

## ANNUAL REPORT 2018

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## ACKNOWLEDGEMENTS

As always, we are indebted to the hard work and dedication of our staff, many of whom have to put up with working in extremely difficult situations during unsociable hours.

This commitment from our staff ensures that States Works municipal and maintenance service deliverables are met, often unbeknown to the public with many of our diverse services being taken for granted.

## CONTACT US

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# EXECUTIVE SUMMARY

## FINANCIAL PERFORMANCE

The States wide approved Medium Term Financial Plan (MTFP) 2017 to 2021 outlined the approach for achieving a return to an underlying surplus for 2019. This included a target “Capital Income – Return from Trading Assets” of £30m over the lifetime of the MTFP. States Works trading results have been better than budget which, together with previous years’ positive results has enabled States Works to make a contribution of £1M to this target in 2018.

Our States of Guernsey clients are generally seeking to identify and see cost savings to deliver their services within reduced budgets so 2018’s Service level Agreements with States Committees were subject to challenging negotiations.

Despite this, States Works has fulfilled all of its prescribed service delivery obligations and has either met or exceeded forecasted outturns.

## FUTURE DIRECTION

States Works Business Plan 2018 - 2020 was released in the second quarter of 2018. A key focus of the plan is the development of a target operating model for the business

and the commissioning of an independent benchmarking and efficiency review of our activities.

In the absence of direct market test in some areas, this benchmarking aims to show our clients the steps taken to offer value for money. Red Quadrant has been commissioned to undertake this important work and the initial stages have commenced. The outputs will be fundamental in enabling States Works to develop a clear *modus operandi* and a robust and achievable business plan beyond the period of our current plan.

## OUR CUSTOMERS AND STAFF

We recognise that successful delivery of the aims and objectives of this new plan will not be realised without understanding and listening to our most important assets our people and our customers. That is why both feature heavily in the business plan. We are working to develop a people plan that promotes engagement and innovative working through life-long learning, training and development, reinforced through positive performance management and succession planning.

We are also working towards better understanding our customers, their needs and expectations and through a defined customer engagement plan delivering upon the Customer Promises enshrined in our Customer Charter. All of this underpins our commitment to the vision and direction of Service Guernsey and the overarching Public Service Reform that is shaping the future provision of public services on the island.

### EMERGENCY RESPONSE SERVICE

Our emergency response resource capability was thoroughly tested in the early part of the year to deal with 'Storm Eleanor' and the associated clean-up operations, and again when 'The Beast From The East' struck, requiring our established Snow and Ice Clearance plans to be put into action. Both incidents demonstrated the importance of the availability of States Works' emergency response resource and the commitment of States Works staff and wider groups across the States of Guernsey that come together to deal with these unplanned events in a coordinated and professional manner to minimise disruption and maintain continuity of island life.

### AWARDS AND ACHIEVEMENTS

The efforts of our most important asset - our staff - were also recognised during 2018. The Land Management team were awarded the Guernsey Tourist Board award for best floral display on the St Julian's Avenue roundabout, and our Engineering Services Team won the Guernsey Occupational Safety and Health Association

Challenging Project Safety Solution award. This acknowledged our efforts to take all reasonable steps to secure the health and safety of those making entry into confined spaces.

ISO9001 is a recognised system for managing quality, and States Works is proud to remain one of only a handful of accredited businesses on the island, providing customers with the necessary assurance that they are dealing with an independently assessed and accredited business that puts quality at the forefront of all their activities.

The way the island manages its waste is changing with the implementation of the island's approved solid waste strategy. One element of the strategy was the design, construction and operation of the new waste management facilities at Longue Hougue Land Reclamation Site. With construction works nearing completion, States Works as the appointed operator has been gearing itself up in anticipation of taking over responsibility for the future operation and maintenance of these facilities on behalf of Guernsey Waste. The new facilities include a Waste Transfer Station within which residual waste, food waste and glass will be separately processed for export; a Household Waste Recycling Centre and associated infrastructure. The new facilities expect to be commissioned and handed over to the operator in Q1 and Q2 2019 respectively.

Paul Lickley,  
General Manager, States Works





## CHAIRMAN'S STATEMENT

States Works is responsible for the provision of a number of essential services that either maintain and develop the island's infrastructure, or help promote Guernsey's natural beauty for islanders and visitors.

Due to the diversity and scale of its service offering States Works is also able to deploy resources providing an emergency response resource to unplanned incidents, the cost of which is amortised across all its activities. This service is an added benefit that helps to maintain the safety and security of the island.

States Works' 2018 financial results exceeded budget and provided a £1m cash contribution to the States, as part of the Medium Term Financial Plan set by the Policy & Resources Committee. This is a credit to all staff at States Works.

States of Guernsey clients represent approximately 90% of States Works business activities, and we have therefore

felt the direct and indirect impacts of sustained government budget squeezes in recent years. Despite this, the management executive has successfully worked closely with clients to meet budgetary constraints whilst seeking to either minimise or mitigate against impacts to frontline services. Where appropriate, we are embracing leaner, smarter ways of working.

During 2018, States Works successfully negotiated the renewal of its key contracts with States of Guernsey clients but also developed and secured a number of additional revenue generating opportunities. This includes the expansion of its household and commercial waste and recycling collection services and its successful bid for the future maintenance and operation of Guernsey Waste's new facilities at Longue Hougue. The latter form part of the implementation of the island's solid waste strategy which has taken considerable effort by staff to deliver over and above business as usual.

It has only been achieved as a result of the dedication and commitment of staff across the business.

States Works management team have also initiated a review exercise to adopt appropriate best practice and improve efficiency across all its service lines.

This is being conducted in conjunction with external expertise with the active support of the States Trading Supervisory Board. The outcome will be known later in 2019 and could involve various changes in States Works' 'operating model' (the target mix of resources, systems and processes). New

service line opportunities will be investigated and pursued and States Works will respond to the outcomes of the review to improve services by migrating to new processes, systems and operating models, where appropriate, in the pursuit of best value to islanders.

Development and change always brings further challenges, but the Board and management executive remain optimistic that the outcomes will contribute to a stronger States Works business.

John Hollis,  
Chairman, States Works Board

## INTRODUCTION

States Works is an unincorporated self-funding company under the auspices of the States Trading Supervisory Board (STSB) and is one of the States of Guernsey Trading Assets (SoGTA). It receives no direct funding or subsidy from the States, operating as an independent trading account from which all operational and capital expenditure is funded.

States Works' officers report to the SoGTA Executive for the Civil Service functions and the States Works Board for operational decision making. The Board is accountable to the STSB who provide overarching governance, policy and strategic direction.

States Works provide municipal and maintenance services to its predominately States of Guernsey client base on a formal contract basis. This is achieved by utilising the skills and expertise of its largely manual workforce, and specialist vehicles, plant and equipment. These resources not only complement the essential day to day services that we provide, but they also support the provision of an emergency response resource to incidents and emergencies.

All this contributing to ensuring the maintenance, enhancement, safety and security of the island's natural and built environment. At States Works, we contribute to maintaining the island's infrastructure, the fabric upon which our community's social and economic wellbeing relies. Our mission statement reflects this position.

**Our Mission:** Working together with partners to deliver a range of efficient, effective and resilient services aimed at maintaining the island's natural and built environment.

This is underpinned in our Business Plan 2018 - 2020 which details how we can provide and achieve our vision:

**Our Vision:** To deliver a return in the best interest of islanders, by achieving sustainable growth as a well- respected and trusted service provider, whilst maintaining our unique island identity.



## KEY SERVICES

### COMMUNITY ENVIRONMENTAL PROJECTS SCHEME (CEPS)

The Community Environmental Projects Scheme (CEPS) provides temporary work and training opportunities for people who are not working due to unemployment or long-term illness and is linked to the Work2Benefit scheme. The objective is to help prepare participants for permanent employment.



Workers employed through the schemes carry out a variety of projects which are of benefit to the community and/or the environment. There were 68 CEPS and 13 W2B placements in 2018. The development of both schemes continues to be a fundamental objective and support, advice, guidance and job seeking activity are key priorities for the schemes.

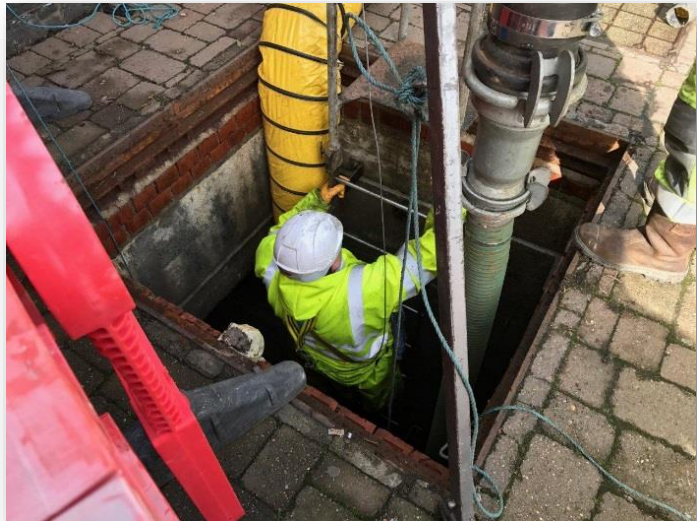
24 people secured employment through CEPS in 2018, with 84% of those sustaining that employment come year end. Statistical analysis based on 2018 outcomes also suggests favourable results from the W2B scheme and work is being undertaken to explore how this may be developed further.

Efforts to increase the number of community projects undertaken within the third sector have also achieved success with an increase of over 10% on activities within that sector over the last two years. In total, using a nominal value of £15/hour per person, CEPS & W2B have carried out works to a value of circa £293K within the community during 2018.

The efforts of the staff involved in CEPS & W2B were again recognised when they were invited to the awards evenings held by the GSPCA and Floral Guernsey as a result of the valuable contribution the schemes have made throughout the year.

## EMERGENCY RESPONSE SERVICE

States Works is a multi-disciplined organisation with resources ranging from skilled tradespersons to the largest vehicle fleet in Guernsey. These resources not only complement the essential day-to-day services that we provide, but also support us in our role as the island's Emergency Response resource - a 24-hour island-wide emergency call out service operating throughout the year.



When a major incident or natural disaster occurs, fast and sustained remedial action can minimise the extent of the damage while provision for a permanent repair or longer lasting solution is made. Being on an island and without direct access to a managed and coordinated resource, such as the armed forces, it is essential that such provision is maintained and available to local government.

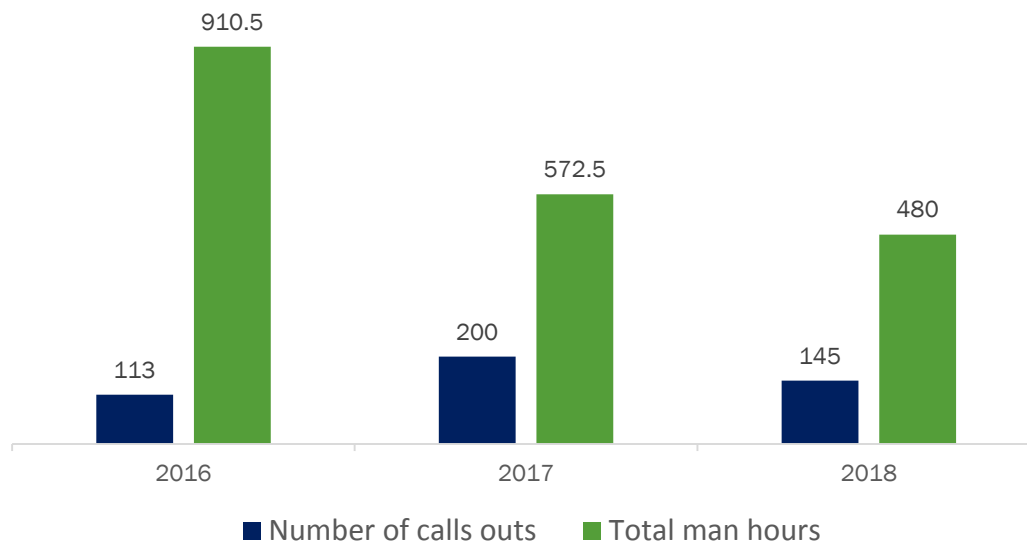
This capability was thoroughly tested in the early part of the year to deal with the aftermath of 'Storm Eleanor', and then again when 'The Beast from the East' struck.

The combined resource business model is still considered the most effective solution to such provision. This is an arrangement where everyday business is the focus, but when an emergency strikes or a call-out arrives, priorities change dynamically. This assumption will be thoroughly tested as part of the planned benchmarking and efficiency review which will seek to determine whether this model demonstrates best value to islanders.

### *CALL OUTS*

The number of call outs received this year by States Works is lower than last year. There are no specific reasons for this as these calls originate from many sources – from members of the public right through to the usual channels such as the Joint Emergency Services Control Centre (JESCC).

Increasing pressure is being placed on States Works to forward the costs of call outs direct to the source whether this be a private business or individual so we have been liaising closely with JESCC to ensure these costs are recharged appropriately.



#### ENGINEERING SERVICES: ELECTRICAL, MECHANICAL AND DRAINAGE

The efforts of our Engineering Services Team were recognised in 2018, when they won the Guernsey Occupational Safety and Health Association Challenging Project Safety Solution award.

This recognised that States Works takes all reasonable steps to secure the health, safety and welfare of those required to make entry into confined spaces.

We continue to provide a full range of predominantly commercial and industrial facilities management, mechanical and electrical installation, maintenance and repair services as outlined below.



This work continues to be supplemented by contracts for private clients to maintain a balanced programme of work.

- General property maintenance (including pumping stations, treatment works, etc.)
- Traffic signals
- Pumps and pipework delivery systems
- Ventilation and central heating systems
- Supervisory Control and Data Acquisition systems (SCADA)
- Domestic and commercial electrical and data installations
- External lighting systems
- Mechanical and fabrication works (including welding)

In addition to the skilled staff, we have a modern fully equipped workshop within which a range of fabrication, machining, precision turning, and milling, welding and drilling can be undertaken in a controlled environment. We remain an agent for Flygt Pumps and are keen to promote and establish other key agencies and product supply chains.

We also operate a small fleet of three specialist gully sucker/jetting vehicles used for the cleansing of the island's sewage and surface water networks, including gullies, wet wells, pump stations and pits. This work undertaken for both States of Guernsey and private clients

The health, safety and wellbeing of our staff is a priority and all our contract work adheres to the highest levels of health and safety regulation, with staff trained and certified to work within confined spaces.

## HIGHWAYS SERVICES

### HIGHWAYS

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Our team primarily competes for road resurfacing, reconstruction and road repair work and are the island's only supplier of bitumen based products.

Our main client is Traffic and Highways Services and this work is supplemented with private work to balance the workload of the team.

This is an area of the business we are committed to maintaining and developing, to ensure competition and provide both the States of Guernsey and private clients with more financial transparency and confidence.

In 2018, the team successfully secured Traffic and Highways Services five year contract for the provision of minor highways repairs, via an agreed schedule of rates. This arrangement will commence at the beginning of 2019.



## CLEANSING

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Our team provide a full range of year round infrastructure cleansing services.

These activities primarily relate to the manual and mechanical cleansing of the island's public highways and associated public spaces through established service level agreements with States of Guernsey clients. This work includes beach cleaning, path clearance and de-weeding and the high pressure street washing of the less accessible areas of St Peter Port, such as steps, pavements and the Commercial Arcade.

Rural road cleansing is also undertaken to maintain the network of lanes by removing the build-up of leaves, weeds and mud.





## SIGNS AND LINES

This small team is responsible for painting all the road markings we see on our public highways including the centre lines, stop lines, bus stop markings and all other road and recreational activity markings and signs.

All this work is carried out through our main client, Traffic and Highways Services.



The team also deal with signing of road closures, unplanned incidents and public or major events such as Liberation Day, where the team can place out, move and collect anything up to 1,000 crowd barriers and all the signs and diversions that go with such events.

Private contracts related to surface markings on car parks, playgrounds, sports markings on all hard surfaces, leisure pitches and courts are also undertaken.

## LAND MANAGEMENT

Our land management team operate from our Burnt Lane facility where staff are trained in propagation skills and cultivation.

The team also provide a range of high quality gardening, groundsman and greenkeeper services for its predominantly States of Guernsey clients. This is based on a 5 year service level agreement which ended at the end of 2018, but has been extended by 12 months.

The team care for the island's playing fields and recreational areas and also maintains nature conservation sites, cemeteries, cliff paths, commons and beach headlands on a year round basis.





The maintenance of biodiversity through nature conservation sites includes manual and mechanical hedge and stream cleaning, whilst a dedicated team attends to the island's 28 miles of cliff paths. The majority of the island's public hedges, roadside verges and green lanes are also groomed and cared for by the same team of trained professionals.

In addition we undertake private garden maintenance and husbandry work and a wide range of plants can be hired for weddings, marquees, special events and internal office decoration. Our staff are also responsible for many of the public floral displays around the island, most noticeably seen during Floral Guernsey.

During 2018, the team was successful in its bid for the landscaping works contract associated with the new Waste Management Facilities at Longue Hougue Reclamation Site. The award of this contract to States Works reflected the quality of our submission and our competitiveness when benchmarked against other local private landscaping and ground maintenance companies who were invited to tender.

The efforts of the Land Management team were also recognised in 2018, when the team were awarded the Guernsey Tourist Board award for best floral display on the St Julian's Avenue roundabout, this one of the many stunning floral displays the team are responsible for around the island.

## SEWAGE COLLECTION SERVICE

In conjunction with our client, Guernsey Water, a fundamental internal review of the sewage collection service is currently underway to identify opportunities for improved service delivery and the realisation of continued efficiencies and savings.

The future delivery of this service will also be a key focus of the planned benchmarking and efficiency review.



## STORES, FLEET AND GARAGE

We operate one of the largest commercial garages on the island, within which we maintain our own large and varied vehicle fleet, from small vans to specialist drainage and road cleansing vehicles.

The use of vehicle tracking across our commercial fleet ensuring the efficient and effective utilisation of our vehicles. We also provide fleet management, maintenance and repair services and although this is predominantly for our States of Guernsey clients, this work is supplemented by some work for private clients.



This is an area of expansion for States Works as we seek to become the preferred provider of fleet management services across the States of Guernsey, an arrangement we hope to develop with key stakeholders during 2019.

During 2019 and beyond, the team will also seek to consider other potential opportunities that may exist in the form of private, commercial and public service vehicle inspections which is linked to the future introduction of a Ministry of Transport (MOT) style vehicle testing system on the island.

In 2018, the section successfully trialled the use of a UK based auction house using an on-line auction facility to dispose of redundant and surplus assets which included vehicles, plant and equipment from States Works and other Committees from around the States.

## WASTE MANAGEMENT SERVICES

### WASTE FACILITIES

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On behalf of Guernsey Waste, States Works has operational responsibility for Longue Hougue Reclamation, Mont Cuet Landfill, Chouet Green Waste and Longue Hougue Civic Amenity/Re-use sites.

States Works' service level agreement to maintain and operate Fontaine Vinery Waste Segregation site ceased in the last quarter of 2018, when following political direction, the provision of commercial waste segregation and recycling activities passed to the private sector.



Our operational responsibilities include the environmental monitoring of current waste operations and continued management and aftercare of the island's closed landfill sites. This includes the provision and maintenance of landfill gas and leachate abstraction infrastructure.

States Works was appointed as the preferred operator of the Waste Transfer Station and Longue Hougue Waste & Recycling Centre and has since been preparing in anticipation of taking over responsibility for the future operation and maintenance of the facilities.

The new facilities expect to be commissioned and handed over to the operator in Q1 and Q2 2019 respectively.

### WASTE SERVICES

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States Works is also responsible for maintaining and emptying all coastal and other publicly accessible bins around the island and undertake waste and recycling collections for commercial customers.

This includes the provision of waste and recycling collection services under contract with both the Parish of St Sampson and St Peter Port which, following the introduction of

enhanced kerbside collection arrangements in September, now includes the collection of food waste. From 1 January 2019, these services will be extended to cover the Parish of Castel, with all these contracts secured by means of competitive tender. An interim food waste collection was also introduced within the Parish of Castel from September 2018, this to coincide with the introduction of the new kerbside collection arrangements.

To complement the Parish waste and recycling collection arrangements and to ensure we optimise the use of our assets, the team are also developing its range of commercial waste and recycling collection services offered to private businesses, and which now include the collection of commercial food waste.

Oil Spill Response Limited (OSRL) returned to the island in September 2018 for their annual training exercise for OSRL personnel at the Torrey Canyon quarry. The objective of the exercise to drill the team in oil response site set up, recovery and clean up techniques which included:

- Steam cleaning of weathered oil from quarry walls.
- Low pressure flushing of sediment foreshore.
- Recovery of remobilised oil with vacuum systems.

There was significantly less surface oil collected when compared with last year's training event and can be considered a positive step regarding the ongoing works to keep the surface clear of oil.

## MANAGEMENT AND GENERAL

### HUMAN RESOURCES

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We currently employ around 214 staff, of which 179 are PSE's (Public Service Employees) who work across a wide range of skills and disciplines. Staff turnover as of December 2018 was approximately 18%.

We recognise, that successful delivery of the aims and objectives of our new Business Plan, will not be realised without understanding and listening to one of our most important assets, our people.

This aspect features heavily in our business plan as we seek to develop a people plan that promotes engagement and innovation (smarter, leaner ways of working), through life-long learning, training and development and reinforced through positive performance

management and succession planning. All this underpins our commitment to the vision and direction of Service Guernsey that is shaping the future provision of public services.

Our staff working group continues to encourage, promote and enhance good employee relations and has been pivotal in the development and implementation of our Staff Action Plan. This aimed at addressing feedback obtained through the last staff survey which identified several areas for improvement:

- Innovation / creativity / new ways of working
- Communication
- Employee recognition
- Senior Management visibility
- Connection with the wider States of Guernsey

Whilst the working group mainly addressed the above topics the future intention is for the work of the group to become more generalised. A further staff survey is planned in 2019 and this will hopefully determine whether the work completed to date has resulted in positive improvements and indeed whether further opportunity exists to consider other areas for improvement.

Our high level organisational structure can be found in Appendix 1 to this report.

### *STAFF LEAVERS & JOINERS*

For the year ending 31 December 2018 there were 40 joiners and 37 leavers which is a net change of 3 staff. The total number of staff at the end of the year was 214 (2017: 216). Two leavers had worked at States Works for a combined total of over 83 years with a further five members of staff amassing a total of over 134 years between them.

### *SICKNESS*

The total sickness costs in 2018 were £322,000 compared to £272,000 in 2017. Unfortunately, this is an increase but States Works continue to manage sickness in accordance with States of Guernsey Policies and Procedures.

## PROPERTY

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All our property assets are being managed and maintained with appropriate revenue and capital funding in place to undertake required maintenance and improvements and these assets are actively assessed in order to identify opportunities to optimise and develop our operational activities.

The planned resurfacing of our external parking/hard standing areas at our Headquarters at La Hure Mare following installation of the new heating system has been further delayed due to the availability of our Highways Services team who are committed to the island's road resurfacing and patching programmes of work. Therefore, these works are now expected to be completed during 2019 and 2020, affording the business time to review other potential commercial opportunities that may require additional infrastructure improvement works on site that may otherwise result in abortive works.

The recycling of polystyrene on site at La Hure Mare will cease as planned when the new waste management facilities at Longue Hougue come on line. This now expected to happen in the first quarter of 2019, when polystyrene will be processed through the new Waste Transfer Station and exported off island as refuse derived fuel (RDF).

Additionally, we continue to lease workshop and storage space to two tenants based on commercial rates.

## INFORMATION TECHNOLOGY

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The decision has been taken to replace our current job costing system, 'Servitor' with the States preferred operating system 'SAP' now that we are confident that all our system requirements can be met. Unfortunately, this project has been delayed, but subject to endorsement of the pre-requisite business case in Q1 2019, our intention is to migrate all our activities across to SAP in 2020. This a key step towards greater system integration across the States of Guernsey.

## FINANCE

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We are funded entirely from the income we derive from our various contracts, service level agreements and day works. We receive no direct funding from the States of Guernsey and as a trading asset of the States of Guernsey Trading Assets, we operate in the same way as any commercial business.

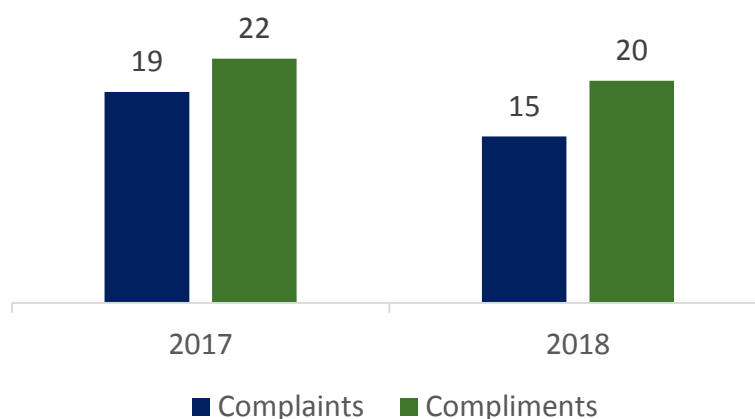


We operate with a fully audited set of accounts taking into account capital spend and depreciation as with any private company. These audited accounts can be viewed at any time by accessing the States of Guernsey year end accounts, the detail of which for 2018 can be found in Appendix 2 to this report.

## CUSTOMER SERVICE

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We have a very wide customer base. Most are directly through contracts and service level agreements but everything States Works does impacts in some way on the general public and they do contact us directly, through the media or via their political representatives.



It is also recognised, that successful delivery of the aims and objectives of our Business Plan, will not be realised without understanding and listening to one of our most important assets, our customers. This aspect features heavily in our business plan as we seek to better understand our customers, their needs and expectations and deliver upon the Customer Promises enshrined in our Customer Charter.

All this is underpinned by our commitment to the vision and direction of Service Guernsey that is shaping the future provision of public services. The related values and themes are described in more detail within our Business Plan.

Our primary intention is to provide services and equipment that consistently meet or exceed our client's requirements. To help achieve this objective, our management systems and processes were subjected to a fundamental review and independent assessment during 2018 to ensure they meet the standards of ISO9001:2015. Moving forwards, we also intend to work towards ISO:14001 Environmental Management Systems accreditation, this in part linked to our involvement in delivering future waste management services on the island and accepting our social and environmental obligations as a trusted provider of essential services.

When compared to 2017, both customer complaints and compliments reduced marginally in 2018. This reduction in complaints is considered a reflection of the combined efforts being taken to maintain and improve the quality of our services across the business.

## HEALTH AND SAFETY

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There were 49 reported incidents during 2018 which is lower than the three-year average of 78. Accidents with time off work are also lower at 9 compared to the three year average of 15. The main causes of accidents continues to be related to slips, trips and falls and lifting and handling. The majority of which are non-reportable incidents. Vehicle accidents have also fallen from the same period in the prior year.

The reporting of 'near miss' incidents continues to increase which should result in an overall reduction of accidents in the long term.

## MONITORING AND REPORTING

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We operate many contracts and service level agreements for a variety of clients, and all of these have established key performance indicators and prescribed schedules of work upon which our performance is measured and reported against.

It is pleasing to note that during 2018, the business has generally met or exceeded its contracted obligations and made a positive contribution towards delivering wider organisational priorities such as the island's solid waste strategy.

To supplement these operational performance indicators, and in accordance with our latest business plan, we have also been developing a refreshed suite of more generalised performance indicators, some of which are common across the Trading Assets. From January 2019, these performance indicators will be monitored and reported through a fully integrated balanced scorecard.

## BUSINESS PLAN OUTCOMES

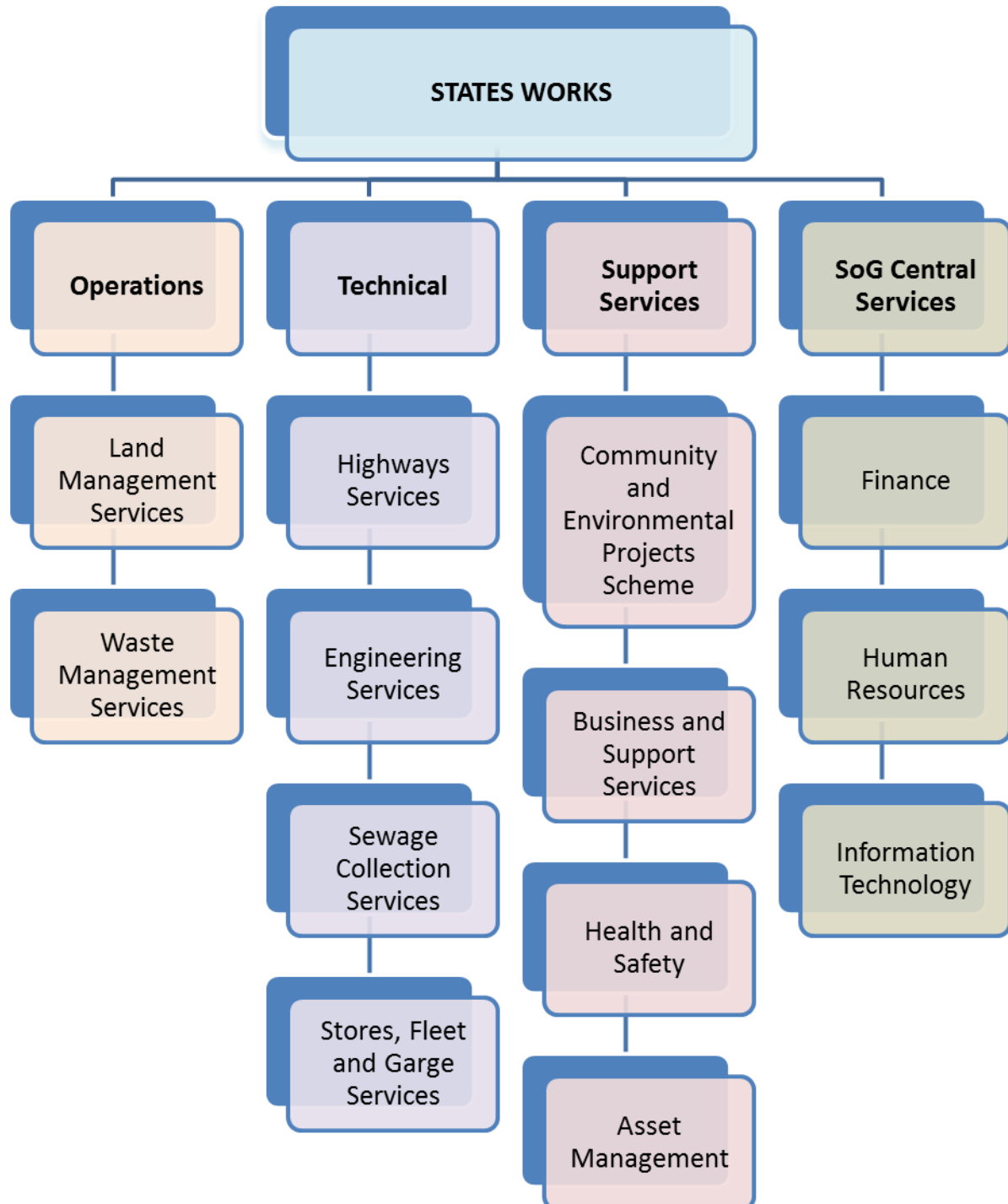
Government and Public Sector reform and an unprecedented period of financial restraint has presented many challenges and potential opportunities to States Works in recent years. To rise to these challenges and opportunities, it is recognised that States Works needs to establish a clear modus operandi through the development of an optimum operating model for the business. The outcome of which will provide the building blocks upon which the future direction of the business can be founded.

Custom and practice needs to be challenged, and the efficiency and effectiveness of our services reviewed, benchmarked and where appropriate market tested to demonstrate best value. This will inevitably result in the need for change and the introduction of alternative, leaner and smarter ways of working. This is recognised within our Business Plan which is considered an interim plan covering the transition period 2018 – 2020.

During this transition period, we will seek to deliver upon the five key outcomes and associated aims and objectives enshrined within our Business Plan which will seek to shape the culture of the business and highlight to management where opportunities for improved operations, services and efficiencies may be realised. These outcomes and the status of the aims and objectives that support their delivery are continuing to be monitored closely, and at this stage States Works management executive are pleased with progress and confident that the right outcomes will be realised within the timeframe of the plan.

## APPENDICES

### APPENDIX 1 – ORGANISATIONAL STRUCTURE



## APPENDIX 2: FINANCIAL DATA OR THE YEAR END 31 DECEMBER 2018

### Statement of Comprehensive Income for the year ended 31 December 2018

	2018 £	2017 £
<b>Revenue</b>	<b>15,605,924</b>	14,635,671
<b>Expenses</b>		
Operating expenses	11,241,621	10,671,764
Administration and general expenses	2,489,015	2,128,158
	<b>13,730,636</b>	12,799,922
<b>Operating surplus before depreciation and surplus on disposal of fixed assets</b>	<b>1,875,288</b>	1,835,749
Depreciation	(1,226,918)	(1,089,237)
Gain on disposal of fixed assets	115,318	25,804
Fair value movement on investment property	30,000	-
<b>Operating surplus for the year</b>	<b>793,688</b>	772,316
Investment return and net interest receivable	(75,143)	184,519
<b>Surplus for the financial year</b>	<b>718,545</b>	956,835

All material activities derive from continuing operations.

There are no recognised gains or losses or other movements in reserves for the current or preceding financial years, other than as stated in the Statement of comprehensive income.

### Statement of Changes in Equity for the year ended 31 December 2018

	2018 £	2017 £
<b>At 1 January</b>	<b>11,777,266</b>	10,820,439
Surplus for the financial year	718,545	956,835
Transfer to States of Guernsey General Revenue	(1,000,000)	-
Write down of assets	-	(8)
<b>At 31 December</b>	<b>11,495,811</b>	11,777,266

## Statement of Cash Flows for the year ended 31 December 2018

	2018 £	2017 £
<b>Net cash flows from operating activities</b>	<b>1,601,698</b>	<b>1,330,579</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	117,056	61,451
Purchase of fixed assets	(1,596,249)	(1,642,711)
<b>Net cash flows used in investing activities</b>	<b>(1,479,193)</b>	<b>(1,581,260)</b>
<b>Cash flows from financing activities</b>		
Contribution to States of Guernsey General Revenue	(1,000,000)	-
Investment return received	107,126	150,292
<b>Net cash flows from financing activities</b>	<b>(892,874)</b>	<b>150,292</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(770,369)</b>	<b>(100,389)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,553,975</b>	<b>3,654,364</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,783,606</b>	<b>3,553,975</b>
<b>Reconciliation to cash at bank and in hand:</b>		
Cash at bank and in hand	50	50
Balances with States Treasury	2,783,556	3,553,925
<b>Cash and cash equivalents</b>	<b>2,783,606</b>	<b>3,553,975</b>



## Revenue and Expenses

All revenue is derived from activities within the Bailiwick of Guernsey. An analysis of States Works revenue and expenses, by class of business, is set out below:

	2018 £	2017 £
Building maintenance	-	4,261
Cleansing	1,344,243	1,382,293
Drainage	319,099	335,045
Electrical and mechanical	1,067,802	1,034,390
Emergency services	186,932	90,603
Fleet Hire	99,330	79,887
Fleet maintenance	570,577	554,918
Highway repair	1,361,260	1,273,846
Land management	2,086,382	2,124,325
Landfill and recycling	3,728,350	3,388,368
Management services	204,023	207,115
Sewage collection	2,585,196	2,384,752
Signs and lines	485,253	429,955
Waste collection	1,053,653	851,591
Administration and stores	513,824	494,322
	<b>15,605,924</b>	<b>14,635,671</b>
<b>Operating Expenses</b>		
Direct labour	6,602,634	6,516,844
Direct materials	3,949,945	3,490,739
Vehicles – fuel costs	276,039	279,736
Plant and tools – maintenance and replacements	192,872	168,190
Building maintenance and charges	220,131	216,255
	<b>11,241,621</b>	<b>10,671,764</b>
<b>Administration and general expenses</b>		
Salaries, wages and employer's superannuation	1,740,884	1,511,303
Travel and training charges	72,255	80,443
Post, stationery and telephone	44,300	43,387
Computer charges	84,840	79,790
Insurance	120,000	120,000
Audit fee	18,000	17,500
Sundry office expenses	408,736	275,735
Debt write off	-	-
	<b>2,489,015</b>	<b>2,128,158</b>
<b>Total expenses</b>	<b>13,730,636</b>	<b>12,799,922</b>