



BUSINESS PLAN

2023 - 2027

Executive Summary

Guernsey Ports (Ports) is responsible for the Airports of Alderney and Guernsey, and the Harbours of St Peter Port and St Sampson. It plays a critical role in ensuring our island gateways remain open, safe and secure.

Guernsey Ports is the custodian of a diverse set of critical assets across its airside, landside, onshore and offshore estates. It operates as an unincorporated entity under government control through the States' Trading Supervisory Board, with an expectation that it is run on a fully commercial basis. Indeed, the Ports Board is keen to ensure a commercial mindset is forefront in its business dealings and is embedded in our ethos.

The purpose of the Ports Business Plan is to:

- Provide strategic direction for the Ports Board, its management team and staff based on a 5-year horizon view;
- Provide direction for setting policy and action plans that further streamline and seek to move the business into a more commercial mindset;
- 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 a more efficient pan-Ports way of working;
- Define parameters for 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 throughout its lifecycle to reflect new challenges and to exploit opportunities.

The Plan sets out five Ports Business Priorities (BPs) together with their associated Strategic Objectives (SOs). These SOs will focus the efforts of both the Ports Board and its employees over the next 12 months in particular.

The Five Business Priorities for Guernsey Ports are:

BP1: Maintain Operations & Regulatory Compliance	Operations across Guernsey Ports will remain open, safe and secure and compliant with the latest regulatory standards.
BP2: Revenue Protection & Growth	Guernsey Ports is mandated to operate on a commercial basis and to strive for self-sufficiency i.e. to not be a burden to the taxpayer. This mandate precipitates a "user pays" approach that should be

	reflected in all current and future revenue generation means available to the Ports operating model.
BP3: Efficiency & Viability	In line with its mandate to improve the financial viability of the Ports and seek opportunities to return it to profitability in the medium term, we will encourage further environmental sustainability within our operations and designs, together with a culture where efficiency is encouraged.
BP4: Good Asset Management	Guernsey Ports is an asset-intensive business and it requires appropriate asset management practices to be at the heart of its operating model. This will be achieved through the establishment of an asset management mindset, underpinned by policies, strategies, resources and processes, that are supported and enabled by a fit-for-purpose enterprise asset management solution.
BP5: Prioritised Investment	The value of capital projects undertaken by Ports in 2021 and 2022 has exceeded £5m in each year, indicating that much is being achieved in improving the condition of the estate. This must continue in order for the asset base to continue delivering on the Ports mandate, with priority given to investments that ensure our island gateways remain open, safe and secure.

This updated Business Plan builds on a number of significant achievements against the objectives set in the 2022 Business Plan, measured against some continued challenges, including the need to reflect that the impact of COVID on Ports revenues can reasonably now be considered to represent a permanent influence and represent a ‘new normal’ in terms of travel patterns. 2022 did evidence some encouraging recovery of business activity when compared to the previous 2 years, but it has brought into focus the need to return Guernsey Ports to a financially viable position. This theme features in our Strategic Objectives for 2023.

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

Guernsey Ports Board
31 July 2023

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1 Business Overview

1.1 Primary 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.

To achieve this Guernsey Ports has principal responsibility for the provision of:

Critical National Infrastructure such as:

- Runways, taxiways and aprons, navigational aids and services for the operation of commercial and private aircraft;
- Buildings, cranes, ramps and associated infrastructure and facilities to support commercial operator services for the movement of sea passengers and freight.

Mission/ Business Critical functions such as:

- Air Navigation Services including approach services, radar, aerodrome and ground movement control;
- Coastguard Operations including Search and Rescue Coordination and Vessel Traffic Services
- Rescue and Fire Fighting Service to the standards set by the relevant competent authority;
- Meteorological Services providing critical services to aviation and the local community;
- Security Services operated in accordance with the United Kingdom's Department for Transport National Aviation Security and Maritime Security Programmes and the European Union's regulatory requirements;
- Berthing and marina facilities for local and visiting leisure boat owners;
- Coastal and port state responsibilities including appropriate alignment with the International Maritime Organisation Instruments Implementation Code (IIC);

Business operational and administrative functions such as:

- Surface access infrastructure for the movement of vehicles in landside areas;
- Public service obligations, including parking;
- Forward planning and Project and Programme management for investment;
- Flag state responsibilities including provision of Ships Registry
- Management, administration, safety and financial support services.
- Revenue protection and growth;

Guernsey Ports competent authorities are:

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

The challenges 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.

1.2 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 followed but do create tensions as Guernsey Ports operates a business that balances commercial freedom with political accountability.

The STSB is actively pursuing investigations into commercialisation of its business units, including Guernsey Ports. The Ports supports this review and will strive to deliver improved and more efficient services, irrespective of its current or future governance structure.

1.3 Operational Context

Guernsey Ports and those businesses that rely on its operation and activities were exposed to the longest period of disruption during the COVID pandemic. Our businesses were the first to be impacted by border controls and were the last industry to recover, as the propensity to travel remained suppressed for two years of the lockdown period.

As we enter 2023 and reflect on the overall 77% recovery on pre-pandemic level of passenger travel experienced in 2022, it is now accepted that Ports is unlikely to see a full restoration to pre-pandemic travel demand.

Guernsey Ports has adapted its business model and its thinking about future sources of revenue, its need to further develop non-aeronautical and non-maritime revenues and to consider how it can develop and enhance commercial opportunities.

1.4 Financial Context

Guernsey Ports' fiscal demands will be met in such a way to ensure that Port charges are sustainable and yet maximise revenue for the Ports, both in terms of recognising the regional markets in which we serve and the need to ensure the Ports can continue to invest in the repair and improvement of its facilities.

This is recognised as a very immediate and real challenge for the Ports and as consequence of the reduction in travel over the last two years, with that downturn triggering overdraft facilities for the Ports between 2020 and 2023, alongside an immediate necessity to draw down all the Ports funding reserve, which previously had been used to finance capital investment. The necessity for financial support, already identified as being likely in the

medium term, became an immediate requirement in 2020, and that necessity continues as we enter 2023. The scale of that support is scaling back but is still targeted to total £6m in 2023.

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 avoid 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 commenced and remains an objective in our 2023 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 resulted in an operating surplus (returned to the Ports Holding Account) of £3.2m in 2019. The subsequent years have seen turnover figures substantially reduce and the Ports has continued to forecast budget deficits as we enter 2023.

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 for the subsequent years. The full extent of this borrowing for 2023 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 investments within the Capital Programme will be advanced so as to minimise the level of borrowing required in 2023.

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 asset criticality, resources available and cash flow. A detailed programme of targeted investment in assets has been agreed by the Ports Board for 2023 that reflects its ambition to invest £4m of capital expenditure in 2023. Future capex is kept under constant review.

As the future capital investment programme for the Ports is developed, then borrowing using the asset base of Guernsey Ports as security is being explored. It is accepted that this opportunity would most likely arise with 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, 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 (2022 Accounts)



1.5 Commercial Context

The Ports Board continues to direct a commercial mindset in its business dealings and is embedded in our organisational approach and culture.

The ports of entry to the island are critical economic enablers and whilst they have an important role in supporting the island's prosperity, Guernsey Ports cannot significantly influence the number of people who travel to and from the island. 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. The Ports cannot however act as a form of economic enablement. That responsibility must rest with the States of Guernsey corporately and the Ports responsibility is to ensure it can continue to sustain and maintain the facilities it operates.

Guernsey Ports' facilities and services enable sustainable operations year-round and it plays a critical role in the wider economic and social enrichment for the Islands. The organisation also acts as the custodian of significant real estate that provides wider opportunities for locals and visitors alike, as well as maintaining large areas of public realm.

Guernsey Ports works in parallel with its stakeholders across a wide variety of sectors, 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 facilities

under our control remaining open, safe and secure. Strengthening and supporting this relationship will remain our primary focus.

1.6 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 Board 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;
- Corporate 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 Business Priorities & Strategic Objectives

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

Guernsey Ports 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, five Business Priorities (BPs) have been set to guide decision-making and forward planning. Our BPs represent the Why and How we do business:

BP1: Maintain Operations & Regulatory Compliance	Operations across Guernsey Ports will remain open, safe and secure and compliant with the latest regulatory standards.
BP2: Revenue Protection & Growth	Guernsey Ports is mandated to operate on a commercial basis and to strive for self-sufficiency i.e. to not be a burden to the taxpayer. This mandate precipitates a “user pays” approach that should be reflected in all current and future revenue generation means available to the Ports operating model.
BP3: Efficiency & Viability	In line with its mandate to improve the financial viability of the Ports and seek opportunities to return it to profitability in the medium term, we will encourage further environmental sustainability within our operations and designs, together with a culture where efficiency is encouraged.
BP4: Good Asset Management	Guernsey Ports is an asset-intensive business and it requires appropriate asset management practices to be at the heart of its operating model. This will be achieved through the establishment of an asset management mindset, underpinned by policies, strategies, resources and processes, that are supported and enabled by a fit-for-purpose enterprise asset management solution.
BP5: Prioritised Investment	The value of capital projects undertaken by Ports in 2021 and 2022 has exceeded £5m in each year, indicating that much is being achieved in improving the condition of the estate. This must continue in order for the asset base to continue delivering on the Ports mandate, with priority given to investments that ensure our island gateways remain open, safe and secure.

The Strategic Objectives (SOs) derived from our BPs represent the What and Where we will dedicate our resources in order to advance our BPs.

The SOs are set out in the following sub-sections together with the key initiatives and metrics with which the Ports Board will monitor progress against them.

2.1 Maintain Operations & Regulatory Compliance

Strategic Objectives:

1. Ensure operational and safety critical equipment is maintained in a serviceable condition with focus placed upon preventative maintenance and proactive replacement when equipment is coming to the end of its design life.
2. Ensure continued regulatory compliance with relevant and applicable regulations to keep operations open, safe and secure.
3. Continue to embed a just culture across Guernsey Ports encouraging proactive reporting of occurrences by all stakeholders and continued proactive engagement.

How we will achieve this:

- Ensure maintenance activity is undertaken in a timely and thorough manner.
- Ensure asset replacement is programmed and undertaken in a suitable timeframe.
- Facilitate mandatory compliance audits and ensure follow up actions are completed in agreed timeframes.
- Encourage and promote a just culture for occurrence reporting.

Key performance indicators:

- Regulatory audit findings are closed off to the agreed deadlines and progress regular reporting to the applicable competent authorities.
- Number of operational or safety critical equipment unserviceability / fault events across Guernsey Ports.
- Number of mandatory occurrence reports and RIDDOR events across Guernsey Ports
- Number of operational hours lost through infrastructure unserviceability across Guernsey Ports.

2.2. Revenue Protection & Growth

Strategic Objectives:

1. Review and apply appropriate market rates for our charges, dues, fees, rents and services.
2. Seek opportunities to improve the product offering, by undertaking investments in our infrastructure that support more business through improved customer facilities.
3. Increase the number of passengers through the Ports by working with current or new carriers to provide more connectivity.
4. Protect existing income streams by enhancing our understanding of income and costs within the business.
5. Identify and execute business development opportunities.

How we will achieve this:

- Complete changes to charging legislation to maximise potential for additional revenue generation from existing anomalies in charges.
- Benchmark review of dues and charges in neighbouring jurisdictions.
- Prioritisation of investment in schemes which generate more revenue through improved product offering.
- Regular future-focused dialogue with existing carriers.
- Transition to a more commercially focused mindset to ensure we “think commercially, act commercially”.
- Complete the Ports Commerciality target list and prioritise big wins and quick wins for implementation. Ensure appropriate resources are available to drive new initiatives.
- Complete comparison study on marina berth charges and prepare a phased implementation plan to increase charges over a number of years starting in 2024.
- Recognise the importance of establishing a dedicated Business Development role.

Key performance indicators:

- To implement changes to charging legislation in 2023, for phasing in from 2024.
- New marina moorings charges are ready for implementation for YOC 2024.
- Improve non-aeronautical and non-maritime revenues by +10% by 31 December 2023, when compared to 31 December 2022.
- Create a new Business Development role with budget inclusion for 2024.

2.3 Efficiency & Viability

Strategic Objectives:

1. Complete a 'root and branch' review of Ports Finances in 2023. This will result in proposals to improve the financial viability of the Ports and seek opportunities to return it to profitability in the medium term.
2. Encourage further environmental sustainability within our operations and designs, together with a culture where efficiency is encouraged.

How we will achieve this:

- Complete a 'root and branch' review of Ports Finances in 2023. This will result in proposals to improve the financial viability of the Ports and seek opportunities to return it to profitability in the medium term.
- Identify and prioritise development of investment opportunities that will generate the most significant return;
- Consider wider funding of Ports cost base, e.g. through offsetting of Public Service Obligation costs of running the ports, recapitalisation options etc.
- Review and exploit any opportunities to reduce energy consumption;
- Develop a mindset where teams and individuals pursue opportunities to reduce costs and improve efficiency in cost and process.
- Ensure specifications for new capital projects include baseline requirements to reduce carbon footprint;
- Undertake a sustainability risk assessment in order to determine the environmental sustainability priorities at the ports, and the degree of resourcing required to provide proper scrutiny, management and delivery of good practices.

Key performance indicators:

- To ensure reductions in operating deficits can be reflected in future budgets.
- Ensure continued progress on the roll out of asset management, to include a system implementation in 2023, together with key appointments to support that delivery.
- To establish baseline energy consumption across the Ports.
- Develop and agree an Environmental Sustainability Policy, including future targets for reductions in energy consumption.

2.4 Good Asset Management

Strategic Objectives:

1. **To embed asset management throughout Guernsey Ports and enable our teams to manage our asset base more effectively, derive greater value from the assets and improve investment decisions to ensure the gateways remain open, safe and secure.**
2. **Maximise the value of the estate per the output derived from the Airport Master Plan and the Pool Marina Feasibility Study.**
3. **Other opportunities requiring low capital investment but which generate economic return will be targeted, including the existing leisure marina provision, which has been sustained and grown in real terms despite the challenges of the last two years.**

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. It is well understood that there remains a significant backlog of maintenance on the estate, particularly at the Harbours. It is however subject to both recapitalisation and further prioritisation as a result of other initiatives.

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 5, but evidenced commitment of resources and capital are making some inroads into that challenging programme.

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.

How we will achieve this:

- Publication of a Policy Letter in 2023, to provide the States of Deliberation with options for the Pool Marina Development.
- Implementation of Phase 2 of the Airport Master Plan by 30 September 2023.

- 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.
- Roll out Strategic Asset Management Plan in 2023.
- Establish permanent asset management lead in 2023; to replace the temporary lead appointed in 2022.

2.5 Prioritised Investments

Strategic Objectives:

1. **Guernsey Airport: Vehicle Check Point Upgrades Checkpoints.**
2. **Guernsey Harbours: Pool Marina Feasibility Study, QE2 Marina Gate Replacement and Castle Emplacement Bridge.**
3. **Alderney Airport: Tendering and final design for Airfield Pavements Project leading to signed contracts for commencement of works.**

The value of capital projects undertaken by the Ports team in 2021 and 2022 has exceeded £5m in each year, which is above the target of £3.7m set in the previous Business Plan. This is a strong indicator that much is being achieved in improving the condition of the estate.

The Capital Portfolio currently comprises of 220 projects (inclusive of those in the pipeline). Of these, in the next five years it is estimated that the known 'must do' projects hold a total value of approximately £66m.

This business priority comprises a number of projects specifically prioritised for completion in 2023 in respect of Ports provision, some of which are mandated by the States of Deliberation, but will remain impacted by the need to prioritise the capital spend so as to minimise borrowings on the overall operating deficit in 2023:

1. To progress other prioritised capital investments at the Ports, QE2 Marina Gate Replacements, the Pool Marina Feasibility Study at Guernsey Harbours.
2. To tender Option C+ of 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. To appoint a preferred contractor to undertake the works from 2024.
3. To prioritise and execute high priority capital investments as identified in the 2023 Ports Capital Programme.

How we will achieve this:

- Refine procedures in conjunction with STSB for the delegation of decisions at an appropriate level of the organisation.
- Further develop the capital delivery team across Guernsey Ports to improve the administrative support and guidance for our business managers to help them deliver projects, supplemented as required with some external support.
- 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.

Key performance indicators:

- Presentation of the QE2 Marina Gate Options in a SOC before the end of December 2023.
- Commissioning of remaining 2023 capital prioritised investments by no later than 31 December 2023.
- Tendering of Alderney Airport Pavements Project in Summer 2023, with a view to work commencing Spring 2024.
- Complete the survey of the Guernsey Airport terminal building roof and structural elements and develop a remediation plan no later than 31 December 2023.
- Minimum targeted capital spend in 2023 of £4m on Ports Assets.

3 Ports 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 in order to deliver on our Strategic Objectives.

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 that are open, safe and secure.”</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>Note: 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, Business Priorities and Strategic Objectives within their teams, and to ensure they are consistently referenced and contextualised within their own functions. 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.

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 functional and corporate objectives, and reflect the Ports Purpose, Vision, Values and Business Priorities;
- Demonstrate how individual effort contributes to the overall success of the business;
- Ensure everyone has autonomy, and a strong sense of shared 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 staff. Whereas previously these skills shortages had been generally limited to skilled trade roles, there is increasing evidence to suggest these shortages are now extending to managerial and specialised posts across the Ports, but particularly in aviation-related roles.

The inability to attract and retain the appropriate number of staff still applies pressures on the business in 2023. Any solution must consider not just pay-related issues, but the overall working environment, 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, accepting that T&Cs limit the ability to respond directly.
- Succession planning and ensuring the effective transfer of knowledge;
- Building resilience within critical teams to ensure business continuity.
- Providing support mechanisms to staff, including a trial 'corporate wellness' programme in 2023.

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 1:1s, 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 sixth 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 Strategic 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

1. Appoint owners for each of the Strategic Objectives who will instigate and lead cross-functional implementation teams, and provide updates to the Ports Board and SLT on progress, risks etc;
1. Set specific objectives for every business function in line with the Ports Ethos framework and relevant Strategic Objectives.
2. Structure the Ports Board and SLT agendas in such a way that they focus on the monitoring of progress against KPIs and seek to accelerate the delivery of the Strategic Objectives.
3. Engage a representative cross-section of the organisation to review and input to the updated Ports Ethos framework as set out in this Plan;
4. Embed the updated Ports Ethos framework in organisation-wide decision-making and communication processes;

5.2 Review Process

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