

Deputy Chief Minister |
Minister for Economic Development,
Tourism, Sport and Culture

19-21 Broad Street | St Helier
Jersey | JE2 4WE



By email

5th October 2023

Dear Richard,

Further to my letter of instruction dated 30th August regarding the payment of a grant of £150,000 to the Jersey Reds as the professional Club, I am writing to you regarding a separate payment to Santander that reimburses them for an emergency of release of funds in June of this year. As you are aware, Jersey Reds notified officers on Friday 23rd June that urgent financial support was needed to meet the Club's cashflow constraints. These related to £130,000 to pay June wages, with an additional £90,000 held for other immediate costs.

Ministers met with Santander on the morning of Monday 26th June and it was subsequently agreed that a grant of £220,000 would be provided. In the interests of expediency this payment was advanced by Santander with the understanding that they would be re-imbursed by Government. Ministers were minded to support this payment to prevent the unstructured collapse of the professional and amateur Clubs and to support the livelihoods of the staff and players involved. Ministers made it clear at the time that they expected the time bought by the urgent funding to allow for the long-delayed formal separation of the amateur and professional Clubs and to allow for a contemporaneous review of the Club's finances and consideration of its financial viability.

I am writing to you now as Santander have requested that this figure be reimbursed. I am conscious that you have legal obligations in relation to all expenditure for which you are Accountable Officer and Ministers noted in your email of 27th June clear concerns relating to economy and efficiency.

This notwithstanding, Ministers considered it unreasonable to enforce an unstructured closure of such a socially valued business without first considering the financial viability of the Club. The short-term funding provided time for a review of the Club's finances and consideration of its viability in the medium to long term. Additionally, this time was intended to allow for the separation of the amateur Jersey Rugby Football Club and the professional Club preventing the cessation of the former should the professional club cease trading.

It is regrettable that the Club's efforts at economising and attracting private investment were unsuccessful.

Nevertheless, the Minister for Treasury and Resources and I consider it appropriate that the Government honours the commitment to Santander and I have therefore taken the decision to formally instruct you to make a payment of £220,000 to re-imburse their grant to Jersey Reds made in June.

I recognise that I am unable to direct you to contravene the Public Finances (Jersey) Law 2019 and that implementation of this instruction is subject to the necessary funding being made available

through underspends in the Department for the Economy or via other mechanisms with the consent of the Treasury Minister.

I appreciate officers' diligence and advice in this matter and would formally instruct that, as Accountable Officer, you take the necessary actions to proceed with the introduction of the support as soon as practicable.

In line with the usual process, I am copying this letter to the Comptroller and Auditor General.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K. Morel', written over a horizontal line.

Deputy Kirsten Morel

Deputy Chief Minister

Minister for Economic Development, Tourism, Sport and Culture

E k.morel2@gov.je