

2016.03.22

### **3.9 Deputy K.C. Lewis of St. Saviour of the Minister for Infrastructure regarding the reasons for the decision not to put the La Collette fuel farm lease out to tender:**

For what reasons was La Collette fuel farm lease not put out to tender?

#### **Deputy E.J. Noel (The Minister for Infrastructure):**

The lease of the fuel farm site is a ground lease. The fixtures and equipment do not belong to the landlord. Unless the public acquire these physical assets there is no fuel farm to tender. As the Chief Minister or the Assistant Chief Minister will explain in the response to a separate question by Deputy Wickenden, the public did not take up its option to purchase the tenant's fixtures and fittings.

#### **3.9.1 Deputy K.C. Lewis:**

I have been reliably informed that you purchased the infrastructure from the previous tenants, which I believe were Shell Esso. We are talking in the region of £600,000 or £700,000. If the States had brought the infrastructure of the fuel farm then we would be better off at the end of the 10-year lease by between £25 million and £30 million. This would be enough money to pay the wages for all the infrastructure workers that are about to be fired for the next 7½ years. Does the Minister not agree?

#### **Deputy E.J. Noel:**

No, I do not agree and I believe that Deputy Kevin Lewis's figures are woefully inaccurate. We know that the current operator of the fuel farm has invested in excess of £10 million on that site so to come up with a figure of £700,000 is not credible.

#### **The Deputy Bailiff:**

Very well, that brings us on to question 10 that Deputy Mézec will ask of the Chief Minister. I am sorry, did you have a final supplementary?

#### **3.9.2 Deputy K.C. Lewis:**

Final supplementary, yes. Caught me on the hop there a little bit. I thought people would come in on that one. The new throughput charge from the fuel farm has gone up. So instead of the throughput charge of 1 pence per litre, which is the industry standard, the people of Jersey will be paying 3.4 pence per litre as a throughput charge. Does the Minister believe this represents good value for the people of Jersey?

#### **Deputy E.J. Noel:**

Again, I must say that unfortunately, Deputy Kevin Lewis's figures are incorrect. The figure of 1 pence throughput charge has not been charged at our fuel farm. I believe that the current charge is 3.4 pence throughput and that is based on what is on the parameters that I believe C.I.C.R.A. put a cap on the percentage of the amount invested in that plant.