

**This and the following 13 pages comprise Schedule 13 referred to in the foregoing Contract between the Scottish Ministers and Serco Ltd.**

## **SCHEDULE 13 – PERFORMANCE REGIME**

### **PART 1: MONITORING PROCEDURES**

#### **1. Performance of the Services – Reporting Requirements**

1.1. The Operator must provide reports to Transport Scotland as follows:

1.1.1. Weekly Reports (with carryings data and appropriate statistics regarding the Punctuality/Reliability of Sailings) to inform Operation Issues Review meetings.

1.1.2. Monthly Reports on service level information detailed below:

1.1.2.1. Performance Measures for Reliability, Punctuality and any Performance Deductions;

1.1.2.2. Performance Measures for Compliance;

1.1.2.3. Performance Measures for Customer Complaints;

1.1.2.4. Relief Events (in a form to be agreed) and, if appropriate, the steps being taken to alleviate the consequences of Relief Events;

1.1.2.5. Scheduled Maintenance (in a form to be agreed) on Scheduled Maintenance carried out and compliance with the Maintenance Programme;

1.1.2.6. Carrying information on a route and vessel specific basis summarised from management systems to include foot passengers, cars, passengers, coaches, coach passengers, freight units (accompanied/unaccompanied trailers, unaccompanied containers, trade cars, livestock, Dangerous Goods and dry cargo) as applicable. Vessel capacity utilisation, including car deck utilisation, passenger utilisation and cabin utilisation all by vessel and by trip (as applicable) must be included also;



from time to time. The Monthly Reports shall be submitted to Transport Scotland one week prior to the relevant month's review meeting.

- 1.3. Where Transport Scotland determines that the Operator has failed to provide specified reports in compliance with the provisions of this Schedule, Transport Scotland will notify the Operator in writing of such non-compliance within 5 Business Days of the non-compliance date and the Operator must remedy such failure within 10 Business Days. Section D *Performance Measure for Reporting* shall apply to any non-compliance.

### **Performance of the Services – Meeting Requirements**

- 1.4. The Operator and Transport Scotland shall hold each week an Operation Issues Review to provide a weekly dialogue on current operational issues which should be shared to ensure that each party is informed of the conduct and impact of the Services on users and communities. The Operational Issues review may be conducted by telephone or other electronic media which gives at least voice broadcast and reception between all persons participating. The Operator shall provide a written update ahead of the meeting date to be agreed by both parties.
- 1.5. The Operator and Transport Scotland must attend Service Performance Review Meetings on a monthly basis (unless otherwise agreed) and the Monthly Report must be reviewed and its contents agreed by the parties at the meeting(s) which immediately follows the issue of such report in accordance with paragraph 1.2 of this Schedule.
- 1.6. The Service Performance Review Meetings will be the forum for the review by the Operator and Transport Scotland of the Ferry Service with reference to the reports provided. The Performance Review Meetings must (unless otherwise agreed):
  - 1.6.1. take place within 6 weeks of the preceding Service Performance Review Meeting or as agreed by both parties;
  - 1.6.2. take place at such location and time (within normal business hours) to be agreed by both parties - no provision will be made by Transport Scotland for the expenses of the Operator representatives to attend such meetings;

1.6.3. be attended in person by the Operator Representative and the Scottish Ministers' Representative and relevant Key Personnel; and

1.6.4. be fully minuted by the Operator. The prepared minutes will be approved or corrected by Transport Scotland and thereafter circulated by the Operator to all attendees at the relevant meeting and also to the Operator's Senior Representative and any other recipients agreed at the relevant meeting. The minutes of the preceding Service Performance Review Meeting will be agreed and signed by both the Operator's representative and Transport Scotland's representative at each meeting.

1.7. Transport Scotland are entitled to raise any additional requests and/or schedule any supplementary meetings as required. The Operator must provide to Transport Scotland such supporting documentation as Transport Scotland may reasonably require in order to verify the level of Service delivery and financial performance by the Operator.

1.8. Transport Scotland may, at their own expense, carry out such monitoring and/or audit of the Services as they determine may be required in order to measure the performance of the Operator against the Performance Measures, provided that such monitoring and/or audit does not have an adverse effect on the provision by the Operator of the Ferry Service or its ability to meet the Performance Measures.

## **PART 2: PERFORMANCE MEASURES**

### **1. Definitions**

1.1. In this Schedule 13, the following terms have the following meanings:

**"Aberdeen Services"** comprise the Aberdeen Passenger Services and the Aberdeen Freight Services and mean the following Sailings forming part of the Ferry Service:

- Aberdeen to Lerwick
- Lerwick to Aberdeen
- Aberdeen to Kirkwall (Hatston) to Lerwick
- Lerwick to Kirkwall (Hatston) to Aberdeen

**"Pentland Firth Services"** means the following Sailings forming part of the Ferry Service:

- Stromness to Scrabster
- Scrabster to Stromness

**"Average Grant per Sailing"** means in any Service Year the Grant (excluding Fuel Costs and any Additional Grant) for that Service Year divided by the number of Sailings on the Scrabster - Stromness and Lerwick - Aberdeen routes in that Service Year as relevant.

**"Sailing"** means each Sailing on the Timetable between the Harbours on each route.

### **2. Measures and Deductions**

2.1. In the event that part of a Month has to be measured for the purposes of this Part of the Schedule, Performance Measures and deductions will be pro-rated relative to the number of scheduled Sailings in that Month and relevant part of a Month.

2.2. The following Sections A-F detail the Performance Measures and Performance Deductions with which the Operator shall comply and report on to Transport Scotland.

**SECTION A**

**PERFORMANCE MEASURE FOR RELIABILITY:**

<b>Performance Measure for Reliability</b>		The Performance Measure for Reliability is the completion by the relevant Vessel of each Sailing as per each scheduled Timetable service.  Note: A Sailing which either does not commence or does not complete in accordance with the Timetable as a direct consequence of a Relief Event shall be deemed to be a completed Sailing for the purpose of the Performance Measure for Reliability and therefore exempt from Performance Deduction.	
<b>Periods to be measured</b>		Monthly	
<b>Classification of reliability over period:</b>		<b>Deduction to apply to classification:</b>	
		<b>Pentland Firth Services</b>	<b>Aberdeen Services</b>
<b>1</b>	For each Sailing which does not meet the Performance Measure for Reliability (100%)	Deduct 100% of the Average Grant per Sailing for each affected Sailing	Deduct 100% of the Average Grant per Sailing for each affected Sailing

## SECTION B

### PERFORMANCE MEASURE FOR PUNCTUALITY:

<p><b>Performance Measure for Punctuality</b></p> <p>Arrival at the destination Harbour means that the Vessel is all fast and secure alongside.</p>	<p>A Vessel providing the Service meets the Performance Measure for Punctuality if:</p> <p>(a) in the case of a Pentland Firth Service, the Vessel arrives at the destination port within 10 minutes of the Timetable;</p> <p>(b) in the case of an Aberdeen passenger Service, the Vessel arrives at the final destination port or any midway port at which it is due to call in accordance with the Timetable within 30 minutes of the Timetable; and</p> <p>(c) in the case of an Aberdeen freight Service, the Vessel arrives at the final destination port or any midway port at which it is due to call in accordance with the Timetable within 45 minutes of the Timetable.</p> <p>Unpunctual arrivals are categorized as follows:</p> <p><b>Pentland Firth Services</b></p> <p>Level A Lateness - 10 -20 Minutes later than the Timetable</p> <p>Level B Lateness - over 20 Minutes later than the Timetable</p> <p><b>Aberdeen passenger Services</b></p> <p>Level A Lateness - 30 - 60 minutes later than the Timetable</p> <p>Level B Lateness - over 60 Minutes later than the Timetable</p>
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		<b>Aberdeen freight Services</b>	
		Level A Lateness - 45 - 60 minutes later than the Timetable	
		Level B Lateness - over 60 Minutes later than the Timetable	
		Note: A Vessel which does not meet the Performance Measure for Punctuality for a Sailing either because it is late, or fails to run, as a direct consequence (in either case) of a Relief Event will be deemed to have met the Performance Measure for Punctuality in respect of the relevant Sailing.	
<b>Periods to be measured</b>		Monthly	
<b>Classification of punctuality over period:</b>		<b>Deduction to apply to classification:</b>	
		<b>Pentland Firth Services</b>	<b>Aberdeen Services (incl. freight)</b>
<b>1</b>	Less than 100% of Sailings meet the Performance Measure for Punctuality to Level A	Deduct 25% of the Average Grant per Sailing for the relevant Sailing for each incident of lateness.	Deduct 25% of the Average Grant per Sailing for the relevant Sailing for each incident of lateness.
<b>2</b>	Less than 100% of Sailings meet the Performance Measure for Punctuality to level B	Deduct 50% of the Average Grant per Sailing for the relevant Sailing for each incident of lateness.	Deduct 50% of the Average Grant per Sailing for the relevant Sailing for each incident of lateness.



## SECTION C

### PERFORMANCE MEASURE FOR COMPLIANCE:

<b>Performance Measure for Compliance</b>		The Performance Measure for Compliance is full compliance with all Applicable Law.  Note: This Performance Measure will not apply to notices issued on the Operator or any sub-contractor thereof in respect of actions or incidences of non-compliance by a third party (not being an Associated Company).	
<b>Periods to be measured</b>		Monthly	
<b>Classification of service levels over period:</b>		<b>Deduction to apply to classification:</b>	
		<b>Pentland Firth Services</b>	<b>Aberdeen Services (incl freight)</b>
<b>1</b>	No notices as a result of non-compliance issued on the Operator or any sub-contractor thereof by or on behalf of HSE, SEPA (or any other governmental or statutory body or agency) and no criminal convictions / fines	No deduction (compliance)	No deduction (compliance)
<b>2</b>	1 – 2 notices as a result of non-compliance issued on the Operator or any sub-contractor thereof by or on behalf of HSE, SEPA (or any other governmental or statutory body or agency) or a conviction for a summary offence resulting in a Level 1 or 2 fine	Deduct 25% of the Average Grant per Sailing for each notice, conviction or fine	Deduct 25% of the Average Grant per Sailing for each notice, conviction or fine

<b>3</b>	3 – 5 notices as a result of non-compliance issued on the Operator or any sub-contractor thereof by or on behalf of HSE, SEPA (or any other governmental or statutory body or agency) or a conviction for a summary offence resulting in a Level 3, 4 or 5 fine	Deduct 50% of the Average Grant per Sailing for each notice, conviction or fine	Deduct 50% of the Average Grant per Sailing for each notice, conviction or fine
<b>4</b>	6 or more notices as a result of non-compliance issued on the Operator or any sub-contractor thereof by or on behalf of HSE, SEPA (or any other governmental or statutory body or agency) or a conviction for an indictable offence	Deduct 75% of the Average Grant per Sailing for each notice, conviction or fine	Deduct 75% of the Average Grant per Sailing for each notice, conviction or fine

## SECTION D

### PERFORMANCE MEASURE FOR REPORTING:

<b>Performance Measure for Reporting</b>		The Operator meets the Performance Measure for Reporting if it submits the Monthly/Quarterly/6 Monthly and Annual Reports required under this Schedule within 6 weeks of specified date.
<b>Periods to be measured</b>		Monthly/Quarterly/6 Monthly and Annually
<b>Classification of punctuality over period:</b>		<b>Deduction to apply to classification:</b>
<b>1</b>	Failure to submit any of the reports required in accordance with this Schedule within 6 weeks of specified submission date.	Deduct 1% of the following Monthly Instalment.

## SECTION E

### PERFORMANCE MEASURES FOR – CUSTOMER COMPLAINTS

<b>Performance Measure for Customer Complaints</b>	<p>The Performance Measure for Customer Complaints is the quantity of Customer Complaints received in relation to the Ferry Service, which, in the opinion of Transport Scotland, have not been managed in good faith in accordance with the Customer Complaint Process prior to submission to the Appeals process.</p> <p>Where more than one complaint arises out of a single act or omission by the Operator in relation to the Ferry Service, those complaints will be treated as one complaint for the purposes of this Performance Measure.</p> <p>Complaints measured under this Performance Measure will be limited to any complaint which Transport Scotland deems to be a valid complaint received by the Operator in the period up to the end of the Quarter following the Quarter in which the incident giving rise to the complaint occurred.</p> <p>For the avoidance of doubt, where a complaint directly relates to an incident in relation to which deductions have been applied pursuant to Sections A, B, C and/or D of this Schedule, the complaint will be disregarded for the purposes of this Performance Measure.</p>
<b>Periods to be measured</b>	Monthly

<b>Classification of service levels over period:</b>		<b>Deduction to apply to classification:</b>
<b>1</b>	All valid complaints managed in good faith in accordance with the Customer Complaints Process prior to submission to the Appeals process	No Deduction (compliance).
<b>2</b>	1 valid complaints failing to be managed in good faith in accordance with the Customer Complaints Process prior to submission to the Appeals process	Deduct 0.1% of the following Monthly Instalment.
<b>3</b>	2 or 3 valid complaints failing to be managed in good faith in accordance with the Customer Complaints Process prior to submission to the Appeals process	Deduct 0.3% of the following Monthly Instalment per complaint.
<b>4</b>	3 or more valid complaints failing to be managed in good faith in accordance with the Customer Complaints Process prior to submission to the Appeals process	Deduct 0.5% of the following Monthly Instalment per complaint.

## SECTION F

### PERFORMANCE MEASURES FOR – SMART TICKETING

<b>Performance Measure for Smart Ticketing</b>		<p>The Performance Measure for Smart Ticketing is the completion of the relevant Stage 1 and Stage 2 milestones by the dates stated:</p> <table border="1" data-bbox="692 504 1326 1124"> <tr> <td colspan="2" data-bbox="692 504 879 584"><b>Stage 1.</b></td> <td data-bbox="879 504 1326 584"></td> </tr> <tr> <td data-bbox="692 584 879 719">30 June 2021</td> <td data-bbox="879 584 1326 719"></td> <td data-bbox="879 584 1326 719">Smart infrastructure in place and proven</td> </tr> <tr> <td data-bbox="692 719 879 853">31 August 2021</td> <td data-bbox="879 719 1326 853"></td> <td data-bbox="879 719 1326 853">Smart Concessionary products tested and available</td> </tr> <tr> <td data-bbox="692 853 879 987">31 October 2021</td> <td data-bbox="879 853 1326 987"></td> <td data-bbox="879 853 1326 987">Smart commercial products tested and available</td> </tr> <tr> <td data-bbox="692 987 879 1124">1 December 2021</td> <td data-bbox="879 987 1326 1124"></td> <td data-bbox="879 987 1326 1124">All paper based concessionary products transferred to smart</td> </tr> </table> <table border="1" data-bbox="692 1211 1326 1473"> <tr> <td colspan="2" data-bbox="692 1211 879 1292"><b>Stage 2.</b></td> <td data-bbox="879 1211 1326 1292"></td> </tr> <tr> <td data-bbox="692 1292 879 1473">30 June 2022</td> <td data-bbox="879 1292 1326 1473"></td> <td data-bbox="879 1292 1326 1473">Commercial foot passenger products only available as smart products</td> </tr> </table>	<b>Stage 1.</b>			30 June 2021		Smart infrastructure in place and proven	31 August 2021		Smart Concessionary products tested and available	31 October 2021		Smart commercial products tested and available	1 December 2021		All paper based concessionary products transferred to smart	<b>Stage 2.</b>			30 June 2022		Commercial foot passenger products only available as smart products
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<b>Periods to be measured</b>		At milestone dates.																					
<b>Classification of Progress over period:</b>		<b>Deduction to apply to classification:</b>																					
<b>1</b>	For each month a Stage 1 target milestone is missed.	Deduct 2% of the following month's Monthly Instalment.																					