

Shanks Cumbria Limited Management Manual

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INTRODUCTION

Shanks Cumbria Limited is committed to providing an integrated 25-year service for the reception and subsequent management of Municipal Solid Waste (MSW), on behalf of Cumbria County Council, in accordance with the Project Agreement and Service Delivery Plans (SDP) in conjunction with the output specification.

This document describes how Shanks Cumbria Limited (the **Project Company**) operates its management systems to ensure control of operations and achievement of continual improvement in the delivery of contract requirements for Cumbria County Council.

PROJECT OBJECTIVES

The Project Company's ultimate business objective is to deliver the conditions of the contract with Cumbria County Council (**CCC**). Specific Quality Objectives are listed in Schedule 1 – Output Specification & Performance Measurement Framework. Environmental Objectives are included in Schedule 5 – Payment Mechanism (Appendix 1 & 4). Further environmental objectives can be found in the Comms Plan.

In order to successfully deliver the overall objective, the Project Company has set up a contract with Shanks Waste Management Limited (the **Operating Contractor**), that passes on the contractual responsibilities from the contract with CCC.

Shanks Waste Management Limited (**SWM**) also provide support to the Project Company, of a technical nature, from a range of support departments.

The relationship between Shanks Group, the Project Company, the Operating-Contractor, SWM support departments, and CCC are detailed in Appendix A. The interaction between Project Company, Operating-Contractor, 2nd Tier Sub-Contractors and SWM is shown diagrammatically in Appendix B and further explained throughout the course of this manual.

CUSTOMER REQUIREMENTS

The Project Company has only one customer; CCC whose requirements have been established and make up the Project Agreement. The document is also known as the Project Company Contract (**PCC**). These requirements are mirrored in the agreement for service and construction work also known as the Operating Contractor Contracts (**OCC**).

Reviews of CCC requirements are carried out continuously utilising a suite of reports such as; vehicle turnaround forms, compliments / complaints and authorised vehicle list. The contract is a self monitoring contract which requires self assessment. All failures will be entered into the Performance Monitoring Framework (**PMF**) which is accessible to Shanks Cumbria, CCC the Operating Contractors and the 2nd Tier Sub-Contractors.

Formal meetings are held monthly with CCC to monitor progress and agree any variations to contract requirements.

SAFETY & ENVIRONMENTAL MANAGEMENT SYSTEMS AND SERVICE DELIVERY

The Project Company has carried out hazard identification and risk assessments as per SWM's Company Standard HSF101 STN in order to determine the necessary controls that need to be in place. Full details of the risk assessments and associated procedures are detailed on the Project Company's management plan.

The Project Company has assessed its Environmental Aspects as per SWM's Company Standard SHE905. The process identified one medium risk aspect, this being;

- ✓ Compliance of the 2nd Tier Sub-Contractors operating the sites

It is unlikely that the aspects identified will change over the course of the contract unless one of the contracts is varied. Any contract variation that has been approved in line with the mechanism detailed in the PCC (Schedule 27) may therefore require the aspect register to be reviewed.

The Project Company ensures that the service provided meets the specifications of the PCC and OCC mentioned above. Progress against business and environmental objectives is monitored and reviewed monthly.

Deviations from the contract requirements are dealt with in line with the Performance Measurement Framework regime, schedule 1, part 2 of the SDP's.

LEGAL & OTHER REQUIREMENTS

The majority of requirements for the Project Company form the basis of the PCC and OCC agreements that are in place.

To ensure that the sites included under the contract operate in compliance with legal and other requirements, "Technical Specialists" are utilised. These specialists are provided by SWM and are tasked with monitoring legal requirements likely to impact activities in areas such as; safety, health & environment, human resources, finance etc (see Appendix B).

These individuals are responsible for identifying the potential impacts to the business and ensuring that systems are adapted or introduced to meet the legal requirements.

TRAINING REQUIREMENTS

Training requirements of the Project Company officers and staff are reviewed on an ongoing basis with their line managers, these may be dictated by such things as changes in legislation, changes in company systems etc.

All staff training records are held centrally by SWM HR Dept Pontypool, details of staff training are available through the Ciphre system.

BUSINESS PLANS

A financial model has been produced for the duration of the project and the Project Company reviews performance with this twice per year in line with financial reporting for Shanks Group PLC.

Any deviations or modifications to the financial model have to have approval from Shanks Cumbria Limited Board and the Senior Funders identified under the Credit Agreement.

BUSINESS PROCESSES

The Project Company's business process is one of **contract management**. This process has 4 **main** functions summarised as follows:

- i. Monitoring the data produced by the Operating Contractor and 2nd Tier Sub-Contractors through the Integrated Service Management System (ISMS) and furnishing the reports to Cumbria County Council.
- ii. Evaluating the reports received from the Operating Contractor and 2nd Tier Sub-Contractors reviewing progress against the Project Agreement.
- iii. Ensuring that the Operating Contractor receives the appropriate level of service and capital payments taking into account any deductions under the performance regime within the Project Agreement.
- iv. Draw down appropriate funding from the Senior Funders.

DOCUMENTED MANAGEMENT SYSTEMS

A documented management system, covering all of the business processes, is in place to help communicate the Project Company's requirements as well as legal requirements. This documented system consists of contracts; company policies; standards; advice / guidance notes and reference & training documents.

The systems have been designed to comply with the requirements of;

- ✓ BS EN ISO 9001:2008
- ✓ BS EN ISO 14001:2004
- ✓ BS OHSAS 18001:2007

However the following clauses of the ISO 9001 standard are not deemed as applicable to the Project Company and should therefore be excluded from the scope:

- 7.3 Design & Development
- 7.6 Control of Monitoring & Measuring

The Project Company is responsible for ensuring compliance with the requirements of the PCC. In addition, it must ensure that the Sub Contractor has adopted appropriate documented management systems to ensure it can successfully deliver the requirements of the OCC, communicate and deliver its own company requirements as well as other legal requirements.

A list of contract documents relevant specifically to the Project Company is detailed in a local Management Plan and this is controlled & updated by the Operating Contractor's Management Systems Department.

In addition, a list of the Company Policies and Standards relevant to the Project Company is detailed in the "SWM Management Plan" which is also posted on Shanks' Intranet library along with copies of all the documents that make up the system. Included within this management plan are the procedures required by the standards as follows:

Control of Documents & Records	MGS100PRO – Document Control / Control of Records
Internal Audits	MGS201PRO – Internal Audit
Non-Compliance	SMS001WM – Control of non-conformity, corrective and preventive action

General responsibilities for all individuals within the business are detailed within the company's documented systems.

Responsibility for delivering the requirements of the project agreement lies with the Contractors Representative (**CR**) or the Deputy Contractors Representative (**DCR**).

ELECTRONIC MANAGEMENT SYSTEMS

The Project Company operate a range of "core" electronic systems critical to the operation of the business processes; these systems have "in built" controls to ensure that company and other legal requirements are met. Core systems include;

- ✓ Agresso: Financial system – Used to record payments of invoices, profit & loss balance sheets and credit control.
- ✓ Email, Internet/Intranet: External & Internal Communications
- ✓ TIM; Operational systems for revenue generation
- ✓ Business Objects; Reporting software

Additional core systems are supplied by the Operating Contractor to support the Project Company activity:

- ✓ Ciphre; HR database
- ✓ Q Pulse Document Control Software

Access to these systems is limited to individuals that need to use them in carrying out their role within the organisation. Access rights and authority levels are assigned in accordance with the individuals' roles and responsibilities

To guard against loss of information, all electronic systems (financial systems, email, shared drives) are backed up allowing lost information to be retrieved within a matter of hours.

In addition the following systems are provided for the Project Company, CCC and Sub-Contractors to record and monitor specific aspects of the contract;

- ✓ PMF Performance Monitoring Framework
- ✓ Maintenance Database Logs defects of equipment on site

AUDIT/INSPECTION

At least once a year the Project Company will receive an internal "management systems" audit performed by Management Systems Department of SWM.

In addition, this team will undertake a sample of audits at a selection of HWRC's, annual landfill audits and annual audits at all "new facilities". The audit provides verification to the Project Company that the Sub-Contractor is operating in accordance with the contract and company & legal requirements. Additional audits may be carried out on the basis of the status and importance of the activity.

Several other SWM support departments supply the Project Company with a range of inspection visits relevant to their areas of expertise (e.g. Health & Safety Inspections) in order to identify and rectify any potential areas of risk and non-compliance (see Appendix B).

The Project Company HWRC Manager will conduct weekly inspections at each of the HWRC sites to monitor items such as housekeeping, container condition, branding etc. Furthermore

the Sub Contractor HWRC supervisors also inspect the sites weekly and any penalty related issues are reported in the PMF.

Audits/inspections are also carried out by third parties such as regulatory authorities, CCC and management system auditors.

The results of the audits/inspections are communicated to senior managers and relevant directors and are included as part of business reviews. In addition, copies of the results are forwarded to CCC no later than the end of May each year.

MONITORING

The Project Company is required to ensure that a suite of reports are produced and furnished to CCC on a monthly basis.

Furthermore, it has the responsibility to ensure the sites operated by the Sub Contractor under licences, permits, authorisations etc. carry out the necessary monitoring to comply with these documents.

In addition a range of information is monitored and provided by SWM support departments such as accidents, environmental performance etc. This will be collated and any relevant information will be passed to the **PCR** for review as required.

BUSINESS REVIEW

The suite of reports produced is used to review the delivery of the contract to CCC on a monthly basis. In doing this, the performance of the Sub Contractor is also reviewed.

Monthly meetings are held between Shanks Cumbria and CCC, these are conducted at 2 levels:

- ✓ Monthly Monitoring Report (MMR) meeting which evaluates performance of the Project Company against the requirements of the contract.
- ✓ Operational Meeting which covers compliance issues, defects, signage, branding etc.

These meetings are replicated with the sub-contractors and any relevant penalties will be discussed and passed down to the subcontractor.

A Senior Management Review meeting provides a forum to review the results of audits, the effectiveness of the management systems and the Project Company's SHE and Quality Policies along with the status of corrective and preventative actions.

In addition SWM's Management Committee Meeting, attended by SWM's directors, also reviews the results of audits and effectiveness of the management systems on a quarterly basis.

Other areas of the business will be discussed periodically at these meetings. These reviews may take the form of presentations from SWM support departments on the areas of the business they are responsible for e.g. Environmental, Safety, Human Resources etc.

Minutes from the meetings detail; actions required to address any failings and identify who is responsible for completing the actions.

Improvements will be driven from the various reviews. The annual update of SDPs provides an opportunity for improvements to be adopted in the contract on an annual basis. Significant changes or improvements would be agreed through the variation process.

PERFORMANCE REPORTING

A range of annual reports are produced by Shanks Group that incorporate the performance of the Project Company.

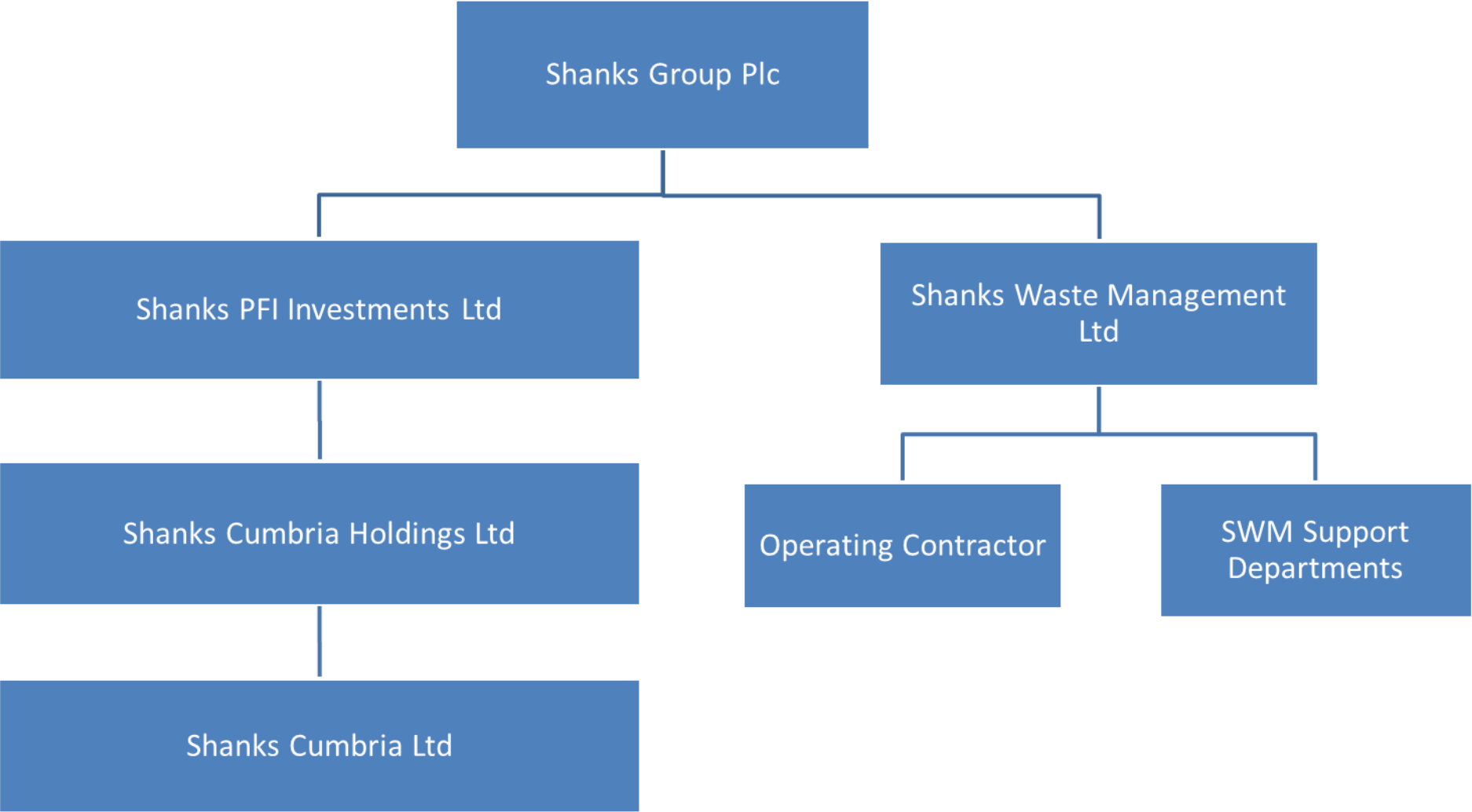
Financial details financial performance

CR details safety and environmental performance against the relevant objectives and targets

Copies of all the reports can be found on Shanks Internet www.shanks.co.uk

The Project Company will not make an external statement regarding its significant environmental aspects.

APPENDIX A - Organogram



APPENDIX B – Process Interactions

