

ORANGE HOUSE PARTNERSHIP (OHP) OFFICE EXPENSES: A PROPOSAL FOR COMPENSATION

INTRODUCTION

Orange House office expenses are threefold: (i) office exploitation, (ii) office supplies and equipment and (iii) administrative and miscellaneous costs. From the establishment of OHP in May 2009 all expenses made with respect to office supplies and equipment as well as most of the administrative and miscellaneous have been reimbursed based on proof of the costs incurred [see the various financial overviews, the most recent being MB/M(2010)10].

However, with respect to office exploitation (at Kampendaal 83, Dworp, Belgium), all cost have been carried thus far by the Managing Director. Currently typical office exploitation costs include:

- Office rental costs;
- Electricity;
- Oil-fired central heating;
- Drinking water;
- Telephone/internet.

PROPOSAL

The following is a proposal for compensation of expenses made with respect to the Kampendaal office exploitation. Possible costs involved in the occasional use of the Rond Point Schumann office in Brussels are not included and will be considered on a case-by-case basis.

Office rental costs

The office is a fully attached part of the home of the Managing Director with a separate entrance and rest room facility, covering approximately 15% of the total surface area of the building. Rental costs of the whole premises are currently €1455/month.

Proposal: no office rental charges for OHP.

Electricity

The electricity bill for the whole premises is currently €148/month which is an advance based on actual use of the first 12 months (April 2009-April 2010).

Proposal: OHP will be charged for 15% of the electricity bill, being **€22.20/month** based on the current advance which will be corrected retrospectively based on actual use (in May 2011).

Oil-fired central heating

The actual fuel-oil bills for the period April 2009-April 2010) added up to €3,617 which is on average €301/month. Although oil prices may fluctuate considerably, it is not expected that fuel-oil bills for the coming period will be lower, unless the coming winter will be warmer and less oil is consumed.

Proposal: considering that sleeping quarters are generally not heated, OHP will be charged for 25% of the actual expenses, which would be **€75.25/month** based on last year's actual use. This will be corrected retrospectively, as appropriate, based on actual use (in May 2011).

Drinking water use

Water use for the OHP is considered minimal (basically only coffee/tea).

Proposal: no drinking water charges for OHP.

Telephone/internet use

Apart from the fixed monthly costs for connections and maintenance (landline telephone and internet) and subscription (mobile phone), monthly bills are based on actual use. Analysis of actual telephone use over the last 12 months showed that approximately 50% of the monthly mobile and approximately 35% of the monthly landline phone call expenses are OHP-related. The percentage of OHP-related mobile phone expenses is higher because of OHP-related data-roaming. Phone bills vary between €60 - €280 (mobile phone) and €50 - €150 (landline)

Proposal: OHP will not be charged for fixed monthly costs (subscription, connections) but will be charged monthly for 50% of the actual mobile and 35% of the actual landline phone call bills.

SUMMARY

As a consequence of the proposals above, the monthly charges to OHP for office exploitation will vary between **approximately €150 and €300 per month** based partly on best estimates and partly on actual costs. There would be no office rental charges.

ACTION REQUIRED

The Management Board is requested to agree on the proposal for compensation of costs related to the exploitation of the OHP office in Dworp, amended as appropriate.

The Management Board is further requested to decide on the date on which this compensation should become effective, e.g. on the 1st of July 2010 (mid-year), or, alternatively, on the 1st May 2009 (establishment of OHP).