



**Response to a Question Pursuant to Rule 14
of the Rules of Procedures of the States of Deliberation and their Committees**

Subject: Total Cost of Frontier Economics Report into an extension of Guernsey Airport's runway

States Member: Deputy Yvonne Burford

Date Received: 24 September 2021

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Date of reply: 30 September 2021

Question and Response

Q Please could you advise the total cost of the report from Frontier Economics which was recently commissioned by your Committee on the matter of a possible runway extension at Guernsey Airport.

A Following a successful request laid by the late Deputy Kuttelwascher at the end of 2019, the States Assembly resolved to direct the Committee for Economic Development to present a business case and cost benefit analysis for the extension of the runway at Guernsey Airport to achieve a length of at least 1,700m. The States Assembly agreed that this work should be completed by May 2020 and directed the Policy and Resources Committee to make available the necessary funds to carry out this work, should they be required, to not exceed £360,000.

In January 2020, following a competitive tender exercise, the previous Committee for Economic Development agreed to commission Frontier Economics to undertake a cost benefit analysis of an extension of the runway at Guernsey Airport to achieve a length of at least 1,700m. The report produced by Frontier Economics was published in March 2020 and cost £148,650.

In view of the impact of the Covid-19 pandemic on air travel the previous Committee for Economic Development resolved not to bring a Policy letter to the States Assembly on this matter, but instead recommended that the cost benefit analysis conducted by Frontier Economics should be updated once the impact of the Covid-19 pandemic on air travel could be estimated, to establish whether the report's conclusions remained valid.

In May 2021 the current Committee for Economic Development commissioned Frontier Economics to update the cost benefit analysis of an extension of the runway at Guernsey Airport to at least 1,700m in the light of the impact of the Covid-19 pandemic on air travel. This updated analysis cost £31,500.

The total cost of both reports from Frontier Economics into the cost benefit analysis of extending the runway at Guernsey airport to at least 1,700m was £180,150.

For completeness, Frontier Economics' work was informed by an engineering cost analysis undertaken by consultancy RPS in 2020, at a cost of £33,000. The total cost of these three reports adds up to £213,150, which is significantly less than the £360,000 approved for this purpose by the Assembly.