



Council of the European Union
General Secretariat

Brussels, 01 March 2024

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INFORMATION

From:	General Secretariat of the Council
To:	Working Party on Commodities
Subject:	PROBA/Coffee: 60th meeting of the Finance and Administration Committee (5 March 2024) - Agenda related documents

Delegations will find attached, for information, the following documents for the 60th meeting of the Finance and Administrative Committee meeting, to be held online on 5 March 2024:

- Revised draft agenda
- Premises update



**INTERNATIONAL
COFFEE
ORGANIZATION**

FA 370/24

29 February 2024
Original: English

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Finance and Administration Committee
60th Meeting
5 March 2024
London, UK

Premises update

RESTRICTED

Background

1. During the 136th Session of the International Coffee Council on 28 and 29 September 2023, the Council agreed that the Secretariat should undertake further research into alternative locations for the premises of the Organization and report to the Finance and Administration Committee in March 2024.
2. This document provides the Committee with an update and also addresses some of the matters that have arisen since its last meeting.

Action

The Committee is requested to consider this document and to recommend to the Council the action to be taken by the Secretariat regarding the ICO premises.

PREMISES – UPDATE

Introduction

1. Members of the Committee will recall that the Secretariat previously contacted representatives of the Government of the United Kingdom who confirmed that there were no suitable spaces available at the time (see **ANNEX I**). The Council approved [Resolution 483](#) (see paragraph 93 of the [Decisions and Resolutions of the Council](#)) and the Secretariat has since conducted further research to find suitable premises for the ICO following the expiration of the current lease in June 2025.
2. This document aims to update members of the Committee with recent developments.

Recent correspondence with the landlord

3. In October 2023, the Secretariat was informed by the landlord (CLSH Holdings) that they planned to offer some lease extension options, including discounts for all existing tenants staying for a minimum of two years after June 2025. The Secretariat had discussions with CLSH Holdings in order to better understand their current plans for the building, and the conditions the ICO can expect from them if the decision is to extend the contract.
4. In February 2024, the landlord offered the following options for the lease extension (**ANNEX II**):
 - Option 1: One-year extension;
 - Option 2: Four-year extension with five months rent free; or
 - Option 3: Two-year extension with a break clause of six months and three months rent free.

Further research undertaken by the Organization

5. The Secretariat has sent inquiries to all London-based international organizations to ascertain whether they have any available office space. However, none of them currently have or will have any office space available in the near future.
6. The Secretariat also had meetings with some international organizations located in Canary Wharf which seems to have an affordable market price. The information obtained from them regarding potential premises (available as of November 2023) can be found in **ANNEX III**.
7. The abovementioned potential premises would not necessitate a new International Coffee Agreement (ICA) if the lease agreement were signed for a period of less than three years. However, a longer-term lease might require a new ICA.

8. The Secretariat has conducted a broad search in Greater London for alternative premises. The conclusion is that the market has continued to grow in central London, and prices in prime locations such as Midtown, the West End and the City area are more than double the ICO's current premises. Therefore, in order to make savings on new premises, only lower-priced areas were focused on. **ANNEX IV** shows the current standard prices for several London locations, and **ANNEX III** shows sample premises in London in comparison with the current premises' cost.

9. The Executive Director was invited to visit Rome to discuss future collaborations with the Directorate General of Development Cooperation. One of the items discussed was Italy's interest in hosting the ICO in an available building in front of Piazzale della Farnesina. The building was visited by the Executive Director and the Director General, Stefano Gatti, who is preparing a formal letter of intent to be sent to the ICO and also to the European Commission - PROBA, which acts as the formal representative of the 27 EU countries at the ICO.

Summary

10. The Secretariat thus presents Members with the following options for their consideration:
- (a) Remain in the current premises at 222 Gray's Inn Rd with an extended lease;
 - (b) Re-locate within London to Canary Wharf or other premises; or
 - (c) Study the Rome option in depth and any other offers if and when they are received (no later than June 2024).



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Vanúsia Nogueira

Our ref: TO2023/17841

Vanusia@ico.org

3 October 2023

Dear Vanúsia,

Thank you for your email of 11 September about concerns regarding a new location for your business. We have been asked to reply.

In July, Defra officials met with International Coffee Organization (ICO) representatives to discuss the ICO's plans for their headquarters.

The ICO explained that they were coming to the end of their current tenancy and in accordance with the Headquarters agreement, requested assistance from Defra in finding new premises.

While Defra officials have engaged with colleagues across the Government to investigate any available premises, we confirm that there is nothing suitable at this time.

We hope that the ICO will continue to maintain a presence in the UK as a valued representative of an integral industry to the UK economy.

Yours sincerely,

Ministerial Contact Unit

Extension of the current lease agreement at 222 Gray's Inn Road- Options for lease terms

222 Gray's Inn Road				
	Current	Option 1	Option 2 ^{1/}	Option 3 ^{1/}
Rental cost/sqf	6,778	6,778	6,778	6,778
Headline rent per annual	£ 42.77	£ 42.77	£ 39.00 ^{3/}	£ 41.00 ^{3/}
	£ 289,926	£ 289,926	£ 264,342	£ 277,898
Lease Term	Ending on 17 June 2025	1 year	4 years	Min 2 years with a break clause ^{3/}
Annual savings compared to the current lease	-	-	-£ 25,584 ^{3/}	-£ 12,028 ^{3/}
Rent Free period	-	-	5 months	3 months
Rent Free savings per annum	-	-	-£ 27,536 ^{3/}	-£ 17,369 ^{3/}
Service Charges/sqf ^{2/ 5/}	£ 69,136	£ 69,136	£ 69,136	£ 69,136
Total Rent per annum	£ 359,062	£ 359,062	£ 280,358	£ 317,637
Total savings per annum	-	-	-£ 53,120	-£ 29,397
Savings in % per annum	-	-	14.8% ^{4/}	8.2% ^{4/}

1/.... Offers to extend the lease agreement from CLSH Holdings

2/.... Subject to periodic changes based on the Consumer Price Index in the UK

3/.... Discounts on price per square foot and a Rent Free Period are further negotiable

4/... Savings compared to the current lease cost per annum

5/... Estimated based on the current service charges as of February 2024

Sample Premises in Greater London

	Sample Premises in Greater London			
	222 Gray's Inn Option 2	One Canada Sq (Canay Wharf) ^{1/}	90 Great Suffolk Street (Waterloo) ^{2/}	Northumberla- nd Ave (Midtown) ^{2/}
Office size (sqf)	6,778	2,800	1,596	1,489
Rental cost/sqf	£ 42.77	£ 55.00	£ 167.67	£ 129.97
Headline rent per annual	£ 277,898	£ 154,000	£ 267,600	£ 193,525
Lease Term	Min 2 years	Min 3 years	Min 2 years	Min 2 years
Annual savings compared to the current lease				
Annual service Charges ^{4/}	£ 69,136	£ 42,000	-	-
Rent Free savings per annum	-£ 17,369			
Reception (only in 2025) £70,000 ^{3/}		£ 70,000	£ 70,000	£ 70,000
Total Rent + SC per annum	£ 329,665	£ 266,000	£ 337,600	£ 263,525

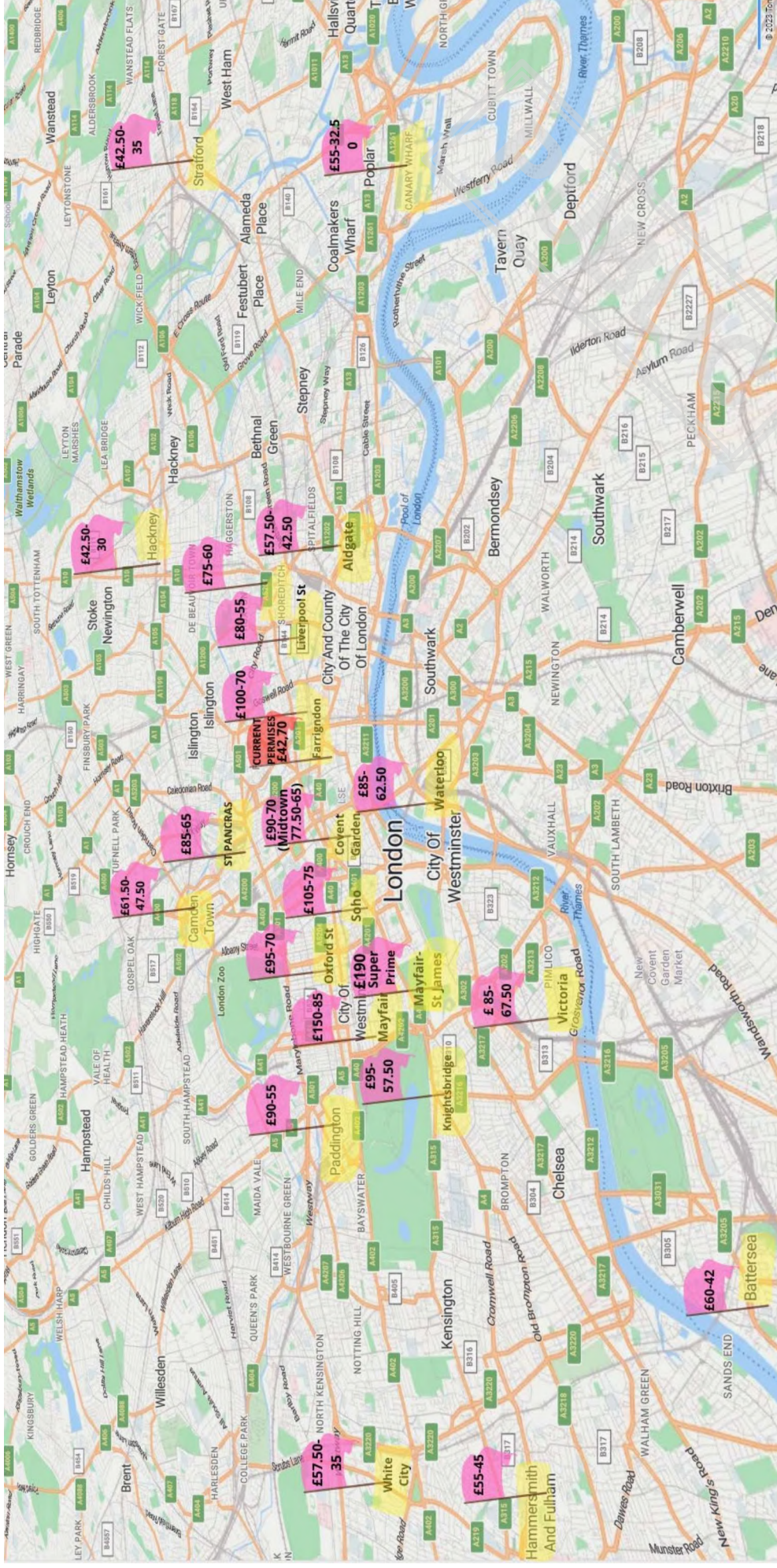
1/... In the same building, One Canada Square, where the International Sugar Organization and International Grains Council are located – an office space available as of November 2023

2/... Serviced office. Suitable for partial remote working due to a smaller office size.

3/... Relocation will require minor refurbishment costs, moving costs and dilapidation costs for the current premises

4/... Estimated based on the current service charges as of February 2024 (Electricity not included). Subject to periodic changes based on the Consumer Price Index in the UK.

London Price Map (base price per square foot) as of December 2023





Finance and Administration Committee

60th Meeting

5 March 2024

London, United Kingdom

Draft Agenda

Item	Document
1. Draft Agenda – to adopt	FA-361/24
2. Report of the intersessional meeting held on 7 September 2023 – to consider and, if appropriate, to approve	FA-360/23
3. Financial situation – to note The Head of Finance and Administration will report on the financial situation as at 31 January 2024 and the cash forecast.	FA-362/24
4. Outstanding contributions – to consider	
4.1 Report on collection of contributions from Members in arrears The Head of Finance and Administration will report on progress in recovering arrears, including contacts with Members with longstanding arrears.	FA-363/24
4.2 Communication from the United Kingdom – to consider and, if appropriate, to recommend for approval	FA-369/24
5. Draft Administrative Budget for financial year 2024/25 – to consider The Committee will consider the draft Administrative Budget for financial year 2024/25.	FA-364/24
6. Accounts for the financial year 2022/23	
6.1 Administrative Accounts of the Organization and Auditors' Report– to consider and, if appropriate, to recommend for approval Rule 14 of the Financial Rules of the Organization provides that the Committee shall examine the financial statements and audit reports and shall present them to the Council for approval and publication with such comments as it deems appropriate.	FA-365/24
6.2 Accounts of the Special Fund and Auditors' Report – to consider and, if appropriate, to recommend for approval The Accounts of the Special Fund and Auditors' Report will be considered by the Committee and presented for the approval of exporting Members.	FA-366/24
6.3 Accounts of the Trust Fund and Auditors' Report – to consider and, if appropriate, to recommend for approval The Accounts of the Trust Fund and Auditors' Report will be considered by the Committee and presented for the approval of the Council	FA-367/24

6.4 Promotion Fund – to note

verbal

7. Salary scales and basis for contributions to the Provident Fund – to consider and, if appropriate, to recommend for approval

[FA-368/24](#)

The Committee will consider proposals for the revision of salary scales and the basis for contributions to the Provident Fund for staff in the General Service and Professional and higher categories.

8. Premises – to consider

[FA-370/24](#)

The Executive Director will present up-to-date information about the future premises.

9. Other business – to consider

verbal

10. Next meeting – to note

verbal

Members are invited to suggest matters for consideration at the next meeting.

The next meeting will take place at a date to be determined by the Committee.

REFERENCE DOCUMENTS
Financial Rules and Financial Regulations of the International Coffee Organization
Rules of the International Coffee Organization
Terms of reference for the Finance and Administration Committee
International Coffee Agreement 2007 (ICA 2007)