

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

ALDERNEY AIRPORT RUNWAY REHABILITATION – DELEGATED AUTHORITY

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Alderney Airport Runway Rehabilitation – Delegated Authority' dated 9th January, 2026, they are of the opinion:-

1. To authorise the Policy & Resources Committee to proceed with the procurement process for the rehabilitation of the Alderney Airport runway, based on the design outlined in section 5, by issuing an invitation to tender with the intent to engage in early contractor involvement.
2. To delegate authority to the Policy & Resources Committee to approve funding of up to £24 million from the General Revenue Reserve, subject to approval of an appropriately detailed business case for the rehabilitation of the Alderney runway, based on the design outlined in section 5.
3. To direct the Policy & Resources Committee to work with the States' Trading Supervisory Board and the States of Alderney to ensure best value is achieved.
4. To direct the Policy & Resources Committee to report back to the States of Deliberation upon completion of the tender process, confirming the final contract value.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

POLICY & RESOURCES COMMITTEE

ALDERNEY AIRPORT RUNWAY REHABILITATION – DELEGATED AUTHORITY

The Presiding Officer
States of Guernsey
Royal Court House
St Peter Port

9th January, 2026

Dear Sir

1 Executive Summary

- 1.1 The Alderney Airport Runway Rehabilitation Project ('the Project') is a critical initiative to maintain the island's lifeline air connectivity and fulfil the States of Guernsey's obligations under the 1948 Agreement. The existing asphalt runway is near the end of its operational life. Continued reliance on patching and temporary repairs is not sustainable and increases the risk of enforced closure by the aviation regulator. Such a closure would have severe social and economic consequences for Alderney, including disruption to essential services.
- 1.2 Previous proposals, including Option C+, were abandoned after tender costs significantly exceeded the approved budget of £24 million. In April 2025, the States of Deliberation ('the States') resolved to pursue "a lowest possible cost and most practical and pragmatic approach, for the delivery of a functional solution to maintain an operational aerodrome in Alderney into the future, focusing on the paved runway". This approach focused on maintaining core connectivity rather than expanding capacity for larger aircraft. This revised approach prioritises compliance with regulatory requirements for a Code 2B runway, which is suitable for aircraft such as the Twin Otter¹.
- 1.3 The proposed design involves reconstructing the existing runway to its current length of 877 metres and widening it to 23 metres, the minimum required by the Office of the Director of Civil Aviation for a Code 2B runway. Associated works will include resurfacing and realignment of the Bravo taxiway and apron, installing modern drainage systems, and upgrading lighting to include centreline and PAPI² systems. These enhancements will improve operational safety and resilience while avoiding unnecessary complexity. The grass runway (03/21) will be retained as Alpha taxiway

¹ Aurigny introduced Twin Otters on the Alderney route in late 2025.

² Precision Approach Path Indicator

to provide an alternative access to the runway. It is likely that at least the longer grass runway (13/31) will need to be closed due to cost and compliance constraints. This design represents the most practical and cost-effective option, balancing technical requirements with fiscal responsibility.

- 1.4 To assist in reducing costs, the Policy & Resources Committee ('the Committee') recommends early contractor engagement to address logistical challenges and identify cost-saving opportunities, and for the Committee to approve both the Outline and Full Business Cases and award contracts with a delegated authority capped at £24 million from the General Revenue Reserves. Any contribution from the States of Alderney would be in addition to the £24 million.
- 1.5 The timeline for delivery is tight, with construction scheduled to commence in April 2027 and be complete by December 2027. Any delay risks pushing the Project into 2028, increasing the likelihood of runway closure and associated disruption. Contingency planning for potential closures during construction is essential and will include measures for medical evacuation and alternative transport arrangements.
- 1.6 This Project is vital to maintaining Alderney's connectivity and meeting the States of Guernsey's obligations under the 1948 Agreement. The recommended approach aims to deliver a compliant, functional and utilitarian solution within the fiscal constraints of the States of Guernsey, while mitigating risks to Alderney's community and economy. Approval of delegated authority and early contractor engagement will be key to achieving timely and cost-effective delivery.

2 Introduction

- 2.1 Whether and how Alderney Airport's runway and other facilities could be rehabilitated has been considered by the States of Deliberation ('the States') several times in the last 10 years (and more). Under the Resolutions agreed by the States (on 5 November 1948) and the States of Alderney (on 27 October 1948) which are together known as the 1948 Agreement, the States of Guernsey has financial and administrative responsibility for providing certain public services in Alderney, which expressly includes the maintenance of an airfield in Alderney.
- 2.2 The States last considered the Alderney Airport Runway Rehabilitation Project ('the Project') in April 2025³ ('the April 2025 Policy Letter'). At that time the States was updated on the tender process for Option C+ which had been approved by the States in December 2022⁴ with a Project budget of up to £24.1 million. Option C+ was for an increased length of runway from 877 to 1,050 metres; increase of width from 18 to 30 metres; realigned Bravo taxiway; new apron; new terminal building and a new fire station which were sufficient to cope with the additional security requirements and

³ Policy Letter – Policy & Resources Committee – 'ALDERNEY AIRPORT RUNWAY REHABILITATION' – Billet d'Etat VIII of 2025 – 09 APRIL 2025 – as at : <https://parliament.gg/parliamentary-business/billets/billet-viii-2025>

⁴ Policy Letter – Policy & Resources Committee and the States' Trading Supervisory Board – 'ALDERNEY AIRPORT RUNWAY REHABILITATION' – Billet d'Etat XX of 2022 – 23 NOVEMBER 2022 – as at: <https://parliament.gg/parliamentary-business/billets/billet-xx-2022>

additional resources required for Code C aircraft, such as the ATR-72 aircraft. The best and final offer received for the Project was £37 million. With such a large divergence from the cost agreed by the States, the Project no longer met its objectives under the original business case and the Committee felt it necessary to return to the States.

- 2.3 The April 2025 Policy Letter set out the significant history to the 1948 Agreement and the provision of an airfield in Alderney. It proposed to bring the Project into a more financially and politically acceptable cost envelope. It was necessary to move away from the C+ option in order to provide an option that is smaller and more affordable. This provides the opportunity for connectivity utilising aircraft types used elsewhere in the British Islands and other small island jurisdictions.
- 2.4 The States supported this proposal, which effectively changed the Project's principal strategic driver, from maintaining Alderney Airport primarily as an economic enabler, to prioritising delivering the core connectivity needed by Alderney's population at the lowest cost, recognising the airport's social, rather than commercial, value.
- 2.5 Following a successful amendment from Deputy Burford, the States resolved:

To direct the Policy & Resources Committee, working with the States' Trading Supervisory Board and the States of Alderney, to undertake the work set out below and return to the States of Deliberation with its recommendations on the future of Alderney Airport no later than December 2025:

- a) To assess the feasibility, costs and timescales to extend the useable operational 'lifespan' of the current runway and airport infrastructure, including the existing control tower, fire station and terminal building, which may include pre-emptive patching work on the most critical parts of the runway and other airport pavement areas; and
- b) To commission a report as expeditiously as possible in order to establish the lowest possible cost and most practical and pragmatic approach, for the delivery of a functional solution to maintain an operational aerodrome in Alderney into the future, focusing on the paved runway, with dimensions of up to 877m in length and 18m in width, or exceptionally 23m in width only if prior regulatory consultation shows that the current 18m regulatory alleviation cannot be maintained, and generally seeking regulatory alleviations where possible to minimise the amount of work needed, consistent with safety, and with consideration of any associated unavoidable work elsewhere on the airfield, all suitable for the operation of commercial air transport operations by readily available and conventionally-powered Code B aircraft, ideally with between 12 and 20 seats.

- 2.6 The purpose of this Policy Letter is to provide an update on the outcome of these investigations and to set out the proposed next steps for this Project, balancing the needs of the Alderney community with the needs of the Guernsey community and the wider fiscal position of the States of Guernsey.

3 Related developments since the April 2025 Policy Letter

2026 States of Guernsey Budget

- 3.1 As mentioned in the April 2025 Policy Letter, the Committee published a green paper titled 'Major Projects Portfolio Review'⁵ in January 2025 in which it reviewed the capital portfolio and set out the difficult financial situation for the States. While noting the impending April 2025 Policy Letter (which had not been published), the paper highlighted the Committee's view that the Project costs should be limited to the original £24 million allocation in the capital portfolio, given the current fiscal situation.
- 3.2 In November 2025, the States debated the 2026 Budget⁶. While there were no specific changes to the arrangements for the current Major Capital Projects Portfolio, the difficult financial situation was reiterated and it was highlighted that capital expenditure remains limited pending debates on major tax reforms in 2026.

Aurigny decision on use of Twin Otters

- 3.3 On 01 November 2025, Aurigny Air Services ('Aurigny') introduced De Havilland Canada DHC-6 Twin Otter aircraft – a Code B aircraft – onto the Alderney routes, to replace the existing Dornier fleet. It has done this in partnership with the Isles of Scilly Skybus under a damp-lease agreement⁷ taking advantage of Skybus existing operations and the resilience the arrangement can provide.
- 3.4 The Twin Otters, leased from Skybus, will handle passenger flights and essential services such as air ambulance, mail, freight, and pet transport for Alderney routes, while Aurigny manages the ATR-72 fleet utilised for all its other routes.

4 Project Management

- 4.1 As a result of the States' Resolutions in April 2025 it was necessary to review and update the Project Mandate for the Project to reflect the directed scope and focus on "the lowest possible cost and most practical and pragmatic approach". The updated draft Project Mandate was approved by the Committee in June 2025.
- 4.2 The updates can be summarised:
 - Programme Board – Previously the States' Trading Supervisory Board (STSB) was the Programme Board for the Project. However, this role has been moved to the Committee to align with the States' Resolutions. This will enable the

⁵ Green Paper - Policy & Resources Committee – 'MAJOR PROJECTS PORTFOLIO REVIEW' – Billet d'Etat V of 2025 – 19 FEBRUARY 2025 – as at: <https://parliament.gg/parliamentary-business/billets/billet-v-2025>

⁶ Policy Letter – Policy & Resources Committee – 'ANNUAL BUDGET FOR 2026' – Billet d'Etat XXVIII of 2025 – 04 NOVEMBER 2025 – as at: <https://parliament.gg/parliamentary-business/billets/billet-xxviii-2025>

⁷ A damp lease agreement is a type of aircraft leasing arrangement where the lessor provides the aircraft plus flight crew, but does not include cabin crew or full operational support. Aurigny's arrangement with Isles of Scilly Skybus is a damp lease because Skybus provides the Twin Otter aircraft and pilots, while Aurigny supplies cabin crew and manages customer-facing operations.

Committee to provide the strategic direction to the Project Board with the delivery then being undertaken primarily by the subject matter/technical experts such as Guernsey Ports.

- Project Description – The Project Description has been refined to reduce the scope of the Project from the previous Option C+ to align with the States' Resolution to focus on the paved runway only, suitable for commercial Code B aircraft.
- Case for Change/Strategic Context – Updated to reflect the April 2025 debate on the Alderney Airport Runway and the debates on the 2025 Budget and the Major Capital Portfolio Review green paper.

4.3 Recognising the importance of progressing, the Project Team has focused on streamlining the process, in line with principles of good governance for States of Guernsey processes for projects. There continues to be close working between officials across the service areas responsible for the Project.

4.4 A summary timeline for the Project has been provided below. The timeline is incredibly tight for a summer 2027 delivery. Any delay or slippage could lead to a delay by 12 months until the next favourable weather window. This would put additional strain on the existing pavement and its need for continual maintenance and patching work.

Milestones	Completion Date
PAR 2 Report	February 2026
States Debate Policy Letter	February 2026
OBG P&R Committee Approval	March 2026
ITT for Construction Issued	March 2026
Tender Process Concludes	May 2026
Tender Evaluation	June 2026
Detailed Design (RIBA 4)	January 2027
PAR 3 Report	February 2027
FBC P&R Committee Approval	March 2027
Construction Award	April 2027
Construction Start on Site	April 2027
Construction Completion	December 2027

5 Runway design options

5.1 The direction from the States was clear that the investigations for future options needed to seek "the lowest possible cost and most practical and pragmatic approach, for the delivery of a functional solution to maintain an operational aerodrome in Alderney". This has focused the work of the Project Team and RPS, the aerodrome design consultant.

5.2 RPS was previously commissioned in September 2024 to undertake an optioneering

exercise for the Project following the failure of the previous tender for Option C+, which returned a best and final offer of £37 million – far exceeding the £24 million budget approved by the States. RPS was selected due to its prior experience with Guernsey Ports and its strong track record on similar aerodrome projects, including the Guernsey Airport Pavements Project. The purpose of the RPS work was to identify alternative, more affordable solutions that could still meet safety and operational requirements.

- 5.3 Following the debate on the April 2025 Policy Letter, RPS was commissioned to undertake the design work based on the direction of the States.

Runway dimensions and design

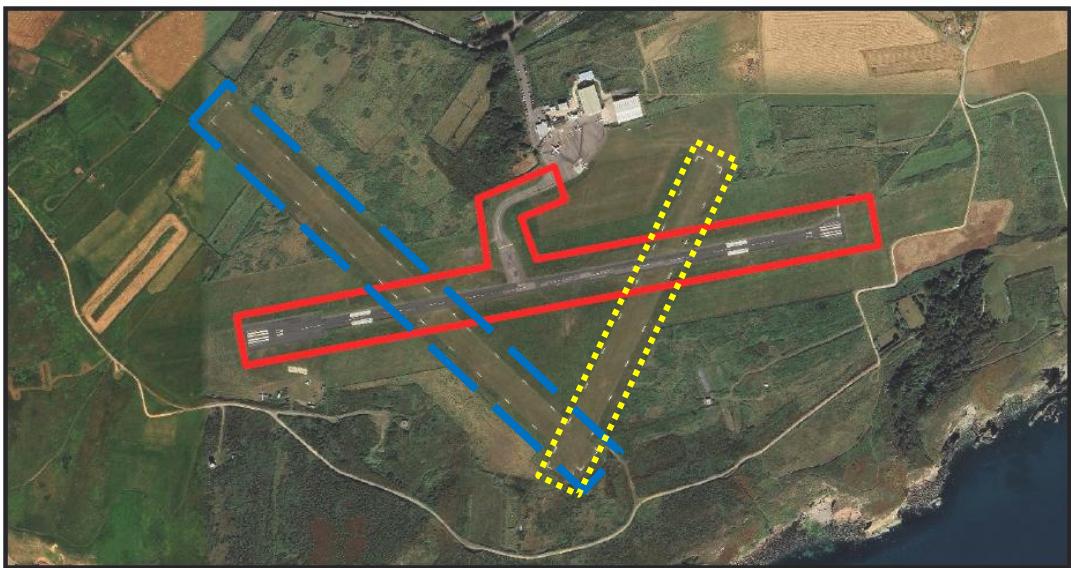
- 5.4 The States specified in its Resolution that the runway should be “with dimensions of up to 877m in length and 18m in width, or exceptionally 23m in width only if prior regulatory consultation shows that the current 18m regulatory alleviation cannot be maintained”.
- 5.5 Alderney Airport is regulated by the Office of the Director of Civil Aviation (Channel Islands) (ODCA), who has overall responsibility to ensure regulatory compliance with aviation regulatory requirements within the Bailiwick of Guernsey and its airspace. Having engaged with the ODCA on the matter, it has been confirmed that the minimum dimensions for the runway for Code 2B aircraft to ensure regulatory compliance is 877 metres x 23 metres.
- 5.6 Options to decrease the overall length and width of the runway have also been explored. It is clear from the preparatory work that these significant changes would require substantial subsequent work on updating approach lights, carrying out ground works in the area where the runway used to be as well as getting new regulatory approvals for the size and location of the new runway. This consequential work would more than offset any saving on the reduction in size. This may also cause further delay in operationalising the runway, adding to the overall cost to the Bailiwick.
- 5.7 The most straightforward and simple approach is, in essence, to replace the runway length like for like, and increase the width to the minimum regulatory standards, subsequently reducing any other regulatory work.
- 5.8 The Project Board has also explored whether there are exemptions that can be sought on the new design. It is clear from discussions with the ODCA that any newly constructed runway should meet minimum design requirements unless there are physical constraints to consider. Seeking an exemption based on financial constraints is not considered a reasonable justification, particularly given the risks, including liability for constructing a non-compliant airport in order to reduce the overall cost.
- 5.9 As a result of this work, the Project Board has concluded that the only realistic option to achieve the lowest costs in the simplest manner is an 877 metres x 23 metres runway in the same position and orientation as the existing runway, the only change

to the current runway being the topography and width to meet minimum requirements.

- 5.10 The runway rehabilitation is a reconstruction rather than a resurfacing project. The runway, including the sub-base, will be removed and replaced in a way that meets the minimum regulatory requirements. The new sub-base will require resurfacing only when the surface reaches end of life. The runway sub-base was constructed in the 1960s when the asphalt was first laid. At this time the runway was extremely narrow in places and was part grass and part asphalt. The asphalt/grass runway replaced one with a hoggin surface (a mixture of sand, gravel and clay). The asphalt runway was widened and partly resurfaced to address waterlogging issues in 1989. Due to the regulations in force at that time, the grass area no longer counted for the runway size so the overall width actually narrowed from 23 to 18 metres. The reconstruction work will be to modern standards and methods.
- 5.11 RPS Group are technical experts in civil engineering works and have been appointed by the States of Guernsey to provide advice and a full runway design to the required technical and regulatory requirements. RPS are undertaking detailed design work on the topography of the runway, which is not compliant with current standards and must be addressed as part of the rehabilitation work. The design work is looking to carefully manage the overall work to minimise costs. This includes minimising the amount of new material that may need to be shipped to Alderney to build up areas and the amount of material that may need to be removed and stored off site.
- 5.12 The design work includes work to provide drainage to current standards to minimise the disruption on the operation of the airfield following heavy rainfall. This will form part of the ground works. At present the runway does not have any structured drainage.
- 5.13 The design work will include realigning Bravo taxiway to ensure compliance with regulations. The short grass runway (03/21) will be retained as Alpha taxiway to provide an alternative access to the runway.
- 5.14 Following engagement with Aurigny and Skybus, the Project Board has agreed to include runway centre line lighting and an upgrade from an Abbreviated Precision Approach Path Indicator (APAPI) to a Precision Approach Path Indicator (PAPI) lighting system. Skybus advises that both these improvements will have a beneficial impact for its pilots landing in Alderney. It is not expected that this enhancement will have a significant impact on overall costs.

Runway surface type

- 5.15 The asphalt runway is in an east/west orientation (08/26 shown as red solid line) and is used for commercial aviation. There are two grass runways used for general aviation: one is orientated northwest/southeast (13/31 shown as blue dashed line) and the other is orientated northeast/southwest 03/21 shown as yellow dotted line). The asphalt runway bisects the two grass runways.



5.16 The Project Board has explored replacing the asphalt runway with a grass runway. It concluded that whilst it would be a lower cost to develop, it would require extensive maintenance over its lifetime. The demands to maintain a consistent safety case for commercial aviation on a grass runway would be challenging. It should be expected that it would be closed in poor weather. It would likely mean seasonal use, and this would have an impact on essential services like medivac operations. This would not meet the needs of the community. Grass runways are suitable for occasional use by general aviation for an unlicensed aerodrome, rather than a commercial aerodrome that is designed to support a lifeline service. Unpaved runways need rigorous maintenance to meet regulatory standards, including grass and weed control and ongoing work to mitigate the risk of rutting. They do not provide a future-proof solution and would likely need to be replaced by a paved runway within the next decade or so. It can be concluded that a paved runway is a better investment, despite the higher construction costs, as it incurs lower maintenance costs. Grass runways in similar locations, such as Land's End (serving the Isles of Scilly), have been replaced by asphalt for these reasons.

5.17 Previously, there has also been discussion about the potential of abandoning the asphalt runway in preference of using the existing two grass runways at Alderney Airport. Neither grass runway has ever been licensed for commercial operations. As described above, a paved runway is a better investment.

5.18 Initial design work by RPS has indicated that modifications would be required to the runway design, should there be a possibility of using the grass runways in the future. These modifications would add significant additional cost to the Project, primarily due to the significant additional materials that would be required to be imported to the island with the associated logistical challenges to build up the topography in the areas where the two runways intersect, as well as any consequential work on the asphalt runway edges to allow the grass runway to cross it.

5.19 The current asphalt runway has an undulating longitudinal profile which does not comply with regulations. As part of the design, RPS will be improving the longitudinal

profile and is investigating the most economical way to do so that requires the least amount of earth movement. This requirement to adjust the profile of the runway will mean that there will be significant work in the areas where the two grass runways cross the asphalt runway, in particular the longer grass runway (13/31). This will mean the two grass runways (13/31 and 03/21) may not both be able to be operational after the construction of the asphalt runway, with particular difficulties on keeping the runway (13/31) open. The shorter runway (03/21) should not be affected by the works as it is intended to use this as an alternative access to the asphalt runway (08/26). There are two possible ways in which both grass runways could be kept operational. The first is to try to leave untouched the areas where the grass and asphalt areas intersect. However, given the profile issues, this will mean the whole asphalt runway would need to be designed around the grass runways. This will likely require significant additional suitable infill material, which will need to be imported and will add significantly to the cost of the Project. Alternatively, the grass runways could be redeveloped afterwards. RPS are working on the most cost-effective design which is likely to remove at least one grass runway from use.

5.20 The grass runways suffer from water logging and are not licensed to be used commercially. The two grass runways provide general aviation users an alternative runway during cross wind conditions. There are limitations on its use in bad weather meaning that they are of limited practical or operational benefit. This means the benefit of retaining the two grass runways does not warrant the additional cost associated with keeping them open for general aviation users or for developing them into serviceable licensed runways for commercial use. The focus is on making the main asphalt runway meet minimum regulatory requirements and be serviceable for Code-2B aircraft, in particular the Twin Otter.

5.21 It should be noted that, in order to achieve the lowest possible cost for the Project, it may be necessary to permanently close the grass runway 13/31. The shorter grass runway 03/21 is of limited operational use due to its short length but will be retained as a taxiway.

Proposed runway design

5.22 An appropriate rehabilitation of Alderney Airport's airfield pavements will deliver:

- Runway 26/08 Code 2B design with a PCN (Pavement Classification Number) strength suitable for Code B aircraft, including but not limited to the DHC6-300 Twin Otter aircraft;
- Reconstruction and resurfacing of the current 877 metres asphalt runway plus widening to 23 metres;
- Reconstruction, realignment and resurfacing of the Bravo taxiway;
- Resurfacing of the apron;
- Installation of new Airport Ground Lighting on the runway and Bravo taxiway;
- Installation of simple approach lighting for both ends; and
- Installation of new drainage.

5.23 This will service the current needs for a Code 2B aircraft⁸ operating commercially without any exemption or additional future proofing. Coupled with the new service from the Twin Otter, it provides a solution for a utilitarian service.

6 Do nothing option

6.1 The design set out above is the “do minimum” option for rehabilitating the Alderney Airport to make it suitable for Code B aircraft based on the regulatory requirements set by the ODCA.

6.2 The only realistic alternative would be the “do nothing” option, which would result in a worst-case scenario of the pavement deterioration becoming uncontrollable and resulting in runway closure. In this scenario, the CAA would notify the ODCA that the pavement(s) are unfit for use and that the aerodrome licence issued to the Airport Director and Accountable Manager, permitting commercial aircraft operations, should be withdrawn until suitable and sufficient remedial action is taken. For the residents of Alderney, for whom the airport is a strategic lifeline, such an outcome would be very challenging. It would also cause significant damage to the reputation of the STSB, Guernsey Ports and the States of Alderney. The strategic case put forward in this document, therefore, has the primary objective of preventing the occurrence of such a scenario.

6.3 This option was explored in the April 2025 Policy Letter and the considerations remain relevant. The do-nothing option which can be split into:

- “Do-nothing now” – A decision may be taken to pause the Project, to either enable work to be undertaken to develop options that can deliver a functional solution under £24 million, or to allow time for the States’ finances to improve and seek funding in a future iteration of the capital projects portfolio.
- “Do-nothing” – A decision is taken to wind down the commercial airport operations in Alderney, with the status quo maintained while contingency plans are put in place to ensure vital services can continue through transport by sea. This option would release £24m back into the capital portfolio.

6.4 Both the approaches outlined above would require the STSB to maintain the current maintenance programme of repairs on the runway for the time being, which generally involves patching of the surface. In 2023 and 2024, this maintenance programme cost approximately £400,000 per annum.

6.5 If the States were to decide to delay or not proceed at all with any significant works to the Alderney Airport runway, there would be consequences to manage. Those consequences include the impacts for Alderney’s community and for Alderney and Guernsey’s economies (given the existing fiscal relationships between the islands).

⁸ In ICAO Annex 14, a Code 2B aircraft is one whose planning/design reference falls into code number “2” (aircraft reference field length ≥ 800 m and $< 1,200$ m) and code letter “B” (wingspan ≥ 15 m and < 24 m; outer main gear wheel span ≥ 4.5 m and < 6 m). The 2B designation is primarily used for aerodrome design/compatibility.

The UK Government might expect Guernsey to have a moral, if not a political, responsibility to support Alderney beyond the terms of the 1948 Agreement, due to the close relationships within the Bailiwick. The reputation of Guernsey is also tied to that of Alderney.

- 6.6 The outcome of the above approaches, even the “do-nothing now” option, would likely be a closure of Alderney Airport, either for a short/medium period, or indefinitely.
- 6.7 High level analysis conducted by Frontier Economics at the end of 2024 identified three main groups of impacts, should Alderney Airport need to close either temporarily or longer term:
 - Reduced local spending by visitors to the island
 - Contraction in the local finance and professional services sectors
 - Other impacts to local residents, particularly involving off-island healthcare and education.
- 6.8 The latest available figures estimate that in 2022, Alderney’s economy was worth £61 million (£28,676 per capita). Guernsey’s economy in the same period was estimated to be worth £3,332 million (£52,413 per capita). Analysis by Frontier Economics estimated that the closure of Alderney Airport could have an economic cost of between £3.1 million to £6.2 million per year, which is 5 to 10% of Alderney’s total Gross Value Added. This modelled economic cost is based on reduced visitor spending (33-65% reduction) and a contraction in the local finance and professional services sectors (10-20% contraction).
- 6.9 It is clear that there would be an impact on Alderney’s economy and community as a result of a temporary/permanent closure of Alderney Airport. As part of the work on contingency plans (covered in the next section) there should be further investigation of supporting measures that could be introduced to mitigate the impact, which may include but are not limited to:
 - Medivac facilities, by the RNLI or St John’s Flying Christine III and/or by helicopter for urgent cases. The need to ensure rotary medivac service is maintained will require a contractor with providers to be negotiated. It should be noted that medivac by helicopter over the sea is not ideal and is a high cost service. Limitations will need to be placed on its use for essential medivac services only.
 - Subsidy for ferry operator to assist with:
 - Alderney residents needing to attend States of Guernsey or UK medical facilities, pupils attending secondary school or tertiary education in Guernsey, or any person in Alderney needing a patient transfer to Guernsey or the UK.
 - States of Guernsey employees providing transferred services, and other services, in Alderney such as: medical staff; teaching staff; Guernsey law enforcement staff; staff and contractors inspecting or maintaining the Alderney Breakwater; amongst others.

- Mitigation measures may be needed to ease the economic and social impacts during the construction works. This might include income support arrangements for individuals and economic support for businesses and the community.

7 Proposals for the rehabilitation of the runway from the States of Alderney

7.1 In July 2025, Alderney's Policy & Finance Committee submitted proposals for two alternative options to undertake the rehabilitation work. These proposals were low cost, and the intent was that they could be undertaken sooner than the current Project timelines. The proposals were put forward by Associated Asphalt and Ronez Ltd.

7.2 Both firms were involved in the previous tender processes but neither submitted a tender. They have both had access to the site in 2025 and are fully informed of operational needs.

7.3 An initial technical review has demonstrated that the two proposals (Associated Asphalt and Ronez Ltd) both have merit and a clear commitment to finding a cost-effective solution. However, the review also identified several issues that require further consideration before these proposals could be adopted as a delivery route:

- Regulatory Compliance: Neither proposal included the detailed design work required to obtain approval from the ODCA and/or the CAA. Without this, the runway cannot be certified for operational use.
- Sub-Base Integrity: There is insufficient evidence that the underlying pavement structure and drainage issues have been fully addressed.
- Operational Constraints: The proposals assume limited or no closure periods, however these will be necessary to meet safety and regulatory requirements during construction.
- Governance: Any approach must comply with the States' governance and procurement obligations, including the need for a policy letter.

7.4 That said, both proposals offer potential advantages in terms of cost, mobilisation, and local capability. The Project Board will continue to explore how elements of these proposals might inform the final delivery strategy once the design phase is complete. It may be that either or both firms could form part of discussions with the contractor engagement approach that is anticipated to begin in 2026, when the States of Guernsey can go to the market with a design.

8 Timeline/Next steps

Early Contractor Engagement

8.1 The Project Board has explored various ways in which it might be best to go out to market for a contractor, noting that the aerodrome construction market is over heated at the moment. The procurement advisors to the Project Board have also noted that the previous work on the Project, which has included going out to market twice, is a

concern for suppliers.

- 8.2 The Project Board recommends, with the support from the procurement team, that there should be a process of early contractor engagement. This would allow a preferred bidder to work closely with the States of Guernsey as the Project design is finalised. This will ensure that there is a collaborative approach to seek to reduce the costs of the Project, in particular in relation to the mobilisation costs.
- 8.3 Early contractor engagement is strongly recommended for this Project due to the significant range in initial cost estimates and complex logistical challenges. Involving contractors at an early stage enables practical input on design, buildability, and sequencing, helping to narrow cost uncertainty and identify value engineering opportunities. It also allows proactive planning for site constraints such as harbour limitations, workforce accommodation, and utility requirements, reducing risk and improving programme certainty. Early engagement fosters collaboration, ensures realistic tender documentation, and strengthens confidence in delivering an affordable and achievable solution. However, it will be necessary to ensure that the States of Guernsey is not bound to use the same contractor by ensuring there are break clauses.
- 8.4 It is intended that this approach will assist with bringing the cost of the Project within the required limits.

Outline Business Case (OBC) and the Full Business Case (FBC)

- 8.5 Given the time that has elapsed during this Project, there have been a number of previous OBCs.
- 8.6 The first OBC in 2018 supported replacing Alderney Airport's asphalt runway, Bravo taxiway, and apron, forming the basis of a Policy Letter. In January 2019, the States approved Option 3, a full refurbishment of existing pavements using a Marshall Asphalt overlay across the 877 metres runway, taxiway, and apron.
- 8.7 A second OBC in 2022 updated the scope and justified Option C, a refinement of the earlier runway extension concept. It also introduced Option C+, which proposed extending the runway to 1,050 metres, widening to 30 metres, realigning the Bravo taxiway, and adding a new apron, terminal, and fire station to accommodate ATR-72 aircraft. This option aimed to reduce Aurigny's operating costs and the States' subsidy liability, with a budget capped at £24.1 million.
- 8.8 The 2022 OBC recommended Option C, but the Policy Letter proposed Option C+, which the States endorsed in December 2022, directing that it be tendered. Design work followed, and the tender launched in August 2023 returned a single bid of £37 million, far above the approved budget. As a result, the Committee instructed a review of smaller, more affordable alternatives, including a "do-minimum" option. Investigations revealed that high costs were largely driven by the logistical challenges of delivering a major project on a remote island.

- 8.9 The OBC has been updated following the States debate in April 2025 and the subsequent work on the design. It is intended that the OBC will be reviewed in February 2026.
- 8.10 For expedience in delivering this Project, it is recommended that the States delegate authority to approve the OBC and FBC to the Committee in the parameters of this policy letter.

Regulatory milestones

- 8.11 Once the runway has been designed to a RIBA4 (detailed design) it will need to go through a process with the ODCA, working with the CAA, known as CAP168. This is a collaborative process between STSB and the regulatory authority to ensure that the design meets the minimum regulatory requirements. This is a necessary part of the airfield licensing process to ensure that, once constructed in accordance with the design, it is ready to be licensed to ensure it is able to be used for commercial use.

9 Creating a delegated financial authority

- 9.1 There is a clear business need for operational, economic and social reasons to proceed with the Project without further delays. The Project timeline is already condensed and any significant delays will mean that the Project will be unable to start in the summer of 2027. It would be difficult and costly to undertake the Project in the winter months due to weather considerations. This could mean a delay in commencing groundworks until the spring of 2028. This would add extra time and pressure on the existing runway pavement which is at the end of life and is reliant on regular patching work. The current patching strategy is not an indefinite solution, and there is increased risk with each passing month that a closure could be enforced on a safety case basis. With each month there is an increasing risk of a sustained closure of the airfield. The impacts of this are explored in the April 2025 Policy Letter and mitigation measures (both short- and long-term) would need to be initiated.
- 9.2 One of the most significant time factors is the timescale and process of political decision-making in the States. If the States are asked to approve both the outline business case and full business case before any funding is released, it will add months to the timeline, causing a delay and heightening risk of a closure of the airfield.
- 9.3 If the States were to grant a delegated authority to the Committee, this would significantly reduce the risk of a delay due to the time taken to prepare and debate a Policy Letter. However, providing an unlimited delegated authority would place the Committee in a difficult position and is unlikely to be acceptable in terms of governance, given the quantum of the investment required to rehabilitate the runway. The delegated authority will need to be limited, which will mean that should the Project exceed the limit even by a nominal amount, the delegated authority cannot be exercised.

What level to set the delegated authority at?

9.4 During the States' debate on the capital prioritisation green paper in March 2025 and the debate on the Alderney Runway rehabilitation in April 2025 (referenced earlier in this Policy Letter), the States referred to a figure of £24 million from the capital portfolio being earmarked for this Project. This seems to be a level that the States are willing to accept and that the public are aware about generally and has not raised significant resistance. This generally is considered a reasonable amount, within the current budget allocation and overall property portfolio, to invest in the rehabilitation of the Alderney runway from States' funds.

9.5 The April 2025 Policy Letter made the case that when the States of Guernsey took on the maintenance of the runway in 1948, it did so with great reluctance. The Policy Letter to the States in November 1948⁹ stated that the States' Advisory Council at the time were of the view that there was likely to be a limit to which the States would find funding acceptable. That Policy Letter suggested that the maintenance of the runway could be part of the 1948 arrangement that would be difficult to commit to, in the long term. It was noted there might be a time when the cost of maintenance did not equal the worth. This is a difficult metric to balance given the wide social impact on Alderney as a small island and given that the services the community depend upon utilise a regular flight connection through commercial operators. However, there are clearly financial limits to the level of services that are supplied under the 1948 Agreement, at least at a political level.

9.6 Given the general acceptance of the £24 million (as part of the States' Major Projects Portfolio) this figure is considered as the suggested target for the overall costs of the Project. If the States of Alderney were able to make a financial contribution to the Project, that could be added to this amount or absorbed into it.

9.7 Cost modelling based on the "C+ Project" suggests this cost is ambitious even with a smaller and simpler project scope¹⁰. However, provisional estimates obtained by the States of Alderney from their own contractor engagement suggests that the Project is achievable well within this budget. A much better cost estimate will be available once the design process is complete and the Project has gone out to tender for early contractor engagement.

9.8 The aim of the early contractor engagement is to provide the best possible opportunity to bring down the cost of the Project. This would require close working with the States of Alderney, who may be required to invest in mitigation measures to reduce the risk to the contractor/s. The States of Alderney have already started to look at these measures and produce plans which could help any contractor mobilise this Project at minimum cost.

⁹ Policy Letter – The States Advisory Council – ALDERNEY – Billet d'Etat XX of 1948 (p679-705) – NOVEMBER 1948

¹⁰ The C+ Project was for a longer runway, new apron, new terminal and new fire station.

9.9 It is recommended that the States:

- Authorise the Policy & Resources Committee to proceed with the procurement process for the rehabilitation of the Alderney Airport runway, based on the design outlined in section 5, by issuing an invitation to tender with the intent to engage in early contractor involvement, subject to consideration and approval of the Outline Business Case and subsequent Final Business Case.
- Delegate authority to the Policy & Resources Committee to approve funding of up to £24 million from the General Revenue Reserve, subject to approval of appropriately detailed business cases for the rehabilitation of the Alderney runway, based on the design outlined in section 5.

10 Contingency plans for times when Alderney Airport cannot operate

10.1 Guernsey Ports (as the operator of Alderney Airport) already have contingency plans to deal with short-term closures of Alderney Airport (including for planned maintenance or urgent repair works). Risks are also assessed more widely by the States of Alderney and States of Guernsey in respect of the transferred services. Such closures might occur when emergency repairs are identified as necessary by Guernsey Ports' inspection schedule, or due to restrictions imposed on the use of the runway by the ODCA. Such closures are still relatively rare and generally very short-term. The contingency plans used in such instances include provision for medical evacuations.

10.2 As mentioned earlier in paragraph 4.4, based on the current timeline, the earliest time that work could commence would be spring/summer 2027. It is recognised that this, and any further delay to the Project, means that there is an increased risk of airport closures due to the current ODCA restrictions and potential further restrictions if the runway condition were to deteriorate further. In addition, it is likely that parts of the construction work for the Project would require Alderney Airport to be closed altogether, for approximately five months, to enable the work to be completed in the swiftest and most cost-effective manner.

10.3 Any airport closure needed for the construction work to take place, and the increased risk of airport closures before that construction phase happens, will understandably be concerning for Alderney's community and its businesses. Closure also creates significant challenges for the ongoing delivery of the transferred services. It is important that more work is undertaken, in parallel to investigating the options to bring the Project costs within the £24 million envelope, to ensure that contingency plans are in place for potential longer-term closures for the timespans below.

- Very short term – i.e. days/weeks. (These are the current contingency plans, in case urgent repairs are required or extreme weather closes the airport)
- Short term (up to 6 months)
- Medium term (6 months to 3 years)
- Long term (3+ years)

11 Engagement and Consultation

11.1 While leadership for the Project moved over to the Committee following the directions of the States in April 2025, STSB is the key stakeholder for the delivery of this Project. STSB officials at Guernsey Ports remain core members of the Project Board and Project Team delivering the Project. They have also been directly involved in the development of this Policy Letter. A letter of support from the STSB for the propositions has been appended to this Policy Letter (Appendix 1). The letter summarises that the STSB:

- strongly supports the Propositions set out in the Committee’s Policy Letter;
- endorses the proposed “do-minimum but compliant” design as the right technical and strategic solution in current circumstances; and
- accepts the £24 million limit from the General Revenue Reserve as the maximum contribution appropriate from the States of Guernsey.

11.2 The Committee has engaged directly with Alderney’s Policy & Finance Committee on the matter of the runway rehabilitation and that Committee has provided its unanimous support for the Propositions set out in this Policy Letter (see letter in Appendix 2). Further, Alderney’s Director of Operations is Alderney’s representative on the Project Board ensuring the island’s direct input to the Project’s progress.

11.3 There has also been engagement with Aurigny, given its role in delivering commercial air services in Alderney and as the current holder of the Public Service Obligation contract.

11.4 The Law Officers of the Crown have been consulted on this Policy Letter.

12 Resources

12.1 An Outline Business Case is being prepared for submission to the Committee in Quarter 1 2026 which sets out all the known costs of the Project at this stage. However, for information, the following resources are known, all of which are currently funded. In October 2025, the Committee released £425,000 to fund the design consultant, survey work, cost consultant and external legal advice. An additional contingency of £150,000 can be made available if necessary, as the Project proceeds to commence engagement with contractors.

Project Management

12.2 If the States approve the progress of this Project, there will be a continued need for a Project Office. That office continues to be run by Guernsey Ports and includes a Project Manager. These project management costs are already funded through STSB budget allocation.

Design Consultant

12.3 RPS is an aerodrome design consultant. It has been commissioned to undertake the

design work required up to RIBA4. This work has already been funded by funds released by the Committee.

Cost Consultant

- 12.4 The Project involves significant infrastructure works, including runway rehabilitation and associated procurement activities. These works carry substantial financial complexity, requiring rigorous cost planning, tender evaluation, and budget control to ensure value for money and compliance with governance standards.
- 12.5 Appointing a cost consultant is essential to provide independent financial oversight and specialist expertise throughout the Project lifecycle. The consultant will deliver accurate cost forecasting, monitor expenditure against approved budgets, and support transparent tender evaluations. This role is critical to mitigate risks of cost overruns, contractual disputes, and non-compliance with financial governance requirements.
- 12.6 The appointment of a cost consultant has been included in the OBC. This work has already been funded by funds released by the Committee.

External Legal Advisers

- 12.7 The Project encompasses significant infrastructure development and procurement activities governed by strict regulatory and statutory frameworks. These processes involve complex contractual negotiations, compliance with public procurement law, and adherence to governance standards that carry substantial legal and financial implications.
- 12.8 Appointing a dedicated legal adviser is essential to safeguard the organisation's interests throughout the Project lifecycle. The advisor will provide expert drafting and review of this high-value contract, ensure compliance with applicable legislation, and advise on risk mitigation strategies. This role is critical at this time due to limited capacity within St James' Chambers to provide the detailed support across multiple workstreams in the timescales required.
- 12.9 The appointment of an external legal adviser has been included in the OBC. This work has already been funded by funds released by the Committee.

13 Conclusions

- 13.1 The Alderney Airport Runway Rehabilitation Project is essential to maintain the island's lifeline connectivity and to fulfil the States' obligations under the 1948 Agreement. The proposed design offers the most practical and cost-effective solution, ensuring compliance with regulatory requirements while remaining within the fiscal constraints of the States of Guernsey. Delegating authority to the Policy & Resources Committee and adopting early contractor engagement will enable timely delivery and mitigate the risk of prolonged airport closure. The Committee therefore recommends that the States approve the Propositions set out in this Policy Letter to secure

Alderney's future connectivity and safeguard the economic and social wellbeing of its community.

14 Propositions

14.1 The States are asked to decide:

1. To authorise the Policy & Resources Committee to proceed with the procurement process for the rehabilitation of the Alderney Airport runway, based on the design outlined in section 5, by issuing an invitation to tender with the intent to engage in early contractor involvement.
2. To delegate authority to the Policy & Resources Committee to approve funding of up to £24 million from the General Revenue Reserve, subject to approval of an appropriately detailed business case for the rehabilitation of the Alderney runway, based on the design outlined in section 5.
3. To direct the Policy & Resources Committee to work with the States' Trading Supervisory Board and the States of Alderney to ensure best value is achieved.
4. To direct the Policy & Resources Committee to report back to the States of Deliberation upon completion of the tender process, confirming the final contract value.

15 Compliance with Rule 4

- 15.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.
- 15.2 In accordance with Rule 4(1)(a), the propositions within this Policy Letter contribute to the States' objectives and policy plans, notably the States' responsibilities under the 1948 Agreement. At its meeting on 19 February 2025, the States considered a green paper titled 'Major Projects Portfolio Review' Policy Letter²⁵ which stated that to ensure affordability, any solution must be contained within the original estimate of £24 million. Doing so would reduce the overall capital portfolio cost to £405 million and the funding shortfall to £48 million.
- 15.3 In accordance with Rule 4(1)(b), the Committee's consultation with other parties is outlined in Section 11. The Committee will continue to consult and engage with relevant stakeholders regarding the Alderney Airport Runway Project.
- 15.4 In accordance with Rule 4(1)(c), the Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- 15.5 In accordance with Rule 4(1)(d), the resources required to fulfil the Propositions of this Policy Letter are set out in Section 12 above.

- 15.6 In accordance with Rule 4(2)(a), the Propositions relate to the duties and powers of the Policy & Resources Committee because its mandate includes responsibilities for: developing and promoting the States' overall policy objectives (a1); requiring and monitoring the implementation of extant States' resolutions (a8); setting the framework for the planning, approval and control of public expenditure (b1); advising, when necessary, on the financial implications of other committeees' proposals, policies and activities (b5); and relations with the other islands of the Bailiwick and the island's parishes (c4).
- 15.7 In accordance with Rule 4(2)(b), it is confirmed that the Propositions have the unanimous support of the Committee.

Yours faithfully

H L de Saumarez
President

G A St Pier
Vice-President

S J Falla
C N K Parkinson
Y Burford

LETTER FROM THE STATES' TRADING SUPERVISORY BOARD



States' Trading
Supervisory Board

Brickfield House
St Andrew
Guernsey
GY6 8TY
+44 (0) 1481 222044
tradinggroup@gov.gg
www.gov.gg

The President
Policy & Resources Committee
Sir Charles Frossard House
La Charroterie
St Peter Port
GUERNSEY
GY1 1FH

8th January, 2026

.....
Dear Deputy de Sausmarez
.....

Alderney Airport Runway Rehabilitation

As President of the States' Trading Supervisory Board (the Board), this letter is intended to record the Board's strong support for the Policy & Resources Committee's Policy Letter "Alderney Airport Runway Rehabilitation – Delegated Authority" and to underline the importance which the Board attaches to timely approval of its propositions.

The Board asks that this letter is appended to the policy letter.

From the perspective of the Board's operational responsibility for Guernsey Ports, the Alderney runway rehabilitation project is not discretionary infrastructure enhancement; it is essential renewal of a life-expired asset which underpins Alderney's basic social and economic viability and the States' clear obligations under the 1948 Agreement. Continued reliance on short-term patching is operationally fragile, increasingly inefficient, and heightens the risk of regulatory intervention and enforced closure with wholly unacceptable consequences for residents, businesses and transferred services.

The Board therefore welcomes the clear "do-minimum but do-it-properly" design approach set out in the Policy Letter: a like-for-like 877m runway, widened only to the minimum 23m needed to meet current Code 2B requirements, together with necessary works to taxiways, apron, drainage and lighting to achieve a safe, compliant and utilitarian aerodrome suited to Twin Otter operations and similar Code B aircraft. This is a deliberately modest scheme which responds directly to the directions given by the States in April 2025 to deliver core connectivity at the lowest practicable cost, rather than to pursue any wider expansionary agenda.

Equally, the Board recognises the fiscal constraints facing the States and the political expectations already established around a maximum allocation of £24m for this project within the capital portfolio. Against that background, the Board is satisfied that the proposed delegated authority and the emphasis on early contractor involvement, rigorous cost consultancy and external legal advice represent a proportionate and disciplined framework within which best value can be driven from the market while preserving appropriate political oversight.

Having reviewed the technical work commissioned from RPS and the range of previous estimates, the Board is under no illusion that delivering a major civil engineering project on a small, remote island is straightforward. Nevertheless, the combination of: (i) a materially reduced scope compared with the former Option C+ scheme that attracted a £37m best-and-final offer; (ii) the potential to exploit value-engineering and logistical efficiencies through early contractor engagement; and, (iii) the willingness of Alderney itself to consider practical measures that de-risk mobilisation, leads the Board to the firm view that a compliant, durable solution can and should be secured within the £24m funding envelope set out in the Policy Letter.

For the avoidance of doubt, it is the Board's expectation that £24m should be treated as a hard cap, not a target. The Board's clear instruction to Guernsey Ports and the project team is that every design and procurement decision must be tested against the States' direction to deliver the lowest possible cost functional solution, consistent with regulatory compliance and operational safety, and that any scope creep beyond that utilitarian purpose will not be supported.

The Board is also acutely aware of the risks – operational, financial and reputational – of further delay. The compressed programme set out in the Policy Letter already represents a demanding but achievable timetable; inserting additional political stages for successive business case approvals would introduce avoidable slippage and materially increase the likelihood of either unplanned closure on safety grounds or a more prolonged, planned shutdown under less favourable conditions, with higher cost and greater disruption. In that context, the Board is satisfied that the creation of a bounded delegated authority, as proposed, is justified and necessary.

In summary, the States' Trading Supervisory Board:

- strongly supports the propositions set out in the Policy & Resources Committee's Policy Letter;
- endorses the proposed "do-minimum but compliant" design as the right technical and strategic solution in current circumstances; and,
- accepts the £24m limit from the General Revenue Reserve as the maximum contribution appropriate from the States of Guernsey.

The Board therefore urges the States to approve the propositions without amendment so that this essential project can proceed at pace, within a firm cost envelope, and with the

clarity of mandate required to secure both best value for the taxpayer and the continuity of Alderney's lifeline air services.

Yours sincerely



Deputy Mark Helyar
President
States' Trading Supervisory Board

LETTER FROM ALDERNEY'S POLICY & FINANCE COMMITTEE



States of Alderney
PO Box 1001
Alderney
Channel Islands
GY9 3AA
+44 (0) 1481 820010

www.alderney.gov.gg

Deputy L de Saumarez
President
Policy and Resources Committee
Sir Charles Frossard House
La Charroterie
St Peter Port
GUERNSEY GY1 1FH

6th January 2026

Dear Lindsay

Alderney Airport Runway Rehabilitation – Delegated Authority

Early sight of the draft Policy Letter entitled “Alderney Airport Runway Rehabilitation – Delegated Authority”, which was forwarded by Jo Reeve, for consideration by the Alderney Policy and Finance Committee was welcomed.

The Policy and Finance Committee considered the draft Policy Letter at a special meeting held on 30th December 2025 and resolved unanimously to support the propositions listed 1-4 of the Policy Letter.

The Alderney Policy and Finance Committee members look forward to a positive outcome of the Assembly debate and look forward to working with the Policy and Resources Committee and the States’ Trading Supervisory Board to ensure best value is achieved.

Many thanks to our Guernsey colleagues for the work entailed in bringing this matter to the States of Deliberation for debate.

Yours sincerely

BM

W.J. (Bill) Abel

Chair, Policy and Finance Committee
States of Alderney