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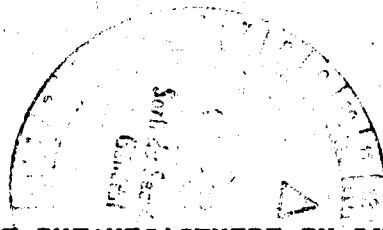
In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

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COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 9 January 1979.



BUILDING OF INFANTS' CENTRE IN LUXEMBOURG

(Communication from the Commission)

5

Plan to build an Early Childhood Centre in Luxembourg
(crèche, nursery and supervised study centre)

1. Reasons and objectives

For some 15 years now there have been a crèche, a nursery and a supervised study centre in Luxembourg for the convenience of staff of the European Parliament, the Commission, the Court of Justice, the European Investment Bank and more recently the Court of Auditors. Running costs are charged to the welfare budget, which is financed by subscriptions from the Community institutions and bodies (Chapter 14) and by parents' contributions, the latter being deducted from the amount charged to the Chapter. The cost of the properties, i.e. rents and charges, are currently charged to Chapter 21 of Parliament's and the Commission's Budgets.

Use of the facilities is restricted to children from families in which at least one parent works for the Community. The facilities can accommodate only 280 children per day, which is already inadequate. When the Court of Auditors and the Secretariat of the directly-elected Parliament are installed in Luxembourg, the number of children wishing to use the facilities is bound to increase.

2. The present situation

There is no single building in Luxembourg capable of accommodating even the numbers already attending the crèche and the nursery. The facilities are therefore scattered between seven different buildings, most of them dwellings in varying states of decay. Now that most of the Community departments have been transferred to premises on the Kirchberg, parents are obliged to take a circuitous route around various parts of the town centre before going to the office.

The rise in the numbers attending the crèche and the nursery will inevitably exacerbate the situation, and yet more buildings will have to be used for a purpose for which they will be less and less suitably located and equipped.

3. Project currently under discussion

The Luxembourg Government proved to be extremely attentive when the institutions resolved to approach it with their difficulties. It immediately instructed its Administration des Bâtiments Publics (Public Buildings Department) to carry out a preliminary study and draw up plans for a single building - to be called the Early Childhood Centre - which might accommodate all these activities on the Kirchberg, near the European institutions and Schools.

The new Centre would be big enough to allow attendance figures to rise gradually to a total of 400 children. This would seem to be a reasonable total in view of the foreseeable demand; it is also the maximum practicable capacity.

In practical terms, the Luxembourg State would act as developer/lessor of the new Centre. Work could commence extremely quickly and the building could be finished in the course of 1980.

Once completed (at an estimated cost of approximately Lfrs 265 million), the Early Childhood Centre would be let to the institutions. The annual rent would be between Lfrs 24.825.000 and Lfrs 23.540.000 depending upon a lease of 25 or 30 years. This would represent a return of 8 % on the invested capital. All the institutions, including the European Investment Bank, would pay towards the rent (*).

A careful study of the running costs of the planned building, undertaken with the assistance of the Bouwcentrum in Rotterdam, has produced the figure of approximately Lfrs 3 million, which would be shared in the same way.

4. Management of the building

The institutions have agreed that the existing management methods, which have gradually evolved from the rudimentary arrangements introduced 15 years ago, can no longer be used to manage a complex of this size.

In the interests of sound financial and budgetary management the institutions would like to set up a separate management body for the new Early Childhood Centre with an operating budget designed to balance expenditure (rent, running costs, staff) and income (parents' contributions, payments from all the institutions and the European Investment Bank). The budgetary management would be subject to the institutions' internal financial control and external control by the Court of Auditors.

* The rent and charges for the buildings currently accommodating the (crèche, the nursery and the supervised study centre amounted to Lfrs 6 100 000 in 1978. This expenditure was shared by the Commission and Parliament. With the increase in attendance figures and the imminent abandoning of the more dilapidated buildings this amount must inevitably increase.

5. Conclusions

The time has now come, before the project is finalized with the appropriate Luxembourg authorities, for the institutions to give the Luxembourg Government an undertaking as to the principle that they will rent the new Centre for the purposes described above.

The Budgetary Authority is accordingly invited to take note of the plan, thereby enabling the heads of the administrative departments in the relevant institutions in Luxembourg to make the necessary local commitments as regards contracts and finance in accordance with the provisions and procedures of the Financial Regulation. The Bureau of Parliament gave its agreement as to principle when it met on 25 May 1978; the European Investment Bank and the Court of Auditors have already committed themselves to the principle.

Financial Record Sheet

A. Part 1: Existing and new projects

1. and 2. Codes and titles of relevant budget headings

Chapter 21 - Article 210 - Rent
Article 211 - Insurance
Article 212 - Water, gas, electricity and heating
Article 213 - Cleaning and maintenance
Article 214 - Fitting-out of premises
Article 219 - Other expenditure

3. Legal basis

The powers of the institutions to organize social activities for their staff members.

4. Description, objective(s) and justification of the project

To set up and operate on a rational basis a new Early Childhood Centre available to children having at least one parent serving with the European institutions or bodies (including the European Investment Bank) in Luxembourg.

5. Financial implications of the project (in EUA = Bfrs 40)

Rent and associated expenditure (Chapter 21)

| | <u>1978 (*)</u> | <u>1981 (**)</u> | |
|--|-----------------|------------------|----------------|
| | | lease of | |
| | | 25 years | 30 years |
| Commission of the European Communities | 90 000 | 264.850 | 251.150 |
| European Parliament | 62 500 | 245.450 | 232.750 |
| Court of Justice | | 44.650 | 42.300 |
| Court of Auditors | | 14.850 | 14.100 |
| European Investment Bank | | 50.825 | 48.200 |
| | <u>152 500</u> | <u>620.625</u> | <u>588.500</u> |

(*) Actual position in 1978, excluding the inevitable increases owing to expansion between 1978 and 1981.

(**) First full financial year, since the building will be rented for only a few months at the end of 1980. The breakdown between institutions, which is given as an example, is calculated by an arbitrary method based on staff complements in 1978.

6. Type of control to be applied

Internal control by the Institutions .

External control by the Court of Auditors

B. Part 2: Additional data to be provided for a new project

7. Overall financial implications of the project (for the whole of its expected duration)

7.0 In respect of expenditure

Annual expenditure as indicated at point 5; will have to be increased if rent is raised.

7.1 In respect of revenue

None.

8. Information regarding staffing and the appropriations for administrative expenditure necessary for the implementation of the project

No new staff need be taken on when the building is rented.

Extra staff may be taken on to cater for any increase in attendance figures at the Early Childhood Centre.

There is no administrative expenditure other than that indicated at point 5.

9. Project financed from:

Community Budget (Chapter 21).