

**WRITTEN QUESTION TO THE MINISTER FOR SUSTAINABLE ECONOMIC
DEVELOPMENT**

BY DEPUTY S.M. AHIER OF ST. HELIER NORTH

QUESTION SUBMITTED ON MONDAY 10th FEBRUARY 2025

ANSWER TO BE TABLED ON MONDAY 17th FEBRUARY 2025

Question

“In relation to funding a ferry services contingency, will the Minister provide a breakdown of the costs incurred during the whole of the ferry tender process and detail how this expenditure correlates to the allocation of up to £3,989,000 included in the [Finance Law Delegation Report For The Six-Month Period To 31st December 2024 \(R.15/2025\)](#)?”

Answer

The Government of Jersey (“GoJ”) and States of Guernsey (“SoG”) jointly contracted with DFDS A/S to provide contingency ferry services in December 2023. This followed two requests for funding presented to GoJ and SoG by the majority shareholder of Condor to support Condor’s continued solvency. The nature and urgency of those requests presented considerable risk to the supply chain for goods into the islands, including fuel, postal services, food and medical supplies, each forming elements of competent authority responsibility set out in the Emergency Powers and Planning (Jersey) Law 1990 at articles 5, 6A, 8 and 8A respectively.

Having determined that public sector financial support to Condor on the scale requested could not be supported, steps were taken to insure against an abrupt loss of Condor’s ferry services through commissioning of contingency arrangements with DFDS A/S. This necessitated the onward charter, or planning for charter, of vessels by DFDS A/S and including berthing trials of any vessels that had not previously called at the ports of St Helier or St Peter Port. It was not appropriate to commission Brittany Ferries for provision of contingency given their shareholder interest in Condor.

Absent any tangible evidence throughout 2024 that Condor had been able to resolve its financial difficulties through shareholder and / or lender interventions, there was assessed to be a continued risk to ferry connectivity throughout 2024. Furthermore, it was critical that GoJ and SoG could make an objective decision on the tender outcome without fear of failure of the incumbent should they fail to secure the new contract. Correspondence received from the Chair of Condor’s board, dated 11th September 2024, set out ongoing insolvency worries of the Board that may necessitate anything between £11m and £34m of further financing in order to complete the current Operating Agreement obligations.

The exact commercial terms of the contracts between DFDS A/S and the governments, remain commercially sensitive. The total sum paid in 2024 €5,182,737, converting to £4,318,127 at today’s exchange rate. Whilst satisfied that these costs were entirely necessary to protect island residents and businesses, I am exceptionally dissatisfied that taxpayers have been exposed to this liability by Condor’s precarious finances and repeated failure of Condor’s board and executives to tangibly demonstrate solvency of the company.