

Schedule 9.1 - Variations and Financial Consequences of Change			
Date	Reason	Clauses	End Date
24 September 2019	Creation of a Priced Option	Schedule 9.1 Paragraph 1.1 Paragraph 4.1	N/A
<p><b>FRANCHISE VARIATION - – CLASS 153 ACTIVE TRAVEL CARRIAGES</b></p> <p>This is a notice under the terms of Schedule 9.1, Variations and Financial Consequences of Change, paragraph 1.1 (a) of the Franchise Agreement between the Scottish Ministers and Abellio ScotRail LTD (“ScotRail”) dated 7 and 18 October 2014 (“the Franchise Agreement”) to vary the ScotRail Franchise to include a new Priced Option for the leasing and operation of 5 additional class 153 DMUs (“the Units”) to provide additional capacity for West Highland Line services.</p> <p>Both Transport Scotland and Abellio ScotRail have agreed to the proposed changes.</p> <p>For the avoidance of doubt, the prices specified are fixed and shall be the only additional sums to the Franchise subsidy incurred by the Authority in respect of this Change.</p> <p>In accordance with the Franchise Agreement, Schedule 9.1 Clause 4.1, the Authority notifies the Franchisee that this Change could potentially exceed the Threshold amount (£636,018) either alone, or when taken together with any future Change, resulting in a Qualifying Change. The parties agree that no Run of the Financial Model will be required in respect of this Change alone in view of the pricing arrangements agreed herein.</p> <p>The Priced Option created by this notice is hereby called off with immediate effect.</p> <p><b>Specification</b></p> <p>The Franchisee entered into a Lease for the Vehicles with the Lessor in June 2018.</p> <p>The Vehicles will be subject to a refurbishment programme to deliver an agreed specification which is suitable for active travel purposes, as further detailed in the Letter of Intent. The scope for the refurbishment of the units shall include the following:</p> <ul style="list-style-type: none"> <li>• All necessary works to make the Vehicles compliant with TSI-PRM standards.</li> <li>• Storage for 20 bicycle spaces</li> <li>• 24 standard class seats</li> <li>• Capacity for a limited number of non-standard bicycles (tandems, e-bikes)</li> <li>• Additional storage capacity for outdoor equipment</li> <li>• Fitment of standard toilet and CET tank</li> <li>• Fitment of audio and visual passenger information systems</li> <li>• Interior refresh in line with brand guidelines and PRM requirements</li> <li>• On train WI-FI</li> <li>• At seat power</li> <li>• Unique exterior livery and branding, complementary to the Scenic Railway brand</li> </ul> <p>The Franchisee shall use all reasonable endeavours to introduce the Units into service by the following dates:</p>			

Unit 1	17 <sup>th</sup> May 2020
Unit 2	17 <sup>th</sup> May 2020
Unit 3	17 <sup>th</sup> May 2020
Unit 4	13 <sup>th</sup> December 2020
Unit 5	13 <sup>th</sup> December 2020

It is noted for the avoidance of doubt that key dependencies for achieving the above dates include:-

- Supply chain capability to deliver the refurbishment works to plan (with current forecasts projecting that the first Unit will be outputted in March, there is very little contingency within the programme); and
- Completion of all required route clearance works by Network Rail, noting that ScotRail has recently notified Transport Scotland of a potential nationwide issue with 153 gauging. Implications of this issue are still being assessed and ScotRail will provide Transport Scotland with updates as soon as they become available.

The Franchisee shall deploy the Vehicles to provide a minimum of:

- From May timetable change 2020: Two existing return services between Glasgow Queen Street and Oban to be strengthened with the addition of one class 153 carriage. The additional carriages to be allocated to those available within the capacity of the existing timetable.
- From December timetable change 2020: Two existing return services between Glasgow Queen Street and Oban and one existing return services between Glasgow Queen Street and Fort William to be strengthened with the addition of one class 153 carriage.

### **Timescale for implementing Priced Option**

To be commenced no later than 1 July 2019, with Units deployed as agreed with the Authority at the May 2020 and December 2020 passenger timetable change dates. However, it is intended the soft launch of the service will start in March 2020 with a view to refine the plan for a formal launch from May 2020 timetable change.

### **Other effects on this Agreement**

Last date for exercising the Priced Option

The existing entry for class 153 in Train Fleet Table 1 should be amended as follows:

	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
153	1	0	0	0	5	5	5	5	5	5	5	5	Angel trains	31.03.2025

For Train Fleet Table 5 in Appendix 1 to Schedule 1.1, it is agreed that the number of Fleet Allocated Passenger Services for the 153 fleet shall be amended to 2 with effect from the May 2020 timetable change date and 4 from the December 2020 timetable change date.

Priced Option has already been exercised.