



Access to Public Information Request

Date of receipt: 4 September 2019

Date of response: 2 October 2019

Request regarding support for Flybe Heathrow service

Request for information:

‘Following Gavin At Pierre's recent summary of the States' finances please could you outline the cost of the subsidy to Flybe i.e.cost of that + lost revenue to aurigny plays within the larger than forecast deficit.’

Response (the following response is provided by the States of Guernsey, with contribution from the Office of the Committee *for* Economic Development, the Office of the Policy & Resources Committee and the States of Guernsey Trading Assets):

It is already in the public domain that the initial 7-month agreement with Flybe to operate a daily Heathrow service to Guernsey included an overall investment for route development of £825,000. Of that £678,000 was provided from the Future Guernsey Economic Fund, a fund set up to support strategic initiatives that would benefit the Island's economy. The remaining £147,000 was through discounts provided by Guernsey Airport through its route discount policy. The provision of such discounts is commonly used by all airports for the purpose of helping to establish new routes.

Following the initial 7-month agreement, a new agreement was agreed with Flybe to continue the service through the 2019 / 2020 winter season, however it has been agreed with the operator that the specifics of this agreement will only be released when the States 2019 Accounts are published as the operator views them as commercially sensitive. Therefore, Exception 2.10 is applied (Publication and prematurity in relation to publication), however the Committee can confirm that the pro rata investment cost per rotation for the new 5 month agreement is lower than the initial 7 month agreement.

The States Assembly approved the Strategic Air and Sea Links Investment Objectives, in November 2018, of which securing a direct link to a major international hub airport, such as Heathrow, was its number one objective.

There has been a substantial expansion in air capacity between Guernsey and the south-east of England during the course of 2019 that extends beyond just Heathrow, with new services to London Southend, Bournemouth and Southampton. It is not possible at this point in time to make a direct correlation on the impact each *individual* new route has had on Aurigny's existing services.

This is a topic that will be further addressed in the 2020 Budget which will be released later in October 2019, and for this reason Exception 2.10 is applied (Publication and prematurity in relation to publication).