



BUSINESS PLAN

2022 - 2026

Executive Summary

The Ports are key lifeline assets for the Bailiwick of Guernsey. They operate under government control in the form of the States Trading Supervisory Board, with an expectation that they are run on a fully commercial basis.

This updated Business Plan addresses the challenges of the last 12 months and with some repeated themes such as the impacts of COVID on revenues and on our capital programme, being reflected in this update. Whilst 2021 showed some recovery of our business when compared to 2020, the restoration of the financial viability of Guernsey Ports still features in many of our objectives for 2022 and the short term immediate future.

The Plan sets out Guernsey Ports' Strategic Priorities and focuses the efforts of both the Ports Board and its employees over the next three years.

The purpose of this Business Plan is to:

- Provide strategic direction for the Ports Board, its management team and staff based on a 3-year horizon view;
- Act as a guide in setting policy and action plans that further streamline and commercialise the business;
- Prioritise actions that meet the Ports' most critical demands;
- Provide a robust and consistent framework for making decisions at all levels within the organisation;
- Promote a "Ports mindset" and further encourage a pan-Ports way of working;
- Provide direction in the development of both existing and new business opportunities including where investment might be required to facilitate additional financial returns;
- Be a document that can be shared with customers and stakeholders alike.

The Business Plan is updated regularly to reflect new challenges and to exploit opportunities during its 5-year lifecycle.

The Strategic Priorities for Guernsey Ports are:

1. **Business Recovery** – Prioritise the maintenance and replacement of most essential fixed assets and seek every opportunity to restore the depletion of reserves of the business caused by the reduction in activity at all facilities during COVID.
2. **Delivery of Key Projects** – to complete prioritised capital projects at Guernsey Ports, including but not limited to Central Search Area refurbishment, Alderney Airport Runway project and Pool Marina feasibility study. The Ports will drive forward other centrally funded projects, including the repair of Havelet Slip and Castle Bridge Emplacements. This priority comprises a number of other projects specifically prioritised for completion in 2022 in respect of Ports provision, but remains impacted

by the need to prioritise the capital spend so as to minimise borrowings on the overall operating deficit in 2022.

3. **Ports Sustainability** – target a ‘root and branch’ review of current operating structures and costs, and quantify the sum required to place all fixed assets within the Business into a state of ‘good order’. In searching for solutions to provide both sufficient capital and operational solutions the benefits of commercialisation of Guernsey Ports will be fully supported as STSB moves toward seeking Political direction on this matter in 2022. We will also encourage further environmental sustainability within our operations and designs together with a culture where efficiency and opportunities for additional income are encouraged.
4. **Commercial Advancement** – increase the income to the business through increasing the number of passengers through the Ports by working with current carriers to rebuild their numbers after the pandemic and seek ways of facilitating new routes with new carriers; with the potential for drivers leading from the Government Work Plan as it seeks to build economic regeneration.
5. **Maximising Asset Value** – increase the income to the business through maximising the value of the estate reflecting the output and early guidance derived from the Airport Master Plan and the Pool Marina Feasibility Study. Other quick wins, that require low capital investment but generate economic return will be targeted, including maximising utilisation of the existing leisure marina provision.
6. **Resource Planning** – complete implementation of resource plans to ensure successful delivery of the Strategic Priorities and the existing maintenance demands. Roll out of Strategic Asset Maintenance system in 2022, as previously targeted.

The final section of the Business Plan sets out its implementation and review processes to ensure good governance and stewardship of the Strategic Priorities, and the strengthening of the organisational culture within Guernsey Ports.

Guernsey Ports Board

21 February 2022

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1 Business Overview

The demands associated with providing safe, efficient, and consistent port facilities, 365 days of the year, with a largely fixed cost base and little opportunity for any growth in income whilst still achieving a financial return, should not be underestimated.

1.1 Political Context

Guernsey Ports is one of a group of business units operating under the political mandate of the States Trading Supervisory Board (STSB). These businesses are expected to operate commercially and to ensure they are focused on good business practice, a financial return and operational success.

Guernsey Ports are managed by one sub-committee of the STSB, the Guernsey Ports Board and under one single management structure across the Ports.

As a business unit of the States of Guernsey, Guernsey Ports is dependent on wider government processes which determine pay and conditions, some capital investment procedures, legal representation and more general requirements associated with good governance and political processes. These government processes are embraced but occasionally create tensions as Guernsey Ports is obliged to operate a business that balances commercial freedom with political accountability.

The STSB is actively pursuing investigations into commercialisation of its business units, including Guernsey Ports. Those investigations seek to overcome these challenges and to provide a new way of working. The Ports supports this review and will strive to deliver improved and more efficient services, irrespective of its current or future governance structure.

1.2 Operational Context

Never before have these demands and challenges been tested as they have been over the last two years, with a significant downturn in passenger movements at both Ports as a result of the impacts of the COVID-19 pandemic both on the demand for, and ability to, travel as the Bailiwick of Guernsey implemented robust control measures to contain the impact on public health and island life.

In many respects, Guernsey Ports and those businesses that rely on its safe operation have been exposed to the longest period of disruption during COVID. Our businesses were the first

to be impacted by border controls and are likely to be the last industry to recover, as the Public appetite for travel remains suppressed some 2 years since the first lockdown.

1.3 Financial Context

The Guernsey Ports fiscal demands must be met in such a way so as to ensure that Port charges are sustainable and that the level of charging does not make regular travelling too expensive for the Guernsey resident and welcome visitors to our island.

This is recognised as a very immediate and real challenge for the Ports and against the devastating reduction in travel over the last two years, this downturn triggered immediate overdraft facilities for the Ports in 2020, 2021 and into 2022, with an immediate necessity to draw down all of the Ports funding reserve, which previously has been used to finance capital investment. The necessity for financial support, previously thought as being a likely requirement in the medium term, became an immediate requirement in 2020, and continues as we enter 2022. The scale of that support is thankfully scaling back, but is still targeted to total £6.3m in 2022.

It is widely acknowledged and accepted that the level of investment applied to assets at the Ports, and more generally within the States of Guernsey, has not been sufficient to ensure the current position where substantial capital investment is required. The need to find a mechanism for both recapitalisation and more sustainable future funding to service the necessary level of investment has never been more essential and features as a major objective in our 2022 Business Plan.

Guernsey Ports is largely funded from charges levied against Ports users. Most of the income is derived from activity-based income levied on airlines, commercial vessel owners, private boat and aircraft owners, visiting yachtsmen etc. Increased emphasis over recent years has seen a larger switch to non-aeronautical and non-maritime sources of revenue, including increasing rental income on our property portfolio, retail, advertising and car parking.

In our last year of 'normal' trading, the Ports generated an annual turnover of £23.3m (2019), with ordinary expenditure of circa £20.1m in that same year. This represented in an operating surplus (returned to the Ports Holding Account) of £3.2m in 2019. The 2020 and 2021 turnover figures were substantially reduced and are budgeted to remain suppressed as we enter 2022.

Surpluses and deficits at both the airport and the harbours are aggregated and held in reserve in the Ports Holding Account balancing profit and loss at each port. The positive balance in this account finances routine capital expenditure at both ports and at the end of 2019 that Account held a balance of £6.5m. The impact of the COVID-19 pandemic rapidly depleted the reserves in this account in 2020. These significant cash deficits within Ports were written off by the States of Guernsey in both 2020 and 2021, for which the Ports is extremely grateful. The full extent of this borrowing for 2022 is yet to be determined but has been agreed to be treated as a formal loan with interest payable; critically however this valued and critical

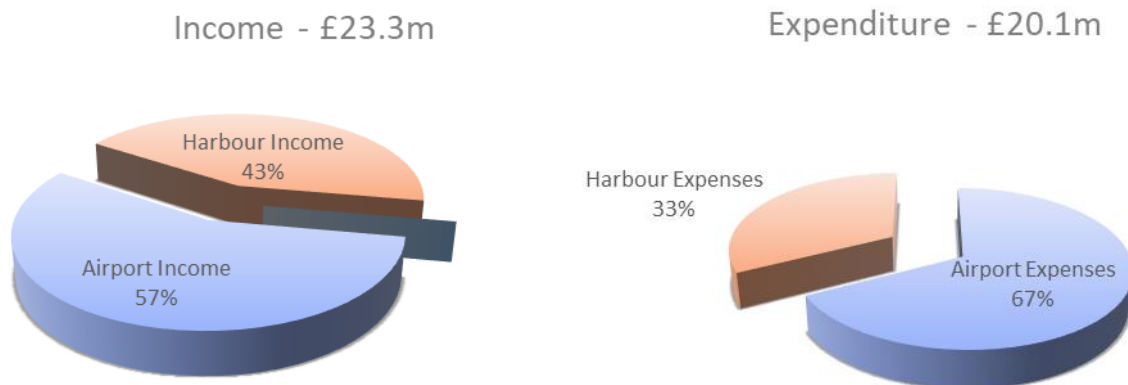
source of funding has enabled Guernsey Ports to continue to function and to invest in its most critical assets. Only the most critical assets within the Capital Programme will be advanced so as to protect and minimise the level of borrowing required in 2022.

As part of its regular business, the Ports Portfolio Panel regularly assesses and prioritises all Ports-related capital investment requirements. The prioritisation process is dependent on resources available and cash flow. A detailed programme of investment in facilities will be agreed by the Ports Board for 2022. The aim is to invest circa £4m in Ports assets in 2022. Future capital will be kept under constant review.

As the future capital investment programme for St Peter Port and St Sampson's Harbours is developed, then borrowing using the asset base of Guernsey Ports as security should be explored. It is accepted that this opportunity would most likely be presented by the potential commercialisation of Guernsey Ports. However, it is imperative that the financial performance of Guernsey Ports is maximised to ensure that the immediate capital programme can be sustained.

Effort will be applied in both minimising operating costs and in diversifying income away from aeronautical or maritime revenues; not least as increases in aeronautical or maritime charges are likely to act as another deterrent to increasing the number of regular travellers. This position, given COVID, is not sustainable and it is now abundantly clear that re-capitalisation of the Ports is necessary, and this forms an essential short-term priority for this plan.

Below is a breakdown of typical income and expenditure at Guernsey Ports (2019):



1.4 Commercial Context

The ports of entry to the island are critical economic enablers and whilst they have an important role in supporting the islands prosperity, Guernsey Ports are unable to directly influence the number of people who travel to and from the island. Therefore, it has limited scope to improve passenger-related turnover growth; and to an extent is reliant on other government departments within the States of Guernsey to promote travel. The Ports Board

is, however, committed to developing a positive culture of growth, working with key partners to achieve the right business environment to promote use of the Ports and their facilities.

Guernsey Ports' facilities and services enable aircraft, vessels, people and cargo to travel year-round. The provision of these lifeline services facilitates business and leisure connectivity and wider economic and social enrichment for the Islands. The business also acts as the custodian of significant real estate, some of which provide wider opportunities for locals and visitors alike to park, walk or cycle over large open areas of Port-maintained property.

Guernsey Ports is hugely dependent on its customers, whether they are shipping companies, airlines and their passengers, leisure vessel or private aircraft owners, cargo and freight importers. They are, in turn, dependent on the safe operation of the facilities under our control. Strengthening and supporting this symbiotic relationship will remain our primary focus and is of critical importance in our recovery from COVID as it builds the commercial viability of the Ports and the wider local economy. Much effort in 2021 has been placed by Guernsey Ports in supporting those businesses who provide the vast proportion of our income and this remains a high priority in 2022.

1.5 Risk Profile

The overall aim of risk and opportunity management within Guernsey Ports is to ensure that organisational capabilities and resources are employed in an efficient and effective manner in order to take advantage of opportunities and to mitigate risks.

The Ports Management Team is ultimately responsible for incorporating risk-based thinking within the Ports' culture. This includes the establishment of risk management policies and targets to ensure effective implementation of risk and opportunity management principles and activities by:

- Providing sufficient resources to carry out risk and opportunity management activities;
- Clear assignment of responsibilities and authorities;
- Regularly reviewing information and results from audits and activities.

The scope of Guernsey Ports' risk and opportunity management process includes the assessment of the internal and external issues and the assessment of the needs and expectations of any interested parties. Guernsey Ports has classified its 'risk appetite' as the amount of risk which it is willing to accept in pursuit of an opportunity, or the avoidance of risk, where each relates to service and/or system conformity, and which reflect the following considerations:

- Overall Risk management philosophy;
- Capacity to take on or mitigate risk;
- Our objectives, business plans and respective stakeholder demands;

- Evolving industry and market conditions;
- Tolerance for failures.

Guernsey Ports uses registers to help record, assess, respond, review, report, monitor and plan for the risks and opportunities that we perceive to be relevant. The registers allow the methodical assessment of each risk and to study each opportunity, alongside the needs and expectations of the Ports customers and stakeholders. The register records the controls and treatments of risks and opportunities and preserves this knowledge as documented information.

2 Strategic Priorities

The Ports Board’s overarching responsibility is to ensure that:

Guernsey Ports shall be operated in a commercial manner to maximise its financial performance, with emphasis being placed on providing services that are suitable and fit for a wide popular market through the provision of well-regulated and safe facilities for the harbouring/handling/management of vessels and aircraft, and the transportation of passengers and freight.

In order to achieve these primary functions and maximise financial performance, whilst remaining fit for a popular market, six Strategic Priorities have been set together with specific objectives to be delivered by 31 December 2022 as outlined below:

No.	Strategic Priorities	2022 Objectives
1	Business Recovery	Shore up cash reserves, implement prioritised 2022 capex programme.
2	Delivery of Key Projects	Guernsey Airport: CSA Upgrade, East Hangar Re-clad. Guernsey Harbours: Pool Marina Feasibility Study, New Jetty Cathode Protection & QE2 Marina Gate Investigations. Alderney Airport: Tendering and securing preferred option for Airfield Pavements Project
3	Ports Sustainability	Review operating structures, costs and long-term funding required to safeguard asset base. Develop environmental sustainability strategy. Support STSB in move to review commercialisation.
4	Commercial Advancement	Rebuild core revenue streams by working with carriers to re-establish and expand route networks. Feasibility test non-aeronautical revenue concepts.
5	Maximise Asset Value	Initiate Phase 1 recommendations of Guernsey Airport Master Plan and complete Pool Marina Feasibility Study. Maximise utilisation of existing leisure marina provision.
6	Resource Planning	Complete implementation of resource plans to facilitate delivery of Strategic Priorities and existing maintenance demands. Implement phase 1 of the Ports Asset Management strategy.

At high level, the Strategic Priorities can be summarised as follows:

1. **Business Recovery** – Prioritise the maintenance and replacement of most essential fixed assets and seek every opportunity to restore the depletion of reserves of the business caused by the reduction in activity at all facilities during COVID.
2. **Delivery of Key Projects** – to complete prioritised capital projects at Guernsey Ports, including but not limited to Central Search Area refurbishment, Alderney Airport Runway project and Pool Marina feasibility study. The Ports will drive forward other centrally funded projects, including the repair of Havelet Slip and Castle Bridge Emplacements. This priority comprises a number of other projects shortlisted for completion in 2022 in respect of Ports provision, but remains impacted by the need to prioritise the capital spend so as to minimise borrowings on the overall operating deficit in 2022.
3. **Ports Sustainability** – target a ‘root and branch’ review of current operating structures and costs, and quantify the sum required to place all fixed assets within the Business into a state of ‘good order’. In searching for solutions to provide both sufficient capital and operational solutions the benefits of commercialisation of Guernsey Ports will be fully supported as STSB moves toward seeking Political direction on this matter in 2022. We will also encourage further environmental sustainability within our operations and designs together with a culture where efficiency and opportunities for additional income are encouraged.
4. **Commercial Advancement** – increase the income to the business through increasing the number of passengers through the Ports by working with current carriers to rebuild their numbers after the pandemic and seek ways of facilitating new routes with new carriers; with the potential for drivers leading from the Government Work Plan as it seeks to build economic regeneration.
5. **Maximising Asset Value** – increase the income to the business through maximising the value of the estate reflecting the output and early guidance derived from the Airport Master Plan and the Pool Marina Feasibility Study. Other quick wins, that require low capital investment but generate economic return will be targeted, including maximising utilisation of the existing leisure marina provision.
6. **Resource Planning** – complete implementation of resource plans to ensure successful delivery of the Strategic Priorities and the existing maintenance demands. Roll out of Strategic Asset Maintenance system in 2022, as previously targeted.

The following sub-sections set out the context, initiatives and key performance indicators with which the Ports Board will monitor progress against each of its Strategic Priorities.

2.1 Business Recovery

Specific Objective: To rebuild the depletion of reserves of the business caused by the reduction in activity at all facilities such that the most essential fixed assets can be maintained.

It is recognised that the delivery of capital projects at Guernsey Ports has historically presented a challenge, across a number of different fronts. Cash flow, resources for project delivery and adherence to appropriate processes established by the States of Guernsey can and do conspire to restrict the ability of our teams to deliver capital projects in a timely and efficient manner.

The Ports Board has now implemented a number of streamlined processes, added additional levels of resource and is confident it can implement an incremental increase in its capital spend rate. An appropriate, sustained level of investment made in a timely and cost-effective manner is essential if we are to continue to deliver safe and efficient port facilities to the Island. 2022, despite its challenges with cash flow, will provide an opportunity for the Ports to strengthen this new streamlined capital delivery mechanism and this will remain one of our Top 5 priorities for 2022.

Initiatives to achieve this:

- Dialogue with STSB and P&RC as required for recapitalisation of the Ports – likely influenced through and by a planned debate on Commercialisation.
- Work with key customers to facilitate return to normal demand.

Key performance indicators:

- Value of capital spend at Guernsey Ports in 2022 to be minimum £3.7m by 31 December 2022 and to sustain this level of investment for 3 years minimum;
- Model and track COVID impacts relating to 2022 and seek continued endorsement and funding through predicted deficits from P&RC.

2.2 Delivery of Key Projects

Specific Objective: To complete prioritised capital projects at Guernsey Ports, including but not limited to implementation of upgrades to the Airport Central Search Area and the tendering of the Alderney Airport Pavements Project.

Despite good progress in 2021, contractors challenges with resources and some materials, resulted in a lower than anticipated capital spend, which we anticipate will ramp up in 2022 as industry recovers from challenges with supply due to Brexit and COVID and a general buoyant local construction industry.

This priority comprises a number of projects specifically prioritised for completion in 2022 in respect of Ports provision:

1. To review proposals for Stage 2 of the HBS Project providing longer-term provision for enhanced capacity within that system when passenger numbers recover;
2. To implement upgrades to the Central Search Area at Guernsey Airport (for hand baggage) to include improvements to processing of passengers and their hand baggage; and
3. To progress and complete other prioritised capital investments at the Ports, which includes Airfield habitat improvements, New Jetty Cathode Protection, QE2 Marina Gate Refurbishment and the Pool Marina Feasibility Study at Guernsey Harbours.
4. To tender the Alderney Airport Pavements Project which includes refurbishing the runway, taxiway, aprons and improvements to drainage and airfield ground lighting and systems and options for a runway extension.

Initiatives to achieve this:

- Further develop the capital delivery team across Guernsey Ports to provide the administrative support and guidance for our business managers to help them deliver capital projects, supplemented as required with some minimal external support;
- Dialogue with STSB to further refine already streamlined procedures for the delegation of decisions at an appropriate level of the organisation;
- Development and application of our capital prioritisation process to target resources into appropriate tasks and to prioritise effort and expenditure into key areas of investment that will produce maximum gain and benefit to the business;
- Completion of Stage 1 of the HBS project is anticipated in Q2 2022 and a review of Stage 2 will be undertaken thereafter. Stage 2 will deliver additional capacity for that system, to match any changes in increases in passenger traffic post-COVID;

- Implementation of upgrades to the Central Search Area for hand baggage. This work includes the provision of new equipment to reduce queuing and search processes required for passengers and their baggage;
- Completion of critical infrastructure upgrades at both ports, already underway, to ensure delivery of 2022 Ports capital programme.

Key performance indicators:

- Completion of Phase 1 of CSA upgrades by no later than 30 September 2022;
- Completion of remaining 2022 capital prioritised investments by no later than 31 December 2022.
- Tendering of Alderney Airport Pavements Project by no later than 30 June 2022, with a view to work commencing Spring 2023.

2.3 Ports Sustainability

Specific Objective: To carry out a ‘root and branch’ review of current operating structures and costs, and quantify the sum required to place all fixed assets within the Business into a state of ‘good order’. In searching for solutions to provide both sufficient capital and operational solutions the benefits of commercialisation of Guernsey Ports will not be overlooked. In addition, opportunities to improve the Environmental Sustainability of the Ports operations, will be incorporated in this review.

To review the current operating structure and costs of running the Ports Businesses. This will capital and maintenance delivery capability including requirements for asset registers, as well as the delivery of key functions within the businesses. The review will identify efficiency improvements and/or cost savings that could be enhanced by alternative methods of delivering those activities. Consideration of the benefits of commercialisation of Guernsey Ports will be included in this review.

Opportunities to improve the Environmental Sustainability of the Ports Operations will be examined. This may include initiatives for alternative energy generation, actions to reduce energy consumption, improve facilities and specifications for new projects to reduce carbon footprint

Initiatives to achieve this:

- Complete changes to charging legislation to maximise potential for additional revenue generation from existing anomalies in charges
- Review and reflect on the York Aviation analysis of Airport Operating Costs as commissioned as part of the Airport Master Plan
- Review operating structure and costs of running the existing Ports Business, including capital and asset management;

- Seek direction through the Commercialisation Policy Letter greater commercial independence to provide a better and more responsive commercial operating environment. Such independence might also have a beneficial effect on commercial activities undertaken by our tenants and partners;
- Encourage our teams to exploit any opportunities to reduce energy consumption;
- Encourage our teams to look for opportunities to reduce costs and identify new revenue opportunities in the services we provide.
- Ensure specifications for new capital projects include baseline requirements to reduce carbon footprint;
- Review opportunities for alternative sources of energy generation at Ports.

Key performance indicators:

- To implement changes to charging legislation in 2022, for phasing in from 2023.
- To ensure efficiency savings can be reflected in future budgets;
- Ensure delivery capability for establishing and maintaining asset registers is secured by 30 June 2022;
- To complete a loss prevention audit and to implement a consistent, industry-standard approach to recharging of services, utilities etc by 31 December 2022;
- To reduce energy consumption by a minimum of 5% per annum, over the period 2021 – 2024.

2.4 Commercial Advancement

Specific Objective: To expedite the re-establishment of passenger-related Ports income streams in a safe and responsible manner by working with current business partners and operators to rebuild their numbers after the pandemic, and by seeking ways to facilitate new routes and new partners.

To identify with our key business partners opportunities to facilitate early recovery of depleted passenger numbers, post COVID-19. Whilst this may include working to identify and facilitate new routes with new carriers, the initial emphasis should be on promoting more traffic with existing carriers on existing routes, accepting that a number of those routes will themselves need restarting after 12 months+ of no traffic on routes which were until 2019 well supported.

Initiatives to achieve this:

- Regular future-focused dialogue with existing carriers;
- Consideration of additional short-term support measures for restarting old routes or populating new destinations.
- Working with ED on the Air Route Strategy to undertake reviews as directed by the States of Deliberation in 2021.

Key performance indicators:

- Recovery of up to 50% of 2019 passenger movements by air and by sea, by no later than 31 December 2022; (n.b. 2021 only achieved a 30% recovery of 2019 levels)
- Recovery of up to 90% of 2019 passenger movement levels by air and by sea, by no later than 31 December 2023.

2.5 Maximising Asset Value

Specific Objective: To increase the income to the business through maximising the value of the estate, including completion of the Airport Master Plan and the Pool Marina Feasibility Study

The Ports recognise the benefits of significant investment in its infrastructure over the last 15 years, with a new airport terminal and major reconstruction projects across many of the significant paved areas at both the Harbour and the Airport. There remains however a huge backlog of maintenance on the estate, particularly at the Harbours. Much of this is now well understood, however it is subject to both recapitalisation and further prioritisation as a result of other initiatives, including but not limited to the Future Seafront Development Agency following decisions agreed as part of the Future Harbour Development Policy Letter, debated by the States in June 2021.

In the short term, and until clarity can be established on these critical influences, the Ports Board has committed to increase its capital spend rate at the Ports, in a targeted and sustained effort to deal with the backlog of maintenance. This is covered in Priority 2.

Whilst passengers and vessel/aircraft movements have traditionally been the largest part of the income to the Ports it is recognised that a valuable part of the income stream relates to other estate-related income streams.

The Board will remain focused on its aim to maximise the investment in infrastructure and maximise the returns from the various elements of the operation, including opportunities for alternative use of parts of the estate. This can include opportunities for further paid car parking, freight services, private hangar operations, third-party tenancies and leases, retail, accommodation, and services ancillary to, but dependent on, the Ports operations and estate. Coordination will continue with other programmes and portfolios, not least with the Seafront Development Agency and associated Harbour Action Area programmes.

Initiatives to achieve this:

- Publication of a Policy Letter for debate in December 2022, to provide the States of Deliberation with options for the Pool Marina Development;
- Implementation of Phase 1 of the Airport Master Planner with Phase 2 being commissioned from completion by 31 December 2022.
- Transition to a more commercially focused mindset to ensure we “think commercially, act commercially”;
- Identify and prioritise development of investment opportunities that will generate the most significant return;
- Focus on non-aeronautical and non-maritime income streams e.g. rented real estate, maximising utilisation of the marina moorings, parking permits, fuel concessions;

- Further professionalise the management of Ports key customer, business partner, real estate tenant and service provider relationships in order to nurture and develop sustainable revenue generation opportunities.

Key performance indicators:

- Maintain Rented Real Estate occupancy at an average of 98% for the year;
- Resolve 85% of high priority maintenance requests within 6 hours;
- Resolve 75% of medium maintenance requests within 24 hours;
- Ensure capital spend increases on previous financial year.

2.6 Resource Planning

Specific Objective: To transition in 2022 from a reactive to a proactive asset management model through implementing, a process and system to support all aspects of Ports operations. This will incorporate the management, maintenance, reparation, enhancement, replacement and/or disposal of all tangible assets (infrastructure, property, equipment, PSOs etc). In addition, to better understand and resolve issues over retention and recruitment of Trades Skills within Ports to support the existing and future maintenance activities.

Initiatives to Achieve this:

Short Term – maintain and strengthen core business (years 1-2)

- Leverage opportunities to sensibly increase the rate of investment by addressing the backlog of lower value operational requirements. This increase will serve to build momentum and test out different internal and external delivery solutions;
- Instigate a rolling routine capital replacement programme to facilitate timely replacement of vehicles, vessels, plant and equipment before safety and performance issues disrupt workforce productivity;
- Address all urgent improvements in terms of structural, wind and watertight issues;
- Improve reporting to provide (a) a global view of investment requirements, progress, funding etc. and (b) the commercial opportunity and risk profile;
- Accelerate the procurement process - PQQs, ITTs, scoring, feedback (use technology to speed this up e.g. online surveys, web forms etc).

Medium Term – explore and expand the core business (preparing to execute in years 3-5)

- Focus on existing assets that require major reinvestment, be that repair or replacement;
- A longer-term view of strategic investment requirements will enable early disclosure in order to mitigate surprises and manage stakeholder expectations;
- Progress towards funding applications being tabled at a programme/portfolio level rather than project-by-project.

Longer Term – create entirely new capabilities based on strategic policy choices (years 6-20)

- With a rolling minor and major asset replacement plan now in place, the focus can shift towards longer term investment requirements defined by master planning processes.

Key performance indicators:

- Establish asset management lead in 2022
- Roll out Strategic Asset Management Plan in 2022

- Further develop and streamline capital procurement processes in 2022

3 Our Ethos

This section seeks to describe the Guernsey Ports culture, its values and principles, and how we wish to engage with our employees and stakeholders to deliver our Strategic Priorities.

3.1 Purpose, Vision, Mission & Values

The Ports Purpose, Vision, Mission and Values align with the interests of the key Guernsey Ports stakeholders:

<p>Purpose</p> <p>What Guernsey Ports does and why it does it.</p>	<p><i>“To operate, protect and enhance the economic and social value that our gateway and safe harbouring infrastructure provides to both local and visiting stakeholders alike through the delivery of sustainable, fit for purpose and welcoming facilities and services.”</i></p>
<p>Vision</p> <p>What Guernsey Ports want to be known for. Encapsulates the principles of care, attention and safety to every movement through the Ports.</p>	<p><i>“Every Journey Matters.”</i></p>
<p>Mission</p> <p>How Guernsey Ports will measure success for the business in pursuit of its Vision.</p>	<p><i>“To exceed customer and stakeholder expectations for safety, security, quality, sustainability, service and value.”</i></p>
<p>Values</p> <p>What Guernsey Ports stands for as an organisation. These Values guide how we will make decisions and how we treat our people, our customers, consumers and the environment. They reflect the priorities of those we serve as trustees of critical island infrastructure.</p>	<p>We are developing a set of shared Ports Values that encourage positive and desirable behaviours across the organisation</p>

Furthermore, Guernsey Ports is dedicated to creating a commercially sustainable business culture that is based on the below principles:

- People** We are committed to ensuring our staff:
- Are offered equality in employment opportunity and rewards;
 - Are empowered through suitable and sufficient training;
 - Receive and deliver effective communication;
 - Are provided with safe and secure working environments.
- Relationships** We are committed to ensuring that in conducting our business relationships:
- All needs will be identified, understood and prioritised appropriately;
 - All requests for action will be addressed expeditiously.
 - The needs of private individuals will be given as much care as those of commercial enterprises.
- Community** We are committed to ensuring that we respect our island community:
- By providing high quality, critical gateways to the island by air and by sea;
 - By providing safe, secure, facilities that abide with all legal and regulatory requirements;
 - By recognising that many of the activities that take place at our Ports might cause noise or disturbance and using all endeavours to reduce any nuisance.
- Quality** We are committed to ensuring that we provide a high quality of service to those that rely upon us:
- By consistently meeting or exceeding our service provision by adhering to all applicable requirements and standards;
 - By implementing procedures that are robust, reliable and of a consistently high standard.
- Enhancement** We are committed to continually improving and enhancing our skills, systems and processes at each of our Ports.

3.2 Employee Engagement

The Ports Board recognises that positive attitudes and behaviours lead to improved business outcomes, such that they trigger and reinforce one another. Meaningful engagement with

our employees will reduce turnover, sickness absence, accident rates, as well as reduction in conflicts and grievances. Productivity will increase.

Guernsey Ports aspires to be known as an “Engaged Organisation”. One that has strong and authentic Values, with clear evidence of trust and fairness based on mutual respect, where two-way promises and commitments – between the employer and its employees – are understood and fulfilled.

To achieve its aspiration, Guernsey Ports needs to ensure each of its employees feels they:

- Understand their role in the organisation and are motivated about how they contribute towards the Ports Mission;
- Have a clear understanding of how the organisation is performing, how it is changing in order to improve and are given a voice to offer ideas and express views that are considered as decisions are made;
- Are fully included as a member of the team, have clear objectives, are trusted and empowered, receive regular and constructive feedback, are supported in developing new skills, and their achievements are noticed and appreciated.

High quality internal communication drives employee engagement, which in turn improves our business performance and success. All line managers will be encouraged to communicate the Ports Purpose, Vision, Mission, Values and Strategic Priorities within their teams and ensure they are consistently referenced and contextualised. Teams will be encouraged to embrace and adopt the Ports Values in their day-to-day roles and as representatives of Guernsey Ports.

3.3 Just Culture

Guernsey Ports supports and promotes a 'just culture' which creates an environment that allows employees to work safely and to report any concerns without the threat of censure, disciplinary action or subsequent loss of employment, except where there is gross negligence, or a deliberate or wilful disregard to relevant legislation, our standard operating practices or procedures.

Guernsey Ports is committed to a fair, clear and consistent application of a just culture policy which:

- Focuses attention predominately on identifying and addressing causal and contributing factors that impact keeping the Ports open, safe and secure;
- Provides an atmosphere of trust in which people are encouraged to provide essential safety related information (e.g. safety and security occurrence reports), building a healthy and positive reporting culture;

- Clearly defines where the line must be drawn between acceptable and unacceptable behaviour;
- Provides continued impetus and actively promotes reporting, learning and informed communication which are the foundation blocks of a just culture.

3.4 Functions

The primary functions of Guernsey Ports can be summarised as follows:

Guernsey Ports shall be operated in a commercial manner to maximise its financial performance, with emphasis being placed on providing services that are suitable and fit for a wide popular market through the provision of well-regulated and safe facilities for the harbouring/handling/management of vessels and aircraft, and the transportation of passengers and freight.

Responsibilities

To achieve these functions, Guernsey Ports has principal responsibility for the provision of:

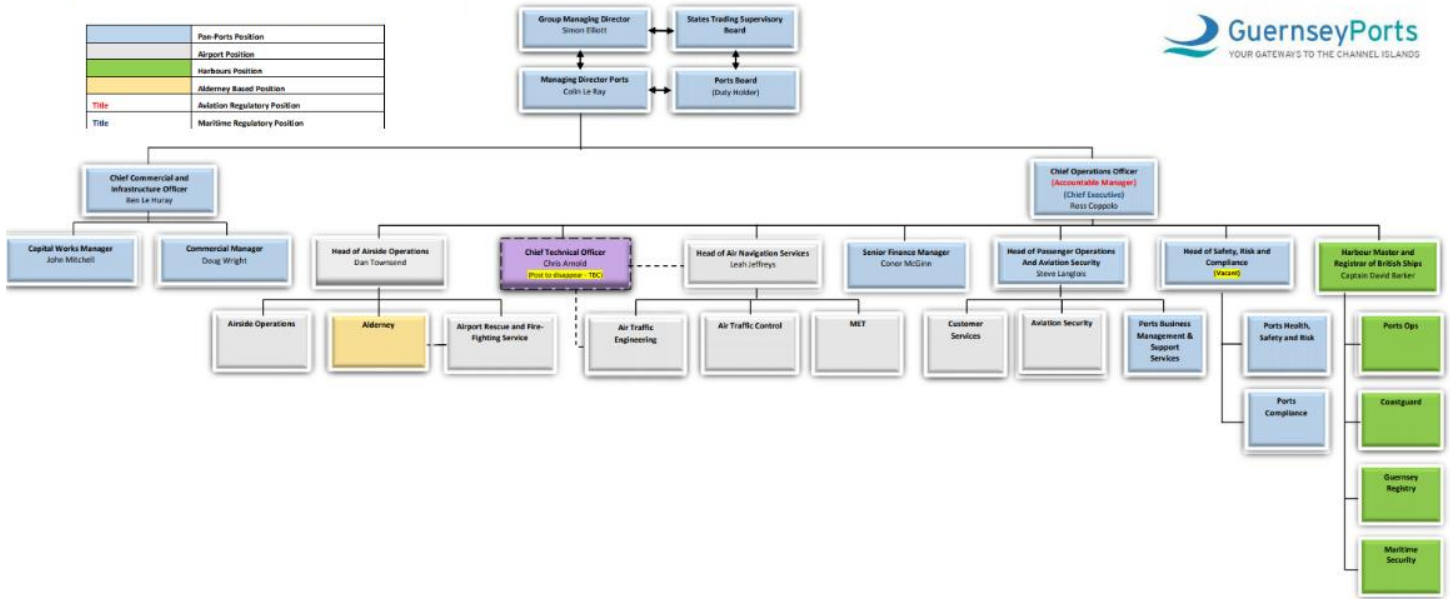
- Airport infrastructure including runway, taxiways and aprons, navigational aids and services for the operation of commercial and private aircraft;
- Air Navigation Services including approach, radar, aerodrome and ground movement control (Approach and Tower services also provided for Alderney Airport);
- A Rescue and Fire Fighting Service to the standards set by the Civil Aviation Authority;
- A Meteorological Service essential to aviation (including Alderney Airport) and the local community;
- Security Services in accordance with the United Kingdom's Department for Transport National Aviation Security Programme and the European Union's regulatory requirements;
- Surface access infrastructure for the movement of vehicles, including parking, in landside areas;
- Buildings, cranes, ramps and associated infrastructure and facilities to support commercial operator services for the movement of sea passengers and freight;
- Search & Rescue (SAR) services and Guernsey Coastguard Operations;
- Berthing and marina facilities for local and visiting leisure boat owners;
- Maritime State responsibilities including saving of life at sea, buoys and navigation markings, vessel incident management, investigations and shipping registry; and
- Management, administration, commercial, safety and financial support services.

Guernsey Ports has accountability to:

- International Civil Aviation Organisation;
- European Aviation Safety Agency;
- Civil Aviation Authority;

- Director of Civil Aviation (Channel Islands);
- Department for Transport (UK);
- International Maritime Organisation;
- Maritime and Coastguard Agency (UK).

3.5 Organisational Structure



4 Our People

Guernsey Ports seeks to recruit and retain highly motivated individuals who bring with them exceptional experience, skill and expertise. Together, they provide safe, resilient and dependable services that enable islanders and visitors to travel, secure in the knowledge that their best interests are being served.

The Bailiwick is critically dependant on both its air and sea links for the transfer of freight of all kinds to and from the islands. The Ports and its key customers are increasingly dependent on both attracting and retaining people with the capability and enthusiasm for delivering these services.

The roles of our teams and the ongoing focus required in order to achieve these outcomes are described in the below sections. We will elevate the role of the Ports and its teams as we know that the more people feel their work is visible and valued, the more productive they become and the better their quality of service.

4.1 Management & Administrative Functions

- Identify and action opportunities to further centralise management and administrative functions within the Ports;
- Identify and action opportunities for increased synergies between the Ports businesses;
- Ensure roles and responsibilities are understood and clearly communicated to the wider business;
- Ensure personal objectives link back to team and corporate objectives, especially the Ports Purpose, Vision, Values and Strategic Priorities;
- Demonstrate how individual effort contributes to the overall success of the business;
- Ensure everyone has autonomy, and a strong sense of purpose.

4.2 Effective Workforce

- Be clear on the extent of the Ports organisation and how large the 'total effective' workforce really is whether people are employed directly or via outsourced services;
- Explore potential benefits of extending Ports influence over its direct operation e.g. insourcing, moving staff between entities etc;
- Monitor and risk assess Ports directly employed workforce demographic - age, gender, tenure etc by role type;
- Identify and promote the wide variety of essential, specialised and practical roles;

- Identify need for future skills - those areas where Ports activity will evolve and increase; including greater capex delivery, asset management, commerciality, alternative use of assets and landbank e.g. renewables, marine research, property development;
- Identify where the supply of appropriate talent is likely to be most critical (driven largely by retirements of skill from the workforce), and with skills analysis and career development, how critical loss of skills might be addressed.

4.3 Resource Planning

Guernsey Ports, other STSB Trading Assets and the wider SoG Committees continue to experience significant challenges in both the recruitment and retention of skilled trades (PSE) staff.

The inability to attract and retain skilled trades still applies pressures on the business in 2022. Any solution must consider not just pay-related issues, but the overall working environment for skilled trades, the diversification of roles, the opportunity to learn other skills or trades and the role that those staff play in maintaining critical infrastructure.

Positive action is required in terms of:

- Promoting the fact that the Ports offers a fascinating, multi-skilled line of work with significant assets in a high-impact environment;
- Addressing retention challenges and the need to attract and retain high quality staff;
- Succession planning and ensuring the effective transfer of knowledge;
- Building resilience within critical teams to ensure business continuity.

4.4 Organisational Knowledge & Capability

Guernsey Ports recognises that organisational knowledge is a valuable resource that supports its operations and activities. There is a strong link between organisational knowledge and the competence of our people.

Guernsey Ports is committed to all employees being equipped with suitable and sufficient knowledge to make them competent to undertake the tasks expected of them in accordance with all regulatory requirements. They will be provided with the opportunity to develop their skills and abilities in support of the Ports' operation and their desire for self-improvement.

Guernsey Ports will employ employees whose academic, technical, and professional skills ensure a safe and effective operation.

4.5 Performance Management

Guernsey Ports is committed to performance management, ensuring all staff have regular 1:1's, team meetings and appraisals. Guernsey Ports will ensure all managers are aware of and apply the relevant policies and procedures. These processes will also help to identify and afford training opportunities, which Guernsey Ports will support and promote to ensure its workforce is trained and appropriately skilled.

4.6 HR Support

Guernsey Ports HR support is provided through the centralised service delivered by the States of Guernsey. The Ports management team will actively monitor the effectiveness of this service as part of defining its future requirements.

5 Plan Implementation

This plan covers the medium term and this represents the fifth update since 2018, reflecting progress across many areas, as well as the new challenges and opportunities for our business and for the wider economy. A dynamic review process for this business plan will apply as we operate within an ever-changing world where events and fortunes, often beyond our immediate control, necessitate responses and reactive behaviours which need to be reflected in regular reviews of this plan, with a continual consideration of responses that match the market and industry in which we are placed.

Guernsey Ports' key functions are subjected to regular independent inspection and many of its operations are subject to independent licencing processes. In identifying our specific objectives within this business plan, it can be assumed that the emphasis on this important safety element will not be compromised.

5.1 Implementation Approach

- Engage a representative cross-section of the organisation to review and input to the updated Ports Ethos framework as set out in this Plan;
- Appoint owners for the Strategic Priorities who will instigate and lead cross-functional implementation teams, and provide updates to the Ports Board and SLT on progress, risks etc;
- Embed the updated Ports Ethos framework in organisation-wide decision-making and communication processes;
- Set specific objectives for every team in line with the Ports Ethos framework and relevant Strategic Priorities.

5.2 Review Process

- Quarterly reviews will be undertaken by Ports SLT against business, team and individual objectives;
- Six-monthly review of current priorities and future priorities by the Ports Board;
- Regular progress reports against Strategic Priorities;
- Refocus and redraft Business Plan on a regular basis as a result of these reviews.

