



(1) THE SCOTTISH MINISTERS

and

(2) ABELLIO SCOTRAIL LIMITED

**AMENDMENT AGREEMENT
RELATING TO
SCOTRAIL FRANCHISE AGREEMENT**

AMENDMENT AGREEMENT

BETWEEN

- (1) **THE SCOTTISH MINISTERS** of Victoria Quay, Edinburgh, EH6 6QQ acting through Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF or such other agency, department or other organisational unit of the Scottish Executive as they may from time to time nominate (the "**Scottish Ministers**"); and
- (2) **ABELLIO SCOTRAIL LIMITED** whose registered number is SC450732 and registered office is at 10th Floor, 133 Finnieston Street, Glasgow, G3 8HB (the "**Franchisee**").

WHEREAS

- A The Scottish Ministers and Abellio ScotRail Limited have entered into a Franchise Agreement, Conditions Precedent Agreement, Definitions Agreement and SQUIRE Service Schedules Agreement each dated 7 and 18 October 2014 (the "**Franchise Agreement**")
- B The parties now wish to amend the Franchise Agreement pursuant to paragraph 1.1(b) of Schedule 9.1 (Variations and Financial Consequences of Change) of the Franchise Agreement in the manner detailed in this Agreement.

Now therefore it is hereby agreed as follows:-

1. Interpretation

- 1.1 Except where the context otherwise requires, terms defined and references construed for the purpose of the Franchise Agreement shall have the same meanings and construction in this Agreement.
- 1.2 Unless expressly stated otherwise, where an amendment to the Franchise Agreement, the Definitions Agreement or the SQUIRE Service Schedules Agreement is set out in this Agreement that amendment shall have effect from 1 April 2015 notwithstanding the date or dates hereof ("**the Amendment Date**").

2. Amendments

The parties agree that with effect from and after the Amendment Date, the Franchise Agreement is amended to reflect the document attached as Appendix 1 being various extracts of the Franchise Agreement varied and amended by the deletions, additions and substitutions shown thereon.

The parties agree that with effect from and after the Amendment Date, the Definitions Agreement is amended to reflect the document attached as Appendix 2 being various extracts of the Definitions Agreement varied and amended by the deletions, additions and substitutions shown thereon.

3. No Change

The parties agree that notwithstanding that this Agreement constitutes a Variation it does not constitute a Change and it shall not constitute a Change for the purposes of paragraph 4 of Schedule 9.1 of the Franchise Agreement should there be any Changes during the first Franchisee Year.

4. **Construction**

Save as provided herein, the Franchise Agreement, the Definitions Agreement and the SQUIRE Service Schedules Agreement shall continue to have full force and effect. This Agreement is supplemental to, and shall be read and construed together with, the Franchise Agreement, the Definitions Agreement and the SQUIRE Service Schedules Agreement.

5. **Governing Law and Jurisdiction**

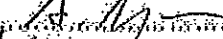
This Agreement shall be governed by and construed in accordance with the laws of Scotland and the parties irrevocably submit to the exclusive jurisdiction of the Court of Session to settle any disputes which may arise out of or in connection with this Agreement. The jurisdiction of the Sheriff Courts in Scotland is expressly excluded by the parties.

IN WITNESS WHEREOF these presents consisting of this and the preceding one page together with Appendix One and Two are executed as follows:-

Signed for and on behalf of **SCOTTISH MINISTERS**

At **GLASGOW**

On the **5th** day of **NOVEMBER** 2015

By 
AIDAN DRISWOOD Name (printed)

Before this witness:-

 Witness

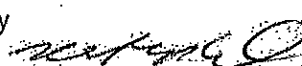
KENNETH POWRIE Full Name

 Address

Signed for and on behalf of **ABELLIO SCOTRAIL LIMITED**

At **GLASGOW**

On the **30** day of **OCTOBER** 2015

By 
Director

KENNY MCPHAIL Name (Printed)

 Witness

SAM PRECEE Name

50 WATERLOO STREET Address

GLASGOW

This is APPENDIX ONE referred to in the foregoing Amendment Agreement relating to the ScotRail
Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited



Train Fleet Table 1

	Timetable Change Date	Dec- 2015	Dec- 2016	Dec- 2017	Dec- 2018	Dec- 2019	Dec- 2020	Dec- 2021	Dec- 2022	Dec- 2023	Dec- 2024	Dec- 2025			
Class	Unit configuration	Number of Units											Owner / Lessor	Lease Expiry Date	
156	2	478	478	478	38	38	38	38	38	38	38	38	Angel trains		31.03.2025
158	2	8	8	8	0	0	0	0	0	0	0	0	Angel trains		31.12.2018
158	2	40	40	40	40	40	40	40	40	40	40	40	Porterbrook		31.03.2025
170	3	5	5	5	0	0	0	0	0	0	0	0	Eversholt Rail (UK) Limited		31.03.12.2018
170	3	8	8	8	8	8	8	8	8	8	8	8	Porterbrook		31.12.203.2025
170	3	13	13	13	13	13	13	13	13	13	13	13	Porterbrook		31.12.203.2025
170	3	25	25	25	0	0	0	0	0	0	0	0	Porterbrook		Flexible-06.2018
170/3	3	4	4	4	0	0	0	0	0	0	0	0	Porterbrook		Flexible-06.20198
HST	4	0	0	0	14	14	14	14	13	13	13	13	Angel Trains		31.03.2025
HST	5	0	0	0	13	13	13	13	12	12	12	12	Angel Trains		31.03.2025
HST	6	0	0	0	0	0	0	0	2	2	2	2	Angel Trains		31.03.2025
															31.03.2025Flexible 01.01.2019 (to 30.06.2019)
314	3	16	16	16	3	0	0	0	0	0	0	0	Angel trains		31.03.2025
318	3	21	21	21	21	21	21	21	21	21	21	21	Eversholt Rail (UK) Limited		31.03.2025
320	3	22	22	22	22	22	22	22	22	22	22	22	Eversholt Rail (UK) Limited		31.03.2025
321	3	7	7	7	7	7	7	7	7	7	7	7	Eversholt Rail (UK) Limited		31.03.2025
334	3	40	40	40	40	40	40	40	40	40	40	40	Eversholt Rail (UK) Limited		31.03.2025
380	3	22	22	22	22	22	22	22	22	22	22	22	Eversholt Rail (UK) Limited		31.03.2025

Train Fleet Table 2

Column 1		Column 3				Column 4	Column 5
Class of Vehicles		Passenger Carrying Capacity of Vehicles				Owner / Lessor	Lease Expiry Date
		Seats	Standing (1)	Total	Standard Class		
Class 380		282	152	434	434	Eversholt Rail (UK) Limited	31.03.2025
Class 380		208	114	322	322	Eversholt Rail (UK) Limited	31.03.2025
Class 334		183	102	285	285	Eversholt Rail (UK) Limited	31.03.2025
Class 320		20610	71	281277	281277	Eversholt Rail (UK) Limited	31.03.2025
Class 318		20619	86	292305	292305	Eversholt Rail (UK) Limited	31.03.2025
Class 314		212	70	282	282	Angel Trains	31.12.20160 1.01.19 flexible (to 30.06.2019)
Class 170		189	84	273	255	Eversholt Rail (UK) Limited	31.03.2018
Class 170		189	84	273	255	Porterbrook	31.4.2025
Class 170s		198	84	282	282	Porterbrook	31.4.2025
Class 170		189	84	273	255	Porterbrook	06.2018 flexible
Class 170/3		179	84	263	263	Porterbrook	06.2018 flexible
Class 158		134	36	170	155	Porterbrook	31.03.2025
Class 158s		136	36	172	172	Angel Trains	31.12.2018
Class 156		145	40	185	185	Angel Trains	31.12.2018
Class 156		145	40	185	185	Angel Trains	31.03.2025
Class 321		210	71	281	240281	Eversholt Rail (UK) Limited	31.03.2025
HST4		232	90	322	202	Angel Trains	*31.03.2025
HST5		306	120	426	276	Angel Trains	*31.03.2025

HST6		380	150	530	350	Angel Trains	*31.03.2025
Class 3XX/3		20618	114	31812	318208	*Caledonian Rail Leasing Limited	*31.03.2022 (flexible to 28.02.2044)
Class 3XX/4		27384	152	42536	268405	*Caledonian Rail Leasing Limited	*31.03.2022 (flexible to 28.02.2044)
LHCS		*	*	*	*	*	*
LHCS		*	*	*	*	*	*

Notes:

(1) Based on standing at a density of 0.55m² per passenger.

The details in this Train Fleet Table 2 marked with * are not able to be completed as at the date hereof. The Franchisee shall provide to the Authority full details of relevant rolling stock to allow the completion of such entries ("Completion Information") as and when such Completion Information becomes available, and the Franchisee shall consult with the Authority in relation to the Completion Information. Train Fleet Table 2 may thereafter be updated by the issue by the Authority of a Variation to reflect the Completion Information. Such a Variation updating Train Fleet Table 2 with the Completion Information shall not be a Change.

4. **Passenger counting technology**

The Franchisee shall implement infrared passenger counting equipment.

5. **Correction of any errors in description**

This Appendix represents the Train Fleet the Franchisee has on lease or has agreed or committed to lease in advance of the Franchise Commencement Date. In the event that there is a discrepancy between the actual train fleet and this Appendix, the Authority will amend this Appendix to reflect the actual train fleet. Such an amendment shall not constitute a Change. The Authority shall consult with the Franchisee before amending any or all of Train Fleet Table 1, Train Fleet Table 2, Train Fleet Table 3 or Train Fleet Table 4 and the Franchisee shall provide such information to the Authority as the Authority require to ensure that the aforesaid tables properly reflect the details of the relevant rolling stock.

6. **Fleet Availability Requirement**

The Train Fleet available for service: -

6.1 as at the Franchise Commencement Date shall be no less than that identified in columns 4 and 5 in Train Fleet Table 4 below; and

6.2 as at the Timetable Change Date in December 2018 shall be no less than that identified in columns 4 and 5 in Train Fleet Table 5 below;

Train Fleet Table 4

Class of Vehicles	Total Fleet	Planned Maintenance Allocation	Fleet Allocated Passenger Services	Hot Standby Allocation ¹
156	478 Units	Corkerhill	434 Units	4 Unit*None
158	48 Units	Haymarket / Inverness	403 Units	1 Unit*None
170	559 Units	Haymarket / Inverness	5149 Units	None
314	16 Units	Shields	14 Units	None
318	21 Units	Shields	19 Units	None
320	22 Units	Shields	20 Units	None
334	40 Units	Shields	365 Units	1 Unit*None
380/0 (3-car)	22 Units	Shields	20 Units	None
380/1 (4-car)	16 Units	Shields	154 Units	None
LHCS	1-2 trains	DRS Motherwell/TBC	24 train	None

¹ These are provisional - The Franchisee will plan 1 DMU and 2 EMU depending upon other programmes

* From 11 September 2015 to 6 August 2018 - 43 Units - 44 Units at any other time

Train Fleet Table 5

Class of Vehicles	Total Fleet	Planned Maintenance Allocation	Fleet Allocated Passenger Services
156	38 Units	Corkerhill	35 Units
168	40 Units	Haymarket / Inverness	36 Units
170	21 Units	Haymarket / Inverness	19 Units
314	2 Units	Shields	20 Units
318, 320 and 321	50 Units ²⁴	Shields	47 Units ²⁴
320	24 Units	Shields	6 Units
334	40 Units	Shields	38 Units
380/0 (3-car)	22 Units	Shields	20 ⁴ Units
380/1 (4-car)	16 Units	Shields	15 ⁴ Units
3xx 3 car	46 ³³ Units	Craigentinny	44 ³³ Units
3xx 4 car	24 Units	Craigentinny	22 ⁴ Units
HST 4 +2PC	14 Units	Craigentinny	13 ⁴ Units
HST 5 + 2PC	13 Units	Craigentinny	11 ⁰ Units

	<p>B) Removal of all seating and interior fittings</p> <p>C) Upgrade of toilets</p> <p>D) PRM-TSI works</p> <p>E) Recoat internal surfaces</p> <p>F) Install Wi-Fi</p> <p>G) Addition of 13A sockets</p> <p>H) Install vehicle end screens <u>C3 media delivery system providing an enhanced experience for passengers</u></p> <p>I) Fit new carpets</p> <p>J) Reconfigure interior layout to new design maximised around windows</p> <p>K) Apply new trim to seat back and bases</p> <p>L) Add design to tables and re-fit</p> <p>M) Add luggage signs to under-seat areas</p> <p>N) Apply route maps</p> <p>O) Commission and acceptance</p> <p>Ensure that all aspects of the Franchise Agreement, Schedule 6, Appendix 2 to Schedule 6.4 – Highland Rural section are met or continue to be met as part of the scope of work agreed within this specification of the Class 158 Train Fleet.</p>																																																																								
7.2	<p>Fit auto-door close on Class 156 Vehicles</p> <p>On or before the 31st December 2018, the Franchisee shall ensure auto-door closing equipment is available on any Class 156 Vehicle which is still in service on the ScotRail network.</p>																																																																								
8.1	<p>Increased reliability for existing Rolling Stock</p> <p>The Franchisee shall increase the overall reliability of the Train Fleet (as measured by the MTIN moving annual average metric), during the Franchise Term and meet the targets set out below (with the four right-most column headings referring to the end of the Franchisee Year so numbered) which shall be reported to the Authority in accordance with, Appendix 1 (<i>Efficient Franchise</i>) of Schedule 13.2 (<i>Information</i>):</p> <table border="1"> <thead> <tr> <th>CLASS</th><th>CURRENT</th><th>2</th><th>5</th><th>7</th><th>10</th></tr> </thead> <tbody> <tr> <td>156</td><td>7902</td><td>8500</td><td>9858</td><td>10249</td><td>10883</td></tr> <tr> <td>158</td><td>5540</td><td>5700</td><td>6852</td><td>7269</td><td>8234</td></tr> <tr> <td>170</td><td>9408</td><td>10250</td><td>11588</td><td>12034</td><td>12947</td></tr> <tr> <td>HST</td><td>n/a</td><td>n/a</td><td>12899</td><td>13483</td><td>17250</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>CLASS</th><th>CURRENT</th><th>2</th><th>5</th><th>7</th><th>10</th></tr> </thead> <tbody> <tr> <td>314</td><td>5879</td><td>6202</td><td>n/a</td><td>n/a</td><td>n/a</td></tr> <tr> <td>318</td><td>10756</td><td>11641</td><td>14167</td><td>15619</td><td>17623</td></tr> <tr> <td>320</td><td>14425</td><td>15583</td><td>17542</td><td>18953</td><td>19131</td></tr> <tr> <td>321</td><td>10365</td><td>24480</td><td>24860</td><td>25978</td><td>28682</td></tr> <tr> <td>334</td><td>7902</td><td>12380</td><td>16344</td><td>16917</td><td>19329</td></tr> <tr> <td>380</td><td>28289</td><td>31685</td><td>42775</td><td>47519</td><td>53622</td></tr> </tbody> </table>	CLASS	CURRENT	2	5	7	10	156	7902	8500	9858	10249	10883	158	5540	5700	6852	7269	8234	170	9408	10250	11588	12034	12947	HST	n/a	n/a	12899	13483	17250	CLASS	CURRENT	2	5	7	10	314	5879	6202	n/a	n/a	n/a	318	10756	11641	14167	15619	17623	320	14425	15583	17542	18953	19131	321	10365	24480	24860	25978	28682	334	7902	12380	16344	16917	19329	380	28289	31685	42775	47519	53622
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	<p>Management System, the Franchisee shall deploy a traincrew despatch management tool which shall monitor traincrew movements and detect conflicts in traincrew diagrams and enable the Franchisee to manage the impact of traincrew delays more effectively by creating alternative diagrams and contingency plans in the event of disruption. The Franchisee shall use all reasonable endeavours to procure that Network Rail successfully deploy the Traffic Management System.</p> <p>At least the following Franchise Employees will have access to the traincrew despatch management tool:</p> <p>Operations Director Operations Managers Driver Managers</p>
13.4	<p>Publication of right time performance data</p> <p>The Franchisee will Publish, at a Route level:</p> <ul style="list-style-type: none"> • Punctuality MAA timed to one minute at arrival at the final destination (5 minutes for Express) within three months of the Franchise Commencement Date; • Punctuality timed to one minute at arrival at key intermediate stations on or before the 31st December 2017. <p>For the purposes of this Committed Obligation key intermediate stations shall be Stirling, Perth, Dundee, Aviemore, Kilmarnock, Bathgate, Falkirk High, Shotts, Glasgow Central low-level, Glasgow Queen Street low-level, Kirkcaldy, Dumfries, Elgin, Montrose, Dumbarton Central, Paisley Gilmour Street, Kilwinning, Rutherglen, Cathcart, Dalmeir, Partick and Motherwell.</p> <p>The information will be Published each Reporting Period on the Website and on posters at all final destination and key intermediate stations.</p>
14.1	<p>Integrated property management team</p> <p>Subject only to the consent of Network Rail, on or before the end of the first Franchisee Year, the Franchisee shall establish an integrated property management team with Network Rail.</p> <p>The integrated property management team shall combine the maintenance and renewals organisations currently operated by Network Rail and the Outgoing Franchisee. It shall sit under the Franchisee's Alliance with Network Rail and be headed by a single business leader. This will address issues of overlap across Network Rail and Outgoing Franchisee resources, systems and contracts.</p>

Franchisee forecasting; vision.																																												
<p>A single property helpdesk will be established in order to remove existing duplication. This will be linked to AIMS to provide cost estimates of reactive and minor works as orders are placed by the helpdesk. The system will also report performance against response times.</p> <p>Faults will be able to be registered by station managers, members of the integrated property management team as a result of management safety tours or as part of inspections. Additionally, all SQUIRE faults will be routed to this single reporting centre. Each fault will be interrogated by the helpdesk operator to establish site, asset location and nature of fault. From the nature of the fault, the Atrium (Manhattan) system will identify which is the correct contractor to respond. Each fault will be assigned a response priority (30 min for lift entrapment, two hours, 24 hours, 7 days) and dispatched by email to the responsible contractor.</p> <p>Contractors will be required to close out faults in the requisite periods within the system. Contractors will be required to restore assets to safety as a minimum. Where faults require longer term action, this will be notified via the helpdesk to the Facilities team with a quotation for review. The ScotRail Atrium system shall also assimilate all SQUIRE faults from the Authority's systems into this helpdesk to ensure full visibility of all work and to enable trend analysis.</p> <p>Lift calls will be managed by Network Rail's property helpdesk drawing upon its national lift and escalator contract. Faults registered at the Franchisee's helpdesk will be transferred to Network Rail; although a direct telephone number will also be given to station managers.</p>																																												
15.1	<p>Improved waiting facilities at stations</p> <p>On or before the end of the second Franchisee Year, the Franchisee will provide <u>41</u> shelters at the following 404 stations:</p> <table border="1"> <tr> <td><u>Drumchapel/Andersonston,</u></td> <td>Bellshill,</td> <td>Bishopton</td> </tr> <tr> <td>Cambuslang,</td> <td>Coatbridge Sunnyside</td> <td>Dumbarton Central</td> </tr> <tr> <td>Dunblane</td> <td>Dunfermline</td> <td>Dumfries</td> </tr> <tr> <td>Elgin</td> <td><u>Greenock — West Fort Matilda</u></td> <td>Kilmarnock</td> </tr> <tr> <td>Largs</td> <td>Polmont</td> <td>Airdrie</td> </tr> <tr> <td>Annesland</td> <td>Bishopbriggs</td> <td>Croy</td> </tr> <tr> <td>Dalmuir</td> <td><u>East Kilbride/Ardrossan Harbour</u></td> <td>Falkirk High</td> </tr> <tr> <td>Hamilton Central/<u>Nairn</u></td> <td>Hamilton West</td> <td><u>Hyndland/Dalry</u></td> </tr> <tr> <td><u>Inverkeithing</u></td> <td><u>Irvine/Inverurie</u></td> <td>Johnstone</td> </tr> <tr> <td>Kilwinning</td> <td>Kirkcaldy</td> <td>Lenzie</td> </tr> <tr> <td>Linlithgow</td> <td>Millngavie</td> <td>Mount Florida</td> </tr> <tr> <td>Rutherglen</td> <td>Dyce</td> <td>Metherwell</td> </tr> <tr> <td><u>Partick/Springburn</u></td> <td><u>Prestwick International Airport/Dumbarton East</u></td> <td>Exhibition Centre (Glasgow)</td> </tr> <tr> <td>Bridge of Allan</td> <td>Stirling</td> <td><u>Singer (Platform 1 and 2)</u></td> </tr> </table>		<u>Drumchapel/Andersonston,</u>	Bellshill,	Bishopton	Cambuslang,	Coatbridge Sunnyside	Dumbarton Central	Dunblane	Dunfermline	Dumfries	Elgin	<u>Greenock — West Fort Matilda</u>	Kilmarnock	Largs	Polmont	Airdrie	Annesland	Bishopbriggs	Croy	Dalmuir	<u>East Kilbride/Ardrossan Harbour</u>	Falkirk High	Hamilton Central/ <u>Nairn</u>	Hamilton West	<u>Hyndland/Dalry</u>	<u>Inverkeithing</u>	<u>Irvine/Inverurie</u>	Johnstone	Kilwinning	Kirkcaldy	Lenzie	Linlithgow	Millngavie	Mount Florida	Rutherglen	Dyce	Metherwell	<u>Partick/Springburn</u>	<u>Prestwick International Airport/Dumbarton East</u>	Exhibition Centre (Glasgow)	Bridge of Allan	Stirling	<u>Singer (Platform 1 and 2)</u>
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22.3	<p>New ScotRail Web Ticketing Solution</p> <p>By no later than 1 month after the Franchise Commencement Date, the Franchisee shall launch a dedicated new ScotRail web ticketing solution on the Website. The new ScotRail web ticketing solution will feature an improved user interface and will offer an ITSO smart fulfilment option for Season Tickets, Anytime Tickets and Off-Peak Tickets.</p>
22.4	<p>Journey Companion App</p> <p>By no later than 1 month after the Franchise Commencement Date <u>(save as noted below)</u>, the Franchisee will make available a mobile ticketing app with at least the following features:</p> <ul style="list-style-type: none"> • Allow passengers to buy train tickets securely for travel on Passenger Service and on other railway passenger services in the rest of UK • Allow passengers to buy tickets 10 minutes before departure and collect from TVMs with barcode to mobile option on selected Routes • Allow passengers to search for real time live service information across all travel modes • Allow passenger to access information relating to the crowding of particular Passenger Services • <u>By no later than the end of the second Franchisee Year the app will be upgraded to Allow allow passengers to access Cab&Go Services and Bike&Go Facilities booking services</u> <p>By no later than 31st December 2018, the app will be upgraded to allow passengers to access live crowding information <u>on Passenger Services, including information relating to the crowding information</u> on EGIP services and Alloa-Stirling- Dunblane Routes.</p>
22.5	<p>New gatelines</p> <p>Subject only to the consent of Network Rail and other relevant property owners (where required) on or before the first anniversary of the Franchise Commencement Date, the Franchisee shall install new automatic ticket gatelines at two stations approved by the Authority where there are currently no such facilities.</p>
22.6	<p>Annual ticketless travel survey</p> <p>The Franchisee shall conduct an annual survey of ticketless travel. The survey shall be carried out by an independent company. The first survey will take place no later the 30th June 2015 and the Franchisee shall share the results with the Authority by no later than one Reporting Period after the survey is completed.</p>
22.7	<p>Ticketless travel analyst</p> <p>From the Franchise Commencement Date, the Franchisee shall create an additional role of ticketless travel analyst to analyse trends in ticketless travel and allow the Franchisee's revenue protection staff to be deployed as</p>

	efficiently as possible.
22.8	<p>Intelligent Queue Monitoring Equipment</p> <p>On or before the end of the first Franchisee Year, the Franchisee shall install intelligent queue monitoring equipment in at least 7 Stations. The Franchisee shall make the data gathered by the intelligent queue monitoring equipment available to the Authority.</p>
23.1	<p>Environmental management systems</p> <p>The Franchisee shall use all reasonable endeavours to ensure that it achieves accreditation to the updated ISO 14001 standard before the end of the first Franchisee Year.</p>
23.2	<p>Sustainability innovation fund</p> <p>From the Franchise Commencement Date, the Franchisee shall allocate £100,000 per annum to be spent on research and development of innovative solutions to environmental issues in the railway environment which will include, but will not be limited to, research into innovative solutions to key sustainability, issues relating to carbon reduction, energy use reduction and the reduction of waste sent to landfill. All proposed research and development projects will be assessed by a panel including representatives of the Authority, Network Rail, Resource Efficient Scotland and Zero Waste Scotland.</p> <p>In addition, four initial research projects shall be carried out by the Franchisee, which are (1) the feasibility of using biobutane to resolve the cold weather operation issues for biodiesel; (2) trialling new smart meters to achieve additional benefit from fitment of Automated Meter Reading system to low energy use sites; (3) finding solutions to waste issues, including behaviour change and hard to recycle waste streams; and (4) using thin film lightweight solar PV technology in areas lacking the structural strength to support traditional PV.</p>
23.3	<p>Corporate Social Responsibility Report</p> <p>The Franchisee shall Publish a corporate and social responsibility report each Franchisee Year during the Franchise Term. The Report will show the Franchisee's progress in achieving its sustainability targets, in particular those associated with reductions in energy use, carbon and waste. The Report will be Published on the Website by no later than the end of each Franchisee Year.</p>
23.4	<p>Energy audit</p> <p>The Franchisee shall carry out an audit of <u>non-traction energy</u> used by the Franchisee <u>focusing on areas where more detailed understanding of energy use is required</u>, per Reporting Period and per location and use the results of the audit to agree baselines from which energy use per passenger kilometre shall be reduced over the Franchise Term <u>shall be used to develop an energy efficiency investment programme which focusses on areas with the highest likely returns in terms of energy use reduction. The audit will be completed on or before the end of the first Franchisee Year. The methodology</u></p>

	for carrying out the audit shall be submitted to the Authority by no later than 4 Reporting Periods after the Franchise Commencement Date.								
23.5	<p>Carbon and Energy Strategy</p> <p>On or before 20th September 2016, the Franchisee shall Publish a carbon and energy strategy document detailing its approach to reducing energy consumption and carbon emissions across the Franchise Services.</p>								
23.6	<p>Reduction in fuel consumption per passenger kilometre</p> <p>The Franchisee shall achieve the reductions in diesel/electricity use per passenger kilometre (from a benchmark set on or before the Franchise Commencement Date) which are set out in the table below:</p> <table border="1"> <thead> <tr> <th>DATE</th><th>REDUCTION TO BE ACHIEVED (%)</th></tr> </thead> <tbody> <tr> <td>30th April 2018</td><td>1</td></tr> <tr> <td>30th April 2021</td><td>3</td></tr> <tr> <td>31st March 2025</td><td>5</td></tr> </tbody> </table> <p>The benchmark shall be calculated by dividing the total consumed electricity and diesel (Kw/H) for traction by passenger kilometres travelled (taking into account the impact of regenerative braking).</p> <p>All numbers will be on an annual basis, and included in the Franchisee's published annual accounts from which they will be drawn for these purposes. Diesel usage will be converted to Kw/H at a rate of 11.1 Kw/H per litre of diesel.</p>	DATE	REDUCTION TO BE ACHIEVED (%)	30 th April 2018	1	30 th April 2021	3	31 st March 2025	5
DATE	REDUCTION TO BE ACHIEVED (%)								
30 th April 2018	1								
30 th April 2021	3								
31 st March 2025	5								
23.7	<p>Reduce non-traction energy use</p> <p>The Franchisee shall achieve the reductions in non-traction energy use (from a benchmark set on or before the Franchise Commencement Date) which are set out in the table below.</p> <table border="1"> <thead> <tr> <th>DATE</th><th>REDUCTION TO BE ACHIEVED (%)</th></tr> </thead> <tbody> <tr> <td>30th April 2018</td><td>4</td></tr> <tr> <td>30th April 2021</td><td>7</td></tr> <tr> <td>31st March 2025</td><td>10</td></tr> </tbody> </table> <p>For the purpose of this Committed Obligation, when comparing actual non-traction energy use to the benchmark:</p> <ol style="list-style-type: none"> 1) the energy usage of any New Stations, and 2) the additional energy requirements associated with any Qualifying Change, <p>shall be excluded from the usage which is compared to the benchmark. The benchmark usage shall be calculated by reducing the total energy consumption of the Franchisee (Kw/H) by the amount used for traction, and deducting from that figure the energy consumption of the Franchisee which is subject to re-charge by the Franchisee to third parties. All numbers will be on an annual basis, and included in the Franchisee's published annual accounts from which they will be drawn for these purposes.</p>	DATE	REDUCTION TO BE ACHIEVED (%)	30 th April 2018	4	30 th April 2021	7	31 st March 2025	10
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23.8	<p>Better waste management</p> <p>On or before the end of the seventh Franchisee Year, the Franchisee shall</p>								

	Scotland and the Scottish Tourism Industry.
28.9	<p>Membership of Marketing Institutions</p> <p>The Franchisee shall procure that its senior marketing team will either be or become members of the Chartered Institute of Marketing (CIM) or Institute of Direct and Digital Marketing (IDM) and will complete their continuing professional development each Franchisee Year. This will be written into their personal objectives.</p> <p>The Franchisee shall also procure that its Head of Marketing Service becomes a member of the Market Research Society.</p>
28.10	<p>ScotRail Club 50 Smartcard</p> <p>On or before the end of the first Franchisee Year, the Franchisee shall launch, promote and publicise a ScotRail Club 50 Smartcard. The Club 55 product will be retained until replaced by the Club 50 Smartcard. The Club 50 Smartcard will exceed the discounts offered on the Club 55 product by offering deeper discounts on longer distance routes in the low season.</p> <p>The Franchisee shall invest at least £128,000 in the first Franchisee Year for this product. The Project Manager will withdraw the existing Club55 return seasonal product by not releasing it in the fares database for the May-16 upload. Franchise Employees will be briefed three times on this change, two months, two weeks and two days prior to withdrawal.</p> <p>In association with Saga or an alternative organisation <u>equivalent organisation</u>, the ScotRail Club50 will offer year-round member benefits. The club will engage this growing segment and be designed specifically to increase Off-Peak journeys where capacity is available, by offering members who have purchased a railcard a 10% discount on Off-Peak, Super Off-Peak and Advance Ticket fares, or a 20% discount for online sales. Annual membership will cost £15, with railcard reductions available through strategic partnerships with organisations such as the National Trust for Scotland, Historic Scotland and the Ramblers Association. Payment by direct debit will reduce annual membership to £10. The Franchisee will apply promotions and other marketing activity effectively, to stimulate use of available capacity throughout the year, using Club50 data and Saga's <u>Saga or an equivalent organisation's</u> data and expertise.</p>
28.11	<p>ScotRail air-addon Fares</p> <p>Subject to the agreement of Logan Air, on or before the end of the first Franchisee Year, the Franchisee shall launch a one year pilot offering a fixed price product single journey anywhere across the ScotRail network of £20 to Logan Air passengers offering one day's travel on Passenger Services on the day for which their Logan Air flight ticket is valid for travel.</p> <p>If the Authority and the Franchisee agree (acting reasonably) that the Logan Air scheme is successful following a one-year pilot period, the Franchisee shall continue to offer the product to Logan Air passengers and shall use all reasonable endeavours to offer a scheme similar to the Logan Air scheme to</p>

	all passengers of air operators who operate services into Scotland's airports.
28.12	<p>Existing Railcard Users</p> <p>The Franchisee shall retain the Highland Rail Card, and shall procure that holders will migrate to Smartcards by no later than the first anniversary of the Franchise Commencement Date. The Senior, Family & Friends, 16-25, the National Entitlement Card scheme, Scottish Youth and Disabled Persons railcard shall also be retained by the Franchisee for the duration of the Franchise Period.</p> <p>Such existing railcards will all feature in our advertising, especially online and at stations. The Franchisee will support ATOC promotional campaigns and offer space at stations for relevant posters.</p>
28.13	<p>Young Scot National Entitlement Card 16+ students</p> <p>National Entitlement Card holders will no longer require a separate Scottish Youth Railcard and will be able to enjoy discounts by showing their National Entitlement Card as they do on buses.</p>
28.14	<p>Under-25s Advance Purchase Discount Product</p> <p>On or before the 30th September 2015, the Franchisee shall launch an Under-25s Advance Purchase Discount Product. The product will offer a minimum discount of 10% to individuals under the age of 25 when buying Advance Ticket products online and fulfilled by Smartmedia. Higher discounts will apply to specific campaigns to fill available longer distance capacity and periods when demand is usually low.</p>
29.1	<p>ITSO Certified Smartmedia backoffice</p> <p>On or before the 31st October 2015, the Franchisee shall upgrade its back-office information system by introducing a new ITSO version 2.1.4 HOPS.</p>
29.2	<p>Smartcard programme team</p> <p>By no later than the Franchise Commencement Date, the Franchisee shall appoint a Smartcard programme manager who will be responsible for the implementation of the Franchisee's Smartcard roll-out programme and shall establish a dedicated Smartcard programme team consisting of project director integration, Smartcard programme manager and a business analyst. This team will be supported by 8 workstream leaders from across the Franchisee's organisation. The post and the team will be retained by the Franchisee for at least the first two Franchisee Years.</p>
29.3	<p>Web-TIS development</p> <p>The Franchisee shall continue to develop the new ScotRail web ticketing solution introduced in accordance with Committed Obligation reference 22.3 above in accordance with the implementation strategy set out in the table</p>

	ITSO at Home Service available to other ScotRail passengers.
29.9	<p>Near Field Communication (NFC) phone pilot schemes</p> <p><u>Preparation for pilot:</u></p> <p>From 1st June 2016 the Franchisee will begin preparations for the NFC pilot. The required software will be developed and integrated with the Franchisee's Nevils HOPS.</p> <p><u>Employee Pilot:</u></p> <p>On or before 31st December 2016 <u>1st January 2017</u>, the Franchisee shall launch a 3 month NFC phone pilot to Franchise Employees.</p> <p><u>Customer Pilot:</u></p> <p>On or before 31st January 2016 <u>2017</u>, the Franchisee shall launch a 6 month NFC phone pilot. The scheme will allow 50 customers to download a ticket to a Smartcard from an NFC enabled mobile device issued by the Franchisee free of charge. The pilot will be limited to point to point journeys.</p> <p>Subject to the success of the pilot programme as demonstrated by the results of the pilot presented to the Franchisee's board and made available to the Authority <u>no later than 31 December 2017</u>, the Franchisee shall make the NFC service available to all ScotRail Franchise passengers by no later than <u>1st January 2018</u> the end of 2017.</p>
29.10	<p>ITSO at Work Service</p> <p>On or before the 31st May 2018, the Franchisee shall launch an ITSO at Work Service 6 month pilot scheme with major employers. The Franchisee shall work with major employers in Edinburgh and Glasgow area (e.g. University of Edinburgh, Tesco Bank, RBS and Lloyds) to install simple pick up points at more convenient locations to enable employees to arrive at the station with their ticket already loaded.</p> <p>Subject to the success of the pilot programme as identified by a full review of the pilot (which will be completed by 31st January 2019 and shared with the Authority), the Franchisee shall make the ITSO at Work Service available to other employers.</p>
29.11	<p>New ScotRail Franchise Smartcard</p> <p>By no later than 1 month after the Franchise Commencement Date, the Franchisee shall launch a new ITSO Certified Smartcard which is compliant with paragraph 6.5 of Schedule 2.5 (<i>Transport, Travel and Other Schemes</i>) of this Agreement.</p> <p>On or before the end of the first Franchisee Year, the Franchisee shall offer the capability for the National Entitlement Card and SPT subway products to be loaded onto the ScotRail Franchise Smartcard.</p>

	<p>shall install a cyclepoint at Glasgow Central station, Edinburgh Waverley station and Stirling Station.</p> <p>For the purposes of this Committed Obligation, a cyclepoint shall be defined as a cycle parking facility with a mix of free and paid for secure storage.</p>																																																		
30.15	<p>Bike & Go Facilities</p> <p>Subject only to the consent of Network Rail (where required) on or before the end of the second Franchise Year, the Franchisee shall use all reasonable endeavours to introduce 'Bike & Go' Facilities in at least 10 of the stations listed below.</p> <table border="1"> <thead> <tr> <th>STATION</th><th>CRITERIA AND OTHER COMMENTS</th><th>STATION</th><th>CRITERIA AND OTHER COMMENTS</th></tr> </thead> <tbody> <tr> <td>Edinburgh Waverley</td><td>Key station; also electric bikes</td><td>Ayr</td><td>Key station and employment destinations <u>proposed active travel hub</u></td></tr> <tr> <td>Glasgow Central</td><td>Footfall and key station</td><td>Linlithgow</td><td>Key station, and hospital nearby, <u>and local matched funding</u></td></tr> <tr> <td>Glasgow Queen Street</td><td>Footfall and key station</td><td>Perth</td><td>Key station</td></tr> <tr> <td>Paisley Gilmour Street</td><td>Footfall and key station</td><td>Livingston North</td><td>Employment destination: Sky HQ at 3km <u>and local matched funding</u></td></tr> <tr> <td>Aberdeen</td><td>Footfall and key station</td><td>Edinburgh Park</td><td>Employment destination: large business estate</td></tr> <tr> <td>Stirling</td><td>Footfall, <u>and key station and cycle hub</u></td><td>Dunbar</td><td>Funding for cycle access proposed</td></tr> <tr> <td>Partick</td><td>Footfall and key station</td><td>Inverurie</td><td>Funding for modal interchange</td></tr> <tr> <td>Dundee</td><td>Key station and, <u>university and local support</u></td><td>Aviemore</td><td>Destination: Cairngorms; also electric bikes</td></tr> <tr> <td>Charing Cross Kilmarnock</td><td>Footfall and key station <u>Proposed active travel hub</u></td><td>Falkirk High</td><td>Destination for Falkirk Wheel</td></tr> <tr> <td>Balloch</td><td><u>Tourist destination and support Loch Lomond authority</u></td><td>Dunblane</td><td><u>Local station plans</u></td></tr> <tr> <td>Haymarket</td><td>Footfall, <u>and key station and access to National Cycle</u></td><td>Ardrossan SB</td><td>Good cycle conditions <u>Ferry port</u></td></tr> </tbody> </table>			STATION	CRITERIA AND OTHER COMMENTS	STATION	CRITERIA AND OTHER COMMENTS	Edinburgh Waverley	Key station; also electric bikes	Ayr	Key station and employment destinations <u>proposed active travel hub</u>	Glasgow Central	Footfall and key station	Linlithgow	Key station, and hospital nearby, <u>and local matched funding</u>	Glasgow Queen Street	Footfall and key station	Perth	Key station	Paisley Gilmour Street	Footfall and key station	Livingston North	Employment destination: Sky HQ at 3km <u>and local matched funding</u>	Aberdeen	Footfall and key station	Edinburgh Park	Employment destination: large business estate	Stirling	Footfall, <u>and key station and cycle hub</u>	Dunbar	Funding for cycle access proposed	Partick	Footfall and key station	Inverurie	Funding for modal interchange	Dundee	Key station and, <u>university and local support</u>	Aviemore	Destination: Cairngorms; also electric bikes	Charing Cross Kilmarnock	Footfall and key station <u>Proposed active travel hub</u>	Falkirk High	Destination for Falkirk Wheel	Balloch	<u>Tourist destination and support Loch Lomond authority</u>	Dunblane	<u>Local station plans</u>	Haymarket	Footfall, <u>and key station and access to National Cycle</u>	Ardrossan SB	Good cycle conditions <u>Ferry port</u>
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	Motherwell	Key station	Dumfries	Good cycle conditions
	Dyce	Employment destination	Bathgate	Good cycle conditions
	<u>Livingston South</u>	<u>Employment destination and local matched funding</u>	<u>Tweedbank</u>	<u>Borders Rail, tourist destination and hospital</u>
	Inverness	Key station	Total	295 locations
	<p>The Franchisee's Bike & Go facilities branding in Scotland shall be co-branded with ScotRail branding or another Scottish government or Local Authority brand of the Authority's choice.</p> <p>The Franchisee shall also procure subject to Local Authority matched funding, that accessible cycles including hand cycles, recumbent bikes and trikes shall be available for hire.</p>			
31.1	<p>Stakeholder Equality Group</p> <p>On or before the 31st December 2015, the Franchisee shall establish a Stakeholder Equality Group. The Stakeholder Equality Group will meet every three Reporting Periods and be comprised of key external stakeholders and will be responsible for a programme of activities to monitor the level of use on the ScotRail network by people with reduced mobility. The product of the Stakeholder Equality Group's research and monitoring activities will be fed into the Franchisee's strategy for future improvement works at Stations and on Trains.</p> <p>The Franchisee shall allocate and spend £50,000 per annum on the Stakeholder Equality Group undertaking research and commissioning mystery shopping through member organisations to monitor performance of facilities and services and undertake access audits to gain greater understanding of the numbers of disabled people and elderly people using train services in Scotland and the quality of their journey experience.</p>			
31.2	<p>Passenger Assist</p> <p>On or before the 31st December 2017, the Franchisee shall reduce the notice period for passengers booking the Passenger Assist Service (covering all stations across the ScotRail network) to 3 hours.</p> <p>The Franchisee shall before the end of fourth anniversary of the Franchise Commencement Date procure that the said notice period is reduced to 2 hours.</p> <p>The Franchisee shall before the end of sixth anniversary of the Franchise Commencement Date procure that the said notice period is reduced to 1 hour.</p> <p>The Franchisee shall procure that all Franchise Employees involved in delivering Passenger Assist are fully trained and kept up-to-date on the service.</p>			

31.3	<p>Assist-Mi pilot</p> <p>On or before the 31st December 2017, the Franchisee shall complete a pilot scheme implementing the Assist-Mi customer assistance mobile app at selected Stations. The Franchisee shall report to the Authority upon its completion, the success of the pilot scheme and shall, thereafter, subject to the approval of the authority, extend the scheme across the ScotRail network.</p>
32.1	<p>Dedicated customer service Franchise Employees</p> <p>On or before the end of the first Franchisee Year, the Franchisee shall create an additional 25 dedicated customer service posts to deploy at key projects across the ScotRail network.</p>
32.2	<p>Peak manager</p> <p>For at least the period during which Passenger Services operating from Glasgow Queen Street Station are affected by EGIP enabling works and EGIP project works, the Franchisee shall ensure an additional manager is on duty during Morning Peak, Evening Peak and Saturday daytime hours to oversee the Passenger Services and ensure the such are operated in the most efficient and effective manner.</p>
32.3	<p>Major Projects Communication Plan</p> <p>From the Franchise Commencement Date, the Franchisee shall establish, implement and update a major projects communication plan to ensure passengers are kept informed of any planned engineering works which are likely to have a significant effect on journey times or network availability. The Franchisee shall share such major projects communication plan with the Authority within one Reporting Period of establishing/updating such Plan.</p> <p>At least £150,000 of the annual marketing budget referred to in Committed Obligation reference 20.1 above will be made available and spent on this initiative.</p>
32.4	<p>Additional wayfinding signage</p> <p>In addition to the commitment at Committed Obligation reference 30.4 above, the Franchisee shall spend at least £90,000 in providing improved wayfinding signage at Glasgow Queen Street and any other station impacted by the EGIP enabling works and EGIP project works being carried out at Glasgow Queen Street Station.</p>
32.5	<p>Real time data analysis</p> <p>On or before 31st January 2016, the Franchisee shall deploy the Nexus Alpha Tyrell IO-PIDD Tool <u>(or an equivalent product with no less functionality)</u> to improve the timeliness and quality of information provided to passengers during times of disruption.</p>
32.6	<p>Nexus Alpha live disruption map</p> <p>On or before 31st January 2016, the Franchisee shall develop a live disruption</p>

	tool which can be accessed using the Website and Journey Companion App (as provided for in Committed Obligation reference 22.4 above).								
32.7	<p>Additional Interchange facilities</p> <p>On or before the 31st July 2015, Franchisee shall spend at least £70,000 in installing an additional shelter at Springburn <u>Hamilton Central</u> Station, and a new bus shelter at Ashfield Station.</p>								
33.1	<p>EGIP marketing activities</p> <p>From the Franchise Commencement Date the Franchisee shall allocate the following funds (from the annual marketing budget as provided for in Committed Obligation reference 20.1 above) to be spent on marketing activities relating to EGIP marketing activities only in accordance with the table provided below:-</p> <table border="1"> <thead> <tr> <th>PERIOD</th><th>MINIMUM SPEND PER PERIOD (£)</th></tr> </thead> <tbody> <tr> <td>2015 - 2017 (Franchisee Years 1 - 3)</td><td>766,000</td></tr> <tr> <td>2018 - 2022 (Franchisee Years 4 - 7)</td><td>1,105,000</td></tr> <tr> <td>2022 - 2024 (Franchisee Years 8 - 10)</td><td>766,000</td></tr> </tbody> </table>	PERIOD	MINIMUM SPEND PER PERIOD (£)	2015 - 2017 (Franchisee Years 1 - 3)	766,000	2018 - 2022 (Franchisee Years 4 - 7)	1,105,000	2022 - 2024 (Franchisee Years 8 - 10)	766,000
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34.1	<p>Inter-city marketing activities</p> <p>The Franchisee shall allocate the following funds (from their annual marketing budget as provided for in Committed Obligation reference 20.1 above) to be spent on marketing activities relating to the Inter-city Routes in accordance with the table provided below:-</p> <table border="1"> <thead> <tr> <th>PERIOD</th><th>MINIMUM SPEND PER PERIOD (£)</th></tr> </thead> <tbody> <tr> <td>2015 - 2017 (Franchisee Years 1 - 3)</td><td>2,253,000</td></tr> <tr> <td>2018-2021 (Franchisee Years 4 - 7)</td><td>3,400,000</td></tr> <tr> <td>2022-2024 (Franchisee Years 8 - 10)</td><td>2,550,000</td></tr> </tbody> </table>	PERIOD	MINIMUM SPEND PER PERIOD (£)	2015 - 2017 (Franchisee Years 1 - 3)	2,253,000	2018-2021 (Franchisee Years 4 - 7)	3,400,000	2022-2024 (Franchisee Years 8 - 10)	2,550,000
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34.2	<p>Improved catering facilities</p> <p>On or before the 31st December 2018, the Franchisee shall ensure that catering facilities are available on all rolling stock deployed on Passenger Services on Inter-city Routes. The Franchisee shall install a catering area located between First and Standard featuring a service hatch, coffee machine, combination oven, refrigeration, water boiler, preparation surfaces and product storage to support the at-seat trolley services. The Franchisee shall also provide new at-seat on board catering equipment to enable food and drink products to be merchandised more effectively. The Franchisee shall provide</p>								

	<p>flexible service equipment such as host trays.</p> <p>The Franchisee shall procure that an improved complimentary food and drink offer is offered to First Class customers (both on-train and at station-based ToGo Kiosk on production of their tickets). In addition to the at-seat service within First Class, the Franchisee shall also procure that customers are provided with a self-service area where they can help themselves to more drinks and snacks.</p> <p>The Franchisee shall procure that the onboard food and drink range will feature some of Scotland's best brands and where practicable, will be sourced from local suppliers. Products will be selected on the basis that they come from ethical and sustainable supply sources, and that associated packaging can be minimised and recycled. The Franchisee shall also help to promote Scotland's food and drink industry nationally by producing guides and joint-marketing offers.</p>
34.3	<p>Steam Tourist Services</p> <p>The Franchisee shall conduct a two year pilot of the Steam Tourist Services. For the purposes of the pilot, at least four Steam Tourist Services will be operated between the months of April and September in each of the first Two Franchisee years. At least one Steam Tourist Service will be operated in each such the first Franchisee Year on each of Routes B2, B3 and B4. <u>At least two Steam Tourist Services will be operated in the first Franchisee Year on Route A3. In the second Franchisee Year, the Franchisee shall operate at least one Steam Tourist Service on each of Routes B2, B3, B4 and C4.</u></p> <p>The Franchisee shall procure that at least one Steam Tourist Service will be operated on Route C4 from the date of opening of the Borders Railway.</p>
34.4	<p>Scenic Railways of Scotland Voucher Book</p> <p>The Franchisee shall launch a Scenic Railways of Scotland Voucher Book, working in collaboration with Visit Scotland and the Scottish Tourism Alliance.</p>
34.5	<p>First Time Traveller assistance programme</p> <p>The Franchisee shall launch a First Time Traveller Assistance Programme. At least 25 Franchise Employees deployed wholly or mainly at stations will be trained to assist First Time Travellers. The Franchisee shall spend at least £25,000 in each Franchisee Year in relation to the First Time Traveller Assistance Programme.</p>
34.6	<p>A9 dualling</p> <p>The Franchisee shall work closely with the Authority's A9 Dualling team to develop and implement a marketing strategy designed to promote the use of the Passenger Services as an alternative mode of transport for those affected whilst the A9 Dualling takes place. The Franchisee shall use all reasonable endeavours to ensure it has a representative at all of the community engagement events hosted by the Authority relating to the A9 Dualling. The</p>

	Franchisee shall spend at least £200,000 on the activities set out in this Committed Obligation.																																
34.7	<p>New homes Initiative</p> <p>The Franchisee shall work closely with Homes for Scotland and the Authority to develop and implement a marketing strategy designed to ensure that individuals benefiting from the Authority's first time home buyer incentive schemes are aware of the benefits of using the Passenger Services. The Franchisee shall spend a fund of £50,000 to provide a free one-month Season Ticket to households which have benefited from such an Authority scheme. Each household shall be entitled to one such Season Ticket.</p>																																
35.1	<p>Journey time improvements</p> <p>Subject to the delivery by Network Rail of the projects specified in the HLOS Issued by the Authority in 2012 for Control Period 5, the Franchisee shall ensure that average journey times (minutes per train mile), as measured by the 'All Sectors' Journey Time Metric meet or exceed the following targets:</p> <table border="1"> <tr> <td>WHOLE SCOTRAIL</td><td>DEC 148</td><td>DEC 156</td><td>DEC 167</td></tr> <tr> <td></td><td>1.63648</td><td>1.63344</td><td>1.629</td></tr> </table> <table border="1"> <tr> <td>WHOLE SCOTRAIL</td><td>DEC 178</td><td>DEC 189</td><td>DEC 1920</td></tr> <tr> <td></td><td>1.62204</td><td>1.589602</td><td>1.58799</td></tr> </table> <table border="1"> <tr> <td>WHOLE SCOTRAIL</td><td>DEC 204</td><td>DEC 212</td><td>DEC 223</td></tr> <tr> <td></td><td>1.58497</td><td>1.58295</td><td>1.58192</td></tr> </table> <table border="1"> <tr> <td>WHOLE SCOTRAIL</td><td>DEC 234</td><td>DEC 24</td><td></td></tr> <tr> <td></td><td>1.5789</td><td>1.576</td><td></td></tr> </table>	WHOLE SCOTRAIL	DEC 148	DEC 156	DEC 167		1.63648	1.63344	1.629	WHOLE SCOTRAIL	DEC 178	DEC 189	DEC 1920		1.62204	1.589602	1.58799	WHOLE SCOTRAIL	DEC 204	DEC 212	DEC 223		1.58497	1.58295	1.58192	WHOLE SCOTRAIL	DEC 234	DEC 24			1.5789	1.576	
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7.1	<p>Reconfiguration of Class 158 Train Fleet</p> <p>The Franchisee shall carry out and complete the reconfiguration of the Class 158 Train Fleet for use on Scenic Train Routes by no later than the dates detailed in the table below:</p> <table><tr><th>QUANTITY OF 158 UNITS CONVERTED (AGGREGATE)</th><th>LAST ACCEPTANCE DATE</th></tr><tr><td>10</td><td>31 May 2016</td></tr><tr><td>20</td><td>31 March 2017</td></tr><tr><td>30</td><td>31 January 2018</td></tr><tr><td>40</td><td>30 November 2018</td></tr></table> <p>The reconfiguration of the Class 158 Train Fleet scope to include –</p> <ul style="list-style-type: none">A) Unit acceptanceB) Removal of all seating and interior fittingsC) Upgrade of toiletsD) PRM-TSI worksE) Recoat internal surfacesF) Install Wi-FiG) Addition of 13A socketsH) Install vehicle end screens <u>C3 media delivery system providing an enhanced experience for passengers</u>I) Fit new carpetsJ) Reconfigure interior layout to new design maximised around windowsK) Apply new trim to seat back and basesL) Add design to tables and re-fitM) Add luggage signs to under-seat areasN) Apply route mapsO) Commission and acceptance <p>Ensure that all aspects of the Franchise Agreement, Schedule 6, Appendix 2 to Schedule 6.4 – Highland Rural section are met or continue to be met as part of the scope of work agreed within this specification of the Class 158 Train Fleet.</p>	QUANTITY OF 158 UNITS CONVERTED (AGGREGATE)	LAST ACCEPTANCE DATE	10	31 May 2016	20	31 March 2017	30	31 January 2018	40	30 November 2018	Per Acceptance Date	£1,500/per Unit/per Reporting Period
QUANTITY OF 158 UNITS CONVERTED (AGGREGATE)	LAST ACCEPTANCE DATE												
10	31 May 2016												
20	31 March 2017												
30	31 January 2018												
40	30 November 2018												
7.2	<p>Fit auto-door close on Class 156 Vehicles</p> <p>On or before the 31st December 2018, the Franchisee shall ensure auto-door closing equipment is available on any Class 156 Vehicle which is still in service on the ScotRail network.</p>	31 st December 2018	£500/per Vehicle/per Reporting Period										
8.1	<p>Increased reliability for existing Rolling Stock</p> <p>The Franchisee shall increase the overall reliability of the Train Fleet (as measured by the MTIN moving annual average metric), during the Franchise Term and meet the targets set out</p>	As set out in the Committed Obligation	£100 per MTIN mile that the Franchisee falls short of the target for each										

	Operations Director Operations Managers Driver Managers			
13.4	<p>Publication of right time performance data</p> <p>The Franchisee will Publish, at a Route level:</p> <ul style="list-style-type: none"> • Punctuality MAA timed to one minute at arrival at the final destination (5 minutes for Express) within three months of the Franchise Commencement Date; • Punctuality timed to one minute at arrival at key intermediate stations on or before the 31st December 2017. <p>The information will be Published each Reporting Period on the Website and on posters at all final destination and key intermediate stations.</p> <p>For the purposes of this Committed Obligation key intermediate stations shall be Stirling, Perth, Dundee, Aviemore, Kilmarnock, Bathgate, Falkirk High, Shotts, Glasgow Central low-level, Glasgow Queen Street low-level, Kirkcaldy, Dumfries, Elgin, Montrose, Dumbarton Central, Paisley Gilmour Street, Kilwinning, Rutherglen, Cathcart, Dalmuir, Partick and Motherwell.</p> <p>The information will be Published on the Website each Reporting Period and on posters at all final destination and key intermediate stations.</p>	<p>Three months from Franchise Commencement Date</p> <p>31st December 2017</p>	£500/per Reporting Period/ location per	
14.1	<p>Integrated property management team</p> <p>Subject only to the consent of Network Rail, on or before the end of the first Franchisee Year, the Franchisee shall establish an integrated property management team with Network Rail.</p> <p>The integrated property management team shall combine the maintenance and renewals organisations currently operated by Network Rail and the Outgoing Franchisee. It shall sit under the Franchisee's Alliance with Network Rail and be headed by a single business leader. This will address issues of overlap across Network Rail and Outgoing Franchisee resources, systems and contracts.</p>	End of first Franchisee Year	£1,000/per Reporting Period	

	<p>managers, members of the integrated property management team, as a result of management safety tours or as part of inspections. Additionally, all SQUIRE faults will be routed to this single reporting centre. Each fault will be interrogated by the helpdesk operator to establish site, asset location and nature of fault. From the nature of the fault, the Atrium (Manhattan) system will identify which is the correct contractor to respond. Each fault will be assigned a response priority (30 min for lift entrapment, two hours, 24 hours, 7 days) and dispatched by email to the responsible contractor.</p> <p>Contractors will be required to close out faults in the requisite periods within the system. Contractors will be required to restore assets to safety as a minimum. Where faults require longer term action, this will be notified via the helpdesk to the Facilities team with a quotation for review. The ScotRail Atrium system shall also assimilate all SQUIRE faults from the Authority's systems into this helpdesk to ensure full visibility of all work and to enable trend analysis.</p> <p>Lift calls will be managed by Network Rail's property helpdesk drawing upon its national lift and escalator contract. Faults registered at the Franchisee's helpdesk will be transferred to Network Rail; although a direct telephone number will also be given to station managers.</p>																																													
15.1	<p>Improved waiting facilities at stations</p> <p>On or before the end of the second Franchisee Year, the Franchisee will provide <u>41</u> shelters at the following <u>404</u> stations:</p> <table border="1"> <tr> <td>Anderston, Drumchapel</td><td>Bellshill,</td><td>Blisshopton</td></tr> <tr> <td>Cambuslang,</td><td>Coatbridge Sunnyside</td><td>Dumbarton Central</td></tr> <tr> <td>Dunblane</td><td>Dunfermline</td><td>Dumfries</td></tr> <tr> <td>Elgin</td><td>Greenock Westport Malinda</td><td>Kilmarnock</td></tr> <tr> <td>Largs</td><td>Palmont</td><td>Airdrie</td></tr> <tr> <td>Annisland</td><td>Bishopbriggs</td><td>Croy</td></tr> <tr> <td>Dalmuir</td><td>East Kilbride Ardrossan Harbour</td><td>Falkirk High</td></tr> <tr> <td>Hamilton Central Nairn</td><td>Hamilton West</td><td>Hyndland Dairy</td></tr> <tr> <td>Inverkeithing</td><td>Inverurie, Irvine</td><td>Johnstone</td></tr> <tr> <td>Kilwinning</td><td>Kirkcaldy</td><td>Lenzie</td></tr> <tr> <td>Linlithgow</td><td>Milngavie</td><td>Mount Florida</td></tr> <tr> <td>Rutherglen</td><td>Dyce</td><td>Motherwell</td></tr> <tr> <td>Partick Springburn</td><td>Prestwick International Airport Dumbar Ion East</td><td>Exhibition Centre (Glasgow)</td></tr> <tr> <td>Bridge of Allan</td><td>Stirling</td><td>Singer (Platform 1 and 2)</td></tr> </table>	Anderston, Drumchapel	Bellshill,	Blisshopton	Cambuslang,	Coatbridge Sunnyside	Dumbarton Central	Dunblane	Dunfermline	Dumfries	Elgin	Greenock Westport Malinda	Kilmarnock	Largs	Palmont	Airdrie	Annisland	Bishopbriggs	Croy	Dalmuir	East Kilbride Ardrossan Harbour	Falkirk High	Hamilton Central Nairn	Hamilton West	Hyndland Dairy	Inverkeithing	Inverurie, Irvine	Johnstone	Kilwinning	Kirkcaldy	Lenzie	Linlithgow	Milngavie	Mount Florida	Rutherglen	Dyce	Motherwell	Partick Springburn	Prestwick International Airport Dumbar Ion East	Exhibition Centre (Glasgow)	Bridge of Allan	Stirling	Singer (Platform 1 and 2)	On or before the end of the second Franchisee Year	£500/per station/per Reporting Period	
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	By no later than 1 month after the Franchise Commencement Date, the Franchisee shall launch a dedicated new ScotRail web ticketing solution on the Website. The new ScotRail web ticketing solution will feature an improved user interface and will offer an ITSO smart fulfilment option for Season Tickets, Anytime Tickets and Off-Peak Tickets.	month after the Franchise Commencement Date	Reporting Period	
22.4	<p>Journey Companion App</p> <p>By no later than 1 month after the Franchise Commencement Date (<u>save as noted below</u>), the Franchisee will make available a mobile ticketing app with at least the following features:</p> <ul style="list-style-type: none"> • Allow passengers to buy train tickets securely for travel on Passenger Services and on other railway passenger services the rest of UK • Allow passengers to buy tickets 10 minutes before departure and collect from TVMs with barcode to mobile option on selected Routes • Allow passengers to search for real time live service information across all travel modes • Allow passenger to access information relating to the crowding of particular Passenger Services • <u>By no later than the end of the second Franchisee Year, the app will be upgraded to allow passengers to access Cab&Go Services and Bike&Go Facilities booking services</u> <p>By no later than 31st December 2018, the app will be upgraded to allow passengers to access live crowding information on Passenger Services, including information relating to the crowding information on EGIP services and Alloa-Stirling-Dunblane Routes.</p>	<p>By no later than 1 month after the Franchise Commencement Date</p> <p><u>end of the second Franchisee Year to allow passengers to access Cab&Go Services and Bike&Go Facilities booking services</u></p> <p>31st December 2018 for live crowding information on EGIP services and services on the Alloa – Stirling-Dunblane</p>	£2,500/per Reporting Period	

	<p>development projects will be assessed by a panel including representatives of the Authority, Network Rail, Resource Efficient Scotland and Zero Waste Scotland.</p> <p>In addition, four initial research projects shall be carried out by the Franchisee, which are (1) the feasibility of using biobutane to resolve the cold weather operation issues for biodiesel; (2) trialling new smart meters to achieve additional benefit from filament of Automated Meter Reading system to low energy use sites; (3) finding solutions to waste issues, including behaviour change and hard to recycle waste streams; and (4) using thin film lightweight solar PV technology in areas lacking the structural strength to support traditional PV.</p>			
23.3	<p>Corporate Social Responsibility Report</p> <p>The Franchisee shall Publish a corporate and social responsibility report each Franchisee Year during the Franchise Term. The Report will show the Franchisee's progress in achieving its sustainability targets, in particular those associated with reductions in energy use, carbon and waste. The Report will be Published on the Website by no later than the end of each Franchisee Year.</p>	Per each Franchisee Year	£1000/per missed report and/or failure to Publish/per Reporting Period	
23.4	<p>Energy audit</p> <p>The Franchisee shall carry out an audit of <u>non-traction energy used by the Franchisee focussing on areas where more detailed understanding of energy use is required</u>, per Reporting Period and per location and use the <u>The results of the audit to agree baselines from which energy use per passenger kilometre shall be reduced over the Franchise Term shall be used to develop an energy efficiency investment programme which focusses on areas with the highest likely returns in terms of energy use reduction. The audit will be completed</u> on or before the end of the first Franchisee Year. The methodology for carrying out the audit shall be submitted to the Authority by no later than 4 Reporting Periods after the Franchise Commencement Date.</p>	End of first Franchisee Year	£120/per Reporting Period	
23.5	<p>Carbon and Energy Strategy</p> <p>On or before 20th September 2016, the Franchisee shall Publish a carbon and energy strategy document detailing its approach to reducing energy consumption and carbon emissions across the Franchise Services.</p>	30 th April 2017	£5,000 if strategy not Published	

23.6	<p>Reduction in fuel consumption per passenger kilometre</p> <p>The Franchisee shall achieve the reductions in diesel/electricity use per passenger kilometre (from a benchmark set on or before the Franchise Commencement Date) which are set out in the table below:</p> <table border="1" data-bbox="448 584 888 748"> <thead> <tr> <th>DATE</th><th>REDUCTION TO BE ACHIEVED (%)</th></tr> </thead> <tbody> <tr> <td>30th April 2018</td><td>1</td></tr> <tr> <td>30th April 2021</td><td>3</td></tr> <tr> <td>31st March 2025</td><td>5</td></tr> </tbody> </table> <p>The benchmark shall be calculated by: dividing the total consumed electricity and diesel (Kw/H) for traction by passenger kilometres travelled (taking into account the impact of regenerative braking).</p> <p>All numbers will be on an annual basis, and included in the Franchisee's published annual accounts from which they will be drawn for these purposes. Diesel usage will be converted to Kw/H at a rate of 11.1 Kw/H per litre of diesel.</p>	DATE	REDUCTION TO BE ACHIEVED (%)	30 th April 2018	1	30 th April 2021	3	31 st March 2025	5	End of tenth Franchisee Year	£1m lump sum if the target in 2018 is missed; £2m lump sum if the 2021 target is missed; £2m lump sum if the 2025 target is missed.	
DATE	REDUCTION TO BE ACHIEVED (%)											
30 th April 2018	1											
30 th April 2021	3											
31 st March 2025	5											
23.7	<p>Reduce non-traction energy use</p> <p>The Franchisee shall achieve the reductions in non-traction energy use (from a benchmark set on or before the Franchise Commencement Date) which are set out in the table below.</p> <table border="1" data-bbox="448 1214 877 1335"> <thead> <tr> <th>DATE</th><th>REDUCTION TO BE ACHIEVED (%)</th></tr> </thead> <tbody> <tr> <td>30th April 2018</td><td>4</td></tr> <tr> <td>30th April 2021</td><td>7</td></tr> <tr> <td>31st March 2025</td><td>10</td></tr> </tbody> </table> <p>For the purpose of this Committed Obligation, when comparing actual non-traction energy use to the benchmark:</p> <ol style="list-style-type: none"> 1) the energy usage of any New Stations, and 2) the additional energy requirements associated with any Qualifying Change, <p>shall be excluded from the usage which is compared to the benchmark.</p> <p>The benchmark usage shall be calculated by reducing the total energy consumption of the Franchisee (Kw/H) by the amount used for traction and deducting from that figure the energy consumption of the Franchisee which is subject to re-charge by the Franchisee to third parties. All numbers will be on an annual basis, and included in the Franchisee's published annual accounts from which they will be drawn for these purposes.</p>	DATE	REDUCTION TO BE ACHIEVED (%)	30 th April 2018	4	30 th April 2021	7	31 st March 2025	10	End of tenth Franchisee Year	£1m lump sum if the target in 2018 is missed; £1m lump sum if the 2021 target is missed; £1m lump sum if the 2025 target is missed.	
DATE	REDUCTION TO BE ACHIEVED (%)											
30 th April 2018	4											
30 th April 2021	7											
31 st March 2025	10											

	from... Marketing Campaign for each of the seven cities (Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling). At least £20,000 of the annual marketing budget referred to in Committed Obligation reference 20.1 above will be made available and spent this Initiative.		£20,000 to the Authority at the end of each Franchisee Year	
28.7	e-CRM and Email Marketing The Franchisee shall implement of a Customer Relationship Management platform "Right Now" or equivalent in partnership with TrainLine by no later than 31 st March 2015.	31 st March 2015	£20,000 lump sum if there is no delivery	
28.8	Tourism Manager On or before the Franchise Commencement Date, the Franchisee shall appoint a Tourism Manager who will be the main point of contact between Visit Scotland and the Scottish Tourism Industry.	Franchise Commencement Date	£100,000/ per Franchisee Year/pro-rata per Reporting Period during which the post is unfilled during any Franchisee Year	
28.9	Membership of Marketing Institutions The Franchisee shall procure that its senior marketing team will either be or become members of the Chartered Institute of Marketing (CIM) or Institute of Direct and Digital Marketing (IDM) and will complete their continuing professional development each Franchisee Year. This will be written into their personal objectives. The Franchisee shall also procure that its Head of Marketing Service becomes a member of the Market Research Society.	Franchise Commencement Date	£3,000/ per Franchisee Year	
28.10	ScotRail Club 50 Smartcard On or before the end of the first Franchisee Year, the Franchisee shall launch, promote and publicise a ScotRail Club 50 Smartcard. The Club 55 product will be retained until replaced by the Club 50 Smartcard. The Club 50 Smartcard will exceed the discounts offered on the Club 55 product by offering deeper discounts on longer distance routes in the low season. The Franchisee shall invest at least £128,000 in the first Franchisee Year for this product. The Project Manager will withdraw the existing Club55 return seasonal product by not releasing it in the fares database for the May-15 upload. Franchise Employees will be briefed three times on this	End of first Franchisee Year	£500/per Reporting Period	

	<p>change, two months, two weeks and two days prior to withdrawal.</p> <p>In association with Saga or an alternative <u>equivalent</u> organisation, the ScotRail Club50 will offer year-round member benefits. The club will engage this growing segment and be designed specifically to increase Off-Peak journeys where capacity is available, by offering members who have purchased a railcard a 10% discount on Off-Peak, Super Off-Peak and Advance Ticket fares, or a 20% discount for online sales. Annual membership will cost £15, with railcard reductions available through strategic partnerships with organisations such as the National Trust for Scotland, Historic Scotland and the Ramblers Association. Payment by direct debit will reduce annual membership to £10. The Franchisee will apply promotions and other marketing activity effectively, to stimulate use of available capacity throughout the year, using Club50 data and Saga or an <u>equivalent organisation's</u> data and expertise.</p>			
28.11	<p>ScotRail air-addon Fares</p> <p>Subject to the agreement of Logan Air, on or before the end of the first Franchisee Year, the Franchisee shall launch a one year pilot offering a fixed price product single journey anywhere across the ScotRail network of £20 to Logan Air passengers offering one day's travel on Passenger Services on the day for which their Logan Air flight ticket is valid for travel.</p> <p>If the Authority and the Franchisee agree (acting reasonably) that the Logan Air scheme is successful following a one-year pilot period, the Franchisee shall continue to offer the product to Logan Air passengers and shall use all reasonable endeavours to offer a scheme similar to the Logan Air scheme to all passengers of air operators who operate services into Scotland's airports.</p>	End of first Franchisee Year	<p>£5,000 lump sum if pilot not launched</p> <p>£1,000/per Reporting Period during which the Franchisee fails to comply with its obligation to make the scheme available.</p>	
28.12	<p>Existing Railcard Users</p> <p>The Franchisee shall retain the Highland Rail Card, and shall procure that holders will migrate to Smartcards by no later than the first anniversary of the Franchise Commencement Date. The Senior, Family & Friends, 16-25, National Entitlement Card scheme, Scottish Youth and Disabled Persons railcard shall also be retained</p>	First anniversary of Franchise Commencement Date	£1,000 lump sum	

	<p>by the Franchisee for the duration of the Franchise Period.</p> <p>Such existing railcards will all feature in our advertising, especially online and at stations. The Franchisee will support ATOC promotional campaigns and offer space at stations for relevant posters.</p>			
28.13	<p>Young Scot National Entitlement Card 18+ students</p> <p>National Entitlement Card holders will no longer require a separate Scottish Youth Railcard and will be able to enjoy discounts by showing their National Entitlement Card as they do on buses.</p>	Franchise Commencement Date	£500 per Reporting Period	
28.14	<p>Under-25s Advance Purchase Discount Product</p> <p>On or before the 30th September 2015, the Franchisee shall launch an Under-25s Advance Purchase Discount Product. The product will offer a minimum discount of 10% to individuals under the age of 25 when buying Advance Ticket products online and fulfilled by Smartmedia. Higher discounts will apply to specific campaigns to fill available longer distance capacity and periods when demand is usually low.</p>	30 th September 2015	£5,000 lump sum if product not launched	
29.1	<p>ITSO Certified Smartmedia backoffice</p> <p>On or before the 31st October 2015, the Franchisee shall upgrade its back-office information system by introducing a new ITSO version 2.1.4 HOPS.</p>	31 st October 2015	£1,000/per Reporting Period	
29.2	<p>Smartcard programme team</p> <p>By no later than the Franchise Commencement Date, the Franchisee shall appoint a Smartcard programme manager who will be responsible for the implementation of the Franchisee's Smartcard roll-out programme and shall establish a dedicated Smartcard programme team consisting of project director integration, Smartcard programme manager and a business analyst. This team will be supported by 8 workstream leaders from across the Franchisee's organisation. The post and the team will be retained by the Franchisee for at least the first two Franchisee Years.</p>	Franchise Commencement Date	£800/per Reporting Period during which the Smartcard programme manager is not in post or the Smartcard programme team is not established in accordance with the Committed Obligation.	

	Smartmedia ticket validators at Stations.			
29.8	<p>ITSO at Home Service</p> <p>On or before 31st May 2017, the Franchisee shall launch a pilot of the ITSO at Home Service. The pilot will be available to 50 holders of the ScotRail 'Club 50' Smartcard and other Smartcard product holders.</p> <p>The pilot will run for three months with holders being equipped with RTD home readers free of charge. At the end of the pilot, feedback will be captured by questionnaires and user panels. Technical data will be captured by Ecebs or an alternative organisation. Pilot results will be provided to the Authority and reviewed by 31st August 2017. If the pilot has been successful, a future operating model will be developed for approval by the Franchisee's board by 31st January 2018.</p> <p>Subject to the success of the pilot programme, the Franchisee shall make the ITSO at Home Service available to other ScotRail passengers.</p>	31 st August 2017	£1000/per Reporting Period if the pilot is not launched by 31 August 2017 and/or completed 3 months after launch (including preparation and production of reports and feedback)	
29.9	<p>Near Field Communication (NFC) phone pilot schemes</p> <p><u>Preparation for pilot:</u> From 1st June 2016 the Franchisee will begin preparations for the NFC pilot. The required software will be developed and integrated with the Franchisee's Nevis HOPS.</p> <p><u>Employee Pilot:</u> On or before 31st December 2016 <u>31st January 2017</u>, the Franchisee shall launch a 3 month NFC phone pilot to Franchise Employees.</p> <p><u>Customer Pilot:</u> On or before 31st January 20176, the Franchisee shall launch a 6 month NFC phone pilot. The scheme will allow 50 customers to download a ticket to a Smartcard from an NFC enabled mobile device issued by the Franchisee free of charge. The pilot will be limited to point to point journeys.</p> <p>Subject to the success of the pilot programme as demonstrated by the results of the pilot presented to the Franchisee's board and made available to the Authority <u>no later than 31 December 2017</u>, the Franchisee shall make the NFC service available to all ScotRail Franchise passengers by no later than <u>1st January 2018</u> the end of 2017.</p>	<p>1st June 2016</p> <p>31st December 2016 <u>January 2017</u></p> <p>30th January 20176</p> <p><u>1st January 2018</u></p>	£1,500/per Reporting Period	

	<p>other relevant property owners, on or before the end of the third Franchisee Year, the Franchisee shall install a cyclepoint at Glasgow Central station, Edinburgh Waverley station and Stirling Station.</p> <p>For the purposes of this Committed Obligation, a cyclepoint shall be defined as a cycle parking facility with a mix of free and paid for secure storage.</p>	Year	Installed/per Reporting Period																																									
30.15	<p>Bike & Go Facilities</p> <p>Subject only to the consent of Network Rail (where required) on or before the end of the second Franchisee Year, the Franchisee shall use all reasonable endeavours to introduce 'Bike & Go' Facilities in at least 10 of the stations listed below.</p> <table><tr><th>STATION</th><th>CRITERIA AND OTHER COMMENTS</th><th>STATION</th><th>CRITERIA AND OTHER COMMENTS</th></tr><tr><td>Edinburgh Waverley</td><td>Key station; also electric bikes</td><td>Ayr</td><td>Key station and employment destinations; <u>proposed active travel hub</u></td></tr><tr><td>Glasgow Central</td><td>Football and key station</td><td>Linlithgow</td><td>Key station, and hospital nearby <u>and local matched funding</u></td></tr><tr><td>Glasgow Queen Street</td><td>Football and key station</td><td>Perth</td><td>Key station</td></tr><tr><td>Paisley Gilmour Street</td><td>Football and key station</td><td>Livingston North</td><td>Employment destination: Sky-HQ at 3km <u>and local matched funding</u></td></tr><tr><td>Aberdeen</td><td>Football and key station</td><td>Edinburgh Park</td><td>Employment destination: large business estate</td></tr><tr><td>Stirling</td><td>Football, and key station <u>and cycle hub</u></td><td>Dunbar</td><td>Funding for cycle access proposed</td></tr><tr><td>Partick</td><td>Football and key station</td><td>Inverurie</td><td>Funding for modal interchange</td></tr><tr><td>Dundee</td><td>Key station, and university <u>and local support</u></td><td>Aviemore</td><td>Destination: Cairngorms; also electric bikes</td></tr><tr><td>Glasgow Cross Kilmarnock</td><td>Football and key station <u>Proposed active travel hub</u></td><td>Falkirk High</td><td>Destination for Falkirk Wheel</td></tr></table>	STATION	CRITERIA AND OTHER COMMENTS	STATION	CRITERIA AND OTHER COMMENTS	Edinburgh Waverley	Key station; also electric bikes	Ayr	Key station and employment destinations; <u>proposed active travel hub</u>	Glasgow Central	Football and key station	Linlithgow	Key station, and hospital nearby <u>and local matched funding</u>	Glasgow Queen Street	Football and key station	Perth	Key station	Paisley Gilmour Street	Football and key station	Livingston North	Employment destination: Sky-HQ at 3km <u>and local matched funding</u>	Aberdeen	Football and key station	Edinburgh Park	Employment destination: large business estate	Stirling	Football, and key station <u>and cycle hub</u>	Dunbar	Funding for cycle access proposed	Partick	Football and key station	Inverurie	Funding for modal interchange	Dundee	Key station, and university <u>and local support</u>	Aviemore	Destination: Cairngorms; also electric bikes	Glasgow Cross Kilmarnock	Football and key station <u>Proposed active travel hub</u>	Falkirk High	Destination for Falkirk Wheel	End of the second Franchisee Year	£50/per facility/per Reporting Period	
STATION	CRITERIA AND OTHER COMMENTS	STATION	CRITERIA AND OTHER COMMENTS																																									
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31.1	<p>Stakeholder Equality Group</p> <p>On or before the 31st December 2015, the Franchisee shall establish a Stakeholder Equality Group. The Stakeholder Equality Group will meet every three Reporting Periods and be comprised of key external stakeholders and will be responsible for a programme of activities to monitor the level of use on the ScotRail network by people with reduced mobility. The product of the Stakeholder Equality Group's research and monitoring activities will be fed into the Franchisee's strategy for future improvement works at Stations and on Trains.</p> <p>The Franchisee shall allocate and spend £50,000 per annum on the Stakeholder Equality Group undertaking research and commissioning mystery shopping through member organisations to monitor performance of facilities and services and undertake access audits to gain greater understanding of the numbers of disabled people and elderly people using train services in Scotland and the quality of their journey experience.</p>	31 st December 2015	£1,500/per missed meeting																	
31.2	<p>Passenger Assist</p> <p>On or before the 31st December 2017, the Franchisee shall reduce the notice period for passengers booking the Passenger Assist Service (covering all stations across the ScotRail network) to 3 hours.</p> <p>The Franchisee shall before the end of fourth anniversary of the Franchise Commencement Date procure that the said notice period is</p>	31 st December 2017 and thereafter, the fourth and sixth anniversary of Franchise Commence	£500/per Reporting Period																	

	<p>Authority within one Reporting Period of establishing/updating such Plan.</p> <p>At least £150,000 of the annual marketing budget referred to in Committed Obligation reference 20.1 above will be made available and spent on this Initiative.</p>		The Franchisee shall pay any unspent amount of the allocated £150,000 to the Authority at the end of each Franchisee Year	
32.4	<p>Additional wayfinding signage</p> <p>In addition to the commitment at Committed Obligation reference 30.4 above, the Franchisee shall spend at least £90,000 in providing improved wayfinding signage at Glasgow Queen Street and any other station impacted by the EGIP enabling works and EGIP project works being carried out at Glasgow Queen Street Station.</p>	During period which services operating from Glasgow Queen Street Station are affected by EGIP enabling works and EGIP project works	£5000/per Reporting Period	
32.5	<p>Real time data analysis</p> <p>On or before 31st January 2016, the Franchisee shall deploy the Nexus Alpha Tyrell IO-PIDD Tool (or an equivalent product with no less functionality) to improve the timeliness and quality of information provided to passengers during times of disruption.</p>	31 st January 2016	£5,000/per Reporting Period	
32.6	<p>Nexus Alpha live disruption map</p> <p>On or before 31st January 2016, the Franchisee shall develop a live disruption tool which can be accessed using the Website and Journey Companion App (as provided for in Committed Obligation reference 22.4 above).</p>	End of first Franchisee Year	£100,000 lump sum if not delivered	
32.7	<p>Additional Interchange facilities</p> <p>On or before the 31st July 2015, Franchisee shall spend at least £70,000 in installing an additional</p>	31 st July 2015	The Franchisee shall pay any unspent amount	2.4

	shelter at Springburn Hamilton Central Station, and a new bus shelter at Ashfield Station.		of the allocated £90,000 to the Authority at the end of each Franchisee Year									
33.1	<p>EGIP marketing activities</p> <p>From the Franchise Commencement Date the Franchisee shall allocate the following funds (from the annual marketing budget as provided for in Committed Obligation reference 20.1 above) to be spent on marketing activities relating to EGIP marketing activities only in accordance with the table provided below:-</p> <table border="1"> <thead> <tr> <th>PERIOD</th><th>MINIMUM SPEND PER PERIOD (£)</th></tr> </thead> <tbody> <tr> <td>2015 - 2017 (Franchisee Years 1 - 3)</td><td>700,000</td></tr> <tr> <td>2018 - 2022 (Franchisee Years 4 - 7)</td><td>1,105,000</td></tr> <tr> <td>2022 - 2024 (Franchisee Years 8 - 10)</td><td>765,000</td></tr> </tbody> </table>	PERIOD	MINIMUM SPEND PER PERIOD (£)	2015 - 2017 (Franchisee Years 1 - 3)	700,000	2018 - 2022 (Franchisee Years 4 - 7)	1,105,000	2022 - 2024 (Franchisee Years 8 - 10)	765,000	Franchise Commencement Date	The Franchisee shall pay any unspent amount of the allocated amounts per Franchisee Year as specified in the Committed Obligation to the Authority at the end of each Franchisee Year	2.4
PERIOD	MINIMUM SPEND PER PERIOD (£)											
2015 - 2017 (Franchisee Years 1 - 3)	700,000											
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34.1	<p>Inter-city marketing activities</p> <p>The Franchisee shall allocate the following funds (from their annual marketing budget as provided for in Committed Obligation reference 20.1 above) to be spent on marketing activities relating to the Inter-city Routes in accordance with the table provided below:-</p> <table border="1"> <thead> <tr> <th>PERIOD</th><th>MINIMUM SPEND PER PERIOD (£)</th></tr> </thead> <tbody> <tr> <td>2015 - 2017 (Franchisee Years 1 - 3)</td><td>2,253,000</td></tr> <tr> <td>2018-2021 (Franchisee Years 4 - 7)</td><td>3,400,000</td></tr> <tr> <td>2022-2024 (Franchisee Years 8 - 10)</td><td>2,550,000</td></tr> </tbody> </table>	PERIOD	MINIMUM SPEND PER PERIOD (£)	2015 - 2017 (Franchisee Years 1 - 3)	2,253,000	2018-2021 (Franchisee Years 4 - 7)	3,400,000	2022-2024 (Franchisee Years 8 - 10)	2,550,000	From Franchise Commencement Date	The Franchisee shall pay any unspent amount of the allocated amounts per Franchisee Year as specified in the Committed Obligation to the Authority at the end of each Franchisee Year	2.4
PERIOD	MINIMUM SPEND PER PERIOD (£)											
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2022-2024 (Franchisee Years 8 - 10)	2,550,000											
34.2	<p>Improved catering facilities</p> <p>On or before the 31st December 2018, the Franchisee shall ensure that catering facilities are available on all rolling stock deployed on Inter-city Routes. The Franchisee shall install a catering</p>	31 st December 2018	£850/per Reporting Period	2.3								

	<p>area located between First and Standard featuring a service hatch, coffee machine, combination oven, refrigeration, water boiler, preparation surfaces and product storage to support the at-seat trolley services. The Franchisee shall also provide new at-seat on board catering equipment to enable food and drink products to be merchandised more effectively. The Franchisee shall provide flexible service equipment such as host trays.</p> <p>The Franchisee shall procure that an improved complimentary food and drink offer is offered to First Class customers (both on-train and at station-based ToGo Kiosk on production of their tickets). In addition to the at-seat service within First Class, the Franchisee shall also procure that customers are provided with a self-service area where they can help themselves to more drinks and snacks.</p> <p>The Franchisee shall procure that the onboard food and drink range will feature some of Scotland's best brands and where practicable, will be sourced from local suppliers. Products will be selected on the basis that they come from ethical and sustainable supply sources, and that associated packaging can be minimised and recycled. The Franchisee shall also help to promote Scotland's food and drink industry nationally by producing guides and joint-marketing offers.</p>			
34.3	<p>Steam Tourist Services</p> <p>The Franchisee shall conduct a two year pilot of the Steam Tourist Services. For the purposes of the pilot, at least four Steam Tourist Services will be operated between the months of April and September in each of the first Two Franchisee years. At least one Steam Tourist Service will be operated in each such the first Franchisee Year on each of Routes B2, B3 and B4. <u>At least two Steam Tourist Services will be operated in the first Franchisee Year on Route A3. In the Second Franchisee Year, the Franchisee shall operate at least one Steam Tourist Service on each of Routes B2, B3, B4 and C4.</u></p> <p>The Franchisee shall procure that at least one Steam Tourist Service will be operated on Route C4 from the date of opening of the Borders Railway.</p>	<p>Franchise Commence ment Date</p> <p>Date of opening of Borders Railway</p>	£25,000/ per Steam Tourist Service not operated	
34.4	<p>Scenic Railways of Scotland Voucher Book</p> <p>The Franchisee shall launch a Scenic Railways of</p>	From the beginning	£1,000/ per Reporting	

<p>'All Sectors' Journey Time Metric meet or exceed the following targets:</p>			
WHOLE SCOTRAIL	DEC 146	DEC 156	DEC 167
	1.63648	1.63344	1.629
WHOLE SCOTRAIL	DEC 176	DEC 186	DEC 1920
	1.62204	1.60802	1.58700
WHOLE SCOTRAIL	DEC 204	DEC 213	DEC 223
	1.58407	1.58286	1.58102
WHOLE SCOTRAIL	DEC 234	DEC 24	
	1.5780	1.576	

<p>the targets shown for each year from the December Passenger Change Date according to the Published timetable on the first day of each Reporting Period</p>

Note: Column 2 (Summary Description) in the Table should be read in conjunction with the relevant Committed Obligation in Part 1 (*Franchisee's Committee Obligations*) to this Schedule 1.6 set out at the paragraph specified in column 1 (Reference). In the event of any conflict between Column 2 and the description of the Committed Obligation in Part 1 (*Franchisee's Committee Obligations*) to this Schedule 1.6, the latter shall prevail.

3. Waiver of Payments under this Part 3

- 3.1 The Authority may at its reasonable discretion decide to waive its rights to receive any payments payable in respect of a late, partial or non-delivery of any Committed Obligations.
- 3.2 In deciding whether to waive such rights the Authority may, but shall not be obliged to, take into consideration the circumstances under which the late, partial or non-delivery arose.

SCHEDULE 1.7

**THIS IS SCHEDULE 1.7 REFERRED TO IN THE FOREGOING FRANCHISE AGREEMENT
BETWEEN THE AUTHORITY AND ABELLIO SCOTRAIL LIMITED**

Franchise Services

1. Franchise Services

The Franchisee may at all times during the Franchise Term provide and operate the Franchise Services specified in this Schedule 1.7 and the Passenger Services.

2. Restrictions relative to Franchise Services

2.1 The Franchisee shall not directly or indirectly, without the prior written consent of the Authority, carry on any business or activity other than the provision and operation of the Franchise Services.

2.2 Such consent shall not be unreasonably withheld where the other business or activity proposed to be carried on by the Franchisee could not reasonably be so carried on by an Affiliate of the Franchisee unless, in the Authority's reasonable opinion such additional business or activity:

(a) might prejudice the continuity of the provision of the Franchise Services by a Successor Operator at the end of the Franchise Term; or

(b) might result in additional liabilities and obligations being assumed by such a Successor Operator.

2.3 The Authority may impose such conditions to its consent as it considers appropriate for the purpose of securing the continuity of the provision of the Franchise Services at the end of the Franchise Term.

2.4 The Franchisee shall not during the Franchise Term, without the consent of the Authority:

(a) provide or operate any railway passenger services other than the Passenger Services or Charter Services;

(b) operate any stations or light maintenance depots, other than the Stations and the Depots; or

(c) hold shares, participations or any other interest in any other company or body corporate unless such company or body corporate is:-

(i) Network Rail; or

(ii) owned directly or indirectly by another participant in the railway industry and the holding is incidental to the Franchisee's participation in an Inter-Operator Scheme or any other arrangement designed to ensure or facilitate co-operation between such participants or between any such participants and any other person.

2.5 The Franchisee shall not engage any Franchise Employee in any activity or business which it may not conduct or engage in under this paragraph 2.

Part 3 – Journey Time Metric

16. In this Part 3 of Schedule 7.2:

16.1 "Journey Time" means in each Timetable and for each Sector the total planned train journey time of all Passenger Services (expressed in minutes) divided by the total planned journey distances (expressed in miles). Planned train journey times shall be rounded up to the next minute if the Franchisee's operational policy or practise is to close train doors 31 seconds or more before departure. For Passenger Services which cross Edinburgh Waverley, Glasgow Central Low Level, Glasgow Queen Street low level or Aberdeen the dwell time at those stations shall be disregarded for the purposes of Journey Time calculations.

16.2 "Journey Time Metric" means subject to paragraphs 17.2 and 17.3 the minutes per mile figure specified for a Sector in the following table

	Sector	All Sectors	Express (E&G)	Express (Other)	Suburban West Off Peak	Suburban West Peak	Suburban East	Rural
1	Minutes per Mile From December 2014	1.636	1.098	1.166	1.899	1.988	1.707	1.491
24	Minutes per Mile From December 2015	1.63348	1.09858	1.1647	1.90530	1.9922052	1.64786	1.490613
32	Minutes per Mile From December 2016	1.62944	1.09858	1.1647	1.90530	1.9922052	1.64786	1.490613
43	Minutes per Mile From December 2017	1.62237	0.96431	1.1658	1.90227	2.03091	1.64179	1.488611
54	Minutes per Mile From December 2018	1.604589	0.96532	1.1514	1.87499	1.9852046	1.633598	1.486609
55	Minutes per Mile	1.587602	0.96532	1.1514	1.87499	2.0461985	1.633596	1.600486

	From December 2019							
76	Minutes per Mile	1.58499	0.96532	1.1514	1.87499	2.0451985	1.596633	1.509486
	From December 2020							
87	Minutes per Mile	1.58297	0.96532	1.1514	1.87499	1.9852.046	1.596633	1.486509
	From December 2021							
98	Minutes per Mile	1.58195	0.96532	1.1514	1.87499	1.9852.046	1.596633	1.486509
	From December 2022							
109	Minutes per Mile	1.57892	0.96532	1.1514	1.87499	1.9852.046	1.596633	1.486509
	From December 2023							
110	Minutes per Mile	1.57690	0.96532	1.1514	1.87499	2.0461.985	1.596633	1.486509
	From December 2024							

17. Annual adjustment

- 17.1 The Franchisee shall review the Journey Time of Passenger Services in each Sector and all Sectors against the Journey Time Metric for that Sector and all Sectors at least once every Franchisee Year and shall make the results of such review available to the Authority at the next Franchise Performance Meeting;
- 17.2 The Journey Time shall be calculated annually in accordance with the Practitioners Guide on the Principal Change Date. In the event that on a Principal Change Date the Journey Time for a Sector or Sectors has changed from the figure specified within the above table and that change is due:
- (a) to a Network Change that has been funded (in whole or in part) by the Authority or Network Rail then, except where otherwise agreed with the Authority in advance of the occurrence of the Network Change, the Journey Time calculation for that Sector or Sectors shall

be the Journey Time Metric applicable from that Principal Change Date; or

- (b) In part to a Network Change that has been funded (in whole or in part) by the Authority or Network Rail and in part due to other factors then, except where otherwise agreed with the Authority in advance of the occurrence of the Network Change, the Journey Time calculation for that Sector Or Sectors shall not take account of such other factors and the resulting figures shall be the Journey Time Metric applicable from that Principal Change Date.

17.3 The Journey Time shall be calculated in accordance with the Practitioners Guide for the 2014 Principal Change Date ("the 2014 Journey Time"). In the event that the 2014 Journey Time for a Sector or Sectors is lower than any of the figures specified within above table the Journey Time calculation for that Sector or Sectors shall be the Journey Time Metric applicable from the 2014 Principal Change Date.

18. The Franchisee shall use best endeavours to ensure that the Journey Time is equal to or lower than the Journey Time Metric in each Sector in every Timetable throughout the Franchise Term.

19. The Franchisee's performance against the Journey Time Metric will be a consideration of the Authority in determining whether the Authority's stated policy objectives have been delivered through the Franchise Services.

SCHEDULE 8.4

THIS IS SCHEDULE 8.4 REFERRED TO IN THE FOREGOING FRANCHISE AGREEMENT BETWEEN THE AUTHORITY AND ABELLIO SCOTRAIL LIMITED

Track Access Adjustments and Station Charge Adjustments

1. Track Access Adjustments

1.1 The Track Access Adjustment to be made in respect of any Reporting Period shall be determined in accordance with the following formula:

$$TAA = L \times \frac{RPD}{FYD}$$

where:

TAA means the Track Access Adjustment to be made in that Reporting Period;

L is the value of "L" for the Franchisee Year in which the Reporting Period falls under Part 3 of Schedule 7 of the Track Access Agreement;

RPD means the number of days in that Reporting Period; and

FYD means the number of days in the Franchisee Year in which that Reporting Period falls, except that, where a Reporting Period falls during two Franchisee Years, TAA shall be determined as if the references to Reporting Period were to each of the two periods within such Reporting Period which fall wholly within one of such Franchisee Years and the Track Access Adjustment to be made in that Reporting Period shall reflect the sum of TAA as determined for each such period.

1.2 The Franchisee shall notify the Authority upon becoming aware that any Track Access Adjustment is to be made and shall supply such information as the Authority may require in relation thereto. The Franchisee shall exercise its rights under the Track Access Agreement in such manner and take such other action as the Authority may reasonably require in connection with any related payment thereunder (including in relation to any agreement of the amount of any such payment and including submitting any relevant dispute to any relevant dispute resolution procedures). The Franchisee shall not, without the consent of the Authority, agree or propose to agree a value for "L" under Part 3 or 4 of Schedule 7 of the Track Access Agreement.

1.3 The Franchisee shall provide such evidence of payment as the Authority may require (including any certificates) for the purpose of determining the value of L under paragraph 1.1.

1.4 If no value is ascertained for L prior to the date on which the Franchise Payment for the relevant Reporting Period is determined, then a Track Access Adjustment shall only be determined to the extent such value can be ascertained at such time and, when such value is subsequently ascertained, adjustment shall be made to reflect the full Track Access Adjustment for such Reporting Period.

1.5 The value of L when used in the computation in paragraph 1.1 shall be taken to exclude any input Value Added Tax which is recoverable in respect of the payments they represent by the Franchisee under Sections 24 to 26 of the Value Added Tax Act 1994.

1.6 References in this paragraph 1 to "L" and Parts 3 and 4 of Schedule 7 of the Track Access Agreement shall be deemed also to be references to such other provisions, and such other algebra under any such other provisions, of any Track Access Agreement as the Authority may reasonably consider have an equivalent effect, or are intended to fulfil the same function, as "L" and Parts 3 and 4 of Schedule 7 of the Track Access Agreement to which the Franchisee is a party on the Franchise Commencement Date.

2. Station Charge Adjustment

2.1 The Station Charge Adjustment to be made in respect of any Reporting Period shall be the aggregate of the Individual Station Charge Adjustments as determined in accordance with the following formula for each Station and each other station at which the Passenger Services call:

- (b) the Authority reasonably determines that the Change is likely to be a Qualifying Change,

then the Authority shall notify to the Franchisee a reasonable estimate of:

- (i) the amounts of Target Revenue specified for each Franchisee Year in Appendix 1 (*Target Revenue*) to Schedule 8.2 (*Annual Franchise Payments*); and
- (ii) the values of FXD, VCRPI, VCAWE, PRPI and TRRPI specified for each Franchisee Year in Appendix 2 (*Figures for Calculation of Annual Franchise Payments*) to Schedule 8.2,

which a Run of the Financial Model using the Authority's view of Revised Inputs and any Model Changes would produce (*Estimated Revisions*).

3.2 In the circumstances described in paragraph 3.1:

- (a) the amounts of Target Revenue specified for each Franchisee Year in Appendix 1 (*Target Review*) to Schedule 8.2 (*Annual Franchise Payments*); and
- (b) the values of FXD, VCRPI, VCAWE, PRPI and TRRPI specified for each Franchisee Year in Appendix 2 to Schedule 8.2,

shall be restated in the amounts and values of the Estimated Revisions, and Franchise Payments shall be paid accordingly until the Run of the Financial Model has taken place and its results have been put into effect.

- 3.3 The Authority shall use all reasonable endeavours to provide the notification required by paragraph 3.1 at least 2 Reporting Periods before it considers the Change is likely to occur. If, having exercised all reasonable endeavours, the Authority cannot provide 2 Reporting Periods' notice, it shall provide such notification as soon as reasonably practicable afterwards.

4. **Changes Beneath Threshold Amount**

- 4.1 Paragraph 24 shall also apply to any 2 or more Changes of which the Franchisee is notified of or of which it becomes aware in any Franchisee Year which do not exceed the Threshold Amount taken alone but which do exceed it when taken together.
- 4.2 If either party wishes to be able to claim an adjustment pursuant to paragraph 4.1 as and when the cumulative Threshold Amount (being the cumulo amount of all Changes during the Franchisee Year) is exceeded, such party shall notify the other parties after the individual Change occurs within the time limit prescribed in paragraph 5.1(b)(iii) that such party reserves its rights to accumulate that Change with others pursuant to paragraph 4.1.

5. **Time Limits**

- 5.1 Either party may require there to be a Run of the Financial Model in respect of a Change provided that:
 - (a) there are good reasons for considering that a Change is likely to be a Qualifying Change; and

- (b) that party notifies the other parties of its requirement within 6 months of:
 - (i) the notification or agreement of any Change that is a Variation pursuant to paragraph 12.1;
 - (ii) becoming aware of any other Change; or
 - (iii) where the claim is pursuant to paragraph 4.1, the occurrence of the last Qualifying Change.

5.2 Unless otherwise agreed by the Authority and the Franchisee, there shall be no entitlement to a Run of the Financial Model unless the Authority or the Franchisee (as the case may be) has notified the other within the 6 month period referred to in paragraph 5.1.

6. Specific Changes

Where an example of Change in the definition of Change in the Definitions Agreement contains wording that qualifies in some way the extent of a Change or the financial consequences of the Change, any restatement referred to in paragraph 2.1, the estimate referred to in paragraph 3.1 or the Revised Inputs, as the case may be, in respect of such a Change is to reflect those qualifications.

7. Capital Expenditure

Capital Expenditure Threshold

7.1 The Franchisee shall notify the Authority promptly if it reasonably expects that a Change to which paragraph 1 relates would require it to incur, singly or in aggregate with other Changes from time to time, Capital Expenditure in excess of 1 per cent of its annual Turnover in any Franchisee Year as disclosed by its latest available audited accounts and, when so notified, the Authority shall either:

- (a) withdraw the Change;
- (b) undertake to meet the excess through additional funding as and when such Capital Expenditure is incurred; or
- (c) direct the Franchisee to use all reasonable endeavours to borrow or otherwise raise the money required to fund any Change on commercial terms and at rates which are consistent with market conditions at the time, unless borrowing or otherwise raising such money would result in the Franchisee failing to comply with the financial covenants contained in Schedule 12 (*Financial Obligations and Undertakings*).

Method of Additional Funding

7.2 The additional funding referred to in paragraph 7.1(b) may be provided by increased Franchise Payments as and when required and the Authority may procure such additional funding rather than undertaking to meet it itself.

Franchisee to Seek Finance

- 6.1 ~~Within six months of the Franchise Commencement Date~~ By no later than 31st December 2015, new ScotRail Franchise uniforms shall be provided to all staff of the Franchisee who are expected to wear a uniform; and
- 6.2 The Franchisee shall enforce the wearing of a complete ScotRail Franchise branded uniform by all of the Franchisee's staff members who are expected to wear a uniform.

8. Ticket Sales Training

The Franchisee shall ensure that all of the Franchisee's staff with ticket sales duties shall undergo a formal company induction and a ticket sales training course covering customer service and sales skills, fares, timetables and product knowledge, relevant ticket issuing, reservations and information systems and relevant national and company standards, procedures, publications, conditions of carriage, routing guides and other relevant schemes. Training and progress of staff shall be monitored throughout the Franchise Term by nominated mentors within each Service Group.

9. Staff Travel

- 9.1 Notwithstanding any other terms of this Agreement, the Franchisee shall ensure that employees of the Franchisee who were employees of the Outgoing Franchisee and all other employees of the Outgoing Franchisee (including those employed as of the Franchise Commencement Date by the Caledonian Sleeper Franchisee) shall retain the same entitlement to purchase a Fare for use on any Passenger Service on the same terms, conditions and subject to same restrictions and rights of variation as such persons enjoyed whilst employed by the Outgoing Franchisee in relation to the Previous Franchise Agreement as at the day prior to the Franchise Commencement Date for the avoidance of doubt, insofar as these entitlements are derived from the participation by the Franchisee in, or observance or implementation of, the ATOC Staff Travel Scheme, this entitlement shall be to the benefit of that scheme and the terms and conditions of the same as the same shall be formulated and implemented by the Franchisee from time to time, including as to the benefits enjoyed by employees and others and restrictions imposed upon the same, (and that subject always to any agreements between employers and employee representatives with respect to the same).
- 9.2 Subject to the terms of paragraph 9.1, the Franchisee shall not be required to provide free travel to railway staff except for those staff whose concessionary travel provision is protected at such a level by the Act.

10. Where the Franchisee's plans in pursuit of efficient and sustainable Franchise Services are best achieved by utilising lower numbers of staff in particular areas or functions the Franchisee shall: -

- 10.1 seek to redeploy displaced staff to other areas of and functions delivering the Franchise Services;
- 10.2 assist affected staff by, including but not limited to, working with local colleges, Skills Development Scotland and other training providers to offer retraining to staff to improve such staff members redeployment opportunities;
- 10.3 communicate and work with Network Rail and other rail industry companies such as train manufacturers, maintainers and others providing supplies and services to identify and provide assistance and information to staff who are interested in employment opportunities within such entities;
- 10.4 operate a voluntary scheme providing enhanced severance payments to Franchise Employees who want to leave the employ of the Franchisee; and
- 10.5 not make any compulsory redundancies.

11. Living Wage

11.1 The Franchisee shall:

- (a) ensure that all employees of the Franchisee who as at the Franchise Commencement Date are paid at least the Living Wage continue to be paid at least the Living Wage;
- (b) without prejudice to paragraph 11.1(a) ensure that by no later than three months after the Franchise Commencement Date all employees of the Franchisee from time to time are paid at least the Living Wage;
- (c) by no later than the end of the first Franchisee Year, use reasonable endeavours to procure that all other Franchise Employees are paid at least the Living Wage;
- (ed) by no later than the end of the first Franchisee Year, use reasonable endeavours to procure that all employees in the United Kingdom of subcontractors and suppliers to the Franchisee are paid at least the Living Wage; and
- (ed) ensure that from the date of this Agreement the requirement to pay all employees in the United Kingdom at least the Living Wage is included in all procurements undertaken by or on behalf of the Franchisee and is included in all sub-contracts and supply contracts entered into by the Franchisee.

11.2 In paragraph 11.1, "Living Wage" means the amount of remuneration with that name calculated and set annually as relevant to Scotland by the Centre for Research in Social Policy at Loughborough University, or such alternative amount of remuneration as is required to cover the basic cost of living in Scotland as may be proposed by the Franchisee to the Authority for its approval.

12 New UK Headquarters and facilities for senior directors

12.1 The Franchisee shall establish its headquarters ("Abellio HQ") as the main headquarters for Abellio Transport Holdings Limited. The Abellio HQ will be established in Glasgow on or before the Franchise Commencement Date and retained throughout the Franchise Term. The Abellio HQ shall:

- (a) include permanent office space for (i) the Chief Executive Officer, the Group Strategy Director and the Group Finance Director (or any equivalent successor director level posts) of Abellio Transport Holding BV and (ii) the Managing Director of Abellio Transport Holdings Limited and all his or her direct reports at director level and the Finance Director of Abellio Transport Holdings Limited (together, the "Abellio Group Directors");
- (b) be attended by some or all of the Abellio Group Directors no less frequently than weekly throughout the Franchise Term;
- (c) host (or arrange at another venue in Scotland) in each Franchisee Year the Abellio Transport Holdings Limited annual leadership conference and achievement award ceremony, with around 150 attendees; and
- (d) as soon as practicable, but in any event no later than the end of the first Franchisee Year, host the senior posts in relation to the IT, HR and procurement functions of Abellio Transport Holdings Limited.

12.2 At Abellio HQ or another location in Glasgow agreed with Network Rail, the Franchisee will arrange for office space for a total of 12 to 14 executive team members comprising the Franchisee's ScotRail executive team and the Network Rail executive team with responsibility for the railways in Scotland.

12.3 The Franchisee shall procure that Abellio Transport Holding BV incorporates a new subsidiary company registered in Scotland (the "New Scottish Group Company"). The New Scottish Group Company will have its registered office at the Abellio HQ and have the name Abellio Transport Group Limited. The Franchisee shall procure that the New Scottish Group Company will become:

- (a) by the Franchise Commencement Date, the immediate holding company of the Franchisee;
- (b) from the date of their establishment, the immediate holding company of any new subsidiaries established by Abellio Transport Holding BV for the purpose of running new transport operations in the United Kingdom; and
- (c) by the Franchise Commencement Date subject to the consent of any third party whose consent is required (the Franchisee shall use reasonable endeavours to obtain the same), and there being no material charge to tax on the transaction, the immediate holding company of Abellio Transport Holdings Limited (or in the event that the consent of such a third party cannot be obtained or there being a material charge to tax on such transaction such of the subsidiaries of Abellio Transport Holdings Limited which can be transferred without such a consent and without such a material charge to tax).

SCHEDULE 13.6

THIS IS SCHEDULE 13.6 REFERRED TO IN THE FOREGOING FRANCHISE AGREEMENT BETWEEN THE AUTHORITY AND ABELLIO SCOTRAIL LIMITED

Integration

1. PlusBus

- 1.1 The Franchisee shall continue existing PlusBus arrangements relevant to the Franchise Services in Aberdeen, Ayr, Bathgate, Cowdenbeath, Dumfries, Dundee, Dunfermline, Edinburgh, Elgin, Falkirk (High and Grahamston), Fort William, Glasgow (Queen Street and Central), Inverness, Kilmarnock, Kirkcaldy, Larbert, Linlithgow, Livingston North, Perth and Stirling, as taken over at the Franchise Commencement Date.
- 1.2 The Franchisee shall seek to extend those arrangements in paragraph 1.2-1 from the first anniversary of the Franchise Commencement Date to other areas served by the Franchise Services where the relevant bus operator is an Affiliate of the Franchisee.
- 1.3 The Franchisee shall seek to extend the arrangements in paragraph 1.2-1 from the first anniversary of the Franchise Commencement Date to other areas served by the Franchise Services where the relevant bus operator is other than an Affiliate of the Franchisee.
- 1.4 The obligations of the Franchisee under paragraphs 1.2 and 1.3 are subject:
 - (a) to the relevant scheme being compliant with competition law and any undertakings or similar obligations in relation to competition law which may apply to the Parent or its Affiliates in relation to the conduct of their business in Scotland;
 - (b) to agreement being able to be reached or maintained with the relevant bus operator; and
 - (c) to the relevant scheme not requiring the Franchisee to fund or cross-subsidise the relevant bus operator.
- 1.5 The Franchisee's obligations under paragraph 1.1 to 1.4 are to co-operate with the relevant bus operator in the provision of the PlusBus service by that operator.

2. Transport Integration Group etc

- 2.1 As part of its commitment to work with the Authority and other Stakeholders, the Franchisee shall continue to lead the Transport Integration Group ("TIG") or such other group as the Authority shall require for the purposes of improving integration in transport within Scotland. The TIG shall be open to other transport operators. The Franchisee shall work diligently to have other transport operators join the TIG. The Franchisee's representative at the TIG shall be the Transport Integration Manager. The Transport Integration Manager shall report to the Commercial Director of the Franchisee and have access to specialists within the Franchisee's group including advisers on other modes of transport, marketing, and fares and ticketing experts.
- 2.2 The Authority shall prioritise the work of the TIG in consultation with the key Stakeholders.
- 2.3 Subject to the prioritisation referred to in paragraph 2.2 the TIG shall address the following:

APPENDIX TO SCHEDULE 13.7

Related Party Contracts

Part 1 – List of Related Party Contracts

	Contract title	Counterparty
1	Station property rental - Kiosks	NS Stations
2	Traincrew hire (Dumfries-Carlisle)	Northern Rail
3	Train hire (Dumfries-Carlisle)	Northern Rail
4	Train cleaning/stabling	Northern Rail
5	Fuelling	Northern Rail
6	Rail replacement buses	Abellio London
7	Glasgow Queen St – Glasgow Central shuttle bus	Abellio London
8	Catering consultancy	NS
9	TIG Integration Manager secondment	NS
10	Bike&Go	Mersevrail

Part 2 – Related Party Contracts Table

Franchisee Year	Level
Year 1	5,386,058
Year 2	5,712,058
Year 3	4,280,058
Year 4	4,152,058
Year 5	4,152,058
Year 6	4,152,058
Year 7	4,152,058
Year 8 (Ext1)	2,242,111
Year 8	4,152,058
Year 9	4,152,058
Year 10	4,152,058
Year 11 (Ext2)	4,152,058
Year 12 (Ext2)	4,152,058

**This is APPENDIX TWO referred to in the foregoing Amendment Agreement relating to the ScotRail
Definitions Agreement between the Scottish Ministers and Abellio ScotRail Limited**

Possessions Strategy Notice has the meaning given to it in the Network Code;

Power of Attorney means the power of attorney in favour of the Authority to be executed and delivered by the Franchisee in the agreed terms and marked ***POA***;

PPM means the public performance measure being the measure of the number of Passenger Services (expressed as a percentage of the number of Passenger Services which are scheduled to be provided under the Applicable Timetable) which arrive punctually at their final scheduled designation in the Applicable Timetable measured on the basis that:

- (a) for this purpose “punctually” means within 5 minutes of the scheduled public arrival time at destination as shown in the Applicable Timetable;
- (b) any train which is a Cancellation or Partial Cancellation as measured by reference to the Applicable Timetable will be regarded as not arriving punctually;

PPM Benchmark means any of the performance levels in respect of PPM set out in the PPM Benchmark Tables;

PPM Benchmark Tables means the tables set out in Appendix 3 (***PPM Benchmark Tables***) to Schedule 7.1 (***Train Operating Performance***);

Practitioners Guide means the guide for calculation of Journey Time in the Agreed Form marked ***PG***;

Preceding Year Ticket Price has the meaning given to it in paragraphs 2.1 and 2.3 of Schedule 5.5 (***Regulation of Individual Fares***);

Previous Franchise Agreement means any franchise agreement which terminated on or about the day prior to the Franchise Commencement Date under which services equivalent to the Franchise Services (or a material proportion thereof) were provided by a Train Operator;

Price means, in respect of any Fare, the price of such Fare before the deduction of any applicable discount to which a purchaser may be entitled, as notified to RSP in accordance with Schedule 5 to the Ticketing and Settlement Agreement;

Priced Option means any of the options set out in Schedule 3 (***Priced Options***);

Primary Franchise Assets means:

- (a) the property, rights and liabilities of the Franchisee listed in the Appendix (***List of Primary Assets***) to Schedule 14.4 (***Designation of Franchise Assets***); and

