Ferry Service Concession Agreement – Interim report

Economic and International Affairs Scrutiny Panel

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1.Chair’s Foreword

It would be euphemistic to say that DFDS started its operations in Jersey in March 2025, under *‘sub-optimal’ circumstances.* The award of the contract followed on from two flawed tender processes; the first, a joint process between the Governments of Jersey and Guernsey, which resulted in Jersey being unable to endorse Guernsey’s choice of Condor/Brittany Ferries; the second, a rushed tender process for which both applicants had to submit a revised business case for a potentially reduced market share, only serving Jersey, not Guernsey.

The contract (Concession Agreement) that was signed between Government and DFDS runs until 2045. This is already 5 years longer than was anticipated in the first (joint) tender process. It is also apparent that the Concession Agreement was presented to islanders (States Members, and our Panel included) as a *fait accompli*. The Minister has acknowledged that neither industry nor the public were consulted before the contract was formed or signed, and that this was an error.

The decision to award the contract to DFDS was followed by a significant amount of public discourse during their initial period of operations. The scale of public interest prompted the Panel to undertake a preliminary scrutiny in this area including asking for the publication of the Concession Agreement. Once a redacted version was published, this formed a basis for our wider scrutiny review.

This has been the first opportunity for an in-depth Review of the Concession Agreement and a chance to question the Minister and his officers about its content and potential omissions.

The ferry operator enjoys a monopoly status on the contracted routes, and it is only natural that its customers will have an opinion of *what good looks like.* The level of interest was reflected in the many public submissions the Panel received. The Panel also engaged an expert advisor with experience in the maritime sector to provide an independent analysis of the Concession Agreement. This can be seen in the Appendix 2.

Whilst it has not been within the remit of this review to reopen the debate over the tender process, it is clear to us, that some of the common themes raised by the public arise as a consequence of the islands having two different operators; the most obvious of these, is the lack of inter-island travel, which is causing problems for local sports clubs, retailers and tour operators in both islands.

Some issues that were highlighted can reasonably be described as *teething problems,* but other problems that were commonly cited - slow ferries to and from St Malo, a lack of a viable day trips and no timeline to introduce a Frequent Traveller Discount Scheme- arise directly out of a lack of concrete requirements in the contract regarding acceptable service levels.

Perhaps the most controversial aspect of the contract is the so called ‘flat rate card’ for freight; the decision to introduce it was a political one made by the Minister for Sustainable Economic Development. The Panel believes that while this may have the potential to benefit a small number of local businesses. The evidence suggests that the immediate impact has driven up the cost of products on the shelves for consumers, at a time when cost of living pressures are felt by many.

This review is both an initial assessment of the Concession Agreement and an *interim* one. It will be necessary for both Government and future scrutiny panels to monitor the performance of the operator in line with the agreement to ensure that it is meeting the needs of residents, businesses and the visitor economy into the future.

On behalf of the Panel, I would like to thank everyone who has taken the time to write or speak to the Panel. We have done our best to take all submissions into account and give them due weight in our considerations. I would also like to thank the Minister, his officers and our advisor for their time and the information they have provided, as well as the DFDS Jersey Route Director for the information provided to the Review.

Deputy Montfort Tadier

Chair of the Economic and International Affairs Scrutiny Panel

2. Executive Summary

Jersey relies heavily on its ferry links for the supply of essential goods, including food and pharmaceuticals, as well as passenger travel. The service requirements set by the Government of Jersey through the Concession Agreement play a critical role in ensuring the reliability and resilience of this lifeline service.

This interim report provides the Panel's initial assessment of how the Concession Agreement, signed in January 2025, is operating in practice during the ferry operator's first year of service. Given the Concession Agreement has been in place for less than twelve months the Panel has focused on collecting and evaluating evidence from Islanders, businesses, and key stakeholders to establish a clear and objective picture of early performance. The purpose of this review is to inform the government on whether action is needed to improve the ferry service for its users.

The review was initiated in response to significant public and commercial commentary about the effects of the new service. The Panel therefore examined how the service aligns with the expectations set out in the Concession Agreement and whether it meets the needs of Islanders. The Panel was also interested to see what actions the Minister for Sustainable Economic Development has taken in response to emerging issues.

The evidence received from leisure passengers, freight operators, retailers, sports organisations, accessibility groups, and consumer representatives indicates that, alongside some positive observations, a number of issues persist across both passenger and freight services. The majority of submissions related to passenger operations. While the ferry operator is broadly meeting the minimum obligations set out in the Concession Agreement, stakeholders reported extended journey times, reduced scope for daytrip travel (particularly to St Malo), frequent timetable alterations, inconsistencies in customer service, and barriers faced by passengers with additional needs or travelling with animals. Representatives from sporting, cultural and commercial sectors further highlighted the ongoing absence of interisland vehicle transport, citing measurable social and economic impacts.

Commercial stakeholders also raised concerns regarding cancellations, delays, and cost increases associated with the flat rate freight pricing structure and additional port related charges. These factors were reported to have contributed to operational disruption, product spoilage, increased retail prices and diminished confidence in the resilience of Jersey's supply chain.

Further issues were identified in relation to the suitability and condition of the vessels currently permitted under the Concession Agreement. Although the Concession Agreement requires the introduction of new vessels over its duration, the contract provides limited clarity on associated timelines, and mechanisms to obligate vessel investment. This lack of clarity has created uncertainty regarding the scale and timing of future service improvements.

A recurring theme in the Panel's evidence gathering was the limited engagement undertaken by the government with users and businesses before key contractual decisions, such as freight pricing and service schedules were finalised. This has contributed to areas where the minimum standards do not appear to align with the needs of Islanders.

Overall, the Panel finds that while the operator is meeting the minimum obligations set out in the Concession Agreement, the minimum standards themselves do not consistently align with user expectations.

The Panel recognises that mobilisation challenges and transitional issues have affected early performance, and that the new governance structures are still embedding. However, the concerns raised, particularly those relating to reliability, affordability, accessibility and supply chain resilience, underline the need for strengthened oversight and alignment between user needs and contractual standards. The Panel is not seeking to encourage the reopening or renegotiation of the Concession Agreement, but identifies areas where governance, monitoring and collaboration with affected sectors can be improved to support effective implementation.

This report therefore presents a series of targeted recommendations to the Minister for Sustainable Economic Development, so that a clear framework can be developed to guide service improvements in both the short and longer term. Many issues identified will need to be monitored over time and cannot be addressed immediately at this stage in the political cycle. The findings are intended to guide prioritisation through the Monitoring Committee and the scheduled review of Key Performance Indicators following the Agreement's first full year.

From a scrutiny perspective, as further operational data becomes available and contractual milestones are reached, it will fall to the next Economic and International Affairs Scrutiny Panel to continue this work should it choose to do so. In acting to constructively challenge and hold the Minister to account, the Panel considers ongoing scrutiny can help to influence an outcome in which Jersey's ferry service becomes reliable, resilient and user focused, supporting the Island's economy, tourism sector, and critical supply chains.

3. Key Findings

KEY FINDING 1: The contractual choice of a Concession Agreement transfers commercial and financial risk to the ferry operator. However, this approach also reduces the level of direct control the government can exercise over the service.

KEY FINDING 2: Within the Concession Agreement, the Monitoring Committee is the primary governance mechanism of oversight of elements such as the review of performance KPI's and financial monitoring. However, the scope of the Monitoring Committee remains insufficiently defined and reporting does not appear to be publicly available thus limiting transparency.

KEY FINDING 3: In respect of scheduling, timetables, journey times, and delays or cancellations, the operator is meeting the contractual requirements of the Concession Agreement. However, many Islanders expected a higher level of service than has been delivered to date. While the Agreement includes KPIs for delays, cancellations and customer satisfaction, it does not set minimum sailing times which remains a key concern raised to the Panel by users. These gaps indicate where governance and monitoring arrangements could be strengthened to better align performance with user expectations.

KEY FINDING 4: The continued absence of inter-island connectivity has significant social, cultural, and economic impacts, as evidenced by sports clubs, associations, businesses, and individuals who rely on travel between the islands. Both the Minister for Sustainable Economic Development and the Chief Minister have acknowledged that this gap in provision requires urgent resolution. The underlying issue appears to relate less to the structure of the Concession Agreement and more to the practical challenges arising from the two islands selecting different operators.

KEY FINDING 5: Visitor numbers to Jersey declined during the transition to the new ferry operator, with Visit Jersey reporting 17,200 fewer visits in June 2025 compared with June 2024. High travel prices, slower vessel speeds, and operational challenges associated with the transition may further constrain tourism demand and create wider economic risks for the Island.

KEY FINDING 6: The vessels currently serving Jersey are ageing and concerns have been raised about comfort, condition and cabin availability. While the ferry operator is contractually required to maintain the fleet and invest in replacement vessels, the Concession Agreement lacks firm delivery deadlines, creating a risk of delayed investment and continued service issues. The age of the vessels plays a role in the speed they travel at, due to engine capability and fuel-efficiency.

KEY FINDING 7: There is a strong perception for many leisure users that ferry prices have increased since the new ferry operator began operating, and a consistent concern raised was the removal of the Frequent Traveller discount previously available.

KEY FINDING 8: The flat-rate freight pricing model was introduced to provide greater transparency and predictability for freight users; however, evidence received indicates that the overall cost of freight has increased since its implementation in March 2025. The exclusion of port dues from the initial freight charges has also created considerable uncertainty and concern among businesses importing and exporting goods to and from Jersey.

KEY FINDING 9: There is evidence that the move to the new freight model has had a direct inflationary impact on the cost of goods on the shelves. Evidence received from retailers suggests that the new model has increased food prices by 2% not the 0.4% suggested by government.[1]

KEY FINDING 10: Jersey is heavily reliant on maritime freight (with 98% of consumer goods arriving by sea), there have been several instances of delays, cancellations and rescheduling by the ferry operator in the first year which have caused significant disruption for retailers in the Island. This has also contributed to increased costs and reduced product shelf life.

KEY FINDING 11: There are benefits and disadvantages that arise from the ferry operator serving only one Island. In terms of freight this means that there is more capacity on sailings however, there are unlikely to be the same economies of scale which may have a pricing and operational consequence.

[1] Submission-Ferry Service Concession Agreement Review - Sandpiper CI - 19 December 2025

4. Recommendations

Governance and Oversight (Advisor-derived recommendations)

Recommendations 1–5 originate from the Panel's independent advisor. The Panel has reviewed this advice and endorses these recommendations.

RECOMMENDATION 1: The Minister for Sustainable Economic Development should publish formal Monitoring Committee Terms of Reference.

RECOMMENDATION 2: The Minister for Sustainable Economic Development should explicitly broaden monitoring scope through reporting to cover service quality, resilience, fleet investment and stakeholder feedback.

RECOMMENDATION 3: The Minister for Sustainable Economic Development should align the Monitoring Committee meetings with quarterly reporting cycles.

RECOMMENDATION 4: The Minister for Sustainable Economic Development should introduce formal escalation and tracking log.

RECOMMENDATION 5: The Minister for Sustainable Economic Development should publish high-level Monitoring Committee summaries.

Service Quality, KPIs and Performance Monitoring

RECOMMENDATION 6: As part of the KPI review due within one month of the first anniversary of the Operational Commencement Date, the Minister for Sustainable Economic Development should strengthen the underlying service level agreement by introducing enhanced KPIs on timetabling, journey times, and service convenience. This should include clearer expectations on crossing times, sailing frequency and reasonable windows for day trips.

RECOMMENDATION 7: The Minister for Sustainable Economic Development should request that the ferry operator reduce crossing times on the southern route and the options explored are shared with the Panel during the next government term.

RECOMMENDATION 8: The Minister for Sustainable Economic Development should monitor the economic impact of the service level agreement on the Visitor Economy (including timetabling, crossing times and day-trip availability) and this should be published before the end of 2026.

RECOMMENDATION 9: The Minister for Sustainable Economic Development should strengthen oversight and transparency relating to cancellations by requiring more detailed, route-specific reporting from DFDS and Ports of Jersey. This information should be reviewed as part of the Quarterly Monitoring Meetings that the Panel understands are already in place and the outcomes of these discussions should be shared with the Panel to support continued scrutiny.

Inter-Island Connectivity

RECOMMENDATION 10: The Minister for Sustainable Economic Development should work proactively with the Government of Guernsey and key stakeholders to develop a long-term solution for inter-island connectivity especially for freight and vehicles. Proposals such as the ferry operator's limited inter-island schedule using the Stena Vinga should be fully evaluated and progressed where practicable.

Fleet Condition, Maintenance and Investment (Advisor-derived recommendations)

Recommendations 11 – 16 draw on the findings of the Panel's independent advisor, and the Panel endorses them.

RECOMMENDATION 11: In accordance with clause 8.2.2, the Government of Jersey should actively monitor the fleet maintenance plan and request any necessary modifications should concerns persist regarding the suitability of the current vessels.

RECOMMENDATION 12: The Minister for Sustainable Economic Development should strengthen governance of the fleet maintenance plan through regular reporting of technical failures causing disruption, maintenance root cause analysis, dry dock adherence, and explicit linkage between maintenance performance and delay/cancellation KPIs.

RECOMMENDATION 13: The Minister for Sustainable Economic Development should convert "expected replacement" language into governed delivery commitments through Monitoring Committee protocols.

RECOMMENDATION 14: The Minister for Sustainable Economic Development should require transparency on "future value" versus real-terms value with inflation assumptions.

RECOMMENDATION 15: The Minister for Sustainable Economic Development should explore strengthening Island Authority influence over vessel specifications through options appraisals before commitment.

RECOMMENDATION 16: The Minister for Sustainable Economic Development should ensure appropriate governance oversight through periodic fleet condition and investment progress reports.

Passenger Pricing

RECOMMENDATION 17: The Minister for Sustainable Economic Development should, upon receipt of the Operator's calculations in accordance with Clause 2.2.4, carry out a comprehensive cost analysis of passenger fares to ensure that pricing caps are set at an appropriate and justifiable level.

RECOMMENDATION 18: The Minister for Sustainable Economic Development should work with the ferry operator to ensure that a frequent traveller discount scheme is introduced as soon as practicably possible.

Freight Pricing and Supply-Chain Resilience

RECOMMENDATION 19: Once sufficient operational data is available—including the one-year reviews required under the Concession Agreement—the Minister for Sustainable Economic Development should commission an independent review of the flat-rate freight pricing structure to assess its impacts and whether it is meeting its intended objectives.

RECOMMENDATION 20: The Minister for Sustainable Economic Development should require early and structured consultation with freight users prior to any proposed changes to service schedules, pricing models, or operational procedures under the Concession Agreement.

RECOMMENDATION 21: The Minister for Sustainable Economic Development should ensure that the new Freight User Forum and Monitoring Committee meet regularly with retail representatives to ensure that freight services meet the needs of businesses.

5. Introduction

Context

In response to increasing public interest and concerns raised by businesses and users of the ferry service, the Panel identified the Concession Agreement governing Jersey's ferry operations as a priority area for review. Prior to formally initiating this work, the Panel had already become aware of a substantial level of public interest from Islanders and commercial organisations highlighting the financial impact of the Government's chosen pricing structure, together with wider concerns about rising freight costs and the overall delivery of the service.

Following these concerns, the Panel wrote to the Minister for Sustainable Economic Development requesting that, in the interest of transparency and public accountability, the concession agreement be published. Subsequently, a redacted version of the agreement, together with accompanying documents, was made public in October 2025.

Purpose of the Review

Following the publication of the Concession Agreement, and in light of ongoing concerns about the early performance of the new ferry service, the Panel announced its review of the ferry operation and the contractual framework that underpins it.

The ferry service represents a vital lifeline for Jersey, underpinning supply chains, economic resilience and connectivity for Islanders. Previous assessments of the Island's critical infrastructure - notably the Critical Infrastructure Resilience – Transport Links Report published by the Comptroller and Auditor General in August 2025 - have highlighted the essential nature of reliable maritime links as part of Jersey's wider resilience framework. Ensuring the effectiveness, sustainability and suitability of the ferry service is therefore fundamental to the Island's economic and social wellbeing.

As the new Agreement has not yet been in place for a full year, the Panel anticipates that scrutiny will need to span multiple political cycles. This interim report has been prepared in the context of the current political timetable and is intended to support further examination by the next Economic and International Affairs Scrutiny Panel. The findings presented represent an early assessment of how the arrangements under the new operator are functioning in practice; subsequent phases of work will be informed by a growing body of operational data and stakeholder evidence.

Methodology

The Panel gathered its primary evidence from public hearings, targeted stakeholder letters and public submissions. Given the nature of the subject matter, it also held private meetings with Ferry Speed, Visit Jersey and Sandpiper CI to discuss the evidence they had previously provided.

In addition, the Chair attended a Trade Talk Lunch hosted by the Jersey Hospitality Association, at which DFDS delivered a presentation entitled *"The Boat Has Left the Harbour – Collaboration or Revolution for the Next 20 Years?"*. This contributed to the Panel's understanding of DFDS's strategic direction and engagement with industry stakeholders.

The majority of the evidence received was through submissions received by the Panel from leisure users and businesses. This has been analysed against the Review Terms of Reference to identify common concerns, recurring issues and wider patterns emerging across user groups.

Alongside the public call for evidence, the Panel sought independent expert advice from Martin Bignell. His full report is provided in Appendix 2, and his findings and recommendations are referred to in the relevant sections throughout the report. The Panel commissioned independent expert advice to assess whether the Concession Agreement aligns with best practice, is being implemented as intended, provides adequate resilience for passenger and freight operations, and whether any elements pose material risks which should remain under close review.

Limitations and Constraints

The Panel considers it important to highlight several limitations that have shaped the scope of this initial phase of scrutiny. This report recognises that the Concession Agreement between the Government of Jersey and the ferry operator is a 20-year contract that cannot be altered within the scope of this review. As such, the Panel does not seek to renegotiate or redefine the terms of the contract. Instead, the review focuses on understanding how the agreement is being delivered in practice, how compliance is being monitored, and how the service is affecting Islanders and businesses in its first year of operation.

In addition, the timing of the review in the political cycle close to pre-election period required completion within a fixed reporting period. At the time of undertaking the review, the Concession Agreement had been in place for less than one year, limiting the ability to assess long-term trends. These factors have shaped the nature of the findings, which should be considered as part of an evolving, multi-phase examination of the ferry service over the longer term.

Structure of the Report

This interim report is structured to address each element of the Panel's Terms of Reference. It begins by outlining the wider context, including the recent history of Jersey's ferry services and the transition from the previous operator to the award of the current Concession. Subsequent chapters examine key themes arising from the implementation of the Agreement, including service levels, contractual obligations, fleet investment, pricing frameworks, freight supply, supply chain resilience, the transport of pets and other animals, and accessibility.

Each chapter draws on submissions received from Islanders, businesses and stakeholder groups, incorporates analysis informed by the independent advisor's report, and identifies areas where improved governance, monitoring or alignment with user needs may be required. The report concludes with a summary of principal findings and highlights key messages intended to guide both immediate ministerial action and longer-term oversight.

6. Transition to a new Ferry Operator

This chapter provides an overview of the transition to the new operator, setting out the sequence of events leading to contract award and commencement of services. It examines the mobilisation period, the challenges encountered, and the lessons identified for future ferry procurement exercises.

Condor Ferries operated the Island's primary freight and passenger routes for six decades. A joint tender launched in May 2024 concluded without a pan-island award when Guernsey selected a different preferred bidder in October 2024. Jersey then proceeded with its own procurement, before awarding a new 20-year Concession Agreement to DFDS in December 2024. The agreement was signed in January 2025, and services commenced in March 2025. This change in operator represented a shift in the Island's essential transport infrastructure, affecting freight costs, service reliability, the passenger experience, and long-term investment in vessels.

At contract award, the operator indicated plans to provide a Ro-Pax vessel, two high-speed craft and a dedicated freight vessel to meet the minimum service requirements.

The initial three-month lead-in transition period created typical start-up challenges, including the introduction of new vessels, the recruitment and training of staff, and the establishment of revised scheduling arrangements. The operator acknowledged these pressures publicly during a hearing:

> ***Route Director, DFDS Jersey:***
>
> *I think the first few weeks were challenging. We obviously had some issues in terms of getting those vessels in place. What I would say is the contingency that we put in also kicked in effectively from day one. That was not really what we intended but we obviously brought in Côte d'Albâtre[contingency vessel] to cover while we were down vessels and we configured the schedules to ensure that we still had a service.*[2]

In April 2025, the Minister explained that an extension offered to the incumbent operator to enable a Q4 2025 commencement was not accepted, and that subsequent judicial review proceedings delayed contract signature. These events compressed the mobilisation timetable.

As a result, the ferry operator was required to mobilise its operations within a three-month period following the signing of the Concession Agreement. The preparatory work undertaken prior to commencement included the acquisition and re-flagging of vessels (with some also undergoing refurbishment), the development of service schedules, the creation of a new booking system, securing the necessary port authority permits, and the recruitment of staff—many of whom were unable to begin their roles until late March 2025. The Minister recognised that the timescale within which the ferry operator had to commence its operations was *"ambitious"*[3] and that it was *"regrettable that the joint tender process did not conclude successfully in early November and that, in its absence, the proposed seven-month contract extension was not accepted."*[4]

[2] Transcript – Ferry Service: Concession Agreement Review – DFDS – 15 December 2025 Pg.2
[3] Letter - Minister for Sustainable Economic Development to EIA Panel - Ferry Services - 15 April 2025
[4] Letter - Minister for Sustainable Economic Development to EIA Panel - Ferry Services - 15 April 2025

In January 2026, the Minister noted that early start-up challenges had largely been addressed and emphasised the constructive engagement that had taken place with users. The Jersey Chamber of Commerce similarly attributed the initial difficulties to the *“extremely condensed mobilisation phase”*[5] while acknowledging that the operator had *“proved to be a professional ferry operator.”*[6]

Given the challenges evidenced during the mobilisation period, the Panel considers that this experience should serve as a clear learning point for future tender exercises. The sequence of events - including the unsuccessful conclusion of the joint tender process, the refusal of the proposed contract extension, and the subsequent delay caused by judicial review proceedings - resulted in the ferry operator being required to mobilise within only three months of the Concession Agreement being signed.

This compressed timeframe placed operational pressure on the incoming provider to complete vessel, schedule and staffing preparations in parallel. While the Minister acknowledged that the timescale was *“ambitious”*[7] and that the operator demonstrated resilience and contingency capability, the constraints of the transition period inevitably contributed to operational challenges in the early weeks.

In future, the award of any contract should be contingent on an agreed, achievable transition plan that ensures adequate time and resources for service commencement.

[5] Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026
[6] Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026
[7] Letter - Minister for Sustainable Economic Development to Economic and International Affairs Scrutiny Panel - Ferry Services - 15 April 2025

7. Contractual obligations

This chapter summarises the key features of the Concession Agreement, including the allocation of responsibilities, governance arrangements and performance mechanisms. It draws on independent advisor analysis to assess how the contractual framework influences service delivery and oversight.

The transition from the previous operator to the new provider represents the end of a well-established relationship with a long-standing maritime partner and the consequences have been far reaching. The Panel's advisor highlighted in his report that, in the establishment of a ferry services contract the government's contracting choices ultimately shape who carries the risks related to demand, costs, and revenue; who is responsible for financing vessels; the extent of public oversight over service levels and fares; and how much ongoing subsidy exposure the public sector may face.[8] The Panel therefore understands that by opting for this model with the ferry operator, the Government of Jersey chose to safeguard minimum service standards whilst shifting commercial risk to the operator, as the operator owns the vessels and carries the demand and cost risks.

The advisor provided a high-level comparison of the Concession Agreement against other jurisdictions including Guernsey, Isle of Man and European examples based on an analysis of publicly available documentation. The advisor concluded that Jersey's Concession Agreement aligns well with recognised best practice for concession-based ferry operations. It is structured appropriately to meet its commercial and policy aims, with a balanced distribution of risk and strong governance, compliance and safeguard provisions that compare well with equivalent contracts elsewhere. The advisor's report also examines a range of alternative contracting models for ferry services—including Public Service Obligations and Public Service Contracts—to demonstrate the approaches used in other jurisdictions and how each model shapes the allocation of demand, cost and revenue risks. It further outlines how the chosen model influences responsibility for vessel financing, the degree of public influence over service levels and fares, and the extent of any ongoing public subsidy (if any).

The advisor noted that although it does not offer the same level of control as Scotland's Public Service Contract (PSC) model for example, this reflects a conscious and valid policy decision rather than any weakness in the contract design. Overall, his assessment was that the Jersey Concession provides a sound, proportionate and well-designed contractual framework consistent with best practice for its purpose and scope.

Subsequently, the Panel understands from the advisor's report that, under this contractual model, the Government of Jersey is protected from financial risks and benefits from performance mechanisms and enforcement powers when minimum standards are not met. However, in other respects the Concession Agreement has insufficient levers with regards to areas such as the type and timing of vessel investment, timetabling, inter-island connectivity and pricing.

In evaluating these issues, and considering the submissions received, the Panel reviewed the Concession Agreement alongside the contractual obligations it establishes. The ferry operator's key contractual obligations are set out through minimum service standards

[8] Expert Advisor's Report (please see Appendix 2), Pg. 7

(Schedule 1, p. 54), pricing controls (Schedule 3, p. 56), and vessel investment requirements (Schedule 12, p. 96). The Concession Agreement also introduces a comprehensive Key Performance Indicator (KPI) framework intended to ensure the delivery of a high-quality service. This framework includes Critical KPIs, a Customer Satisfaction KPI, a Delays KPI, and a wider set of Non-Critical KPIs. Critical KPIs are defined as being Cancellations KPI, the Delay KPI and the Customer Satisfaction KPI as set out in Schedule 13 – Part 1. The Panel notes that, in relation to the Cancellations KPI, the method of calculation is set out within the Concession Agreement. The Agreement distinguishes between cancellations made with more than 48 hours' notice and those made with less than 48 hours' notice, with the latter carrying a greater weighting in the KPI assessment.

The Panel observes in its examination of the Concession Agreement that although it offers clarity on how cancellations contribute to KPI performance, the weighting mechanism alone may not provide sufficient oversight. The absence of more detailed reporting requirements such as assessing the scale of user disruption or tracking short-notice cancellations—may create gaps in the monitoring framework. Evidence received through submissions of ferry users indicates that these gaps are evident in practice.

In this context, the current KPI risks functioning as a procedural metric rather than a meaningful indicator of service quality as it reflects cancellation frequency and timing of the cancellation notice rather than measuring the impact felt. This will be explored later in the report when assessing submissions received with regards to cancellations.

When examining the Concession Agreement to understand the governance tools and oversight mechanisms available within the Concession Agreement, the Panel notes the reference to the review of KPIs within the Concession Agreement conducted by the Monitoring Committee. There is the mechanism for the KPI's to be reviewed and revised under Clause 7.4 (KPI Review), which states:

> *"7.4.1 Within one month after the first anniversary of the Operational Commencement Date, the Parties shall undertake a review of the KPIs and discuss whether any of the Service Levels for the KPIs should be revised. The review shall be conducted through the governance arrangements of the Monitoring Committee."*[9]

The Panel questioned the Minister as to the individuals that formed the Monitoring Committee and was informed that the Monitoring Committee is made up of the Chief Officer for the Department for the Economy (as Chair), Ports of Jersey leadership including the Harbour Master and senior management from DFDS (both locally and from Copenhagen as well).[10]

The Panel notes that the Monitoring Committee is also responsible for Financial Performance Monitoring as detailed in Clause 8 of the Concession Agreement (p.61), with particular importance being Clause 8.1.4, which states:

> *"In addition to the Quarterly meetings set out in paragraph 5.1, the Monitoring Committee will meet when so required to discuss and review the matters described in paragraph 8.1.3 of this Schedule."*[11]

During the public hearing, the Minister informed the Panel that the Monitoring Committee is meeting regularly and that additional subcommittees have been established—specifically a

[9]9 Concession Agreement Between GoJ and DFDS Redacted Pg.20
[10] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.5
[11] Concession Agreement Between GoJ and DFDS Redacted Pg.61

marketing subcommittee, with a Freight Forum currently being formed—further strengthening this governance structure. However, it remains unclear as to the exact scope of the Monitoring Committee and whether additional responsibilities, beyond KPI performance review and financial monitoring, may be added to its remit.

This point is reinforced in the advisor's report, which highlights that whilst the Concession Agreement provides for Monitoring Committee meetings to review performance, it doesn't define it as a decision-making body or "*confer delegated authority*"[12]. The advisor further notes the following in his report:

> *"The Agreement doesn't clearly link the Committee to oversight of customer experience, accessibility, marketing, social value, fleet maintenance or vessel investment matters. Reporting isn't explicitly aligned to KPI cycles, with no requirement for Committee consideration to result in formal responses or action plans. With no explicit governance mechanism, considerable ambiguity exists between the relationship between the Monitoring Committee and escalation to the Parties, nor how broader commitments are routinely monitored between three-yearly Comprehensive Service Reviews"*[13].

Within his report, the advisor also offered commentary on the Minimum Service Requirements contained within the Concession Agreement. The advisor stated that:

> *"Schedule 1 provides considerable operator flexibility with specific freight provision but no parameters around acceptable crossing times or service timing windows as is found in some comparator PSC agreements and used to underpin governance measures around punctuality. While Schedule 1 appears to be a 'hard obligation', Schedule 3 Clause 6 (Extraordinary Adjustments) allows the operator to "adjust the Minimum Service Requirements" at its discretion if financial conditions warrant.*
>
> *This pragmatic clause may never trigger and would involve Island Authority dialogue but means the Agreement doesn't contain a hard floor that cannot be crossed, public-interest override for essential connectivity, or GoJ obligation to provide subsidy instead of service reduction. Schedule 1 is therefore not an absolute minimum service guarantee but a conditional baseline subordinate to Schedule 3's financial risk-balancing provisions."*[14]

Whilst noting that the advisor provides comparison against jurisdictions that utilise different contractual models, the Panel considers the advisor's analysis to be significant, as it highlights a limitation in the design of the Minimum Service Requirements given the choice to sign a Concession Agreement. While Schedule 1 appears to set clear baseline obligations, the ability for these requirements to be reduced under Schedule 3 introduces a level of flexibility that weakens their function as a guaranteed floor of service provision.

The absence of defined parameters for crossing times or service timing windows further reduces the extent to which punctuality, journey length or timetable quality can be meaningfully governed through the contract, which is noted by the Panel as these are the main themes received via submissions. Taken together, these features mean that the minimum standards do not operate as fixed protections for essential connectivity, but instead as a conditional baseline that can be adjusted when financial considerations arise. The Panel notes that the

[12] Expert Advisor's Report (please see Appendix 2), Pg. 15
[13] Expert Advisor's Report (please see Appendix 2), Pg. 15
[14] Expert Advisor's Report (please see Appendix 2), Pg. 14

advisor highlights that this type of contractual structure transfers risk to the operator, but it also creates challenges when public expectations for service quality exceed the minimum framework established in the Concession Agreement. While the Agreement aligns with recognised best practice and establishes a clear framework for service delivery, it also incorporates flexibility and conditional obligations that affect how the operator meets Jersey's needs in practice.

The Panel considers that a gap exists -highlighted through concerns raised in submissions - between the provisions set out in the Concession Agreement and the public's experience of the service to date, reflecting a divergence between contractual intentions and operational realities. The Panel considers, based on the service levels feedback it has received, that the Monitoring Committee's reports and oversight activities should, where appropriate, be made publicly available. The advisor sets out several recommendations to strengthen the Monitoring Committee's effectiveness, and the Panel endorses a number of these, submitting them to the Minister in its recommendations 1 - 5 below.

KEY FINDING 1
The contractual choice of a Concession Agreement transfers commercial and financial risk to the ferry operator. However, this approach also reduces the level of direct control the government can exercise over the service.

KEY FINDING 2
Within the Concession Agreement, the Monitoring Committee is the primary governance mechanism of oversight of elements such as review of performance KPI's and financial monitoring. However, the scope of the Monitoring Committee remains insufficiently defined and reporting does not appear to be publicly available thus limiting transparency.

RECOMMENDATION 1
The Minister for Sustainable Economic Development should publish formal Monitoring Committee Terms of Reference.

RECOMMENDATION 2
The Minister for Sustainable Economic Development should explicitly broaden monitoring scope through reporting to cover service quality, resilience, fleet investment and stakeholder feedback.

RECOMMENDATION 3
The Minister for Sustainable Economic Development should align the Monitoring Committee meetings with quarterly reporting cycles.

RECOMMENDATION 4
The Minister for Sustainable Economic Development should introduce formal escalation and tracking log.

RECOMMENDATION 5
The Minister for Sustainable Economic Development should publish high-level Monitoring Committee summaries.

8. Service levels and performance

This chapter examines Islanders' and businesses' experiences of the ferry service during its first year, including scheduling, journey times, reliability and customer service. It compares these experiences with the minimum requirements in the Concession Agreement and identifies areas where governance and monitoring could be strengthened.

The Concession Agreement identifies its primary aim as delivering a *"reliable, efficient and sustainable ferry service that meets the transportation needs of Jersey's residents and visitors"*[15]. However, the Panel heard through evidence that although the ferry service may satisfy the minimum service levels established contractually by government in the Concession Agreement, it is not delivering the standard of service that Islanders and businesses had expected. The Panel's advisor highlighted this as part of his overall findings, noting that although the Agreement is *"broadly sound in structure and consistent with best practice for a commercially operated ferry concession"*[16] the experiences of service users have revealed a disparity between the Agreement's intended outcomes and the expectations held by many within the community.

Submissions to the Panel raised significant concerns around service scheduling, particularly regarding the frequency of sailings and longer journey times on the Southern Route. Islanders reported that the reduced number of sailings outside the peak period and inconvenient departure times - especially early morning departures from St Malo and late evening arrivals into France - limit flexibility for leisure and business travel.

A key concern raised in submissions was service scheduling - specifically sailing frequency and journey times on the southern route. A number of submissions from Islanders expressed concern with the ferry services provided, particularly in relation to scheduling, extended journey times, and timetables that were considered inconvenient - most notably regarding the time allocated in St Malo. A submission to the Panel noted the limited flexibility offered by the present scheduling and timetables:

> *"DFDS operates the Jersey–St Malo route only four days per week outside peak season, significantly limiting flexibility for residents, businesses, and visitors. Notably, most Monday sailings depart St Malo at between 6.30 and 7.30 am, which is inconvenient for both foot passengers and vehicle users, reduces accessibility for short-stay travel, and limits the practicality of weekend or extended-weekend trips."*[17]

The Panel notes that the inconvenient timetables presented to Islanders also creates a financial disincentive. In particular, the scheduling of the Southern Route has resulted in travellers arriving in St Malo late on Friday evenings, necessitating an overnight stay. Similarly, the early departure time of the Sunday morning sailing to Jersey has frequently required passengers to book accommodation the night before, adding further cost to the journey as stated by one islander:

> *"The timetable for ferry services to France are unbelievable there are no day trips and sailing are primarily in the evening to St Malo and returning to Jersey early morning,*

[15] Concession Agreement Between GoJ and DFDS Redacted Pg.5
[16] Expert Advisor's Report (please see Appendix 2), Pg.4
[17] Submission-Ferry Service Concession Agreement Review -Jacqueline Lois Garnier - 16 January 2026

so much for a decent schedule like we had before when you could take the boat in the morning and drive to your destination and drive back after your holiday to take the evening boat back to Jersey. No overnight stays necessary."

During a hearing in December 2025, the Panel presented these concerns the Route Director for Jersey DFDS, and asked what improvements were planned to address them:

> ***Route Director, DFDS Jersey:***
>
> *Yes. In terms of the current schedule in 2025, as I say to a degree we were constrained by access to berths and particularly at departure times, which did not help I think when it comes to setting up a schedule which gave sufficient time to have a day trip. We have worked on that schedule through the year with ports and with the vessels with an aim to try to stretch the length that we are in St. Malo for as long as possible. I think the other small impediment that we had was arriving on P2, the temporary berth, if you like. It just takes longer to load and discharge on that berth. That is now an historic problem because it is no longer there, but it was certainly there for this year. So I think in terms of what we have done around that, as I say we have tried to stretch where we can and we issued a calendar of: "These are where day trips are and these are the days on which you can go for 5 hours, 6 hours, 7 hours." We will do the same for 2026 but we are still in discussion with ports, particularly in St. Malo, around the confliction of that single berth. The schedule that we have put forward does give longer in general in France, but we need to get that deconflicted. So until we have that completed we cannot say with certainty that there will be an improvement, but we certainly are putting that forward.*[18]

By late December 2025, it appeared that the ferry operator had successfully negotiated improved timetabling with the Port of St Malo, with media reports indicating that the ferry operator had sought the 7:45am departure slot. However, shortly afterwards, Brittany Ferries confirmed it had been allocated a conflicting slot, resulting in the ferry operator being reassigned to a different time than originally proposed. The Panel was informed by the Minister that the operator had secured the 7:30am departure from Saint-Malo until the end of March, although further discussions with the port were still ongoing. This sequence of events illustrates the challenges ferry operators face when competing for optimal berth slots and timetable arrangements at the Port of St Malo.

The Panel noted repeated concerns in submissions regarding the absence of day-trips to St Malo - an excursion previously valued by both Islanders and visiting tourists. The Jersey Consumer Council highlighted the disappointment from its Council Member stating that:

> *"Council Members say they miss the frequency and convenience of day trips to Saint Malo previously offered by Condor. They would like to see vast improvement in this area. Many consumers have said that they amount of time they actually ended up getting in France on a day trip put them off rushing to book another one. The extension of day trips to include an overnight stay was welcomed, however the fact that the full trip had to be completed within a 24-hour period put Members off booking these trips, as the timings of the sailings would mean either a late arrival in France, or a very early departure. A better offer for this deal would be to allow passengers the opportunity to leave one morning and return the following lunchtime (rather than having to get the*

[18] [Transcript- Ferry Concession Agreement Review Public Hearing - DFDS - Pg 10]

early sailing back, which consumers wouldn't want to do after enjoying their one night in France)."[19]

Given the importance that users place on day trips to France, the Panel considers it essential that the Minister work with the ferry operator to secure improved timetabling. The Panel's advisor explores this issue, noting that *"stakeholder feedback strongly suggests service timing misalignment with user needs, especially on the Southern Route".*[20] He highlights several contextual factors that help explain the difficulties the ferry operator be experiencing. In particular referencing, Brittany Ferries and Condor Ferries having operated from Saint Malo since 1976, creating longstanding and well-established local relationships that a new operator would not yet possess. Furthermore, had Guernsey and Jersey been served by a single operator, the negotiation of berthing slots might have unfolded differently.

When questioned around the concerns raised through submissions on scheduling and timetables, the Minister highlighted that the tension around scheduling had always existed, but that St Malo values the Jersey service: "*There has always been a tension between the time the vessel starts in Saint-Malo and obviously the time it can therefore turn around and leave Jersey. A 7.30 slot, to me, that creates the best balance that we can get".*[21]

The Minister noted that the 7:30am departure time was considered optimal within the timetable, aligning with views expressed in submissions. He added that any earlier sailing would render a same day-day trip impractical. Furthermore, the Minister noted that last year the ferry operator was due to delays in the tender process at a *"disadvantage"*[22] in terms of timetabling.

The evidence demonstrates that the current provision of daytrip services to St Malo falls short of user expectations, particularly when compared with the frequency, convenience, and customer experience previously offered. Submissions from consumer representatives highlight a clear and sustained demand for improved schedules that allow travellers meaningful time in France without the impracticalities created by very early departures or late arrivals. -trip services to St Malo falls short of user expectations, particularly when compared with the frequency, convenience, and customer experience historically offered. Submissions from consumer representatives highlight a clear and sustained demand for improved schedules that allow travellers meaningful time in France without the impracticalities created by very early departures or late arrivals.

The Panel was also notified of concerns from users with regards to the scheduling of high-speed sailings in the winter months for both freight and passenger ferry services. It was reported in the media in August 2025 that high speed sailings between November had been temporarily paused until the end of April 2026. This decision was criticised by Jersey Hospitality Association in an open letter, and the Chief Minister stated that the *"The level of service delivered to date, particularly the decision to withdraw the UK fast ferry over winter, falls short of what was promised and what islanders and visitors expect."*[23]

[19] Submission - Ferry Service Concession Agreement Review - Jersey Consumer Council - 16 January 2026
[20] Expert Advisor's Report (please see Appendix 2), Pg. 11
[21] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.16
[22] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.16
[23] Service from DFDS "falls short of what was promised", says Chief Minister - Bailiwick Express News Jersey

Within the Concession Agreement, the minimum service standards (Schedule 1) define the Northern Route and the Southern Route and outlines the number of sailings scheduled on both the Northern and Southern Routes during peak and non-peak seasons:

Northern Route		
	Number of rotations per week - Peak season	**Number of rotations per week – Seasons other than peak season**
Ro-Ro / Freight	6	6
Ro-Pax	*6*	5 (aggregate for Ro-Pax and HSC)
HSC	5	
Southern Route		
HSC	11	4
HSC trip dedicated to freight	1	1

[24]

On the Northern Route, the Ro-Ro/freight service operates six rotations per week throughout both peak and off-peak periods, ensuring a consistent level of freight capacity year-round. Within this, the Ro-Pax service runs six rotations per week during peak season, reducing slightly to an aggregate total of five rotations per week in the off-peak period when combined with High-Speed Craft (HSC) services. The HSC provides an additional five rotations per week during peak season. On the Southern Route, the HSC service is significantly more frequent in the peak months, operating 11 rotations per week, before reducing to four rotations per week outside of peak season. One of these weekly HSC trips is dedicated specifically to freight in both peak and non-peak periods, providing a guaranteed level of capacity for specialised cargo movements.

The decision to suspend its high-speed sailings - and the public concern that followed - highlights that the minimum service levels set out in the Concession Agreement, do not meet the needs of Islanders. One submission highlighted frustration that there are no fast ferries to the UK until April 2026 and that not only is this an issue for residents but *"it will also damage inward visitor numbers (why travel on a slow uncomfortable boat when they can catch a fast ferry to Guernsey."*[25]

The Panel questioned the Minister based on these concerns regarding his position on winter connectivity with the UK. He informed the Panel: *"The Government seeks efficient, resilient and cost-effective services, this means flexing the service according to the prevailing demand and conditions. Many businesses serving our visitor economy scale back capacity and resourcing over the winter period and there is no reason for the ferry operator to be any different. In my discussions with DFDS I am satisfied that sufficient passenger capacity will be provided throughout winter on the RoPax service with supplementary HSC sailings for our southern route and winter peaks in demand on the northern route."*[26]

[24] Concession Agreement Between GoJ and DFDS Redacted Pg.54
[25] Submission - Ferry Service Concession Agreement Review - Camelia Leveridge - 21 November 2025
[26] Letter - Minister for Sustainable Economic Development to EIA Panel - Ferry and Freight costs - 1 September 2025

The Panel recognises the commercial rationale presented by the Minister and the operator for adjusting services during periods of lower winter demand. However, the suspension of high-speed UK sailings has generated significant public concern, indicating a clear gap between the minimum service levels required under the Concession Agreement and the level of connectivity that Islanders reasonably expect. Furthermore, the absence of fast ferry options for an extended period has also raised concerns from the hospitality and tourism sectors regarding the potential impact on visitor numbers and the Island's competitiveness relative to neighbouring jurisdictions.

The Panel asked the Minister whether any areas of the Concession Agreement with the ferry Operator were showing signs of underperformance. The Minister confirmed that there had been financial underperformance in 2025, noting that this had been anticipated. He also explained that, following the tendering process, Guernsey had secured direct Saint-Malo–Guernsey sailings, which had increased Guernsey's visitor numbers. In response, he has requested a renewed marketing effort to attract visitors back to Jersey which the Panel deem essential given the importance of the Visitor Economy.

The Minister emphasised that this is an area where the levers within the Concession Agreement could be used; however, in this instance, he has asked that a marketing intervention be undertaken before any contractual lever is triggered:

> ***Minister for Sustainable Economic Development***
>
> *But that said, ultimately that did lead to a financial underperformance in 2025, which is something that is the whole point of that quarterly meeting. We can then make adjustments in the contract, these levers that we have talked about, everything from pricing to delaying investment and the other levers. That is exactly what they are there for. What I have made very clear is that there is a large marketing effort that needs to take place, so before jumping to a lever, what has been 11 important is that the marketing is in place to try to attract those customers back.*[27]

When questioned by the Panel in January about the outlook for 2026, the Minister provided the following update:

> **Minister for Sustainable Economic Development**
>
> *..Obviously we will not get the figures until after 31st January but it looks like sailings, passengers from Saint-Malo are up 40 per cent this month compared to last year for this month. Again, this time last year it was still Condor in service, so against Condor's performance in 2025 DFDS is still 40 per cent up on their Saint-Malo sailings in January and 20 per cent up on their U.K. (United Kingdom) sailings in January, which is good. Their forward bookings for 2026, they have already booked more group bookings than they did for the whole of 2025 and, as I understand it, they are very happy with where they are in terms of bookings. We are talking in excess of 70,000 people already booked for the year ahead and we are only in week 4 of the year.*[28]

Concerns were also raised regarding journey times, with many users noting that crossings - particularly to St Malo - are now significantly longer. The ferry operator explained that the journey speed reflected a balance between environmental considerations and fuel costs, but

27 Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.10-11
28 Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.3

the Panel also heard that there were sometimes also technical issues for running at reduced speed. For example, the Panel was told by DFDS in its public review hearing that at the end of the Summer 2025 , there had been some engine issues: *"We did have some issues with engines towards the end of the summer where we lost an engine and that had to be fixed, but that has been done"*[29].

The Panel questioned the Minister on the travel time to France and the Minister advised that he had asked the ferry operator to speed up their journey time up but that this is limited by the capacity of the vessels[30]. The Panel notes that the Chief Minister stated in [January 2026]() that he would want the ferry operator to shorten its travel time to St Malo. The Panel observes that neither journey speed nor the resulting fuel costs are defined within the Concession Agreement, effectively leaving these considerations to the operator's discretion. In contrast, provisions that seem less critical, such as those relating to onboard gaming options (Clause 11.3, Page 87), are explicitly included.

When the Panel presented the concerns raised by ferry users to the Minister, he defended the current service levels by emphasising the long-term nature of the contract. He acknowledged that the existing vessels may be older and slower but stressed that they are part of a transitional phase and will ultimately be replaced with new vessels. As he explained: *long-term contract with long-term aims and so the performance in the first year is very important. The types of boats they are using is important. But ultimately, when we talk about an older boat, that will be replaced by the end of 2028 with a brand-new boat. That was something we could not have before.*[31]

The Panel also received concerns regarding the frequency of cancellations and their impact on freight and passenger reliability. Submissions from business representatives highlighted the operational and financial consequences of delayed or cancelled freight sailings, including increased food waste and associated costs, this was similar for leisure users of the service.

As a result, the Panel examined the available data on delays and cancellations affecting ferry sailings in Jersey which can be seen below. It is important to highlight that this interim report includes a high-level comparison of delays and cancellations recorded at the end of 2024 and the end of 2025, and that the ferry provider did not commence its operations until the end of March 2025.

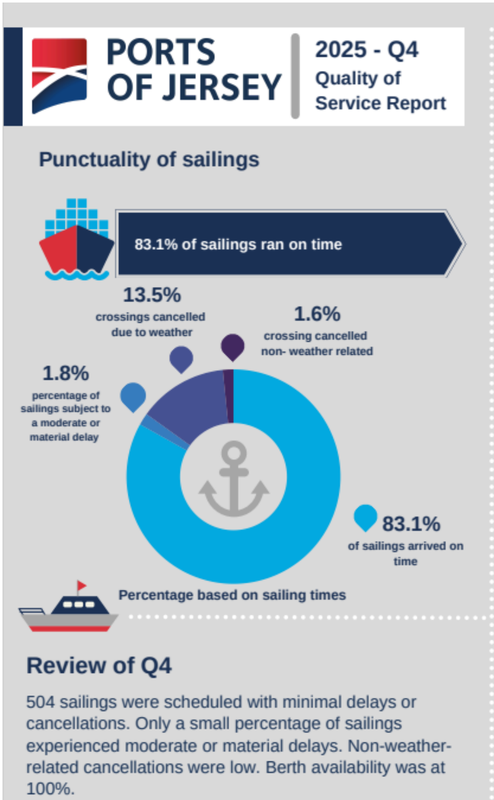
Ports of Jersey advised that reporting on ferry delays and cancellations forms part of their formal Quality of Service obligations to the Jersey Competition Regulatory Authority (JCRA). As a result, this information is publicly accessible on the Ports of Jersey website and has been published consistently since 2018. The reporting relates to the cumulative average of all sailings in that period, which includes Jersey, St Malo, Portsmouth and Poole.

The Quality of Service Reports include data on delays and cancellations for ferry services operated by both the current and former operators. The Panel reviewed the Quarter Four Quality of Service reports for 2024 and 2025, as these cover the period from 1 October to 31 December. DFDS began operating at the end of March 2025, giving over six months of service history by Quarter Four. On this basis, the Panel considered that an initial comparison could

29 Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.14
30 Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.20
31 Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg20

be made between the operator's delays and cancellations and those of the previous operator for the same period in 2024.

[Infographic Quality of Service Report Q4 2024]



[Infographic Quality of Service Report Q4 2025]

The Panel notes that a comparison of punctuality data between Quarter 4 2024 and Quarter 4 2025 shows that 88% of sailings arrived on time in Q4 2024, compared with 83.1% in Q4 2025.

Weather-related cancellations were also higher in Q4 2025, accounting for 13.5% of scheduled sailings, compared with 7% in the same period in 2024. However, these figures must be interpreted whilst noting that: the 2024 data measures punctuality based on arrival times, whereas the 2025 report measures performance against scheduled sailing times.

Within the figures of the Quality of Service reports, there is an increase in the number of scheduled sailings from 291 in Q4 2024 to 504 in Q4 2025, however this is due to the 2025 figure reflecting both arrivals and departures, whereas the 2024 figure reflects arrivals only. This change in presentation relates to how data is reported under the concession agreement.

The punctuality of all sailings are assessed against the targets set out in the Concession Agreement through Cancellations KPI, Delays KPI and Delay Performance (the adherence to the Sailing Schedule as measured by instances of Material Delays and Moderate Delays)[32]. The Panel understands that the Operator's performance against the Cancellations KPI, Delays KPI, and Delay Performance metrics is factored into the calculation of the Concession Fee payable to the Government of Jersey. Accordingly, the Panel considers that the Minister must

[32] Concession Agreement Between GoJ and DFDS Redacted Pg.97

closely monitor these KPIs and enforce the relevant contractual obligations where minimum service levels are not being met.

When questioned about the complaints received from both leisure and freight users regarding cancellations and delays, the Minister stated that the data he has reviewed is very positive. Furthermore, the Panel was informed that the Arrow (contingency vessel) was being replaced with Caesarea Trader:

> **The Minister for Sustainable Economic Development:**
>
> *I am very pleased to see replacement of the Arrow with Caesarea Trader. That has made a big difference to freight turnarounds and helped freight be on time, so freight is in a much better place now than it was when we had the Arrow. The Arrow is a vessel that has just been used for contingency in Jersey for a decade, so it is no stranger to our waters…So the fact that DFDS invested in the Caesarea Trader in order to move on the Arrow, because the Arrow was not cutting the mustard, so to speak, I think again shows their commitment to the routes. It has made a big difference to freight and it has meant that their freight sailings are now much better from a reliability and punctuality perspective as well.*

The Chief Officer for the Department for the Economy advised that the initial *"teething issues with getting some vessels mobilised"*[33] had now been resolved, and that *"fundamentally now we are seeing a largely compliant schedule, both in terms of freight and in terms of passenger movements as well in terms of complying with the contract."*[34] In the effort of transparency, the information on delays and cancellations are in the public domain, an element the Minister stated is a *"new and positive development with our new operator"*[35].

Despite these developments, the Panel notes a lack of confidence from leisure users and freight users concerning the frequency and categorisation of delays and cancellations with some users raising concerns that they were not provided with a reason for a cancellation made "at the drop of a hat"[36]. One submission emphasised the need for clearer assurance that appropriate controls exist to ensure cancellations and last-minute schedule amendments are classified accurately and consistently:

> *"…what controls are in place for the correct categorisation of cancelled sailings or last-minute schedule amendments. There have been many sailing's cancelled due to "weather" when conditions were well within the vessels safe operating limits. Many of these sailings should have been cancelled for "technical" reasons not weather related. Weather related cancellations I understand are precluded from the KPI's, and of course there is also a compensation or travel insurance issue for passengers dependent on the cancellation."*[37]

The Minister explained that the ferry operator relies on weather forecasts within a 48-hour window and makes cancellation decisions based on predicted conditions for that period. As a result, a sailing may be cancelled on the basis of anticipated adverse weather which, in practice, may not materialise to the extent forecast. The Panel understands that there is a

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[33] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 – Pg.7
[34] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 – Pg.7
[35] Letter - Minister for Sustainable Economic Development to EIA - Ferry Service Review Public Hearing - 11 February 2026
[36] Submission - Ferry Service Concession Agreement Review – Anonymous 25 – 12 January 2026
[37] Submission - Ferry Service Concession Agreement Review - Dave Evans - 26 November 2025

balance to be struck as the more notice provided of a cancellation, the more time ferry users have to make alternative arrangements. The Panel was informed by the Minister with regards to sailing cancellations that *"DFDS are required to send a cancellation notice to the Harbourmaster for any cancellation, allowing him to take into consideration the prevailing weather conditions at the time when determining whether or not the cancellation is justified."*[38]

Notwithstanding these processes, the Panel considers is important to highlight—based on the submissions received—that further improvements are required in both the publication of cancellation data and the communication provided to passengers regarding the reasons for cancellations. Improved transparency is necessary to provide assurance to the public that cancellations are legitimate and are being monitored and assessed in accordance with Schedule 13 (Key Performance Indicators, page 97) of the Concession Agreement.

The Panel considers, on the basis of the submissions it has received, that further improvement is required in the publication of more detailed cancellation data. In particular, enhancements are needed to provide sufficient assurance to the public that cancellations are being appropriately monitored and evaluated in line with the requirements of Schedule 13 (Key Performance Indicators, page 97) of the Concession Agreement.

Additionally, one submission to the Panel noted that, although concerns have been raised about the lack of consultation with businesses, the needs of residents (as leisure users) was similarly overlooked, as no consultation with them was undertaken either[39] The advisor highlighted in his report that best practice tendering involves *"considerable upfront work to establish community needs and expectations before drafting to best shape the outcome to be delivered; the process will only deliver what is asked of it."*[40] The Panel considers that the limited consultation during both the tender process and the subsequent transition period has contributed to the shortcomings in service provision now being raised by users.

In terms of customer service, submissions presented mixed experiences. Some users reported responsive staff and positive handling of rebooking during disruption, while others described inconsistent communication, delays in obtaining refunds, and difficulty contacting the ferry operator by telephone due to UK-based call-handling systems. The Panel notes that several Non-Critical KPIs within the Concession Agreement relate to customer service performance, and it expects the Minister to ensure these are closely monitored. Notwithstanding these concerns, the operator's onboard staff were consistently praised for their professionalism and courtesy.

The Panel also examined the accessibility and usability of services for passengers with additional needs, families with young children, and pet owners. Submissions highlighted varied experiences, including positive engagement with the ferry operator and examples of improvements made in response to feedback. However, recurring issues were raised around boarding arrangements, lack of priority support, and the adequacy of facilities for travellers with mobility issues or pets during long crossings. The Panel welcomes the operator's willingness to engage with representative organisations such as EYECAN and the Kennel Club of Jersey, and it encourages continued improvement in these areas—particularly as new vessels are designed. The Panel received positive feedback with regards to the Pet Lounge, a new service that was not available under the previous ferry operator.

Overall, the evidence indicates that while operational performance has stabilised and the ferry operator has shown willingness to engage with user feedback, several elements of the service

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[38] Letter - Minister for Sustainable Economic Development to EIA - Ferry Service Review Public Hearing - 11 February 2026
[39] Submission - Ferry Service Concession Agreement Review - Anonymous 5 - 24 November 2025
[40] Expert Advisor's Report (please see Appendix 2), Pg. 4

- particularly timetabling, journey length, customer service consistency, and accessibility - are not yet consistently meeting user expectations. The Panel concludes that improvements are required to ensure the service better aligns with the needs of Islanders, particularly in relation to day-trip availability, reliability, and the experience of passengers with additional needs.

KEY FINDING 3

In respect of scheduling, timetables, journey times, and delays or cancellations, the operator is meeting the contractual requirements of the Concession Agreement. However, many Islanders expected a higher level of service than has been delivered to date. While the Agreement includes KPIs for delays, cancellations and customer satisfaction, it does not set minimum sailing times which remains a key concern raised to the Panel by users. These gaps indicate where governance and monitoring arrangements could be strengthened to better align performance with user expectations.

RECOMMENDATION 6

As part of the KPI review due within one month of the first anniversary of the Operational Commencement Date, the Minister for Sustainable Economic Development should strengthen the underlying service level agreement by introducing enhanced KPIs on timetabling, journey times, and service convenience. This should include clearer expectations on crossing times, sailing frequency and reasonable windows for day trips.

RECOMMENDATION 7

The Minister for Sustainable Economic Development should request that the ferry operator reduce crossing times on the southern route (Jersey to St Malo) and the options explored are shared with the Panel during the next government term.

RECOMMENDATION 8

The Minister for Sustainable Economic Development should monitor the economic impact of the service level agreement on the Visitor Economy (including timetabling, crossing times and day-trip availability) and this should be published by the end of 2026.

RECOMMENDATION 9

The Minister for Sustainable Economic Development should strengthen oversight and transparency relating to cancellations by requiring more detailed, route-specific reporting from DFDS and Ports of Jersey. This information should be reviewed as part of the Quarterly Monitoring Meetings that the Panel understands are already in place and the outcomes of these discussions should be shared with the Panel to support continued scrutiny.

9. Inter-Island travel

This chapter reviews evidence regarding the absence of inter-island vehicle transport and the resulting social, cultural and economic impacts. It considers current constraints within the Concession Agreement and explores options for restoring connectivity between Jersey and Guernsey.

As previously mentioned, originally the tender process was a pan-Island tender process with Guernsey. However, the pan-island tender process closed in October 2024 following Guernsey's decision to select Brittany Ferries - Condor Ferries' majority owner - as its preferred bidder. Subsequently, Jersey undertook its own tender process and awarded the contract to the operator. The resulting Concession Agreement reflects the requirements of a single Island service.

The Panel notes that in the Comptroller and Auditor General's August 2025 report on *Critical Infrastructure Resilience – Transport Links*, a key finding for sea connectivity is the lack of impact assessment conducted on the subsequent decision for the Concession Agreement to not include an inter-island ferry service:

> *"The agreement with the new ferry service provider did not include an inter-island ferry service. While this was understood, there is no documented impact assessment against risk appetite to underpin this decision. Instead, the significant reduction in inter-Island provision was accepted in the short term without the 'value added' being fully evaluated."*[41]

The Minister highlighted to the Panel that the lack of contractual obligation on the ferry operator to provide inter-island connectivity has been *"a challenge"*[42]. The Panel received a number of submissions highlighting the consequences felt by leisure ferry users, sports clubs and associations around the lack of inter-island ferry travel. Whilst the Panel understands that Islands Unlimited provide a foot passenger service between islands, there are currently no car transport solutions. The Panel consider it to be a missed opportunity that inter-island travel was not included within the tender process or the resulting Concession Agreement. By restricting the agreement to a single-island service, the competitive landscape for sports clubs and associations has been diminished and the single island provision makes routes less competitive for all ferry providers. The Kennel Club of Jersey highlighted the following impact felt in their industry:

> *"Inter-Island is a total disaster. It is having a big impact on Guernsey and Jersey competitors who cannot travel between the islands with their vehicles for shows. There are some thirty-four shows annually between the two islands. Shows take place at weekend so a weekly mid-week service is useless as competitors cannot afford timewise and financially to stay a whole week for a one/two-day show. Ideally a vehicle carrying service on a Friday and Monday between the islands would cover most sporting events not just the dog community. Dog shows are making even bigger losses*

[41] Comptroller and Auditor General - Critical Infrastructure Resilience Transport Links - 29 August 2025 Pg.7
[42] Letter - Minister for Sustainable Economic Development to EIA - Ferry Service Review Public Hearing - 11 February 2026

now as the current situation is making it difficult to compete and eventually the smaller clubs will not be able to survive."[43]

Another submission emphasised that it is not only the dog showing competitions being affected, but also the following sports:

"There are inter-island horse shows- no Guernsey Horses at the Liberation Day Horse Show or Jersey Horse of the Year show and no Jersey horses at the Guernsey Horse of the Year show, car shows, car rallies, hill climbs, scooter rallies, Siam cup fans, sports teams, youth sport teams to name but a few."[44]

The Jersey Motorcycle and Light Car Club also provided the following evidence of a decrease in competitor numbers:

"The new operating licence has had a devastating effect on local motorsport. Our visiting competitors have no choice but to travel to Jersey from either the UK or Guernsey with a van to transport their Motorcycles, or a large car and trailer for transporting their Race Cars. Of the seven disciplines of motorsport we host, all are down on competitor numbers from the UK and Guernsey in 2025 compared to previous years."[45]

They also highlighted the loss of tourism flow between islands. Specifically, that as the reduced connectivity is affecting competitions and events, there is a resulting loss of tourism and hospitality revenue, as individuals who are now unable to travel for shows are no longer staying in hotels or spending in local restaurants.

The Panel understands that business' have had their mobility and logistics impacted by the lack of inter-island connectivity. In particular, Jersey Farmers' Union advised that they had been forced to re-route produce via Portsmouth, with that service then being withdrawn due to shipping costs:

"Finally, our industry's exports to Guernsey have been affected. Where previously Condor provided regular daily services, these were reduced to one sailing per week, with DFDS providing nothing. To manage this our shippers laid on another two opportunities via Portsmouth, but this has now been removed due to being unviable for the shippers due to costs.."[46]

The Panel's advisor advised that the single Island provision is problematic for all users but with regards to businesses for the following reason:

"Under the former combined operation, freight forwarders, hauliers and supply businesses could treat Channel Islands as single market, with shared planning across the Jersey and Guernsey, familiar or common operational interfaces, and the ability to use one island as practical "alternative gateway" during disruption".[47]

The advisor's report examines a range of options for restoring inter-island connectivity and concludes that a potential solution will require the *"deliberate creation, through commercial*

[43] Submission-Ferry Service Concession Agreement Review - Kennel Club of Jersey - 6 January 2026
[44] Submission-Ferry Service Concession Agreement Review - Christine Marett - 26 November 2025
[45] Submission - Ferry Service Concession Agreement Review - Jersey Motorcycle & Light Car Club - 16 January 2026
[46] Submission - Ferry Service Concession Agreement Review - Jersey Farmers Union - 19 January 2026
[47] Expert Advisor's Report (please see Appendix 2), Pg. 20

agreements between operators and/or targeted regulatory or contractual interventions by both governments".[48]

When the Panel questioned the Minister as to steps that were being taken to improve Island connectivity, noting that the Concession Agreement does not contractually obligate the ferry operator to provide this service. The Minister explained that this is an element he thinks is still missing and that in recent discussions, the ferry operator had outlined that it was finalising a new proposal to introduce limited inter-island connectivity using the *Stena Vinga*. The proposal includes a Friday evening sailing from Jersey to Guernsey before continuing to Portsmouth, and a corresponding Monday return sailing from Portsmouth to Guernsey and then on to Jersey. The Minister noted that Jersey is supportive of this development and that the proposal will now be put to the Government of Guernsey, expressing hope that it will be positively received.[49]

The Panel's advisor explored inter-island connectivity, impact on users, potential remedies and what each contract covers for enabling connectivity:

> *"Importantly for inter-island coordination, Jersey's exclusivity is linked to Elizabeth Harbour ramp licensing and Jersey's Sea Transport Policy allows the Harbourmaster to issue further RoPax ramp licences only for inter-island sailings between Jersey and Guernsey. LoLo freight vessels are outside ramp-licensing scope. Jersey deliberately left a "policy door" open for separate inter-island RoPax service and LoLo freight options while granting DFDS exclusivity for main RoRo/RoPax market."*[50]

The advisor noted that, if Jersey and Guernsey wish to secure reliable and resilient inter-island freight connectivity they have a choice of whether to: (1) Establish a formal, enforceable obligation supported by appropriate compensation; (2) Procure or subsidise a dedicated inter-island service; (3) Accept that coordination will remain partial, voluntary and dependent on commercial viability. The advisor emphasised that current arrangements do not justify an assumption that integrated inter-island freight connectivity will develop automatically through goodwill or market forces alone.[51]

The Panel deems that, if the lack of inter-island travel continues, sports clubs and associations may face long term decline, and operational costs for businesses will continue to rise (with the increased cost being inevitably borne by the consumer). Furthermore, the loss of inter-island tourism particularly linked to competitions and events risks reducing valuable revenue that would otherwise flow into the Islands' economies through hospitality.

KEY FINDING 4

The continued absence of inter-island connectivity has significant social, cultural, and economic impacts, as evidenced by sports clubs, associations, businesses, and individuals who rely on travel between the islands. Both the Minister for Sustainable Economic Development and the Chief Minister have acknowledged that this gap in provision requires urgent resolution. The underlying issue appears to relate less to the structure of the Concession Agreement and more to the practical challenges arising from the two islands selecting different operators.

KEY FINDING 5

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[48] Expert Advisor's Report (please see Appendix 2), Pg. 20
[49] [Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 -Pg.27]
[50] Expert Advisor's Report (please see Appendix 2), Pg. 20
[51] Expert Advisor's Report (please see Appendix 2), Pg. 22

Visitor numbers to Jersey declined during the transition to the new ferry operator, with Visit Jersey reporting 17,100 fewer visits in June 2025 compared with June 2024[52]. High travel prices, slower vessel speeds, and operational challenges associated with the transition may further constrain tourism demand and create wider economic risks for the Island.

RECOMMENDATION 10

The Minister for Sustainable Economic Development should work proactively with the Government of Guernsey and key stakeholders to develop a long-term solution for inter-island connectivity especially for freight and vehicles. Proposals such as the ferry operator's limited inter-island schedule using the Stena Vinga should be fully evaluated and progressed where practicable.

[52] Following the factual checking process, the Panel was informed by Visit Jersey that following statistical revisions, the figures are now an estimated 52,000 visits were made in June 2025, down 17,200 compared with June 2024.

10. Vessel maintenance and investment

This chapter assesses user feedback on the suitability and condition of the vessels serving Jersey, alongside the contractual obligations for maintenance and fleet renewal. It highlights risks associated with investment timelines and the importance of strengthened governance of the Vessel Investment Plan.

Vessel maintenance and investment

The Panel received numerous submissions regarding the quality of vessels of the fleet currently serving Jersey. One submission stated that they found that the boat they travelled on was "*tatty, tired & not very clean"*[53] whilst another stated that they "*feel the boat is a down grade to condor and feels very old and the food is below standard when, if available.*"[54] Some submissions highlighted users' dissatisfaction with onboard services and comfort, including issues such as the use of continental plugs in cabins. The Concession Agreement contractually obligates the Operator in terms of vessel operations, vessel maintenance and vessel investment. Leisure users also highlighted the lack of cabin availability for the long crossings to the UK: *"For a vessel doing alternate day and night passages, there are far too few cabins. Twenty nine in total available to the public."*[55]

It is clear that the vessels operated by the ferry operator on the Jersey route are of an older generation, with Stena Vinga built in 2005, Levante Jet in 2015, and Tarifa Jet in 1997, with some of the transitional issues when the ferry operator began operating arising from engine issues in the vessels. For this reason, it is of the upmost importance that the contractual Vessel maintenance is provided. The Concession Agreement explicitly ties the ferry operator to have to the following for Vessel maintenance:

> 8.2 **Vessel maintenance**
>
> 8.2.1 During the Operating Period, the Operator shall at its own expense:
>
> (a) without prejudice to any other obligations under this Agreement, including under Clause 8.1.2, maintain each Vessel in a good state of repair, in efficient operating condition and in accordance with the best practices of the northern European ferry industry and the Fleet Maintenance Plan;
>
> (b) in the event of any accident or damage in relation to any Vessel, exercise all reasonable endeavours to repair, restore or replace that Vessel on a timely basis; and
>
> (c) if any of the Vessels is not available for the provision of the Ferry Services in accordance with the Sailing Schedule, the Operator shall satisfy all existing freight and passenger bookings using the remaining Vessels or if it is not able to do so using the remaining Vessels, the Operator shall provide a substitute vessel which is compatible, of equivalent carrying capacity and the same or faster speed and which complies with the vessel specifications set out in Schedule 5,
>
> in each case to ensure there is no disruption to the Ferry Services and to maximise the Operator's ability to provide the Ferry Services in accordance with the KPIs and this Agreement.
>
> 8.2.2 The Fleet Maintenance Plan shall be reviewed annually, and updated as necessary, by the Operator and submitted to the Island Authority for its review and approval.

In relation to the Vessel investment plan, the ferry operator has a clear obligation to supply the Island with new vessels. The Panel recognises that the Concession Agreement sets out these

[53] Submission - Ferry Service Concession Agreement Review - Anonymous 26 - 30 January 2026
[54] Submission - Ferry Service Concession Agreement Review - Anonymous 24 - 16 January 2026
[55] Submission - Ferry Service Concession Agreement Review - Anonymous 7 - 13 December 2025

fleet investment requirements in the Vessel Investment Plan, a point further clarified by the DFDS Route Director:

> *"As part of the contract we will be bringing in 3 new vessels. So that will be a replacement fast craft for Tarifa Jet at the end of 2028 and then it is a replacement R.O.P.A.X. (roll-on/roll-off passenger) vessel, so a vessel to replace Stena Vinga or whichever vessel is running at that point, and then a replacement for Caesarea Trader, the R.O.R.O. vessel. So 3 vessels in total."*[56]

The ferry operator will be re-investing from profit made from the Jersey ferry route, towards investing into the new vessels with the first replacement due to take place at the end of 2028. When the Panel questioned the Minister about the age and suitability of the vessels currently serving Jersey, the Minister defends the vessels due to the promise that under the Concession Agreement, the ferry operator is required to introduce three new vessels over the duration of the contract:

> **The Minister for Sustainable Economic Development:**
>
> *"..but this is a long-term contract with long-term aims and so the performance in the first year is very important. The types of boats they are using is important. But ultimately, when we talk about an older boat, that will be replaced by the end of 2028 with a brand new boat. That was something we could not have before. We did not have any promises of … previous to going into the tender process. So before going into the tender process, we had no promises about any investment in new fleet. It is difficult in a political world because people are understandably focused on today, but we do have to look at the long-term picture. What we have done here is secure new vessel. That will not be a vessel that is bought second-hand from somebody else. It will be a brand-new vessel designed entirely for these waters that it is to serve."*

The Panel note that within the Concession Agreement there is the following undertaking by the ferry operator:

> *"From 2028 and onwards, the Vessels fleet will undergo replacement and optimization processes as we introduce newbuilt vessels in accordance with the Vessel Investment Plan."*[57]

However, the timing and conditions under which such replacements should occur remains unclear. In addition, concerns remain that if the ferry operator fails to achieve the profitability thresholds outlined in the Concession Agreement (p.60), it would be permitted to defer the vessel investment plan by up to 12 months:

> *"6.1.4 Postpone any or all the investments to be made under the Vessel Investment Plan by 12 months"*[58]

Furthermore, the Minister stated in correspondence to the Panel that: *"The Vessel Investment Plan is, of course, contingent on the overall commercial viability of the Jersey route network."*[59]

While the statement reflects the financial realities faced by the operator, it also highlights the potential risk that essential fleet upgrades may be delayed if route profitability does not meet expectations. The Panel remains concerned that the contract does not impose firm deadlines

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[56] Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.17
[57] Concession Agreement Between GoJ and DFDS Redacted Pg.70
[58] Concession Agreement Between GoJ and DFDS Redacted Pg.60
[59] Letter - Minister for Sustainable Economic Development to EIA - Ferry Service Review Public Hearing - 11 February 2026

for vessel replacement, nor does it ensure that the ferry operator cannot ultimately defer or avoid making the required investments.

Therefore the timing of such investment remains a key concern and that the Concession Agreement does not prescribe clear deadlines on investment. As previously highlighted, the vessels currently serving Jersey's routes are of considerable age, and users have raised complaints regarding journey duration and onboard comfort which are inextricably linked to the vessels used.

Through its questioning of the ferry operator, the Panel understands that the company intends to finance its new vessels using profits generated from the Jersey route. The Panel considers this to be a business model that the ferry operator would have fully understood and evaluated prior to entering into the Concession Agreement:

> ***Deputy M.B. Andrews:*** *Yes. In terms of the financing of that new investment as well, do you think that the Jersey route is sustainable to allow you to generate enough income to then be servicing the vessel on the new fleet that you will be investing in?*
>
> ***Route Director, DFDS Jersey:*** *Yes. That was obviously at the heart of the business case that we produced. The business case, DFDS needs to deliver sufficient return to reinvest in that fleet, which is to the tune of hundreds of millions across the contract. Then we also need to make a return for our investors, of course. So yes, within the business case between the freight traffic and the passenger traffic there is sufficient revenue to be able to do that. It is important that we do that because that is integral to the contract we signed.*[60]

The Panel's advisor notes that whilst Clause 8.2.2 on Vessel Maintenance and Schedule 11 Fleet Maintenance Plan provides a *"credible maintenance framework"* it does not *"define what maintenance performance satisfies Clause 8.2.2":*

> *"Practical meaning depends on evidence of outcomes, i.e., reliability, availability and disruption, rather than the plan alone. This requires robust reporting, monitoring and early intervention, and assumes the Island Authority is competent to review and approve potentially highly technical vessel maintenance plans."*[61]

With regards to the Vessel Investment Plan, the Panel's advisor highlights the risk that the plan might pose for the Island should the Operator delay investment and thus operate vessels that are progressively ageing:

> *Clause 8.3 and Schedule 12: Vessel Investment Plan*
>
> *…Clause 8.3 and Schedule 12 translate aspirations into capital expenditure requirements, a very high-level indicative fleet specification and target investment completion dates. Although there is intent in the Agreement and in evidence from DFDS there are few indications that it will not deliver on the original intent, Schedule 12 infers but doesn't explicitly state newbuild vessel delivery.*
>
> *Schedule 12 expresses investment in future nominal values rather than real terms (which may be materially less than the Schedule suggests). Clause 8.3 appears to provide limited influence over vessel choice or specifications, and leaves "remedial*

[60] [Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.17]
[61] Expert Advisor's Report (please see Appendix 2), Pg. 12

steps" undefined. Contractual protections fall short of RfP strategic fleet renewal narrative.

Public statements about "investment" are interpreted as "new ships" and perhaps to aspirational quality or standards. The Agreement secures spend, not transformation. The Agreement also provides mechanisms for deferring the Vessel Investment Plan by up to five years if return thresholds aren't met. Jersey's model is therefore more exposed to investment drift unless the Monitoring Committee actively governs it.

The Panel understands from the advisor's report that the maximum investment amount outlined in the Concession Agreement Schedule 12, Vessel Investment Plan (Page 96) is noted as *"future values"*[62]and will *"not be subject to upwards adjustment, whether by reference to the Baseline Inflation Level or otherwise, without the express written agreement to the contrary."*[63] Therefore, the Panel is concerned that depending on future rates of inflation, this sum may be insufficient.

The Panel understands from the Minister that the Monitoring Committee—supported by the Investment & Infrastructure Sub-Committee for detailed oversight and delivery planning—oversees the Vessel Investment Plan. The Panel urges the Minister to ensure that these bodies continue to provide robust governance of investment and maintenance.[64]

The advisor's report outlines a series of recommendations aimed at mitigating the potential risks associated with both the fleet maintenance plan and the vessel investment plan. Therefore, recommendations 11 - 16 are drawn directly from the advisor's report.

KEY FINDING 6

The vessels currently serving Jersey are ageing and concerns have been raised about comfort, condition and cabin availability. While the ferry operator is contractually required to maintain the fleet and invest in replacement vessels, the Concession Agreement lacks firm delivery deadlines, creating a risk of delayed investment and continued service issues. The age of the vessels plays a role in the speed they travel at, due to engine capability and fuel-efficiency.

RECOMMENDATION 11

In accordance with clause 8.2.2, the Government of Jersey should actively monitor the fleet maintenance plan and request any necessary modifications should concerns persist regarding the suitability of the current vessels.

RECOMMENDATION 12

The Minister for Sustainable Economic Development should strengthen governance of the fleet maintenance plan through regular reporting of technical failures causing disruption, maintenance root cause analysis, dry dock adherence, and explicit linkage between maintenance performance and delay/cancellation KPIs.

RECOMMENDATION 13

The Minister for Sustainable Economic Development should convert "expected replacement" language into governed delivery commitments through Monitoring Committee protocols.

RECOMMENDATION 14

The Minister for Sustainable Economic Development should require transparency on "future value" versus real-terms value with inflation assumptions.

[62] Concession Agreement Between GoJ and DFDS Redacted Pg.96
[63] Concession Agreement Between GoJ and DFDS Redacted Pg.96
[64] Letter - Minister for Sustainable Economic Development to EIA - Ferry Service Review Public Hearing - 11 February 2026

RECOMMENDATION 15
The Minister for Sustainable Economic Development should explore strengthening Island Authority influence over vessel specifications through options appraisals before commitment.

RECOMMENDATION 16
The Minister for Sustainable Economic Development should ensure appropriate governance oversight through periodic fleet condition and investment progress reports.

11. Pricing commitments and supply chain resilience

This chapter evaluates the pricing structure for both passenger and freight services, including stakeholder concerns about affordability and transparency. It also considers the implications for Jersey's supply chain resilience, drawing on evidence regarding cancellations, delays and operational disruption.

Pricing remains one of the most prominent areas of public concern. As ferry services form a critical lifeline for both residents and businesses, the structure, fairness, and transparency of fares and freight charges have a direct impact on Jersey's cost of living environment. The Panel examined the pricing commitments detailed in the Concession Agreement alongside a wide range of user submissions expressing concerns about rising costs, limited clarity, and the perceived value for money of the service. The Panel examined the pricing commitments detailed in the Concession Agreement alongside a wide range of user submissions expressing concerns about rising costs, limited clarity, and the perceived value for money of the service.

The Panel has separated this section into pricing commitments for leisure users and pricing commitments for freight users as different pricing commitments apply.

Leisure users pricing

The evidence from leisure travellers revealed no clear consensus on the impact of the new operator's pricing. Most leisure users in their submissions note that they felt there had been a noticeable increase in fares and highlighted that they felt they were paying more for a decreased level of service[65], as well as stating that it had become unaffordable to travel given the pricing.[66] One user also highlighted that not only had the pricing increased in their experience but that *"the fare for a car and driver is the same as for a car and 3 occupants."*[67]

Another submission provided an example of the pricing they have encountered:

> *"…..Christmas this year was by far the most expensive return crossing we have had in 10 years on the Island. I am now trying to book for February half term to take my two children to their grandparents in Normandy for a weekend. This is going to cost £385 for less than three days away, for one adult and two children plus a normal size car."*[68]

The Panel notes that with regards to pricing the key complaint of the increase in journey pricing is coupled with the fact that there is currently no frequent traveller discount. Furthermore, several submissions highlighted that no senior discount is currently offered, despite such discounts being offered on other routes. The Panel also notes that while the operator has been running a 15% Early Booking Offer, some users reported difficulty accessing or utilising this discount.

The Concession Agreement refers to a Multi Trip Tickets Proposition:

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[65] Submission - Ferry Service Concession Agreement Review - Roman Galaska - 21 November 2025
[66] Submission - Ferry Service Concession Agreement Review - Vanessa Tierney - 21 November 2025
[67] Submission - Ferry Service Concession Agreement Review - Anonymous 16 - 12 January 2026
[68] Submission - Ferry Service Concession Agreement Review - Anonymous 27 - 20 January 2026

2. The Operator will in due course of time introduce multi-trip ticket options that offer flat prices for frequent travellers. These multi-trip packages are designed to encourage regular use of our ferry services by providing cost-effective solutions for those who travel often between Jersey and the UK and France.[69]

The Panel considers the wording within the Concession Agreement to be ambiguous. The phrase "in due course" does not specify a clear timeframe for delivery. In addition, the term "multi-trip ticket options" lacks precision. Stakeholder submissions indicate a longstanding expectation that Jersey travellers would continue to have access to frequent traveller cards, which previously provided discounts on travel and accommodation, and the removal of this concession was noted in several submissions.

The Panel questioned the ferry operator in December 2025 on their pricing and when a frequent traveller discount equivalent would be available and it was explained that they currently had an early booking offer of 15% discount running until the end of March 2026, which would then be superseded by a frequent traveller offer:

Route Director, DFDS Jersey:

…We have extended the day trip price to actually be a 24-hour return to St. Malo, which has been quite popular. For 2026 there are some things that we are looking to introduce. The one which has come up a lot and is probably most important in terms of innovation is a frequent traveller type scheme for Islanders. Our plan there is to implement that ... as the early booking offer finishes we implement a frequent traveller offer, which will effectively be a 15 per cent discount. That will be based upon travel out from Jersey and return crossing from ... out from Jersey and back to Jersey, so it is for Islanders. Islanders would basically apply for that, but that would then be available on all crossings throughout the year, so it is an always-on offer. That is a temporary 20 solution in many ways but it does reflect pretty much the scheme that the previous incumbent had, which I believe was a 15 per cent discount. However, we have a group-wide, DFDS-wide loyalty scheme which is going to come into play I believe Q1, 2027. That is something which will replace the temporary solution and that will enable Islanders to access discounts on all of DFDS's routes.[70]

The offer of an early-booking discount does not benefit those unable to book in advance. The Panel hopes that the frequent traveller discount will be put in place soon as it is clear that some leisure users are finding it increasingly difficult to afford travelling via ferry.

The Panel is also concerned on the potential impact high pricing might have on the tourism industry and thus the wider economy in Jersey with Visit Jersey Visitor Volume Statistics for June 2025 reporting *"an estimated 51,900 visits were made in June 2025, down 17,100*[71] *compared with June 2024".*[72] Visit Jersey highlighted that there had been a drop in numbers linked to the transition to the new ferry operator:

"We do recognise that in selecting a new operator in 2025, there has been a period of transition that has impacted visitor numbers to the island, especially from France. We also recognise that DFDS had a much shorter than expected period to mobilise its

[69] Concession Agreement Between GoJ and DFDS Redacted Pg.85
[70] Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.17
[71] Following the factual checking process, the Panel was informed by Visit Jersey that following statistical revisions, the figures are now an estimated 52,000 visits were made in June 2025, down 17,200 compared with June 2024.
[72] Visitor Volume Statistics | June 2025 | Visit Jersey Trade & Media

resources, resulting in the late publication of bookable ferry schedules, which directly impacted early booking demand for the 2025 season."[73]

Recent media coverage noted that Ports of Jersey reported a *"15% rise in people travelling through the harbour compared with January last year.."*[74] This uplift aligns with broader positive trends in sea travel, including a strong start to the year on the St Malo route, the Panel welcomes this update and hopes that the tourism numbers pick up now further through the provision of the Marketing Schedule in the Concession Agreement. As hospitality leaders and business representatives have highlighted, rising passenger numbers are a vital indicator of economic health, with enhanced ferry connectivity expected to deliver direct benefits to tourism-related sectors.

When the Panel questioned the Minister on the pricing of the ferry operator passenger journeys, the Minister defended the pricing structure noting that this is the pricing model the ferry operator must employ to generate sufficient revenue to support the investment required for the new vessels they are obligated to deliver under the Concession Agreement:

The Minister for Sustainable Economic Development:

As I said, whether you are an airline, whether it is easyJet buying a new plane or whether it is Condor buying a new boat or DFDS buying a new boat, ultimately it is the customers who pay for those new vessels. The contract has been set up to ensure that the revenues coming are used to invest in new vessels.[75]

The Minister's justification for the ferry operator's pricing is directly tied to the Government's decision to adopt a concession model. Under this model, the operator owns and invests in the vessels, making it financially responsible for those costs, which it must then recover through its fare pricing structure

The Panel understands that the Concession Agreement stipulates controls around fare pricing to protect islanders. It includes a redacted table (due to commercial sensitivity) which sets out the Maximum Passenger and Vehicle Fare Caps. The Concession Agreement also stipulates that fare prices are adjusted with the Base Line Inflation Level only[76] and Clause 2.2.4 clause requires the ferry operator, within 20 days of the end of each contract year, to submit to the Island Authority its calculation of the average fare for both passenger and vehicle fairs for that year.[77] The Panel urges the Minister to utilise these provisions in the agreement and take into account the cost-of-living pressures faced by Islanders.

KEY FINDING 7

There is a strong perception for many leisure users that ferry prices have increased since the new ferry operator began operating, and a consistent concern raised was the removal of the Frequent Traveller discount previously available.

RECOMMENDATION 17

The Minister for Sustainable Economic Development should, upon receipt of the Operator's calculations in accordance with Clause 2.2.4, carry out a comprehensive cost analysis of passenger fares to ensure that pricing caps are set at an appropriate and justifiable level.

[73] Submission - Ferry Service Concession Agreement Review Hearing - Visit Jersey - 12 January 2026
[74] More people travelling to and from Jersey, say ports - BBC News
[75] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 Pg.4
[76] Concession Agreement Between GoJ and DFDS Redacted Pg.56
[77] Concession Agreement Between GoJ and DFDS Redacted Pg.58

RECOMMENDATION 18
The Minister for Sustainable Economic Development should work with the ferry operator to ensure that a frequent traveller discount scheme is introduced as soon as practicably possible.

Freight pricing and the flat rate freight pricing structure

In addition to concerns raised around passenger fares, the Panel recognises that freight pricing forms a central and new element of the Concession Agreement and has significant implications for businesses, consumers, and the wider economy. Given the island's reliance on imported goods, the cost and structure of freight tariffs play a vital role in maintaining stable supply chains.

This section therefore examines the freight-pricing as defined within the Concession Agreement, its intended outcomes, and the issues raised by stakeholders during the review.

Freight Rates are defined in Clause 3 of Schedule 3 - Pricing and Mean Average Pricing:

3. **FREIGHT RATES**

3.1 **Freight Rates**

3.1.1 The freight rate (in £ per lane metre) to be charged by the Operator during the First Contract Year to freight customers on the Northern Route and the Southern Route (the **Freight Rates**) shall be those set out in Table 2 of this Schedule:

Table 2 – Contract Year 1 Maximum Freight Rate Caps and Mean Average Freight Rate

Fare	Units > longer than 8 meters	Units < 8 meters
Northern Route	GBP 56 per lane metre	GBP 61 per lane metre
Southern Route	GBP 56 per lane metre	GBP 61 per lane metre

3.1.2 The Operator will offer a reduced freight rate of [redacted] per lane metre (the "**Commodity Rate**") for non-time-sensitive loads of construction materials meant for use in major constructions projects in Jersey. The Parties will as soon as possible after the Operational Commencement Date cooperate in good faith to further define requirements for loads to be eligible for the Commodity Rate.

3.1.3 In respect of each subsequent Contract Year after the first, the Freight Rates and the Commodity Rate shall be the Freight Rates for the immediately preceding Contract Year as adjusted in accordance with the Base Line Inflation Level. In respect of the first adjustment at the beginning of the second Contract Year, the Parties will cooperate in good faith (and in any event the Operator will take such actions that are needed) to neutralize (that is, to ensure that the Operator obtains no overall revenue advantage from) the effects of the adjustment being made after a period of less than 12 months.

The Panel understands from the ferry operator that in the tender process there was an *"expectation from bidders that a flat rate card would be set out"*[78] for freight. Under the Concession Agreement, the ferry operator operates a flat rate price for the transportation of freight at £56 per lane metre as well as a Commodity Rate for non-time-sensitive loads of construction materials. This new freight pricing represents a shift in freight pricing as under the previous operator the charges were volume based only with the Minister having explained

[78] Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025

that the previous operator utilised a *"rate card that said the more volume you do, the cheaper the price"*[79].

The Minister when questioned about the freight pricing and fee setting explained that the flat rate of £56 per lane metre is set with the ferry operator and that the Concession Agreement contains various clauses that govern how the rate might evolve over time:

> *"The core freight rate i.e. the component charged by the ferry operator for their services, has been set with the successful bidder, DFDS, at £56 per lane metre and the concession agreement –previously shared with your Panel - contains various clauses that govern how that core rate might change over time. For example, Clause 3.1.3 determines that basis for inflation related changes to the freight rate. Monitoring is undertaken via a formal quarterly Monitoring Committee, made up of representatives from DFDS and Government, which reviews reporting, forecasting, and compliance with the Concession Agreement".*[80]

The Panel was informed by the ferry operator that prior to launching operations in Jersey, it had spoken with the varying companies within the freight shipping process including freight forwarders and retailers to understand their needs and for them to understand the ferry operators' capabilities. The Panel queried the response that the ferry operator had received with regards to the flat rate pricing for freight was informed that it had been varied:

> ***Route Director, DFDS Jersey:***
>
> *I think it varied. Some were very much for it; some were very much against it, as one would expect. I think whenever there is a change of process in that way there are winners and losers, is the honest answer.*[81]

Prior to announcing its review, the Panel conducted a standalone public hearing with Chamber of Commerce and Jersey retailers who sought to present the challenges they face and the effects of current freight pricing. An overarching concern from representatives was the lack of consultation that took place prior to the commencement of the new ferry operator. Jersey Hospitality Association echoed this sentiment stating:

> *"At a high level, the Association's position is as follows. While the tender process is now concluded and the industry has moved on operationally, the process highlighted a fundamental issue, the design and delivery of a critical piece of infrastructure policy without meaningful early-stage consultation with the private sector industries most directly affected including the visitor economy, agriculture, and retail."*[82]

The Chamber of Commerce highlighted that the "*overarching point in a retrospective look at the Concession Agreement remains the lack of any meaningful consultation with business leaders and freight logistics experts in Jersey prior to key decisions being taken."*[83]

The Panel considers it disappointing that no consultation or engagement was undertaken prior to the Concession Agreement being signed, given the substantial implications of moving from the previous operator's volume-based rate to a flat rate fee. Sandpiper CI in its submission highlight that the flat rate fee is *"in effect a tax on food… as food is the biggest volume of*

[79] Transcript - Public Hearing Ferry Service with the Minister for Sustainable Economic Development - 13 March 2025 Pg. 29
[80] Letter - Minister for Sustainable Economic Development to EIA Panel - Ferry and Freight costs - 1 September 2025
[81] Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.26
[82] Submission-Ferry Service Concession Agreement Review - Jersey Hospitality Association - 15 January 2026
[83] Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026

goods that are imported to the island, the removal of volume discounts has by default impacted onto the cost of bringing food into the island and resulted in cost increases."[84]

When questioned with regards to the flat rate fee, the Minister defends the pricing model chosen in the Concession Agreement as it represents a transparent sustainable pricing mode:

> ***Minister for Sustainable Economic Development:***
>
> *One of the key things that we have got is a cap on future price rises. We saw some really significant price rises, both in the freight and the passenger market over the last few years and we sit there sometimes wondering how they are so large. We have capped that using R.P.I. (Retail Price Index), so it is index-linked to inflation but there is capping now for the rest 24 of the contract. From the freight perspective, that gives businesses a level of certainty they have never seen before. They know what the ferry prices, effectively, are going to be for the next 20 years. That is incredible. I think that then speaks to the flat rate card as well, which has created the ability to have competition in the sector and an ability for us to have transparency. Now we know how much it costs to bring that pallet of goods on the ferry to Jersey. We have never known that in the past. These price rises that we have seen, we have never known if they are justified or not because we have no view of it. We now know how much the ferry costs. We now know how those prices will rise over the future linked to R.P.I. I think we have much greater visibility. It makes Jersey a much stronger investment prospect, in my view. Because if you are an island ... I have not directly spoken to those retailers. My department is speaking to retailers looking to move in Jersey. They have to shift their goods to Jersey. If they are signing a 10-year lease or a 9-year lease they now know roughly where their prices are going to be for bringing goods to Jersey for the next 20 years. That helps that investment case for Jersey significantly.*[85]

Furthermore, the Minister stated that some importers have benefited from the flat rate system:

> *" I know that there are importers to this Island who have slashed their bills for freight to this Island. By importers, I mean major importers who bring in vast quantities of goods to this Island because they now see that they can operate the supply chain differently and in a competitive manner, so they are not beholden to the dominant supplier, keeping them over a barrel."*

The Minister highlighted to the Panel that whilst the flat rate for freight provides a transparency that did not previously exist, there is no public transparency regarding pricing within the freight forwarding sector, making it difficult to determine the actual range of prices paid by retailers and end users and noting:

> *"The 2022 Freight Logistics Study commissioned by the Jersey Competition Regulatory Authority found that competition within the freight logistics market could be more effective and set out further analysis and recommendations. Government has since acted on these findings and, over a year ago, committed through the Ports Policy Framework to encouraging greater competition in this sector."*[86]

Furthermore, the Panel is concerned that the intended transparency has been overshadowed by an increase in costs due to the new freight pricing model, costs that will inevitably be felt by islanders on produce on shelves. The Jersey Chamber of Commerce explained in its

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[84] Submission-Ferry Service Concession Agreement Review - Sandpiper CI - 19 December 2025
[85] Transcript- Public Hearing Ferry Service - Minister for Sustainable Economic Development - 13 March 2025 - Pg.23
[86] Letter - Minister for Sustainable Economic Development to EIA - Ferry Service Review Public Hearing - 11 February 2026

submission to the Panel that the issue for the members is not the flat rate system itself, but rather the level at which the flat rates were set:

> *"...not the introduction of a flat rate per se but the levels at which the flat rates were set. The rates were set at the higher end of the range. The removal of volume-based discounts against the published tariff has naturally increased prices for those who ship large volumes. There is no evidence that the introduction of the flat rate has resulted in any lowering of costs to the consumer. For larger importers that were previously able to negotiate lower, volume-based rates, notably supermarkets where margins are slim, freight prices have risen steeply. These increases are inevitably passed through the supply chain and ultimately borne by the consumer. Supermarkets and large retailers, by virtue of their significant volumes, have therefore experienced disproportionate cost increases, particularly on essential goods such as food."*[87]

The Chamber of Commerce also raised the question of whether the lower commodity rates applied to building materials should likewise be applied to goods such as food and pharmaceuticals. The Panel questioned the Minister on pricing commitments in light of concerns raised by businesses such as Jersey Dairy and Jersey Farmers Union. The Minister confirmed that potato exporters benefit from a commodity rate for their shipments[88]. The Panel finds this concerning as it would appear it constitutes a discretionary pricing adjustment that does not appear to be available to all freight users, as reflected in the submissions the Panel has received.

In addition to the flat rate price for the transportation of freight and Commodity Rate for non-time-sensitive loads of construction materials, freight companies are also charged weight-based harbour dues by Ports of Jersey Limited and the fixed freight facility and trailer dues in charged in both Portsmouth and Jersey.[89] In August 2025, it was reported that the ferry operator had sent out backdated invoices to businesses as it had been discovered that port dues had not been charged since the beginning of their operations at the end of March 2025.

Representatives of retailers voiced their concerns at the port dues being backdated explaining that there had always been a charge included within the rate, so the assumption had been that the port dues had already been charged. When questioned on this, DFDS Jersey Route Director explained that DFDS absorbed the non-charged port dues but that from January 2026 these would be included in invoices to businesses using freight:

> ***Route Director, DFDS Jersey:***
>
> *I think in terms of 2025 we have absorbed that cost, so we are talking 9 months of that cost. That we will take as part of the start-up operations of a 20-year contract. Therefore, we can make that up over time, but for 2026 and onwards we have made that correction, if you like. We have put that charge back in on the basis that it is something which we need to see covered otherwise we will not be able to see that reinvestment. It is a one-off correction, basically, and then we have put in the inflationary increase as set out in the contract.*[90]

The Panel's advisor examined other jurisdictions within which flat rates are implemented including Isle of Scilly, Orkney and Shetland's mainland connections and interisland ferry services, and those of the Clyde and Hebrides ferry network. Whilst noting that there are no

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87 Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026
88 Letter-MSED-to-EIA-re-Ferry-Review-Hearing-Follow-up-questions.pdf
89 Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026
90 Transcript- Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.30

recent comparable examples of a switch from commercial to flat fares. In the advisor's exploration of the impact of a flat rate implementation the advisor notes that:

> *"It is reasonable to expect that where commercial unpublished pricing existed, a move to flat fares will have produced winners and losers, with higher-volume customers exposed to increases over historical norms. Whereas some stakeholder feedback detailed instances of freight charges reducing in certain circumstances and providing improved transparency."*[91]

The Chief Officer informed that freight price increases were anticipated irrespective of which bidder was awarded the contract, as all tender submissions reflected rising costs. He further defended the introduction of a flat rate structure, stating that it provided the necessary transparency to ensure freight charges were applied consistently and appropriately:

> ***Chief Officer, Department for the Economy:***
>
> *First of all, everyone would have been paying more whether we granted a contract to Condor for this new term or to DFDS because in all of the bids, freight prices were going up, so everyone would have been paying more full stop. What we now have is transparency, because in the offer that has been made by Condor, that lacked the transparency that was sought in freight market pricing. It remained an obscure arrangement, it would have been difficult to police in practice.*[92]

Jersey Farmers' Union highlights that the flat rate, coupled with port charges and harbours dues have resulted in *"hauliers are having to increase rates to in excess of 7.5% as a result of these additional charges that were unexpected."*[93] Similarly, Jersey Dairy notes in it's submission that their charges will increase by 7.7% as of 1st February 2026.[94] Sandpiper CI attributes the impact to date to have been an "*incremental increase in the price of food by 2%, solely down to increased ferry costs due to the introduction of flat rate fees. Further mooted cost increases relating to Port charges due next year will result in further increases."*[95] Romerils stated in it's submission that it does not feel that the flat rate is fair as "*the pricing model of a flat rate fee penalises the larger companies who did, and now should get bulk discounts, but do not."*[96] Furthermore, Romerils highlighted that, in their view, the issue is one of proportionality. In commercial practice, including their own, bulk discounts are standard, and they would therefore expect a similar approach from the ferry service:

> *"Why should a company spending £1m a year on freight, get charged the same rate as a corner shop spending a £1,000 a year? We would give a developer a discount on buying 50 kitchens, compared to a retail customer buying one. The developer would expect and demand it, so why should it not work for freight too? If the larger freight companies receive bulk discounts, they pass that on to us their customers, who in turn pass it on to the end user which reduces prices in the island."*[97]

These reported increases differ markedly from the figures provided by the Minister, who stated in a letter to the Panel that, *"when implementing the new core freight rate of £56 per lane metre our Chief Economic Advisor assessed an impact of approximately 0.4% increase to*

[91] Expert Advisor's Report (please see Appendix 2), Pg.18
[92] Transcript- Quarterly Hearing EIA with Minister for Sustainable Economic Development - 25 September 2025 - Pg.43
[93] Submission - Ferry Service Concession Agreement Review - Jersey Farmers Union - 19 January 2026
[94] Submission - Ferry Service Concession Agreement Review - Jersey Dairy - 8 January 2026
[95] Submission-Ferry Service Concession Agreement Review - Sandpiper CI - 19 December 2025
[96] Submission - Ferry Service Concession Agreement Review - Romerils - 16 January 2026
[97] Submission - Ferry Service Concession Agreement Review - Romerils - 16 January 2026

grocery prices."[98] As previously stated, the Panel is concerned by the impact that will be felt by Islanders at a time where cost of living continues to be problematic.

KEY FINDING 8
The flat-rate freight pricing model was introduced to provide greater transparency and predictability for freight users; however, evidence received indicates that the overall cost of freight has increased since its implementation in March 2025. The exclusion of port dues from the initial freight charges has also created considerable uncertainty and concern among businesses importing and exporting goods to and from Jersey.

KEY FINDING 9
There is evidence that the move to the new freight model has had a direct inflationary impact on the cost of goods on the shelves. Evidence received from retailers suggests that the new model has increased food prices by 2% not the 0.4% suggested by government.[99]

RECOMMENDATION 19
Once sufficient operational data is available—including the one-year reviews required under the Concession Agreement—the Minister for Sustainable Economic Development should commission an independent review of the flat-rate freight pricing structure to assess its impacts and whether it is meeting its intended objectives.

Supply Chain Resilience

In addition to the rising freight prices reported to the Panel, businesses also highlighted ongoing reliability concerns with Jersey's ferry service, in particular with regards to cancellations and delays. Taken together, these present significant risks to the Island's economic stability and it's supply chain resilience. The Panel was informed by the Chief Officer hat *"98% of the Island's consumption comes in by sea; food, pharmaceuticals, fuel and so on".*[100] The Minister explained that freight minimum standards had increased with the new operator, that now ran *"6 dedicated freight sailings and 5 Ro-Pax freight sailings which compared to the Condor one that was 5 and 5 as their minimum standard, so the minimum standard has gone up for the amount of freight."*[101]

However, based on the submissions received, the Panel predominantly heard accounts highlighting challenges experienced by the freight sector since the new operator commenced operations. Cancellations and service disruption has been reported by business' as being high, affecting the timely availability of goods and creating operational uncertainty and additional costs. Sandpiper CI stated that:

> *"Since the change of operator in March 2025, the reliability of the daily lifeline ferry service has significantly deteriorated. Not long after the changeover, we became so concerned that we began to keep a log of performance. I'm attaching the detailed schedule for your information. In summary since the end of March 2025, we have experienced 37 days of problems with deliveries, including 13 days of boat cancellations. Historically, the Arrow boat used by Condor as a back up and now being used by DFDS has proven particularly unreliable. It is worth underlining that every*

[98] Letter - Minister for Sustainable Economic Development to EIA Panel - Ferry and Freight costs - 1 September 2025
[99] Submission-Ferry Service Concession Agreement Review - Sandpiper CI - 19 December 2025
[100] Transcript- Ferry Service Concession Agreement Review Hearing - Quarterly Hearing Minister for Sustainable Economic Development - 2 December 2025 - Pg.29
[101] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.3

delay results in increased food waste due to diminished shelf life. These are further costs which have to be covered."[102]

Jersey Chamber of Commerce echoed these concerns in its submission, providing comparison with the fact that one major supermarket on the island had reported *"19 cancelled sailings into Jersey over the relevant period, compared with only 4 cancelled sailings into Guernsey".*[103] While the Chamber acknowledged in its submission that Guernsey's harbour offers safer access in bad weather—and that this, combined with severe weather conditions, contributes to the discrepancy—it nonetheless called for improvements in communication around cancellations. The Chamber also welcomed the establishment of the new Freight User Forum with DFDS and Ports of Jersey. *"Chamber welcomes the new Freight User Forum with DFDS and Ports of Jersey where it is hoped that the issues faced by Chamber members will be heard and more importantly listened to for the economic benefit of businesses and the public of Jersey."*[104] The Panel welcomes the establishment of this new forum and urges the Minister to ensure this type of collaboration and engagement continue.

The President of the Chamber of Commerce advised that he had been told the flat rate was "*a done deal and that we have to accept the flat rate*."[105] Jersey Hospitality Association (JHA) emphasised that businesses felt insufficiently engaged with during the process. These concerns collectively indicate a perceived gap in stakeholder engagement and underline the importance of meaningful consultation, particularly with those directly affected by supply-chain or commercial policy changes.

The Panel questioned the Minister on the level of user consultation carried out before the contract was awarded and the Minister acknowledged that this had been a learning experience. The Panel also raised questions about feedback relating to the cancellation of Tuesday freight sailings—an issue reported in the media and followed by a public statement from Jersey Post. The Minister reiterated that discussions with the ferry operator have been, and remain, positive, emphasising that the ferry operator is responsive to feedback:

The Minister for Sustainable Economic Development:

… I think again this is a learning point from my perspective…... There was, from DFDS's perspective, a need to adjust the service because of the financial requirements and the overcapacity in terms of freight, et cetera. But what I said needs to happen now is that when they identify something that needs change, the first step is to go and consult the stakeholders. When you have got the stakeholders in the right place, then bring the suggested change to Government. Then having seen that the stakeholders in the round are happy with that, we can go ahead. The mistake this time, and I hold my hands up, was that DFDS came to us with that. I think it seemed like an understandable kind of change from our perspective. I asked them to go and consult afterwards. What I have said now is I want that to be the other way round so that consultation is done first and, therefore, impacts our minimised, or whatever the change may be, whether it is a price rise or schedule change or whatever it may be. What I am really pleased with is that as a result of the terms DFDS have reached out to stakeholders and they are coming back with a new proposal, as I understand it, that

[102] Submission-Ferry Service Concession Agreement Review - Sandpiper CI - 19 December 2025
[103] Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026
[104] Submission - Ferry Service Concession Agreement Review - Jersey Chamber of Commerce - 3 February 2026
[105] Transcript-Public Hearing with Chamber of Commerce Representatives and Retailers - Ferry Costs - 13 October 2025 - Pg.7

will help those stakeholders who are most affected by it. So, again, it shows the listening and the learning."[106]

However, the Minister also clarified that while stakeholder consultation can inform the development of the tender specification, it is not possible to involve parties such as the Jersey Farmers' Union or retailers directly in the award stage due to their commercial interests.

The Panel welcomes the Minister's acknowledgment that the consultation process surrounding service changes, including the cancellation of Tuesday freight sailings, was mishandled. The Minister's admission that consultation occurred after the decision had already been made highlights a weakness in the operational governance approach and demonstrates a need for clearer expectations within both Government and the operator regarding stakeholder engagement.

Although the Panel recognises the Minister's commitment to ensuring consultation is undertaken at the outset of any future service adjustments, it remains concerned that this expectation is not explicitly embedded within the structures of the Concession Agreement or the remit of the Monitoring Committee. As a result, decisions with material impacts on users—particularly businesses reliant on freight services—risk being made without sufficient foresight or transparency.

Overall, the evidence presented demonstrates that the Island's supply chain resilience has been significantly challenged since the introduction of the new operator, particularly due to the new freight pricing model utilised. Although the Minister highlighted the improved minimum freight standards under the revised Concession Agreement, the experiences shared by businesses reflect a period of heightened instability, characterised by cancellations, delays and reduced confidence in the reliability of the ferry service. The concerns raised also point to a broader issue around the level and timing of stakeholder consultation, with businesses reporting that key operational changes were communicated only after decisions had been finalised. The Panel acknowledges the Minister's recognition that consultation processes require improvement and welcomes the commitment to ensure earlier engagement with stakeholders. Nevertheless, the recurring themes across submissions indicate that meaningful, proactive collaboration will be essential to safeguard the Island's economic security and protect the continuity of critical imports.

KEY FINDING 10
Jersey is heavily reliant on maritime freight (with 98% of consumer goods arriving by sea), there have been several instances of delays, cancellations and rescheduling by the ferry operator in the first year which have caused significant disruption for retailers in the Island. This has also contributed to increased costs and reduced product shelf life.

KEY FINDING 11
There are benefits and disadvantages that arise from the ferry operator serving only one Island. In terms of freight this means that there is more capacity on sailings however, there are unlikely to be the same economies of scale which may have a pricing and operational consequence.

RECOMMENDATION 20
The Minister for Sustainable Economic Development should require early and structured consultation with freight users prior to any proposed changes to service schedules, pricing models, or operational procedures under the Concession Agreement.

[106] Transcript- Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026 - Pg.21-22

RECOMMENDATION 21

The Minister for Sustainable Economic Development should ensure that the new Freight User Forum and Monitoring Committee meet regularly with retail representatives to ensure that freight services meet the needs of businesses.

12. Conclusion

Whilst the decisions around the award of the tender process have remained outside the scope of this review, it is important to note that the decision of both Jersey and Guernsey's respective governments to choose two separate operators has had a consequential impact on matters material to the concession agreement itself. Some of the problems that have been highlighted to the Panel in numerous submissions, particularly around inter-island travel, pricing and potential economies of scale, can be said to arise either directly or indirectly from the fact that each operator now has a smaller market share.

Through its review, the Panel found that the operator experienced a number of transitional challenges during its first ten months of operation, with most issues concentrated in the initial three months. Based on its examination and the advisor's input, the Panel understands that the operator is meeting the contractual obligations set out in the Concession Agreement. However, evidence from users indicates that the minimum service standards does not fully reflect the expectations of Islanders, particularly in relation to journey times, scheduling, day-trip availability, customer service and accessibility.

Businesses across Jersey's essential supply chains have also faced challenges linked to the new freight pricing model, as well as delays, cancellations and rising operational costs. While the flat-rate freight structure has delivered greater transparency, it has not translated into improved affordability, and the confusion around the charging of port dues, combined with early administrative issues, has increased the cost of importing goods. This presents a significant risk for an island that relies on maritime freight for 98% of its consumption. The Panel is further concerned by the lack of firm commitments in the Vessel Investment Plan, the age of the current fleet and the possibility of delays in vessel replacement. Without stronger oversight of maintenance and investment, Jersey remains vulnerable to ongoing concerns around reliability.

Although the operator is broadly meeting minimum contractual requirements, the experiences reported by Islanders and businesses highlight a gap between contractual compliance and the level of service reasonably expected from a newly procured lifeline operation. This gap has been reinforced by limited consultation with users and businesses ahead of key contractual decisions, particularly the freight pricing model, service schedules and vessel deployment. The consequences have been especially pronounced for freight operators and retailers, who report increased costs, operational disruption and reduced confidence in the reliability of supply routes.

For passengers, concerns over longer journey times, constrained timetables, reduced opportunities for day-trip travel, inconsistent customer service, accessibility challenges and difficulties travelling with animals have contributed to a sense of dissatisfaction, although a number of submissions did welcome the addition of a pet lounge facility on board.   For freight users, cancellations, delays, rising costs and limited inter-island connectivity have created logistical pressures and risks to food security and broader economic resilience.

The review also highlights several areas of the governance framework where improvements could be made, particularly in relation to the Monitoring Committee's scope, transparency and authority. As the central mechanism for overseeing performance under the Agreement, the Committee requires clearly defined responsibilities, structured reporting arrangements and effective escalation pathways to safeguard Jersey's interests throughout the contract term.

The purpose of this interim stage has been to gather and present evidence in a way that supports informed government action. The findings aim to provide the Minister with a clear understanding of the issues raised by both passenger and freight users, enabling an effective response. The Panel considers that this evidence should be used to strengthen governance and monitoring arrangements, ensuring the service evolves in a way that better aligns with user needs and expectations.

With key contractual milestones approaching, including the first-year KPI review and upcoming vessel investment decisions, continued scrutiny remains essential. It will fall to the next Economic and International Affairs Scrutiny Panel to take this work forward, ensuring that both government and the operator are held to account for progress. Ongoing oversight will be critical to securing a resilient, reliable and user-focused ferry service that supports Jersey's connectivity, economic wellbeing and supply-chain resilience.

This interim report, together with the Minister's forthcoming response, provides a foundation for ongoing scrutiny and for developing a ferry service that meets the contractual requirements of the Concession Agreement and the reasonable expectations of Islanders.

13. Appendix 1

Panel Membership

Deputy Montfort Tadier (Chair)

Deputy Karen Wilson (Vice-chair)

Deputy Beatriz Porée (Member)
Joined the Panel on 8th December 2025

Deputy Max Andrews (Member)

Deputy Geoff Southern (Member)

Resigned from the Panel on 21st January 2026

Terms of Reference

1. To examine matters arising from the implementation of the concession agreement between the Government of Jersey and 'DFDS', including but not limited to:

    - Service levels
    - Contractual obligations
    - Vessel investment
    - Pricing commitments
    - Freight supply
    - Supply chain resilience
    - Transportation of pets and animals
    - Accessibility

2. To engage with the Government of Jersey, 'DFDS', businesses, members of the public and any other relevant stakeholders to ascertain their experiences and views on such matters

3. Any additional areas that the Panel deem to be relevant to the Review

Evidence Considered

Public Hearings

Public Hearings were undertaken with:

- The Minister for Sustainable Economic Development:
  - Transcript - Public Hearing Ferry Service with the Minister for Sustainable Economic Development - 13 March 2025
  - Transcript - Ferry Service Concession Agreement Review Hearing - Minister for Sustainable Economic Development - 29 January 2026

- Representatives from Jersey Chamber of Commerce and Retailers

  - Transcript-Public Hearing with Chamber of Commerce Representatives and Retailers - Ferry Costs - 13 October 2025

- DFDS (Route Director for Jersey, Chris Parker)

  - Transcript - Ferry Service Concession Agreement Review Hearing - DFDS - 15 December 2025 - Pg.17

The public hearing transcripts can be viewed on the States Assembly website here.
The webcast of the hearings can also be viewed here up until six months after the hearing was held.

Written Submissions

A total of 64 written submissions were publicly received by the Panel and can be viewed here.

Review Costs

The costs of this review totaled £8,330.80. This included £7,750 for the Expert Advisor Report and £580.80 for advertising and public hearing transcription costs.

What is Scrutiny?

Scrutiny panels and the Public Accounts Committee (PAC) work on behalf of the States Assembly (Jersey's parliament). Parliamentary Scrutiny examines and investigates the work of the Government, holding ministers to account for their decisions and actions. They do this by reviewing and publishing reports on a number of areas:

- Government policy;
- new laws and changes to existing laws;
- work and expenditure of the Government;
- issues of public importance.

This helps improve government policies, legislation and public services. If changes are suggested, Scrutiny helps to make sure that the changes are fit for purpose and justified.

The Economic and International Affairs Scrutiny Panel reviews policy and legislation related to the topics of financial services, external relations and economic and international development. It focuses mainly on the work of the Minister for Sustainable Economic Development, the Minister for External Relations, and the Minister for International Development. To learn more about the Panel's work visit the States Assembly website: https://statesassembly.je/

14. Appendix 2 – Advisor Report

ProVersa
Professional.Versatile

Ferry Service: Concession Agreement Review

Expert Advisor Report

For

Economic and International Affairs Scrutiny Panel
States Assembly
Jersey

Report Data: 28th January 2026

Produced by:
Martin Bignell
ProVersa Limited
martin@proversa.co.uk

Contents

1. Executive Summary

Purpose of the Review

This review was commissioned by the Economic and International Affairs Scrutiny Panel to assess the Ferry Service Concession Agreement between the Government of Jersey and DFDS, considering significant public and business concern following the introduction of the new ferry service in March 2025.

The Panel sought independent expert advice to examine whether the Agreement reflects best practice, whether it is being implemented as intended, whether it provides sufficient resilience for Jersey's passenger and freight needs, and whether any aspects present material risks or require further scrutiny.

Overall Finding

The Concession Agreement is broadly sound in structure and consistent with best practice for a commercially operated ferry concession. Best practice tendering involves considerable upfront work to establish community needs and expectations before drafting to best shape the outcome to be delivered; the process will only deliver what is asked of it. However, the experience of users has exposed a gap between what the Agreement was designed to deliver and what many in the community expected it to deliver.

This gap arises not primarily from operator non-compliance, but from:

- Policy and procurement choices made at the time the concession was designed,
- The limits of a commercial concession model,
- The absence of contractual requirements in certain critical areas,
- And weaknesses in governance, oversight and expectation-setting.

In short:

The Agreement largely does what it was designed to do, but it does not do everything the public assumed it would do.

Key Conclusions

1. The Concession Model Is Coherent, but it reflects a deliberate policy choice to:

- Transfer commercial and demand risk to the operator,
- Avoid public subsidy,
- Avoid public ownership of vessels,
- Secure minimum service levels rather than comprehensive connectivity.

This model is legitimate and comparable to concession frameworks used elsewhere. However, it inevitably carries greater risk to service resilience, flexibility and public influence than publicly funded ferry systems. Many of the current concerns stem not from contract failure, but from the consequences of this policy choice.

2. The Operator Is Largely Compliant with the Contract

The review found no evidence of systematic failings by DFDS. Most issues raised by stakeholders, including capacity pressures, service reliability, vessel suitability and pricing impacts, arise from:

- The minimum service standards set in the Agreement
- The discretion granted to the operator, or
- Matters not covered by the contract at all.

Where problems exist, they are more accurately described as:

- Delivery shortcomings
- Governance weaknesses, or
- Procurement design limitations,

3. The Contract Places Limits on Government Control

The Agreement gives Government:

- Strong legal protection against financial exposure,
- Clear performance mechanisms,
- Enforcement powers where minimum standards are breached.

However, it does not give Government strong control over:

- Capacity beyond minimum levels
- Fleet type or investment timing
- Service patterns beyond the minimum network
- Inter-island connectivity
- Commercial pricing strategy (within capped limits).

This limits the Government's ability to intervene when public expectations are not being met, even where dissatisfaction is widespread.

4. Flat-Rate Freight Pricing was a policy choice with predictable impacts

The flat-rate freight tariff:

- Was explicitly required by the tender
- Aligns with monopoly-service practice
- Improves transparency and fairness in principle.

However, evidence confirms it has:

- Increased costs for some high-volume users, but reduced it for others
- Removed flexibility previously available under negotiated pricing
- Contributed to higher import and export costs for some sectors, and reduced it for others

These impacts are not the result of operator behaviour, but of the pricing model chosen.

5. Inter-Island Connectivity Is the Most Significant Structural Gap

The Agreement does not require DFDS to provide or coordinate Jersey–Guernsey services. As a result:

- Inter-island freight and vehicle connectivity has been materially weakened
- Supply-chain resilience has reduced
- Sports, community and commercial users have been adversely affected.

This is not a failure of implementation; it is a policy omission. While the current framework allows inter-island services to exist, it does not require them, fund them, or guarantee delivery.

6. Service Resilience Is Weaker Than Many Assume

The Agreement prioritises commercial operation over guaranteed continuity. As a result:

- There is no standing reserve capacity
- No obligation for spare vessels
- No requirement for inter-island back-up
- Limited control over disruption mitigation.

This is consistent with a concession model, but means resilience depends heavily on operator performance rather than structural safeguards.

Key Risks Going Forward

The Panel should be aware of the following ongoing risks:

- Expectation gap between what the public believes the service should provide and what the contract requires
- Limited leverage to address issues without contract variation
- Relatively weak governance levers in areas such as fleet investment, data transparency and performance monitoring
- Fragility of inter-island connectivity
- Dependence on operator goodwill rather than enforceable obligation
- Potential difficulty transitioning services at contract end

Areas for Continued Scrutiny

The Panel may wish to focus future scrutiny on:

1. Monitoring and governance
    - Effectiveness of the Monitoring Committee
    - Transparency of performance data
    - Escalation processes
2. Fleet investment and condition
    - Delivery against investment commitments
    - Long-term vessel strategy
    - Maintenance and resilience
3. Freight pricing impacts
    - Distributional impacts (how different end users are being affected)
    - Transparency of cost components
    - Impacts on food and export sectors
4. Inter-island connectivity
    - Whether policy intervention is required
    - Options for coordination or targeted support
5. Preparation for future contract transition
    - Data ownership
    - Transfer arrangements
    - Market readiness

Final Conclusion

The DFDS Concession Agreement is not failing, as it is operating exactly as designed, but that design has limitations. The central issue is therefore not whether the contract is being followed, but whether the contracting model chosen can meet:

- Jersey's economic needs to support and support for its businesses
- Jersey's resilience expectations, and
- The public's understanding of what a "lifeline service" should provide.

2. Background

The Economic and International Affairs Scrutiny Panel of the States Assembly of Jersey commissioned ProVersa as independent expert advisor to review the Concession Agreement between the Government of Jersey and DFDS, signed on 2 January 2025. This desktop review was conducted between 19th and 26th January 2026.

The review addresses:

- Characterisation of publicly tendered ferry services in the UK and surrounding geographies as comparative benchmarks
- Comparative analysis of agreement strengths and weaknesses
- Identification of best practice improvement opportunities
- Areas of concern in the Concession Agreement regarding service quality, delivery, outcomes and commercial risk controls
- Provisions and risks impacting service resilience
- Commentary on flat rate freight tariffs
- Commentary on Inter-island connectivity between Jersey and Guernsey

3. Publicly Tendered Ferry Services

Ferry services to islands are frequently described as "lifeline" services, essential to everyday life, economic activity and resilience. Government contracting choices determine who bears demand, cost and revenue risk, who funds vessels, how much public control exists over service levels and fares, and public sector exposure to ongoing subsidy. The choice is also heavily influenced by the factors impacting costs such as distance, type and size of vessel tonnage required and the competitive landscape for freight and passenger transport.

Core Contracting Approaches

Public Service Obligation (PSO)

A PSO is a statement of public need defining minimum ferry connectivity requirements, which routes, year-round operation, minimum frequency, but does not determine funding or operation methods. A PSO answers the question: "What service must exist, even if it is not commercially attractive?"

Public Service Contract (PSC)

Under a PSC, public authorities specify routes, timetables, capacity and fares in detail. Operators collect user revenues; government pays subsidy bridging the gap between revenue and delivery costs. This model prioritises service certainty over commercial risk transfer. A PSC means: "We will specify the ferry service we need, and we will provide public funding to ensure it can be delivered."

Concession

A concession sits between a PSC and a fully commercial operation. A concession grants operating rights with minimum service standards and often fare controls, but without operational subsidy. The operator bears demand and revenue risk. This model is used where services can operate commercially but require enforceable public interest guarantees.

Commercial Provision

Fully commercial operators control service delivery without formal public contracts, responding to market opportunities where competing operators serve the same routes.

Jersey Ferry Services Concession Agreement

Jersey secured connectivity through a long-term competitively tendered concession, choosing not to own vessels, absorb operating losses or carry demand and cost risk. The approach protects minimum service outcomes while transferring commercial risk to the operator.

Under the concession, DFDS holds exclusive operating rights with contractually specified minimum service levels, resilience and reliability standards. Only obligations expressly incorporated into the Agreement and Schedules are binding. The operator may exceed baseline requirements if demand supports it. Passenger and freight demand risk sits with the operator.

Jersey retains control through enforceable minimum requirements, fare caps, performance regimes, financial security mechanisms and harbour access controls. Jersey controls what must be delivered as a minimum, while leaving operational decisions to DFDS.

Comparator Services

Guernsey uses a concession embedded within statutory licensing. The 15-year agreement with Brittany Ferries relies more on regulatory powers than Jersey's contractual enforcement approach.

Scotland (NIFS and CHFS) uses PSC-based models where operators collect user revenues and government pays operating subsidies covering the gap between revenue and delivery costs. These are financial mechanisms ensuring operators aren't exposed to structural losses from socially necessary services. Scottish PSCs include efficiency incentives and gain-share arrangements, but ultimately government bears service continuity responsibility. Vessel ownership rests with public bodies, reinforcing public sector asset risk. Scotland prioritises service certainty over commercial risk transfer.

Isle of Man maintains government ownership of the ferry operator itself rather than contracting externally, placing commercial, asset and continuity risk within the public sector through a detailed Sea Services Agreement that bears some similarities with a PSC and Concession, but is technically neither.

Isles of Scilly and Isle of Wight operate commercially without PSC or concession contracts, with limited public influence beyond general regulation.

European and Scandinavian Examples

Across Europe and Scandinavia, ferry services operate under publicly specified and subsidised services, municipally owned operators, or fully commercial enterprises. Countries like Norway, Sweden and Denmark treat ferries as essential infrastructure delivered through PSO-style contracts or concessions, competitively tendered with detailed specifications. Funding models typically separate service planning from delivery, with most lifeline routes subsidised but typically vessels are owned by the private operators. Contracts increasingly mandate low- or zero-emission vessels with detailed performance regimes.

Community-oriented and commercial hybrids exist, particularly in Denmark and the Netherlands (Samsø Rederi, ÆrøXpressen, TESO), showing how ferry services can be municipally or locally owned while operating commercially with little operating subsidy but benefiting from local investment and monopoly infrastructure access. A common feature across them all is long term planning horizons, stable funding, clear performance expectations and the ability to invest in the vessel and workforce over decades.

What Distinguishes Jersey

Jersey occupies a deliberate middle position: stronger control than commercial models, greater risk transfer than PSC systems, and stronger contractual discipline than former pan-Channel Islands arrangements.

Jersey's uniqueness lies in the specific combination:

- Long-term competitively awarded concession
- No explicit operating subsidy
- Strong enforceable minimum service obligations
- Fare controls embedded in contract
- Private vessel ownership and financing
- Demand and revenue risk on operator
- Contractual enforcement as primary control mechanism

No other UK or near-territory ferry system combines all these elements in a single framework. Jersey behaves like a tough, outcomes-focused transport authority while choosing not to act as long-term operator of last resort.

Overall Comparative Conclusion

The Jersey Concession Agreement is consistent with best practice for concession-based ferry services, appropriately structured for its intended commercial and policy objectives, with balanced risk allocation and generally robust governance, enforcement and protection mechanisms comparing favourably with similar arrangements.

While not providing the same control as Scottish PSCs, this reflects deliberate and legitimate policy choice, not contract design deficiency. The Jersey Concession represents sound, proportionate and well-structured contractual framework aligned with best practice for its form and intent.

4. Community and Stakeholder Feedback

Stakeholder submissions to the Review Panel present consistent dissatisfaction tempered by recognition of operational improvements and frontline goodwill. Evidence highlights procurement design choices, contractual permissiveness and operator delivery shortcomings that interact to amplify user impacts.

A consistent theme is that the service experienced differs materially from what was expected at concession award, not fully explained by teething problems alone.

Service Reliability and Disruption

Freight-dependent businesses report repeated cancellations, short-notice changes and cumulative disruption causing food waste, reduced confidence and supply chain stress. While DFDS attributes early disruption to mobilisation pressures and weather sensitivity, the Agreement places responsibility for continuity, recovery and performance monitoring with the operator through Performance Standards and KPI frameworks.

Customer Communication and Handling

Complaints about inconsistent rebooking, delayed refunds and unclear communication during disruption represent shortfalls between contractual intent and experience. DFDS acknowledged process failures requiring strengthening. These issues fall within contractual performance frameworks, representing delivery gaps rather than procurement design problems.

Passenger Experience and Accessibility

Concerns include insufficient cabins, uncomfortable layouts, accessibility failures and vessel suitability. DFDS and the Minister acknowledge "hard product" challenges, with some resolved and others scheduled for remediation. The Agreement explicitly allows existing vessels during early years with later replacement, making older vessels a procurement choice. However, accessibility failures and poor handling fall within operator control, pointing to mixed causality: procurement tolerance of interim vessels combined with operator execution issues.

Inter-island Connectivity

The strongest unified criticism concerns the absence of reliable vehicle-carrying services between Jersey and Guernsey. Sports bodies, equine organisations and motorsport groups describe cancelled events, reduced participation and financial losses.

DFDS's evidence is unambiguous: inter-island services were discussed but not specified in tender requirements. The Agreement does not mandate inter-island provision. This is procurement and policy omission rather than operator failure.

Freight Pricing

Several importers argue flat-rate pricing disproportionately reduces flexibility and increases costs for high-volume essential goods, although it has also produced different outcomes across sectors, with some reporting improved transparency, predictability and reduced effective freight costs. DFDS confirmed the flat-rate model was an explicit tender expectation. This represents deliberate procurement choice creating distributional impacts.

Port Dues

Confusion and retrospective charging around port dues represents the most acute governance issue. DFDS accepts per-unit charges weren't fully accounted for initially and were temporarily absorbed. But it exposes weakness in due diligence and shared understanding at contract tendering and award, reflecting potential governance failure and bidder error or assumption checking.

Minimum Service Requirements

Dissatisfaction with winter services and day-trip viability reflects an expectation gap. The Minister confirms DFDS meets or exceeds Minimum Service Requirements. The contract prioritises baseline connectivity over replicating legacy timetables, creating dissatisfaction at procurement and communication stage rather than operator under-performance.

Overall Assessment

The feedback does not support systematic contractual non-compliance by DFDS. Instead, it points to operator delivery weaknesses in reliability, communication and customer handling; procurement design choices that deprioritised inter-island connectivity; governance shortcomings around port-related costs; and persistent gap between public expectation and contractual design.

The critical question is whether the tender specification and contract adequately reflects the connectivity outcomes Jersey expects from a lifeline service.

5. Best Practice for Delivering Desired Outcomes

The ability to dictate service outcomes depends on contracting model structure and risk/funding approach. Where funding enables outcomes regardless of commercial viability, authorities can be more prescriptive (Scottish model). Where no funding is available and solutions must be commercially delivered (Jersey model), outcomes can be articulated but are necessarily less prescriptive.

Clarity on Desired Outcomes

Articulating desired outcomes is the tendering authority's function. Best practice involves considerable upfront investment in research establishing community needs before drafting tender documents, including analysis of ferry use data, extensive community engagement with discrete business sectors, engagement with critical partners like port operators, and assessment of how ferry services might support wider policy objectives.

Public reporting indicates Jersey and Guernsey was considering the tendering process since at least 2023, with market testing and economic analysis conducted. The extent of end user engagement however is not established for this report.

Realpolitik

Stakeholder feedback strongly suggests service timing misalignment with user needs, especially on the Southern Route. Several dynamics warrant consideration:

- Brittany Ferries and Condor Ferries operated from Saint Malo since 1976, developing deeply established local relationships
- The Port of Saint Malo is owned by Région Bretagne
- Brittany Ferries (majority owner of Condor Ferries since 2024) is owned by Breton farming cooperatives with strong regional ties

While no obvious evidence suggests DFDS faces unfair treatment, these dynamics suggest potential challenges for any new operator. In competitive contexts, ferry operators can be commercially aggressive to protect market share, and infrastructure access issues are difficult to evidence. In PSC contracts, tendering authorities typically secure assurances for port access agreements before tender to guarantee the service specification can be delivered by bidders.

There is also the simple factor of scale economies. Simpler route structures can be optimised and better focused but arguably leave less commercial headroom for accommodating variation that a larger overall Channel Islands provision could more easily absorb.

Time in Tender

Procurement timeline quality matters. Comparing Jersey with Scottish services reveals significant differences:

- Jersey-Guernsey joint tender: About 4.5 months from ITT to target award, with several months mobilisation to spring 2025 start.
- Jersey-only tender: Only weeks from announcement to preferred bidder, highly compressed, requiring fully operational fleet by 31 March 2025.
- Transport Scotland Clyde & Hebrides (CHFS2): About 15-16 months from notice to planned award, with demanding evaluation involving 800+ bidder queries and 4-month mobilisation.
- Transport Scotland Northern Isles (NIFS2): About 10 months from notice to preferred bidder, with 6-week mobilisation.

The short timeline and associated risks have been acknowledged in correspondence from the Minister for Sustainable Economic Development.

Enforceability

Once executed, legally enforceable obligations are those in the contract and schedules only. Bid submissions, ITT objectives and tender-scored Delivery Plans have no binding status unless expressly adopted.

In Jersey's Agreement, the operator's tender response is referenced but not understood to have been incorporated wholesale, not attached as Schedule, and doesn't sit alongside Schedules in precedence. The bid is contextual but not contractual.

Jersey is an outlier among comparators. Unlike CHFS and NIFS which convert winning bids into enforceable obligations, or Guernsey which supplements its concession with statutory licensing powers, Jersey relies almost entirely on minimum service definitions and operator compliance with broad discretion.

This creates persistent governance risk where tender-stage expectations cannot be enforced post-award. Jersey seeks long-term lifeline outcomes like CHFS and NIFS but without contractually binding explicit bid commitments or statutory licensing like Guernsey.

6. Areas of Concern within the Concession Agreement

Clause 7.6: Capacity Increase

The purpose of this clause appears to be to create a trigger: when freight services are 90% full on average, DFDS and the Island Authority must engage on whether changes are needed. The intent is sensible, avoiding capacity quietly becoming constrained.

However, the Agreement does not define freight capacity (appears only in ITT, which isn't binding), does not specify how 70% or 90% utilisation is calculated, and does not address peak-period or sailing-specific congestion. Both thresholds risk masking material supply-chain pressure if based solely on undefined averages. Comparator agreements rely less on utilisation percentages and more on outcome-based indicators like unmet demand and persistent peak loadings.

Recommendation: Additional clarification or agreed reporting standards would strengthen this provision, including per-sailing utilisation metrics, peak-period freight performance reporting, and evidence of persistent congestion regardless of average thresholds.

Clause 8.2.2 and Schedule 11: Fleet Maintenance Plan

Schedule 11 provides credible maintenance framework but doesn't define what maintenance performance satisfies Clause 8.2.2. Practical meaning depends on evidence of outcomes, i.e., reliability, availability and disruption, rather than the plan alone. This requires robust reporting, monitoring and early intervention, and assumes the Island Authority is competent to review and approve potentially highly technical vessel maintenance plans.

Recommendation: Strengthen governance through regular reporting of technical failures causing disruption, maintenance root cause analysis, dry dock adherence, and explicit linkage between maintenance performance and delay/cancellation KPIs.

Clause 8.3 and Schedule 12: Vessel Investment Plan

While the RfP sought credible long-term fleet investment, Clause 8.3 and Schedule 12 translate aspirations into capital expenditure requirements, a very high-level indicative fleet specification and target investment completion dates. Although there is intent in the Agreement and in evidence from DFDS there are few indications that it will not deliver on the original intent, Schedule 12 infers but doesn't explicitly state newbuild vessel delivery.

Schedule 12 expresses investment in future nominal values rather than real terms (which may be materially less than the Schedule suggests). Clause 8.3 appears to provide limited influence over vessel choice or specifications, and leaves "remedial steps" undefined. Contractual protections fall short of RfP strategic fleet renewal narrative.

Public statements about "investment" are interpreted as "new ships" and perhaps to aspirational quality or standards. The Agreement secures spend, not transformation. The Agreement also provides mechanisms for deferring the Vessel Investment Plan by up to five years if return thresholds aren't met. Jersey's model is therefore more exposed to investment drift unless the Monitoring Committee actively governs it.

Recommendations:

- Convert "expected replacement" language into governed delivery commitments through Monitoring Committee protocols
- Require transparency on "future value" versus real-terms value with inflation assumptions
- Strengthen Authority influence over vessel specifications through options appraisals before commitment
- Define "remedial steps" operationally
- Ensure appropriate governance oversight through periodic fleet condition and investment progress reports

Clause 33: Termination

Clauses 33.8-33.10 assume the Island Authority can rapidly establish legal and operational capacity to own and potentially operate vessels. Without standing operator-of-last-resort structures, this presents execution risk. TUPE likely applies in most scenarios, with double-transfer risk if the Island Authority becomes interim operator. Schedule 18 is comprehensive, so the risk is more of readiness.

Pension liabilities aren't explicitly addressed though bespoke clauses, relying instead on standard employment transfer provisions. This contrasts with PSC models where pension continuity is explicitly addressed. The Jersey Agreement deliberately limits public sector exposure but shifts uncertainty to the workforce, creating potential for political sensitivity.

Recommendations:

- Assess whether Clause 33.8-33.10 timelines are realistically deliverable
- Clarify the Island Authority isn't intended as interim vessel operator
- Establish standing "operator of last resort" framework
- Develop pre-agreed TUPE transition protocol
- Constrain Charter Put Option acceptance to situations where compliant replacement operators are ready as a bareboat charter creates immediate ISM and crewing obligations

Clause 34: Transition Provision

The Agreement requires Transfer Transition Plan but doesn't specify minimum content or update requirements. This is materially lighter-touch than comparators, relying on future cooperation of the Operator rather than predefined obligations. The Agreement provides limited provision for systematic capture and transfer of service demand and operational data necessary for future competitive tender, risking entrenching incumbent advantage.

Recommendations:

- Treat ferry service data as strategic public asset
- Define minimum datasets for handover (passenger/freight volumes, utilisation, load factors, timetable adherence, booking profiles)
- For vessels under Vessel Investment Plan, capture maintenance activity and cost data
- Require data in structured, machine-readable formats with metadata
- Integrate data handover into Transfer Transition Plan
- Begin transition preparation well before expiry

Clause 39: Confidential Information

Clause 39 doesn't specify what information categories are confidential, leaving KPI, performance and demand data status ambiguous. While some confidential information is expected, Jersey's ferry service operates as protected monopoly, making public interest data typically transparent in some comparator services.

Comparator services treat operational performance and demand data as belonging to public authorities even when generated by private operators. Confidentiality protects how operators do business, not what services deliver.

Recommendations:

- Clarify what information is and isn't confidential
- Treat service performance and demand data as public assets
- Confirm Clause 39 doesn't restrict disclosure to future bidders
- Clarify data disclosure rights during Agreement life

Schedule 1: Minimum Service Requirements

Schedule 1 provides considerable operator flexibility with specific freight provision but no parameters around acceptable crossing times or service timing windows as is found in some comparator PSC agreements and used to underpin governance measures around punctuality. While Schedule 1 appears to be a 'hard obligation', Schedule 3 Clause 6 (Extraordinary Adjustments) allows the operator to "adjust the Minimum Service Requirements" at its discretion if financial conditions warrant.

This pragmatic clause may never trigger and would involve Island Authority dialogue but means the Agreement doesn't contain a hard floor that cannot be crossed, public-interest override for essential connectivity, or GoJ obligation to provide subsidy instead of service reduction. Schedule 1 is therefore not an absolute minimum service guarantee but a conditional baseline subordinate to Schedule 3's financial risk-balancing provisions.

Schedule 2: Ancillary Tasks

Schedule 2 provides high-level service descriptions but contains limited objective or measurable standards for challenging performance. While reflecting concession flexibility, it doesn't appear to embed detailed RfP-evaluated service commitments. The Island Authority's ability to challenge marginal service degradation is constrained, relying instead on KPIs, Minimum Service Requirements and governance mechanisms.

Schedule 2 defines scope, not standards or outcomes. The gap between RfP aspiration and contractual enforceability in qualitative service delivery areas is significant.

Schedule 3: Pricing and Freight Rates

Schedule 3 Clause 3.1 describes freight pricing with maximum caps and references to "mean average freight rate," though Table 2 sets fixed lane-metre rates. Clause 3.1 doesn't explain the 'mean average' calculation or application, this may be mislabelling. The Minister's correspondence confirms core freight rate is £56 per lane metre, with only a Commodity Rate identified as variance, suggesting "average freight rates" reference is an error?

Schedule 3 Clause 5.1 requires highly specific price reporting, essentially each transaction detail and copies of commercial contracts with individual freight customers, which comparator services don't typically demand. Clause 5.1.7 introduces Freight Pricing Policy concept, but the Agreement contains no definition, further references, or approval/publication requirements.

The Sub-Schedule's ROIC mechanism implies 'open book' levels of transparency on operating cost, although this requirement isn't explicitly stated. Operationalising this mechanism will rely on the Island Authority being competent to understand and challenge complex operating costs, although Schedule 20 reporting obligations do not include audit-level cost verification. There appears to be clear gaming risk given the ROIC's relationship to pricing and financial return.

Schedule 3 Clause 8.3: Monitoring Committee

The Agreement provides for Monitoring Committee meetings to review performance but doesn't define it as decision-making body or confer delegated authority. In practice, scope appears narrow and compliance-focused, largely limited to reviewing KPI performance and financial information.

Little evidence suggests the Committee has defined roles in driving wider service quality, improvement or strategic delivery. The Agreement doesn't clearly link the Committee to oversight of customer experience, accessibility, marketing, social value, fleet maintenance or vessel investment matters.

Reporting isn't explicitly aligned to KPI cycles, with no requirement for Committee consideration to result in formal responses or action plans. With no explicit governance mechanism, considerable ambiguity exists between the relationship between the Monitoring Committee and escalation to the Parties, nor how broader commitments are routinely monitored between three-yearly Comprehensive Service Reviews.

Recommendations:

- Publish formal Monitoring Committee Terms of Reference
- Explicitly broaden monitoring scope through reporting to cover service quality, resilience, fleet investment and stakeholder feedback
- Align meetings with quarterly reporting cycles
- Introduce formal escalation and tracking log
- Create clear "Committee-to-Party" escalation convention
- Publish high-level Monitoring Committee summaries

Schedule 7: Marketing and Sales Strategy

Schedule 7 includes wide-ranging activities but it's unclear how the Island Authority monitors delivery. While allowing operator flexibility, and acknowledging it as a 'living strategy', the Schedule makes no reporting commitments on progress, delivery or effectiveness.

7. Provisions and Risks Impacting Service Resilience

This assessment considers Jersey Concession Agreement exposure to operational resilience risks regarding continuity of services, adequacy of capacity, protection against vessel unavailability, and mitigation of disruption from port or infrastructure constraints.

Jersey's Contractual Model and Resilience Implications

The Jersey Concession Agreement is explicitly structured as commercial concession. Under the Jersey model, the operator carries commercial and operational service delivery risk; Government doesn't underwrite capacity, fleet availability or revenue; service continuity is achieved through contractual incentives and enforcement rather than direct public control.

This differs materially from PSCs where governments retain resilience responsibility through detailed specification, public subsidy and asset control.

Jersey's resilience risk exposure must be understood as deliberate consequence of risk transfer, not contract design failure.

Capacity and Demand Risk

Responsibility for matching capacity to customer demand rests primarily with the operator. The contract establishes minimum service requirements and performance standards but doesn't prescribe minimum vessel size/capacity by season, mandatory peak period uplift beyond Schedule 1, or guaranteed spare capacity for demand surges.

The practical implication is that the operator has strong commercial incentives to meet demand as revenue depends on it; however, the State has limited direct control over whether capacity is optimal rather than merely contractually compliant. This creates resilience exposure in high-demand periods or during sustained disruption where services may technically meet contractual requirements while falling short of customer expectations. That exposure is inherent to the concession model and reflects policy decision to avoid underwriting excess capacity.

Vessel Availability and Fleet Resilience

The Jersey concession permits vessel substitution, places responsibility for fleet availability with the operator, doesn't require standing relief vessel or predefined cascade plan, and doesn't mandate spare capacity or redundancy levels. Jersey's exposure to service disruption from vessel failure is higher than in public service models, but that exposure is knowingly transferred to the operator.

The contract relies on the operator's commercial incentive to avoid service failure, contractual remedies if minimum service levels aren't met, and reputational and financial consequences of disruption.

Resilience is achieved through commercial discipline rather than structural redundancy.

Port Availability and Disruption Risk

The Jersey agreement places primary responsibility for managing port-related disruption on the operator. While including relief and force majeure provisions, it doesn't prescribe detailed mitigation strategies. This reflects the concession model: the operator manages operational risk using its own resources and judgement, with State intervention only if contractual obligations are breached.

Where Jersey Is Exposed Compared to Other Models

When viewed against PSCs, Jersey is more exposed in capacity risk particularly during peak periods or abnormal demand, fleet resilience due to absence of mandated spare or relief vessels, disruption management where mitigation isn't contractually prescribed, and dependence on operator competence rather than structural safeguards.

However, these exposures arise directly from policy choice to adopt a concession model rather than subsidised service model.

Why This Does Not Represent Contractual Weakness

The contract allocates risk transparently, aligns incentives with service delivery, includes enforcement and termination mechanisms, avoids open-ended public liability, and reflects coherent commercial strategy.

In that sense, it is consistent with best practice for concession-based ferry operations.

Recommendations Avoiding Agreement Rewrite

While the Agreement reflects deliberate risk balance, resilience can be strengthened through contract management via the Monitoring Committee, rather than amendment to the Agreement. It may be achieved through enhanced monitoring of capacity utilisation and unmet demand, regular review of operator's fleet resilience and maintenance planning, formalised reporting on disruption incidents and recovery times, periodic assurance reviews of contingency arrangements, structured engagement on peak demand planning, and clear escalation protocols where performance trends indicate emerging risk but before KPIs are triggered.

8. Flat Fare Tariff

Most commercial ferry operators use non-flat, unpublished freight tariffs. For end customers, unless hauliers or forwarders clearly itemise costs, only part of total freight price paid relates directly to the ferry crossing cost.

Commercial Operators and Tariffs

Commercial ferry operators use sophisticated pricing models to optimise revenue versus costs, with access to freight pricing typically via specialist teams providing dynamic prices. Customer-specific pricing enables operators to use pricing as a tool to attract new business, incentivise loyalty, reward volume commitment, and capacity-manage demand by incentivising low-demand crossings or applying premiums to high-demand periods.

Almost all commercial ferry operations use customer-specific pricing because services operate in commercially competitive environments, i.e., multiple operators on the same or similar routes or ferry routes competing with alternatives, like the Channel Tunnel.

Lifeline and Monopoly Services

Lifeline or monopoly services tendered by public authorities lack competition; customers almost always have no choice between service offers. Flat fares principally protect against price gouging by monopoly operators.

- **Benefits:** Transparent charging; removes operator ability to distort markets with preferential rates; provides authorities better ability to understand service use; gives authorities control mechanisms over pricing adjustments.
- **Disbenefits:** Removes operator agility for capacity demand management; potentially enables competing operators to enter the market with lower-cost

solutions; potentially opens island markets to external competition, risking sensitive island business viability.

For sensitive island supply chains, publicly specified connectivity should arguably deliver fairness and equity, allowing island businesses to compete on their merits rather than benefiting from ferry born structural cost advantages.

Where Flat Fares Are Implemented

Jersey's published flat fare structure aligns with NIFS, CHFS3, Isle of Scilly, and Orkney/Shetland interisland networks. NIFS, CHFS and Orkney/Shetland are PSC or publicly funded, while Isles of Scilly operates commercially.

Anomalies exist though. Isle of Scilly, while being transparent on fares, isn't a RoRo based service and operates a highly complex, commodity specific matrix of charges. CHFS3 includes a structured Traders Rebate Scheme allowing 2.5-15% retrospective rebates for frequent commercial users, calculated route-by-route. This masks actual effective rates to individual hauliers despite transparent published base tariffs. The reason is largely historic, relating to pricing convention changes over time and strong haulage community arguments to retain rebates.

NIFS never had such provision, reflecting Transport Scotland's market-specific specification approach. Its application is the closest to that of Jersey.

Impact of Flat Fare Implementation

No comparable examples exist of a recent switch from commercial to flat fares. Stakeholder submissions indicate flat-rate freight pricing resulted in material cost increases for high-volume importers and exporters, particularly where previous arrangements reflected scale or volume.

Food retailers report clearest impacts. Sandpiper CI attributes estimated 2% food price increase solely to higher ferry costs following volume discount removal. Jersey Dairy cites freight cost increases around 7-8%, exceeding inflation. Jersey Farmers' Union reports above-inflation increases for exporters, linked to flat-rate pricing combined with newly itemised port charges.

Several stakeholders link impacts to supply-chain restructuring following effective loss of regular Jersey-Guernsey freight connectivity, with exporters forced to reroute goods via UK, increasing cost, complexity and transit times.

It is reasonable to expect that where commercial unpublished pricing existed, a move to flat fares will have produced winners and losers, with higher-volume customers exposed to increases over historical norms. Whereas some stakeholder feedback detailed instances of freight charges reducing in certain circumstances and providing improved transparency.

Flat Fare Price Setting

NIFS and CHFS3 fare setting is done by Transport Scotland. As PSCs receiving public subsidy, relatively little correlation exists between fare levels and operating costs, although tariffs have moved with inflation over a sustained period.

DFDS's due diligence work with stakeholders should have informed general freight charge ranges in the market, although the flat fare structure itself was mandated by tender. Flat fare pricing levels would have been determined by freight demand forecasts from historical carrying data, operating costs of proposed vessel/service solution, and DFDS's calculations on the revenue needed to underpin its Vessel Investment Plan commitment.

This differs from CHFS and NIFS where vessel replacement funding is strategic government investment with no specific link to service revenues.

Supplemental Charges

Commercial operators separately charge external variable costs outside their control, i.e., bunker surcharges, environmental charges, port charges. Under PSC contracts these risks transfer to public authorities, with operating cost variances subsumed into subsidy payments, so CHFS and NIFS don't need to recover these variations through separate charges.

As Jersey's Agreement has full commercial risk transfer, it uniquely operates with transparently published flat fares supplemented by separately charged variables: MGO BAF, ETS, and Port and Harbour dues.

9. Jersey-Guernsey Interisland Connectivity

Service users, especially freight, report that new arrangements have broken previously integrated Jersey-Guernsey supply chains. Why this link wasn't included in tendering specifications isn't clear.

Jersey presumably had previous usage data for the link and, based on stakeholder feedback, should have had good awareness of longstanding social, economic and supply chain links between the Channel Islands.

Why the Loss of Connection Has Been Felt

Commercial and Freight Impacts

Freight stakeholders report that loss of regular Jersey-Guernsey connectivity reduced logistical flexibility, routing resilience and operational optionality. Jersey Farmers' Union provides clearest evidence, noting exports to Guernsey were materially affected when services reduced to one sailing weekly with no DFDS inter-island alternative. To maintain supply, exporters were forced to reroute via UK, adding transport legs, time delays and administrative complexity. These interim arrangements were later withdrawn due to commercial unviability, leaving exporters with fewer routing options and reduced resilience.

More broadly, evidence suggests inter-island services previously played important contingency and balancing roles within Channel Islands supply chains. While no submission quantifies standalone cost impact of losing the Jersey-Guernsey link, evidence indicates its removal amplified wider ferry pricing change effects by forcing freight onto longer, less flexible routes, reducing ability to adapt to disruption and undermining supply-chain resilience.

Social, Community and Visitor-Economy Impacts

Non-freight stakeholders consistently describe loss of Jersey-Guernsey connectivity as having severe practical consequences, particularly where vehicle travel is essential. Sports bodies report absence of regular vehicle-carrying service made inter-island competition unworkable, leading to cancelled fixtures, reduced participation and abandoned long-established events.

Residents and community groups report reduced inter-island connectivity weakened social, family and cultural ties. Stakeholders note foot-passenger services don't substitute for vehicle-based travel where equipment, animals, work tools or mobility needs are involved. Visitor-economy impacts are reported indirectly: visiting competitors, teams and supporters no longer travel between islands, resulting in lost hotel stays, food and ancillary spend.

Under the former combined operation, freight forwarders, hauliers and supply businesses could treat Channel Islands as single market, with shared planning across the Jersey and Guernsey, familiar or common operational interfaces, and the ability to use one island as practical "alternative gateway" during disruption. With the split, Jersey's guaranteed baseline focuses on UK-Jersey and Jersey-France services, and Guernsey moved to separate regulated monopoly framework.

As a result, the network coordination function users relied upon is no longer embedded in either operator's service or incentives by default.

Potential Remedies

Freight flows between Jersey and Guernsey can be re-joined or coordinated but it won't happen automatically under the new split arrangements. The two models were designed primarily to secure each island's own lifeline links to UK and France, so inter-island connectivity and "network effects" now need deliberate creation through commercial agreements between operators and/or targeted regulatory/contractual interventions by both governments.

What Each Contract Framework Covers for Enabling Connectivity

Jersey (DFDS Concession)

Jersey's concession is explicity framed around UK-Jersey (northern) and Jersey-France (southern) routes. Importantly for inter-island coordination, Jersey's exclusivity is linked to Elizabeth Harbour ramp licensing and Jersey’s Sea Transport Policy allows the Harbourmaster to issue further RoPax ramp licences only for inter-island sailings between Jersey and Guernsey. LoLo freight vessels are outside ramp-licensing scope.

Jersey deliberately left a "policy door" open for separate inter-island RoPax service and LoLo freight options while granting DFDS exclusivity for main RoRo/RoPax market.

Guernsey (Brittany Ferries)

Guernsey's control model is statutory: the Ro-Ro Sea-links Law enables exclusive concession licensing for prescribed routes by Order, including strong ongoing control through the ability to give direction. If their concession arrangements fail, Guernsey can issue temporary licences ensuring continuity. Whether inter-island services are within licensing perimeter depends on whether the route is "prescribed" under the Orders.

How Movements Can Be Re-joined or Coordinated

Three potentially realistic options exist (not mutually exclusive):

Option A: Commercial ‘Interline’ agreement between the Operators

The most direct way to recreate "single network" behaviour without rewriting core models. It could include aligned sailing days/cut-offs, shared booking interface, agreed trailer/container handling, and reciprocal disruption protocols.

Jersey's model gives legitimate platform to press for coordination commitments through stakeholder engagement and service review. Guernsey's Law provides formal directions ability.

- Key limitation: if commercial incentives are weak, voluntary cooperation between Operators may be partial unless both governments signal it as an expectation or strongly desired.

Option B: Dedicated Inter-island RoPax Shuttle

This directly addresses the missing "bridge" between islands. Jersey's framework explicitly permits it, the Harbourmaster may issue ramp licences for inter-island sailings without undermining the bankability of DFDS's main concession.

Guernsey's law flexibility allows this through licensing structure policy decisions.

- Key limitation: requires reliable port turnaround, sufficient consistent demand, or government willingness to treat as lifeline element.

Option C: LoLo Freight Feeder Integration

Practical "pressure relief valve" for supply chain resilience, particularly unaccompanied freight. Jersey explicitly distinguishes LoLo from RoPax exclusivity, supporting resilience through LoLo without cutting across DFDS's rights.

LoLo can move freight independent of passenger schedules, provide disruption backup capacity, and design around logistics operator needs.

- Key limitation: it's not drop-in replacement for accompanied trailer logistics, adding handling steps (time/cost) and best seen as complement rather than substitute.

Built-in Control Levers

Jersey: Minimum Service Requirements plus discretion above MSR; three-yearly Comprehensive Service Review specifically ensuring passenger/freight service levels are appropriate; exclusivity carve-out for inter-island RoPax ramp licences.

Guernsey: Direction powers to concession licensee; ability to define and regulate market through prescribed routes and exclusivity; temporary licences as continuity/resilience mechanism.

Assessment

Most achievable quickly: Structured operational coordination package between DFDS and Brittany Ferries supported by both governments through expectations, transparency, and regulatory/review processes.

Most powerful structural fix: Dedicated inter-island RoPax shuttle, Jersey's framework explicitly permits this via additional ramp licensing.

Best resilience supplement: Targeted LoLo feeder capacity for contingency and unaccompanied freight flows.

Deliverability Risk

The current contract frameworks don't guarantee restoration or delivery of integrated inter-island freight connectivity. Deliverability is constrained by explicit scope, risk allocation and enforcement limits of the Agreements now in force:

1. No DFDS Obligation:

The Agreement defines "Ferry Services" as UK-Jersey and Jersey-France only. No reference anywhere to Jersey-Guernsey services, coordination with third parties, transferred freight acceptance, or schedule/booking/process alignment. DFDS meets its obligations without offering inter-island connectivity. Any refusal to engage on commercial grounds is contractually defensible.

2. Jersey's Powers Are Limited:

The concession is contract-led, not licence-led. Jersey cannot direct DFDS's commercial strategy, pricing beyond capped frameworks, or other operator relationships. Jersey cannot compel additional routes outside defined services or require DFDS to incur losses for wider objectives not written in Agreement.

3. Market-Opening Doesn't Equate Deliverability:

Jersey preserved ability to issue additional RoPax ramp licences for inter-island sailings and facilitate LoLo services outside RoPax exclusivity. However, these are enabling powers, not delivery mechanisms. The Agreement neither obliges DFDS participation nor guarantees another operator's commercial viability.

4. Guernsey's Stronger Powers Don't Remove Viability Risk:

Guernsey's statutory framework provides stronger formal control through exclusive licences, conditions and binding directions. However, even here, Guernsey cannot require operators to absorb open-ended losses without compensation or variation.

5. Subsidy Would Be a Conscious Policy Change:

Current agreements assume no operating subsidy for inter-island connectivity. A publicly supported shuttle, or small freight resilience PSC, or subsidised LoLo feeder capacity would require explicit political and policy decision. Such interventions would sit outside the DFDS concession and represent a departure from Jersey's no-subsidy approach to services.

Conclusion

Operators may lawfully refuse most inter-island solutions on commercial grounds unless expressly required by contract or licence. Jersey cannot compel inter-island freight connectivity delivery under the executed DFDS Agreement. Guernsey can require cooperation, but only within a framework that addresses operator viability.

If Jersey and Guernsey wish reliable, resilient inter-island freight connectivity, they must either:

- make it a formal enforceable obligation with appropriate compensation,
- procure or support separate inter-island service, or
- accept that coordination will remain partial, voluntary and contingent on commercial viability.

Current arrangements don't support assumptions that integrated inter-island freight connectivity will emerge automatically from goodwill or market forces alone.

<< End >>

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