

**This and the following 77 pages comprise Schedule 8 referred to in the
foregoing Contract between the Scottish Ministers and Serco Ltd.**

SCHEDULE 8 – OPERATING MANAGEMENT DELIVERY PLAN

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Glossary of Terms

Term	Definition
CCTV	Closed Circuit Television
CMA	Contract Management App
CPM	Contract Performance Measurement
CSOP	Company Standard Operating Procedures
DPR	Divisional Performance Report
DVLA	Driver and Vehicle Licensing Agency
EMPROC.	Emergency Response Procedure
GDPR	General Data Protection Regulation 2016/679
GSOP	Group Standard Operational Procedure
HOPS	Host Operator or Processing System
IMDG	International Maritime Dangerous Goods Code
IoMSR	Isle of Man Ship Registry
ISM	International Safety Management
LOP	Local Operating Procedure
MAIB	Marine Accident Investigation Branch
MCA	Maritime and Coastguard Agency
MoD	Ministry of Defence
MRSD	Maritime Resilience Security Division
NFU	National Farmers' Union
PCI DSS	Payment Card Industry Data Security Standard
QHSE	Quality Health Safety Environment
RMP	Risk Management Plan
RMT	Rail Maritime Trade Union
SBRC	Scottish Business Resilience Centre
SG	Scottish Government
SME	Subject Matter Experts
SMS	Serco Management System
SOLAS	Safety of Life at Sea
SSP	Ship Security Plan
VMS	Vessel Management System

B3 Operational Management System Delivery Plan

1. Executive Summary

1.1. Serco's Approach to the Operational Management System Delivery Plan

The purpose of this Operational Management System Delivery Plan is to demonstrate our understanding of the objectives that Serco and Scottish Ministers have set for the operation of the Northern Isles Ferry Service, with respect to Operational Management.

Our proposed Operational Management System Delivery Plan provides a comprehensive and robust approach to ensuring the effective management of an efficient, reliable ferry service. We have outlined our steps for satisfying all statutory requirements and explain how we monitor compliance with this plan.

Our Operational Management System Delivery Plan is mindful of Scottish Government's (SG) high level objectives, to:

- Be safe, sustainable and efficient
- Responsive to local needs and appropriate to the requirements of those using them
- Contribute to sustainable economic growth on our islands and in our remote rural communities
- Be affordable at point of service and offer value for money for the Scottish Ministers
- Be resilient to social and commercial stresses

We have set out our proposals which will form part of the agreement between SG and Serco and show where there are areas of continuous improvement which will be targeted throughout the term of the contract. The areas of continuous improvement may require TS, CMAL or third-party approvals, feasibility studies or business cases for them to be delivered, and thus are to be viewed as having the potential to be implemented.

We have not included any costs associated with the delivery of the objectives, but they can be found in the financial model under the relevant tab. However, where there is a requirement for additional investment or resource, we have indicated this.

We have provided suitable evidence to support the delivery of the requirements throughout the plan, however, where this evidence is part of a larger document this has been referenced or provided in full in a supporting annex.

1.2. Key Improvements

This delivery plan refers to existing management plans, policies and procedures that are used for the management and operation of the current contract; we have provided a list of these which relate to the individual delivery plans. These plans, policies and procedures will continue into the new contract. The features, controls and benefits that result from implementation of these plans will be realised in the management and operation of the new contract. Where required the plans will be reviewed at Commencement Date or during mobilisation to incorporate changes needed to reflect the new contract requirements.

Key improvements for the Operational Management System Delivery Plan:

- Commitment to continuous improvement and operational excellence initiatives
- Provision of detailed, transparent data and reporting to Transport Scotland (TS)
- Security provision being brought 'in-house' to improve control, communication and efficiency

2. Introduction

Serco's success in consistently delivering high levels of service for the new Northern Isles Ferry Service contract will be through a strong, locally based leadership team focused on meeting the requirements of the contract, as demonstrated since 2012; this is supported by effective governance, decision-making capability, leadership and our robust management system consisting of well-defined policies and procedures that are clearly understood and consistently adopted by all our people, sub-contractors and suppliers.

Our objectives for operational management of the new contract for the Northern Isles Ferry Service comprise:

- Continuing to meet the needs of our stakeholders safely, sustainably and securely
- Further improving the quality and efficiency of our operations while driving increased value for Scottish Ministers
- Improving communications and reporting through use of latest technology, in line with the Scottish Government's Digital Strategy
- Effectively minimising exposure to risk and exploiting opportunities throughout the contract term.

Our KPI setting and monitoring plan includes, as a minimum, those KPIs that have been specified within Schedule 13 of the contract. We are keen to ensure that we will continue to deliver an economical, efficient and effective operation, at the heart of which is the data we collate every day. Our suite of KPIs gives confidence that we are exceeding the required service levels, as well as providing a comprehensive, cohesive and holistic view of performance for the entire business. Our KPIs meet the following criteria:

- **Quantitative:** Measurement and benchmarking performance
- **Practical:** Interfacing and supporting NorthLink processes
- **Directional:** Demonstrating progress and performance trends
- **Actionable:** Being mostly within our control to effect change

These objectives are supported by Serco Group led from the top of our organisation – our Chief Executive Officer (CEO) and Serco Group Board provide ethical and behavioural leadership which is flowed through our Transport business to all our contracts. The Serco Management System provides the foundation for how we manage our business.

3. Understanding the requirements of the Operational Management System Delivery Plan

Table 1: Assessment of the challenges – Operational Management System
Redacted

Table 1: Assessment of the challenges – Operational Management System
Redacted

4. Operating Management Methodology – OMS1

4.1. Approach to Operating Management Methodology

The operational management of the Northern Isles Ferry Services (NIFS) contract is to be delivered by our local NorthLink management team, with clear understanding of the requirements of the contract. The management team based in the contract and physically in NorthLink offices is designed to provide clear leadership locally with clarity and focus.

NorthLink, trading as Serco Ltd (NorthLink Ferries), will be delivered as an autonomous contract within Serco's Transport business, sitting alongside businesses that include, Djurgarden Ferries, Merseyrail and Scotland's Caledonian Sleeper service. The Caledonian Sleeper is also a Scottish Government contracted public transport service in a highly regulated transport sector and delivering to ambitions and performance measures set out by Scottish Ministers.

Serco's Transport business is part of Serco Group. Serco Group's depth and breadth of expertise is in industries as diverse as Leisure Services, HealthCare, public sector back-office services, Defence and Space – which includes operating Scatsta Airport in Shetland and significant maritime vessel operations in Faslane for the MoD.

This organisation framework and the overall scale of support and resource sitting behind NorthLink provides the basis for our Operating Management approach.

Our approach draws on well-established principles of:

- Proper contract leadership and governance, supported by the structures, tools and systems in Serco Group
- A strong focus on effective and well documented processes that are backed by overarching policies derived from within Serco, TS or industry regulation.

Serco has transformed NorthLink using this approach in the current contract, delivering service excellence for customers and significantly greater transparency and KPI reporting for TS than the current contract required, or had been delivered before.

We believe that TS will continue to benefit from Serco's approach by evolving an even deeper understanding of the service to inform future policy making, providing Scottish Ministers with confidence that best value is being achieved from their investment in Serco and that customers and stakeholders are able to engage meaningfully with NorthLink to ensure the service continues to deliver against their expectations.

A sample list of Standard Operating Procedures is attached in Appendix B3-4 at the end of this delivery plan.

4.2. Proposal for Operating Management Methodology

This section sets out our proposals for our Operating Management Methodology. It describes:

- Contract management and governance
- Management and performance reporting
- Risk management

4.2.1. Contract Management and Governance

This section details:

- Serco Management System (SMS)
- Contract Management
- Serco Governance

This forms the framework for our Operating Management Methodology and the process for effective management control of NorthLink in the new contract.

4.2.1.1. Integrated Management System (IMS) – Serco Management System

Serco Group manages all its businesses through a structured hierarchy of documented policies, processes and procedures that are bespoke to individual contracts at an operational level, but ensure that necessary policy compliance, audit, review and best practice is allowed to flow into and between contracts. Our Integrated Management System is the Serco Management System.

Redacted

The hierarchy of documents contained within the Serco Management System is illustrated in Figure 1.

Redacted

Figure 1: SMS document hierarchy

Version control and approval process

Each document in the system is version controlled, including recording version history and who has approved updates. Approvals will only be allowed by people with the appropriate level of delegated responsibility as shown in Table 2.

Table 2: Approval required

Redacted

Company Management System and Vessel Management System

Redacted

Redacted

Table 3: SMS and VMS – Outline of structure

Redacted

The structure and hierarchy of the Serco Management System covering Quality, Health, Safety and Environment management is shown in Figure 2. All of our operating procedures sit within this structure.

Redacted

Figure 2: Serco Management System, underpinning delivery of environmental protection for NorthLink

Ensuring our standards cover contractors

Redacted

Reference and structure of IMS

Redacted

Sharing SMS with our staff

Redacted

Ensuring effective version control

Redacted

Redacted

4.2.1.2. Contract Management

Serco will manage the NorthLink contract Redacted

the business to be focused on customer and stakeholder needs and service excellence. It is also designed to bring incremental improvements to service delivery and value for money for Scottish Ministers. This aligns directly with the Scottish Ministers' objectives for the Northern Isles Ferry Service as stated in Vol 2 of the ITT, page 3.

Contract Management Organisation

Redacted

the organisation structure is provided in Figure 3.

the draft proposal for

Redacted

Figure 3: NIFS management team organisation chart

Redacted

Figure 4: Customer Services organisation structures – Shore-based

Redacted

Figure 5: Customer Services organisation structures – Onboard

Redacted

Figure 6: Operations, including technical, Health and Safety and DPA

This structure is built on the success we have developed through our delivery of NorthLink since 2012.

4.2.1.3. Management Team

Our contract management team at NorthLink is detailed comprehensively in B1 -HR Delivery Plan, but in summary will consist of the following functions:

Redacted

4.2.1.4. Contract Compliance

The benefit of a large organisation like Serco Group supporting the local NorthLink team is that we have developed tools to support our many contracts, so that they are compliant with contractual obligations, performance requirements and reporting to clients. Redacted

Figure 7 shows a screenshot of the Contract Compliance Application as used in the current NorthLink contract. Redacted

Redacted

Figure 7: Contract Compliance Application

4.2.1.5. Serco Divisional and Group Governance

Redacted

This will ensure the consistent application of best practice in managing risks and controls in the NorthLink contract.

4.2.2. Management and Performance Reporting

Customers and stakeholders expect TS and Serco to be working collaboratively to deliver the best possible and most effective services. A high level of transparency about the operational and financial performance of NorthLink will be provided by Serco, to enable TS to have the fullest understanding about how the service is being delivered, and the value for money of our service provision.

Serco proposes a combined reporting and meeting approach in the new NorthLink contract, which has been used successfully in the current contract and is in accordance with Vol 3 Schedule 13 of the contract. This will deliver greater value to TS by enabling the NorthLink management team to share both rich contract performance data and to provide in a transparent way any contextual commentary about the service, customers and stakeholder matters.

Formal contract report meetings and-hoc meetings will be requested and arranged for matters that require more immediate attention. Matters such as weather-related timetable changes, where TS are alerted well in advance of possible disruption and then updating TS in the following days as forecasts are received and the extent of disruption becomes clearer, or cancellations, vessel status or progress updates – these will continue to form part of our ongoing routine communications between TS and Serco NorthLink Ferries.

Serco's performance goes beyond the KPIs and performance standards we commit to. For the new NIFS contract, Serco will continue to collate relevant data for reporting across our operations, with contributions from our financial, technical, health and safety, quality and environmental departments.

The collation of this wide range of performance data will form part of our reporting to TS. We will provide the following written reports in accordance with the deadlines shown in Table 4.

Table 4: Performance data written reports

Serco Report	Schedule 13 reference	Content / purpose	Frequency	Deadline
Carryings data		Punctuality and sailings reliability to inform operational issues review meetings	Weekly	Weekly
Financial report		Revenue and variable costs incurred to support revenue, operating costs by vessel, differentiating between costs – shore, fuel, sea going, marketing and others Financing statements for grant-supported services, demonstrating no cross-subsidisation	Monthly	one week prior to the relevant month's review meeting
Performance measures	Section A Section B	Reliability, punctuality and any performance deductions	Monthly	As above
Performance measures	Section C	Compliance with HSE, SEPA or other governmental or statutory body	Monthly	As above
Performance measures	Section D	Reporting and production of reports	Monthly	As above
Performance measures	Section E	Customer complaints	Monthly	As above
Performance measures	Section F	Smart ticketing information	Monthly	As above
Relief events		Details and measures applied to alleviate consequences, where appropriate	Monthly	As above
Scheduled maintenance		Maintenance undertaken to comply with the Maintenance Programme	Monthly	As above
Carrying information		Route and vessel specific for all customer profiles, transport and goods types, demonstrating utilisation of vessel capacity	Monthly	As above
Quarterly report		Summary of monthly report information in addition to any TS requirements specified	Quarterly	within 6 weeks after the end of the relevant Quarter

Serco Report	Schedule 13 reference	Content / purpose	Frequency	Deadline
Six-monthly report		Summary of monthly report information in addition to any TS requirements specified	Bi-annually	within 6 weeks after the end of the relevant Period
Annual report		Summary of monthly report information in addition to any TS requirements specified	Once a year	within 6 weeks of the relevant year
Annual safety report		Covering reportable accidents, major/serious injuries or hazardous events	Once a year	within 6 weeks of the relevant year

Serco Report	Schedule 13 reference	Content / purpose	Frequency	Deadline
Annual Environmental Performance Report		Actual fuel efficiency compared with tender predictions and energy efficiency measures introduced with their impact on reduced carbon release, in addition to any other ad hoc information reports specified by TS	Once a year	within 6 weeks of the relevant year
Ad-hoc information reports		As specified by TS	Ad-hoc	As required
Meeting		Content / purpose	Frequency	Attendees
Operations Issues Review (options as conference call)		Covering operational issues that should be shared to ensure that each party is informed of the conduct and impact of the Services on users and communities Preceded by written up date	Weekly	Operators representative, TS representative
Service Performance review meeting		Review of monthly report	Monthly	Operators representative, TS representative
Supplementary meetings		As required by TS or requested by Serco and agreed by TS	As required	As required

4.2.2.1. Ensuring reports and indicators are available to inform progress

In addition to the contractual reports shown in Table 4, Serco produces an extensive suite of reports and indicators to inform our own operational decision making. These include:

Redacted

We will use extracted data to support the contract requirements, but where required this information this information will be made available to TS.

Our commitment to reporting to TS includes making the data accessible and easy to digest. We believe that excellent presentation and transparency of data make it more powerful and valuable as a contract performance measurement tool. Examples of the reporting provided from Serco NorthLink to TS in the current contract are included in an appendix B3-1 at the end of this delivery plan. Figure 8 below shows our Bid Initiative Timeline.

Indicative Proposal Timeline

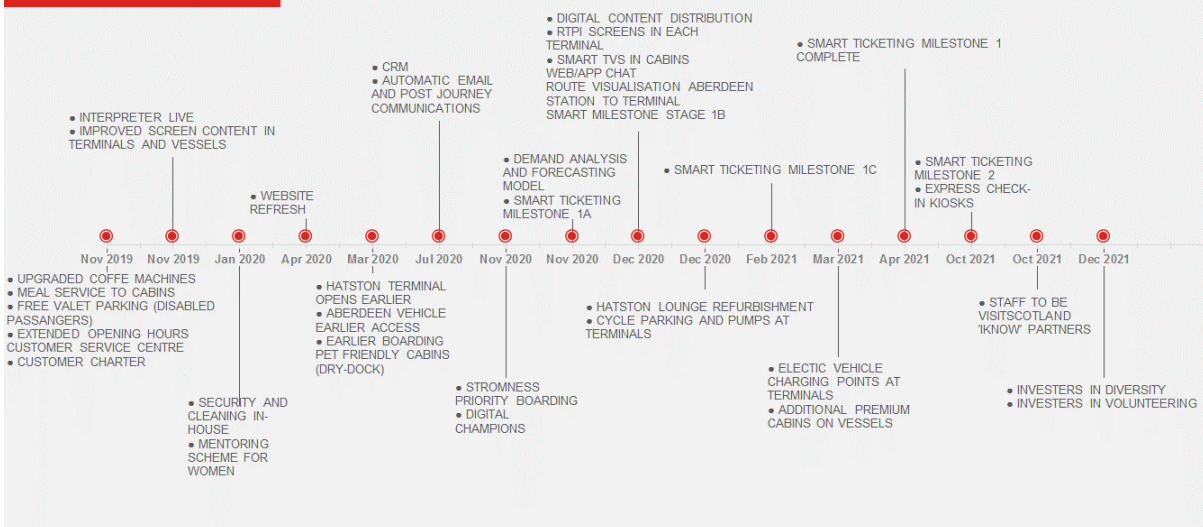


Figure 8: Bid Initiative Timeline

Using Redacted to visualise outputs

As part of continuous improvement Serco is investigating the use of Redacted software for reporting of environmental data generated from the service. This technology, which aligns to the Scottish Government's own digital strategy, will enable information sharing in addition to delivering the following benefits:

Redacted

Redacted

We will continue to explore the use of technology to improve the accuracy and immediacy of our reporting to deliver improved value and self-service capability with which TS can monitor our performance and progress.

4.2.3. Risk management

Our risk management processes and procedures will continue on from the current contract, thus providing continuity. Although there is no material operational change in the service, Serco will review the current detailed risk register against the new contract requirements and make amendments as necessary. As with the current risk register, periodic reviews will be carried out during the new contract term that will be shared with TS through the monthly reporting requirements. The current risk register will form the basis of the new register we will share this with TS following Commencement Date. Within three months of Commencement Date we will produce a comprehensive risk register for agreement with Transport Scotland.

We will continue to use the NorthLink Ferries Risk Management Plan – Redacted as the basis of our ongoing approach to risk management.

4.2.3.1. Risk management approach

Serco adopts a proactive strategy for identifying, analysing and managing risks associated with our activities as a means of minimising the impact of routine or unexpected events on our business activities. Being proactive allows us to apply appropriate monitoring, avoidance, mitigation or contingency measures.

Risk registers and risk assessments are formally reviewed:

- Periodically (to meet reporting requirements)
- Annually
- Ad-hoc in the event of an incident or change of an event or contract variation

For NorthLink we will continue to manage risk by applying Serco's Group Standard as defined in our Serco Management System and is compliant with the ISO^{Redacted} international standard for the management of risk. It is a clearly defined risk management process that will cover all vessels, ports and operations, to identify risks and opportunities, ensuring they are captured and managed appropriately.

Redacted

Figure 10: Serco's proven risk management process for the Northern Isles Ferry Service is consistent with ISO^{Redacted} international standard for the management of risk

Risk Management Process for NorthLink

This risk management process is integrated within a broader resilience management framework that incorporates security, business continuity and crisis management.

The specific steps in this process for NorthLink will include:

Redacted

Redacted

Redacted

NorthLink is a public transport service that operates in a harsh environment – so having appropriate risk strategies is important to ensure the service can be consistently delivered at an acceptable level of risk. This is especially important where, for example, NorthLink provides the only daily connection for passenger vehicles, freight and livestock to and from Shetland. Service resiliency and continuity

are critical to the islands community and economy and this has to be balanced with providing a safe and efficient service. Redacted
set out in the table:

Redacted

Redacted

Redacted

Serco is very aware of the sensitivity of Scottish Ministers and TS to customer perceptions of poor or diminishing service levels or experience. Our approach is to be clear, transparent and up-front about the ongoing risks at all levels of the business, so as to give TS confidence in Serco's continuing suitability to deliver these important services.

4.2.3.2. Structure to support risk management

Redacted

Every person in NorthLink will have a responsibility to identify and report risk as part of their role and be encouraged to raise risk issues with their line manager. This is inherent in Serco Group policies and achievement of our 'Zero Harm' vision. Zero Harm primarily relates to Health and Safety matters, but the culture it embeds also supports our approach to the broader definition of risk. Redacted

We recognise that risk can be perceived differently inside and outside the business and that some risks are carried by critical suppliers who are delivering part of the service for us. Our engagement with external stakeholders will be used as a conduit to capture externally identified risk to feed into our risk management process. Subject matter experts in these instances will be those who have the primary operational or contractual relationship with the external party. These key external parties include, but are not limited to:

- Harbour Authorities
- Stevedoring suppliers
- IT and systems suppliers
- Regulatory bodies: MCA, DfT Maritime Security and Resilience Division (branch of MCA) , Animal and Plant Health Agency, Health and Safety Executive
- Advisory: Police Scotland, UK Chamber of Shipping, Nautilus Scottish Business Resilience Centre
- Industry representatives: National Union of Rail, Maritime and Transport Workers (RMT), National Farmers Union (NFU), Shetland Aquaculture industry group (Stewart Group)

Redacted

4.2.3.3. Handover Assistance Plan

Within three months of Commencement Date, we will produce a draft Handover Assistance Plan will be provided to TS that addresses all matters referred to under section 18 Volume 2 of the ITT.

5. Quality Management Methodology – OMS2

5.1. Introduction

Our Quality Management Methodology sets out Serco's strategy for delivering quality across the Northern Isles Ferry Service contract. Serco has a robust approach to managing quality across its business and Serco Group has established standards codified under our Group Standards that are applies to all contracts.

This plan will describe how NorthLink will benefit from Serco's group approach to quality and through our internal structure, processes and staff culture we will support the ongoing delivery of quality and improvement.

This draft Quality Plan has been written in accordance with ISO Redacted

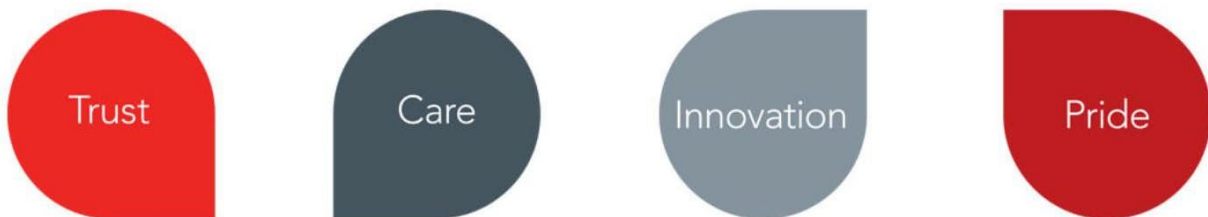
Serco is compliant with ISO Redacted . The latest certificate was issued 21 March 2019. Serco is also compliant with the ISM code for each class of vessel. The latest certificates were issued:

- Document of Compliance (DOC) for passenger ships – 18 April 2019 by the MCA
- Document of Compliance (DOC) for cargo ships – 7 April 2019 – by the IoMSR.
- Copies of all certificates are shown in Appendix B3-2

We will commit to submitting a Final Quality Management Plan within three months of Commencement Date.

5.1.1. Serco Values

Serco operates around four core values that support our quality approach, customer focused ethos and our 'can do culture'. They help shape individuals' behaviours and contribute to our ongoing commitment to continuous improvement. They are:



Trust

- We work hard to earn trust and respect
- We deliver on our promises; are open, straightforward and honest; do the right thing; and take personal responsibility for getting things done

Care

- We care deeply about the services we provide, the communities we serve, and we look after each other
- We work together to deliver high-quality public services, often of great importance to the nation and the communities we serve
- We take care of each other and those we serve, and we aim to make a positive difference to people's lives

Innovation

- We aspire to be better than anyone else at what we do
- We continuously improve our ways of working and try new ideas, big and small
- We share our knowledge and experience and embrace change, knowing that if we don't provide innovation and value for money for TS, our competitors will

Pride

- We want to be proud of what we do
- We know that the work we do is important, and we take pride in doing it well
- We value energy and enthusiasm, skill and experience, and an ability to make hard work fun
- We contribute both as individuals and as part of a team

Adherence with our policy, application of Serco's Group Management System and implementation of our Vessel Management System for the contract will support us in fulfilling requirements and meeting stakeholder expectations.

serco

Group Policy Statement

Quality

Our reputation and capability to grow our business depends on our ability to provide products and services that are of a consistent, reliable and high quality, meeting or exceeding our customers' needs and achieving customer satisfaction.

Embedded within the delivery of our services and products is a commitment to quality and continuous improvement. This increases our probability of enhancing customer satisfaction and the satisfaction of other interested parties. It gives the Company and its customers the confidence that the provision of services and products will be delivered effectively and consistently to the standards required.

We will:

- Work closely with our customers to fully understand their needs and meet their expectations throughout the life of their contract with us
- Set objectives and targets which are focused on meeting the needs of our customers, our business and other stakeholders
- Use all necessary resources – in a way that clearly allocates responsibilities relating to quality to appropriate staff – to make sure we meet the commitments we have made to our customers
- Make sure our employees have adequate training and have the skills, knowledge and experience they need for their roles.
- We will encourage effective teamwork and make sure staff feel empowered and understand how meeting their objectives will contribute to the success of their particular business unit and Serco as a whole
- Measure and report on our performance in managing our business and meeting our customers' needs and use performance information to help us improve

- Independently audit our management systems to confirm whether or not they are adequate for meeting any regulatory requirements as well as the needs of the business, our employees, our customers and others with an interest in our work
- Use the outcomes of independent audits to help us to continuously improve and meet the needs of our customers
- Give all employees and interested parties relevant information and consider their views on how to improve the quality of our services
- Regularly review the suitability and effectiveness of our systems to identify improvements that we need to make to improve our ability to meet our needs and those of our customers and people who have an interest in our work
- Develop effective relationships with our subcontractors and suppliers

We will put this policy into practice by applying policies, standards, operating procedures and processes so that we control the delivery of high-quality products and services that reliably and consistently meet our commitments to our customers.


Rupert Soames
Group Chief Executive, Serco Group plc

Figure 11: Serco's Quality Policy undersigned by our Chief Executive

Our contract management team will ensure that NorthLink is delivered in compliance with our established quality processes and procedures. Specifically, our objectives include:

- Understanding current needs and anticipate future expectations of TS

Redacted

5.2. Proposals

This section sets out our methodology for ensuring quality at NorthLink.

5.2.1. Quality Management Process

It is the responsibility of everyone at NorthLink (in the current contract as it will be in the forthcoming contract), including our contracted partners who deliver essential parts of the service, to support the continued improvement of the service and we will have in place the processes necessary to deliver this.

At Serco and in NorthLink, our company culture has a critical role in the effectiveness of ensuring quality, because well motivated and enthusiastic staff will want to ensure the business delivers for customers. The culture we encourage also allows our processes to work as intended. Quality management is delivered by staff engaging with the process and feeling they are contributing to the betterment of NorthLink's operation.

Redacted

These approaches contribute to our culture of continuous improvement.

5.2.1.1. Command and Communication between parties

The effective delivery of quality requires communication and trust at all levels of the organisation. Within our organisational structure there will be a specific route for quality matters to be channelled. The following Figure 12 shows how quality matters are channelled between NorthLink and TS, and how to access support from within Serco Group.

Redacted

Figure 12: Command and Communication between parties

Redacted

Reporting of quality matters to TS will be via the monthly performance and contract review meetings with the NorthLink Managing Director. These meetings will provide opportunity for us to discuss with TS our quality improvement activities and for TS to feed back to the contract their expectations.

5.2.1.2. Quality Improvement Processes

Redacted

NorthLink will be experienced in different ways by different stakeholders and each will have the ability to feedback their suggestions on how we can improve. Figure 13 shows that Customers, Staff and Visitors will be the core sources of service feedback.

Redacted

Figure 13: Inputs and improvement process

Redacted

shown in Figure 14.

Redacted

Figure 14: Review and Approve process

An initial proposal draft, which may be either a new process or amendment to an existing process will be made by a functional manager where it is specific to a functional area. This proposal draft will be subject to peer-review and checked for conflict or implications on related activities. Redacted

5.2.2. Draft Quality Management Plan

Our Quality Management Plan will be a controlled document that is a Local Operating Procedure (LOP) and is integral to the Serco Management System. Once approved by TS it will have an annual review date. Review and change to the document will be captured and dated in a version history and document approval record.

It is designed to provide a methodology and governance approach to quality, not to document in detail all processes and procedures to deliver the service. For this reason, it is a relatively simple document.

Its primary components will include:

Authorised Distribution List – this will detail the circulation of the Quality Management Plan around the business. Although it will be available to all staff along with all other LOPs, the authorised distribution list will set out who the document is intended for. Authorised distribution will include all managers in NorthLink with functional and compliance responsibilities for the quality of service delivery and business performance. Our draft content:

- *This will be a tabulated list of individuals and job roles.*

Introduction – this will provide a statement of purpose for the Quality Management Plan. Our draft text:

This Quality Management Plan serves to establish customer confidence in the way we;

Redacted

Redacted

The Serco Quality Representative for our contract with TS is the Redacted , who is responsible for ensuring contract obligations are delivered and for the local application of the Serco Management System. The control of quality included within Local Operating Procedures is monitored internally through platforms such as the Redacted

Redacted

External Reporting

A monthly performance meeting is held with the client. The meeting, which is minuted, follows a standard agenda (defined by Serco's Group Standard Redacted . The meeting involves key members from both the client and senior contract management.

The client is given a performance report on a monthly, quarterly and yearly basis. This is taken from the management reports discussed within the internal meeting and outlines each function of contract performance.

The feedback of the client is essential to the quality performance of the contract. TS will provide written feedback that outlines areas they are pleased with, as well as improvement opportunities the contract management team should work on.

External Quality Assurance and Certification – This will provide a statement of how quality is independently and externally benchmarked to provide a reference point to our own performance as summarised below: NorthLink regularly engages with external bodies to ensure that quality is enshrined within documented practices and their operation.

NorthLink is captured within the Serco ISO Redacted Quality Management and Redacted Environmental Management standards with the operation of the Serco Management System document control system. At a contract level, NorthLink is also accredited with the ISO Redacted Quality Management standard for Freight operations. NorthLink is working towards ISO Redacted Environmental Management standard for all shore-side operations.

The NorthLink VMS is subject to external audit by the Regulatory Bodies; MCA, DNV.GL, or loMSR on a scheduled basis, to ensure compliance and quality in the delivery of the Northern Isles Ferry Service Contract.

Key Documentation – This will provide the quality management plan with relevant external references related to the achievement of our quality objectives. These will include Serco Group standards and any relevant Local Operating Procedure (LOP) contained in the Serco Management System.

Serco Group standards referenced will include the Serco Group Policy Statement and Redacted , our Group operations standard, at minimum.

6. Security – OMS3

Building on the strong security culture we have created at NorthLink since 2012, our objectives for the new contract include:

- Reinforcing our existing culture of individual responsibility for security in fulfilling TS's requirements
- Ensuring that our industry leading Security Plans remain compliant with legal and regulatory requirements, as well as Serco's Security Management System, through annual reviews and audits, as well as intermediate verification by regulators
- Using learning from our existing experience to ensure our Security Plan for vessels and shoreside security arrangements are adapted to respond to any relevant changes in the macro environment and adjusting to threats or changes in technology in a timely manner

Our security arrangements will apply to all personnel, including sub-contractors and should be read in conjunction with our delivery plans in respect of Mobilisation, Risk, Quality, Health and Safety and Environmental Management.

We have defined the scope of security issues as:

- Vessel, port and maritime security
- Data, Transaction and Cyber Security
- Operational access and control
- Customer Security
- Personnel Security

Of these, vessel and port security requirements have to comply with international standards as regulated in the UK by the Maritime and Coastguard Agency. Our current Ship Security Plan at NorthLink complies with the International Ship and Port Security (ISPS) Code and is reviewed internally annually, being subject to intermediate verification between the second and third anniversary of the issue date.

Redacted

We will continue to promote a culture of individual responsibility, awareness and understanding of security in order to protect all NorthLink Ferries' stakeholders. Our managers are already proficient in leading swift adaptation to fast-changing threats in physical, virtual and social media domains for both our shipboard and shoreside operations.

Several members of our team hold the Port Facility Security Officer qualification and our Deputy Company Security Officer currently provides advice and assistance in shaping cyber security policy for the Scottish Government.

We will continue to work closely with Police Scotland, SBRC and the Scottish Government and remain committed to implementing appropriate strategies and processes to protect physical, personnel and information assets from all threats, whether internal or external, deliberate or accidental.

6.1. Understanding the Requirements – Security

With more than two decades of experience operating vessels in UK and foreign waters, Serco understands the vulnerability of the marine environment and the necessity to use enhanced security methods under particular circumstances to avert piracy, smuggling or stowaways. We also know that ships are prime targets for terrorism because of their mobility and high probability

for causing widespread harm to life, assets, the environment, and the transportation and economic infrastructure.

Beyond these maritime-specific matters, the security requirements at NorthLink are to ensure our customers feel safe and secure interacting and transacting with the business and have confidence that Serco has the systems and processes in place to minimise security risk to them and the resilience to address any security matters should they arise.

Table 5: Assessment of Challenges - Security (both ashore and afloat)

Technical	Ensuring we remain abreast of technology changes so that we can anticipate and respond to any threats, particularly in the case of cyber security Redacted
Logistical	The nature of our service provision and increased mobility of people across the globe means that vessels are vulnerable to security threats at sea and in port Redacted
Management	Resourcing security for all our areas of operation on land and at sea to meet all security requirements Redacted

6.2. Approach to Security

Security at NorthLink is an important background activity that should give customers and TS confidence that the service is being delivered with the resilience to deal with basic background threats and the capability to ‘stand-up’ in the event of heightened threat. It should give customers the comfort that they are using a service that is safe, but also proportionate in its implementation of security activities – security provision is built into the everyday processes of running the business, and the impact on the customer experience is low.

Our security approach is framed in two primary themes:

- Compliance with legislation
- Compliance with Serco’s own Group Standards

6.2.1. Legislative requirements

Maritime operations are international in nature and subject to well established internationally agreed standards of security. NorthLink operates routes and vessels that meet the criteria for the European Commission Regulation 725/2004 interpretation of these standards. The NorthLink fleet are domestic ‘Class A’ passenger ships, meaning domestic ships which travel more than 20 miles from a place of refuge, and that are also ships certified to carry more than 250 passengers.

International legislation for maritime security originates from the International Convention for Safety of Life at Sea (SOLAS) Chapter XI-2 and the International Ship and Port Facility Code (ISPS). In the UK, these international rules are transposed into UK law via EU regulation on enhancing ship and port facility security and their application is supported by the Maritime Security and Safety Management Branch, which is part of the UK Maritime and Coastguard Agency (MCA).

The UK Government Department for Transport (DfT) is responsible for security across all forms of transport, including maritime. The MCA is responsible to the DfT for implementing the ISPS Code for all UK-registered ships, receiving and handling ship security alerts in line with agreed standard operating procedures, and approving and auditing training providers for Ship Security Officers and Company Security Officer courses.

To comply with ISPS, each vessel must have a Ship Security Plan (SSP). The purpose of an SSP is to help prevent illegal acts against the ship, crew and passengers. The SSP for each vessel operating NorthLink must be approved by the MCA.

To comply with ISPS, NorthLink is required to designate a Company Security Officer to coordinate the security activities of the company and its ships and all ships must have a properly trained and certificated Ship Security Officer onboard. As the current operator of NorthLink, Serco is compliant with this legislative requirement.

Beyond the maritime environment, UK legislation for data security as relevant to NorthLink includes compliance with the Data Protection Act and General Data Protection Regulation 2016/679 (GDPR).

6.2.2. Serco Group Standards

Serco takes security very seriously due to the breadth of services we deliver to the public sector, some of which are in extremely security-sensitive sectors. As such, we have a comprehensive approach to security generally and a significant depth of corporate expertise to draw on. This is all framed under our overarching security Group Policy Statement, shown in Figure 15 below.

Security

We work in many different countries providing a wide range of services, which make a difference to the lives of millions of people around the world. The provision of these services is wholly dependent upon our human, information and physical assets and resources.

Serco is committed to protecting and preserving these assets and resources from all threats, whether internal or external, deliberate or accidental, that might have an adverse impact on individuals, our activities and our reputation.

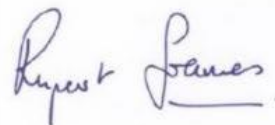
Security is everyone's responsibility and Serco expects that all employees will contribute to the achievement of this Policy and the continual improvement of standards of security.

We will:

- identify, assess and manage the security risks faced by our people and our business
- identify, train and use necessary and competent resources within a defined structure to manage security risk
- set security objectives, targets and procedures that reflect legal, regulatory and customer requirements and address identified risks
- inform and educate staff about security matters so that they are aware of and able to fulfil their security responsibilities
- ensure the physical environments that protect our assets are secure, in good condition and fit for purpose
- ensure employees are appropriately vetted, verified and security cleared commensurate with the activities they are undertaking
- build and operate our IS infrastructure to ensure access is controlled and the confidentiality, integrity and availability of our data is maintained

- establish feedback mechanisms that encourage the free and honest reporting of security issues and consider the input of employees and others with an interest in our work when making decisions relating to security
- assess compliance with Security Policy and Standards through planned, independent and documented audit
- measure, monitor and report performance of our Policy and Standards against set objectives and targets
- review the security management system to ensure its suitability, adequacy and effectiveness

We will put this policy into practice by applying policies, standards, operating procedures and processes so that we protect our human, information and physical assets and resources.



Rupert Soames
Group Chief Executive, Serco Group plc

Figure 15: Group Policy Statement - Security

This policy statement is supported by the Serco Management System, a framework of policy, procedure and guidance documents described in 4.2.1.1. that applies to all Serco contracts and provide assurance over the consistent approach to Serco doing business and the robustness of service delivery.

Our group policies and standards are applied in contracts through a combination of mandated policies, training requirements, reporting processes and the use of common systems provided by Serco at corporate level.

Redacted

6.3. Proposals for Security

6.3.1. Security Management

Management of security will be a responsibility for all in NorthLink. The current suite of policy, procedure, process and work instructions in the contract which form our Integrated Management System, the Serco Management System, already includes a comprehensive framework in which the business operates. All NorthLink employees and contractors delivering services for the business are expected to comply with these documented instructions.

Table 6: Framework of operating procedures for NorthLink Ferries with Serco Group management standards and Government standards/regulations

Marine/Government standards	Serco Group security management standards	NorthLink Ferries operating procedures/supporting records currently in place
IMO International Ship and Port Security Code Department for Transport, Security Division Maritime & Coastguard Agency	Redacted	

Marine/Government standards

Serco Group security management standards

NorthLink Ferries operating procedures/supporting records currently in place

Redacted

Redacted

6.3.1.1. Serco's security culture

We believe that the most effective approach to security is by embedding it in the culture of the way Serco does business and integrating it in the day to day operation. Redacted

, we will also provide the following:

Redacted

Redacted

Serco Group is a founding member of the 'Think Privacy' consortium, a cross-sector initiative developed with the Information Commissioners Office and focused on developing best practice guidance and the importance of data privacy for employees. All Serco employees are required to undertake Serco Essentials training which includes a training module developed through the 'Think Privacy' initiative.

Redacted

Figure 16: Serco Essentials Think Privacy training modules

We will ensure ongoing awareness of security threats within the physical, virtual and social media domains on an ongoing basis through:

Redacted

- **Company-wide messaging** – Use of poster campaigns, newsletter updates, as already provided on our current contract, displayed on noticeboards in appropriate areas of vessels and at shoreside locations and via our Redacted to reinforce security messages and raise awareness of potential threats.

This information keeps staff up-to-date and allows us to impart information relating to any appropriate procedural or behavioural adaptations that may be required due to any changed threats.

The NorthLink contract will benefit from access to a supporting structure of Serco expertise and oversight on security matters. This is illustrated in Figure 17 below.

Redacted

Figure 17: Serco's supporting structure for security matters

6.3.1.2. Serco Group Security Management Tools

Serco Group mandates the use of two tools in its contracts, including NorthLink, that support effective operational security management:

Redacted

Security risks can be added to Redacted , which will ensure that security risks are appropriately managed including the severity and potential impact and any mitigations in place are documented. NorthLink's management team has access to Redacted and the system provides visibility on key business risks. Redacted

Redacted

6.3.2. Vessel and maritime security

Vessel and port security requirements have to comply with international standards as regulated in the UK by the Maritime and Coastguard Agency (MCA). The current Ship Security Plan (SSP) for each vessel at NorthLink is approved by the MCA and complies with the International Ship and Port Security (ISPS) Code. Redacted

Compliance with the Ship Security Plan (SSP) and our security arrangements for shoreside locations will be delegated by the Redacted

Redacted already in place in the current contract, is trained in accordance with MCA requirements and has a proven track record of security management at NorthLink.

Redacted responsibilities include:

Redacted

In compliance with ISPS all NorthLink vessels have a Ship Security Officer onboard. Each has completed appropriate training for the role, holding relevant certificates from an MCA approved training provider.

Ship Security Officer's responsibilities include:

- Managing the execution of the SSP, including any amendments, together with the Company Security Officer and the relevant Port Facility Security Officer
- Managing the review, proposal of modifications to and maintenance of the SSP
- Performing security inspections of vessels to ensure that suitable security measures are maintained
- Reporting to the Company Security Officer any deficiencies and non-conformities identified during internal audits, reviews, security inspections and implementing any corrective actions
- Enhancing security awareness and vigilance through the provision of training and exercises
- Co-ordinating all security related aspects with regard to passengers, cargo and ship's stores with assistance of other shipboard personnel and with the relevant Port Facility Security Officers
- Investigating and reporting all security related incidents
- Ensuring that security equipment is properly operated, tested, calibrated and maintained
- Completing a Security Officer's Handover Report at the end of their term onboard. This is a documented Serco Standard Operating Procedure, Redacted and form Redacted -Ship's Security Procedure.

Additional to the mandated roles, the Master of each vessel who has overall legal accountability for everything that happens onboard, will take a management role in the security of the vessel and exercise their professional judgement over decisions necessary to maintain the security of the ship.

Specific steps we will take to ensure continued vessel and maritime security compliance will be:

- Annual internal audits on vessels
- Document of Compliance verification audits and our system of drills to meet ISM and ISPS code requirements
- Receipt of change notifications from the MCA and DNV Classification Society
- Ongoing engagement with the UK Chamber of Shipping

The Document of Compliance in place in the current NIFS contract is attached as Appendix B3-2 at the end of this delivery plan.

6.3.3. Data, Transaction and Cyber Security

Our cyber security and data handling arrangements are comprehensive, robust and directly aligned with the UK government information assurance scheme, Cyber Essentials, operated by the National Cyber Security Centre.

Under Serco's management, NorthLink has already been awarded Cyber Essentials Plus Certification, audited annually, as per the requirement of the ITT. Our primary IT supplier, Redacted is also certificated to this status.

Redacted

Figure 18: Serco NorthLink Ferries' Cyber Essentials Plus certificate, awarded July 2018

6.3.3.1. How we ensure information security

Commercial, financial, personnel, operation and customer data is required for the delivery of the NorthLink service. Information security is therefore extremely important to reassure customers that Serco is taking appropriate precaution with data.

Sensitive information will be stored Redacted

Controlled copies of NorthLink policies, procedures and operational documentation is accessed from secure servers using Redacted Our IT assets, including laptops, computers, printers and scanners will be recorded on the IT asset register, maintained by the Redacted and subject to periodic checks.

All managers will be required to ensure that their teams are aware of the requirement to comply with Serco Group Management System policies related to Redacted and Redacted

Serco's IT security policies are proactive, based on our broad expertise across multiple sectors and working with partners to establish best security practices and challenging them through regular engagement. For individual employees our data security processes include, but are not limited to:

Redacted

Redacted

In accordance with Serco standard practice, the sharing of NorthLink data is subject to assessment of need to determine whether there is a legitimate requirement for access or onward dissemination/transmission of data. Our default is to ensure the minimum amount of information is transferred in order to meet the business need. Specific assessment includes:

- Does an individual or organisation actually require the information and for what purpose?
- Will sharing the information support and be beneficial for the business needs?

Redacted

Serco Management System Group Standard Operating Procedure - Data Protection aligns to the Data Protection Act 2018 and General Data Protection Regulations 2018. This provides a framework for the implementation of data protection management. Mandatory Serco Essentials training for staff includes a module specifically related to GDPR.

Redacted

Figure 19: Serco Essentials 'Think Privacy' training module for Data Protection, including GDPR

6.3.3.2. Payment Security

Card payment security for taking customer bookings and making payment for goods and services aboard the vessels is assured by using industry-standard payment services provider, Redacted NorthLink's retailing activities are compliant with the Payment Card Industry Data Security Standard (PCI DSS), a framework created to prevent payment card fraud. This set of regulations places the responsibility for avoiding fraud onto the merchant of the services.

In our contact centre, customers can call to make bookings. This involves NorthLink capturing key personal information about the person as well as their card details. Payment by card will include our staff taking card payment details – card number, name and CV2 code. As a fraud prevention measure, our processes dictate that all customer details are entered directly into the Booking and Reservation payment process and must not be separately written down.

6.3.4. Operational access and control

Physical security in NorthLink will relate to the control of people and vehicles around the business. NorthLink operates from open ports at Lerwick, Kirkwall, Stromness and Scrabster. At these locations it is the Harbour Authority who has security responsibility for the movement of people around the port; our areas of control are limited to our own administrative space and access routes directly onto the vessels. At Aberdeen, NorthLink leases space from Aberdeen Harbour Board and has direct responsibility for movements within our secure environment under ISPS regulation, which includes freight and vehicle marshalling areas.

Our approach to physical security addresses the protection of people, vessels, buildings, vehicles, equipment and other physical assets.

All non-public areas have controlled access, Redacted

Overnight while berthed in Stromness, the MV Hamnavoe passenger and vehicle access points are physically detached from shoreside infrastructure.

Risk assessments of physical security will specifically focus on:

- Redacted

Redacted

For all vessels, the level of security measures are determined by the background threat level as advised by the UK Government DfT. ISPS provides for three security levels:

- Level One is Normal
- Level Two is Heightened
- Level Three is Exceptional

Maritime threat levels are not published, but where the level is raised this is communicated by the DfT and a higher level of control will be applied. This capability is embedded into the SSP and the Ship Security Officer has responsibility for implementing security changes in response.

For the current contract, shoreside physical security is delivered by Maritime Protection Solutions, our selected subcontractor, with identified harbourside personnel and two security guards deployed for each vessel in accordance with ISPS obligations to assist crews in security related matters. For the new contract, on contract Commencement Date, we will self-deliver security as we consider this move will provide the following benefits:

- Further improve the smooth running of our security function – internal control will also provide certainty of continuity in meeting Serco standards, aligned with TS requirements
- Shorter communication lines will offer cultural consistency and an improved experience for customers
- Increased efficiency, resulting in the delivery of cost savings for the contract

Assisting manpower resources, we have recently increased and upgraded the CCTV security cameras deployed on vessels and in shoreside to digital and evidential quality, as detailed in the following table.

Table 7: Location and quantity of cameras currently deployed for the existing NorthLink contract

Camera Location / Address	Number of Recordable Cameras	Condition
Redacted		

6.3.4.1. Access control measures

Our physical access control policy for NorthLink will ensure all employees, passengers and visitors continue to be monitored and controlled. Access Controls for our operations include:

Redacted

Redacted

Redacted

This will continue the current arrangement of all full-time NorthLink staff and contractors issued with a pass and visitors being required to sign-in and wear a visitor pass for the duration of their visit to the business. Visitors will include every person who has a need to be around the operation including controlled access areas, but is not a customer of the service on that day.

Passes will be worn visibly, at all times whilst on the premises. Redacted

Our visitor management protocol for all NorthLink vessel and shore-side locations will include the following, as a minimum:

- Responsibilities assigned to the visit host
- The requirement for all site visitors to sign in and out
- Briefings (e.g. security, health and safety, onboard safety and emergency procedures information etc.), as appropriate
- Visitor confirmation of receipt of the briefing
- Escorting requirement levels determined by the visit host

All areas on vessels and at shoreside locations where we are operating will have nominated personnel responsible for ensuring they remain secure when unattended/not in use.

Left Luggage is available to customers at Aberdeen and Lerwick ports (Lerwick Port Authority have responsibility at Lerwick). These areas are staffed by security trained individuals who have responsibility for ensuring that ownership and content of bags left for a period before sailing are known, or to be loaded onto our baggage trolleys for shipment on the vessel vehicle deck and collection at the destination. Spot checks are conducted on left luggage at the point of receipt and luggage tags are provided to the customer which correlate to specific bag tags. Scanning machines provide the additional capability of checking baggage by x-ray as routinely done in airports.

6.3.5. Customer Security

Our comprehensive structure of policy, training, management and processes so far described all serve to provide our customers, whether passenger, freight or livestock, with a service that feels secure and safe. NorthLink is ultimately a public transport service and Serco manages security responsibly, but also to ensure ease of use of the ferry service.

Our security provisions provide assurance at all customer touchpoint in the customer journey:

When booking: our booking platform is securely capturing customer data and holding personal details on secure servers. NorthLink is GDPR compliant in its use of the data. Our smart ticketing solution is also designed for GDPR compliance in regard to data transmission between our Booking and Reservation system and the smart ticketing architecture, including Host Operator or Processing System (HOPS).

When paying: our payment processing arrangements meet all transaction security protocols, including Payment Card Industry - Data Security Standard (PCI-DSS) arrangements when taking payment over the telephone in our contact centre.

When arriving as a foot passenger: foot passengers can only collect tickets on presentation of a valid booking number or purchase a ticket directly from our staff.

When arriving as a vehicle passenger: vehicle passengers can only collect tickets on presentation of a valid booking number. Vehicles booked are issued with a registration-number specific ticket. At the point of booking, vehicle registration numbers are checked with DVLA databases to both confirm the vehicle length for vehicle deck capacity management, but also we will collaborate with Police Scotland and other authorities if requested to look out for specific vehicles.

When checking in by foot: passengers making use of our left luggage will be subject to random bag-checks and use of our Rapiscan scanning machines at Aberdeen and Lerwick to assure compliance with our Terms and Conditions of carriage. We will particularly look for banned items, including firearms, flammables and illegal substances. Where found, the customer is challenged and the items disposed of. Checks follow a standard checklist procedure.

When checking in by car: random checks are made of passenger vehicles to assure compliance with our Terms and Conditions of carriage. Checks are made using a comprehensive checklist procedure. We will particularly look for additional vehicle passengers who do not have a specific ticket, banned items and where vehicles are carrying substances in excess of that allowed by our policies. For example, fuel carried in jerry cans is limited to 5 litres and pressurised gas canisters. To meet the requirements of the International Maritime Dangerous Goods Code (IMDG), pressurised gas cylinders of the type used in diving must be accompanied by a Dangerous Goods Note – a declaration of the load. These can be moved in our secure 'dive trolleys' but may not be conveyed in a vehicle or as hand-luggage.

When boarding by foot: each passenger's ticket at the point of boarding is collected and scanned and reconciled back to the Booking and Reservation system to complete a ship's manifest before sailing, so we know who is onboard.

When boarding by car: each passenger's ticket at the point of the vehicle being loaded is collected and scanned and reconciled back to the Booking and Reservation system.

While moving around our ports and vessels: comprehensive CCTV coverage is monitoring movement and activity. We also have security staff at each port and on each sailing who can challenge and detain customers whose behaviour is disruptive to other passengers to assure safety and security. The vessel master has legal ability to detain individuals until an arrest can be made by Police Scotland on arrival in port.

While paying for goods onboard: our electronic point of sale and payment systems comply with all relevant payment security rules.

When leaving personal possessions in cabins: our cabin door locks are uniquely coded to the customers' ticket so only they and onboard supervisors have the ability to gain access for the journey.

After the journey: we seek approval in line with GDPR compliance to hold customer information and offer the option to accept or decline ongoing communication from us. Serco NorthLink does not make passenger information available to external parties for wider marketing purposes.

For our freight and livestock customers, NorthLink's security arrangements provide for:

Control of freight trailers within our secure marshalling area at Aberdeen: access is restricted to those with valid booking numbers to either drop off or collect freight trailers. At Lerwick, Kirkwall, Scrabster and Stromness, freight marshalling happens in areas not controlled by NorthLink, but are in the control of the relevant Harbour Authority. NorthLink does have secure control of access to the passenger and freight vessel loading ramps when they are in port.

Monitoring of load security: our processes require that freight customers properly secure loads on their vehicles and can only ship on trailer equipment fitted with approved maritime secure fixings to allow them to be physically secured to the vessel deck on passage. Our adherence to this provides security and safety of the vessel at sea and other customers' traffic aboard.

Bio-security in the food supply chain: NorthLink has specific responsibilities under Animal and Plant Health Agency regulations in relation to the prevention of disease and infection in the livestock and food supply chain. Our processes have specific procedures documented for effective bio-security measures that include livestock separation, cleaning of the livestock lairages and our Livestock Cassettes and wash-down requirements of customers' vehicles making livestock collections.

6.3.6. Personnel Security

Serco's recruitment process includes standard background checks on potential employees. These checks are commensurate with the role being applied for and level of access that the role would require.

All offers of employment are made subject to satisfactory references and evidence of their right to live and work in the UK

Serco's HR policy includes random drug and alcohol testing on an ongoing basis.

Our staff are encouraged to speak up about security issues and we take a zero tolerance approach to abuse towards staff from customers as part of our positive culture.

6.3.7. Incident management and reporting

In the event of an emergency, we will continue to use the procedures currently in place. These procedures include, but are not limited to:

- Early vessel arrival for security/medical reasons
- Loss of a terminal building
- Data theft
- Arrangements for opening Emergency Escapes that are normally locked
- Instruction for all personnel to report any suspicious package or device if discovered in any area

- All stores to be loaded shall be inspected at a level commensurate to the Maritime Resilience Security Division (MRSD) level in force. On occasion the Ship Security Plan may call for the cessation of stores loading depending on the situation.

In the event of a security incident, NorthLink has a documented response plan that will be periodically tested for resilience in coordination with emergency services. Testing will form part of the regular program of training for staff.

We will also collaborate with each Harbour Authority as they undertake any port security resilience exercises. This is likely to align with NorthLink's role in civil contingency planning with the Island local authorities. NorthLink provides a critical role in the security of the islands it serves and in the event of disaster, the services are a primary conduit for evacuation. NorthLink is a full member of Shetland's Emergency Planning Forum, as is Scatsta Airport, also operated by Serco.

In respect of planning for disaster recovery, Disaster Recovery Plans, Emergency Procedures, Business Continuity and Port Contingency Plans are held by primary and secondary responders.

All security breaches will continue to be reported to the Redacted at the earliest opportunity using an Incident Report Form that will contain:

- Details of who was involved
- An accurate description of all events that occurred
- A timeline featuring when the incident took place and when it was reported.
- The precise location of the incident
- Reasons for the incident occurring, where they are known
- Description of events leading up to the incident

Where the security breach involves data, Serco's Group Data Protection Officer and the Information Commissioner's Office will be alerted.

The Redacted will upload security incident reports to our Redacted online database. Security breaches onboard will be investigated by the Redacted and recommendations made on how to avoid a similar incident happening in the future. All arising actions required will be tracked using Redacted, and lessons learned will be shared.

Loss of security items such as keys and passes will be reported immediately to the appropriate line manager, who will take appropriate action to secure premises and report the matter using Redacted, in addition to informing the Redacted.

Security reports retained on Redacted are always available for accessing by the Redacted who will be able to make contributions to the report.

6.3.7.1. Reporting to Transport Scotland

All security incidents involving assets or information will immediately be reported to TS and our regular contract management meetings will include a summary of all security incidents that have occurred on the service during the reporting period. These incidents will be logged and monitored for the duration of the contract.

Table 8: Implementation programme for security arrangements

Actions	Timing and duration	Responsibility	Stakeholders involved	Assumptions/dependencies	Method for measuring results
<p>Review of security management system and implementation of local operating procedures for security</p> <p>Review, all security requirement documentation and resources</p>	Redacted				
<p>Review of Ship Security Plan and shore-based arrangements into living documents to be reviewed and maintained throughout the life of the contract</p>					

Actions	Timing and duration	Responsibility	Stakeholders involved	Assumptions/ dependencies	Method for measuring results
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Review asset registers	Redacted				
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Ensure all relevant members of workforce are aware of Ship and shoreside security arrangements to workforce (Training), including steps for capturing continuous improvement as detailed in Section OMS2

Implement activity for achieving ISO IEC 27032:2012 accreditation in Information technology
 – Security techniques
 – Guidelines for cybersecurity.

7. Monitoring and Review

We will complete self-assessments, demonstrating ongoing compliance with the requirements of our security proposals and dedicated Security Plans for each vessel and shore-based premises.

We will provide additional assurance for TS through Redacted

All Security audits for NorthLink will continue to be reported using Redacted , as they are for the current contract and any arising actions tracked to completion through the system, being regularly reviewed.

To ensure continued functionality and correctness of our proposals for managing security for NorthLink, all onboard activities related to security will continue to be recorded and monitored.

These shall include, but not be limited to, the following;

Redacted

Security will be a standing agenda item in our management review process and, to demonstrate compliance, the following information will be sampled as part of our Management Review Process:

Redacted

As part of our commitment to operational excellence, Serco adopts a proactive approach to engaging with employees and others, as appropriate, when making decisions relating to security matters. In order to continuously improve security performance at NorthLink we will use a combination of the following:

Redacted

Tender Reference: TS/AMFC/SER/2018/01
Redacted

We will also carry out simulations of emergency situations, annually, involving personnel from across our network and external participants, as well as members of our emergency mobilisation team, local authorities and blue light providers to ensure we are always capable of responding to an emergency situation.

Tender Reference: TS/AMFC/SER/2018/01

Appendix B3-1: NorthLink Example Monthly Reports

Redacted

Tender Reference: TS/AMFC/SER/2018/01

Redacted

Tender Reference: TS/AMFC/SER/2018/01

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Tender Reference: TS/AMFC/SER/2018/01

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Tender Reference: TS/AMFC/SER/2018/01

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Tender Reference: TS/AMFC/SER/2018/01

Redacted

Appendix B3-2: Document of Compliance – Serco Limited (NorthLink Ferries)

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Redacted



DOCUMENT OF COMPLIANCE

Issued under the Authority of the Government of
the United Kingdom of Great Britain and Northern Ireland
by the Maritime and Coastguard Agency, an Executive Agency of the Department for Transport

1 COMPANY¹

Name of Company	Serco Ltd (Northlink Ferries)		
Company Identification Number	5800941		
Address	Jameison Quay		
	Aberdeen		
	Scotland		
Postcode	AB11 5NP	Country	UNITED KINGDOM

THIS IS TO CERTIFY

That the Safety Management System of the Company has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code)² for the types of ships listed below:-

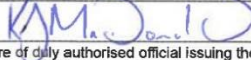
2 TYPE OF SHIP(S) COVERED BY THIS DOCUMENT

<input type="checkbox"/> Passenger Ship	<input type="checkbox"/> Bulk Carrier	<input type="checkbox"/> Chemical Tanker
<input type="checkbox"/> Passenger High Speed Craft	<input type="checkbox"/> Other Cargo Ship	<input type="checkbox"/> Mobile Offshore Drilling Unit
<input type="checkbox"/> Cargo High Speed Craft	<input type="checkbox"/> Oil Tanker	<input type="checkbox"/> Gas Carrier

This Document of Compliance is valid until **07 May 2024** subject to periodical verification.

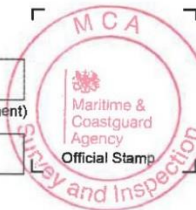
Completion date of the audit on which this Certificate is based **17 April 2019**

Issued at **ABERDEEN**
(Place of issue of the document)

Signed 
(Signature of duly authorised official issuing the document)

Date of Issue **18 April 2019**

Name **KATY MACDONALD**



¹ As defined by paragraph 1.1.2 of the ISM Code
² Adopted by the Organisation through Chapter IX of the Annex to the 1974 SOLAS Convention as amended.

Cargo Ships

Form C-040

Tracking Number IOMSR-DOC-1220-19

 <p>Isle of Man Government <small>Keppel Ollan Kionnec</small></p>	<h2>DOCUMENT OF COMPLIANCE</h2> <p>Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended Under the authority of the Government of the Isle of Man</p>	
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Name and address of the Company (see paragraph 1.1.2 of the ISM Code)	Company Identification Number
<p>Serco Ltd (Northlink Ferries) Jamiesons Quays, Aberdeen, Scotland, AB11 5NP, United Kingdom</p>	<p>5800941</p>

THIS IS TO CERTIFY that the Safety Management System of the Company has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code) for the types of ships listed below:


- **Other Cargo Ship**

This Document of Compliance is valid until **07/05/2024** subject to periodical verification.

Issued at Douglas on **24/04/2019**.

Completion date of the verification on which this certificate is based: **17/04/2019**.

This document is signed electronically in accordance with IMO FAL.5/Circ.39/Rev.2. Validation and authentication can be obtained from mavis.iomshipregistry.com using the QR code or the Unique Tracking Number shown at the top of the certificate



This certificate is issued by or on behalf of the Isle of Man under the responsibility of the United Kingdom as Flag State under the Convention.

Appendix B3-3: Sample list of Standard Operating Procedures

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