

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 22nd MARCH 2016**

Question

With regard to the renewal of the Fuel Farm lease, will the Chief Minister set out for Members a detailed chronology of the key actions, decisions and events from January 2012 which led to the renewal of the lease, identifying the Ministers and officers (by title) who were involved at each stage?

Answer

This answer has been compiled in the time available since the question was notified to the department (five working days). Because the fuel farm involves seven individual areas of the States of Jersey, it is not possible in the time allocated to research and prepare a written answer to guarantee that records of every key action, decision and event since January 2012 have been identified.

It is, however, a high level chronology of the known key events, meetings and discussions during that time.

If any further key events are identified they will be notified to members in due course.

Chronology – Lease Renewal of LC03 Public to La Collette Terminal Limited (LCTL)

Following an assignment of the lease from Shell UK Limited and Esso (the Assignors) to Esso and La Collette Terminal Limited (LCTL) on 26 July 2009, at 1 January 2012 the Fuel Storage site LC03 was subject to a lease from the Public to Esso and LCTL.

The lease was due to expire on 31 January 2016.

The option to buy the fuel farm equipment required notice to be served no later than 18 months before the lease expired (i.e. 31 July 2014)

Below are Jersey Property Holdings (JPH) key actions, decisions and events from January 2012 to September 2015.

Date	Event	Action/Decision	Officers/Minister
February 2013	Email correspondence discussing matters relating to the lease and options for regulation	Following a question from a back bencher discussions re ground lease between JPH & fuel consortium. JPH stated that regulation of fuel pricing were issues outside the role of landlord & should be progressed by EDD/CICRA	JPH EDD Ports of Jersey Assistant T&R Minister
October 2013	Email correspondence discussing future lease and regulatory matters	JPH asked for discussions at ministerial level.	JPH EDD Assistant T&R Minister CICRA TTS
25 November 2013	States and CICRA meeting re LCTL acquisition of Esso interest	JPH and EDD to consider use of ground lease for imposing throughput conditions after proposed acquisition by LCTL of Esso equity	Assistant Minister T&R Chief Officer EDD Chief Officer TTS Fire Service Group Commander Director of Estates JPH Head of Property Ports of Jersey

16 January 2014	States and CICRA meeting re 'letter of commitment' to CICRA from Rubis	JPH, EDD and CMD to work with CICRA to consider how to impose throughput conditions after proposed acquisition by LCTL of Esso equity	Officers from EDD , JPH and CMD
June 2014	Outstanding Rent Review finalised on existing lease with Esso and LCTL	Review implemented by JPH – notification issued	JPH Principal Property Manager
24 July 2014	Officer working group established to consider future options for fuel farm, including Oxera advice on strategic options	No action agreed	Officers from ED, JPH, Ports of Jersey, CMD
Period to September 2014	ED process begun to review competition issues in Fuel Market due to merger	JCRA advised (April 2014) that ED were engaging with the States' Economic Adviser and Oxera to produce formal response to initial CICRA findings on LCTL acquisition of Esso equity in LC	EDD officers CMD Officers
September 2014	CICRA issue Decision on re LCTL acquisition of Esso interest	Report issued re Proposed Acquisition by LCTL of ESSO assets at Fuel Farm (M885/12F) – including terms and conditions for policing CICRA agreement	CICRA
29 October 2014	States of Jersey approached by Ogiers (LCTL legal representatives) to resume discussions on renewal of lease		
21 November 2014	Meeting called by ED to discuss position prior to engaging further in discussions to renew the lease	No actions arose. Meeting to update on CICRA's conditions of LCTL's acquisition of Esso equity and how they would be enforced	Invitees (newly appointed ministers): EDD minister IM ACM Competition Ports GCEO Ports officers EDD officers CMD officers JPH officers
January 2015	Officer working group reformed under Chief Executive to progress fuel farm lease		Chief Executive and Officers from ED, JPH, Ports of Jersey, TTS, CMD, Fire and Rescue Service
15 January 2015	Meeting Public and LCTL	LCTL set out its preferred route new lease to be concluded as soon as possible, but that in the event that any delay is anticipated in concluding the new lease, an assignment would be	Infrastructure (TTS) Minister Infrastructure (TTS) Assistant Minister Director of Estates JPH Head of Property Ports of Jersey

		needed in order to release Esso from the head lease. LCTL reiterated its commitment to investing in this essential piece of Island infrastructure, thereby ensuring continuity of service and supply to the population.	
28 January 2015	Officer Meeting		CEO CO TTS CO Ports CO ED CMD Officer Director of Estates
4 February 2015	Officer and Political Meeting		
12 February 2015	Officer group meeting		CEO CO TTS CO Ports CO ED CMD Officer Director of Estates
2 March 2015	Officer and Political Meeting	Officer meeting to consider terms of lease and operating agreement	meeting schedule attendees: CM TRM ACM (Competition) Infrastructure Minister ED Minister CMD officers Home Affairs Chief Officer JPH officers Fire and Rescue Chief Officer ED Chief Officer Infrastructure Chief Officer Environment Chief Officer
10 March 2015	Officer and Political Meeting		Meeting schedule attendees: Infrastructure Minister Environment Chief Officer Chief Executive ED Chief Officer Infrastructure Chief Officer Ports of Jersey Fire and Rescue chief officer JPH officers CMD officers
12 March 2015	Officer and Political Meeting with Rubis		Meeting schedule attendees: Infrastructure Minister Infrastructure Chief Officer JPH officers Law Officers Department Rubis legal adviser Fire and Rescue Chief Officer
	Development of Operating Agreement		

18 March 2015	Travelling Draft Lease Heads of Terms	E-mail LoD to Ogiers	LoD instructed by Director of Estates JPH
21 April 2015	E-mail received from ATF indicating their interest in operating the Fuel Farm		Email from ATF to JPH
2 June 2015	Consent to the assignment of Esso interest to LCTL	Ministerial Decision under delegated authority (DD-PH-2015-0005 refers)	Director of Estates JPH
12 June 2015	Assignment Esso interest to LCTL	Court	n/a
July onwards	Discussions on lease terms – particularly rent and length of term	States of Jersey continue negotiation on terms of lease and development of an Operating Agreement alongside the lease	LoD instructed by Director of Estates JPH
September 2015	Political Oversight Group formed to oversee lease renewal		Chief Minister, TTS Minister, Both Assistant Chief Ministers, Home Affairs Minister Chief Executive and Officers from ED, JPH, Ports of Jersey, TTS, CMD, Fire and Rescue Service
January 2016	Ongoing negotiations for lease/operating agreement with existing operator		
13 January 2016	Council of Ministers asked to approve proposals to lease Fuel Storage Site at La Collette to La Collette Terminal Limited for 10 years from 1 February 2016 in the terms set out in the draft Lease and accompanying Operating Agreement	First full briefing re fuel farm with full COM. Ministers & AMs raised a number of questions.	Council of Ministers* Known absences included CM, TRM (minutes confirm actual attendance & any assistant minister substitutes) ACM (Competition) States Greffier Attorney General & other law officers Chief Executive CMD officers Greffie officer Chief Fire Officer Infrastructure officers
27 January 2016	Council of Ministers were updated on progress with negotiations on the renewal of the lease for the La Collette Fuel Terminal	Update on fuel farm questions & clarification of legal issues	Council of Ministers (minutes confirm actual attendance & any assistant minister substitutes) ACM (Competition) States Greffier Attorney General Chief Executive CMD officers Greffie officer
3 February	Council of Ministers considered further the proposed renewal of the lease of the Fuel Farm at La Collette to La Collette Terminal Limited	Further update on fuel farm negotiations & update on latest questions previously posed	Council of Ministers Apologies from – EDD Minister & ACM (Competition) States Greffier Attorney General

	("Rubis") for a period of 10 years from 1 st February 2016.		Chief Executive CMD officers Greffe officer
5 February	Council of Ministers considered further the proposed renewal of the lease of the Fuel Farm at La Collette to La Collette Terminal Limited ("Rubis") for a period of 10 years from 1 st February 2016.	Urgent meeting to discuss fuel farm lease, including oral update	Council of Ministers Apologies from – Environment Minister, External Relations Minister, HSS Minister, Home Affairs Minister, ACM (Competition) States Greffier Law officers Chief Executive CMD officers Greffe officer
24 February	Council of Ministers considered the renewal of the lease of the Fuel Farm, La Collette to La Collette Terminal Limited ("Rubis") for a period of 10 years from 1 st February 2016.		Council of Ministers Apologies from ACM (Competition) States Greffier Attorney General Chief Executive CMD officers Greffe officer
4 March 2016	Approval of renewal of Lease and accompanying Operating Agreement	Ministerial Decision (MD-PH-2016-0011)	Minister for Infrastructure
9 March 2016	States Members Briefing	Officer briefing at St Paul's Centre	Minister for Infrastructure Various ministers & assistant ministers ACM (Competition) for a time Chief Executive CO Dfl Chief Fire Services Officer ED Chief Officer JPH Director of Estates CMD officers Law officers States Members (c.20)
11 March 2016	Lease passed in Court		
*Home Affairs Minister was deputised by Assistant Minister for most meetings throughout these discussions			