

The background to the Option C+ proposal

The rehabilitation of Alderney's end-of-life runway has been actively worked on for more than eight years. It has taken many hundreds of staff hours of work both in Alderney and in Guernsey to progress the options to the current position of an extended runway with a recommendation that the terminal building and fire station, both more than 50 years old, should also be refurbished.

- ▶ **In 2019**, the States of Guernsey agreed to spend £12.2m resurfacing and widening the runway.
- ▶ **Since then**, it has become clear that not only does the runway need resurfacing as its condition is perilously close to failure, it should also be strengthened and extended to accommodate the changing world of 21st century aviation.
- ▶ **In addition**, surveys have shown that the dilapidated Airport terminal and the fire station are in desperate need of replacement. Both run the risk of failing to meet modern airport standards for safety and security and the current terminal building does not meet modern standards for disabled access and facilities.
- ▶ **Since 2019**, a strong case has been put forward that if Alderney's economy is to thrive, total rehabilitation of the Airport is essential. For example, it is likely that Alderney would lose its direct Southampton route in 2025 if the runway was not extended. A 2020 report by Clarity Economic Consulting found that this would cost Alderney – and therefore Guernsey as the tax authority – between £1m and £3m in direct and indirect revenue in Year One, with a well-researched central estimate of £1.8m (2020 figures).
- ▶ **In 2021**, a series of options was considered and then presented at a public event in early 2022 with the pros and cons of each, from resurfacing and widening through to complete rehabilitation. The majority of Islanders at the event and the Chamber of Commerce supported the latter, known as Option C+.
- ▶ **Now** the Guernsey's States Trading Supervisory Board and Policy & Resources Committee have put forward a proposal to the States of Deliberation in Guernsey that Option C+ will provide a strong economic case not only for Alderney's future but also for the Bailiwick as a whole.

The Outline Business Case estimates the cost to be in the region of £24m. This business case for Option C+ has been made purely on the savings from reduced annual PSO subsidies [see Information Sheets 2 & 4]. The rest of the benefits for both Guernsey and Alderney merely strengthen an already sound business case for Option C+.