



FA 358/23 Rev. 1

05 September 2023
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Finance and Administration Committee
59th Meeting
7 September 2023
London, United Kingdom

Premises

RESTRICTED

Background

1. The Secretariat has been informed that the International Coffee Organization (ICO) will need to leave its current premises no later than June 2025.
2. This document provides information on the relocation options available, with cost estimates provided in Annexes I and II.

Action

The Finance and Administration Committee is requested to consider the information contained in this document and to recommend to the International Coffee Council that it approve, in September 2023, the Secretariat's mandate to conduct an assessment on new premises.

ICO PREMISES

1. As presented at the 58th meeting of the Finance and Administration Committee (FAC) held on 16 June 2023, the Secretariat has been informed that the ICO will need to vacate 222 Gray's Inn Road, London, no later than June 2025. Since the building management company is planning major renovation works following the ICO's departure, there is no possibility for extension of the lease.

2. In light of the above, the Secretariat has thus far presented two options: (i) remaining in the United Kingdom; or (ii) moving the premises abroad. The following points have been defined as priority items to be considered by Members when evaluating alternative cities for a preliminary analysis:

- (a) time zone – for good communication;
- (b) post-adjustment levels – directly related to staff remuneration and cost of living. An explanation about post-adjustment and the last 7 years trend is attached in **ANNEX III**;
- (c) number of ICO Member representations – to facilitate the relationship between the ICO and its Members; and
- (d) presence of an international airport served by multiple airlines – to facilitate travel to potential meetings at the ICO headquarters.

3. Considering items (a), (b) and (c), in addition to the number of international representations in each city, the Secretariat presents the table below. For reference, the equivalent post-adjustment for London is 76.3 and the number of ICO Member representations and international organizations are 26 and 45 respectively.

City	Time zone	Post-adjustment ^{*1}	No. of ICO Member representations	No. of International Organizations
Amsterdam	+1HR London time	56.1	8	1
Brussels	+1HR London time	47.4	47	4
Cambridge	Same as London	76.3	45	1
Geneva	+1HR London time	85.1	23	18
Madrid	+1HR London time	32.6	32	3
Paris	+1HR London time	55.1	45	12
Rome	+1HR London time	34.6	41	8
Vienna	+1HR London time	49.7	30	11

**1.... As of August 2023. Also see ANNEX III.*

4. The Secretariat has carried out preliminary estimates of the costs of moving out of the current premises (see **ANNEX I**) which shall be included in the 2024/25 Budget, and a comparison of the costs of relocation within or outside of the United Kingdom (see **ANNEX II**). It should also be noted that, regardless of whether the ICO's premises remain in the United Kingdom or move abroad, there will be an overlap of costs for the first three months as the Organization settles the dilapidation and remaining rent for the old premises and pays any costs related to moving to the new ones.
5. As envisaged at the aforementioned meeting of the FAC, the Secretariat has already contacted the representatives of the UK government to discuss possible support and options for remaining in the country.
6. No consultations with other Members or governments have taken place to date.
7. The Secretariat intends to request guidance from the Council at its 136th Session in Bengaluru regarding any research and analyses to be undertaken. A final decision regarding the new ICO location will need to be made in March 2024 to start the necessary measures for moving in 2025.

Cost for moving out of the current premises in June 2025

Premises:

* Dilapidation of the curent premises <i>1/</i>	GBP 50,000 - 70,000
* Moving costs - office related	GBP 40,000 - 60,000
* Cross-over Rent (3 months) <i>2/</i>	GBP 100,000
TOTAL COST	GBP 190,000 - 230,000

1/...Despite of the planned renovation by the Premises owner, the lease agreement indicates that ICO's responsible for the dilapidation upon moving-out. The details will be discussed.

2/...Based on the 23/24 Premises budget on the current premises

Comparison of relocation-related costs - Outside of UK vs in UK (London)

Option 2: in UK (London)	Option 1: Outside of UK
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In the first year upon relocation:

* New Premises Costs/year ^{1/}	GBP 190,000 - 200,000	??
* Cost for preparing for relocation - trips for headquarters agreement, new premises, meetings with governments, etc		GBP 20,000
* Personnel-related costs upon relocation ^{2/3/}		GBP 250,000 to 260,000
TOTAL COST	GBP 190,000 to 200,000	GBP 270,000 to 280,000 + Rent

Savings in the first year and annually:

* Savings on personnel costs/year upon relocation ^{4/}	(GBP 260,000 to 450,000)
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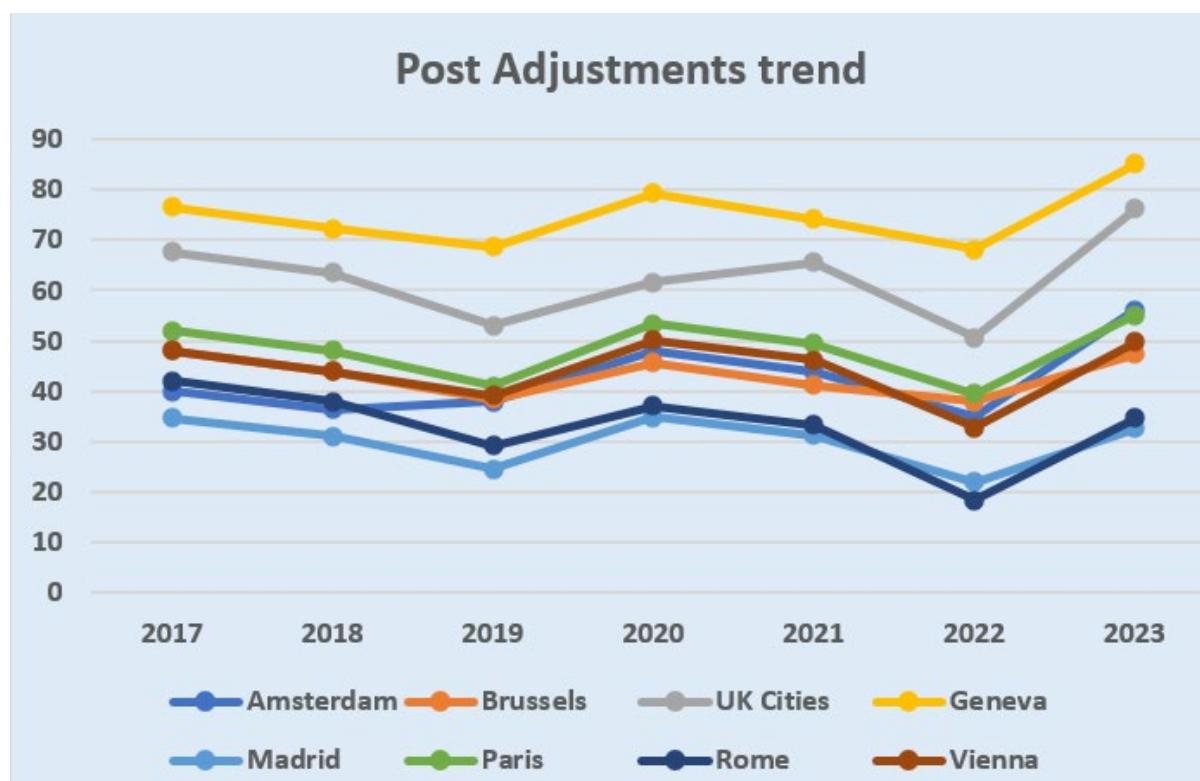
1/...Assumes 50% of the current premises cost in UK and free rent outside of UK

2/...Includes costs for contract termination, relocation allowance and moving for staff members

3/...Assumes only two staff members and the Executive Director will relocate to a new country

4/...Based on the estimated Personnel costs as of 30 Sep. 2023 with the Aug. 2023 UN exchange rate and the average Post Adjustment of Rome/Madrid (GBP 450,000) and Brussels/Paris (GBP 260,000).

Note: Considering 4 cities that could fit with the requirements: Madrid, Rome, Brussels and Paris.



Note: 7 year Post Adjustment Trend as of October each year (except for August in 2023).

Post Adjustment – Post adjustment is applicable to United Nations common system international staff and is an amount added to net base salary in order to ensure that no matter what duty station United Nations common system staff work in, their net remuneration has a purchasing power equivalent to that of their counterparts. The post adjustment considers the local inflation, the exchange rate of local currency relative to the USD, and the average expenditure pattern of staff members at a given location and it's updated from time to time by the United Nations. As ICO adopts the United Nations common system salary calculation, it reflects Post Adjustment index for Professional Category Staffs salary.