

**Assistant Minister for
Economic Development,
Tourism, Sport and Culture**



19-21 Broad Street | St Helier
Jersey | JE2 3RR

Mark Chown
Jersey Reds Rugby
La Rue des Landes
St Peter
JERSEY
JE3 7BG

26 January 2023

Dear Mark,

Thank you for your email to Suzanne Wylie of the 23rd January.

I have discussed your request in detail with Deputy Morel and Government officers and I appreciate that a decision is a matter of urgency for you and your Board. As the Assistant Minister responsible for Sport I regret that at this point I am minded not to support your request for emergency funding and Deputy Morel is aligned to this decision.

As the records show, Government has historically been a strong financial supporter of Jersey Reds since your promotion to the Championship back in 2012. It is my understanding that the most recent grant of £450,000 was awarded to Jersey Reds for the purpose of "securing professional rugby in Jersey". The purpose of this grant was to enable Jersey Reds to become financially sustainable over an extended three-year period after which no further Government support would be required. These grants were very much made on account of the Government recognising the value that rugby brings to the island both socially and economically whilst also wishing to see your business achieve financial sustainability.

In addition to cash grants, Government has worked to support the Jersey Reds through the difficulties of the Covid period, where your fixtures were suspended and finances were impacted as a consequence. This support extended to guaranteeing a £500,000 small business loan with Santander through to deferring Social Security, GST and ITIS payments which currently account for a debt to Government of almost £300,000 for these items combined.

When we met with yourself and Mark Morgan on the 10th November 2022 you asked about the ability to access further grants and I explained that there was no funding allocated in the current Government Plan. In that meeting I was appraised of the Reds' desire to build a squad designed to win the Championship by 24/25, with aspirations to be promoted and play in the Premiership. You also updated me on your fundraising efforts with High Value Residents, the facility challenges the club was facing and the impending split from Jersey Rugby Club, formally separating the amateur and the professional clubs.

I left that meeting with no indication that there was an imminent financial crisis in the making and feedback at the closing of the meeting was a recommendation that Jersey Reds needed to

manage their spend appropriately; that Jersey Reds should continue to fundraise with HNW individuals and build their cash position, and: that Jersey Reds reconsider the timing of their ambition as the Premiership was in disarray and subject to significant restructuring in the season/s ahead.

I am aware of the structural issues that exist within professional rugby at present however I also need to be even-handed in my approach to the development of all sports in Jersey and what they are able to deliver back to community. It is increasingly difficult to support a single sport disproportionately and against a backdrop of a need for continued financial support. I am happy to meet in person to discuss the above if you feel that would be of benefit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lucy', written in a cursive style.

Deputy Lucy Stephenson
Minister for Sport
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