



# Guernsey Airport

A DIVISION OF THE PUBLIC SERVICES DEPARTMENT



# ANNUAL REPORT

## 2015

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## 1). Executive Summary

2015 was a year of consolidation and a restoration of 'business as usual' at Guernsey Airport, following a few years of significant change.

2014 had seen a major upheaval of carriers and routes and some impacts of those continued in our statistics through Q1 2015, at least until we passed the annual anniversary of these changes in March.



This period of consolidation also enabled us to embark on other projects that had taken a lower priority, including the launch of our new website, publication of our Business Plan for the period 2015 – 2025 and a full emergency exercise which was held in November 2015 after a short delay while project works were underway.

Significant events of the year included:

- Overall passenger numbers throughout the year remained remarkably consistent, albeit slightly down (-0.4%) on 2014. Passenger movements to and from the UK achieved a new high point last year with 80% of our passengers moving to and from the UK. Aircraft movements decreased over the year with fewer, fuller and larger aircraft operating in 2015 than in 2014. Total aircraft movements for the year 2015 were 7% lower than in 2014, and 20% less than in 2013, marking in stark terms the move to larger fleet sizes over the past 24 months.
- Total passenger movements for the year at Guernsey Airport were 860,123 (-0.4% on 2014), with growth in both UK and Continental air routes.
- Guernsey Airport was subject to four CAA (Civil Aviation Authority) inspections (covering Air Traffic, Air Traffic Engineering, Fire Service and Aerodrome) and two UK Department for Transport security audits in the year. The majority of actions arising from these audits are now complete.
- Fiscally, 2015 continued to present its challenges with large unbudgeted costs relating primarily to PFOS (largely in respect of legal costs associated with an ongoing claim). The year focused on evidence preparation for a court case which commenced in early 2016.
- 2015 was another safe year. We were subject to 6 routine CAA compliance audits over the year covering all of our key aviation and security functions. There were no aircraft accidents, no reportable (RIDDOR) injuries to staff and only 3 relatively minor airport accidents, involving minor vehicle damage and a spillage of hydraulic oil.

We look forward to 2016 with all its challenges. Priority will continue to be placed on growing our non-aeronautical revenues as we move forward, and through more positive engagement with our key customers we will endeavour to find ways of helping them to help us in growing our revenues and bettering the service to our customers each year.

I am grateful for the co-operation and support of all staff at Guernsey and Alderney Airports and for their help and assistance in 2015; they are a dedicated and highly professional team who love aviation and I am proud to lead them into another year of exciting opportunity and challenge.

We are looking forward to our new corporate Governance Structure as Guernsey Airport moves under the control of the States Trading Supervisory Board on 1 May 2016, and we remain hugely grateful to the Public Services Department, its politicians and officers who have overseen our operations since 2004.

**COLIN J LE RAY**

**AIRPORT DIRECTOR, PUBLIC SERVICES DEPARTMENT**

**31 DECEMBER 2015**

## 2). Introduction

Guernsey Airport's strategy is to ensure that policies, facilities and services at the Airport are commensurate with the requirements of the Island in respect of Air Transport Services, General Aviation and standards set by the appropriate regulatory authorities.



### MISSION STATEMENT

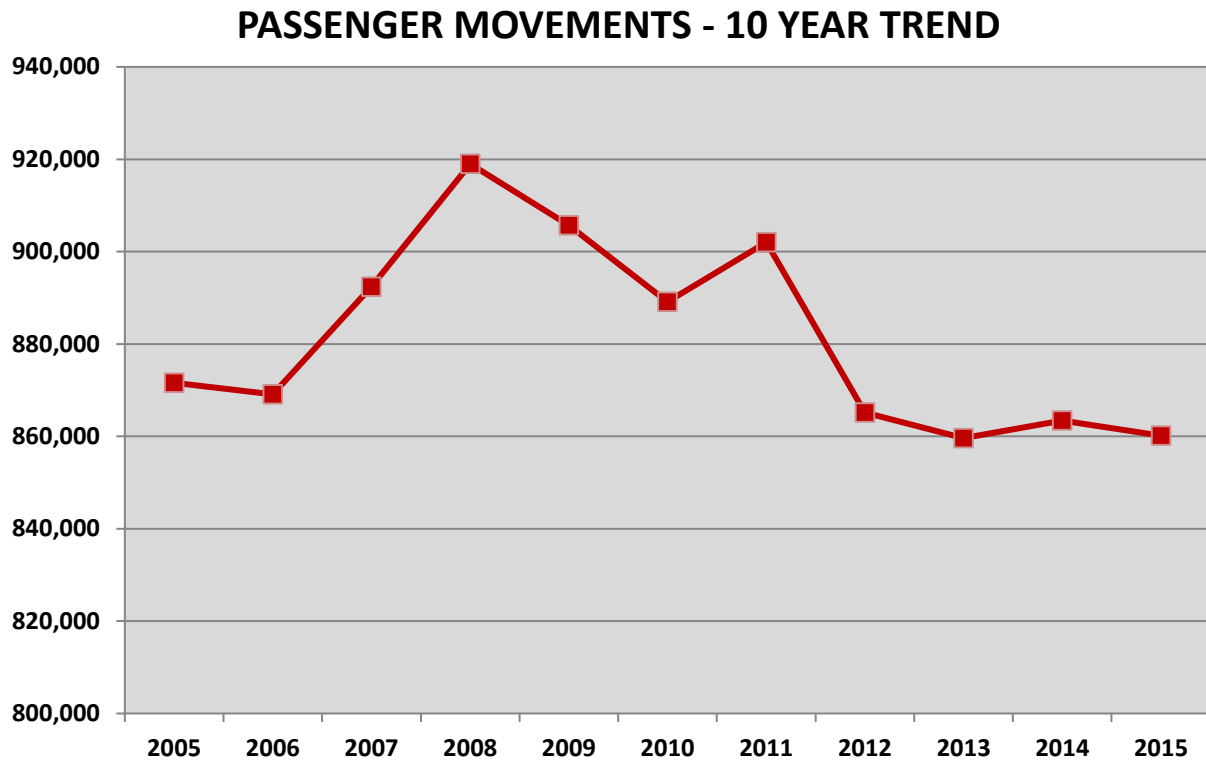
Our **mission statement** reflects this purpose:

***'To provide the Airport infrastructure together with technical and administrative services to an appropriate and acceptable standard to enable the safe and expeditious movement of commercial and private aircraft, passengers and cargo to, from and at the Airport on the most cost effective and efficient basis and to ensure that the operation of the Airport produces an annual post depreciation return on income of not less than 5%.'***

### 3). Review of 2015

#### GUERNSEY PASSENGER & AIRCRAFT STATISTICS

Guernsey passenger movements for the 12 months ending December 2015 were 860,123, which is 0.4% fewer than 2014 (see graph below) and almost on a par with 2013 levels.



Within this relatively static change in overall passenger numbers year on year, there have been some fairly substantive changes in the nature of the passenger movements when compared to 2014, along with reductions in aircraft movements.

UK air travel over the year continued to show increasing growth, with 2,302 additional movements over the year. The UK market at 685,635 passenger movements now represents nearly 80% of total passenger movements. This compares with just 75% of the market in 2008, the year when the highest ever passenger movements were recorded through Guernsey Airport. This is partly a reflection of a reduction in inter-island movements offset by an increasing tendency to travel to the UK.

Looking at specific air routes over 2015, the three routes experiencing most significant growth were London City, Stansted and East Midlands. Between them, these three routes saw a growth of nearly 30,000 additional passengers when compared to last year. Southampton was the only UK airport not to show any improvement on 2014, being 38,680 passengers down over the year (-21%). Despite this reduction, Southampton still represents the next most popular destination after Gatwick, with 140,621 passenger movements in 2015. These two airports alone account for two-thirds of all UK air movements in a year.

Jersey passenger movements decreased by 4% over 2014, while Alderney Airport movements decreased by 3%. International routes saw a 23% increase over 2014 albeit on relatively low levels. This increase represented a recovery back to 2013 levels.

Total international carryings (10,749 passengers) still represent less than half the size of our average 'smaller' UK routes (such as Stansted, Bristol or Birmingham).

Looking at airline performance over the year, Flybe's market share reduced to 12.5% (down from 20% in 2014) largely as a result of it scaling back its Southampton schedule. Aurigny realised 61% market share last year (up from 56% in 2014) while Blue Islands realised 25% market share (23% in 2014).

Aircraft movements over the year 2015 were 7% lower than in 2014 as a result of schedule changes, which generally realised fewer, larger aircraft operating on London Gatwick, Southampton and Jersey air routes. This trend commenced in March 2014 as Flybe withdrew from Gatwick and as the inter-island code-share took effect; accordingly, by March 2015 the impact of reducing aircraft movements began to equalise.

Further analysis of the aircraft statistics shows within the total 40,234 aircraft movements over the year, the number of public transport aircraft represented 67% of the total with privately owned aircraft accounting for 32% of the total, an identical split to 2014.

## MAJOR INCIDENTS

A total of 398 safety occurrence reports were filed by any and all airport users in 2015, compared to 346 in 2014 and 427 in 2013. The slight increase in reports over the last year is not considered significant; indeed the overall level of such reports is not of concern.



Guernsey Airport continues to encourage a positive reporting culture, as a means of proactively encouraging our staff and third-parties to identify opportunities for improving what we do and how we do it.

There were no reported aircraft accidents in 2015 (1 reported in 2014) and 3 less significant airport accidents. There were no reportable injuries to the Health & Safety Executive.

Increased bird activity around the aerodrome became acute over the late summer months with 54 confirmed bird strikes over the year (5 in the first two weeks of August alone). This compares with a total of 13 reported bird strikes in 2014 and 21 in 2013. A number of other regional airports have reported an increase in reported bird strikes in 2015, suggesting a more widespread set of influences, including climate and/or wildlife numbers, are factors in this increased reporting.

Significant efforts continue to be placed into landscape improvements locally, supplemented with shorter term actions including culling activity, bird patrols, staff training and alternative means of bird scaring employed.

## PAVEMENTS PROJECT UPDATE

While practical completion on the main Pavements Project was secured on 16 July 2014, work continued through most of the first half of 2015 to secure defect rectification and finishing off, largely on groundworks completion and compound re-instatement.



Work around the west Runway End Safety Area to recondition and improve grass growth commenced in the late summer of 2015 and was deliberately targeted at this time to reduce the risk of dust while still maintaining sufficient heat in the ground to aid germination as we entered the winter. The works were duly completed in early autumn and the grass has established well over the winter. Some stone picking is still required to be completed in this area. In addition, defect rectification works over the summer were undertaken on one of the attenuation tanks on the north of the runway.

The only substantive works still required relate to the upgrading of the 27 Glidepath which was moved as part of the original project works but has not performed as expected since it was commissioned. Much of these works are being funded as part of the contractor's liabilities in defect rectification but a degree of 'betterment' in terms of the new aerials has been accepted by the Airport. It is anticipated that this work will be complete before Easter 2016.

Fjori Ltd has nearly completed its Stage 2 Post Implementation report on the project, which cannot be finalised until the final account for the project is agreed.

## MANAGEMENT & GENERAL HIGHLIGHTS

### HR Issues

Challenges around manning levels within ATC (Air Traffic Control) have continued but pressure has eased as new recruits have been appointed and are now completing their training. Our local ATCO trainee has now completed his last theory-based module and is validating his radar rating before going solo. We will shortly be re-launching our trainee scheme.



Our Senior Management Team (SMT) remains unchanged over the year and those new to post have developed well and are now fully contributing to the SMT.

Established staff salaries increased by +2.2% with effect from 1<sup>st</sup> May 2015; these rates apply over 2 years to 30<sup>th</sup> April 2017. Public Sector Employees (including Firefighters) received a +2.5% increase in pay with effect from 1<sup>st</sup> January 2015.

Sadly Guernsey Met Office's Senior Met Observer (Climatology), Dave Cunningham died suddenly and unexpectedly at his home in August 2015. Dave worked for Guernsey Met Office for 41 years and in his role of climatologist he had acquired a huge working knowledge of local weather and climate.



As well as working for Guernsey Airport, Dave held a private pilot’s licence and had seen the airport change dramatically over the years. He built up a reputation for precision and accuracy which has maintained the Guernsey climate record as one of the longest and most reliable in Europe. It is, however, as a steadfast, quiet, but gently humorous friend and fellow Observer that he will be remembered by Guernsey Met Office and Guernsey Airport staff. He is greatly missed.

**Other Matters**

Guernsey Airport undertook a full emergency exercise after airport close on 24<sup>th</sup> November 2015. Such exercises form an essential part of our incident training and we were especially delighted to receive support from Blue Islands and Aurigny in the planning and implementation of the exercise. New arrangements for casualty handling were rehearsed and will now be incorporated into our emergency planning moving forward.

The Airport’s Business Plan was finalised in December 2015, capturing the objectives and goals for the Airport’s operation through to 2025.

A copy of the plan is available online by [clicking here](#).



The Airport launched its new website in May 2015 with much positive feedback. We have tracked over 1 million hits on the website from 1<sup>st</sup> May to 31<sup>st</sup> December 2015. The site provides better opportunities for passenger feedback surveys and some of the responses received have already been implemented.

Social Media usage has also stepped up over the year with over 50,000 interactions by nearly 4,000 users in 2015. Advertising on the website (which is part-sponsoring the development costs) is a little slow to date.

Responsibility for Aviation Security audits in 2015 passed from the UK Department for Transport to the Civil Aviation Authority. The first baseline audit of Security was undertaken in May under the new inspection regime, with a follow up in October. This has led to additional security costs being incurred with increased staffing, equipment and fencing having to be provided.

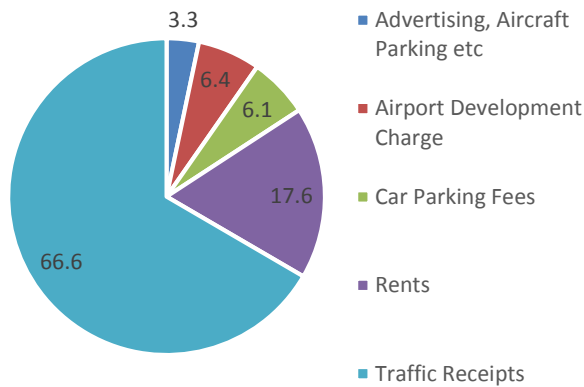
Guernsey Airport made an official representation to the Scrutiny Committee’s public review of Strategic Air Links. The resultant report and actions accord in general terms with the Guernsey Airport submission to the Committee and continue to be advanced with the co-operation of the External Transport Group.

## 4). Appendices

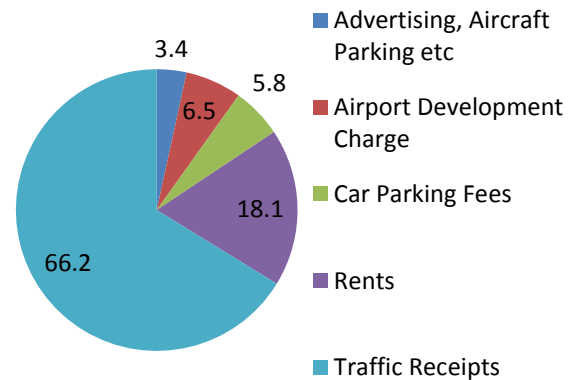
### Appendix 1 – Financial Details

#### Guernsey Airport Income

2015 Actual %



2014 Actual %



The budget for operating income for 2015 was £12.5m. Actual operating income for the Airport for 2015 was below budget at £11.9m, a marginal increase of 0.9% from 2014 actuals. The lower than expected income related to lower than forecast income from advertising and rents.

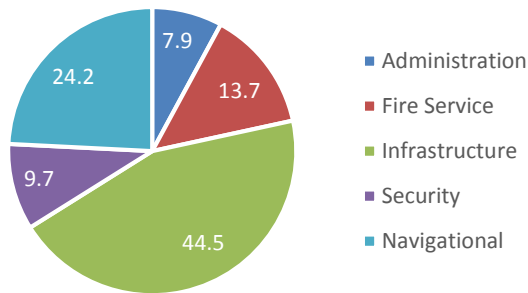
Advertising revenues continue to be depressed by wider economic pressures which are generally reducing advertising spends by local businesses.

Rents were marginally down as a result of accommodation changes within the terminal which saw a number of vacant offices as a result of changes in airline requirements. All but one of these offices has now been re-let.

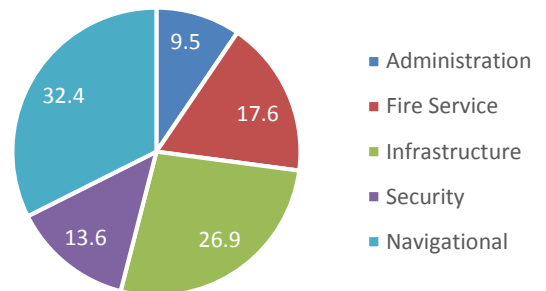
Income from Car Parking, Traffic Receipts and the Airport Development charge all exceeded budget, with an additional £97k generated from these sources.

**Guernsey Airport Expenditure**

2015 Actual %



2014 Actual %



The airport had budgeted to spend £11.4m in 2015 and had been forecast to make a deficit of £0.2m.

The Airport actually incurred costs of £15.7m, compared with £11.6m in 2014. The difference in spend against budget was £4.5m, which sum largely related to unbudgeted legal costs in advancing the PFOS case to court.

After taking into account depreciation charges of £1.5m, this resulted in an overall deficit of £5.3m in 2015.

Excluding PFOS costs, other costs were in line with the 2015 budget allocations for the year.

A breakdown of 2015 actual expenditure compared to 2014 is show above. The rise in infrastructure costs is accounted for by the PFOS costs which are recorded under this heading.

Fuller details of our accounts and a breakdown are available in the Accounts Billet D’Etat, which is published online at [www.gov.gg/billets](http://www.gov.gg/billets).

## Appendix 2 – Organisation Structure



## Appendix 3 – Acknowledgements & Contact Details

As always, I am indebted to the hard work and dedication of our staff, many of whom have to put up with working in high-pressure situations during anti-social hours. This commitment from our staff ensures that we are able to meet our objectives and provide a reliable and effective service to both islanders and visitors.



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