

**STATEMENT BY THE PRESIDENT OF THE ECONOMIC DEVELOPMENT
COMMITTEE ON TUESDAY 22nd JULY 2003**

Members will know that questions relating to the new offices for the Economic Development Committee have been withdrawn.

I am aware that other members wanted to ask similar questions and therefore make this statement to help members understand the reasons for acquiring new offices. Whilst this is not an entirely satisfactory situation, because standing orders do not allow follow up questions to be asked of statements, it is intended to provide an explanation of the reasons for taking this office space.

It should be understood that the lease is in the name of the Environment and Public Services Committee. The Economic Development Committee received the Notification of a Property Transaction approved by the Director of Property Services on 22nd January 2003 and requested the Department of Property Services to lease the property known as 24/26 Bath Street, St Helier, for use by the Economic Development Department. The Treasurer approved the transaction under delegated powers on 30th January 2003, and as is normal practice, the Finance and Economics Committee noted the Treasurer's decision under Standing Orders relating to certain transactions in land at its Meeting on 12th February 2003. The transaction is recorded in detail in the Act A2 sub-paragraph (a) of the Finance and Economics Committee Meeting of 12th February 2003. The lease agreement commenced on 1st March 2003.

The accommodation is not being acquired to accommodate an increase in staff numbers. In fact the Economic Development Department has already made five staff reductions through a combination of VRs, redeployment and decisions not to fill certain vacancies. A further three reductions are needed to meet decisions from the Fundamental Spending Review and these will be implemented during the year.

The following officers will occupy the premises –

Interim Chief Executive Officer – currently occupying an office in the Central Market;

Personal Assistant to the Interim Chief Executive Officer – currently located at Jersey Tourism;

Interim Chief Executive Officer, Department for Economic and Commercial Development (DECD) – currently located in the Regulation of Undertakings and Development Law Office at Cyril Le Marquand House;

Strategic Development Officer and Finance and Administration Officer, DECD - currently situated in the Regulation of Undertakings and Development Law Office at Cyril Le Marquand House;

Finance Industry Executive – new post;

2 Gambling Control staff – currently located in temporary accommodation at Trinity House;

5 TEP staff – currently located in temporary accommodation at Somerville House;

Corporate Resources Director and Human Resources Manager currently located at Jersey Tourism;

Web Development Manager – currently being recruited from within the Department;

A small number of Corporate Resource staff from the Agriculture and Fisheries Department.

This lease has only been agreed after all other alternatives have been considered. Prior to the appointment of the Industries Committee in December 1999 it was recognised that suitable accommodation would be required for its department, the Department for Economic and Commercial Development (DECD), and a budget was allocated for this purpose. The original intention was to use the Summerland site. However, when a feasibility study was undertaken, it was evident that the refurbishment cost would have been far too high and this idea was abandoned.

The Industries Committee recognised that its department had inadequate accommodation. The Department of Property Services was consulted and its officers evaluated all options, including considering properties within the States' existing portfolio, which turned out to be either too small or unsuitable. Property Services gave full support to the Committee by actively seeking suitable offices in the private sector.

Since then, the Economic Development Department has been established. This includes the functions of the DECD, Gambling Control, Jersey Transport Authority, Training and Employment Partnership, Tourism Department and Agriculture and Fisheries Department.

The former Gambling Control Committee had an office in Wests Centre, the lease on which expired in June 2002. Responsibility for gambling control now rests formally with the Economic Development Committee.

Responsibility for the Training and Employment Partnership was transferred from the Employment and Social Security Committee with effect from 1st January 2003. The TEP officers had been required to leave their office accommodation in the autumn of 2002 and to relocate into temporary accommodation and then subsequently into different temporary accommodation just a few months later, where they remain.

The Department of Property Services searched throughout 2002 for suitable accommodation to bring together the Chief Executive Officer, the majority of the DECD staff and the corporate resources staff. In 2002, two premises were identified. The first fell through because the landlord decided not to proceed. The second fell through because of difficulties surrounding the lease.

There can be no doubt that the present offices available to the Economic Development Department are totally inadequate in terms of the physical space to accommodate the staff and that it is unacceptable from the management viewpoint for them to be spread out in temporary accommodation in various different locations.

I must emphasise that the aim has been to find accommodation of a suitable size and at a reasonable rent. The Committee has not taken these decisions lightly.

The annual rental for 24/26 Bath Street is £40,000. This will be financed by using the existing rental budgets allocated to the former Gambling Control Committee, the TEP, Jersey Transport Authority and Strategic Development Directorate of the DECD.

The exact total fit-out costs will not be known for some weeks but it is estimated to be approximately £150,000. This includes construction of internal partitions etc., electrical and

ventilation work, plumbing and heating, painting and decoration, floor covering and finishes and various ancillary works, together with IT/data and telecommunication systems and furniture. Relocation costs in respect of all staff who are moving are also included.

The funding is being allocated as follows –

£78,000 from the unspent budget of the Industries Committee carried forward from 2002 for this specific purpose, as agreed by the Finance and Economics Committee;

£40,000 from the current Jersey Tourism budget. These funds were originally earmarked to refurbish toilets, kitchen and bulk storage areas of the Tourism Offices but only Health and Safety aspects of this work will now be carried out as the Island Site Plan will affect the Tourism Department's offices, hence the funds were available to help fund the Bath Street offices refurbishment;

the balance from the existing Strategic Development budget.

Finally, the new offices will ensure much greater efficiency of staff and apart from the management benefits of having the core staff of the department co-located, there will be no additional ongoing savings to the department.