



States' Trading Supervisory Board

An introduction

Who we are
and what we
do.....



States' Trading Supervisory Board

The **States Committee** mandated to
oversee all States of Guernsey owned
trading operations



States of Guernsey Trading Group

A group of well-managed, efficient
businesses that deliver a return in the best
interest of islanders

The States' Trading Supervisory Board

Established in May 2016 as a new Committee following the restructure of government. Clear intent described in the relevant policy letters:

- The STSB consolidates oversight of *all* the trading concerns and companies in public ownership that have clear operational parallels.
- The Board is *wholly dedicated* to supervising the business strategies and activities of the trading entities
- They have the *capacity, specialist responsibility and skills for a more active level of supervision and oversight* of more commercial activities
- They have a focus on the entities *making a return that provides best value to the Guernsey economy*, whilst balancing the wider interests of islanders
- They can pursue appropriate *enhanced freedoms and flexibilities* for the entities
- It has *a mandate and constitution which are consistent with the need to balance political and commercial considerations.*
- For the unincorporated entities *to act as if they were the board of directors*

Group Leadership

STSB States Committee

President



Deputy Peter
Roffey

Vice-President



Deputy Charles
Parkinson



Deputy Nick
Moakes



Mr Stuart Falla
MBE



Mr John Hollis

Trading Group Leadership Team Executive



Simon Elliott
Group MD



Alastair Ford
Head of
Shareholder
Executive



Simon Gardiner
Finance
Business
Partner

Group Leadership

The STSB combined with the Trading Group executive effectively for the 'Group Board'

- STSB Members can be compared to the Non-Executive Directors (NEDs)
- Trading Group Executives (civil servants) are the executive team

In reality of course the Trading Group executives cannot have a formal vote in a States Committee

The Group businesses

- Commercial or semi-commercial activities the States carry out through distinct trading businesses, funded by provision of goods or services..... with a couple of exceptions
- They have certain levels of flexibility in setting charges for provision of goods and services, and retaining funds for reinvestment in the business
- They are not a 'conventional' public service, but they contribute to government policy objectives

Incorporated, unincorporated and 'other services'

Incorporated businesses

- States-owned companies which have a separate legal identity to SoG
- SoG is sole shareholder
- Have independent Boards of Directors, with full fiduciary duties

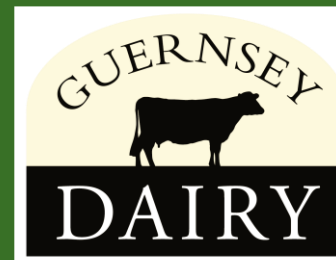
Unincorporated businesses

- States trading entities, but no separate legal identity to SoG
- 'Company Boards', formed as STSB subcommittees with advisers, do not have fiduciary duties

Other Services

- Not trading functions, yet, or contracted services

The Group businesses



What we are
responsible
for.....

Unincorporated businesses

- Agree business and financial strategy for each trading body
- Ensure delivery of the high level policies set by the States
- Hold the trading bodies to account for performance against business plan objectives
- Balance social, economic and environmental objectives, and the long-term benefit of islanders
- Ensure strong budget performance to deliver a return to the States
- Propose fees and charging policies, making recommendations to the States
- Adopt 'user pays' principle for most services, except in areas of wider public interest that may receive grants/subsidies.

Governance arrangements for....

Unincorporated businesses

- The STSB has implemented improved governance arrangements across all the unincorporated trading businesses, including the formation of political subcommittees and company boards, each accountable to the STSB
- They operate by challenging established practices and assumptions, and supporting the businesses in establishing clear strategic direction, business planning and operational delivery, in support of the outcomes of the Future Guernsey Plan, the Medium Term Financial Plan, the Public Service Reform Agenda and other key strategic reviews and organisational drivers

Unincorporated
businesses

Company
Boards

	Guernsey Ports	States Works	Guernsey Water	Guernsey Dairy	Guernsey Waste
Chair	Stuart Falla	John Hollis	John Hollis	Stuart Falla	John Hollis
STSB Member	Peter Roffey	Nick Moakes	Charles Parkinson	Peter Roffey	Charles Parkinson
Adviser	Boley Smillie	Matthew Polli	Alan Bates	Steve Langlois	Matt Jones
Adviser	Simon Holden	Vacant	Michael Lawther	Sarah MacKnight	Peter Watson
Managing Director	Colin Le Ray	Paul Lickley	Steve Langlois	Andrew Tabel	Sarah Robinson
Finance	Conor McGinn	Ian Merrien	Andrew Morton	Catriona Edwards	Ian Merrien

Subcommittee

Channel Islands Lottery

	Channel Islands Lottery
Chair	Charles Parkinson
STSB Member	Nick Moakes
Officer	Simon Gardiner
Officer	Catriona Edwards – Finance
Officer	Jon Taylor – Lottery Manager
Adviser	Vacant

What we are
responsible
for.....

Incorporated
businesses

- Undertake the shareholder role on behalf of SoG
- Approve appointments of Non-Executive Directors to the Boards
- Set shareholder objectives & monitor performance against those objectives
- Approve companies' strategic plans
- Seek to ensure they deliver cost-effective, innovative services, and operate responsibly in the best interests of the community
- Seek an appropriate return that provides best value to the Guernsey economy
- Ensure they support the island and its social, economic and environmental objectives

Incorporated Company

Boards of Directors

	Guernsey Post	Guernsey Electricity	Aurigny	Jamesco750
Chair	Simon Milstead	Ian Hardman	Kevin George	Jeff Vidamour
Chief Exec	Boley Smillie	Alan Bates	Nico Bezuidenhout	
Finance	Steve Sheridan	Julian Turner	Chris Simpson	Michelle Herpe
NEDs	Richard Digard Mark Dunster Peter Shaefer Paula Williams	Gillian Browning Ian Chapman Richard Denton Joanne Peacegood Peter Shaefer Tania Songini	Chris Holliday Meriel Lenfestey John Le Poidevin	Simon Holden Peter Gill Andy Way
COO		Sally-Ann David		

Note: The STSB as shareholder is represented by Mr Falla and Deputy Parkinson for Guernsey Electricity; Mr Falla and Deputies Roffey and Moakes for Aurigny; and by Mr Falla and Deputy Moakes for Guernsey Post and Jamesco750

The numbers Incorporated Businesses

	Cabernet Limited¹	Guernsey Electricity²	Guernsey Post³	Jamesco750
Staff	293	205	234	Not disclosed
Revenue	£45.0m	£57.3m	£31.8m	Not disclosed
Net Surplus/ (Deficit)	(£9.7m)	(£2.3m)	£1.5m	Not disclosed
Tangible Fixed Assets	£84.6m	£151.9m	£11.9m	Not disclosed

¹ Accounts year end 31/12/19; ² (Draft) 12 months ended 31/03/20; ³ Accounts year end 31/03/20

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The numbers Unincorporated Businesses

Staff	566
Revenue	£86.3m
Operating costs	£37.3m
Operating surpluses	£10m
Capex	£8.4m
Fixed Assets	£416.3m

All figures based on 2019 Accounts (calendar year). Exclude Trading Group central operations

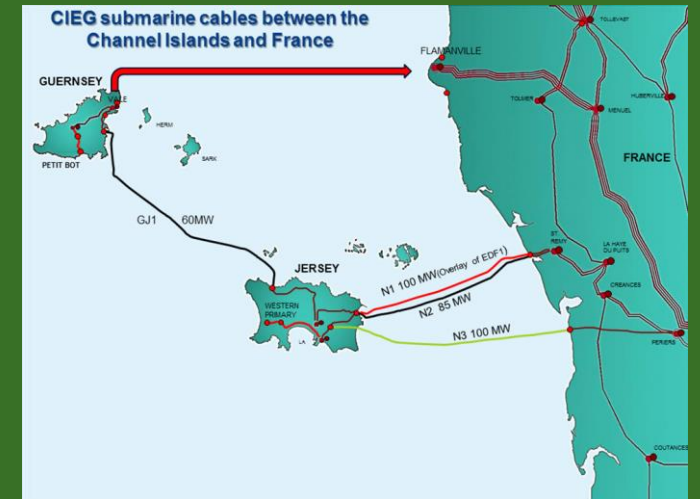


- 550,000 passengers per annum
- Mixed complex fleet of 10 aircraft from 18 to 122 seats
- Owns, preserves & operates slots at Gatwick Airport
- Provision of lifeline scheduled, freight, post and medevac services to Alderney
- Network of inter-island and UK destinations
- Operation of Anglo Normandy Aircraft Engineering





- Supply of electricity (370,000MWh) through both on-island generators (23%) and imports from France (77%)
- Managing the island's security of electricity supplies – the “N-2” policy
- Distribution and supply of electricity to some 30,000 customers
- Joint ownership and operation of CIEG network of cables between Guernsey, Jersey and France
- Retail activities, including electric heating, boilers and appliances
- Electrical and plumbing installation & repair services





- Handles around 42 million mail items a year. A declining industry, down from 67 million in 2012
- Economic enabler, supporting bulk mail firms (e.g. Funky Pigeon, Moonpig) – 50%+ outbound items are bulk mail
- Agent for leading delivery companies, including Royal Mail and Fedex
- 12 Post Offices Bailiwick-wide, including banking services in Sark
- Renowned philatelic service, with 12 new stamp issues each year
- Foreign exchange service through BATIF



Jamesco 750 Limited

- Owns the two fuel tankships, Sarnia Cherie and Sarnia Liberty, purchased by the States in 2008 to ensure essential supply of fuel
- NAABSA vessels – Not Always Afloat, But Safely Aground – can sit on seabed at low tide to overcome constraints at St Sampson's Harbour. Very few available
- Jamesco manages the chartering the vessels to ship operators, who then operate them into Guernsey under contract with local fuel suppliers





- Manages Guernsey & Alderney Airports
- Operates 364 days/year, and in 2019 handled 860,000 passengers, and 36,000 aircraft
- Annual turnover c£13m in 2019
- Maintain infrastructure & facilities
- Provide technical, security, fire fighting, administrative, air traffic control & Met services
- Enable safe and efficient movement of commercial & private aircraft, passengers and cargo





- Manages St Peter Port & St Sampson's Harbours, maintaining and investing in infrastructure and facilities
- Safe and efficient movement of freight, passengers, vehicles, and commerce
- Provides marinas, facilities and services for private boats & cruise ships
- Turnover c£10.1m in 2019; more than 300k passenger movements
- Europe's largest cruise liner tender port - 88 vessels called in 2019, and more than 112k passengers came ashore
- Harbour Master and search & rescue services
- Landlord to 3rd parties for 100+ units





- Serves 26,000 customers, and manages the island's water environment from source to sea
- 2019 turnover of £16.0m
- 12.4m litres of drinking water supplied daily, 99.85% compliance with drinking water standards (2019)
- Collects & returns waste water safely to the environment
- 85% of customers connected to public sewer
- Manages & invests around £4.1m per annum in £152m of water & wastewater fixed assets



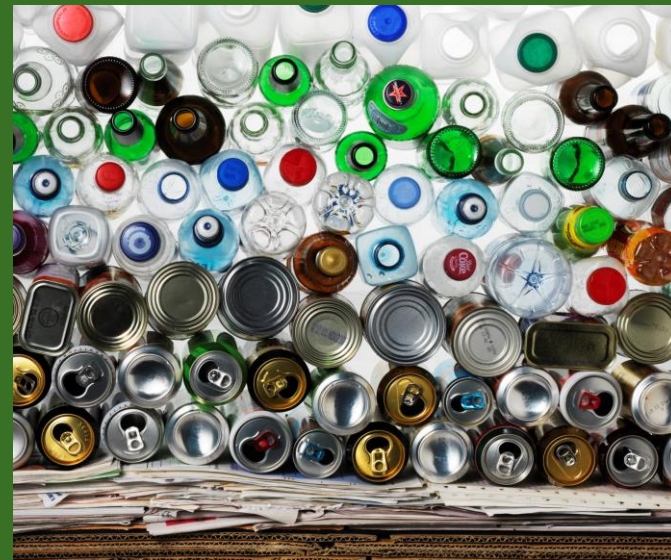


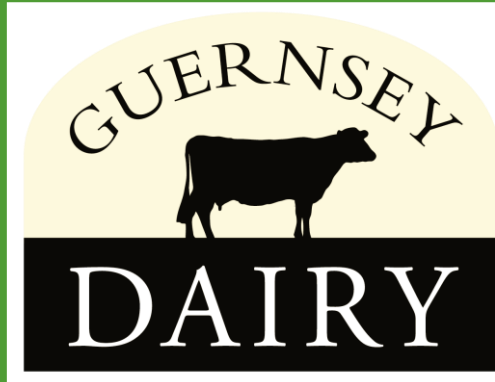
- Provision of municipal & maintenance services and equipment to States of Guernsey & private clients
- 2019 turnover of £17.1m
- Emergency response 24/7, 365 days a year
- Land management, sewage collection, engineering, highways maintenance and cleansing, waste management, stores, fleet & garage services
- Support for apprenticeships and local 'back to work' schemes





- Management of waste from households and commercial sources
- Maintains & operates facilities and infrastructure for the 'business as usual' waste services
- Manage contracts for other waste services (e.g. materials recycling facility)
- 2019 turnover of £7.7m
- Delivery of the new waste strategy infrastructure and services
- Provides information & advice on waste minimisation, recycling & reuse
- The Waste Disposal Authority function is a remit of the STSB





- Provides high quality dairy products: including milk, butter, cheese, cream and ice cream
- 2019 turnover £8.6m
- Processes around 8m litres of milk annually
- Markets milk & supports the dairy industry
- Operates commercially (within the context of government support) to maintain Guernsey's traditional countryside and its herd
- Invests in and maintains dairy infrastructure





- Oversight of the operation and management of the Guernsey element of the CI Lottery
- Founded in 1971
- Significant growth in recent years
- General Scratchcard Lottery and Christmas Lottery
- Management of contracts with 3rd parties
- Proceeds of Christmas Lottery support Bailiwick charities
- Annual surpluses support Beau Sejour & good/cultural causes
- Income of £13.6m in 2019

