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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL**

A partial reallocation of the Commission's ex-Economat funds

1. INTRODUCTION

In November 2008, the Commission took the decision¹ to allocate the ex-Economat's operational surplus and the accrued interests to four specific projects dedicated to social actions in favour of the Institutions' staff for the following amounts:

- support towards the integration of disabled children into the day-care facilities (100,000 €);
- upgrade of the sports facilities at the Overijse site (500,000 €);
- infrastructure for improving conditions at work in the European Quarter (600,000 €);
- contribution to the EP's Fitness Centre (1,500,000 €).

In June 2008, the abovementioned surplus amounted to exactly 2,733,356 € and, at the actual date of closure of the source accounts in April 2009 to 2,839,914.96 €. This sum was registered as assigned revenue.

Funds relating to the first project (support towards the integration of disabled children into the day-care facilities) have already been assigned and used. Those relating to the third project (infrastructure for improving conditions at work in the European Quarter) have been assigned to works for which a building permit has been submitted.

The European Parliament project (1,500,000 €) has been rendered impossible following their decision in 2009 not to pursue this project in its initial form, and this amount has been carried over since 2009.

The result is a total amount of 1,639,914.96 € available to be reassigned to a new project, composed of 1,500,000 € from the Parliament project and 139,914.96 € from the difference between the definitive amount recovered from the ex-Economat accounts (2,839,914.96 €) and the sum of the amounts of the projects identified in the 2008 communication.

Following the above mentioned event, this communication aims at informing the European Parliament and the Council of the amendments related to the allocation of the unassigned ex-Economat funds set up under the 2008 communication.

2. THE DOWNSIZING OF THE PARLIAMENT'S FITNESS CENTRE PROJECT

In the summer of 2009, the Commission was informed of the decision of the Bureau of the European Parliament to considerably downsize the project, to the extent that the Commission's participation was no longer required. In September 2009, the Commission services replied to the Parliament's administration taking note of this decision and announcing that a new destination for the 1.5 M€ would therefore be sought.

¹ COM(2008)692 final of 12 November 2008

3. RENOVATING THE OVERIJSE SITE

The idea to renovate the Overijse site, owned by the Commission since 1974 has been supported by the Staff representatives and foreseen in several Commission action plans.

However, lack of budgetary resources and a change in the land-use plan by the local authorities in 2009 rendered the developed plans unfeasible and, as a consequence, held up the renovation. A study of a new project, taking into account the additional constraints stemming from the land-use plan, has been launched in early 2011 and is now ongoing. It consists of the construction of a new building (for sport and social activities including sanitary facilities needed for the sports function) and allowing the use of the centre for the Easter and Summer day-care function (child-minding facilities²) replacing the two current buildings which are totally obsolete, fitting out works of its surrounding areas, the refurbishment of the villa (i.a. to bring it up to better energy consumption standards), the renovation and the setting up of various sports facilities on the site.

The available resources from the ex-Economat funds, notably expected to contribute to the European Parliament's Fitness Centre would be assigned to a specific project within the renovation of the Overijse site.

The main goal of the new Overijse renovation plan is to provide for the Easter and Summer day-care function accessible to all Institutions' staff, to give an added value to the site, to lower the operating costs inter alia by introducing recent heating and ventilation solutions, to maintain the site up to standard and in particular to:

- accommodate outdoor and indoor activities for children (day-care facilities during Easter and Summer school holidays) in both quality and capacity;
- be at the disposal of related organisations (presently renting similar facilities from third parties, as for example the European Schools), against payment for their sports weeks;
- make it accessible to people of reduced mobility;
- offer sports and recreation activity facilities to the children and the staff and their families;
- also be available for some training activities.

As a consequence, it is foreseen to allocate all the available amounts from the ex-Economat operational surplus of 1,639,914.96 € as well as the 500,000 € already foreseen for the upgrading of the sports facilities, to finance the Overijse renovation investment costs primarily linked to the abovementioned specific project for the day-care function.

In line with the general conditions for the use of ex-Economat funds, set out in the initial 2008 Communication, this specific investment will not imply additional human or financial resources. The budget, needed to maintain the Commission's assets in an acceptable state and

² During Summer and Easter break this service is very much demanded by staff /parents and cannot be assured in another way.

for the real estate running costs (maintenance, energy, security) will continue to be covered by the existing resources allocated to the Commission.

It has to be observed that the actual commitment of the funds largely depends on the building permits still to be obtained. While the preliminary contacts with the local authorities do not indicate any specific difficulties, the outcome is not under the full control of the Commission's services. This might further delay the project, and it cannot be totally excluded that it might even bring into question the mere feasibility of the project. It is therefore appropriate to already foresee a possible new assignment of the funds to another social project, would the building permits delay put the project at risk.

4. CONCLUSION

It is proposed to add the available amount of 1,639,914.96 € to the 500,000 € originally assigned to the renovation of the sports facilities for the financing of the specific project linked to the day-care function within the renovation of the Overijse site as explained above.

The time necessary for the definition of a new project, the relevant studies to be carried out, the building permits to be obtained, and the call for tenders to be done made it impossible to use the amounts as initially foreseen in the budgetary years 2009/2010/2011. At this stage, the date for the commitment or the funds related to the new project is expected in 2012/2013.

Therefore, in application of the Financial regulation (article 10) the unused funds will be carried over the next year(s).

The Commission:

- Approves the assignment of 2,139,914.96 € to the specific project linked to the day-care function within the renovation of the Overijse site. The budgetary operations to implement this decision will be assured by the competent services.
- Hereby informs the European Parliament and the Council of the partial reallocation of the ex-Economat funds and of the need to carry over those funds.
- Agrees to assign the funds to another project in the social domain after a new communication, should the Overijse project be abandoned for external reasons.