Treasury and Exchequer

Government of Jersey
Union Street
St Helier, Jersey
JE2 3DN

**VIA EMAIL**

1 December 2025

Dear Deputy Gardiner,

Please find below responses to questions included in your letter dated 17 November 2025, much of which was made available alongside the statement of the Minister for Treasury & Resources on 25 November.

1. **Identification of the total amount of loans, grants or other funding for specific projects provided to Blue Islands, from 2020-2025. If this can please be broken down with confirmation of the purpose of the funding, the time transferred or drawn upon, and head of expenditure or Arm's Length Body, for example Ports of Jersey or Visit Jersey, from which the funding was distributed.**

   A breakdown of this information is presented below.

   Covid support

   - A £10 million loan facility was made available, of which £8.5 million was drawn between July 2020 and April 2021. The backdrop was that British Airways and EasyJet had grounded their fleet and this loan ensured critical connectivity during Covid and enhanced the recovery of the visitor economy as we emerged from the periods of restrictions to travel. This was a loan made under Covid regulations by the Treasury & Resources Minister.

   - Between April 2020 and January 2021, grants totalling £1.2 million were paid through Co-Funded Payroll Scheme under the Customer and Local Services Head of Expenditure and the Covid-19 Response Head of Expenditure.

   - Funding of £217,000 was provided between April 2020 and January 2021. This funding was made available to Blue Islands to ensure travel was available for non-emergency medical patients, essential workers, and the repatriation of Islanders. Funds were provided through the Office of the Chief Executive Head of Expenditure in 2020, and through the Economic Recovery provision on the Covid-19 Response Head of Expenditure in 2021.

   2025 loans

   - £1.2 million loan granted in response to a request from Blue Islands on 11 September 2025 for cash-flow support for the short-term.

   - £0.5 million of a £1.5 million loan facility was made available on 7 November 2025 granted in response to a request from Blue Islands on 24 October 2025 for further cash-flow support. The facility provided that the loan could be drawn in tranches of £0.5

million with five business days between each draw down, the first tranche was paid on 7 November 2025.

Both of these loans were granted pursuant to the Minister of Treasury & Resource's power to lend from the Consolidated Fund. The Minister for Treasury & Resource's statement made to the States Assembly gave further context on the rationale and background to the decisions to extend these loans.

Visit Jersey support

- Visit Jersey spent approximately £11,000 from the Better Business Support Package 2025 to support the launch of the Paris Charles De Gaulle route, operated by Blue Islands.

Ports of Jersey support

- Ports of Jersey agreed a payment plan with Blue Islands in January 2025, extending credit terms for payment of future airport charges. Blue Islands were compliant with the terms of its payment plan with Ports of Jersey until July 2025. At that point, the company confirmed that it could no longer meet the terms of its payment plan and requested a continued deferral of payment of airport fees. No further airport fees were paid until the announcement of liquidation. The debt owed to Ports of Jersey stood at £3.2 million at that point. It is important to note, however, that if Blue Islands had entered liquidation earlier, the airport fees would not have accrued, unless other airlines had started operating the same routes.

2. **Copies of any supporting documents that were provided to decision makers regarding allocation of any monies to Blue Islands since 3rd November 2025, with minutes of meetings at which decisions were made.**

   Given that the events leading up to the liquidation of Blue Islands took place very recently, records of meetings have not all been finalised, which is within normal working practices and expected timelines for approval from all parties involved. I am working closely with the Ministerial Office to expedite the finalisation and approval of meeting notes of decision-making meetings held in the period since 3 November 2025. It is anticipated that the minutes will be provided to the Committee along with supporting documents as soon as practicable on a strictly private and confidential basis.

3. **Further detail on how the pandemic loan was spent, the time period of this expenditure, what repayment has been received to date, and what assurances the Government of Jersey received from Blue Islands on repayment of this loan, noting the Comptroller and Auditor General report 'Critical Infrastructure Resilience – Transport Links' (R.129/2025) recommendation 8.**

   As mentioned above, £8.5 million of the loan facility was drawn down between July 2020 and April 2021, which was used for working capital to support operational and lifeline service delivery during the pandemic and the recovery period following it. Repayments commenced in Q2 2023 in line with the loan agreement.

In June 2022, an amended Base Case Model to the original loan agreement was mutually agreed by the then Minister for Treasury and Resources and Blue Islands to reflect the impact on the financial performance of Blue Islands of the additional waves of Covid during the pandemic. In May 2024, the Minister agreed an amended repayment schedule to reflect the impact of the revised June 2022 Base Case Model on repayments, extending the final repayment to 31 December 2028.

The Government of Jersey received regular, recurring payments from Blue Islands, totalling £3.2 million of capital and interest payments. The balance of the loan at the time of Blue Islands entering liquidation was £7.0 million with £0.4 million of accrued interest also outstanding.

Until late summer of 2024, Blue Islands complied with the agreed repayment terms, and it was only in October 2024 that Blue Islands began formal discussions with the Government around cash flow issues and the fact that a confidential sales process had been launched. As noted by the Comptroller and Auditor General in her report, representatives from Treasury and Exchequer and Ports of Jersey attended Blue Islands board meetings during the period of the loan. The purpose of this attendance was manifold, and included the monitoring of the performance of Blue Islands and their ability to service the loan.

4. **Confirmation if any payments have been made to any other airlines, and if so, clarification of the amount, purpose, timeframe and from where the funding has been distributed.**

I understand that during Summer 2025, the Government of Jersey has made c.£32,000 available to Ports of Jersey in support of an eight-week trial air route by Finistair. These funds have been made available from the Economy Department budget to support the trial route, which connected Brest, Jersey, and Alderney. The Government of Jersey has not made any other payments (other than those described in this letter) to other scheduled commercial airlines during or since the Covid-19 pandemic. The Co-Funded Payroll Scheme did provide funding to private air transport companies. Payroll subsidies were also provided to businesses that arrange charter flights. All payments of Co-Funded Payroll Scheme funding are detailed on the Government's OpenData platform.

5. **Please provide figures of any outstanding IT IS payments, Social Security or other Government of Jersey Revenue that is outstanding from Blue Islands**

There are no outstanding historic taxation amounts due. The following current amounts remain outstanding:

- GST – Nil
- Corporate Income Tax – Nil
- ITIS £36,596.00
- Social Security contributions - £30,396.82
- Invoices - £9,724 (business licence 2026)

To develop the information above, we have undertaken a review of the financial ledgers and other relevant data sources. While we are confident that the material presented is accurate and complete, the exercise required some ad hoc analysis and we have not been able to interrogate the ledgers of arm's length organisations. As a result, there is a small chance that some isolated transactions may not have been captured. In the unlikely event omissions are identified, we will promptly bring them to your attention.

Yours sincerely

**Richard Bell – Treasurer of the States**

Cc Deputy Elaine Millar, Minister for Treasury and Resources