

Schedule 1.6 – Committed Obligations  
Schedule 9.1 – Variations and Financial Consequences of Change

Date of change	Reason for Change	Clauses Changed	End Date of Change
30 September 2015	Amendments to three SMART related Committed Obligations	Sch 1.6 - CO 28.14 CO 29.13 CO 29.16 Sch 9.1 – Clause 1.1 (a)	

**Franchise Agreement: Schedule 1.6 Committed Obligations**

This letter 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 Schedule 1.6 Committed Obligations reference 28.14, 29.13 and 29.16.

The Franchise Agreement sets out the Committed Obligations which deliver or exceed the Invitation To Tender requirements set by Scottish Ministers. There are 206 clearly defined Committed Obligations covering a wide range of commitments. It has been agreed by Transport Scotland and ScotRail to vary the delivery dates of three Smart related Committed Obligations. The scope of the variations has been developed in consultation with ScotRail, and the clauses of the Franchise Agreement shall be amended with effect from and after the date of this letter in the manner outlined in the table below.

Sch	Ref	Committed Obligation	Detail of amendment
1.6	28.14	<b>Under-25s Advance Purchase Discount Product</b>  On or before the 30 <sup>th</sup> 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.	<b>Under-25s Advance Purchase Discount Product</b>  On or before the <b>1<sup>st</sup> April 2016</b> , 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.
1.6	29.13	<b>Contract Season Tickets</b>  On or before 31 <sup>st</sup> December 2015, the Franchisee shall launch a new ‘Contract Season’ Ticket product, which will have the capability for opt-out periods (e.g. customer annual leave) from April 2016.	<b>Contract Season Tickets</b>  On or before <b>31<sup>st</sup> January 2018</b> , the Franchisee shall launch a new ‘Contract Season’ Ticket product, which will have the capability for opt-out periods (e.g. customer annual leave) from <b>April 2018</b> .

1.6	29.16	<p><b>National fulfilment service feasibility study</b></p> <p>On or before the 31<sup>st</sup> October 2018 the Franchisee shall complete a study into the feasibility of setting up a national fulfilment service. The Franchisee shall make the study available to the Authority and other key stakeholders by no later than 31 October 2018.</p> <p>The study will be an examination of the feasibility of introducing to Scotland a national fulfilment services based on Smartcards. The report will consist of the following key elements;</p> <ul style="list-style-type: none"> <li>situation analysis and description of the potential opportunity for a national fulfilment service in Scotland;</li> <li>approach to the development, design and benefits of such a system;</li> <li>a fully resourced and costed deployment plan focused on implementation timescales;</li> <li>a risk based assessment of the key issues, constrains and problems envisaged with mitigations; and</li> <li>a recommendation and next steps section.</li> </ul>	<p><b>National fulfilment service feasibility study</b></p> <p>On or before the <b>1<sup>st</sup> December 2016</b> the Franchisee shall complete a study into the feasibility of setting up a national fulfilment service. The Franchisee shall make the study available to the Authority and other key stakeholders by no later than 1<sup>st</sup> December 2016.</p> <p>The study will be an examination of the feasibility of introducing to Scotland a national fulfilment services based on Smartcards. The report will consist of the following key elements;</p> <ul style="list-style-type: none"> <li>situation analysis and description of the potential opportunity for a national fulfilment service in Scotland;</li> <li>approach to the development, design and benefits of such a system;</li> <li>a fully resourced and costed deployment plan focused on implementation timescales;</li> <li>a risk based assessment of the key issues, constrains and problems envisaged with mitigations; and</li> <li>a recommendation and next steps section.</li> </ul>
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In view of the changes to delivery dates for Committed Obligations described above, the Deadlines specified in the Committed Obligation Payment Adjustment table in Schedule 1.6 Part 3 for those Committed Obligations shall be amended as follows:-

- Sch 1.6 para 28.14                      Deadline: 1<sup>st</sup> April 2016
- Sch 1.6 para 29.13                      Deadline: 31<sup>st</sup> January 2018
- Sch 1.6 para 29.16                      Deadline: 1<sup>st</sup> December 2016