

2025.05.13

2.3 Deputy P.F.C. Ozouf of St. Saviour of the Chief Minister regarding La Collette Fuel Farm (OQ.118/2025):

Considering the importance of La Collette Fuel Farm to Jersey's energy security, and given the safety concerns which have been raised in recent years, will the Chief Minister advise, in the context of consideration of the Fuel Farm Lease renewal or otherwise, whether the Government has developed a comprehensive plan to ensure the optimal safety and operational integrity of this critical infrastructure in the long term, and if not, why not?

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter (The Chief Minister):

The long-term comprehensive strategy being pushed along, of course, by the recent States decision is being developed which will identify the longer-term options which may lead to fuel storage arrangements changing and may result in some of the fuel storage areas at La Collette fuel farm being reconfigured in future. Turning to safety, there are comprehensive requirements in place under the Petroleum (Jersey) Law 1984 to ensure adherence to the very latest safety requirements relating to fuel storage. Legislation includes a requirement for the operator currently, La Collette Fuel Terminal Limited, to comply with a petroleum storage licence in order to operate the fuel farm safely. This licence has to be renewed annually following a review by the States of Jersey Fire and Rescue Service in consultation with external specialists to ensure that the very latest safety standards are met on the La Collette site and are in accordance with our law and international best practice.

2.3.1 Deputy P.F.C. Ozouf:

I recently had a meeting, as the Chief Minister knows, with himself and the Minister for Infrastructure, and then subsequently found out that the Council of Ministers at present intends to issue a 15-year lease to the incumbent operator. I wonder whether the Chief Minister, in the context of that 15-year decision, having had 10 years in order to plan ... I have asked him questions whether he really believes that he is putting the public interest tests of safety and security and integrity in the at the heart of these and just not simply putting it off to the next Council of Ministers.

Deputy L.F. Farnham:

The Council of Ministers has agreed in principle to a long lease, but I intend to discuss the matter further with the Minister for Infrastructure, and perhaps I think in light of concerns or pending the outcomes of the fuel energy strategy that we are working on, it might be wise for the Council of Ministers to consider the length of the lease. Whether 15 years is appropriate or perhaps we could put in some break clauses pending the outcome of our energy strategy. Of course technology and fuel is changing all the time and we want to make sure we are in a position to be reactive. Before any lease is issued I intend to take it back to the Council of Ministers for further discussion.

2.3.2 Deputy T.A. Coles of St. Helier South:

In the Chief Minister's answer he mentioned about the Petroleum Law. We are seeing an evolution of fuels these days where petroleum is no longer the main ingredient, as in fuels like RD100. Is any work underway to update this law to include modern fuels?

The Deputy Bailiff:

I think that is outside the question which is about the fuel farm lease.

Deputy T.A. Coles:

Can I rephrase that then to make sure whether the Chief Minister is taking into account non-petroleum based fuels for any lease within the fuel farm?

Deputy L.F. Farnham:

I think the type of fuel we supply now and into the future will be a key part as we consider the strategy. I will write to the Deputy to provide him an update.

2.3.3 Deputy J. Renouf of St. Brelade:

Given his answers so far, has the Chief Minister given any consideration to the idea of a short-term extension of the fuel farm lease to allow for a more detailed examination of the issues that might ensure the optimal safety and operational integrity of the fuel farm in the future, in the long term?

Deputy L.F. Farnham:

I think the short answer to that is yes, but I need to discuss this further with the Minister for Infrastructure and the Council of Ministers. I think it might be wise to consider that if not a short-term lease perhaps a break clause that would allow some flexibility so we are more able to respond to any information or changes in direction that the energy strategy might present. The short answer to that: yes, we are going to discuss that.

2.3.4 Deputy J. Renouf:

Clearly a lot is hinging on a future discussion in the Council of Ministers. Can the Chief Minister outline the timetable for when this will come back to the Council of Ministers and is there time, given the renewal lease schedule, for these discussions to happen?

Deputy L.F. Farnham:

The current lease expires, I believe it is the end of April 2026 or January. It is early in 2026 that the lease expires. I know the Minister for Infrastructure and the team are working on putting a lease together now. I expect that to be discussed within the next month or 2. We need to, I think in fairness, give as much notice to the current operator as possible of our intention so they can plan. Obviously, this new lease would enable the incumbents to invest further in the facilities. I would say the next 4 to 8 weeks.

2.3.5 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

The Chief Minister talked a lot about safety standards, but I was wondering if he could expand, if they are also within the terms of the potential new lease environmental and resilience standards and, on top of this for all 3 areas, what enforcement mechanisms would be in place if safety, environment or resilience standards fall short?

Deputy L.J. Farnham:

The company have had several conditions placed on their licence, a licence which continues to be reviewed every year. I am sorry, without the law or the necessary paperwork in front of me I could not go into the detail, but I am happy to discuss that separately with the Deputy, if she would like to. But after having meetings with officials and the Fire and Rescue Service prior to dealing with this question, I can reassure Members that the standards required are best international practice, compliant with our safety laws, and are very high.

2.3.6 Deputy H.L. Jeune:

As the Chief Minister raised, some issues have arisen as to why there is a delay in potential changes to a potential new lease that Deputy Ozouf has continuously raised in different questions. I am

wondering if the Minister could confirm with the Minister for Infrastructure ... they come to Scrutiny to discuss it before any lease is finalised.

Deputy L.J. Farnham:

No, I cannot confirm that without discussing it with the Minister for Infrastructure. But in line with the practice of the Council of Ministers, we are very happy to discuss all and every aspect of our business with Scrutiny.

2.3.7 Deputy K.M. Wilson of St. Clement:

Would the Chief Minister agree that the lack of competitive tendering for such a vital national service raises questions about transparency and value for money? Will he commit to publishing the advice and the policy rationale that led to the Government's current position on the lease renewal?

Deputy L.J. Farnham:

No. I think a tender process was an option; the current Minister and Council of Ministers decided not to go along those lines at this stage. We always consider how we can make optimal use of government-owned land so it serves the best interests of the Island. At present, Ministers consider that the existing fuel farm is a necessary strategic asset in order to give stability and resilience to our current fuel supply. This is therefore considered to be the optimum current use of the site at La Collette. Also, over the last 20 years we have seen a significant narrowing in the gap of the difference in price per litre between Jersey and other jurisdictions. The current site is safe and secure and able to readily receive fuel imports from the adjacent fuel berth as well. The size and the scope of the safety zone is also governed by the location of the neighbouring gas storage facility, and there are no plans to change that at the moment. While there are other options and other routes that could be taken, the current Government's position is that we stay with what we have, issue a further lease, and perhaps put some conditions in that lease that would allow us to respond more quickly, subject to the development of our energy strategy.

2.3.8 Deputy K.M. Wilson:

Could I ask the Chief Minister if he is committed to a competitive tendering of the fuel farm?

Deputy L.J. Farnham:

I am not sure, so I think the answer to that is no, I am not completely committed. I am not going to say to Members that the Government will go down that route; I think it will come up in discussion again when we sit down and discuss whether we are going to issue a 15-year lease or a shorter lease.

2.3.9 Deputy I. Gardiner of St. Helier North:

Would the Chief Minister confirm if there is a plan for a States Members-type of briefing or presentation to explain the decision, if there is some confidential stuff that cannot be presented to the public?

Deputy L.J. Farnham:

I am happy to ask the Minister for Infrastructure to provide a briefing on the current position for States Members, if they are interested. I am sure we can arrange that.

2.3.10 Deputy I. Gardiner:

Is the Chief Minister considering bringing the lease renewal to the Assembly for ratification? As indicated in the Public Accounts Committee Report 2016, reviewing the previous renewal of the lease which was ... at least according to the funding.

Deputy L.J. Farnham:

I believe - and I stand to be corrected - that anything over, I think it is a 9-year lease, can be called in by a Member for a discussion by the Assembly, so I think that that is the composition. Judging by the mood of the Assembly, if a 15-year lease is proposed, it is very likely to come to the Assembly.

[10:15]

2.3.11 Deputy P.F.C. Ozouf:

I am somewhat grateful for the Chief Minister's answers because - as other Members have heard - I have been trying to get the facts out in relation to the fuel farm. I asked the Chief Minister in January, in an oral question which I gave notice to him for. He said that basically the lease clauses were going to be extended until 30th April and then the Government would consider procurement options. Would he agree that the mood of the Assembly, in having been somewhat aghast at hearing that now there is not maybe going to be a certainty of a 15-year lease ... would he urgently now take seriously the questions that have been raised, with respect, and in the public interest about the replacement of the fuel farm? Would he agree to meet with me and any other Member that wishes to discuss the options, including the chair of the Scrutiny Panel, in order that we may have a proper discussion about Jersey's most vital important fuel farm facility?

Deputy L.J. Farnham:

The first question; I and other Ministers are always prepared to meet with any States Member at any time, so the answer to that is yes. I just want to iterate that we always consider how we can make best optimal use of our land. Presently, the Government considers that the existing fuel farm is required as an important strategic asset in order to give stability and resilience to our fuel markets in these rather uncertain times. We consider the optimum site as being La Collette in the current setup, with a new lease to the incumbent which would allow them to continue to invest in the site. The current site, I reiterate, is safe, secure and able to readily receive fuel imports from the adjacent fuel berths. Logistically, there are other issues outside of that with gas storage and so forth. I do respect the Deputy's long-term position on this issue. I have some alignment with it, and that is why we need to - with the Minister for Infrastructure - discuss at the Council of Ministers exactly what sort of lease, length of lease, relevant terms, et cetera, need to be put in place, not only to secure the short to medium-term future of our current fuel supply, but to give this Government and future Governments options to respond to any future energy strategy. I hope that is helpful.

Deputy R.J. Ward of St. Helier Central:

Sir, I do apologise for interrupting Questions, but in a moment of realisation, I realised that I should have said about Deputy Le Hegarat that she is not en défaut; she is actually in London attending the C.P.A. (Commonwealth Parliamentary Association) International Executive Committee and therefore she is on States business. I just completely forgot to make that point.

The Deputy Bailiff:

So, she should be marked absent on States business.

Deputy R.J. Ward:

Yes, because she is one of our regional reps. Sorry about that.

The Deputy Bailiff:

Thank you very much.

