

ORIEL HOUSE, YORK LANE, ST. HELIER: LEASE OF ACCOMMODATION

**Presented to the States on 7th December 1999
by the Planning and Environment Committee
and lodged au Greffe
by Deputy J.J. Huet of St. Helier**



STATES OF JERSEY

STATES GREFFE

175

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Price code: B

PROPOSITION

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

- (a) to approve the leasing on behalf of the public from Jayka Investments Limited of part of the first and second-floor office accommodation at Oriel House, York Lane, St. Helier, (comprising 3,470 square feet of floor space) for a period of nine years from 1st January 2000, at an annual rent of £72,895 (representing a rate of £23 a square foot for the first floor and £18 a square foot for the second floor), with the lessee having an option to terminate the lease at the end of the fifth year upon giving the lessor one year's notice in writing, with a six week rent-free fitting-out period and with the rent to be reviewed every three years in line with open market rental value for the purpose of accommodating a training centre for public sector employees;
- (b) to authorise the Greffier of the States to sign the lease on behalf of the public;
- (c) to authorise the Treasurer of the States to pay the rent as it becomes due.

PLANNING AND ENVIRONMENT COMMITTEE

- Notes:
- 1. The Establishment Committee supports the proposition.
 - 2. The Finance and Economics Committee supports the proposition.

Report

The Establishment Committee has for some time been seeking suitable premises for use as a dedicated Training and Resources Centre for public sector employees, due to the number of events being held each year and the rising costs being incurred in hiring premises. Whilst the requirement for training accommodation has increased, there is also a need to secure suitable venues for assessment centre meetings, panels, NVQ requirements and health and safety training. The average cost of hiring venues over the last three years 1996/97/98 has equated to £151,488 per annum. Ideally, a property in close proximity to Cyril Le Marquand House was preferred, due to the amount of time being spent by organisers to set up various venues, and time taken travelling between different events and the offices at Cyril Le Marquand House. To ensure a co-ordinated approach, the Personnel Department undertook a review and established that ten Committees would make use of facilities provided by the Establishment Committee, and in view of the savings to be made, suitable accommodation of up to 4,500 square feet was to be sought as a Resources Centre for training and development.

There is currently no office accommodation existing within the States portfolio to meet this requirement, but the preferred long-term option will be to locate this facility in premises within the public ownership.

It has been agreed that the lease should be in the name of the Planning and Environment Committee, with the Establishment Committee agreeing to indemnify the Planning and Environment Committee in relation to all costs associated with the lease agreement.

Various properties have been identified and discounted for various reasons, but now terms and conditions have been negotiated with Jayka Investments Limited as owners of Oriol House, York Lane, St. Helier, for the lease of a property within 50 metres of Cyril Le Marquand House, subject to States' approval.

Lessor -	Jayka Investments Limited
Lessee -	Planning and Environment Committee, for and on behalf of the Public of the Island of Jersey, to be utilised by the Establishment Committee.
Demise -	Oriol House, York Lane, St. Helier
	Part 1st Floor Unit 4 - 648 square feet
	Part 1st Floor Unit 5 - 1,439 square feet
	2nd Floor - 1,383 square feet
	Total - 3,470 square feet
Lease term -	An internal repairing lease for a period of nine years from the commencement of the lease, which is deemed to be 1st January 2000, with the tenant's option to break the lease at the end of the fifth year of the term, having given one year's prior notice to the landlord to that effect without penalty.
Commencing rental -	1st Floor Unit @ £23 per square foot 2nd Floor Unit @ £18 per square foot (Overall rental value equating to £21 per square foot)
	Total commencing rental - £72,895 per annum
Rent review -	The rent is to be reviewed at the end of every third year of the term to the open market value at the time.
Fitting-out period -	The lessee is granted a rent-free period of six weeks for the fitting out of the property, to take effect from the deemed commencement of the lease.
Repairing and insuring obligation -	The lessee's repairing obligation is for internal repairing and decoration only, and to include building insurance.

External repair - The lessee shall be responsible for the three-yearly external decoration by way of a fair proportional service charge, based upon the square footage of the property, but any external decoration will not include repairs, maintenance or making good of the property.

User clause - Offices.

- Service charge -** The landlord shall produce to the tenant on the expiry of each calendar year service charge accounts relating to the expenditure items recoverable for common areas by way of service charge, including both the foncier and occupier rates.
- Rates -** The lessee shall be responsible for both foncier and occupier rates.
- Costs -** Each party to bear their own costs in relation to this transaction.