inter alia, selective publication of the case-law; summarising of requests for a preliminary ruling; reduction in the length of Opinions of Advocates General; publication by extracts of certain particularly long decisions, and dispensing with chronological and subject-matter tables in the former paper Case Reports. Without those measures, the number of pages to be translated in 2017 (which was slightly more than 1.1 million pages) would have exceeded 1.5 million pages. The result is accordingly a substantial saving in lawyer-linguist posts, the creation of which would otherwise have been essential.

At the same time, and with regard still to translation, the **provision of ever more efficient IT tools** plays a fundamental role, especially in the areas of **pre-treatment of documents** and of **computer-assisted translation** (software used by the language services of the European Union institutions). Further, **reinforcing the management of terminology work** also makes it possible for research to be centralised and made financially viable for the purpose of furthering its systematic use.

On the same lines, and so far as concerns **interpretation**, the procedural and organisational measures taken by the courts with regard to hearings have made it possible to contain interpretation needs.

³ Support services include all the services of the Court with the exception of the *cabinets* and registries.

⁴ No court, either national or international, is required to conduct its procedures in as many different languages.

2.2.2 *Reduction in the relative size of horizontal services*⁵

In the context of the very substantial growth in judicial activity, it is of fundamental importance to increase or, at the very least, maintain the work capacity of the *cabinets* and services very directly associated with judicial work. For that reason, it is important to organise as efficiently as possible the so-called horizontal services. **The relative size of those services has thus fallen from 16.5% of all staff in 2007 to only 14.3% at the end of 2017.**

However, it is plain that the size of the horizontal services is now at a minimum, since those services are fully committed, in particular in the context of the reductions over the last five years.

2.2.3 *Buildings policy*⁶

Like most of the institutions, the Court has been prompted to follow a **policy of purchase**, which, as shown by the Court of Auditors in its Special Report No 2/2007, is **markedly more advantageous** than a policy of leasing (essentially because of the exemption from VAT on the costs of construction to which the institutions are entitled, but also because of the provision of land free of charge by the Government of the Grand Duchy of Luxembourg).

2.2.4 *Inter-institutional cooperation and cooperation with the authorities of the Grand Duchy of Luxembourg*

For an institution of the size of the Court, inter-institutional cooperation has always been a **strong driver of savings** used in all areas in which this is possible. That is the case in the following areas in particular:

- **languages** (in particular for the development of inter-institutional IT tools in the area of terminology or assistance to translation);
- **IT** (inter-institutional calls for tenders and inter-institutional agreements represent more than 95% of expenditure on hardware and telecommunications and more than 35% of expenditure on services; the Commission or the Council accommodate the infrastructure of several major applications used by the Court);
- **management of personnel and finance** (through inter-institutional applications such as NAP, Sysper 2 or SAP, or cooperation with EPSO and PMO);
- **and publication** (through the Publications Office).

⁵ The horizontal services include the personnel, finance, IT, logistics, buildings, protocol and communication services.

⁶ The Court's requests for appropriations are made from a well-defined multi-annual viewpoint, described in greater detail in the report on building investment covering the years 2017-2022.

Likewise, **in the area of buildings**, besides the regular cooperation with OIL (inter-institutional contracts for energy, insurance, technical assistance ...), the major projects of construction and renovation have all benefited from close collaboration with the authorities of the Grand Duchy of Luxembourg with, as a result, significant savings on funding and on staff.

2.2.5 The scale of the efficiency gains achieved

All the measures of organisation and modernisation adopted by the Court, including in particular those described in Sections 2.2.1 to 2.2.4 above, have made it possible to achieve very significant efficiency gains both in terms of posts and of appropriations.

(a) Efficiency gains in terms of posts

The scale of the efficiency gains in terms of posts achieved in the period 2010-2017 can objectively be assessed by considering that the number of cases closed increased by about 30% notwithstanding the reduction in support service staff.

Lastly, it must be recalled that the **high rate of occupation of posts** (97% in 2017) constitutes a relevant indicator of very intense use of the posts made available to the Court by the budgetary authority.

(b) Savings in terms of appropriations

The above-mentioned savings in posts are reflected in a significant saving in budget appropriations. To those must be added the savings linked to the policy of purchasing buildings and savings resulting from progress in the digitalisation of the flow of documents (reduction in the consumption of paper and postage costs, and the costs of publishing and disseminating the reports of case-law).

3. THE BUDGET GUIDELINES IN THE 2019 BUDGET ESTIMATES

As in previous years, the Institution's budget has been drawn up with the aim of taking account of the **recommendations of budgetary rigour** issued both by the budgetary authority,⁷ and by the Commission.⁸

⁷ See conclusions of the Council of 20 February 2018 on the budget guidelines for 2019.

⁸ Letter from Mr Oettinger, member of the European Commission, sent to the various institutions dated 21 December 2017.

The Court has drawn up its 2019 budget estimates taking into account the following requirements and priorities:

Current operating expenditure

- to respect the obligations imposed on all the institutions of the Union (in relation to salary adjustments and Brexit) and particular obligations specific to the Court (creation of posts in order to deal with new activities and/or the considerable increase in workload);
- to ensure compliance with the freeze on non-salary related current operating expenditure, while providing for the necessary resources for freelance translation, enabling the Court, inter alia, to ensure that the proper functioning of its judicial activity is not jeopardised by bottlenecks in the area of languages;

Extraordinary expenditure

- to complete the third phase of the reform of the judicial structure of the European Union with the arrival of eight additional judges at the General Court in September 2019;
- to respect the timetable and budget for the work on the fifth extension of the Court's buildings and enable that new building to be occupied in September 2019, and to continue work on the upgrading of security measures for the Institution's buildings infrastructure;
- to launch the development of an integrated case-management system, enabling an increase in efficiency in the management of cases, currently managed by a multiplicity of poorly integrated and partly old IT applications, as recommended by the Court of Auditors in its Special Report No 14/2017 on *Performance review of case management at the Court of Justice of the European Union*, published in September 2017.

Sections 3.1 to 3.4 below set out in detail the resulting budgetary consequences.

3.1 Current operating expenditure

3.1.1 Respecting the obligations imposed on all the institutions of the Union and needs specific to the Court

As in previous years, the assumptions made with respect to the adjustment of remunerations communicated by the Commission (see Section 1.2 of Chapter II), and the application of the provisions of the Staff Regulations (in particular concerning advancements in step and promotion) constitute the primary factor in the change of expenditure in Title 1 relating to the Members and to staff (EUR 7.76 million).

As regards variations linked to renewals of the terms of office of judges of the courts, the renewal assumptions made indicate an overall increase in appropriations of EUR 0.9 million.

Those factors result in there being in 2019 an increase in expenditure with respect to the Members and staff of EUR 8.66 million, out of a total increase of almost EUR 9.55 million in expenditure on salaries and expenditure linked to the Members.

3.1.2. Freeze on expenditure not related to salaries for current operation with additional resources for freelance translation

The Court has endeavoured to meet the Commission's recommendation that it should ensure that expenditure not related to salaries (apart from extraordinary expenditure) is frozen, which is not without its difficulties in view of the fact that much of that expenditure is subject to contract indexing, which must necessarily be offset by reductions in other expenditure.

The Court has met that recommendation while providing for additional resources for freelance translation. Those additional resources are essential given that multilingualism permeates all aspects of its judicial activity.

For a number of years, the increase in judicial activity has constituted a major challenge for the translation service, which has seen its workload increase by nearly 200 000 pages in the 2013-17 period at the same time as it contributed to the process of surrendering posts. Since the beginning of that process in 2013, the translation service has surrendered 60 of the total 923 posts which it had at the end of 2012, which is around 60% of the reduction in posts imposed on the Court in the 2013-2017 period. Yet, in the multilingual and multicultural reality of the European Union and having regard to the diversity of its legal systems, the translation service contributes, in doing what it does, to ensuring that individual litigants are treated equally (access to the Courts of the European Union), that proceedings are conducted properly (timely translation of procedural documents, since any failure may cause a serious bottleneck in dealing with cases), and that citizens are aware of the Court's case-law.

During the first two months of 2018, the number of pages to be translated has increased by approximately 11% compared with the number of pages to be translated recorded during the same period of 2017. For 2019, the Institution expects a significant increase in the number of pages to be translated, in particular because of the anticipated increase in the number of cases brought before the Court of Justice and the increased productivity of the General Court.

To recall, the Court had already submitted a request for an increase in appropriations of EUR 1.2 million for the freelance translation services to be obtained in 2018, a request which was not accepted by the Commission and, accordingly, was not included in the European Union's consolidated draft budget for that year.

In those circumstances, the Court resubmits its request, considering that it is essential to increase the **appropriations relating to external translation services** in a total amount of EUR 1.2 million.

Notwithstanding that increase, current operating expenditure not related to salaries shows an overall reduction of EUR 2 317 609, namely - 0.57% of the total 2018 budget.

3.2 Extraordinary expenditure

3.2.1 *Project for the fifth extension to the buildings of the Court and work to upgrade security measures for the Institution's buildings infrastructure*

At the end of 2017, the greater part of the buildings of the Institution were in the course of being purchased (approximately 80% of occupied areas), only one building still being leased. The proposed fifth extension to the buildings of the Court (construction of the third tower), which has received the approval of the budgetary authority,⁹ will make it possible to vacate that last leased building and gather all the staff of the Court on a single site in 2019. The saving of the order of EUR 100 million that will be achieved over the 25 year depreciation period for that fifth extension, compared with the continuation of a policy of leasing, clearly shows the value of the chosen policy of purchase.

The continuation of work, commenced in 2016, and the move to the new building and its occupation in 2019, require an increase in appropriations in a number of items of the Court's budget (EUR 7.8 million in total, set out in detail in Chapter IV).

In addition, in 2019 the Court will continue the work, which will have commenced in 2018, for upgrading security measures for its buildings infrastructure (alteration of access to the Institution's buildings, including the realisation of infrastructures *extra muros* for the control of access, perimeter protection for the whole of the Court's buildings complex, protection of glass surfaces, inter alia). That investment, programmed in close cooperation with the Luxembourg authorities, will be the subject, before being initiated in the coming months, of an approval request to the two arms of the budgetary authority pursuant to Article 203 of the Financial Regulation. The total estimated amount for those works is EUR 27.1 million.

The continuation of those works in 2019 requires an increase in appropriations in a number of items of the Court's budget (EUR 1.3 million in total, set out in detail in Chapter IV).

⁹ Following the notification made pursuant to the provisions of Article 203(5) of the Financial Regulation, the Court received, in July 2011, the agreement of the Council and also the agreement, provisionally, of the European Parliament. The Parliament's final agreement was confirmed on 1 April 2015.

Those two extraordinary items of expenditure in 2019 therefore account for a request for additional appropriations in the amount of EUR 9.1 million, representing an increase in appropriations in relation to the total 2018 budget of + 2.23%.

3.2.2 Reinforcement of the General Court (completion of implementation of the reform of the European Union's judicial structure)

After the first and second phases of the reform of the European Union's judicial structure resulting from Regulation (EU, Euratom) 2015/2422 of the European Parliament and of the Council of 16 December 2015 amending Protocol No 3 on the Statute of the Court of Justice of the European Union (OJ 2015 L 341, p. 14), which led to the appointment of 18 additional judges to the General Court,¹⁰ the third phase of the reform will take place during the partial renewal of the General Court in September 2019. The number of General Court judges will then be increased by eight additional judges, which will bring their total number to 54 judges, that is two judges per Member State.¹¹

The extraordinary expenditure in 2019 linked to that reinforcement of the General Court accounts for a request for additional appropriations of EUR 2.27 million, set out in detail in Chapter III, representing a + 0.55% increase in appropriations compared with the total 2018 budget.

3.2.3 Development of an integrated case-management system

At present, the flows of documents and information relating to judicial processes are managed by a multiplicity of poorly integrated and partly old IT applications. Several applications must be accessed in order to find all the information concerning the same case. That situation has major drawbacks and it is, therefore, essential to develop an integrated case-management system intended, in particular, to replace the current tools for the judicial information system (Litige, e-Curia) and for the monitoring of translations (Suivi II).

In its special report No 14/2017, mentioned above, the Court of Auditors considers that an integrated case-management system should provide for efficiency gains, limit the need for duplication, minimise the need for manual input and reduce the need to support a large number of obsolete applications.¹²

¹⁰ The procedure which will lead to the appointment of the final judge in the context of the first phase of the reform is still underway.

¹¹ Regulation 2015/2422 provided, under the third phase of the reform, for the arrival of nine additional judges at the General Court. However, given that the withdrawal of the United Kingdom from the European Union is envisaged for 30 March 2019 and that one of the nine additional judges provided for that phase was to be a British national, it was decided that only eight additional judges will finally take up their duties in September 2019.

¹² The Council supports that recommendation of the Court of Auditors in its conclusions of 7 and 8 December 2017 on special report No 14/2017.

Such a system will, therefore, ultimately contribute to the quality of justice objective pursued by the Institution, in enabling relevant and reliable information to be made available to the courts and services of the Court, at each stage of the judicial procedure, documents and information to be exchanged more readily with the parties and with the national courts and citizens of the Union, a contribution to be made to streamlining judicial processes, and work procedures to be digitalised further.

That project is multiannual in nature and should, therefore, be continued in 2020 and 2021. The total cost of that project, at this stage, is estimated at EUR 11 million over three years.

That extraordinary expenditure accounts for a request for additional appropriations for 2019 in the region of EUR 3 million, representing a + 0.74% increase in appropriations in relation to the total 2018 budget.

4. SUMMARY OF CHANGES IN APPROPRIATIONS IN THE 2019 BUDGET ESTIMATES

The table below summarises the variations in appropriations in the Court's budget estimates for 2019 compared with the 2018 budget estimates and details the effect on the budget of the requests relating to current operating expenditure and extraordinary expenditure described in Section 3 above.

Budget estimates 2019 (figures in EUR)

TOTAL AMOUNT OF THE 2018 BUDGET	410 025 089	%
Current operating expenditure	+7 230 741	1.76%
<i>Expenditure linked to Members</i>	<i>+1 418 300</i>	<i>0.35%</i>
<i>Brexit (- three Members)</i>	<i>-332 250</i>	<i>-0.08%</i>
<i>Expenditure on salaries (staff)</i>	<i>+8 462 300</i>	<i>2.06%</i>
<i>Expenditure not related to salaries</i>	<i>-2 317 609</i>	<i>-0.57%</i>
Extraordinary expenditure in 2019	+14 427 920	3.52%
<i>Reinforcement of the General Court (+ eight judges)</i>	<i>+2 270 000</i>	<i>0.55%</i>
<i>Building projects for the fifth extension and the upgrading of security measures for the Institution's buildings infrastructure</i>	<i>+9 137 920</i>	<i>2.23%</i>
<i>Project for an integrated case-management system</i>	<i>+3 020 000</i>	<i>0.74%</i>
Total variations	21 658 661	5.28%
TOTAL AMOUNT OF THE 2019 BUDGET	431 683 750	

II. DETAILED ANALYSIS OF THE CURRENT OPERATING EXPENDITURE IN THE 2019 BUDGET ESTIMATES

1. ASSUMPTIONS FOR 2019

The expenditure estimates have been made taking account of the guidelines sent by the Commission to the other institutions on 21 December 2017 so that the budget estimates for 2019 may be presented on the basis of co-ordinated, harmonised procedures.

1.1 General price levels

The Commission estimates, by way of guidance, that the general level of prices in Luxembourg will rise by an average of about 1.9% in 2019.

1.2 Level of adjustment of remunerations (appropriations in Chapters 10, 12 and 14)

The assumed rates of adjustment to remunerations proposed by the Commission come to + 2% per annum for the 2018 year of adjustment (12 months' effect on the budget for 2019), and to + 2.3% per annum for the 2019 year of adjustment (6 months' effect on the budget for 2019).

2. STAFF TRENDS

Notwithstanding the need to maintain a policy of budgetary rigour also as regards posts, as advocated by the Commission, the Court is obliged to submit certain very targeted requests for the creation of posts which are essential in order to meet the requirements, in particular, of new activities (creation of the 'Judicial Network of the European Union', coordinated by the Court; development of the new integrated case-management system), the requirement to protect the Members, staff and visitors of the Institution, and the requirement to strengthen the horizontal language-service units by the addition of four AST posts to enable those services to maintain their productivity and the quality of their work despite the increase in workload commensurate with the surrender of 64 budgetary posts.

Those requests must be analysed in the light of the following three essential factors:

(a) Large-scale structural changes without reinforcement of the services

As regards the reform of the European Union's judicial structure approved in December 2015 which, in due course, will double the number of judges at the General Court, the Court decided, when submitting its reform proposals to the legislative authority, to request only posts for the *cabinets* of the judges and the Registry of the General Court, notifying the legislative authority that a subsequent request would be sent to the budgetary authority in order to strengthen the support services for judicial activity, linguistic and horizontal, which was never done because of the staff-reduction policy imposed on the EU institutions.

(b) Removal of 5% of posts during the period 2013-2017 (6.5% for the Registry of the Court of Justice and the services)

The Court achieved in the 2013-2017 period the objective imposed on it of reducing by 5% the number of staff in place as at 1 January 2013. Accordingly, a total of 98 posts were removed in that period, care being taken to maintain in full resources allocated to the *cabinets* of the courts, which necessarily required cuts on the Registry of the Court of Justice and the services to be more severe (their staff numbers being reduced by 6.5% over that period), and in particular a substantial amputation from translation resources.

(c) The scale of the efficiency gains achieved and the limits reached

The scale of the efficiency gains achieved over recent years has enabled a 30% increase in the number of cases closed over the period 2010-2017, notwithstanding the reduction in the staff of the services during that period. However, those efficiency gains have now reached a limit and it would be unrealistic to believe that the services of an institution whose workload increased by 18% in terms of the new cases brought during the period 2010-2017 could ensure the continuity of their operations without jeopardising quality in the absence of a number of targeted reinforcements.

Next, it has also been decided that the Court will continue its efforts to achieve redeployments and to seek efficiency, in requesting a limited number of conversions of posts.

Those reinforcements and upgrading of posts proposed under that approach will in turn be examined in sections 2.1 and 2.2 below.

2.1 Reinforcements within the Institution's services

The Court requests the **creation of 16 new posts** in respect of the following services and functions:

Information Technology Directorate (Four permanent AD 7 posts)

In the conclusions of its special report No 14/2017, the Court of Auditors recommended to the Court that it should develop an integrated IT system to support case management.

The establishment of that integrated system will in the medium term replace a large part of the Court's IT applications, and requires significant resources, both in terms of budget and staff with project management skills and IT expertise.

The work on that integrated system must begin swiftly. At the same time, the old applications must continue to be made to work. In order to meet that challenge, the Information Technology Directorate should have at its disposal four additional administrators at an entry grade appropriate to the difficulty of the task to be performed (AD 7).

Directorate-General for Multilingualism (Four permanent AST 1 posts)

The Directorate-General for Multilingualism's strategy to maintain its productivity and the quality of its work, despite the structural increase in workload commensurate with the removal of 64 budgetary posts between 2013 and 2017, has consisted in focussing on training, terminology, IT and outsourcing. This has resulted in an increasing workload for the horizontal units responsible for those areas.

Consequently, the 'Planning and external translation' unit needs an additional AST post in order to manage the growing number of framework contracts (+ 33% between 2013 and 2017) as a result of 23 new public tendering procedures having been held for external translation in 2017.

In addition, the 'Multilingualism tools' unit needs an additional AST post in order to keep up with the electronic publication of the case-law reports which has produced substantial savings in recent years.

As regards the team in charge of training within the Directorate-General, comprising 2 ASTs for a population of 900 people, the reinforcement by one AST post is necessary in order to organise (planning, dissemination, logistics, administrative and pedagogical follow-up) the entire training provided by the service. By way of information, this small two-person team organised 485 training sessions in 2017, that is two per working day.

Lastly, within the Interpretation Directorate, the 'Hearings and resources' unit needs an additional AST post for preparing the files for freelance interpreters, for welcoming those external staff and for distributing documentation before hearings.

Research and Documentation Directorate

(two permanent posts: one AD 7 and one AST 3)

Those two posts are necessary for the administration and monitoring of the new ‘Judicial Network of the European Union’. They must also work with the Information Technology Directorate in establishing a new integrated case-management system, with the Research and Documentation Directorate being called upon to play a dominant role in the discussions on the implementation of that new tool.

Data protection officer (one permanent AD 9 post)

The system in place at the Court for the protection of personal data is formed by a data protection officer (‘the DPO’) on a part-time basis (task performed by a director),¹³ assisted by an AD 5 administrator. However, that system is inadequate to meet the challenges arising from the reform of the European data protection framework, which includes the recasting of Regulation No 45/2001 currently being examined by the legislative authority. In consequence of that recasting, the workload of the DPO of the Court will increase appreciably. In the context of the recasting, those responsible for the processing of data by the courts will be subject to the obligations stemming from the principle of liability, including in particular the obligations to document the processing and to conduct impact analyses, and the DPO will have an important advisory role to play in that connection. Accordingly, it appears essential to create a separate post at the Court intended for a full-time DPO (in line with the practice followed by the European Parliament, the Council and the Commission).

Directorate for Buildings and Security

(five permanent posts: one AD 5, three AST 3 and one AST 1)

The AD 5 post and two of the three AST 3 posts are intended to reinforce the staff of the ‘Buildings management’ unit. The AD 5 post holder would be responsible for developing the architectural maintenance policy (structural and other maintenance) of the Institution’s entire building stock. One of the AST 3 posts would reinforce the team responsible for monitoring the contract for the operation and maintenance of the technical installations, following the bringing into operation of the third tower during the second half of 2019, on the one hand, and would be required to assist with monitoring the operation, maintenance and servicing issues relating to the Court’s buildings, on the other. Lastly, the second AST 3 post would reinforce the team in charge of monitoring the contracts for the installation of additional technical equipment, also in the context of the bringing into operation of the third tower and the context of the work to upgrade security measures for the Institution’s buildings infrastructure.

The purpose of the other two posts, one AST 3 post and one AST 1 post, will be to manage and assist the new team of close protection officers (6 contract agents) who, in the context of a process of the partial bringing in-house of certain security services, will be responsible for

¹³ The duties of the deputy DPO are performed by a head of unit, who also performs this role on a part-time basis.

ensuring protection inside the Institution's premises and for accompanying the Members of the Institution as they move around. In particular, the AST 1 post would be responsible for the steps to be taken in order to obtain armed activity authorisations and firearm accreditations and for the monitoring of training programmes and of the specific monthly training.

The effect on the budget of the present request for the creation of 16 posts, during a six-month period in 2019, is EUR 789 000, including costs of EUR 178 000 related to entry into the service.

2.2 Conversion of posts

2.2.1 *Upgrading of permanent posts in connection with the promotion policy*

Article 6(2) of the Staff Regulations guarantees that, for each institution, the posts vacant in every grade on 1 January of the budget year are sufficient to permit the promotion of officials in line with the percentages fixed by the Staff Regulations (see Annex 1, Section B and Article 9 of Annex XIII) for every grade, those percentages being applied to the number of officials in the lower grade in active employment on 1 January of the preceding year.

For the implementation of that provision of the Staff Regulations, the following upgradings should be made:

5 AD 13 to AD 14, 42 AD 7 to AD 8, 5 AD 5 to AD 6 and 30 AST 3 to AST 4.

The effect on the budget of those upgradings is EUR 339 000.

It is pointed out that the abovementioned provisions of the Staff Regulations guarantee a level of availability of posts but do not in any way require the corresponding promotions to be made. Promotion may be given only to those officials with sufficient merit.

2.2.2 *Conversion of permanent posts in the services*

The Court pursues a **resolute redeployment policy**, taking account of the fact that certain tasks or certain jobs are increasingly sophisticated and require much more highly qualified profiles. That policy is all the more necessary in the context of the current budgetary restraint, since those profiles are precisely those which are best able to participate in the development of new methods or more efficient IT tools which guarantee future productivity gains. That policy, traditionally supported by the budgetary authority, goes hand in hand with certain targeted upgradings, which it may be added are inexpensive in budget terms. Accordingly, the Court intends to continue in 2019 its efforts to achieve redeployments and to seek efficiency, and requests some conversions of posts for its services.

Those upgradings make it possible to accelerate recruitment by making maximum use of lists of EPSO competitions organised at higher levels (AST 3 or AD 7), precisely to take account of changes in jobs and qualifications.

The upgradings requested to this end in the 2019 budget come to a total of six and relate to the following services:

- Directorate for Buildings and Security: the upgrading of one AD 5 post to an AD7 post in order to ensure the appropriate monitoring of large-scale and highly-complex construction projects. That monitoring requires extensive experience in several areas: design of buildings and related technical equipment; follow-up of calls for tender; verification of progress of work as regards quality, quantity and timing; verification of invoices and accounts; management of taking delivery and bringing into operation; and management of guarantees and latent defects. In the current context of the Luxembourg employment market, and in the light of the experience required for that post, an AD 5 entry-level grade is not competitive in relation to the remuneration offered in the private sector for similar posts.
- Information Technology Directorate: upgrading of one AST 3 post to one AD 7 post in order to contribute to the establishment of the new integrated case-management system.
- Directorate for Human Resources and Personnel Administration: the upgrading of four AST 3 posts to four AD 5 posts is justified by the inherent difficulty of certain tasks performed within the Directorate which, despite the excellent skills of those responsible, requires the intervention of more highly-qualified staff. That request forms part of the directorate's operating policy seeking to 'do more with less' in a context of the continual reduction of the ratio 'staff of the Directorate for Human Resources and Personnel Administration/staff of the Institution'. In that context, the Directorate proceeds, in particular, with outsourcing and the increased computerisation of the administration of certain entitlements under the Staff Regulations in order to focus its own resources on improving the Institution's human resources management. The upgrading involves entrusting to officials in the AD function group, under the supervision of the heads of unit, responsibilities for the development of policies, for horizontal coordination and for quality control in certain of the Directorate's spheres of activity.

The effect on the budget of all those conversions is EUR 128 000.

2.2.3 *Conversion of temporary posts in the cabinets*

It is also requested that three AST/SC 3 temporary posts be upgraded to AST/SC 5 in order to be able to proceed with reclassifications within the *cabinets*. The effect on the budget of those three upgradings of temporary posts amounts to EUR 45 000.

3. TRENDS IN AND ANALYSIS OF VARIATIONS IN CURRENT OPERATING EXPENDITURE (THAT IS EXCEPTING EXTRAORDINARY EXPENDITURE)

3.1 Preliminary observations and summary table of variations in appropriations

In general terms, in 2019 80% of the appropriations linked to operating expenditure are allocated to expenditure in Title 1 ‘Persons working with the institution’ (EUR 330.5 million) and 20% to expenditure in Title 2 ‘Buildings, furniture, equipment and miscellaneous operating expenditure’ (EUR 80.4 million).

The total **estimated revenue** in 2019, for the part relating to the current budget, amounts to EUR 55.8 million as compared with EUR 55.5 million in 2018.

In that connection, the presentation of the 2019 budget estimates was established on the basis of the distinction drawn by the European Commission, applicable to all the institutions, between three large groups of expenditure: expenditure linked to the Members, expenditure on salaries linked to staff and non-salary related expenditure.

According to that distinction, expenditure on salaries corresponds to almost all the expenditure in Chapter 12 ‘Officials and temporary staff’ (with the exception of line 1204 ‘Entitlements related to entering the service, transfer and leaving the service’) and to three budget lines of Chapter 14, namely: item 1400 ‘Other staff’, including special advisers and contract agents, item 1404 ‘In-service training and staff exchanges’, including detached national experts and paid trainees, and item 1405 ‘Other external services’.

In turn, the non-salary-related expenditure corresponds essentially to all the expenditure in Title 2 ‘Buildings, Furniture, Equipment and Miscellaneous Operating Expenditure’, in addition to certain expenditure in Chapter 14 (item 1406 ‘External services in the linguistic field’) and all the expenditure in Chapter 16 ‘Other expenditure relating to persons working with the institution’.

The following table sets out the development in current operating expenditure, that is excluding extraordinary expenditure, between 2018 and 2019.

<i>Budget Titles and Chapters</i>	2018 Budget	2019 Budget	Total Var. in appropriations	
	Current	Current	Δ in EUR	Δ in %
10 Members of the institution	34 608 700	35 694 750	1 086 050	3.14
12 Officials and temporary staff (expenditure on salaries)	252 547 200	260 228 000	7 680 800	3.04
12 Officials and temporary staff (expenditure not related to salaries)	2 031 800	2 259 000	227 200	11.18
14 Other staff and external services (expenditure on salaries)	9 128 500	9 910 000	781 500	8.56
14 Other staff and external services (expenditure not related to salaries)	14 611 500	15 919 000	1 307 500	8.95
16 Other expenditure relating to persons working with the institution (expenditure not related to salaries for the chapter as a whole)	6 236 500	6 460 500	224 000	3.59
Total expenditure on salaries in Title 1	261 675 700	270 138 000	8 462 300	3.23
Total expenditure not related to salaries in Title 1	22 879 800	24 638 500	1 758 700	7.69
Total in Title 1	319 164 200	330 471 250	11 307 050	3.54
20 Buildings and associated costs	59 660 318	56 090 009	-3 570 309	-5.98
21-Article 210 IT	17 700 500	17 700 000	-500	0.00
21-23-25-27 Other expenditure	7 064 000	6 558 500	-505 500	-7.16
Total in Title 2 (expenditure not related to salaries)	84 424 818	80 348 509	-4 076 309	-4.83
Title 3 Court's expenses (expenditure not related to salaries)	59 000	59 000	0	0.00
Title 10 Other expenditure	0	0	0	0.00
Budget Total	403 648 018	410 878 759	7 230 741	1.79

Total Members	34 608 700	35 694 750	1 086 050	3.14
Total expenditure on salaries	261 675 700	270 138 000	8 462 300	3.23
Total expenditure not related to salaries	107 363 618	105 046 009	-2 317 609	-2.16

3.2 Explanatory notes on expenditure linked to Members and to salaries of staff

3.2.1 Members

The appropriations in Chapter 10 increase by EUR 1 086 050, or by + 0.27% of the total 2018 budget. That variation takes into account the effect on the budget of the departure of three Members in the context of Brexit (one judge at the Court of Justice, one Advocate General at the Court of Justice and one judge at the General Court), on 30 March 2019, in accordance with the guidelines issued by the Commissioner in charge of Budget and Human Resources in his letter to the Presidents of the institutions of 21 December 2017.

In that connection, the budget savings stemming from that departure are evaluated at EUR 332 250 over a nine-month period in 2019. That amount stems from the difference between, first, the savings made in terms of emoluments, missions and training and, secondly, the payment of temporary allowances and resettlement allowances (including travel expenses and removal expenses). The table below gives a detailed overview of the effect of the departure of those Members on the various budget lines of Chapter 10 of the Court's budget.

Figures in EUR

Savings/expenditure linked to the departure of Members in the context of Brexit	2019 Budget
1000.0 Basic salaries	-608 000
1000.1 Residence allowances	-92 000
1000.2 Family allowances	-25 000
1000.3 Entertainment allowances	-18 000
1000.4 Insurance against sickness and accidents and other social security costs	-35 000
1002.0 Travel expenses (including those of family members)	3 000
1002.1 Installation and resettlement allowances	68 000
1002.2 Removal expenses	60 000
102 Temporary allowances	335 000
104 Missions	-8 250
106 Training	-12 000
Total	-332 250

As regards the variations in appropriations in the Chapter 10 budget lines, compared with the 2018 budget, item 1000 'Remunerations and allowances' shows a slight reduction in appropriations of EUR 147 000, or - 0.49%. In that connection, the increase in remuneration (+EUR 640 000), attributable to the 2018 and 2019 salary-adjustment exercises in accordance with the parameters communicated by the Commission, the increase in the entertainment and service allowances of the Members (+ EUR 47 000) and the increase in the estimated amount for family allowances compared to 2018 (+ EUR 35 000) are more than offset by the savings linked to Brexit (- EUR 778 000) and by a reduction in the appropriations intended to fund the

employer's contribution linked to the sickness insurance of the former Members of the Institution (- EUR 91 000).

As regards item 1002 'Entitlements on entering the service, transfer and leaving the service', the increase in appropriations of EUR 324 400 (or + 25.19%) is accounted for, first, by the ordinary renewals in the membership of the Courts. The budget estimates are based on the assumption that 11 of the 23 terms of office of the Members which expire at the General Court in 2019 will not be renewed, entailing the arrival of 11 new Members during 2019. To recall, as regards the partial renewal of the Court of Justice in 2018, the budget estimates were prepared on the basis that nine of the 19 terms of office which expire in 2018 would not be renewed. Secondly, in addition to that difference of two terms of office, there is also the expenditure to fund the departure of the three British Members because of Brexit (+ EUR 131 000).

Article 102 'Temporary allowances' shows a significant increase of EUR 1 049 400, or + 39%, which is also attributable to the ordinary renewals in the membership of the Courts. First, it is necessary to consider the effect, during a 12-month period in 2019, instead of only a two-month period in 2018, of the nine new temporary allowances for nine Members who should be leaving the Court of Justice in October 2018. Secondly, three new temporary allowances must be funded in 2019 because of the departure of Members in the context of Brexit (+ EUR 335 000).

Lastly, both Article 104 'Missions' and Article 106 'Training' show considerable reductions in appropriations (- EUR 50 250 and - EUR 90 500 respectively). Those reductions are the consequence of the combined effect of an adjustment in appropriations on the basis of the budgetary under-utilisation of those two items and the savings arising from the departure of Members in the context of Brexit.

3.2.2 Expenditure linked to salaries of staff

This group of expenditure increases by EUR 8 462 300, namely + 2.06% of the total 2018 budget, which is due to the following factors.

First of all, the appropriations for staff remuneration increase automatically because of the application of provisions of the Staff Regulations (specific adjustments linked to automatic two-yearly advancements in step, upgradings in permanent posts intended for promotions, adjustment of family allowances, travel expenses...). In total, the increase in appropriations due to the application of those provisions is EUR 1.47 million.

In addition, the salary adjustment parameters notified by the Commission for the 2019 budget lead, as for the remuneration of the Members, to an increase in appropriations, to be more exact, an increase of EUR 5.65 million, within Chapters 12 and 14 of the budget.

In total, those two factors, over which the Institution has no control, represent EUR 7.12 million, or virtually 84% of the increase in appropriations under the present heading.

There must be added the other variations in appropriations linked to the changes in the establishment plan between 2019 and 2018 (described in detail in Section 2 of the present Chapter II), namely, an overall increase of EUR 0.79 million arising from the request for 16 new permanent posts for the services (apart from costs on entering the service), six targeted upgradings of permanent posts in certain services and three upgradings of temporary posts in the *cabinets*.

As a further observation, it must be pointed out that the standard abatement rate has been fixed at 2.5%, a level that is identical to that of the 2018 budget, the rate of unoccupied posts at the Court continuing to be equally low. That abatement, calculated according to a method harmonised at inter-institutional level, involves taking into consideration the estimated number of unoccupied and therefore unremunerated posts in 2019. It must be noted that to fix the standard abatement rate at too high a level in comparison with the real rate of occupation of posts in the establishment plan would entail the serious risk that during the year, for want of appropriations, recruitment to posts falling vacant might have to be suspended and the proper operation of the Institution might be handicapped.

Next, an increase in appropriations in Chapter 14, in line 1404 ‘In-service training and staff exchanges’, in the amount of EUR 0.55 million, is intended to provide the Institution with the necessary appropriations in order to establish a system of paid traineeships in the *cabinets* of the two Courts (including traineeship grant, employer’s contribution to a private sickness insurance policy and contribution to travel expenses).

Lastly, it is necessary to mention a second increase in Chapter 14, in line 1400 ‘Other staff’, of EUR 0.2 million, intended to fund the recruitment of six additional contract agents in function group II in the context of the partial bringing in-house of certain security services, an increase in part offset by the reduction in the estimated number of contract agents to be taken on in 2019 in the light of the implementation of the appropriations for contract agents in 2017.

3.3 Explanatory notes on expenditure not related to salaries (apart from extraordinary expenditure)

This type of expenditure shows a reduction of EUR 2 317 609, namely - 0.57% of the total 2018 budget. That containment of expenditure, going beyond the freeze advocated by the Commission, was made possible by the search for savings made by the different services. The main variations by chapter are analysed below.

As regards Title I ‘Persons working with the institution’, the overall increase in expenditure not related to salaries is EUR 1 758 700, that is + 7.69% compared with the same type of current expenditure in 2018.

In Chapter 12 ‘Officials and temporary staff’, the only budget line not related to salaries is line 1204 ‘Entitlements related to entering the service, transfer and leaving the service’, the appropriations for which are estimated at EUR 2 259 000 in 2019. The increase in appropriations observed of EUR 227 200, that is + 11.18% compared with the 2018 budget, may be attributed in particular to the installation expenses linked to the 16 new permanent posts requested during six months in 2019 (+ EUR 178 000).

As regards Chapter 14 ‘Other staff and external services’, the only budget line not related to salaries is line 1406 ‘External services in the linguistic field’, the appropriations for which are estimated at EUR 15 919 000. That item shows an increase in appropriations of EUR 1 307 500 (or + 8.95%) compared with the 2018 budget, 96% of which is due to the increase in appropriations intended to fund freelance translation (+ EUR 1 256 000).

To recall, the annual number of pages to be translated and produced in 2017 remained stable at around 1.1 million. In 2019, it is estimated that production capacity will remain comparable to 2017. However, in 2019 an increase in the number of pages to be translated must be expected. Accordingly, an estimated deficit of 65 000 pages compared with the 2017 production is to be envisaged and this accounts for the increase in freelance appropriations requested.

For their part, the appropriations required for freelance interpretation, the expenditure for which is estimated at EUR 2 576 500, show a slight increase of EUR 21 500 (that is + 0.84%) compared with the 2018 budget. That increase is justified by the estimated increase in the average cost of freelance interpreter services (EUR 1 094 per day in 2019 as against EUR 1 085 in 2018).

One part of the appropriations in that budgetary item 1406 (EUR 343 000 in 2019 as against EUR 313 000 for 2018, that is EUR 30 000 more, or + 9.58%) concerns the Court’s contribution to the funding of inter-institutional cooperation activities in the field of translation, the importance of which must be stressed with respect to improvements in productivity (development/improvement of translation tools, common terminological database ...). The rise in those appropriations in 2019 is due to the foreseeable increase in costs linked to the inter-institutional translation memory, Euramis, and to the MT@EC (the European Commission’s machine translation service) project, compared with the budget established for 2018. Lastly, the appropriations intended for freelance proofreading remain stable compared with the 2018 budget allocation.

The variation in appropriations in Chapter 16 ‘Other expenditure relating to persons working with the institution’ amounts to + EUR 224 000, that is + 3.59% compared with 2018.

The budget lines 1610 ‘Miscellaneous expenditure for staff recruitment’, 1612 ‘Further training’, 1630 ‘Social welfare’ and 1655 ‘PMO expenditure for the administration of matters concerning the Court’s staff’ do not show any variation compared with the appropriations granted in 2018, nor does Article 162 ‘Missions’.

Budget line 1632 ‘Social contacts between members of staff and other welfare expenditure’, the appropriations for which are estimated at EUR 308 500, shows a reduction of EUR 41 500 (or - 11.86%) due in part, in the amount of EUR 31 000, to the reduction in the contribution to the Foyer européen given the absence in 2019 of certain renovation work carried out in 2018. The figures for that expenditure are supplied by the European Commission, which is responsible for management of the Foyer européen. As for the remainder of the reduction, namely EUR 10 500, this concerns an adjustment to the estimated costs, in 2019, relating to the payment, to certain Function Groups I and II contract agents employed by the Institution, of compensatory allowances due to the fact that their remuneration falls below the statutory minimum wage in Luxembourg.

Item 1650 ‘Medical service’, the appropriations for which are estimated at EUR 205 000, shows a reduction of EUR 7 000 (or - 3.3%), which is attributable to a reduction with regard to 2018 in the estimate of the number of eye examinations to be performed in respect of staff who work with display screens.

Item 1652 ‘Restaurants and canteens’, the appropriations for which are estimated at EUR 72 000, shows a reduction of EUR 16 000 (or - 18.18%) compared with the 2018 budget, which is due to a reduction in expenditure in 2019 on renewing small kitchen and catering equipment.

Item 1654 ‘Early Childhood Centre’, the appropriations for which are estimated at EUR 3 260 000, shows an increase of EUR 270 000 (or + 9.03%) compared with 2018, which corresponds to the estimated expenditure notified by the two managing institutions (the Parliament and the Commission). Two thirds of that increase in appropriations is due to the increase in the Court’s contribution (24.18% in 2019 as against 20.86% in 2018) to the total expenditure in relation to private crèches managed by the European Parliament in Luxembourg. The remaining third corresponds to the expenditure linked to the ECC managed by the Commission, which, notwithstanding a reduction in the Court’s share (19.71% in 2018 and 18.98% in 2019), is marked by an overall increase in estimated expenditure to rise in 2019 compared with 2018.

Lastly, line 1656 ‘European Schools (Type 2)’, the appropriations for which are estimated at EUR 58 500, shows an increase of EUR 18 500 (or + 46.25%), resulting from the increased number of children of staff of the Institution attending the type-2 European School in Strasbourg.

As regards Title 2 ‘Buildings, furniture, equipment and miscellaneous operating expenditure’, the overall reduction in expenditure not related to salaries is EUR 4 076 309, that is - 4.83% compared with 2018.

The reduction in appropriations (apart from isolated extraordinary expenditure in Chapters III to V of the present budget estimates) in Chapter 20 ‘Buildings and associated costs’, in the amount of EUR 3 570 309 (or - 5.98%) compared with the same type of appropriations for 2018, is justified by the following variations in the different budget lines of Chapter 20:

- budgetary item 2000 ‘Rent’, the appropriations for which are estimated at EUR 7 034 000, shows a reduction of EUR 2 728 000 (- 27.95%), which is due to the vacation of the T/T-bis building at the end of September 2019. Accordingly, the 2019 rent is only for nine months.

- item 2001 ‘Lease/purchase’, the appropriations for which are estimated at EUR 30 183 551 shows a reduction of EUR 443 185 (or - 1.45%), caused, first, by a decrease of EUR 662 900 in the appropriations intended to fund the annual lease-purchase payment for the new Palais and, secondly, by the increase of EUR 219 715 in the lease-purchase payment to fund the renovation work of the Annex buildings. In that connection, it should be recalled that the amount of EUR 270 611 had been withdrawn from the appropriations requested under the 2018 budget during the conciliation procedure, pursuant to the decision to make an overall reduction of EUR 5 million in the buildings-related expenditure for all the EU institutions.

To recall, the appropriations entered in this budget item enable the Court to honour the obligations it has undertaken in connection with two lease-purchase contracts for buildings whose construction/renovation is completed.

The first lease-purchase contract, concluded with the Luxembourg authorities on 15 November 1994, concerns the buildings called Annexes to the Palais (Erasmus, Thomas More and ‘C’ buildings, for a historical value of EUR 148 million, of which EUR 1.48 million remained payable at the end of 2017). To that amount there must now be added the cost of the complete renovation of those buildings (completed in June 2013), which has been entered in the Court’s balance sheet as an asset of EUR 80.7 million (excepting financial charges for pre-financing). Accordingly, the amount of the lease-purchase payment for 2019, lessor’s expenses included, is estimated at EUR 6.1 million, as against EUR 5.9 million in 2018, in accordance with the contract signed with the Luxembourg authorities which provides for repayment by instalments until 2026.

The second lease-purchase contract, also concluded with the Luxembourg authorities, on 13 June 2007, on the basis of a framework contract signed in 2001, relates to the renovated former Palais and its extension (ring surrounding the Palais, two high towers and a gallery linking the various buildings). The calculation of the lease-purchase payment takes into consideration the building costs, entered in the assets shown in the Institution’s balance-sheet in the sum of EUR 355.3 million (excepting financial charges for pre-financing), since its completion in late 2008. On the information available when these budget estimates were being prepared, the lease-purchase payment required for 2019 will come to EUR 24 million (lessor’s

expenses included), as against EUR 24.7 million in 2018, in accordance with the contract signed with the Luxembourg authorities which provides for repayment by instalments until 2026.

- item 2007 'Fitting-out of premises', the appropriations for which are estimated at EUR 922 000, shows a slight increase of EUR 10 000 (or + 1.10%) compared with 2018. That expenditure remains virtually stable because of the need to continue funding a series of recurrent work that is essential to the proper functioning of the Court's buildings (220 000 square metres, at present).
- item 2008 'Studies and technical assistance in connection with building projects', the appropriations for which are estimated at EUR 462 907, shows a reduction of EUR 17 675 (- 3.68%) compared with 2018. That decrease is accounted for by a reduction in the amount to be funded in 2019 in the area of various expert's reports, not covered by framework contracts.
- Article 202 'Costs relating to buildings', which covers, inter alia, expenditure on cleaning/maintenance (item 2022), energy (item 2024) and security/surveillance (item 2026), shows a reduction of EUR 391 449 (or - 2.19%).

As regards expenditure on cleaning/maintenance, the appropriations for which are estimated at EUR 7 579 832, this shows a reduction of EUR 216 168, or - 2.77%.

For its part, expenditure on energy, the appropriations for which are estimated at EUR 2 344 293, shows a reduction of EUR 103 707, or - 4.24%.

In this connection, two major environmental initiatives must be mentioned, for they contribute significantly to the Institution's reduced energy consumption. In the first place, assemblies of photovoltaic cells (an area of 2 750 m²) installed on the roof of the new Palais allow not inconsiderable savings because of the resale of the energy thereby produced to the network operator (assessed at around EUR 120 000 in 2019). In the second place, expenditure on heating is also notably reduced by virtue of connection to the Kirchberg cogeneration plant (savings of almost 30% compared with the consumption of a traditional heating installation and reduction in noxious nitrogen oxide).

As regards the expenditure on security and surveillance, the appropriations for which are estimated at EUR 7 200 687, there is a reduction of EUR 87 313 (or - 1.20%) attributable in particular to the removal of reception posts at the T/Tbis building reception.

Lastly, in order to conclude Chapter 20 expenditure, first, reference must be made to the appropriations for item 2028 'Insurance', estimated at EUR 123 235, which likewise falls by EUR 10 765 (- 8.03%) compared with 2018. That fall is due to the decrease in the amount of premiums to be paid in 2019. Secondly, the appropriations in item 2029 'Other expenditure on buildings', which are estimated at EUR 239 504, show an increase of EUR 26 504 (or + 12.44%), which is due in particular to the updating of the carbon balance in the context of the EMAS certification.

As regards Chapter 21 ‘Data-processing, equipment and movable property: purchase, hire and maintenance’, the appropriations relating to IT and telecommunications (Article 210 ‘Equipment, operating costs and services related to data-processing and telecommunications’), estimated at EUR 17 700 000, remain stable compared with the same current operating appropriations for the year 2018.

- Item 2100 ‘Purchase, servicing and maintenance of equipment and software’, the appropriations for which are estimated at EUR 6 509 000, shows an increase of EUR 348 500 (or + 5.66%) compared with 2018, which is justified, first, by the contract indexing applicable to the different contracts in force, which cannot be avoided, and, secondly, by the increases in the costs invoiced by the Commission as regards the IT services it provides to the Court (20% of the appropriations of that budget line will be allocated to funding the expenditure to be paid to the Commission in 2019). It is important to emphasise the substantial inter-institutional cooperation in which the Court participates in this field.

- Item 2102 ‘External services for the operation, creation and maintenance of software and systems’, the appropriations for which are estimated at EUR 10 893 000, shows a reduction of EUR 247 000, namely - 2.22% compared with 2018. That decrease also takes account of the indexing applicable to the prices fixed in the various service framework-contracts used by the Court to obtain IT helpdesk services, services relating to the development and remedial/adaptive maintenance of applications (provision to internal users, litigants or the general public), services to ensure the daily functioning of the Court’s IT infrastructure and networks and support for hearings for the operation of multimedia equipment, which shows the efforts made by the Court to limit the increase in the appropriations for the 2019 current operating budget compared with the same type of expenditure in 2018. Lastly, the Court benefits from inter-institutional cooperation also with respect to expenditure in this item, due to the use of framework contracts that make it possible to obtain the best pricing terms and that provide economies of scale in public procurement procedures.

- Item 2103 ‘Telecommunications’, the appropriations for which total EUR 298 000, shows a substantial reduction of EUR 102 000 (- 25.50%) compared with 2018, because of the very advantageous terms of the inter-institutional framework contracts in force, which offset the increase in the volume of consumption linked to the increased number of users.

As regards the other expenditure in Chapter 21 (apart from the IT expenditure already examined above), the amount of appropriations is EUR 2 140 500, a marked reduction of EUR 284 000 compared with 2018 (- 11.71%), which may be broken down as follows:

- Article 212 ‘Furniture’, the appropriations for which are estimated at EUR 540 500, shows a reduction of EUR 49 000 (or - 8.31%) which is due to an estimate of the needs connected with the renewal of the Member’s furniture in 2019 being lower than that established for the 2018 budget;

- Article 214 'Technical equipment and installations', the appropriations for which are estimated at EUR 325 000, shows an increase of EUR 22 000 (or + 7.26%). That increase is due in particular to the purchase of new equipment for washing the professional kitchen utensils and equipment installed in the gallery, used to prepare the meals of the different canteens installed in the main buildings complex (new Palais and Annex buildings);

- Article 216 'Vehicles', the appropriations for which are estimated at EUR 1 275 000, records a reduction of EUR 257 000 (or - 16.78%). That reduction is due to the effects of the new car leasing contract which was signed on 28 June 2017, which is less onerous than the previous contract, which ended on 2 May 2017.

As regards the appropriations of Chapter 23 'Current administrative expenditure', which are estimated at EUR 1 225 000, those appropriations show a reduction of EUR 152 500 compared with 2018 (or - 11.07%) and may be broken down as follows:

- the reduction in appropriations in Article 230 'Stationery, office supplies and miscellaneous consumables' (- EUR 22 000, or - 3.33%), the result of the continuation of a resolute policy of ensuring the digitalisation of the flow of documents, will mean that expenditure of EUR 1 224 000 in 2009 is almost halved in 2019 (EUR 638 000);

- the reduction in appropriations in Article 231 'Financial charges', which are estimated at EUR 15 000 (- EUR 5 000 compared with 2018, that is - 25%) because of the gradual adjustment of the request for appropriations to the actual implementation within that budget line;

- the reduction in appropriations in Article 232 'Legal expenses and damages', which are estimated at EUR 20 000 (- EUR 110 000 compared with the 2018 budget, or - 84.62%), which is due to the fact that the legal cases to which the Court is party, involving claims for damages against it, which had justified the higher amounts of the appropriations requested for 2018, will probably be concluded in 2018;

- the decrease in appropriations in Article 236 'Postal charges' (- EUR 17 000, or - 11.81% compared with 2018) continues in 2019 to be due to the policy of digitalisation of the flow of documents inherent in the judicial activity (use of the e-Curia application) and in the administrative activity, which will mean that expenditure of EUR 606 500 in 2009 will fall to EUR 127 000 in 2019;

- the appropriations in Article 238 'Other administrative expenditure', estimated at EUR 425 000 remain, for their part, stable (EUR 423 500 in 2018).

The request for appropriations for Chapter 25 'Meetings and conferences', in the amount of EUR 522 000, is the same as for the 2018 budget, despite the foreseeable increase in activities stemming from the enlargement of the General Court in 2019 and rates charged by the various suppliers used by the Institution for the organisation of various events (formal hearings, official visits, seminars, the visits of judges and students etc.).

As regards the appropriations in Chapter 27 ‘Information: acquisition, archiving, production and distribution’, estimated at EUR 2 671 000, those appropriations show a reduction of EUR 69 000 (or - 2.52%) compared with 2018, which is due to the following:

- Article 272 ‘Documentation, library and archiving expenditure’, the appropriations for which are estimated at EUR 1 891 000, shows a decrease of EUR 80 000 (or - 4.06%). That reduction is due to the adoption of a new strategic orientation characterised by an broadening in the electronic resources made available to users together with a decrease in the appropriations allocated to the purchase of hard-copy books;
- Article 274 ‘Production and distribution of information’, the appropriations for which are estimated at EUR 780 000, shows a slight increase of EUR 11 000 (or + 1.43%). That variation is due to the increase in appropriations in item 2741 ‘General publications’ (+ EUR 25 000) and the decrease in appropriations in item 2742 ‘Other information expenditure’ (- EUR 14 000).

III. REINFORCEMENT OF THE GENERAL COURT AS FROM 1 SEPTEMBER 2019

1. Introduction

As explained in the first section of this document, the Court presented to the Union legislature, as early as 2011, a proposal for an increase in the number of judges at the General Court, a proposal it renewed and strengthened in October 2014 with all the more gravity because several actions had been brought during 2014 seeking compensation for damage caused, according to the applicants, by the excessive duration of proceedings before the General Court. The Court’s new proposal confirmed the necessity of an immediate reinforcement of 12 judges, but also formed part of a longer perspective of structural change to the General Court and of simplification of the judicial architecture of the Union, in particular with a second phase concerning the merging of the Civil Service Tribunal, and of its seven judges, into the General Court on 1 September 2016 and then, as of 1 September 2019, a third phase concerning the further reinforcement of nine judges, in order to maintain two judges per Member State at the General Court at the end of that three-phase process.

That is why this Chapter sets out in detail the budgetary consequences of the reinforcement of the General Court that have to be allowed for in the financial year 2019, that is to say, the funding of the non-recurrent additional costs linked to the new judges’ taking up their duties at the General Court, and of their emoluments (for four months only in 2019). In that connection, because of Brexit, given that one of those nine additional judges provided for that final phase

ought to have had British nationality, the budgetary calculations relating to that reinforcement have been performed taking into consideration the arrival of eight additional judges instead of nine.

As regards the composition of the *cabinets* of those judges, the Court is bound by recital 10 of Regulation 2015/2422,¹⁴ in which the legislative authorities that adopted the reform considered that no additional legal secretaries or other support staff should be recruited at the time of the third phase of the General Court's reform on 1 September 2019. Consequently, no requests for posts to that effect have been submitted to the budgetary authority in respect of the 2019 financial year.

It must, however, be pointed out that the General Court has made considerable efforts to adopt high-quality decisions as quickly as possible, and this notwithstanding the diversification and complexity of cases, so that the implementation of the first two stages of the reform would be a success. One of the factors for that success has been the granting of the *cabinet* posts linked to the appointment of the new judges taking up their duties during the first and second phases of the reform. In the light of the developments in the General Court's workload, it is, therefore, important that the current composition of the *cabinets* (three legal secretaries and two assistants) should be maintained in the long term for all the judges, for the benefit of the proper working of both the General Court and the Institution as a whole. It should be emphasised, in that regard, that the benefits of the reform – which were felt as early as the first year of its implementation (increase in the number of cases concluded and considerable reduction in the duration of proceedings) – stem from the determination with which the General Court adopted all the internal measures enabling advantage to be taken of its large-scale reorganisation. Consequently, the establishment of a structure based on nine five-judge Chambers, the role entrusted to the Presidents of Chambers and the task assigned to the Vice-President in the area of coordinating cases pending seek to strengthen the quality and consistency of case-law. The development of quality inside an enlarged structure requires sufficient resources to be granted in order to consolidate the positive results obtained and ensure the success expected by the legislature and litigants in a context where the increased collegiality of the judges increases the adjudication work incumbent on all Members of the court, called upon moreover to sit more frequently in Chambers of Extended Composition and in Grand Chamber, and where new jurisdiction could be transferred from the Court of Justice to the General Court.

As regards the staff of the eight new judges, all those factors would justify, in the absence of the constraints arising from recital 10 of Regulation 2015/2422, submitting a request to the budgetary authority for a total of 40 new posts (24 legal secretary posts and 16 assistant posts).

¹⁴ Regulation (EU, Euratom) 2015/2422 of the European Parliament and of the Council of 16 December 2015 amending Protocol No 3 on the Statute of the Court of Justice of the European Union, recital 10 of which states as follows: 'In September 2019, the remaining nine Judges should take office. In order to ensure cost-effectiveness, this should not entail the recruitment of additional legal secretaries or other support staff. Internal re-organisation measures within the institution should make sure that efficient use is made of existing human resources, which should be equal for all Judges, without prejudice to the decisions taken by the General Court concerning its internal organisation'.

Consequently, in order to deal with the consequences of those constraints, the Institution intends to use, by way of redeployment, the posts from the *cabinets* of the three British Members, who are scheduled to leave on 30 March 2019, in order to cover part of the need for posts of the new General Court judges.

In the light of the debate currently underway concerning the transfer of jurisdiction from the Court of Justice to the General Court in the area of infringement proceedings and depending on the developments in the future workload of the General Court, the Court will reevaluate its needs and it is foreseeable that additional staffing requests may be submitted to the budgetary authority in subsequent budget years¹⁵ depending on the results of the evaluation carried out.

The expenditure related to the arrival in September 2019 of eight additional judges to the General Court is summarised in the table that follows (recurrent expenditure being distinguished from non-recurrent expenditure) and is explained in detail, by title and chapter, in the following notes.

¹⁵ In that regard, it must be borne in mind that Article 3 of Regulation 2015/2422 provides that by 26 December 2020 the Court is to draw up a report for the European Parliament, the Council and the Commission on the functioning of the General Court. In particular, that report is to focus on the efficiency of the General Court, the necessity and effectiveness of the increase to 56 Judges, the use and effectiveness of resources and the further establishment of specialised chambers and/or other structural changes.

Figures in €

<i>Budget Titles and Chapters</i>	Recurrent expenditure (Four months in 2019)	Non- recurrent expenditure	Total
10 - Members of the institution	879 000	472 000	1 351 000
12 - Officials and temporary staff	0	0	0
16 - Other expenditure relating to persons working with the institution	0	0	0
Total in Title 1	879 000	472 000	1 351 000
20 - Buildings and associated costs	0	500 000	500 000
21 - Data-processing, equipment and movable property: purchase, hire and maintenance	71 000	193 000	264 000
23 - Current administrative expenditure	22 000	104 000	126 000
27- Information: acquisition, archiving, production and distribution	11 000	18 000	29 000
Total in Title 2	104 000	815 000	919 000
Total within the budget	983 000	1 287 000	2 270 000

It is noteworthy that 89.4% of the recurrent expenditure for those four months (EUR 879 000) comprises the Chapter 10 expenditure relating to the Members, since the infrastructure expenditure in Title 2 is very small. For its part, the non-recurrent expenditure is divided between Title 1 (EUR 472 000 concerning the installation allowances provided for in the rules on emoluments applicable to the Members) and Title II (EUR 815 000, or 63% of the total non-recurrent expenditure, concerning the necessary changes to premises, purchases of IT equipment, new furniture and removals).

The total expenditure related to the arrival of the eight additional judges of EUR 2 270 000 represents an increase of + 0.55% of the total 2018 budget. By way of information, revenue for that four-month period in 2019 amounts to EUR 225 000.

2. Explanatory notes on expenditure in Title 1

The expenditure in Title 1 'Persons working with the institution' relating to the remuneration (and certain related costs) of the judges is based on the rules currently in force. The assumptions made with respect to the adjustment of remunerations for 2019 are identical to those already mentioned in Chapter II, section 1.2.

Chapter 10 – Remuneration and other costs for the eight new judges

The recurrent expenditure of the budget lines in Chapter 10 ‘Members of the institution’ amounts, for the eight new judges, to EUR 879 000, which is essentially due to the following factors:

- gross remuneration (for four months in 2019 for the eight judges), which represents a total cost of EUR 683 000;
- the taking into account of the effect on various types of allowances and payments (residence allowances, family allowances, etc.) and the employer’s contribution to insurance against sickness and accidents (EUR 177 000).

As regards the non-recurrent expenditure of that chapter (EUR 472 000), the cost stated, linked to the eight new judges, is due to the following factors:

- *Installation costs*

The estimates are based on the budgetary expenditure of the same nature ordinarily borne in the context of the three-yearly renewal of the General Court, namely travel expenses on entering the service, installation allowances and removal expenses. The total amounts to EUR 430 000.

- *Initial training costs*

Generally, training costs are higher the year of entering the service because of the investment which may prove necessary as regards languages, but also in the IT sphere (training on how to use the tools and databases). Such an initial investment is estimated at EUR 42 000.

3. Explanatory notes on expenditure in Title 2

As stated above, the expenditure in Title 2 linked to the arrival of the eight new judges is estimated at EUR 919 000, the large majority of which (EUR 815 000) corresponds to certain non-recurrent expenditure incurred when those judges take up their duties.

As regards recurrent expenditure, this totals EUR 104 000, for four months in 2019. It relates to the following chapters:

- Chapter 21: first, an amount of EUR 45 000 is envisaged in order to fund an additional multimedia technician for the hearings of the new Chambers. Secondly, EUR 24 000 is envisaged in order to fund the leasing of the new cars which will be made available to the new judges when they arrive;
- Chapter 23: EUR 22 000 is envisaged in order to fund printing, the use of paper and office supplies for four months;

- Chapter 27: EUR 11 000 is envisaged in order to fund the subscriptions to certain publications in 2019.

As regards non-recurrent expenditure, this totals EUR 815 000, divided between the following chapters:

- Chapter 20: as regards expenditure on buildings, EUR 500 000 is envisaged for the fitting-out of premises necessary for the new judges to be able to take up their duties and for the necessary adjustments to the large deliberations room at the General Court;

- Chapter 21: first, EUR 137 000 is envisaged for the purchase of IT equipment and its installation; secondly, EUR 56 000 is envisaged in order to fund the reception furniture for the new judges;

- Chapter 23: EUR 100 000 is envisaged to fund the expenditure linked to the necessary removals in order to for the new judges to be able to take up their duties;

- Chapter 27: EUR 18 000 is envisaged in order to fund the purchase of the publications made available to the new judges.

IV. BUILDINGS PROJECTS FOR THE FIFTH EXTENSION AND WORK TO UPGRADE SECURITY MEASURES FOR THE INSTITUTION'S BUILDINGS INFRASTRUCTURE

As explained in the first section of this document, the project for the fifth extension to the Court's buildings, namely the construction of a third high tower (an additional 50 000 m²) — CJ9 project —, will make it possible to vacate the last leased building and gather all the staff of the Court on a single site by 1 October 2019 at the latest. The lease-purchase contract for that project was concluded with the Luxembourg authorities on 21 February 2013 after the approval of the budgetary authority was obtained. The work of constructing this new building, integrated as an extension of the two existing towers, has been ongoing since early 2016, with a view to completion in late summer 2019. The cost is estimated at EUR 147.5 million (excepting financial charges for pre-financing and on the basis of the index for April 2017).

The completion in 2019 of the work for the project for the fifth extension and the move to the new building and its occupation in 2019 require an increase in the appropriations of several items in the Court's budget in the amount of EUR 7.8 million.

As regards the investments necessary to upgrade security measures for the buildings infrastructure — CJ10 project —, these will begin to be made in 2018. The increase in the appropriations in several items in the Court's budget linked to that project in 2019 amounts to EUR 1.36 million. The Court intends to finance those investments, estimated at EUR 27.1 million in total, by having recourse to a direct 20-year loan to be repaid between

2019 and 2038. That loan will be repaid in annual tranches estimated at EUR 1.6 million. That investment project and its financing by recourse to the loan will be submitted to the budgetary authority for approval very shortly.

The combined effect of those two increases in appropriations, in the amount of EUR 9.1 million, represents an increase of + 2.23% of the total 2018 budget, which is detailed by budget line in the following table:

Figures in EUR

Budget lines	2019 Budget	2018 Budget	Variation
1652 Restaurants and canteens	65 000	0	65 000
2001 Lease/purchase	5 358 449	3 211 653	2 146 796
2007 Fitting-out of premises	400 000	200 000	200 000
2008 Studies and technical assistance in connection with building projects	1 045 093	1 015 418	29 675
2022 Cleaning and maintenance	1 460 168	100 000	1 360 168
2024 Energy consumption	477 707	70 000	407 707
2026 Security and surveillance of buildings	321 313	232 000	89 313
2028 Insurance	11 765	3 000	8 765
2029 Other expenditure on buildings	11 496	0	11 496
2100 Purchase, servicing and maintenance of equipment and software	1 927 000	965 000	962 000
2102 External services for the operation, creation and maintenance of software and systems	479 000	60 000	419 000
212 Furniture	2 248 000	40 000	2 208 000
214 Technical equipment and installations	460 000	0	460 000
238.03 Departmental removals and associated handling	770 000	0	770 000
Total	15 034 991	5 897 071	9 137 920

As regards Title 1, line 1652 'Restaurants and canteens' increases by EUR 65 000 in 2019 in order to fund the initial equipment of the new catering areas in the third tower with crockery and catering accessories.

As regards Title 2, 13 budget lines, distributed between Chapters 20, 21 and 23 of the Court's budget, are concerned by the two projects in question.

In Chapter 20, the variations in expenditure envisaged for eight budget lines are described as follows:

Line 2001 'Lease/purchase': the expenditure to be envisaged in 2019 for the lease-purchase contract for the third tower will amount to EUR 3 774 758, as against EUR 2 361 653 in 2018. The difference (+EUR 1 413 105) corresponds essentially to the repayment of the financing

(staggered until 2036) of the works that will have been completed at the end of 2018 (estimated at EUR 62.6 million).

As regards the CJ10 project, an additional amount of EUR 733 691 compared with the amount already provided for that project in the 2018 budget is essential in order to fund the payment of the first tranche of the loan repayment, estimated at EUR 1.6 million. To recall, an amount of EUR 850 000 had already been entered in 2018 in that budget line in order to fund certain studies preparatory to the work connected with that project.

Line 2007 ‘Fitting-out of premises’: the increase in expenditure compared with the 2018 budget for that line in respect of the CJ9 project (+ EUR 200 000) is due to the need to fund the specific internal fitting-out work linked to the occupation of the third tower.

Line 2008 ‘Studies and technical assistance in connection with building projects’: the increase in appropriations (+ EUR 29 675) compared with the budget entered in 2018 for the two projects is the result of the increase in 2019 of the fees of the external technical consultant who assists the Court in monitoring the work on the third tower in 2019.

Line 2022 ‘Cleaning and maintenance’: the increase in the appropriations noted in that line (+ EUR 1 360 168) compared with the 2018 budget for the CJ9 project is due to the additional surface area to be maintained for the third tower and to the specific services for the follow-up of works.

Line 2024 ‘Energy consumption’: the increase of EUR 407 707 compared with the budget entered for 2018 in respect of the projects relates to the CJ9 project and is due to the increase in energy consumption following the bringing into operation of the third tower in 2019.

Line 2026 ‘Security and surveillance of buildings’: the increase in appropriations (+ EUR 89 313) compared with the 2018 budget for the two projects is due to the increase in the surveillance-related expenditure following the bringing into operation of the third tower. By contrast, the appropriations entered in 2019 for the CJ10 project are EUR 97 500 lower than the amount entered in the 2018 budget for that project.

Line 2028 ‘Insurance’: the increase in appropriations (+ EUR 8 765) compared with the 2018 budget is due to the adjustment in the buildings insurance premiums following taking delivery of the third tower.

Line 2029 ‘Other expenditure on buildings’: the increase in appropriations observed (+ EUR 11 496) compared with the 2018 budget refers to the CJ9 project and is the result of the taking over of liability for refuse, wastewater, drainage and waste-management taxes after taking delivery of the third tower in 2019.

In Chapter 21, variations in expenditure are envisaged for four budget lines, as described as follows:

Line 2100 ‘Purchase, servicing and maintenance of equipment and software’: the increase in the appropriations noted (+ EUR 962 000) compared with the appropriations entered in the 2018 budget for the two projects is due, first, to the increase in the expenditure necessary for the CJ9 project (+ EUR 762 000). In that regard, the Court obtained in 2018 a budget for the acquisition of network equipment. In 2019, the establishment of the new Data Centre and Telecom Centre and the purchase of the new multimedia equipment in the rooms of the new tower (training, video-conferencing and meetings) must be funded. The budgetary allocation in 2019 for those activities is EUR 1 727 000. Secondly, as regards the CJ10 project, additional expenditure on the IT network of EUR 200 000 is necessary in order to enable the new security equipment to function.

Line 2102 ‘External services for the operation, creation and maintenance of software and systems’: the increase in the appropriations observed (+ EUR 419 000) compared with the appropriations entered in the 2018 budget for the two projects is due, first, to an increase of EUR 319 000 for the expenditure on the CJ9 project, in particular: the installation of the network the equipment for which will be purchased in 2018; the installation of the Data Centre and the Telecom Centre; the movement of the current servers and storage systems; and the installation of multimedia equipment inside the third tower. Secondly, as regards the CJ10 project, an amount of EUR 100 000 is intended to fund study and installation services concerning the IT network in order to enable the new security equipment to function.

Line 212 ‘Furniture’: the increase in the appropriations observed (+ EUR 2 208 000) compared with the appropriations entered in the 2018 budget for the two projects is due to the need to fund in 2019 the provision of furniture for the new workstations and common areas which will be available in the third tower.

Line 214 ‘Technical equipment and installations’: the increase in the appropriations compared with the 2018 budget for the two projects (+ EUR 460 000) is due to the need to fund in 2019, first, the purchase of equipment in the third tower (+ EUR 30 000) and, secondly, in the context of the CJ10 project, the purchase of six vehicle chassis scanners (+ EUR 430 000).

Lastly, as regards Chapter 23, in line 238 ‘Other administrative expenditure’, the increase in appropriations noted (+ EUR 770 000) compared with the appropriations entered in 2018 for the two projects is due to the funding of the necessary removals in the context of the occupation of the third tower in the second half of 2019.

V. 'INTEGRATED CASE-MANAGEMENT SYSTEM' PROJECT

As stated in the first section of the present document, that future case-management system is intended, in particular, to replace the current tools for the judicial information system (Litige, e-Curia) and for the monitoring of translations (Suivi II). Such a system will, therefore, ultimately contribute to the quality of justice objective pursued by the Institution, in enabling relevant and reliable information to be made available to the courts and services of the Court, at each stage of the judicial procedure, documents and information to be exchanged more readily with the parties and with the national courts and citizens of the Union, a contribution to be made to streamlining judicial processes, and work procedures to be digitalised further.

That project is multiannual in nature and should, therefore, be continued in 2020 and 2021. The total cost of that project, at this stage, is estimated at EUR 11 million over three years.

The expenditure on that project envisaged for 2019 amounts to EUR 3.5 million, of which EUR 1.7 million on line 2100 'Purchase, servicing and maintenance of equipment and software', in order to fund the development and test environments, the purchase of software licences and the purchase of the first servers for the production environment, and EUR 1.8 million on line 2102 'External services for operation, creation and maintenance of software and systems', in order to install the configurations and carry out detailed analyses and also planning, development and integration work.

That extraordinary expenditure accounts for a request for additional appropriations for 2019 of EUR 3 million, which represents an increase in appropriations in relation to the total 2018 budget of + 0.74%. It should be noted that an amount of EUR 480 000 had already been entered in line 2102 of the 2018 budget (corresponding to annual full-time work of four persons as external services) regarding the preliminary expenditure on that project.

VI. TECHNICAL AMENDMENTS TO THE STRUCTURE OF THE BUDGET

First of all, the second indent of the budgetary remarks for item 1404 'In-service training and staff' should be amended in order to insert a remark concerning the sickness insurance and travel expenses of trainees during their traineeship at the Court, and a third indent should be inserted in the remarks in order to be able to reimburse the additional expenditure incurred by officials of the Court seconded to another institution/body.

Accordingly, it is proposed to update as from the 2019 budget the budget remarks for the line 1404 'In-service training and staff exchanges' as follows:

- first, in the second indent of the remarks for line 1404, to replace the current text by the following text: '*- grants to trainees, sickness insurance during the traineeship period and a contribution to travel expenses*';
- secondly, to create a third indent, within line 1404, with the following text: '*- the reimbursement of the additional costs incurred by officials in consequence of their secondment outside the institution*'.

Next, it is proposed to delete budget line 257 'Legal information service' intended to fund possible contributions to the Commission as regards the legal information service, given that such expenditure has no longer been of current concern for many years.

Section IV - Court of Justice

FUNCTION GROUP AND GRADES	2019	
	PERMANENT POSTS	TEMPORARY POSTS
AD 16	5	--
AD 15	12	3
AD 14	66 ⁽¹⁾	56 ⁽²⁾
AD 13	96	--
AD 12	99 ⁽³⁾	86
AD 11	64	97
AD 10	189	45
AD 9	152	3
AD 8	153	1
AD 7	79	28
AD 6	11	--
AD 5	34	--
TOTAL	960	319
AST 11	12	--
AST 10	15	1
AST 9	39	--
AST 8	46	15
AST 7	41	38
AST 6	81	36
AST 5	129	22
AST 4	103	59
AST 3	76	26
AST 2	13	5
AST 1	6	--
TOTAL	561	202
SC 6	--	--
SC 5	--	3
SC 4	--	--
SC 3	--	--
SC 2	34	--
SC 1	--	--
TOTAL	34	3
OVERALL TOTAL	1555 ⁽⁴⁾	524
	2079 ⁽⁵⁾	

⁽¹⁾ of which 1 AD 15 ad personam

⁽²⁾ of which 1 AD 15 ad personam

⁽³⁾ of which 1 AD 14 ad personam

⁽⁴⁾ not including the contingency reserve, without allocation of appropriations, for officials seconded to Members of the Court of Justice or the General Court [6 AD 12, 12 AD 11, 20 AD 10, 15 AD 7, 11 AST 6, 17 AST 5, 21 AST 4, 8 AST 3]

⁽⁵⁾ certain posts occupied part-time may be made up by the appointment of other staff within the limit of the remaining posts thus left unoccupied by function group