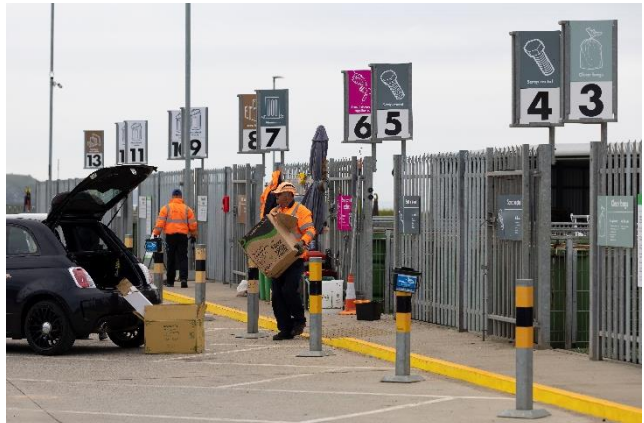




# Annual Report 2020





# CONTENTS

Chairman’s Statement..... 1

Managing Director’s Report ..... 2

Operational highlights ..... 4

Management and General ..... 9

Governance..... 13

Financial Data..... 14

Appendix..... 19



# Chairman's Statement

2020 was heavily defined by the COVID-19 pandemic and Guernsey was not immune to its impact. However, strong operational leadership and a robust response enabled islanders to go about their business relatively unimpeded by the restrictions on movements, social gatherings and other activities imposed elsewhere across the world.

With strong business continuity plans in place to deal with such circumstances, States Works was able to respond quickly and efficiently to the pandemic. Business activities were limited to those required to maintain continuity of essential services during lockdown, and all non-essential operational activity was put on hold until the spread of the virus was brought under control and restrictions eased.

The way the island responded to this unprecedented situation truly exemplified the 'Guernsey Together' community spirit and resilience of islanders, but also demonstrated the importance to the island of maintaining a dedicated resource capable of responding to significant emergency situations.

The efforts of our staff, alongside many other essential workers required to work, must be commended. We are extremely proud of their commitment and dedication.

States Works successfully negotiated the renewal of its key contracts with States clients, but the business was not immune to the financial impacts of the pandemic on the economy. With work missed during lockdown, some of which was unrecoverable, the businesses revenues and forecast budgets were impacted.

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## Our Mission:

A community focused provider of essential environmental and infrastructure services, operating for the long-term benefit of the island.

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Despite this, 2020 saw a good recovery which contributed to revenues of £16.2m. A strong final quarter investment return also contributed to an overall operating margin of £0.7m and a £0.5m financial contribution to the States of Guernsey in line with the Medium-Term Financial Plan.

The year culminated with the release of States Works new Business Plan. The plan marking the start of a period of significant change and transformation for the business, which once delivered will contribute to a leaner, smarter and stronger States Works business.



**John Hollis**

Chairman, States Works Board



# Managing Director's Report

## COVID 19 Impact

The island went into lockdown on 23 March 2020 and we responded immediately by implementing our established Business Continuity Plans. This saw our services scaled back to those deemed essential (sewage collection service, waste management services and the essential maintenance and repair of property and mobile assets). Many office-based staff were instructed to work from home, and operational staff involved in non-essential activity were placed on standby with those staff members being called back as required to cover absenteeism and employees who were self-isolating or shielding in accordance with Public Health advice.

## Business Performance

States Works maintained continuity of all essential services throughout the year despite the pandemic. However, our non-essential services were impacted by the island's lockdown and associated restrictions on working. This to the extent that we were unable to meet all our contracted obligations in such areas as Land Management, Highways and Engineering Services, and where missed work was unable to be fully recovered.

Despite the challenges and the direct financial impact of COVID-19 on the business, States Works maintained a positive operating margin. As with previous years' positive results, this enabled the business to contribute £0.5M to General Revenue as part of the Trading Group's 2020 Medium Term Financial Plan targeted return to the States of Guernsey.

## 2020 Highlights

Recognising our commitment to stop the use of glyphosate as a weed suppressant by the end of 2020, we worked closely with our clients in trialling and developing alternative non herbicide weeding strategies. This proactive approach left us well placed to deliver upon our promise.

Our Land Management Team received the 'Theme Award' at Floral Guernsey's annual event for its "75 years of Liberation" floral carpet display at the St Julian's Avenue roundabout and the staff member who planted, and is responsible for maintaining the display also received a certificate of commendation in recognition of his work in generally enhancing the island's natural beauty.



The Land Management team were also awarded the 'Tourism Award' for the 'Big Plan', which includes the hanging baskets and planters above the windows of many of businesses in and around Town. The 'Big Plan' is arranged and funded by St Peter Port Constables and the work is undertaken equally by States Works and two other private contractors.

October's first ever island-wide election resulted in some significant changes to the island's political landscape. As the new States of Guernsey political boards were formed and the States Trading Supervisory Board and States Works Board members confirmed, we welcomed and briefed new members.

## **Brexit**

The potential of a 'no deal Brexit' resulted in significant planning work. Spares for critical plant and equipment as well as other essential stock which may be subject to a delay in delivery after a potential 'no deal' Brexit, were assessed and additional stock purchased. As the year ended a trade deal was reached, and the focus turned to understanding the terms of the deal and the implications this may have on the business.

## **Future Direction**

An independent benchmarking and efficiency review of our activities undertaken in 2019, highlighted several opportunities to improve services, increase efficiency, and deliver greater value for money. All aspects included within

States Works' new business plan which was published in October 2020. The plan sets the scene in terms of what will be a period of significant change and transformation and will lead to the establishment of an optimum operating model for the business.

A key focus of the plan is on digital transformation. This will enable changes to current practices, based on better data and business intelligence, guiding and delivering smarter, leaner ways of working.

## **Our People**

We recognise that the successful delivery of the outcomes of this new plan will not be realised without listening to and understanding our most important assets, our people and our customers who both feature heavily in the plan.



**Paul Lickley**  
General Manager, States Works

# Operational highlights

## Return to work initiatives

We continued to support several initiatives aimed at helping individuals back into the workplace following a period of absence.

Following review and having considered the local economy and job market, March 2020 saw the end of the long running Community Environmental Projects Scheme (CEPS). Now referred to as the Work to Benefit (W2B) Scheme, we support a small team of participants under the supervision of a dedicated Team Leader. We are also able to offer participants several different placements across our diverse range of activities, through which they can gain valuable employability skills.

The COVID-19 pandemic significantly impacted the scheme, with placements temporarily put on hold. The situation improved towards the last quarter, and by the end of the year we were back to full capacity. A combined total of 23 participants came through the CEPS and W2B schemes during 2020.

We also saw 12 placements progress through the States of Guernsey's Kickstart Scheme, where participants were mentored by our staff and consequently, we were able to upskill and support them back into a normal work routine.

We were also pleased to continue to support several other initiatives including offering work placements for prisoners on day release and for providing work opportunities in conjunction with the Guernsey Employment Trust (GET).

We really value the importance of these schemes not only for participant's own development but in support of our island's community.

## Emergency Support Service

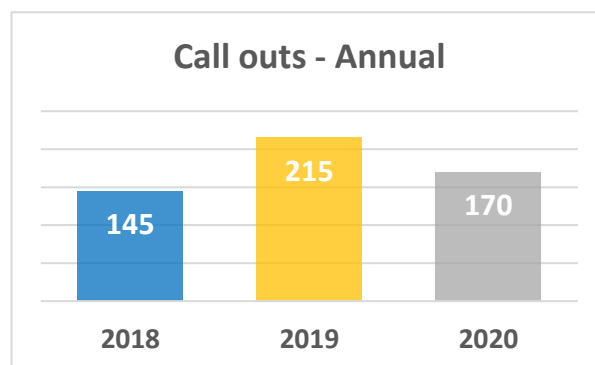
Our manpower resources and specialist equipment not only enable us to deliver our essential day-to-day services, but to also respond to any unplanned event or emergency – 24 hours a day, 365 days a year.

With major incidents occurring infrequently, we are generally called upon to deal with more routine events, ranging from oil spills to flooding or post-storm clearance.



In 2020, there were 170 emergency call outs compared to 215 in 2019, and 145 in 2018.

In future our intention is to report on the public value the service provides the States of Guernsey and the wider community. The benefits or otherwise of alternative delivery models are also to be considered alongside the contractual differentiation of day-to-day client response requirements and more complex incidents and emergencies.





## Engineering Services

### Drainage, Mechanical and Electrical

We continue to undertake specialist drain cleansing activities on the island's sewage and surface water networks, including wet wells and pumping stations. We also provide a full range of predominantly commercial and industrial mechanical and electrical installation, maintenance and repair services, inclusive of but not limited to:

- Road 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
- Mechanical fabrication works (including welding)

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

We remain an agent for Flygt Pumps and are keen to promote and establish other key agencies and product supply chains.

## Highways Services

### Highways, Cleansing and Signs and Lines

We continue to provide a range of services aimed at maintaining and enhancing the island's essential infrastructure and public spaces, inclusive of but not limited to:

- Maintenance, repair and renewal of the island's public road network;
- Manual and mechanical cleansing of the island's public highways and public spaces;
- Beach cleaning, path clearance and de-weeding of public spaces;
- The maintenance and repair of all 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);
- Signing of road closures, unplanned incidents and public or major events such as Liberation Day.

The team also deal with private contracts related to surface markings on car parks, and playgrounds. Sports markings on all hard surfaces, leisure pitches and courts are also undertaken.



## Land Management Services

The team provide a diverse range of high-quality gardening and greenkeeper services to our predominantly States of Guernsey clients, and operate from our Burnt Lane facility where staff are trained in propagation and cultivation skills.



Work for States clients is based on a service level agreement, which was successfully extended for a further 12 months at the end of 2020, providing the opportunity to consider the benefits or otherwise of developing a mixed economy operating model. The outputs will inform future negotiations aimed at developing and establishing a longer-term agreement.

In addition, we undertake garden maintenance and husbandry work for private clients helping to maintain full programmes of work. 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.

In partnership with the States of Guernsey's Agriculture, Countryside and Land Management Services team and Floral Guernsey, 2020 saw the development and implementation of an enhanced planting scheme within the top garden at Candie Gardens. The future on-going maintenance of which will be carried out by States Works.

Due to COVID-19, approximately 75% of the plants ordered for the summer floral displays were cancelled. Consequently, our

team stepped in to save the day by sowing an array of bedding plants in-house at our Burnt Lane facility. This ensured we were all able to enjoy the usual colourful floral displays around the island, and although very different to those planned, these displays were very well received. With very few Councils in the UK managing to have any displays at all during 2020.

Land Management services also supported 18 work placements through various groups, such as the Guernsey Employment Trust, Kickstart Scheme, Prison pre-parole programme, Guernsey Institute and Work to Benefit scheme. Some of which resulted in participant's being offered permanent positions within States Works.

## Sewage Collection Service

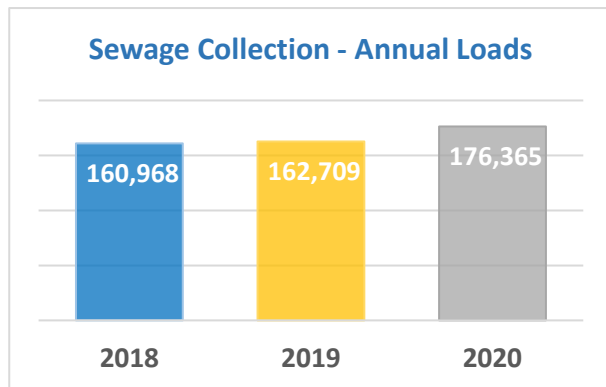
Through a service level agreement with Guernsey Water, States Works operates a sewage collection service that empties the cesspits of some 5,500 customers unable to connect to the main wastewater network.

Under normal circumstances the service operates from a single site, but during the pandemic, and in line with our business continuity plans, our drivers were required to operate in teams split across three operational sites. This aimed at improving the resilience of the service and minimising the risk of transmission of the virus amongst this essential staff group.





In 2020, 176,365 loads were removed from customer cesspits - significantly higher than the 2019 load count of 162,709. This increase is thought to have been due to high levels of seasonal rainfall and the impact of COVID-19, which saw many people working from home.



As part of Guernsey Water's Future of Wastewater project, work commenced on a new scheduling system for cesspit emptying, which is expected to be implemented in 2021. Guernsey Water will also assume responsibility for customer contact and billing in 2021, to bring together common water and wastewater customer service functions and enable efficiency opportunities to be realised.

In 2020, we took delivery of five 750 gallon, and five 1500 gallon tankers as part of our established vehicle replacement programme. All new vehicles were purchased in standard white livery as we continue to move away from the iconic yellow tankers and benefit from the efficiencies and savings this initiative brings.

## Stores, Fleet and Garage

We operate one of the island's largest commercial garages, which maintains our large and varied vehicle fleet. We also provide fleet management, maintenance and repair services to our predominantly States of Guernsey clients.

Vehicle tracking continues to be used across our commercial fleet aiding the efficient and effective utilisation of our vehicles.

Fleet and Garage is considered a growth area for States Works as we look to play a significant role in delivering the States Fleet Programme. We also intend to seek to develop a States Trading Group fleet management policy, that aims to build on the positive cross-committee work that has taken place in acquiring and disposing of vehicles.

We will also be submitting an expression of interest for future provision of motor vehicle technical inspections in Guernsey, the phased introduction of which is due to begin in 2021.

To respond to these future opportunities, we will need to recruit skilled staff, and establish a proactive training and development framework that supports the next generation. To achieve this, we will work with the Guernsey Institute to develop our apprenticeship programme, which we hope will enable us to play our part in addressing the island's growing skills shortage in this sector.



## Waste Management Services

On behalf of Guernsey Waste, States Works has operational responsibility for all publicly owned and operated waste management facilities.



This includes responsibility for the provision and maintenance of landfill gas and the leachate abstraction infrastructure; the environmental monitoring of current waste operations and continued management and aftercare of the island's closed landfill sites.

The team is responsible for maintaining and emptying all coastal and other publicly accessible bins around the island. Waste and recycling collections are also undertaken for commercial customers, which includes servicing the Castel, St Sampson and St Peter Port Parish household collections.

To complement the Parish waste and recycling collection arrangements and to ensure we optimise the use of our assets, the team is continuing to seek to develop our range of commercial waste and recycling collection services offered to private businesses, and which now includes collection of commercial food waste.

The maintenance and operation of the Waste Transfer Station and delivery of Parish waste collection and recycling services continued throughout lockdown. This saw a large upturn in volumes of segregated dry recycling, glass and

food waste collected at the kerbside. A record 94 bales of Refuse Derived Fuel were also produced on consecutive mornings during 2020.

States Works has also been working closely with the private sector and the Guernsey Institute to investigate and develop a new island operative apprenticeship scheme for general operatives, and it is hoped that a new and exciting training scheme will become available soon.

We were delighted to be asked by local artist, Olympia McEwan, to participate in a display which recognised those essential workers during the COVID-19 pandemic. Olympia created a fantastic portrait of one of our refuse collection operatives, one of many of our unsung heroes who continued to work throughout the pandemic.





# Management & General

## Human Resources

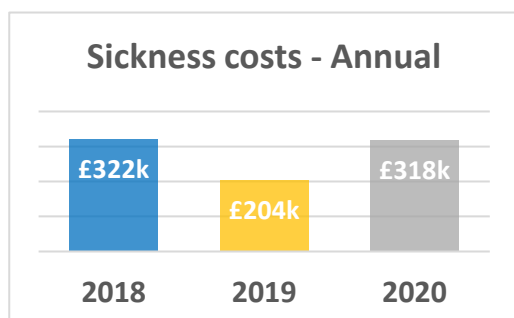
As of 31 December 2020, we employed 224 staff. 186 are Public Service Employees (PSEs) who work across a wide range of operational skills and disciplines. We also employed a small number of temporary PSEs to help with seasonal demands, particularly in Land Management Services. Our high-level organisational structure is shown in Appendix 1.

### Staff Leavers and Joiners

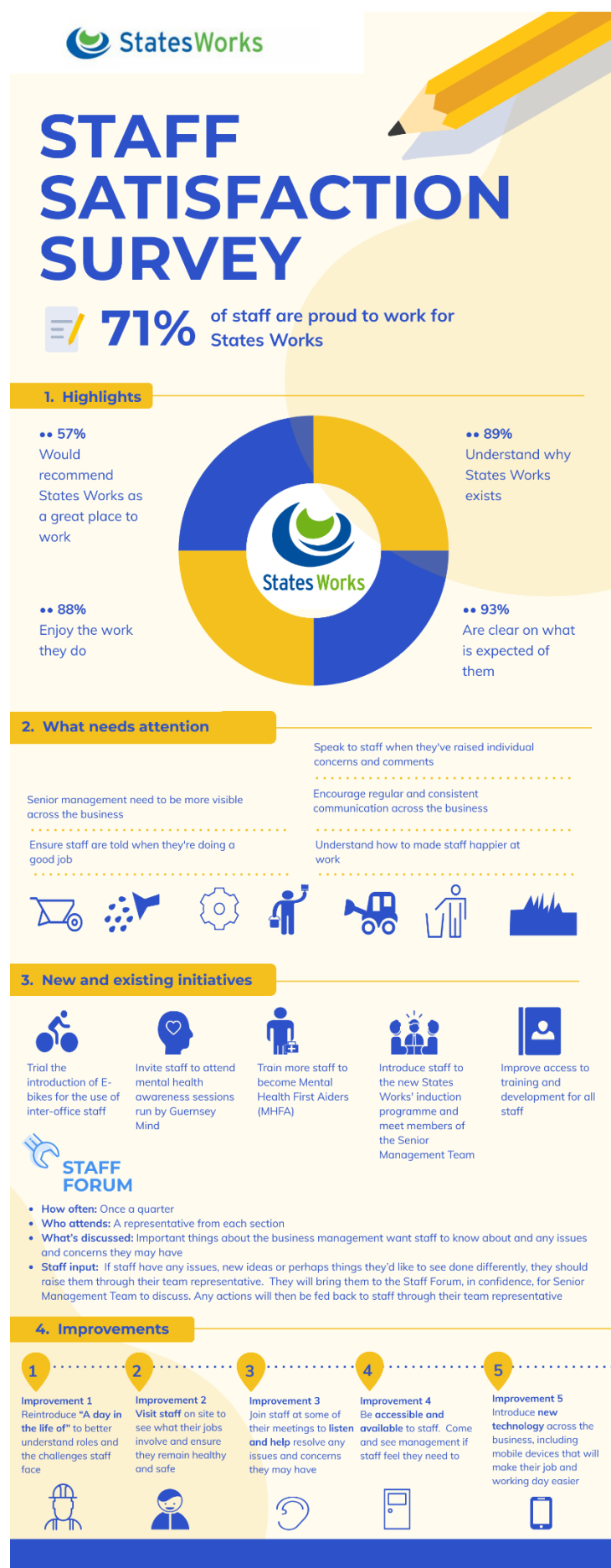
During 2020 there were 30 joiners and 27 leavers who were permanent employees. Staff turnover was 15%.

### Sickness

Total cost of sickness in 2020 was £318k. This is an increase on 2019, but slightly lower than 2018. The three-year average (£282k) is up from 2019 (£266K). In recognition, we have recently designed a new approach to dealing with sickness absence across the business that we hope will steadily reduce costs in coming years.



Our staff working group encourages, promotes, and enhances good employee relations. It will be key to addressing several potential improvements raised in our first staff survey in Q4 2020. Our ongoing commitment is to respond to the findings and continuously improve staff engagement and satisfaction.



## Property

States Works continue to own and operate from two main operational sites.

**La Hure Mare, Vale** - This is our main operational depot that in addition to our various workshops and stores facilities, accommodates our management, business and support service functions. A 24 hour a day fuelling facility is also located on site, access to which continues to be available to other States Committees' and Trading Group Businesses by arrangement.

**Burnt Lane, St Martins** - This site accommodates our Land Management Services team and is primarily a horticultural site used for plant propagation and aftercare. Display plants, available for hire, are also cared for at this site.

Both sites are strategically important to the business. Proposals are being developed to upgrade the deteriorating condition of the modular staff accommodation at Burnt Lane.

It is also appreciated that the type and nature of activities undertaken at La Hure Mare may need to change in the medium to longer term. It is difficult to predict at this stage what those changes will ultimately be, but we are confident that the site has enough development potential to meet our current and expected needs for the foreseeable future.

In addition to the La Hure Mare and Burnt Lane sites, States Works owns and leases to a third party on commercial terms, a small industrial building (known as the old water desalination plant) and its associated land. Accepting the strategic location of this site and its proximity to our main La Hure Mare operational facilities, this is not a site we would wish to relinquish. The site expected to feature heavily in any potential major redevelopment and/or expansion of our operations. In the meantime, it continues to generate a positive return on investment.

With a view to optimising the use of our operational facilities, some small areas of vacant office and storage space continue to be leased to other businesses on commercial terms.

Resurfacing of the external parking and hard standing areas at La Hure Mare was completed as planned in 2020.

## IT

As part of our technological enablement programme, progress is now being made in relation to the replacement of our job costing and accounting system and the development of a new operational management system with both new systems expected to be fully implemented in 2021. This, an important step towards greater system integration across the States of Guernsey.

## Finance

We are funded entirely from the income obtained from our various contracts, service level agreements and day works. We receive no direct funding from the States of Guernsey.

We operate with a fully audited set of accounts considering capital spend and depreciation as with any private company. These can be viewed in the States of Guernsey year end accounts, the detail of which for 2020 can be found on pages 14 to 18 of this report.

## Monitoring and Reporting

We operate many contracts and service level agreements for clients, all of which have operational metrics and/or established key performance indicators and prescribed schedules of work, against which performance is measured and reported.

In 2020, accepting the COVID-19 impact on some contracts, the business met or exceeded its contracted obligations and made a positive contribution to delivering wider organisational objectives.

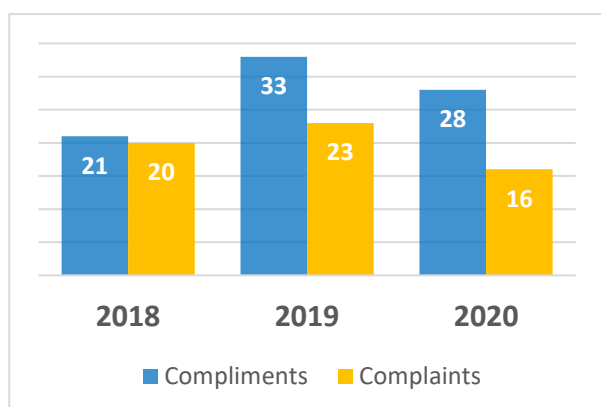
## Customer Service

Our primary intention is to provide services and equipment that consistently meet or exceed our clients' requirements. To help achieve this objective, our management systems and processes were again subject to an annual independent assessment in 2020 to ensure they meet the standards of ISO 9001:2015.

We are also continuing to work towards aligning our activities with the requirements of ISO 14001 Environmental Management Systems, linked in part to our involvement in the delivery of waste management services on the island.

### Customer Compliments and Complaints

In 2020, the number of compliments we received far outweighed the number of complaints.



## Health and Safety

There were 38 reported incidents in 2020, which is lower than the five-year average of 63. There also continues to be a significant reduction in lost days due to accidents at work which was down to 179 days against the five-year average of 278.

The main causes of accidents continue to be related to slips, trips, falls, lifting and handling. The majority of which are non-reportable incidents. Generally, the amount of accidents across the different service areas has remained relatively consistent over the last three years with the exception of Land Management who have seen a significant drop from 2019.

The reporting of 'near miss' incidents continues to increase from 60 to 63 compared to 2019 - a trend it is hoped should lead to an overall reduction in accidents in the longer term.

The following proactive steps were taken during 2020 to manage, assess and improve safety across our operational activities:

- 8 annual site inspections;
- 18 random site inspections;
- 92 section site audits;
- States Works Confined Space Working Policy reviewed;
- Safe work in confined spaces - Audit against Approved Code of Practice L101 (Confined Spaces Regulations 1997) completed;
- 41 risk assessments reviewed;
- 100 hazards have been identified or reported of which 50 have been rectified;
- 144 staff have attended 14 health & safety related training courses.

For 2021, the management executive has committed to the following objectives aimed at improving the health and safety culture across the business and our associated management systems and processes.

- Senior Management to visibly demonstrate their leadership of health and safety matters by completing monthly site visits/tours.
- Develop a competency skills system to assess staff against a range of specified competences and skills applicable to their job roles.
- Investigate and implement a safety culture program across the business.
- Independent 'Health check' of the Trading Group's (unincorporated assets) Occupational Health and Safety performance to be commissioned and recommendations for improvement implemented.

## **Business Plan**

An independent benchmarking and efficiency review of our activities undertaken in 2019, highlighted several opportunities to improve services, increase efficiency, and deliver greater value for money. All aspects that are enshrined within States Works' new business plan that was released publicly in October 2020. The plan sets the scene in terms of what will be a period of significant change and transformation and will lead to the establishment of an optimum operating model for the business.

Progress against achieving the timely delivery of the outcomes of the plan will be periodically reviewed and reported.



## Governance

States Works is one of the States' Trading Group's unincorporated businesses under the mandate of the States' Trading Supervisory Board (STSB). 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.

Officers report to the Trading Group executive for the civil service functions and to the States Works Board (SWB) for operational decision-making. The SWB is in turn accountable to the STSB, which provides overarching governance, policy and strategic direction.

States Works provide a diverse range of municipal and maintenance services to its' predominately States of Guernsey clients. Private work is also undertaken where considered to be in the best interests of islanders and to maintain full programmes of work.

This is achieved by utilising the skills and expertise of our 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 support service to incidents and emergencies.

All this contributes to ensuring the maintenance, enhancement, safety and security of the island's natural and built environment. The fabric upon which our community's social and economic wellbeing relies. Our mission statement reflects this position.

***Our Mission:*** A community focused provider of essential environmental and infrastructure services, operating for the long-term benefit of the island'

The audited accounts for 2020 are detailed in pages 14 to 18.

### States Works Board members

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#### STSB Members

John Hollis (chairman)

Deputy Nick Moakes

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#### Trading Group executive

Richard Evans – Deputy Group Managing Director

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#### Trading Group 'incorporated' support

Mark Darby - CEO Aurigny

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#### Business Advisor

Matthew Polli - Director, RW Randall

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#### States Works management

Paul Lickley – Managing Director

Matthew Hardwick - Senior Manager technical

Ian Merrien - Senior Finance Manager

## Financial Data

### Statement of Comprehensive Income for the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Revenue</b>	<b>16,153</b>	17,092
<b>Expenses</b>		
Operating expenses	11,266	12,300
Administration and general expenses	2,912	2,628
	<b>14,178</b>	14,928
<b>Operating surplus before depreciation, impairment and (loss)/gain on disposal of fixed assets</b>	<b>1,975</b>	2,164
Depreciation	(1,446)	(1,362)
(Loss)/gain on disposal of fixed assets	(18)	31
Impairment of fixed assets	(41)	-
<b>Operating surplus for the year</b>	<b>470</b>	833
Investment return	212	345
<b>Surplus for the financial year</b>	<b>682</b>	1,178

All material activities derive from continuing operations.

## Statement of Financial Position as at 31 December 2020

	2020 £'000	2019 £'000
<b>Non-current assets</b>		
Tangible fixed assets	7,315	6,499
Investment property	530	530
	<u>7,845</u>	<u>7,029</u>
<b>Current assets</b>		
Inventories and work in progress	543	438
Debtors and prepayments	2,079	2,042
Balances with States Treasury	3,218	2,834
	<u>5,840</u>	<u>5,314</u>
<b>Creditors: amounts falling due within one year</b>	<u>(2,579)</u>	<u>(1,419)</u>
<b>Net current assets</b>	<u>3,261</u>	<u>3,895</u>
<b>Total net assets</b>	<u>11,106</u>	<u>10,924</u>
<b>Reserves</b>	<u>11,106</u>	<u>10,924</u>

## Statement of Changes in Equity for the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Balance at 1 January</b>	10,924	11,496
Surplus for the financial year	682	1,178
Transfer to States of Guernsey General Revenue	(500)	(1,750)
<b>Balance at 31 December</b>	<u>11,106</u>	<u>10,924</u>

## Statement of Cash Flows for the year ended 31 December 2020

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Net cash flows from operating activities</b>	<b><u>3,094</u></b>	<b><u>2,884</u></b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	-	35
Purchase of fixed assets	<b><u>(2,321)</u></b>	<b><u>(1,205)</u></b>
<b>Net cash flows used in investing activities</b>	<b><u>(2,321)</u></b>	<b><u>(1,170)</u></b>
<b>Cash flows from financing activities</b>		
Contribution to States of Guernsey General Revenue	<b>(500)</b>	(1,750)
Investment return received	<b><u>111</u></b>	<b><u>86</u></b>
<b>Net cash flows from financing activities</b>	<b><u>(389)</u></b>	<b><u>(1,664)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>384</b>	<b>50</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b><u>2,834</u></b>	<b><u>2,784</u></b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u><u>3,218</u></u></b>	<b><u><u>2,834</u></u></b>
<b>Reconciliation to cash at bank and in hand:</b>		
Cash at bank and in hand	-	-
Balances with States Treasury	<b><u>3,218</u></b>	<b><u>2,834</u></b>
<b>Cash and cash equivalents</b>	<b><u><u>3,218</u></u></b>	<b><u><u>2,834</u></u></b>



## Revenue

All revenue is derived from activities within the Bailiwick of Guernsey.

An analysis of States Works' revenue by class of business is set out below:

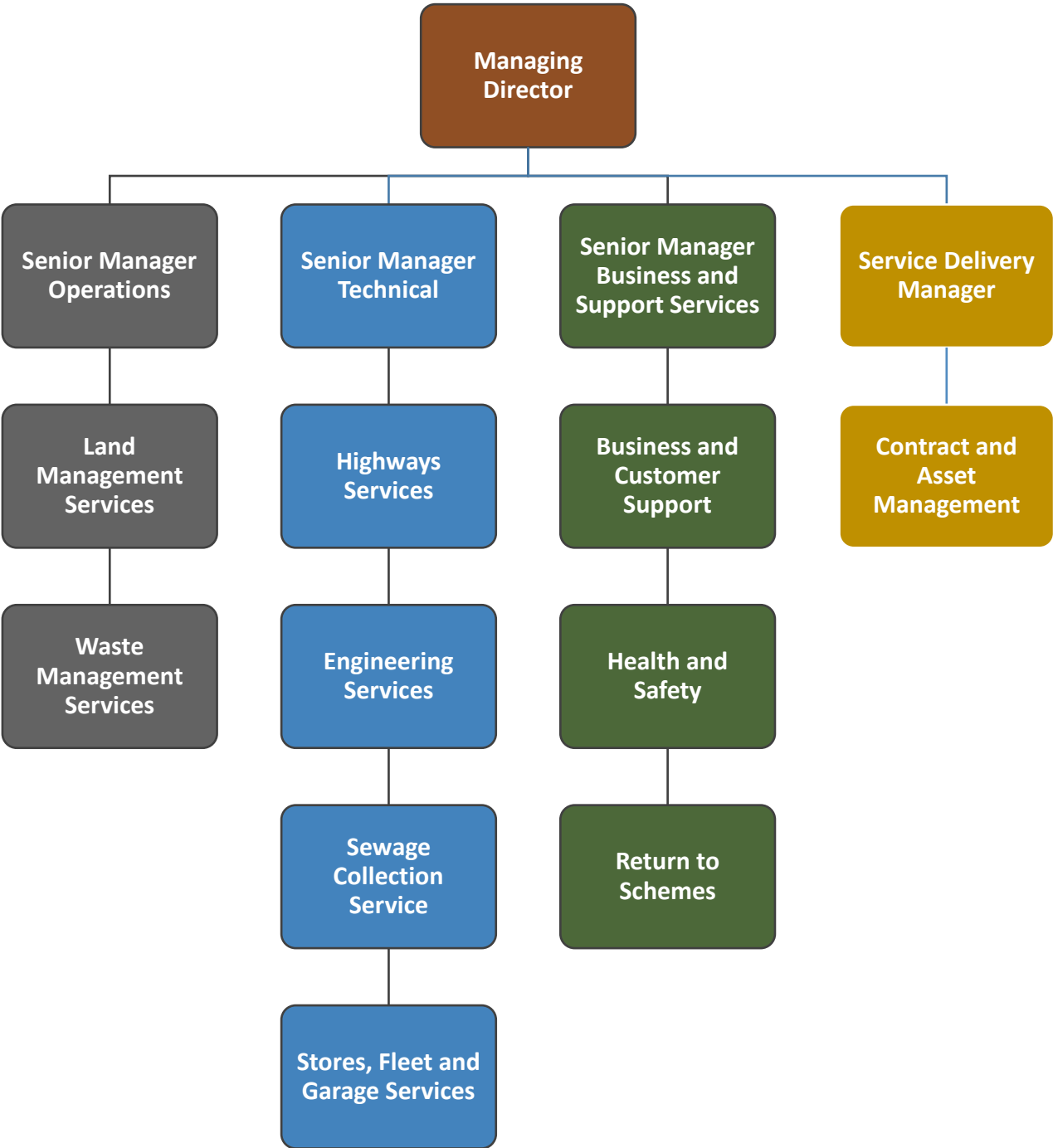
	<b>2020</b>	2019
	<b>£'000</b>	£'000
Administration and stores	<b>499</b>	550
Cleansing	<b>1,358</b>	1,366
Drainage	<b>324</b>	320
Electrical and mechanical	<b>1,032</b>	1,115
Emergency services	<b>102</b>	90
Fleet hire	<b>92</b>	96
Fleet maintenance	<b>685</b>	485
Highway repair	<b>925</b>	1,566
Household Waste & Recycling Centre and Waste Transfer Station	<b>2,243</b>	2,247
Land management	<b>1,797</b>	2,101
Landfill and recycling	<b>1,859</b>	2,154
Management services	<b>116</b>	199
Sewage collection	<b>3,004</b>	2,741
Signs and lines	<b>459</b>	469
Waste collection	<b>1,663</b>	1,593
	<b><u>16,158</u></b>	<u>17,092</u>

## Expenses

	2020 £'000	2019 £'000
<b>Operating expenses</b>		
Direct labour	6,871	6,808
Direct materials	3,701	4,713
Vehicles – fuel costs	253	278
Plant and tools – maintenance and replacements	203	268
Building maintenance and charges	238	233
	<u>11,266</u>	<u>12,300</u>
<b>Administration and general expenses</b>		
Salaries, wages and employer's pension costs	1,962	1,860
Travel and training	48	75
Post, stationery and telephone	46	43
Information technology	44	77
Insurance	297	161
Audit fee	20	18
Professional fees and office expenses	494	394
	<u>2,911</u>	<u>2,628</u>
<b>Total expenses</b>	<u>14,177</u>	<u>14,928</u>

# Appendix

## Appendix 1: States Works Organisational Structure



States Works  
La Hure Mare  
Vale  
Guernsey  
GY3 5UD

01481 246263  
swd@gov.gg  
[www.statesworks.gg](http://www.statesworks.gg)

