

Guernsey Water  
Annual Report

2020

**100**  
**YEARS**  
GuernseyWater

 **GuernseyWater**

[water.gg](http://water.gg)



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## Our Purpose

“Provide Water for Life”



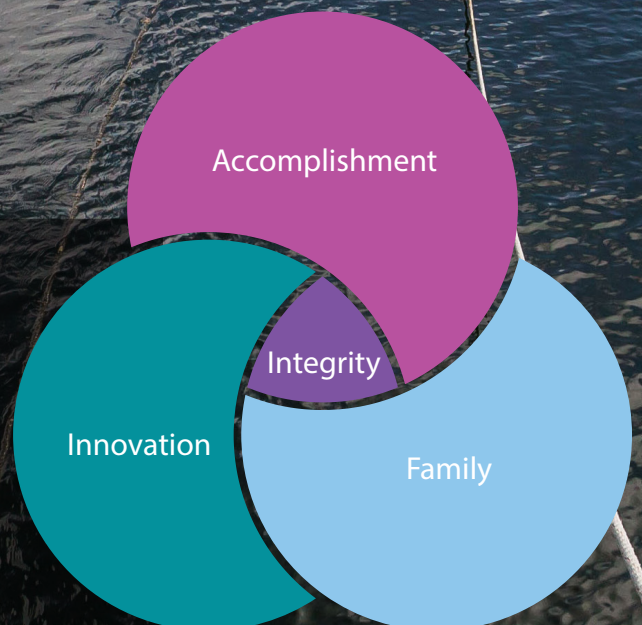
## Our Vision

“Customers always value the quality of our drinking water and the safe return of our wastewater to the environment.”



## Our Values

“Our core values are Integrity, Accomplishment, Family and Innovation”







# CHAIRMAN'S STATEMENT

## Overview

Guernsey Water had its 100th birthday in 2020. We are proud of this heritage which gives us the infrastructure we use to serve our customers today. It also gives us a wealth of experience, all of it was needed to deal with the twin challenges of Brexit and the Covid-19 pandemic. We can be proud that despite these challenges, our people were able to maintain a high standard of service throughout the year. This was down to business continuity planning, flexible resourcing, and a readiness to adapt to changes to ways of working.

Total rainfall during 2020 was 25% above the average for the period 1981-2010 and there were no water use restrictions. A wet October and December meant that water resources were 100% full by the end of the year. Whilst positive for water resources this put considerable strain on our drainage systems and cesspit collection service. Investment in more effective capture of water from streams during the last decade played an important role in enabling the recharge of water levels by the end of 2020. However, climate change is expected to make winters wetter and summers hotter and drier. The long planning horizon that is needed for increasing water resources and adapting drainage systems to climate change means that we cannot be complacent

and must start dealing with this substantial challenge now. The board is considering how we will need to develop our water capture and storage systems to ensure resilience to severe drought in the future. We also confirmed that engineering a solution to future drainage capacity needs in St Peter Port is likely to be too costly and disruptive, so our focus has shifted to the drainage systems across the island that flow into it, particularly those that are already overloaded during extended periods of heavy rainfall. By addressing drainage capacity issues at source, we plan to maximise the capacity we already have in areas such as St Peter Port.

## Board Update

Deputy Jeremy Smithies was appointed to the board following the passing of Deputy Jan Kuttelwascher at the beginning of the year. Jan served on the board throughout 2019 and made a valuable contribution during this time. Jeremy took up his position having been a member of the Board previously, so we were able to benefit from his previous experience until Deputy Charles Parkinson took over from Jeremy after the election. Guernsey Water has experienced and competent board members that provide good governance and put the best long-term interests of our customers and the island at the forefront of decision making. I would like to thank all our board members for their commitment to this.

## Strategy Development

In 2020 work began on the review of our current business plan. As an infrastructure provider we have ensured that asset management is the foundation for our new business planning process; this will establish a clear link between investment in our assets and the service we provide our customers. The board recognises that effective risk management is important for managing the affordability of our service, so we also began strengthening our risk management framework in 2020.

As part of our business planning, we reviewed our strategic direction and changed two of the outcomes that our current business plan aims to achieve. For our water and wastewater services, over the long term we must go beyond the minimum of providing water that is "safe and good to drink" and "effective drainage". Instead, our aim will be to provide the "drinking water of choice" and "sustainable drainage". This recognises that our future services must balance affordability with quality, resilience, and the protection of our environment.

In aiming to provide the drinking water of choice we acknowledge that our drinking water faces indirect competition from substitutes such as bottled water, which is unaffordable for many, creates plastic waste and has a higher carbon footprint.



We want all our customers to be able to choose to drink our water, which means it must be of good quality and easy to access.

In aiming to provide sustainable drainage we recognise that it won't be efficient or sustainable to adapt to climate change by simply investing in bigger and bigger drainage infrastructure. We must maximise the capacity we already have by dealing with rainwater in a different way. This will require a fundamental shift in the way we engineer our drainage systems, but by using more natural methods in the right places, we can better adapt to climate change whilst also improving the urban fabric and supporting biodiversity.

Climate change is also expected to lead to periods of hotter and drier weather, which is one of the reasons why the Environment Agency sought to increase future protection from drought in their National Framework for Water Resources (England) in 2020. The standards of drought resilience it sets have since been embedded into guidance for the preparation of water resource management plans, a statutory requirement for all water companies in England. In time this will provide water customers in England with greater protection from drought than we currently have in Guernsey, so we will be working with the Committee for the Environment & Infrastructure to evaluate whether to increase our own drought resilience.

Our vision is that "customers always value the quality of our drinking water and the safe return of our wastewater to the environment." This requires good quality, reliable and affordable service. The increasing cost of cesspit emptying is putting pressure on the affordability of our wastewater services, so the efficiency of cesspit emptying is the focus of our future wastewater services strategy. Despite being subsidised, we are mindful that our cesspit customers pay more for what many of them feel is a reduced quality of service to that provided by connection to the island's sewerage network. Guernsey Water is committed to improving the quality of this service and making the cost more equitable for cesspit customers.

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JOHN HOLLIS,  
CHAIRMAN







# MANAGING DIRECTOR'S STATEMENT



**“During a particularly challenging year due to the Covid-19 pandemic, I would like to thank all our people for their dedication, hard work and commitment to continuing to provide service excellence.”**

**STEPHEN LANGLOIS,  
MANAGING DIRECTOR**

## Operational performance

Our performance in 2020 shows that it was a challenging but successful year for Guernsey Water. Business continuity planning was important for ensuring the availability of critical spares and chemical supplies following Brexit and the impact of the Covid-19 pandemic on production. Technology enabled us to maintain a high level of productivity during lockdown as we adapted to new ways of working to ensure uninterrupted service and continued customer contact throughout the period.

This contributed to a fourth year of improvement in our customer satisfaction score, which is measured independently by the Institute of Customer Service. Our score of 93.5% was a 4.3% improvement in 2019 and continues to outperform utility and all sector benchmarks.

Water quality is vital for public health, so we always strive to protect the water environment from source to sea. We have robust sampling programmes in place for monitoring the water quality of streams, drinking water and wastewater discharges from our Belle Greve Wastewater Centre. Due to the Covid-19 pandemic we stopped sampling from customers' taps. Instead, along with the rest of the UK water industry, we continued to sample and analyse for supply point parameters from our water distribution zones. Water treatment works and water storage reservoir sampling continued as normal. Overall compliance with drinking water standards was 99.95% in 2020 (2019: 99.85%), making it our best year of drinking water quality since reporting began in 2011. Leakage levels remained low during 2020 and we also outperformed our target for water supply interruptions (due to mains bursts).

## Financial performance

Guernsey Water has reported a deficit of £329k in 2020 (2019: a deficit of £768k), this is primarily due to additional cesspit emptying costs. The Covid-19 pandemic had a minimal impact on the demand for water, as reduced commercial demand was offset by increased domestic demand due to home working. However, this meant that there was also an increase in demand for cesspit emptying.

Operating surplus for the year was £4,603k, an improvement of 0.85% from 2019. Additional revenue from the cesspit emptying service (due to wet weather and the Covid-19 pandemic) was offset by additional costs as the service is subsidised. During 2020, to help the States meet targets set out in the medium-term financial plan, Guernsey Water repaid grants received in relation to wastewater assets of £1,229k to the States of Guernsey Capital Reserve (2019: £1,309k). This also reduced our operating surplus as it resulted in a revenue adjustment of £197k (2019: £204k). Nevertheless, Guernsey Water was able to keep operating and management expenses to 0.5% over budget.





## “Guernsey Water repaid grants received in relation to wastewater assets of £1,229k to the States of Guernsey Capital Reserve.”

STEPHEN LANGLOIS,  
MANAGING DIRECTOR

### Business Improvement

During 2020 we commenced replacement of the cesspit emptying management system that States Works currently operates, the new system will go live in 2021. At the same time Guernsey Water will take direct responsibility for cesspit customer contact and billing. This will provide cesspit customers with a single water and wastewater bill and a single point of contact for all matters relating to these services. States Works will continue to provide the collection service under a service level agreement with Guernsey Water. In time, the new system will allow us to optimise collection schedules

for customers. Looking further ahead we will be trialling some new technologies to help us get better information on customers' collection requirements. We will also be looking at options for enabling customers to connect to the sewerage network and for those that can't, to install remote emptying points to make cesspit emptying easier. In 2022, we will begin investigating recommencing the sewerage network extension programme. This will require major investment over many decades, but is important for long-term cesspit emptying efficiency and meeting customers' aspirations to connect to our sewerage network.

### Investment in Services

Despite the impact of lockdown on our capital programme, we invested £4,363k in improving and maintaining services in 2020. This included work on the Harbour St Sampson (HSS) wastewater pumping station (£672k), which was the final one of four major drainage investments in the north of the island. This programme has reduced the risk of sewer flooding for customers and created capacity for growth. Investment in HSS ensures that it meets health and safety (H&S) requirements, it has also prevented pollution of the marine environment from sewer overflows and protected bathing water quality at Bordeaux.

We also invested in improving our ability to manage drinking water quality risks at our treated water storage facility on Forest Road (£201k) and began enabling works for refurbishment of our water treatment works in St. Saviour (£386k). In addition to these improvements, Guernsey Water remained focused on the ongoing maintenance of its assets and 4.4km of water mains were rehabilitated (£435k), which exceeded our target of 4.2km.

### Our team

In 2020, we introduced a Licence to Operate framework that was taken up by almost all our eligible technicians. The framework will link progression to development against a competency framework. The aim of this is to upskill our technicians, improve retention and attract further talent into vital operational roles.

Our annual people survey showed that 91% of respondents were proud to work for Guernsey Water, an increase from 72% in 2016.

We also asked people about the statement "I would recommend Guernsey Water as a great place to work". 89% of the 44 respondents agreed or strongly agreed with it. This question is asked periodically to understand people satisfaction over time. Following significant improvement in people satisfaction during 2018, engagement scores continue to be maintained or improved.

During a particularly challenging year due to the Covid-19 pandemic, I would like to thank all our people for their dedication, hard work and commitment to continuing to provide an excellent service.

STEPHEN LANGLOIS,  
MANAGING DIRECTOR





# OUR 2020 OUTCOMES










## VALUED BY CUSTOMERS

1

### Customers value our services

-  **Understand and anticipate customer's needs**
-  **Customers pay for what they use and our services are fair**
-  **Make it easy for customers to do business with us**

# 93.5

OUT OF 100 ON  
THE CUSTOMER  
SATISFACTION INDEX  
EXCEEDED OUR  
TARGET OF 89.2

### Performance Highlights

We worked hard to adapt our essential services during the Covid-19 pandemic to ensure that we could support our customers throughout this difficult period. For many people and businesses this involved support through payment plans to help them manage their bills at a challenging time for them. We have continued to develop our customer communication through social media, which was a particularly important form of communication during lockdown. We also started work on improving our e-billing service.

Our meter replacement program was impacted by the lockdown caused by the Covid-19 pandemic, so we were only able to replace 943 meters compared to our target of 2,090.

### Capital Investment

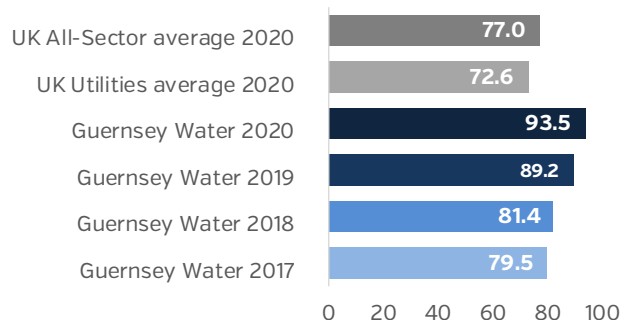
Our 'Future Wastewater Services' programme made good progress in 2020. The specification and tendering for the replacement cesspit emptying management system software was completed during the year and is expected to go live in 2021. To enable this, we have worked closely with States Works on transferring cesspit customer contact and billing to the Customer Services team at Guernsey Water, which is planned as part of implementing the new software

system. These efforts are aimed at providing easy and equitable access to an efficient wastewater services for our cesspit customers.

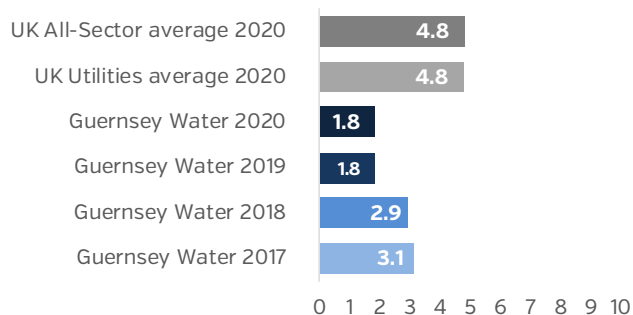
### Business Performance

The Institute of Customer Service independently surveyed our customers for the fourth year running. This process provides us with robust benchmarks and key performance indicators for our customer service. We achieved a 93.5 out of 100 rating for overall customer satisfaction in 2020, an improvement from our 2019 rating of 89.2 (Figure 1). The UK Utilities average was 72.6 and the UK All-Sector Average was 77.0. Our net promoter score also increased by 6% to 79%, which is considerably higher than the UK All-Sector average of 20.7% and UK Utilities that achieved an average of -7.2% (Figure 2). We have also maintained our customer effort score; with a lower figure indicating less effort for the customer when interacting with us, our score was 1.8 compared to a UK utilities sector average of 4.8 (Figure 3). The survey also provided valuable qualitative data which will help to inform our approach to customer service going forward (Figure 4).

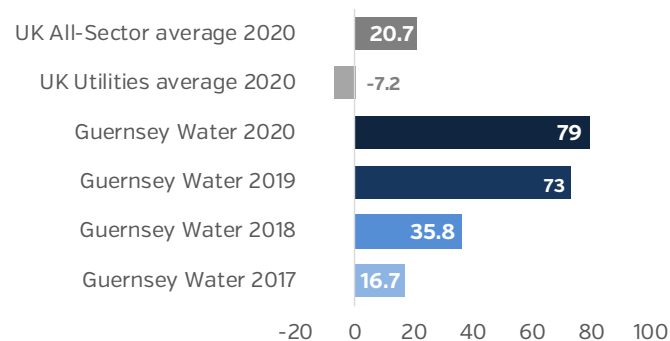
**Figure 1 - Customer Satisfaction Index out of 100**



### Figure 3 - Customer Effort out of 10



### Figure 2 - Net Promotor Score (%)



#### Figure 4 - How customers describe their experience



## CASE STUDY





## Financial Support for Customers

In response to the financial pressures caused by the Covid-19 pandemic we helped our customers by changing regular payments, setting up payment plans to suit their individual circumstances and on request we suspended fixed charges for businesses that had temporarily closed. We also relaxed our debt recovery activities whilst keeping in contact with customers that needed extra support to avoid outstanding payments building up to a level that would be difficult for them to manage. In addition, we ensured prompt payment to all our suppliers to help their cash flow.



## BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2020 targets met =  2020 targets missed = 

Business Initiative	Description	Target Date	2020 Progress	Performance
Future Wastewater Services	Provide easy and equitable access to our wastewater services and improvement of our cesspit emptying service.	2018-2028	In 2020-2022 this major change programme will focus on transferring cesspit customer contact and billing from States Works to Guernsey Water. Detailed scoping of requirements and procurement of a replacement cesspit emptying management system was completed in 2022, the new system will go live in 2021.	
Customer Engagement	Help our customers to help us deliver our business plan outcomes.	2020 onwards	We ran a wastewater education campaign to change habits on non flushables that can cause blockages, flooding and pollution. This included attending various primary schools to run awareness events. We also provided customers with support and advice on water efficiency through a range of social media campaigns to help raise awareness of water efficiency in the home and at work.	
Guernsey Data Protection Law	Ensure ongoing compliance with Guernsey Data Protection Law.	2020 onwards	Work has continued to embed data protection as business as usual in 2020. Following a review, all actions identified by internal audit were completed.	
E billing account access	Improve our customers e-billing experience.	2020-2021	Work has continued in this area although the Covid-19 pandemic limited progress with this initiative.	





# DRINKING WATER OF CHOICE

2

## The quality, sustainability and availability of our water makes it the drinking water of choice

- Customers trust that our drinking water meets the highest standards, looks and tastes good
- Invest in efficient and sustainable water treatment to improve drinking water
- Ensure our drinking water is available to everyone

### Performance Highlights

Wholesome drinking water is vital to the health and prosperity of our island, so we always strive to improve the quality of our water supplies. Overall compliance with drinking water standards was excellent in 2020 as we achieved 99.95% overall compliance (2019: 99.85%), our best year of drinking water quality since we began reporting this in 2011.

Our priority throughout the year was to continue to develop our disinfection strategy to pro-actively address any risks to water quality and ensure the provision of wholesome water that our customers enjoy. We maintain a strong focus on all areas that pose a risk to compliance.

In line with this, we continued to develop our catchment management work to ensure that water quality is not compromised by agricultural practice or the use of pesticides. This is ongoing and we will continue to monitor our raw water for pollution to ensure that the quality of the drinking water we provide our customers continues to be excellent.

We apply best practice in line with UK and European legislation. We have robust sampling programmes in place for both drinking water compliance and raw water monitoring. In 2020 out of 7,341 parameters tested 99.95% complied with drinking water standards and over 1,500 tests were conducted on our streams.

**99.95%**  
OVERALL  
COMPLIANCE WITH  
DRINKING WATER  
STANDARDS IN  
2020

### CASE STUDY



### St. Saviour's Water Treatment Works Refurbishment

Refurbishment of St. Saviour's Water Treatment Works will improve resilience, water quality and efficiency. We will be upgrading the technology we use from membrane filters to rapid gravity filters. Use of this technology in conjunction with UV disinfection will help us to reduce disinfection by-products and will ensure commonality of operations and critical spares across multiple sites.



This provides data to help us strive for continuous improvement in the quality and taste of our drinking water. The results of all these tests are published annually in a Water Quality Report<sup>1</sup>, which is available on our website.

### Capital Investment

A programme of work to upgrade our St. Saviour's Water Treatment Works to rapid gravity filter technology started in 2020. This project should ensure water quality for the future and help to reduce disinfection by-products by using ultra-violet treatment technology to reduce chlorination at the treatment works.

### Business Performance

#### Water quality compliance

Overall compliance with drinking water standards in 2020 was 99.95%. Compliance for service reservoirs

[treated water storage] was 99.46% in 2020. There were two low level bacterial detections at the service reservoirs at Forest Road, these occurred during refurbishment works on site. Compliance at water treatment works was 99.99% with just one exceedance during the year at Kings Mills Water Treatment Works, which was for coliforms. As with all exceedances this was thoroughly investigated, in this case no further issues were detected.

Supply zones (customer tap samples) were only sampled for part of the year due to the Covid-19 pandemic. The decision being made early in 2020 to stop going into customers' properties following the lockdown. In total there was just one Trihalomethane (THM) breach. THM are disinfection by-products formed primarily by reactions between chlorine and organic matter (measured as Total Organic Carbon). THM formation

remains an area of focus, despite significant improvement following investment in ultra-violet disinfection at Juas water treatment works and improvements to disinfection at Forest Road service reservoir.

#### Customer Contacts

Work to minimise water quality related contacts from customers continued in 2020. There was a total of 61 water quality related contacts from customers in 2020 [2019: 141]. The number of contacts regarding taste & odour of tap water was 32 in 2020 [2019: 89]. Guernsey Water uses the same methodology for recording customer contacts and enquiries regarding water quality as is used in England and Wales, whereby every contact is recorded and categorised to enable year on year comparison.










**“In 2020 out of 7,341 parameters tested, 99.95% complied with drinking water standards and over 1,500 tests were conducted on our streams.”**

**MARGARET MCGUINNESS,  
WATER QUALITY RISK MANAGER**

<sup>1</sup> Water Quality Report - <http://www.water.gg/resources>

## BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2020 targets met =  2020 targets missed = 

Business Initiative	Description	Target Date	2020 progress	Performance
Quality Management System	Develop our quality management system by continuing to document processes and procedures.	2016-2021	The Covid-19 pandemic limited progress as resources were redeployed. Good progress was made after lockdown.	
St. Saviour's Water Treatment Works Refurbishment	Refurbishment of St. Saviour's Water Treatment Works to improve resilience, water quality and efficiency.	2020-2022	The business case was approved in 2020. Materials and equipment with long lead times were procured and some enabling works progressed. Lockdown and procurement difficulties caused minor delay.	
Water Quality Audit & Gap Analysis against best practice	Ensure we are following appropriate best practice in our collection of raw water, water treatment and distribution.	2020 - 2021	This project was developed in 2020 and is on track	
Reservoir Management Strategy	Develop a holistic raw water reservoir management strategy.	2020-2022	Some delays during the year due to the Covid-19 pandemic and other priorities.	
Water Mains Extensions	Where the cost is reasonable, we will extend the public water supply to those that want to connect to it.	2019 onwards	The Guernsey Water Board and STSB agreed a new policy for extending the water network in 2019. Three high priority schemes were delivered in 2020; the full programme will commence in 2021.	







## SUSTAINABLE DRAINAGE

3

**Customers are protected from flooding and wastewater is returned safely and efficiently to the environment**

- Protect customers from sewer flooding
- Provide cesspit customers with easy access to a more equitable wastewater service
- Provide efficient, good quality cesspit services

**38,510**  
METRES OF SEWER  
WAS CLEANED IN  
2020

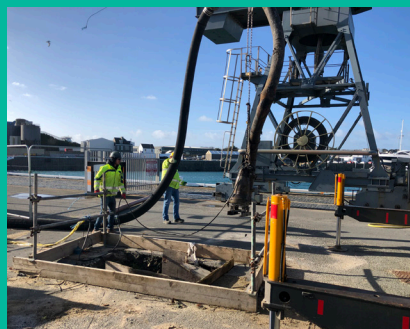
### Performance Highlights

There were no incidents of internal wastewater flooding of properties due to insufficient capacity in our sewerage network reported in 2020. Our cesspit emptying service provider, States Works, collected 176,365 cess cart loads in 2020 [2019: 162,709]. This was an increase in demand compared to 2019 so we missed our efficiency target of 165,000 loads. This was due to demand moving from parts of the island that are connected to main drain to unsewered areas when people had to work from home during lockdown. It was managed by temporarily opening more emptying points in strategic locations across our sewerage network to reduce emptying times. This increase in demand was sustained to a lesser degree after lockdown.

### Capital Investment

We made improvements to two of our wastewater pumping stations in 2020, both operated successfully during 2021. Further investment was also planned at Baugy Clos, Clos du Murier, Les Nouettes and Courtil le Clement pumping stations, but this was delayed until 2021 due to resourcing constraints experienced by our contractor following the relaxation of measures to control the Covid-19 pandemic. We installed flood protection measures at four properties in 2020 to protect them from the risk of internal wastewater flooding.

### CASE STUDY



### Harbour St. Sampson (HSS) Pumping Station

Our capital investment programme included upgrades to the Harbour St. Sampson (HSS) pumping station to reduce the risk of sewer flooding and pollution from sewer overflows.

## Business Performance

We continued working to reduce blockages and pump chokes in our network which are caused by fats, oils, greases and unflushable items such as wet wipes. This involved cleaning 38.5 km of sewer, which exceeded our target of 36 km and was a notable achievement given the catchup required after lockdown when sewer cleansing could not be carried out. We also ran a wastewater education campaign to encourage customers not to flush wet wipes, which can cause blockages, pump

chokes, flooding and pollution. We dealt with 57 pump chokes in 2020 compared to 74 in 2019.

We continued to manage our service level agreements with States Works and worked closely together to manage the impact of the Covid-19 pandemic on our wastewater service. These agreements cover vehicle fleet maintenance, sewer cleansing, cesspit emptying, operation and maintenance of our wastewater pumping stations and Belle Greve Wastewater Centre.



**“Our cesspit emptying service provider, States Works, collected 176,365 cess cart loads in 2020.”**

**JON HOLT,**  
OPERATIONS MANAGER

## BUSINESS INITIATIVES

On Target = Satisfactory progress but not all 2020 targets met = 2020 targets missed =

Business Initiative	Description	Target Date	2020 progress	Performance
Island Drainage Strategy	Formerly the St. Peter Port Drainage Strategy, this initiative is now taking a holistic view of the island's drainage to see how we can manage surface water as close to its source as possible to reduce the current and future risk of flooding to customer properties.	2020-2022	The scope of the drainage strategy was widened to include catchments that directly influence current and future flood risk in St Peter Port. Two catchments were identified for further detailed analysis.	
Pumping Station refurbishment	Deliver a refurbishment programme for wastewater pumping stations which maintains stable serviceability.	2020-2025	H&S improvements and investment in the operation and maintenance of two wastewater pumping stations were completed in 2020.	
Flood mitigation	Provide flood risk mitigation for four properties.	2020	Four properties were protected against the risk of internal wastewater flooding in 2020.	
Island Wide Wastewater CCTV Survey	Develop a contract to be tendered for Island-wide CCTV survey.	2020-2021	Work started on drafting a contract for tender in 2021.	
Sewer Lining & Rehabilitation Term Contract	Develop a contract to be tendered for our sewer lining and rehabilitation programme which maintains stable serviceability.	2020-2021	Work started on drafting a contract that will be based on the wastewater CCTV survey contract. Both will be issued for tender in 2021.	





## PROTECT OUR ENVIRONMENT

4

**Water quality is protected from source to sea and our environmental impact is carefully managed**

- Lead the protection of the water environment
- Reduce our greenhouse gas emissions to help meet climate change targets
- Help protect biodiversity and enable access to our sites that benefits our community

**1,515**  
TESTS CONDUCTED  
TO HELP PROTECT  
WATER QUALITY  
IN OUR ISLAND'S  
STREAMS

### Performance Highlights

We strive to be leaders in the protection of our water environment and 2020 was another busy year for our teams in the areas of sustainability, biodiversity and environmental protection.

We continued to promote Refill Guernsey in 2020 and we hope to install two permanent public drinking water fountains in 2021. This will help reduce single use plastic bottle waste and promote tap water as the Drinking Water of Choice.

We delivered a range of education programmes from water efficiency to unflushables, posting on social media and visiting schools across the island. We also continued our

work with stakeholders across the island, carrying out water pollution audits to help reduce pollution risk in the island's water catchment. We hope these campaigns help to inform customers about how to use our products and services in a sustainable and conscientious way to minimise any negative impact on the environment.

### Capital Investment

Our capital investment programme included upgrades to the Harbour St. Sampson (HSS) pumping station to reduce the risk of sewer flooding and pollution from sewer overflows.

### CASE STUDY



### Wastewater Education Campaign

Customer education in 2020 focused on a wastewater campaign to only flush the three P's (Pee, Poo and Paper). This campaign was designed to educate customers to not flush items such as wet wipes and other unflushable items into sewers, as this can cause blockages that result in sewer flooding and pollution. With our future customers in mind, this campaign included visits to schools with our sewer inspection robot. We dealt with 57 pump chokes in 2020 compared to 74 in 2019.

We worked closely with Environment Guernsey to improve the management of water flows and salinity in several important brackish habitats around the island including Vale Pond, Pulias Pond, Clare Mare and Douit de Moulin. An osprey nesting platform was installed at St Saviour's reservoir to encourage these passing migratory birds to breed in Guernsey. 100 native trees were also planted on the Millennium Walk in partnership with the Channel Islands Co-operative and Guernsey Trees for Life, a further 100 were planted elsewhere on our other sites during the year. The locations and

species of trees were selected to ensure they promote biodiversity, they will also help to offset some of our carbon emissions.

### Business Performance

We continued to monitor our impact on the environment and continue to work with our regulator the Office of Environmental Health and Pollution Regulation [OEHPR]. Our short sea outfall operated 8 times in 2020 (2019: 2), all due to heavy rainfall.



**“1,515 monitoring tests were conducted on our islands streams to help protect our islands water quality.”**

**CARL FALLA,**  
CAPITAL DELIVERY MANAGER

## BUSINESS INITIATIVES

On Target = Satisfactory progress but not all 2020 targets met = 2020 targets missed =

Business Initiative	Description	Target Date	2020 progress	Performance
Biodiversity Strategy & Implementation	Develop the biodiversity potential of our sites in support of Guernsey's Strategy for Nature.	2016-2025	Our land management continues to follow the biodiversity action plans that are in place for several of our sites. Brackish habitat improvements, native tree planting and installation of an osprey platform at St. Saviour's reservoir were also completed in 2020.	
CSO Monitoring	Monitor our sewer overflows to improve understanding of the way our wastewater system operates and assess our environmental performance.	2018-2021	We researched and trialled different CSO monitoring technologies in preparation for their installation at 24 different locations. Focus on other priorities means that this is now expected to be completed during 2021 and 2022.	
Millennium Walk Improvements	Develop an accessible walkway at St. Saviour's Reservoir to enable more people with mobility difficulties to use it. Provide an outdoor learning space for schools, environmental groups and the public to help connect people with nature.	2020-2022	We obtained planning approval for the accessible walkway and outdoor learning space to be delivered in 2021.	
Refill Stations	Provide refill stations to enable people to refill their bottles in public places and at events. This will help reduce plastic waste in support of the island's waste strategy. It will also help reduce the carbon "embedded" within bottled water that is imported to the island.	2020-2022	We obtained planning approval for the installation of 2 permanent refill stations in 2021 and have identified several other opportunities for consideration.	








## SUFFICIENT AND RESILIENT

5

### Water and wastewater systems adapt to climate change and have sufficient capacity for our island's future

-  Deliver long term strategies for water resources and drainage
-  Invest in infrastructure to serve future generations
-  Prepare for emergencies

**ZERO**  
RESTRICTIONS ON  
WATER USE  
IN 2020

### Performance Highlights

The Covid-19 pandemic meant that our incident management team implemented our pandemic plan, which had been tested prior to lockdown. This group met regularly throughout the year to ensure our essential services continued to run and our people were kept safe. Much of our business adapted to remote working, and new ways of working reduced the risk of infection for our people.

### Business Performance

There were no water use restrictions in 2020. Total rainfall during 2020 was the highest in the last decade and 21% above the average during this period, which meant that water resource levels remained above the 10-year average throughout the year. Despite this water resource levels fell to 83.6% in September. Exceptionally wet months in October and December caused flooding and increased cesspit emptying demand, but also meant that our water resources reached 100% capacity early in the winter recharge period.

### CASE STUDY



### Water Network Extension

In 2020 Guernsey Water began developing a policy for extending the public water supply network to customers that request a connection. Around 119 of our customers only receive a wastewater service as they have their own private water supply. Whilst the policy was developed, three high priority schemes were identified that would connect customers whose private water supply wasn't suitable for drinking. These schemes were advanced for delivery in 2020, which provided 13 properties with access to safe clean drinking water.

Investment in more effective capture of water from streams during the last decade played an important role in enabling this rapid recharge of water levels.

3,958 million litres of water (2019: 3,947) was supplied to customers in 2020, which was 2.7% lower than the previous 10-year average. The total number of supplies increased by 0.55% in 2020 (2019: 0.6%) so 70% of supplies have a chargeable meter and are therefore charged based on the amount of water used. Leakage throughout the year equated to 12.1% of total water supplied, which is down from 15.9% in 2019, but slightly higher than the 10-year average of 11.4%.

The impact of burst mains on our customers reduced considerably in 2020. Our distribution team worked quickly to deploy temporary supplies to reduce water supply interruptions and minimise the impact of bursts on our customers. Throughout the year the average monthly number of water supply interruptions as a

percentage of our total number of customer supplies was 0.2%<sup>2</sup> (2019: 1.9%), which outperforms our target of 2%<sup>3</sup>. Our ongoing programme of water mains rehabilitation is vital for managing burst mains over the long term; 4.4 km of water main were rehabilitated in 2020 (2019: 4.5 km) compared to a target of 4.2 km.

Figure 5 shows our water storage levels compared to years with significant drought, showing a successful recharge of our stored water resources in the winter months of 2020.

Figure 6 shows water consumption data over a 30-year period and illustrates changes in water consumption in each sector during this time.

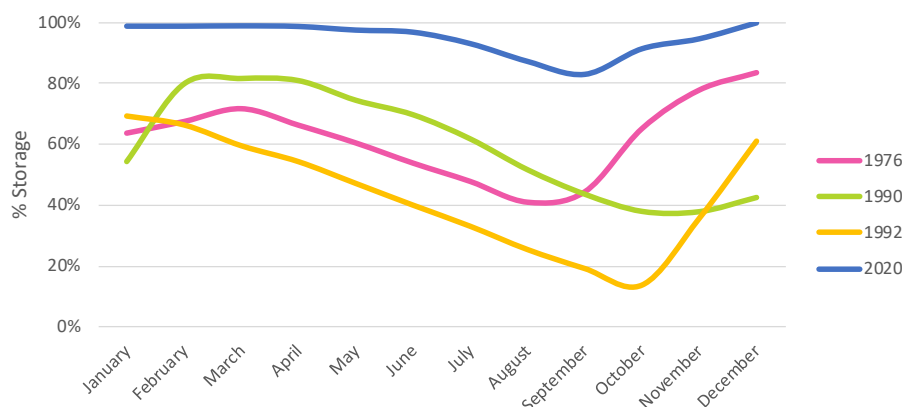
### Capital Investment

In 2020, as part of our disinfection strategy we continued upgrading our Forest Road water storage site to maintain the quality of the water held there. Our main focus was to replace

the membranes on the storage reservoir tank roofs to ensure their integrity is maintained. Significant improvements are also required to the surface water drainage of these roofs. This work was affected by the Covid-19 pandemic and the project is now expected to continue into 2022.

Changes to water resource planning mean that in future, water customers in England will have greater protection from drought than we currently have in Guernsey, so we will be evaluating whether to increase our own drought resilience. This means we will need to bring forward the planned review of our water resources and drought management plan to 2021. The outcome of this review will also enable us to complete the ongoing development of our water transfer strategy, which will determine whether we need to invest in retaining several of our smallest reservoirs at significant cost for marginal water resource gains.

**Figure 5 - Raw water reservoir storage levels during 2020 compared to levels during previous drought years.**



<sup>2</sup> In accordance with Ofwat (Water regulator in England and Wales) serviceability measure this is weighted according to the length of interruption.

<sup>3</sup> Good (<0.5%), Acceptable (0.5 - 2.0%), Needs Improvement (>2.0%).



**“Changes to water resource planning mean that in future, water customers in England will have greater protection from drought than we currently have in Guernsey, so we will be evaluating whether to increase our own drought resilience.”**

**STEPHEN LANGLOIS,**  
MANAGING DIRECTOR

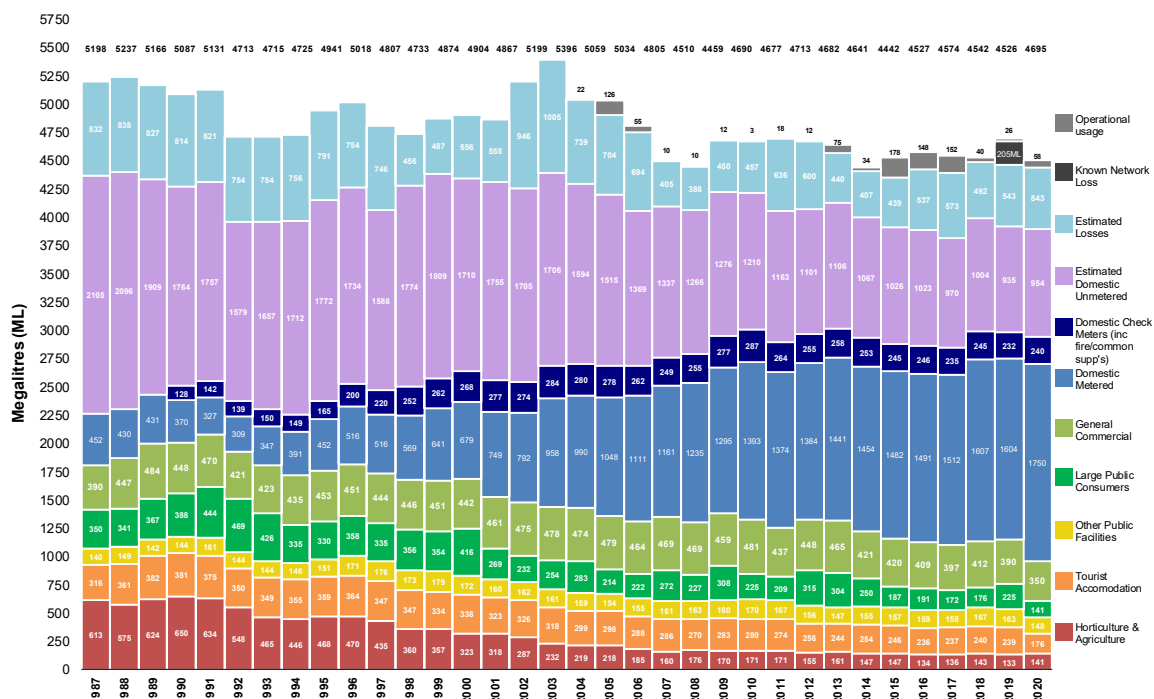


## BUSINESS INITIATIVES

On Target = Satisfactory progress but not all 2020 targets met = 2020 targets missed =

Business Initiative	Description	Target Date	2020 progress	Performance
Forest Road Treated Water Storage Improvements	Maintenance and improvement of our treated water storage reservoirs to protect water supply and water quality.	2020-2022	Localised tank repairs and access cover replacements were completed. Work is ongoing to replace the roof covering membranes that prevent water ingress into the tanks. The specialist support that is needed was difficult to source, which delayed progress.	
Water Transfer Strategy	Develop a strategy for maintaining and improving our water networks to ensure a sufficient and resilient future water supply.	2016-2019	Limited progress in 2020. Raw water elements of the strategy will depend on the future use of Les Vardes quarry, which will be assessed as part of a review of our Water Resources & Drought Management Plan in 2021-2022	
Water Network Extension Programme	To provide easy access to fair and equitable levels of service to all customers, where the cost is reasonable, we will extend the public water supply to those that want to connect to it.	2019 onwards	Commencement of the full programme was delayed, three high priority schemes were advanced for delivery in 2020.	
Business Continuity	Maintain business continuity plans and procedures, including multi agency communications.	2016 onwards	Business continuity was tested by the Covid-19 pandemic and a specific pandemic plan was implemented. Prior to lockdown an internal exercise was carried out to test the risk of worst-case people absence and service failure scenarios. Guernsey Water didn't take part in any multi-agency exercises due to the Covid-19 pandemic.	
Distribution Term Service Contract	Outsourcing some of our distribution work to increase resilience and productivity.	2020	GeoMarine were appointed our chosen contractor and they commenced working with our distribution team on our network. The first year of delivery was successful and the increased resilience proved valuable during the Covid-19 pandemic.	
IT Transformation	Work with States IT partner Agilisys to deliver the IT transformation programme for Guernsey Water. This will include voice telephony, Office 365 software, network development and device refresh (swapping desktops for laptops).	2020-2021	During lockdown several people were provided with laptops and Office 365 accounts. This helped people to remain productive during lockdown and enabled more flexible working. Further rollout of devices and licences will continue into 2021.	

Figure 6 - Water Consumption from Public Supply (ML)





# FIRM FINANCIAL FOUNDATIONS

6

**Our services are efficient and investment in our assets is made in the best long term interests of islanders**

- Balance delivery of our business plan against financial sustainability and affordability for customers
- Manage the whole life of our assets
- Benchmark our services to ensure we provide value for money

OUR 2020 DEFICIT OF £329K WAS AN IMPROVEMENT ON OUR BUDGETED DEFICIT OF £413K

## Performance Highlights

Our priority is to ensure that we are in a strong financial position to meet the demands of all our stakeholders including customers, the States of Guernsey and people in Guernsey Water.

Guernsey Water was able to repay a further £1.2 million in relation to grants received from the States of Guernsey in 2020, without the need for additional borrowing. Despite significant financial pressures in a year affected by the Covid-19 pandemic, operating expenses ended the year just 0.5% over budget. Our 2020 deficit of £329k (2019: £768k) was an improvement on our budgeted deficit of £413k.

## Business Performance

Our cesspit emptying service is subsidised so that cesspit customers pay around one-third of the actual cost of emptying. This means that additional revenue was not enough to offset the cost of increased demand due to the Covid-19 pandemic, and the highest annual rainfall in a decade. In addition, a revenue adjustment of £197k (2019: £204k) was required on a grant repayment of £1.2 million (2019: £1.3 million). All this resulted in significant cost pressures in 2020. Nevertheless, Guernsey Water was able to keep operating

and management expenses to just £56k (0.5%) over budget, and our operating surplus was £4.6 million, an improvement of 0.85% from 2019.

The split between revenue expenditure and capital expenditure was also impacted by the restrictions imposed because of the Covid-19 pandemic, which reduced the amount of capital works carried out and required greater focus on maintaining core services. Nevertheless, £4.4 million (2019: £4.1 million) was invested in our assets to maintain and improve services to our customers, which compares to a budget of £4.9 million.



**“Guernsey Water was able to repay a further £1.2 million in relation to grants received from the States of Guernsey in 2020 without the need for additional borrowing.”**

ANDREW MORTON,  
SENIOR FINANCE MANAGER

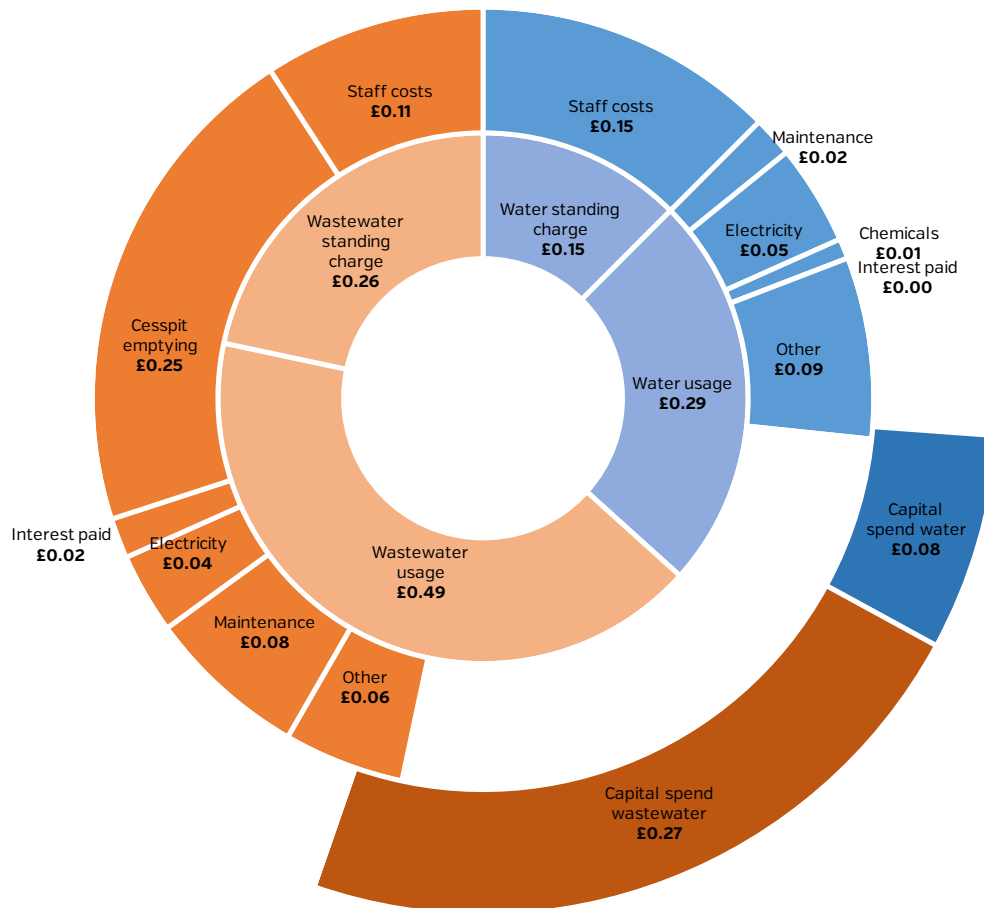
Major capital works included completion of our Harbour St Sampson (HSS) pumping station refurbishment (£672k), enabling works at St. Saviour's Water Treatment Works (£386k), work on the treated water storage 'reservoir' at Forest Road (£201k) and the replacement of water mains (£435k).

States of Guernsey controls to manage the financial impact of the Covid-19 pandemic had the knock-on effect of delaying the recruitment needed to develop our Asset Management System. This system is important for ensuring efficient long-term investment in the maintenance of our water and wastewater infrastructure. Further progress is

anticipated in 2021 in tandem with the completion of our business plan review.

The average metered Guernsey Water customer spent £1.20 per day with us in 2020 (2019: £1.19). Here's how we spend that income comparing expenditure on water and wastewater service provision (Figure 7).

**Figure 7 - How we spend your money**








#### Key

<span style="color: #4F81BD;">■</span>	Water Income	<span style="color: #005596;">■</span>	Water Expenditure	<span style="color: #F79646;">■</span>	Wastewater Income	<span style="color: #D95319;">■</span>	Wastewater Expenditure
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## BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2020 targets met =  2020 targets missed = 

Business Initiative	Description	Target Date	2020 progress	Performance
Development of Asset Management System	Development and implementation of an Asset Management System to help record and prioritise asset maintenance and better understand risk. This will enable efficient long-term planning of investment needs and includes upskilling of our people.	2019 onwards	The Covid-19 pandemic meant that some of the recruitment needed for our asset management people plan implementation was delayed.	
Business Plan Update	Develop our business planning process and investment decision making using a new service measure framework to prioritise future investment.	2020-2021	In 2020 the Guernsey Water board agreed a strategic direction statement to guide our business planning. A service measure framework was developed to ensure this strategic direction is accounted for in our investment decisions. Business plan development was hampered by the Covid-19 pandemic in 2020.	
Extend Financial Forecasting (Rolling 12 Months)	Develop our processes and financial reporting to enable Guernsey Water to forecast for at least the next 12 months.	2020	This has been completed with forecasting now being done to the end of the next financial year.	
Decommissioning of Longue Hougue	Following commissioning of Juas Water Treatment Works fully decommission Longue Hougue Water Treatment Works.	2019-2020	Completed in 2020	








## PROUD PERFORMING PEOPLE

7

**Guernsey Water is a great place to work, where people perform to their full potential and are proud of their contribution to our island community.**

-  Be true to Guernsey Water's values in everything we do
-  Provide clear direction and a shared sense of purpose
-  Invest in the future of our people

15 PEOPLE SIGNED UP TO OUR LICENCE TO OPERATE FRAMEWORK

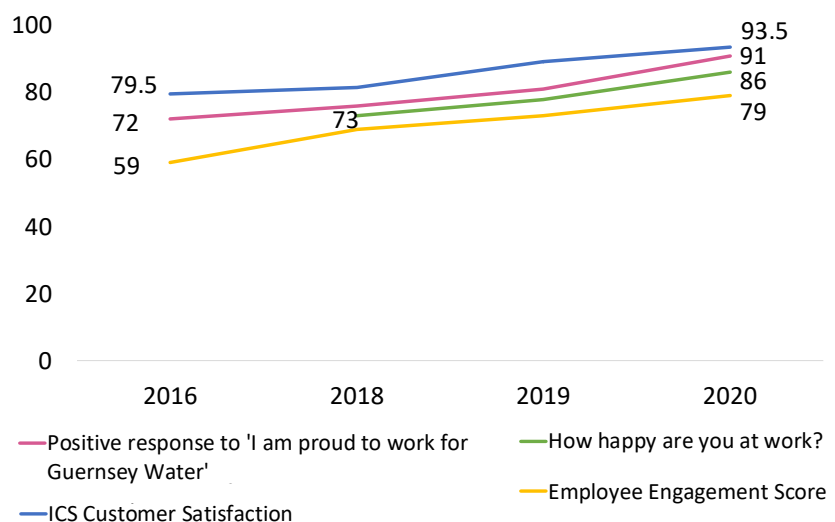
### Performance Highlights

Our people are at the heart of everything we do, and we are proud of the service that Guernsey Water provides for the island's community. We recognise the important link between how engaged our people are and the customer service they provide, so we were pleased to see our continuing efforts to make Guernsey Water a great place to work reflected in another year of improvement in our customers' satisfaction (Figure 8).

The Covid-19 pandemic was by far the biggest challenge our people faced in 2020. It was a time when many

people felt more vulnerable than ever and a time when our purpose, to "Provide Water for Life", was more relevant than ever. It was also a time when people united behind the "Guernsey Together" cause and as essential service providers people at Guernsey Water played a vital role in this. Everyone at Guernsey Water can be proud of the way we pulled together and adapted as a business to maintain our services to customers throughout and kept each other safe. We can also be confident that our efforts to make Guernsey Water a great place to work helped us with this and gave us greater collective resilience throughout this challenging period.

**Figure 8. Improvement in Guernsey Water Customer Satisfaction and People Engagement 2018 to 2020.**



## Training and development

Throughout the year we have been developing plans to introduce a "Licence to Operate" competency framework in 2021. This will help our team to develop the current and future skills they need through a programme of industry specific courses. As well as ensuring core competency this will help with recruitment, retention and succession planning. 88% of those eligible signed up to the framework at the end of the year, which exceeded our target of 59%.

2020 saw the beginning of an IT transformation across the States of Guernsey which included the implementation of Office 365 and new laptop devices to replace desktops. The introduction of this new technology is an important opportunity for us to improve business processes and ways of working. It also helped us adapt to Covid-19 pandemic restrictions. Training in Office 365 is being developed to give people the skills they need to fully utilise the software, with Digital Champions learning in more depth about the potential it gives for business improvement.



**“The pandemic was by far the biggest challenge our people faced in 2020. It was a time when many felt more vulnerable than ever and a time when our purpose, to "Provide Water for Life", was more relevant than ever.”**

STEPHEN LANGLOIS,  
MANAGING DIRECTOR

## BUSINESS INITIATIVES

On Target = Satisfactory progress but not all 2020 targets met = 2020 targets missed =

Business Initiative	Description	Target Date	2020 progress	Performance
Licence to Operate	Develop a Licence to Operate competency framework to upskill our operational technicians.	2018-2020	Licence to Operate was successfully implemented at the end of 2020 with 15 staff signing up for the framework.	
People Plan	Develop a people plan for Guernsey Water that supports delivery of our business plan and aligns with the strategic direction set by the Board.	2019-2020	We engaged with representatives from across the business as part of our people plan development. A plan was drafted but won't be considered by the Board until 2021.	
People Engagement	Continue to engage with our people to nurture a culture of feedback and improvement.	2018-2021	We continued to engage with staff through anonymous TINYpulse surveys, which proved a useful communication channel for assessing the success of new ways of working during the Covid-19 pandemic.	
Embed Guernsey Water Values into our People Processes	Embed our values of Innovation, Family, Integrity and Accomplishment into our people processes to encourage them to become part of the culture in the business.	2020-2021	Having established Guernsey Water's core values in 2019 they were communicated to all our people in a series of briefings on our strategic direction statement. However, more work is needed to embed our values into our people processes.	
IT Transformation	Ensure adequate training to enable people to utilise Office 365 software and develop digital champions that can identify and help deliver business improvement opportunities.	2020-2025	As part of SMART Guernsey, IT transformation is happening across the States and we provided several training courses for our people to develop their digital skills. This will continue in 2021.	
Internal Communications Platform	Develop a suitable internal communications platform to make our data and business information more readily accessible.	2020-2022	We developed some aspects of SharePoint 365 and explored its potential as an internal communications platform. Work will continue to develop this over the coming years as we migrate from SharePoint 2010.	



# HEALTH & SAFETY

## Performance Highlights

Health and safety is extremely important to us and our 'work safe, home safe' approach encourages a culture of working safely and reporting incidents effectively. Protection of our colleagues against the Covid-19 pandemic was of paramount importance during 2020, with risk mitigation put in place such as splitting of teams, availability of hygiene equipment and face coverings being made available to our people.

We received 21 near miss reports in 2020, each near miss is subject to immediate investigation and corrective action. We continue to encourage a culture of reporting and continuous improvement. No formal legal action regarding service of notices and prosecutions was taken by the Health and Safety Executive against Guernsey Water during the year.

## Injury at work

There were three "over three day" or "major injury" RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences) reports made in 2020. In addition to this there were four non-RIDDOR accidents that resulted in injury in 2020, a small decrease from 2019. Twelve working days were lost due to injury compared to eleven days lost in 2019. These lost days were the result of two separate incidents, one resulting from a slip and the other a manual handling.

## Accident Frequency Rate

The Total Accident Frequency Rate (TAFR<sup>4</sup>) at the end of 2020 was 3.95, the same rate registered at the end of 2019. The TAFR is based on all reported accidents, irrespective of whether they are RIDDOR or not; although they are investigated the TAFR does not include any of our contractor's accidents.

## Active Management Visits

A total of 71 active management visits (AMVs) were recorded in 2020. These visits are conducted by members of the senior management team and line managers to assess health and safety conditions on our sites and hear about the practicalities of working to our health and safety policies. They are also a chance for line managers to engage with our people, ask teams about their well-being and whether they have any suggestions for improvement.

## H&S Training and Development

11 health and safety training courses were provided in 2020 by both internal and external training providers. Most training was identified through the implementation plans detailed within our health and safety directives and our 2020 health and safety training plan.

## Looking forward

Our TINYpulse engagement tool enables us to ask our people for their views on our health and safety provision. This has provided valuable anonymous feedback and this

method of engagement on H&S will continue into 2021.

13 health and safety objectives were set as targets at the beginning of 2020. Eight of the objectives were completed, four objectives were partially achieved, and one objective was not completed. These outstanding objectives include further policy development and a continuation of our risk assessment programme and will now form part of our 2021 objectives.

A health check of Guernsey Water's health and safety systems will be carried out in 2021, measuring our performance against the ISO45001 (Occupational Health and Safety) standard. The results of this audit will assist us in identifying what areas to focus our resources on, in order to improve health and safety throughout the organisation.



<sup>4</sup>The formula for the calculation is: TAFR = [Total number of accidents per month / Total hours worked] x 100,000.

# OUR COMMUNITY



2020 was another busy year for us in the community and the pandemic meant that we embraced the "Guernsey Together" spirit. This included providing water to fill containers to help weigh down tents which were needed outside grocery shops during lockdown.

We continued to support and promote Refill Guernsey, this included provision of temporary standpipes for a wide range of island sports events to enable the public to refill their bottles with tap water. These refill points have been well received and we have been developing plans for at least two permanent refill stations which should operate from 2021.

Christmas Day 2020 marked the 100th anniversary of the formation of Guernsey Water and we are proud of this heritage.

To celebrate, we planted two batches of 100 native trees on our sites in partnership with the Channel Islands

Co-operative and Guernsey Trees for Life during the year. These trees will promote biodiversity and help to offset some of our carbon emissions. To embrace our value of "Family" we also shared a birthday cake with all our team.

We installed an Osprey platform at St. Saviour's reservoir in collaboration with La Société Guernesiaise. It is hoped that the platform will help to establish osprey breeding on the island.

We continued to enable access to the public on our Millennium Walk and are working towards enhancing accessibility to the site with a new learning area and easy access platform.

We regularly support work experience students and work with GWEX to provide opportunities for young people to get into the workplace. We have also provided work placements for university students with some of

them returning to work with us on a permanent basis after their studies.

School visits and group talks continued to be an important aspect of our community engagement. This included visits to schools with our sewer inspection robot as part of our wastewater campaign, and tours of our reservoir site with schools and other groups.

We trained several people in CPR and we have agreed to install and maintain a publicly accessible Automated External Defibrillator [AED] on our site at Petit Bot. This will help to improve access to this essential piece of equipment for the community.





Our school visits continued in 2020 with our team talking students through the water treatment process and even having the chance to drive our sewer inspection robot.



We continued to promote our Wastewater Campaign "Let's be Clear" which promoted people to only flush pee, poo and paper into our network.



We embraced the "Guernsey Together" spirit by decorating our headquarters with flags for liberation day.



We partnered with the Co-op and Guernsey Trees for Life to plant two batches of 100 trees on our sites to celebrate our 100th birthday.



We had a great time talking all things water, from source to sea, with this group of year 5 students from La Houquette School.



We continued to support local events by providing temporary water stand pipes to enable people to refill their water bottles.



# CORPORATE GOVERNANCE

The purpose of the Guernsey Water Board (GWB) is to support the delivery of the STSB's mandate, ensuring the efficient and effective management, operation and maintenance of Guernsey Water.

The GWB is accountable to the STSB and operates by challenging established practices and assumptions and seeking to support the business in establishing clear strategic direction, business planning and operational delivery in support of the outcomes of the Policy & Resource Plan, the Medium Term Financial Plan, the Public Service Reform Agenda, Service Guernsey and other strategic reviews and organisational drivers.

The GWB membership is a minimum of a Chairman who is not a States Member, a Political Member of the STSB, a Senior Executive of an Incorporated Company or one or more Senior Officers of the States of Guernsey, the Guernsey Water Managing Director and the Financial Manager.

All members other than the Guernsey Water Managing Director and the Financial Manager are appointed by the STSB.

As a sub-committee of the States of Guernsey, the quorum will be two members of the STSB.

The GWB does not hold a fiduciary responsibility.

The GWB will take into account the States of Guernsey's political direction with regard to the operation of Guernsey Water, as directed

from time to time by the STSB. It must ensure that Guernsey Water operations and operational policies align with the wider strategy and policy framework of the States of Guernsey and/or the STSB. The GWB may generate policy for endorsement by the STSB and onward to the States of Guernsey as required.

The STSB specifically confers the following responsibilities and delegated authority to the GWB to:

- Approve capital and revenue annual budgets in line with the long-term budgets approved by the STSB,
- Approve annual business plans in line with long-term strategy and planning approved by or directed by the STSB,
- Approve and issue annual reports, and
- Guide and steer Guernsey Water.

In carrying out these responsibilities the GWB is bound and enabled by States of Guernsey rules for financial and resource management and the rules, directives policies and procedures of the States of Guernsey, such as, but not limited to: Finance; Procurement; Property; Human Resources; Data Protection; Health and Safety Management; Risk and Issue Management; Managing Matters of Litigation; and Relevant legislation. The GWB has the authority delegated by the STSB to direct the Guernsey Water Managing Director in the day-to-day operation of Guernsey Water in line with approved budget and business plans.

The GWB acts as a political sub-committee of the STSB.

STSB can disband the GWB at any time without notice or recourse to any other body.

In the event due process has not been followed, the GWB must render itself unable to make a decision until such time process has been followed.



**“The purpose of the Guernsey Water Board is to support the delivery of the STSB's mandate, ensuring the efficient and effective management, operation and maintenance of Guernsey Water.”**

**STEPHEN LANGLOIS,  
MANAGING DIRECTOR**

# WHO'S WHO?

## THE LEADERSHIP TEAM

**Stephen Langlois**

Managing Director & Board Member

Stephen joined Guernsey Water in July 2014 and his leadership draws upon a wealth of experience from many years working in the UK water sector, most recently Anglian Water. He is a chartered water and environmental manager with a post graduate qualification in water and wastewater treatment technology from Cranfield University. Stephen has 20 years of professional water and wastewater management and operational experience. His role is to lead a team that ensures the quality and resilience of the island's drinking water supply and safe return of wastewater to the environment. As an executive to the Company Board he ensures that Guernsey Water continues to be well managed, maintains its focus on efficiency, performs strongly for its customers, is able to evidence continuous improvement and compares well with benchmarks.

**Margaret McGuinness**

Water Quality Risk Manager

Margaret joined Guernsey Water in August 2015 after almost 20 years' experience within the industry. She has an in-depth knowledge of water and wastewater systems. As Public Health Manager at Scottish Water she was responsible for managing drinking water quality and wastewater pollution incidents. Margaret is a Fellow of the Royal Society of Chemistry, a member of the Royal Society of Public Health and chair of the Public Health Network for Water UK. Her team manages water quality risk from source to sea, ensuring customers receive drinking water of the highest quality and that wastewater discharges meet environmental standards.

**Carl Falla**

Capital Delivery Manager

Carl joined Guernsey Water in 2016 to head up the Asset Management Department and lead the development of a formal Asset Management System and supporting functions. Carl has a wealth of experience in the Project Management and delivery of large infrastructure projects over the last 15 years, predominantly within the public sector. He is a Chartered Construction Manager and Member of the Association for Project Management. He took over the role of Capital Delivery Manager in late 2019 and his team is responsible for the delivery of all capital projects and programmes and asset management initiatives within the business.

# WHO'S WHO?

## THE LEADERSHIP TEAM

**Phil Marquis**

Customer Services Manager

Phil was appointed Customer Services Manager in 2018. He has over 31 years' experience in the Telecom industry, mainly in managerial positions within the customer, access engineering and customer provisioning and billing. He has managed and been responsible for the setting up of our Customer Liaison Team in Guernsey Water and also oversees our Income and Contact Team. Phil has a passion for change and enjoys the human elements of management.

**Jon Holt**

Operations Manager

Jon is a Chartered Engineer with over 20 years' experience across operations and asset management in the water industry. He joined Guernsey Water in 2011 from Anglian Water. As operations manager, Jon oversees the operation and performance of all of Guernsey Water's clean and wastewater assets – this ensures that Guernsey Water is able to provide a resilient, high quality service to its customers 24 hours a day.

**Andrew Morton**

Senior Finance Manager & Board Member

Andrew joined Guernsey Water in December 2015 and was appointed to his current position in May 2016. He was previously Chief Operating Officer for the Channel Islands Securities Exchange; a position he held for over 15 years. Andrew is a Chartered Accountant and a member of the Institute of Directors and is responsible for all financial aspects of Guernsey Water. As an executive to the Board he ensures that Guernsey Water continues to be well managed, maintains its focus on efficiency, performs strongly for its customers, is able to evidence continuous improvement and compares well with benchmarks.



# THE GUERNSEY WATER BOARD



**John Hollis**

Chairman



**Stephen Langlois**

Guernsey Water



**Andrew Morton**

Guernsey Water



**Alan Bates**

Non-voting adviser



**Charles Parkinson**

States Member



**Michael Lawther**

Non-voting adviser

# EXTRACT FROM THE FINANCIAL STATEMENTS

## Financial Performance

### for the year ended 31 December 2020

Guernsey Water has reported a deficit of £329k in 2020 (2019: £768k), this is primarily due to the additional costs incurred in relation to the cesspit emptying service.

Operating surplus for the year was £4,603k, an improvement of 0.85% from 2019. The additional revenue from the cesspit emptying service as a result of wet weather in 2020 and the fact that Guernsey went into lockdown resulting in additional pressure on the service, is offset by the additional cost incurred as the service is subsidised. In addition, a revenue adjustment of £197k (2019: £204k) was required on grants repaid in the year. Nevertheless, Guernsey Water was able to keep operating and management expenses to just 0.5% over budget.

This year Guernsey Water's resources were once again more focussed on the maintenance of its assets than the creation of new assets, as shown by the level of expenditure on capital projects in 2020. This split between revenue expenditure and capital expenditure was also impacted by the restrictions imposed as a result of Covid-19.

## Financial Highlights

	Actual 2020 £'000s	Budget 2020 £'000s	Actual 2019 £'000s
Revenue	16,370	16,271	16,003
Expenditure	11,767	11,711	11,439
Deficit for the financial year	[329]	[413]	[768]
<b>Capital expenditure</b>	<b>4,363</b>	4,857	4,130

During 2020 there were no significant changes that had a material impact on the financial position.

In relation to capital expenditure, the major works include work on HSS improvement works (Phase 4) (£672k), enabling works at St. Saviour's Water Treatment Works (£386k), work on the treated water storage at Forest Road (£201k) and the replacement of water mains (£435k).

## Customers

Guernsey Water provides water to the majority of the residents and businesses on Guernsey. Guernsey Water also collects and treats wastewater from all properties on the Island.

	2020	2019	Change %
<b>Number of supplies:</b>			
Paying by tax on real property	7,953	8,080	(1.57%)
Paying by measure	18,393	18,130	1.45%
<b>Total</b>	<b>26,346</b>	26,210	0.52%

Full copy of accounts available at: <https://gov.gg/article/183784/Guernsey-Water-Accounts-2020>

During 2020 there were no significant changes that had a material impact on the financial position.

In relation to capital expenditure, the major works include work on HSS improvement works (Phase 4) (£672k), enabling works at St. Saviour's Water Treatment Works (£386k), work on the treated water storage at Forest Road (£201k) and the replacement of water mains (£435k).

## Operational Performance

	2020	2019	Change %
<b>Volume supplied in million litres (ML):</b>			
Delivered to customers paying by measure	2,706	2,754	(1.74%)
Delivered to other customers	1,194	1,167	2.31%
Operational use, fire fighting and losses	601	774	(22.40%)
Total put into supply	4,501	4,695	(4.13%)
<b>Service:</b>			
Restrictions on supply	None	None	-
Burst mains	28	37	(24.3%)
Discolouration - claims paid	3	4	(25.0%)
<b>Unit costs (partially weather related):</b>			
Water production (per ML)	£365	£368	(0.82%)
Water distribution (per supply)	£18	£16	12.5%
Full time equivalent employees	77	81	(4.94%)
Average number of full time employees	78	81	(3.70%)

The 2019 figure for the unit cost of water production has been adjusted to exclude the tactical support costs. Using the previous basis the cost would have been £437 per ML (2019: £414).

## Contributions' to the States of Guernsey

During 2020 Guernsey Water repaid grants received in relation to wastewater assets of £1,229k to the States of Guernsey Capital Reserve (2019: £1,309k).



## Statement of Comprehensive Income

### for the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Revenue</b>		
Water supplies	5,506	5,692
Wastewater supplies	9,349	9,128
Other income	1,515	1,183
	<b>16,370</b>	<b>16,003</b>
<b>Expenses</b>		
Operating expenses	(8,095)	(7,637)
Management expenses	(3,672)	(3,802)
	<b>(11,767)</b>	<b>(11,439)</b>
<b>Operating surplus before depreciation and amortisation, impairment and (loss)/gain on disposal of fixed assets</b>	<b>4,603</b>	<b>4,564</b>
Depreciation and amortisation	(4,696)	(4,792)
Impairment of assets	-	(532)
(Loss)/gain on disposal of fixed assets	(31)	9
<b>Operating deficit for the year</b>	<b>(124)</b>	<b>(751)</b>
Investment return and net interest receivable	102	297
Interest payable	(307)	(314)
<b>Deficit for the financial year</b>	<b>(329)</b>	<b>(768)</b>

All material activities derive from continuing operations.

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

## Statement of Financial Position

### as at 31 December 2020

	2020 £'000	2019 £'000
<b>Non-current assets</b>		
Intangible fixed assets	112	186
Tangible fixed assets	145,119	147,468
Investment property	837	650
Assets under construction	4,910	3,043
	<b>150,978</b>	<b>151,347</b>
<b>Current assets</b>		
Inventories	1,708	1,648
Debtors and prepayments	2,021	2,116
Cash at bank and in hand	1,455	1,061
Balances with States Treasury	864	1,561
	<b>6,048</b>	<b>6,386</b>
<b>Creditors: amounts falling due within one year</b>	<b>[4,414]</b>	<b>[3,496]</b>
<b>Net current assets</b>	<b>1,634</b>	<b>2,890</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>[15,383]</b>	<b>[16,679]</b>
<b>Total net assets</b>	<b>137,229</b>	<b>137,558</b>
<b>Reserves</b>	<b>137,229</b>	<b>137,558</b>

**Signed on behalf of the States of Guernsey - States' Trading Supervisory Board**

**Deputy P. Roffey**

20 May 2021

President

**Signed on behalf of the States Trading Group**

**Mr S. Elliott**

20 May 2021

Managing Director

## Statement of Changes in Equity

### for the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Balance at 1 January</b>	<b>137,558</b>	138,326
Deficit for the financial year	<b>[329]</b>	[768]
<b>Balance at 31 December</b>	<b>137,229</b>	137,558

## Statement of Cash Flows

### for the year ended 31 December 2020

	2020 £'000	2019 £'000
<b>Net cash flows from operating activities</b>	<b>5,494</b>	4,162
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	<b>(4,177)</b>	[4,130]
Proceeds from disposal of assets	<b>5</b>	11
<b>Net cash flows used in investing activities</b>	<b>(4,172)</b>	[4,119]
<b>Cash flows from financing activities</b>		
Grants repaid in year	<b>(1,229)</b>	[1,309]
Capital repaid	<b>(191)</b>	[183]
Interest paid	<b>(307)</b>	[314]
Investment return and interest received	<b>102</b>	297
<b>Net cash flows from financing activities</b>	<b>(1,625)</b>	[1,509]
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(303)</b>	[1,466]
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,622</b>	4,088
<b>Cash and cash equivalents at the end of the year</b>	<b>2,319</b>	2,622
<b>Reconciliation to cash at bank and in hand:</b>		
Cash at bank and in hand	<b>1,455</b>	1,061
Balances with States Treasury	<b>864</b>	1,561
<b>Cash and cash equivalents</b>	<b>2,319</b>	2,622



## Revenue

All revenue is derived from activities within the Bailiwick of Guernsey. An analysis of Guernsey Water's revenue by class of business is set out below:

	2020 £'000	2019 £'000
<b>Water Supplies</b>		
Unmeasured	1,749	1,780
Measured	3,757	3,912
	<b>5,506</b>	<b>5,692</b>
<b>Waste Water Supplies</b>		
Unmeasured	3,074	3,095
Measured	6,275	6,033
	<b>9,349</b>	<b>9,128</b>
<b>Other Income</b>		
Cesspit emptying income	1,320	1,207
Net surplus/(deficit) on other trading activities (below)	156	(84)
Net Grant released	39	60
	<b>1,515</b>	<b>1,183</b>
	<b>16,370</b>	<b>16,003</b>
<b>Net surplus/(deficit) on other trading activities</b>		
Standard charges for service laying	168	(16)
Charges for work at ascertained cost	7	31
Property rental income	123	112
Notional rental income	7	-
Cost of items issued from stores	(40)	543
	<b>265</b>	<b>670</b>
<b>Expenditure</b>	<b>(109)</b>	<b>(754)</b>
	<b>156</b>	<b>(84)</b>
<b>Expenses</b>		
<b>Operating expenses</b>		
Tactical support	322	224
Water production	1,644	1,722
Water distribution	464	422
Asset management	411	431
Pumping	1,293	1,318
Sewers	3,961	3,520
	<b>8,095</b>	<b>7,637</b>
<b>Management expenses</b>		
Management and general	1,326	1,321
Water quality and risk management	517	540
Customer services	848	955
Finance and support services	981	986
	<b>3,672</b>	<b>3,802</b>
<b>Total expenditure</b>	<b>11,767</b>	<b>11,439</b>



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