

**COMMERCIAL HOUSE, COMMERCIAL STREET, ST. HELIER: LEASE OF 3rd FLOOR OFFICE
ACCOMMODATION**

**Lodged au Greffe on 19th March 2002
by the Industries Committee**



STATES OF JERSEY

STATES GREFFE

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PROPOSITION

THE STATES are asked to decide whether they are of opinion -

- (a) to approve the leasing by the public from the Jersey Electricity Company Limited of 2,084 square feet of third floor office and storage space at Commercial House, Commercial Street, St. Helier, for occupation by the Department for Economic and Commercial Development and the Gambling and Lottery Control Office, for a period of nine years, with the option for the public as lessee to terminate the lease at the end of the sixth year, at an initial annual rental of £52,250, to be reviewed at three-yearly intervals to open market value, and a proportion of the service charge for the communal areas, insurance, repair and maintenance, and with each party being responsible for its own legal fees in relation to this transaction; and
- (b) to authorise the Greffier of the States to sign the lease on behalf of the States and to authorise the Treasurer of the States to pay the rent as it becomes due.

INDUSTRIES COMMITTEE

Note: The Finance and Economics Committee's comments are to follow.

Report

The Industries Committee was appointed in December 1999. It is supported by the Department for Economic and Commercial Development (DECD), the Strategic Development and Regulation of Undertakings and Development (RUDL) officers of which currently share accommodation on the Ground Floor of Cyril Le Marquand House.

Upon the formation of the Industries Committee, the initial intention was that all existing and future functions of the new Committee, including Trading Standards, together with the departmental services of the Jersey Transport Authority and the Gambling Control Committee, would be carried out from one refurbished office suite at the Summerland site. For a number of reasons, principally related to cost, this plan never came to fruition.

The office accommodation at Cyril Le Marquand House is now congested as the office suite was originally meant only for RUDL staff. The intention is that the RUDL Office will remain in this location to provide continuity of service to the public. In addition to the above, staff of the Gambling and Lottery Office currently operate from a leased property at 7 West's Centre. As they already effectively form part of the DECD, this results in unsatisfactory office management practice. The lease on this premise at 7 West's Centre will expire in June 2002 and will not be renewed as it does benefit the long-term office requirement of the DECD. As part of the ongoing review of the machinery of government, negotiations are well advanced, leading to the transfer of further functions and staff in due course into the DECD.

Having identified the requirement to consolidate the office accommodation for the DECD, and though it may doubtless be possible to find an optimal long-term solution as part of the ongoing governmental review, adequate accommodation for the Department's officers must be provided in the immediate to medium term.

The Department of Property Services has recognised the difficulties and, having evaluated all other options, including considering properties within the States' existing portfolio, which were either too small or not conveniently situated or central enough to provide the services to be offered by the DECD, advised us and gave full support by actively seeking suitable offices in the private sector.

An office suite has been identified on the 3rd Floor of Commercial House, Commercial Street, St. Helier comprising 2,084 square feet of office and storage space. The property is in a central location for ease of access and is serviced by a lift to provide disabled access.

Terms and conditions have been agreed with the landlord for a nine-year lease to be deemed to commence upon completion of legal formalities with an initial rental of £52,250 per year. The rental shall be reviewed every three years to Open Market Value. The Public as lessee will have the right to break the lease at the sixth anniversary. The lessee is to be responsible for the repair and maintenance of the interior of the premises and for its proportion of the service charge in relation to the communal areas including the lift. The lessee will also be responsible for the payment of electricity, telephone and water rates consumed within the demised premises as well as for occupier rates. The landlord is responsible for the repair and maintenance of all structural elements of the property.

There are no additional manpower implications for the States and the financial implications are set out above.