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By email

19th December

Dear Chair,

Thank you for your letter of the 5th December in which the Panel set out a number of questions which I have answered in turn below.

Ports of Jersey – Funding for Blue Islands

1. *Whether funding in addition to the £10 million loan to Blue Islands announced in 2020 will be made available to the airline?*

The allocation of the £10 million loan to Blue Islands was a decision of the previous Council of Ministers and is managed by the Department for Treasury and Exchequer. I would direct you to the Treasury Minister's answer to [WQ.306/2022](#) which provides a breakdown of all subsidies, including loans, provided to Blue Islands since 2018.

2. *Whether the loan has been repaid and, if not, when it is expected to be repaid?*

This falls under the responsibility of the Minister for Treasury and Resources, however I understand from Treasury officials that the loan to Blue Islands is being repaid in accordance with the original terms, the details of the loan agreement are confidential.

3. *To what extent is it intended that public money is used to support the airline in future and whether the operation is sustainable without that investment?*

There are no current plans for future support to the airline. Ports of Jersey maintain route development funding to facilitate the resilience and growth of Jersey's aviation network. Government cannot opine on the future allocation of route development funding, nor the financial position of the carrier, which would be commercially sensitive and confidential.

Arms Length Organisations

With respect to the Minister's intention to review the accountability and funding structure for Arms' Length Organisations, please could you provide more detail on the form that this review will take, its methodology, the ALOs to be involved and your timeline for the work to be completed?

It is anticipated that this review is to be performed by a new full-time member of staff within the Department for the Economy whose wider role will include responsibility for managing all ALO grants across the Department to find synergies, ensure best practice and achieve future efficiencies. In 2023, this officer will be recruited and tasked with conducting a review of the accountability and funding structure for ALOs to ensure they are sufficiently resourced and meeting best practice in their governance and reporting. At this time it is not possible to provide a definitive timeline for this review as the recruitment process is still to commence, however, the review will be completed during 2023.

Tourism Strategy and Retail Strategy

The Panel would be grateful if an update could be provided on the likely timeline for presentation of economic framework/strategy documents for the tourism sector. While noting the strategy for the retail sector has been deferred, please advise of your intended timeline to produce the strategy.

As per my Ministerial Plan we are committed to the development of a strategy for the tourism and hospitality sector by Q4 2023. We are forming an industry-wide consultation panel and have begun the scoping stage already. We expect the process of industry consultation and strategy development to take place in the first half of 2023. As this process gets underway during Q1 2023, we will be able to provide further guidance on both the approach and the timeline and would be pleased to facilitate a private briefing from officers to the panel.

The Retail Strategy scoping process will begin upon completion of the Tourism Strategy, likely to be in Q4 2023, I would anticipate this strategy to then be produced during 2024. This is not to say that no work on retail will be taking place during 2023 as we will be engaging with industry stakeholders to understand their hopes and concerns which will be important to inform any future strategy.

I hope the above provides clarity to the areas you have raised.

Yours sincerely,



Deputy Kirsten Morel

Deputy Chief Minister

Minister for Economic Development, Tourism, Sport and Culture

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