

COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET FOR 1981
SECTION III - COMMISSION

COM(81) 280 final

Brussels, 26th May 1981

TRANSFER OF APPROPRIATIONS No 14/81
(Non-compulsory expenditure)

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FROM CHAPTER 100 - PROVISIONAL APPROPRIATIONS

TO CHAPTER 20 - INVESTMENTS IN IMMOVABLE PROPERTY,
RENTAL OF BUILDINGS AND ASSOCIATED EXPENDITURE

Article 200 - Rent

Item 2000 - Rent

3.100.000 ECU

The Financial Controller approved this proposal on 24 April 1981 in accordance with Article 21(4) of the Financial Regulation and certified that the appropriations are available.

Grounds

1. In the 1981 preliminary draft budget, the Commission requested an appropriation of 41.040.400 ECU under Item 2000 (Rent). The 1981 budget contained an appropriation of only 36.900.000 ECU under this heading because Parliament had entered 4.100.000 ECU under Chapter 100 (Provisional appropriations) on the grounds that the Commission should negotiate a reduction in the rents paid.

The total amount in the 1981 budget to cover the rents to be paid by the Commission was therefore 41 million ECU.

2. As Parliament had requested, the Commission entered into negotiations with its landlords in an attempt to secure rent reductions.

(a) The only negotiations which have produced really satisfactory results so far are those with the Belgian Government in its capacity as landlord of rue de la Loi 120, where the rent has been reduced by 25%.

(b) Negotiations with other landlords are continuing but they do not, at the moment, appear likely to follow the example set by the Belgian Government; they would prefer to finance improvements and modernization work. The negotiations which have made most progress are those with the landlord of the block between the avenue de la Joyeuse Entrée, the avenue de Cortenberg and rue de la Loi, on which the lease will expire on 31 December 1981.

(c) The chances of successfully negotiating rent reductions with the other landlords would be increased if the budgetary authority were to take a decision about purchasing or constructing buildings. Such a decision would enable the Commission to undertake longer-term commitments and would have particularly important repercussions for the larger buildings. The Commission drew the attention of parliament and the Council to these points in its Communication COM(80)544 of 7 November 1980 on the situation regarding the Commission's premises in Brussels.

(d) The Belgian Government pays about half the rent for the Berlaymont and so it is impossible to secure any further improvement in the terms.

3. A joint approach by the three institutions provisionally located in Brussels to secure exemption from tax on immovable property payable by landlords as a tax on income from such property did not meet with the success that had been anticipated.

In its reply, the Belgian Government stated that the tax on immovable property was payable exclusively by the recipient of the income from the property and not by the tenant. The fact that the tax was the subject of a separate payment to the landlord did not alter its nature but was simply a result of a clause in the contract defining one of the constituent parts of the rent. Under Belgian law, the Community institutions could not therefore be regarded as exempt from the tax on immovable property. The Belgian Government also considered that Article 3 of the Protocol on the Privileges and Immunities of the European Communities did not apply to such a case.

4. The Albert Borschette Conference Centre, which is custom-built for the Commission, is in the course of construction. By entering into a long-term agreement (12 years) the Commission has secured the inclusion in the lease of a clause providing that the rent will be reduced by 55% at the end of this period if it then decides to renew the lease. The Commission will negotiate similar clauses in every future lease.

5. Nevertheless, the Commission must respect the terms of the current leases. In the case of buildings rented in Brussels, rent for the second half of 1981 is due on 1 July. In the case of buildings in Luxembourg, the conditions vary but for the largest, the Jean Monnet, the rent is payable quarterly in advance.

6. As can be seen from the attached table, the most recent forecasts are that rents for 1981 will total 40 million ECU:

(a) This reduction of 1.037.000 ECU from the initial forecasts drawn up in February 1980 can be accounted for as follows:

- delay in completing the new computer centre in Luxembourg	365.000	ECU
- depreciation of the Belgian franc with respect to the ECU (- 1,16%)	455.000	ECU
- reduction in the rent of rue de la Loi 120	250.000	ECU

(b) The forecast expenditure is now 3.100.000 ECU more than the appropriation entered under this heading in the 1981 budget. The Commission proposes to transfer this sum from Chapter 100 (Provisional appropriations) to Item 2000 (Rent).

Appropriations requested for 1981 and expenditure forecasts as at 30 April 1981

	1981 preliminary draft budget	Forecast as at 30 April 1981	Difference
	(1)	(2)	(3) = (1) - (2)
BRUSSELS (in BFrs)			
- BERLAYMONT	329 376 584	329 164 272	212 312
- JCL	159 892 333	159 883 178	9 155
- ARCHIMEDE 1 - 11	37 991 801	37 607 564	384 237
- RP SCHUMAN 3	16 367 187	15 698 752	668 425
- RP SCHUMAN 6	33 923 477	32 713 462	1 210 015
- LOI 120	40 329 870	29 964 716	10 365 154
- LOI 84 and 86	85 600 427	84 789 240	811 187
- ASTRONOHIE	16 589 898	16 434 852	155 046
- ARCHIMEDE 3 - 5 - 7	10 525 375	10 030 258	495 117
- ARCHIMEDE 25	20 822 294	20 074 160	748 134
- NERVIENS	44 521 602	44 245 650	275 952
- MANHATTAN	40 383 441	39 734 004	649 437
- GUIHARD	49 031 864	49 054 464	- 22 600
- ZAVENTEN	41 448 892	40 789 680	659 212
- GARAGE and PARKING	6 889 618	6 825 230	64 388
- CLOVIS 75 - 79	8 566 863	8 502 741	64 122
- ARCHIMEDE 73	5 277 747	5 161 714	116 033
- CORTENBERG VI	33 504 824	31 815 504	1 689 320
- SQUARE DE MEEUS	88 347 143	89 508 948	- 1 161 805
- "TRIANGLE"	16 000 000	18 000 000	- 2 000 000
- CONFERENCE CENTRE	70 300 000	66 000 000	4 300 000
- MISCELLANEOUS (1)	860 000	500 000	360 000
- STEEL TASK FORCE	-	830 000	- 830 000
TOTAL BRUSSELS (in BFrs)	1 156 551 240	1 137 328 399	19 222 841
• • • (in ECU)	28 539 300 ECU	27 740 000 ECU	799 300 ECU
LUXEMBOURG (in BFrs)			
- JEAN MONNET (A + B)	254 531 660	252 996 000	1 535 660
- JEAN MONNET (C)	134 600 000	119 541 000	15 059 000
- COMPUTER CENTRE	29 696 500	29 005 000	691 500
- OFFICES OF TRANSIT	3 477 450	3 482 000	- 4 550
- RUE GLESENER	1 638 960	1 987 000	- 348 040
- RUE NOTRE DAME (WELFARE)	1 698 570	1 706 000	- 7 430
- AV. X SEPTEMBRE 107	332 400	334 000	- 1 600
- AV. X SEPTEMBRE 109	332 400	334 000	- 1 600
- RUE MEYEN	264 852	302 000	- 37 148
- RUE DES ROSES	276 000	322 000	- 46 000
- RUE DE LA FAIENCERIE	-	310 000	- 310 000
- MEIS' (WAREHOUSE)	-	4 758 000	- 4 758 000
- STORAGE FACILITIES	500 000	370 000	130 000
- MISCELLANEOUS (1)	1 000 000	1 000 000	-
TOTAL LUXEMBOURG (in BFrs)	428 348 792	416 447 000	11 901 792
• • • (in ECU)	10 570 100 ECU	10 157 000 ECU	413 100 ECU
EXTERNAL OFFICES (in ECU)	1 931 000 ECU	1 926 000 ECU	5 000 ECU
TOTAL (in ECU)	41 040 400 ECU	39 823 000 ECU	1 217 400 ECU
1980 RENT (supplementary)	-	180 000 ECU	- 180 000 ECU
GRAND TOTAL (in ECU)	41 040 400 ECU	40 003 000 ECU	1 037 400 ECU

STATEMENT OF APPROPRIATIONS UNDER CHAPTER 100

ON 23 APRIL 1981

	Appropriations for commitment	Appropriations for payment
1. Total allocation	407.079.000	369.019.000
2. Appropriations transferred	6.160.000	6.160.000
3. Appropriations currently the subject of a transfer	2.026.000	1.526.000
4. Appropriations, remaining	398.893.000	361.333.000