

Policy Statement

Air route development support for new routes

Introduction

The Policy and Resource Plan (Phase One – Future Guernsey) includes as one of its six policy objectives:

“Ensure the provision of reliable, sustainable and affordable sea and air links.”¹

The Budget 2017 report states that the Policy & Resources Committee intends to use its existing delegated authority to approve funding for initiatives which deliver on the objectives of the Policy and Resource Plan, and which:

- ensure we have the right conditions for business to set up, grow and operate;
- improve or protect economic growth; and
- have measurable economic and fiscal benefits.²

Support for new Air Routes

The Committee *for* Economic Development recognises the role that new air routes can play in supporting Guernsey’s economic development, through: attracting new visitors to the Island; supporting business and trade links; and providing additional travel options for residents.

The launch of new air routes should always be based on a sound business case. However, the Committee appreciates that airlines are not always prepared, or financially able, to take on the entire risk associated with launching routes to new destinations.

Therefore, the Committee will consider supporting, under certain conditions, applications from airlines seeking funding for new air routes for an initial period, for up to 3 years.

Process

Airlines looking to start a new air route to / from Guernsey which meets certain criteria, who wish to apply for funding, should contact the Committee for Economic Development and provide a detailed business case. This business case should explain why funding is required and detail how much funding is requested.

The Committee *for* Economic Development will review the business case, and, if supportive, will refer it to the Policy & Resources Committee.

The Policy & Resources Committee, having reviewed the business case, will then decide whether to provide funding support from the Future Guernsey Economic Fund.

¹ States of Guernsey Policy and Resource Plan (Phase One – Future Guernsey), Final approved by the States on 16th November 2016; available from: <https://gov.gg/CHttpHandler.ashx?id=105052&p=0>

² 2017 Budget Report, Billet XXVI 2016, p 59; available from: <https://gov.gg/CHttpHandler.ashx?id=104354&p=0>

Criteria

A route will be considered to be 'new' if it is not currently served by an airline offering transport to paying passengers.

An airline which previously operated a route will not be eligible for funding for that route for a period of 12 months after it has ceased operating the route.

The airline will also need to demonstrate the extent to which the route:

1. will support the objectives of the Policy & Resource Plan;
2. will contribute to the Island's economy;
3. has a credible business plan;
4. the level of risk associated with its launch is such that the airline would not be able to:
 - a. launch the route without financial support; or
 - b. operate it for a sufficient period of time that would enable it to fully test the market;
5. is likely to become commercially sustainable beyond the initial support period;
6. is likely to generate new additional visitors to the Island; and
7. is unlikely to cause another air route to become commercially unviable.

Conditions for support

Applications for support will be considered for a period of up to – and not exceeding – three years.

If the funding application is supported by the Committee *for* Economic Development and approved by the Policy & Resources Committee, the provision of funding will be subject to a grant contract, the terms of which must be complied with.

Support will normally be provided on an annual basis. The provision of support for any subsequent year will be subject to evidence from the airline that the route is meeting the criteria set out in the previous section.

Contact

Applications for support should be sent by email to: economicdevelopment@gov.gg .

Version

This Policy Statement was published in June 2017; it may be changed from time to time, or withdrawn at the Committee's discretion.