

**VICTORIA CHAMBERS, THE ESPLANADE, ST. HELIER: LEASE OF 1ST FLOOR OFFICE
ACCOMMODATION**

**Lodged au Greffe on 28th May 2002
by the Industries Committee**



STATES OF JERSEY

STATES GREFFE

150

2002

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Price code: A

PROPOSITION

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

- (a) to approve the assignment of the existing lease from Dexia Private Bank (Jersey) Limited to the public of approximately 2,000 square feet of first floor office space at Victoria Chambers, The Esplanade, St. Helier, for occupation by the Department for Economic and Commercial Development and the Gambling and Lottery Control Office, for the period ending 10th March 2005, at a fixed annual rental of £48,000 until the end of the lease (representing a rate of £24 per square foot), together with the payment of a service charge to cover maintenance of the common areas, services and exterior, 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 has resulted in unsatisfactory office management practice. The lease on this premise at 7 West's Centre will expire on 23rd June 2002 and has not been renewed as it does not benefit the long-term office requirements of the DECD. The Chief Executive Officer of the DECD is currently based at the Markets Administration Office in the Central Market as there is no other accommodation available to him. This is highly unsatisfactory. 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.

The 'office market' has been searched in conjunction with the Department of Property Services, including consideration of the limited opportunities within the present public office portfolio, and the recommended option is to lease approximately 2000 square feet of space on the first floor of Victoria Chambers, the Esplanade (opposite Liberation Square).

The office space is presently leased by 'Dexia Private Bank (Jersey) Limited' (formerly 'Banque Internationale a Luxembourg (Jersey) Limited') from 'G de Z Investments Limited' on a nine year lease running from the 11th March 1996 to 10th March 2005. It is proposed that the Industries Committee will assign the lease from 'Dexia Private Bank (Jersey) Limited' for the remainder of the term.

The rent is £48,000 per annum, which is fixed for the remainder of the lease period. That equates to £24.00 per square foot of office floor space, which in the Department of Property Services' opinion is a fair and proper rent for the subject premises.

In addition to the rent, the Industries Committee will be required to pay the Lessor a service charge as demanded to cover its proportion of the maintenance of the common areas, services and exterior, etc. From having sight of copies of past invoices, the service charge appears to run from approximately £300 to £450 per month (£3,600 to £5,400 per annum), though it must be appreciated that if any large repairs are required, that figure could be significantly higher. The Department of Property Services will be undertaking a condition survey of the building in due course and will report back to the Department for Economic and Commercial Development.

The terms of the lease also require the Lessee to maintain the interior of the occupied premises direct.

A copy of the existing lease has been reviewed by the Department of Property Services, which is of the opinion that the terms are in line with other commercial office leases.

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