

2025.02.25

3.5 Deputy S.M. Ahier of St. Helier North of the Minister for Sustainable Economic Development regarding alternatives to the DFDS A/S supplied contingency ferry service (OQ.45.2025):

Further to his response to Written Question 41/2025, will the Minister advise the Assembly whether alternatives to the DFDS A/S supplied contingency ferry service were sought and whether an equivalent amount was paid by Guernsey to secure the service and, if so, how much?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable Economic Development):

Given the scale and urgent nature of funding support requested of the Governments of Jersey and Guernsey by Condor at the time, it was mutually agreed between the Islands that a direct approach to DFDS was appropriate to ensure the immediate provision of contingency of the Island's supply chain. This followed on from contingency scenario planning undertaken jointly with Guernsey dating back to January 2023. All contingency costs throughout 2023 and 2024, including berthing trials of contingency vessels, were met equally by the Governments of Jersey and the States of Guernsey. It was only the last few months in 2025 where Guernsey was not involved in the payment. I am just realising as well that the Deputy has asked how much, and I do not have that to hand, so I will have to send that to the Deputy afterwards. I do apologise.

3.5.1 Deputy S.M. Ahier:

In Written Question 41, it was mentioned that correspondence was received from Condor in September 2024, setting out worries about the solvency of the company and that it may need between £11 million and £34 million of further financing. Why was the decision not made then to side with DFDS and could the cost of the contingency ferry service have been avoided if DFDS had been awarded the contract earlier?

Deputy K.F. Morel:

I thank the Deputy for his question. I think the Deputy has put his finger on many of the what-if scenarios that were going through planning and processes at the time. The Deputy is right that in September 2024 I received a letter from Condor in response to my request from them whether they would be able to maintain services should they not win the tender process. They responded by saying they could not guarantee that unless support between £11 million and £34 million was provided. We could have at that point, although we were in the middle of a tender process at that stage, so the tender process was in full flow at that stage in September 2024. It did, in my mind, seem appropriate to take that tender process to its conclusion. But equally, even if we had aborted the tender process at that stage to appoint an alternative to Condor, there is every chance that we would then have been in a situation where Condor were unable to provide those services from September through to the end of March next month. There is a lot of balance of probabilities and risk assessment in that respect of understanding what would be the better way forward; the most important being protecting the supply chain to the Island at the time.

3.5.2 Deputy M. Tadier of St. Brelade:

The Minister said that the matter of contingency only became an issue if Condor were not awarded the contract. Given that the contract was not going to be awarded for many months,

why was contingency sought to be put in place and could he confirm ... I think that the figure which he has previously mentioned, £500,000 a month that Jersey pays for contingency or has paid?

Deputy K.F. Morel:

The Deputy has made an assertion that I have said something. I do not believe I have said that.
[10:00]

3.5.3 Deputy M. Tadier:

The Minister could clarify, if he does not agree with the assertion, that would be the most helpful, I think. But in the absence of that, could he ... the supplementary is really whether or not he considers having awarded DFDS ... I think my figure is correct in saying that Jersey has given DFDS £3 million for doing nothing to date, does that not put them in an advantageous position when they are one of the companies that was tendering for a process?

Deputy K.F. Morel:

To go back in terms of history because the assertion the Deputy made was that it was only from that September letter that we have ...

Deputy M. Tadier:

May I raise a point of order? The Minister said he did not want to answer my question initially. I have asked a separate supplementary question, could he answer that question not the one that I asked at the beginning?

The Bailiff:

That is probably right. You indicated you were not in a position to respond to the first question because you had not said what it was said you had said. In response the Deputy has asked a supplemental question and it is reasonable to address it on its terms, if you can.

Deputy K.F. Morel:

I was just providing the context to get to the answer the Deputy required. If he could reappraise me of his question that would be wonderful.

Deputy M. Tadier:

It would be preferable if the Minister just listened to the question in the first place.

The Bailiff:

No we do not need exchanges like this. This is question time. It is not uncommon for Members who have not understood to ask for a repetition of the question or if they have not heard it clearly to ask for a repetition. I do not think it is appropriate to make direct personal observations about people listening or not listening. It would help us if you could just, I think, ask a question.

Deputy M. Tadier:

Can I seek direction from the Chair, because this is eating into question time, and the Minister clearly remembers what the first question, which he did not want to answer, was and has forgotten what the second question is, so I will put it to him again. But I am not the one in the wrong here. The question is: given the fact that DFDS, I think, has had £3 million from Jersey's Government for doing nothing to date while they were also involved in a tender process against their competitor, did that not put DFDS at a competitive advantage given the fact that they are receiving that £3 million which Condor did not receive?

Deputy K.F. Morel:

I thank the Deputy for his question and I can assure the Deputy that I asked for the question to be repeated because that interchange meant that I forgot it. It was not because I was not listening. I think it is really important to understand that DFDS were not paid to do nothing. DFDS were paid to secure the charters of ferries, and it is my understanding that DFDS did so at cost. Those monies paid to DFDS were then passed on to the ferry owners for charters of those ferries. That is exactly what happened. It was not DFDS making money, assuming that they were correct that they did it at cost. So they were not placed at a competitive advantage. The contingency securement or the securing of contingency and the tender process were 2 completely different processes. DFDS were very aware of that and I still, to this day, know that I have remained open to both Brittany Ferries and DFDS winning that tender process.

3.5.4 Deputy S.M. Ahier:

Will the Minister advise: were any legal fees for the ferry tender process included in this allocation of £4.3 million and if so, how much?

Deputy K.F. Morel:

I would have to check. I do not know off the top of my head whether legal fees were included, but the Deputy talks about £4.3 million and that was a figure that was not in his original question, so I am not sure what he is referring to in that £4.3 million.