

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

5th November, 2019

Proposition No. P.2019/104

POLICY & RESOURCES COMMITTEE

THE STATES OF GUERNSEY ANNUAL BUDGET FOR 2020

AMENDMENT

Proposed by: Deputy M H Dorey
Seconded by: Deputy E A McSwiggan

To replace Proposition 7 with the following Propositions:

"7. To agree that:

EITHER

- (a) £900,000 shall be held in the General Reserve and shall only be released to the Future Guernsey Economic Fund following the States' approval of the governance framework for all aspects of States-funded air route operation and support set out in Proposition 38.

OR, if 7(a) falls:

- (b) £900,000 shall be transferred from the General Reserve to the Future Guernsey Economic Fund ('the Fund'), on the condition that the balance of the Fund shall not be used to subsidise any air routes between Guernsey and the UK or the Channel Islands until the States has approved the governance framework for all aspects of States-funded air route operation and support set out in Proposition 38."

EXPLANATORY NOTE

Connections to Heathrow and Cardiff are currently subsidised via the Future Guernsey Economic Fund. This practice of subsidising air links has been held responsible, in part, for Aurigny's growing losses – this will be verified (or disproved) as part of the coordinated approach to air links proposed in Proposition 38. Until that work is done,

it would be wasteful to invest further money into an approach that appears to have a double cost to the States.