

*DOCUMENT "D2"<sup>1</sup>*

*FRANCHISE PLAN*

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<sup>1</sup>Insertion of document D2 as from 16 Nov 1998

## DOCUMENT “D2” - FRANCHISE PLAN

### PART 1 - PRELIMINARY

#### 1. Definitions and Interpretation

##### 1.1 Definitions

*In this Franchise Plan (marked D2) except to the extent that the context otherwise requires:*

*"Barrier Lines" means exit and entry points to control passenger access to, and egress from, stations;*

*"Core Stations" means Fenchurch Street, Barking, Upminster, Grays, Chafford Hundred, Basildon, Benfleet, Leigh-on-Sea, Westcliff, Southend Central and Shoeburyness;*

*"Franchise Agreement" means the franchise agreement between the Franchising Director and the Franchisee for the provision of certain services for the carriage of passengers by railway by the Franchise Operator;*

*<sup>2</sup>“London Lines Weekend Ranger” is a ticket which is available to eligible Annual Season Ticket holders of the Franchise Operator and will entitle the holder:*

*a) to unlimited travel, anywhere on train services operated by the Franchise Operator, Silverlink Train Services Limited (“Silverlink”) and West Anglia Great Northern Railway Limited (“WAGN”) for a flat fee of £2.50, on Saturdays, Sundays and Bank Holidays and;*

*b) to take up to three adults and up to four children for a flat fare of £2.50 per adult and £1 per child.*

*"Real Time Passenger Information System" means an electronic system which gives up to date expected arrival times of trains;*

*"Tactile Map" means a wall map with a raised surface which enables blind passengers to ascertain their route.*

*<sup>3</sup>“c2c Capital Club” is a club available to holders of the Franchise Operator’s Annual Season Ticket whereby any member of the club is entitled to purchase the London Lines Weekend Ranger on presentation of a valid membership card at the Franchise Operator’s ticket office.*

##### 1.2 Construction and Interpretation

*Except to the extent that the context otherwise requires, words and expressions defined in the Franchise Agreement (including any Schedules thereto) shall bear the same meaning in this Franchise Plan and the rules of construction and interpretation set out in the Franchise Agreement shall apply throughout this Franchise Plan save that references to paragraphs and schedules are to paragraphs in and schedules of this Franchise Plan. References in this Franchise Plan to sums of money shall be to such sums exclusive of Value Added Tax.*

##### 1.3 Reasonable Endeavours

*Where in this Franchise Plan the Franchise Operator is obliged to use all reasonable endeavours to do or procure that something is done by a certain date then, without prejudice to such obligation, if the same is not achieved by the date specified the Franchise Operator shall be required to consult with the Franchising Director and to use all reasonable endeavours to do or procure that thing in question is done as soon as possible thereafter.*

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<sup>2</sup> Insertion of new text w.e.f. 24.10.2002.

<sup>3</sup> Insertion of new text w.e.f. 24.10.2002.

**1.4 Time of the Essence**

*Subject to the provisions of clause 21.12 (breach of other obligations) of the Franchise Agreement, time shall be of the essence in respect of the obligations in this Franchise Plan.*

**1.5 Third Party Consents/Agreements and Conditions**

*1.5.1 Where, in accordance with this Franchise Plan, the Franchise Operator is obliged to obtain any third party consent and/or enter into any agreement or arrangement with a third party prior to complying with any obligation hereunder, the Franchise Operator shall use all reasonable endeavours to procure such third party consent and/or to enter into such agreements or arrangements within such time scales (if any) as are set out in this Franchise Plan in relation to such obligations.*

*1.5.2 Subject to the Franchise Operator fulfilling its obligations under this paragraph 1.5, it shall not be treated as being in breach of this Franchise Plan where it is prevented from fulfilling an obligation due to the lack of any necessary third party consent, agreement or arrangement or the non-fulfilment of the necessary conditions.*

**1.6 Expenditure**

*1.6.1 For the avoidance of doubt, all amounts which the Franchise Operator has committed (whether unconditionally or otherwise) pursuant to this Franchise Plan to expend (or to procure the expenditure of) in connection with improvements to track or stations shall be in addition to any expenditure made by Railtrack as part of its infrastructure, improvement or maintenance programme save to the extent that, subject to paragraph 1.6.4, the expenditure by Railtrack is not recovered in lease or access charges payable by the Franchise Operator to Railtrack.*

*1.6.2 All amounts which the Franchise Operator has committed (whether unconditionally or otherwise) pursuant to this Franchise Plan to expend (or to procure the expenditure of) shall be in addition to any amounts which another Train Operator has committed or any Affiliate has committed on behalf of another Train Operator (in each case whether unconditionally or otherwise) to expend (or to procure the expenditure of).*

*1.6.3 Where any category of expenditure described in this Franchise Plan is referred to in more than one expenditure commitment set out in this Franchise Plan, expenditure on such category shall not be counted more than once in assessing compliance by the Franchise Operator with such expenditure commitments.*

*1.6.4 To the extent that the expenditure of any sum provided for in this Franchise Plan is reflected in lease or access charges payable by the Franchise Operator to a third party for the purposes of calculating the capital sum the expenditure of which has been procured by the Franchise Operator, only that amount of capital expenditure which is amortised by the third party over the Franchise Term shall be taken into account.*

*1.6.5 For the avoidance of doubt, all amounts which the Franchise Operator has committed (whether unconditionally or otherwise) pursuant to this Franchise Plan (marked D2) to expend (or to procure the expenditure of) shall be in addition to any expenditure required for the fulfilment of the obligations of the Franchise Operator and/or Railtrack under the Franchise Agreement and/or under any Access Agreement or lease and/or under the Franchise Plan marked D1.*

**1.7 Financial Commitment**

*1.7.1 In the event that, in relation to any of the amounts of expenditure described in this Franchise Plan, the total amount of such expenditure either (a) is not, in the reasonable opinion of the Franchise Operator, required to secure the relevant improvement or (b) cannot be expended within the timescales as are set out in this Franchise Plan or otherwise within a reasonable time due to the lack of any necessary third party consent, agreement or arrangement or the non-fulfilment of other necessary conditions, then the Franchise Operator shall:*

*as soon as reasonably practicable, notify the Franchising Director to that effect; and*

*1.7.1.2 to the extent required by the Franchising Director at his absolute discretion, and without prejudice to paragraph 1.6, ensure that such part of the expenditure which either is not required to be spent to secure the relevant improvement or cannot be spent as required due to the non-fulfilment of necessary conditions is expended as soon as reasonably practicable within the Franchise Term on such other improvements in the quality of Passenger Services and/or Station Services as are approved by the Franchising Director.*

## **1.8 Continuing Obligations**

*Where the Franchise Operator is obliged under this Franchise Plan to provide or implement or install something (whether a service or facility or otherwise) the Franchise Operator shall use all reasonable endeavours to ensure that once the same is provided, implemented or installed, it continues to be provided and made available as anticipated by this Franchise Plan (and, where relevant, effectively maintained) for the remainder of the Franchise Period unless the contrary is expressly stated.*

## **1.9 Feasibility Studies and Implementation Dates**

*Each feasibility study required under this Franchise Plan shall be carried out, at the cost of the Franchise Operator, as follows:*

*1.9.1 By the date indicated in relation to each feasibility study, the Franchise Operator shall agree terms of reference for the feasibility study with the Franchising Director, undertake the feasibility study and send a report and evaluation to the Franchising Director containing a reasonable number of proposals which explore all the relevant issues, including the wider effects of each proposal and a reasonable date for the implementation for each proposal which, for the avoidance of doubt, should be as soon as reasonably practicable having regard to the nature of the proposal following the completion of the feasibility study;*

*1.9.2 In the event that the parties fail to agree the terms of reference pursuant to paragraph 1.9.1, the terms of reference shall be such as the Franchising Director may reasonably require;*

*1.9.3 Following discussions between the Franchise Operator and the Franchising Director the Franchise Operator will adopt such proposal as the Franchising Director may reasonably require and unless and to the extent that the Franchise Operator can demonstrate that the introduction of the proposal or proposals will result in a Net Loss (as determined pursuant to paragraph 1.10) to the Franchise Operator (as to which see paragraph 1.9.4 below), the Franchise Operator shall implement the Franchising Director's proposal or proposals by the relevant date indicated as the implementation date under the terms of the feasibility study.*

*1.9.4 If the Franchise Operator demonstrates that such a Net Loss would result then it will nonetheless implement the agreed proposal or proposals if the Franchising Director agree to increase Franchise Payments under the Franchise Agreement so as to avoid such Net Loss.*

## **1.10 Accounting Rules**

*In assessing income and costs pursuant to any feasibility study required under this Franchise Plan, the Accounting Rules set out in paragraphs 2, 3.2, 3.4, 3.5, 3.6, 4.2 to 4.9 (inclusive) and 5 in Part 3 of Schedule 9 of the Franchise Agreement shall, to the extent relevant, be applied as if the matter in this Franchise Plan which is subject to such assessment were a "Variation" and as if the reference in paragraph 5 of Part 3 of Schedule 9 of the Franchise Agreement to Net Loss and Net Gain were to the effect of a Variation.*

## **PART 2 - ROLLING STOCK**

*2.1 The Franchise Operator shall procure that no later than 30<sup>th</sup> June 2002 all Vehicles shall have sliding doors and there shall be at least 288 of such Vehicles available for operation on the Passenger Services.*

*All such vehicles will:-*

- 2.1.1 be new, (that is to say, not have been used for the provision of railways services prior to their delivery to the Franchise Operator); and*
- 2.1.2 comply with the specification set out in Part 1 of Schedule 14, and be at least to the same standard as the New Rolling Stock, in either case unless otherwise agreed by the Franchising Director. For the avoidance of doubt, it has been agreed by the Franchising Director that, consistent with his letter to the Franchisee and the Franchise Operator dated 7<sup>th</sup> May 1997, each Rolling Stock Unit comprised in such vehicles need not be fitted with through gangways (on the basis that “through gangways” in this context means gangways between units, and not intermediate gangways between vehicles within the same unit).*
- 2.2. Until such time as the Franchise Operator has introduced into operation on the Passenger Services the total number of Vehicles required and referred to in paragraph 2.1, it is agreed that:-*
  - 2.2.1 Notwithstanding Clause 12.6 of the Franchise Agreement, the Franchise Operator shall not amend or terminate any Rolling Stock Lease in respect of any Class 317 Vehicle so as to provide or facilitate the use of any such Vehicle by West Anglia Great Northern Limited without the prior consent of the Franchising Director who shall act reasonably in deciding whether or not to give such consent, including without limitation, acting reasonably in assessing the value of any additional benefits to which the Franchise Operator is prepared to commit at the time such consent is sought;*
  - 2.2.2 Notwithstanding part 4(c) of Schedule 2 of the Franchise Agreement, the Franchise Operator shall not sub-lease, hire or licence any Class 317 Vehicle to West Anglia Great Northern Limited without the prior consent of the Franchising Director who shall act reasonably in deciding whether or not to give such consent, including without limitation, acting reasonably in assessing the value of any additional benefits to which the Franchise Operator is prepared to commit at the time such consent is sought;*
  - 2.2.3<sup>4</sup> If the Franchising Director grants the Franchise Operator consent to facilitate the use of any Class 317 Vehicle by West Anglia Great Northern Limited, pursuant to paragraph 2.2 above, the Franchise Operator shall be responsible for the introduction into service of such replacement vehicles as are necessary to ensure that the Franchise Operator is able to comply with all of its obligations under the Franchise Agreement and in particular those relating to the provision of capacity.*

### **PART 3 - STATIONS**

- 3. Station Security**
  - 3.1 The Franchise Operator shall use all reasonable endeavors to obtain accreditation of all Stations under the initiative known as the “Secured Stations Scheme” (operated by the Department for Transport) by no later than 31 March 2000.*
  - 3.2**
    - 3.2.1 The Franchise Operator shall complete the physical works required to obtain accreditation of the Station car parks at Laindon, Upminster, Leigh-on-Sea and Rainham under the initiative operated by British Parking Association that is to replace the “Secured Car Park Scheme” (“the Safer Car Park Scheme”).*
    - 3.2.2 For the avoidance of doubt, the parties acknowledge that the physical works which the Franchise Operator is required to undertake pursuant to this clause 3.2 are limited to those specified in the quotation received by the Franchise Operator from Integrated Security Solutions (Digital) Ltd dated 23<sup>rd</sup> June 2004.*

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<sup>4</sup> New Addition of Text 26.4.00

- 3.3 *The Franchise Operator shall implement the management procedures required to obtain accreditation of the Station car parks at Laindon, Upminster, Leigh-on-Sea and Rainham under the “Safer Car Park Scheme” by no later than 31<sup>st</sup> March 2005.*
- 3.4 *The Franchise Operator shall obtain accreditation of the Station car parks at Laindon, Upminster, Leigh-on-Sea and Rainham under the “Safer Car Park Scheme” by no later than 31<sup>st</sup> March 2005.*
- 3.5 *With effect from the accreditation of any Station car parks in accordance with clause 3.4 above, the Franchise Operator shall use all reasonable endeavors to maintain such accreditation for the remainder of the Franchise Period, provided that:*
- 3.5.1 *To the extent that the Franchise Operator is unable to fulfill this obligation without procuring the services of a third party to undertake physical works (other than maintenance), the Franchise Operator shall be under no obligation to incur expenditure in excess of £10,000 on such procurement in any one Franchise Year; and*
- 3.5.2 *The Franchise Operator shall not be obliged to implement management arrangements which materially exceed those the Franchise Operator was required to undertake to comply with Clause 3.3 above.*
- 3.6 *The Franchise Operator shall install and put into operation not later than 31<sup>st</sup> March 2000 a closed circuit television system at all Barrier Lines, such systems shall incorporate a recording facility which takes video recordings that comply with such standards as may reasonably be required for evidence in criminal proceedings.<sup>5</sup>*

#### 4. *Cycle Parking Facilities*

*The Franchise Operator shall incur expenditure not later than 31 March 2000 on the introduction of facilities for the storage of eight bicycles at six Stations which, as at 20 September 1998, did not have such facilities. The Franchise Operator shall notify the Franchising Director of the Stations chosen.*

4A<sup>6</sup> *The following additional provisions shall apply in respect of proposed improvements to the pedestrian route between Tower Hill London Underground station and Fenchurch Street station (“the Pedestrian Improvements”):-*

4A.1 *The Franchise Operator will, as soon as reasonably practicable, enter into further discussions with the Corporation of London and the London Borough of Tower Hamlets (referred to in this paragraph 4A as “the authorities”) and any other persons whose support and/or approval is required for the carrying out of the Pedestrian Improvements with a view to securing that the authorities carry out the Pedestrian Improvements, on the basis that:-*

- (1) *Franchise Operator will contribute a sum of not less than £150,000 towards the costs of any scheme for the carrying out of the Pedestrian Improvements undertaken or procured by the authorities; and*
- (2) *unless otherwise agreed by the Franchising Director (such agreement not to be unreasonably withheld or delayed), the £150,000 contribution by the Franchise Operator shall be made within 12 months following the date on which agreement is reached with the authorities and any other relevant parties to carry out the Pedestrian Improvements. The Franchise Operator shall notify the Franchising Director as soon as reasonably practicable if and when such an agreement is reached.*

4A. 2<sup>7</sup> *Notwithstanding paragraph 4A.1 if no such agreement is reached by 30<sup>th</sup> June 2001 (or such later date as the Franchising Director may, in his absolute discretion, agree) then the provisions*

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<sup>5</sup> Replacement of Clause 3 w.e.f 18.09.2004

<sup>6</sup> Date of Change 21.12.1999

<sup>7</sup> Date of Change 18.12.2000

*of paragraph 1.7 of this Franchise Plan shall apply in substitution for the Franchise Operator's obligations under this paragraph 4A.*

#### **PART 4 - INTEGRATED TRANSPORT**

##### **5. Station Access**

- 5.1 The Franchise Operator shall use its reasonable endeavours to procure that a covered walkway is provided between Chafford Hundred Station and Lakeside retail park not later than 31 March 2000.*
- 5.2 The Franchise Operator shall negotiate and liaise with Railtrack, the operators of Lakeside retail park, Essex County Council and any other relevant bodies with a view to raising the necessary funding for the construction of the covered walkway referred to in paragraph 5.1.*
- 5.3 Nothing in this paragraph 5 shall require the Franchise Operator to spend over ,700,000 on items having a capital value in relation to its obligations under this paragraph 5 provided that where the expenditure is expected to exceed ,700,000 the Franchising Director may direct the Franchise Operator to use the additional expenditure referred to in paragraph 10.1 to defray such excess cost.*

##### **6. Bus Services**

- 6.1 In addition to its obligations under paragraph 15 of the Franchise Plan marked D1 the Franchise Operator shall, by 31 March 1999, introduce two bus services connecting station(s) serviced by the Passenger Services with other locations which shall be operated for at least three years from the date of introduction.*
- 6.2 The Franchise Operator shall submit its proposals for the bus services referred to in paragraph 6.1 to the Franchising Director in sufficient time to allow for proper discussion of those proposals such discussion including but not limited to the route and frequency of the services.*

##### **7. Other Initiatives**

*The Franchise Operator shall use all reasonable endeavours to consult with the Southend and Thurrock Unitary Authorities by 31 March 1999 with a view to evaluating public transport integration and introducing incentives to encourage greater use by the public of the Passenger Services and shall continue to regularly consult such Authorities (or their successors) until the end of the Franchise Term.*

#### **PART 5 - DISABLED PASSENGERS**

- 8. The Franchise Operator shall not later than 31 March 2000 provide:*
- 8.1 a disabled toilet with baby changing facilities at each Core Station;*
- 8.2 a Tactile Map at each Core Station;*
- 8.3 at least one station to train ramp at each Station; and*
- 8.4 an induction loop or acoustic window at each Station, with the exception of Pitsea, which shall be provided no later than <sup>8</sup>31<sup>st</sup> October 2001.*

#### **PART 6 - MARKETING**

- 9.1 The Franchise Operator shall introduce a discounted Season Ticket Fare in respect of selected journeys to Fenchurch Street on Weekdays where the train is scheduled to arrive prior to the Morning Peak. The Franchise Operator shall select the journeys for which the discounted Season Ticket Fare is to apply for the Franchising Director's approval (such approval not to be unreasonably refused, withheld or delayed). A discounted Season Ticket shall be available in respect of at least one journey from each of the Stations listed in paragraph 9.4.*
- 9.2 The Franchise Operator shall introduce the discounted season tickets referred to in Paragraph 9.1 no later than the Passenger Change Date occurring in or around May 1999 and, from the date of its*

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<sup>8</sup> Date of Change Dec 2000

*introduction, shall ensure that such offer shall remain available to the public for at least two years in respect of season tickets to any three of the stations referred to in paragraph 9.4 and at least one year in respect of season tickets to the remaining Stations.*

**9.3** *The discounted Season Ticket Fares referred to in paragraph 9.1 shall be at least 20% less than the Fare for a Weekly Season Ticket (as such term is defined in Schedule 5 of the Franchise Agreement) for the same journey.*

**9.4** *For the purposes of paragraph 9.1 the Stations shall be Shoeburyness, Thorpe Bay, Southend East, Southend Central, Westcliff, Chalkwell, Leigh-on-Sea, Benfleet, Pitsea, Basildon, Laindon, West Horndon, Stanford-Le-Hope, East Tilbury, Tilbury Town, Grays, Chafford Hundred and Ockendon.*

**<sup>9</sup>9.5** *The Franchise Operator shall ensure that by no later than and with effect from 28<sup>th</sup> May 2000, the Franchise Operator's Passenger's Charter shall be amended by deleting the section within Clause 5.2.2 which deals with "Discount arrangements for the renewal of annual season ticket holders", and inserting in its place either the following words, or an equivalent provision approved by the Franchising Director:-*

*Discount arrangements for the renewal of annual season ticket holders:*

*We greatly value the loyalty of our annual season ticket holders and if our punctuality and/or reliability performance falls below that compensation trigger level, a discount will be allowed against the renewal price of your next annual ticket.*

*This discount is calculated as follows:*

- *a maximum of up to a 7% discount may be awarded if during the 12 months before ticket expiry the average punctuality result was below the compensation trigger level. The discount rates that will be applied are:*
  - *a 2% discount for each of the first three 4 week monitoring periods during the 12 months before ticket expiry during which the average punctuality result was below the compensation trigger level; and*
  - *a 1% discount thereafter for any subsequent 4 week monitoring period during the 12 months before ticket expiry, during which the average punctuality result was below the compensation trigger level*
- *a 1% discount for each 4 week monitoring period during the 12 months before ticket expiry, during which time the average reliability result was below the compensation trigger level, up to a maximum of 7%*

*If both punctuality and reliability annual performance fall below the compensation trigger levels, a combined discount of up to 14% will be allowed against the renewal price, comprising up to 7% in respect of punctuality and up to 7% in respect of reliability. There is no need to make a formal claim, the price of your renewal ticket will automatically be adjusted.*

*Passengers should note that compensation is not payable to these season ticket holders in respect of specific delays.*

**9.6. The parties further agree:**

**9.6.1** *that the Franchise Operator must inform passengers of the changes to its Passenger's Charter referred to in paragraph 9.5 above, by arranging for appropriate posters to be displayed at all Stations by no later than 28<sup>th</sup> May 2000 and for a period of not less than 12 months (or by such other date or for such other period as the Franchise Director may agree); and*

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<sup>9</sup> Insertion of Paragraphs 9.5 and 9.6 with effect from 30.05.2000



- 9.6.2 *the Franchise Operator must re-issue and make available to passengers in accordance with Clause 8.1(a) of the Franchise Agreement, its Passenger's Charter incorporating the amendments detailed in Clause 9.5 above, by no later than 28<sup>th</sup> May 2000 (or by such other date as the Franchise Director may agree).*

#### **PART 7 - ADDITIONAL EXPENDITURE**

- 10.1 *The Franchise Operator shall incur additional capital expenditure or procure that such expenditure is incurred of not less than £1.95 million between 1 April 1998 and 31 March 2000 on programmes of measures designed to benefit passengers and which are intended for use on a continuous basis including but not limited to introducing a Real Time Passenger Information System at all Stations no later than 31 March 2000.*

- 10.2 <sup>10</sup>*The Franchise Operator shall incur additional expenditure of not less than:-*

10.2.1 *£50,000 (indexed in accordance with paragraph 10.2(i) below) plus £37,500 (such amount not to be so indexed) from 1<sup>st</sup> April 1999 to 31<sup>st</sup> March 2000; and*

10.2.2 *£200,000 (indexed in accordance with paragraph 10.2(ii) below) per Franchise Year (or pro rata for any part thereof) from 1<sup>st</sup> April 2000 to the end of the Franchise Term*

*in each case in extending the hours of staffing in each day of at least 10 Stations from the hours which are required to be staffed pursuant to Schedule 17 of the Ticketing & Settlement Agreement. Provided that*

(i) *the sum of £50,000 referred to in para 10.2.1 shall be adjusted on the first day of the Financial Year commencing after 1<sup>st</sup> April 1999 by multiplying that sum by the Retail Prices Index for 1<sup>st</sup> April 1999 and dividing the result by the Retail Prices Index for 1<sup>st</sup> April 1998.*

(ii) *the expenditure to be incurred each Franchise Year pursuant to paragraph 10.2.2 shall be adjusted on the first day of each Franchise Year commencing after 1<sup>st</sup> April 2001 by multiplying the amount of that expenditure by the amount of the Retail Prices Index for 1<sup>st</sup> April in the immediately preceding Franchise Year and dividing the result by the Retail Prices Index for 1<sup>st</sup> April 1999;*

(iii) *for the purposes of calculating the extent to which such expenditure referred to in paragraph 10.2.1 represents additional expenditure, regard will be had to the Franchise Operator's station staff establishment numbers as at 1<sup>st</sup> April 1999 so far as the sum of £50,000 (indexed as abovesaid) is concerned and as at 1<sup>st</sup> October 1999 so far as the sum of £37,000 is concerned.*

- 10.3 *With regards to the obligations in paragraphs 10.1 and 10.2, the Franchise Operator shall submit to the Franchising Director:*

10.3.1 *a record showing expenditure already made; and*

10.3.2 *plans for expenditure in the future.*

- 10.4 *The Franchise Operator shall not take any steps to implement such plans in paragraph 10.3.2 without the prior written consent of the Franchising Director, such consent not to be unreasonably withheld, except for plans in respect of any measures mentioned in paragraphs 10.1 and 10.2*

- 10.5 *It is acknowledged and agreed that from 9<sup>th</sup> January 2000 for the duration of the Franchise Term, the Franchise Operator will procure that the hours for which the booking office at the Tower Hill entrance to Fenchurch Street Station is staffed and open to passengers are extended to be not less than as follows:-*

*Monday – Friday                      05.45 – 21.00*

*Saturday                                06.30 – 21.00*

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<sup>10</sup> Date of Change 21.12.1999

Sunday

08.15 – 17.30

*On the basis that the additional cost incurred by the Franchise Operator in extending the hours of staffing may be counted by the Franchise Operator towards the expenditure required by paragraph 10.2.*

**PART 8 - OTHER PASSENGER BENEFITS**

**11. Internet Sales Scheme**

**11.1** *The Franchise Operator shall carry out a feasibility study on the introduction of a secure and reliable system which allows members of the public to book and purchase tickets for passenger rail travel over the Internet (the Internet Sales Scheme). The Franchise Operator's proposals shall include a reasonable range of tickets to be offered and Flows (as defined in Part 1 of Schedule 5 of the Franchise Agreement) on which tickets are to be available and shall also include reasonable proposals regarding the manner of fulfilment and publication of the scheme. The Franchise Operator shall use all reasonable endeavours to complete the Internet Sales Scheme feasibility study and submit it to the Franchising Director by 31 March 1999.*

**11.2** *Following discussions between the Franchise Operator and the Franchising Director the Franchise Operator shall resolve to implement the proposals in paragraph 11.1 regarding the Internet Sales Scheme as the Franchising Director may reasonably require. The Franchise Operator shall implement an Internet Sales Scheme in line with such proposals as soon as reasonably practicable provided that the Franchising Director may agree to delay implementation if the parties are not satisfied either with the security arrangements available in connection with the ticket sales or that the requirements of the Franchise Agreement and the Ticketing and Settlement Agreement will be met as regards the Ticket sales.*

**11.3** *The Internet Sales Scheme shall continue for a trial period of at least six months. Unless, after such period the Franchise Operator demonstrates to the reasonable satisfaction of the Franchising Director either that the Internet Sales Scheme is operating at a Net Loss and is likely to continue to do so, or that it is not of acceptable quality (having regard to security, the requirements of the Franchise Agreement and the Ticketing and Settlement Agreement and the available alternatives), the Franchise Operator shall be obliged to continue the operation of the Internet Sales Scheme for the remainder of the Franchise Period.*

**12. Inter-available Fares**

**12.1** *The Franchise Operator shall use all reasonable endeavors to discuss and agree with Great Eastern Railway Limited the introduction of an inter-available season ticket scheme valid for journeys from Southend to any London Station (as defined in Part 1 Schedule 5 of the Franchise Agreement) via any reasonable route and following any such agreement shall use reasonable endeavors to introduce such a scheme as soon as reasonably practicable thereafter. If introduced the Franchise Operator shall offer such inter-available season ticket scheme in addition to the Franchise Operator's Season Ticket Fares for journeys on the Passenger Services between such stations.*

**12.2** *The Franchise Operator shall submit to the Franchising Director a progress report no later than 31 July 1999*

**PART 9 - GENERAL**

**13.** The Franchise Operator shall prepare and submit to the Franchising Director a formal written report at not less than six monthly intervals providing reasonable details as to the progress made by the Franchise Operator in complying with its obligations under this Franchise Plan, including details of investment made or committed, and shall provide informal reports on such progress on a more frequent basis together with such other information as the Franchising Director may reasonably request in relation to this Franchise Plan.

**14** <sup>11</sup>*c2c Capital Club*

**14.1** *Subject to paragraph 14.4, the Franchise Operator shall introduce on or before the 1<sup>st</sup> October 2002 and maintain until the 1<sup>st</sup> April 2004, the c2c Capital club.*

**14.2** *The Franchise Operator shall ensure that the Relevant Information on the c2c Capital Club is easily accessible to its Annual Season Ticket holders and is publicised by advertising at Stations and by any other means of advertising that it considers appropriate. For the avoidance of doubt the requirement in this paragraph 14.2 shall continue throughout the term stated in paragraph 14.1.*

*For the purposes of this paragraph 14.2 Relevant Information includes but is not limited to the following:*

- (a) a description of the c2c Capital club including the benefits available to members;*
- (b) a clear statement of the process required in order to become a member;*
- (c) timescales for receipt of a membership card; and*
- (d) the applicable conditions of membership.*

**14.3** *During the period in which the Franchise Operator is required to provide and maintain the c2c Capital Club it shall also monitor and review the scheme at least once every six months in order to determine the level of the patronage and obtain feedback from members. The Franchise Operator shall provide a copy of such review to the Franchising Director as soon as reasonably practicable.*

**14.4** *If at any time during the Franchise Term the franchise agreements between:*

- a) the Director of Passenger Rail Franchising and national Express Group dated 6 February 1997 (franchise services operated by Silverlink); and*
- b) the Director of Passenger Rail Franchising and Prism Rail Plc dated 5 December 1996 (franchise services operated by WAGN) (together known as the “NEG Agreements”)*

*are extended pursuant to Clause 20.2 of the NEG Agreements, the Franchise Operator shall continue to maintain the c2c Capital Club until the earlier of the franchise expiry dates of the extended NEG Agreements.*

**Job Start 11**

*To qualify the scheme applies to:*

- Registered unemployed for 13 weeks or more (continuous).*
- Persons applying for permanent positions only.*
- All persons within the LTS Rail or Great Eastern catchment area, excluding Travelcard.*
- Only one application per person allowed.*

*A £10 charge will be levied to ensure only responsible and committed people apply and to cover administration costs.*

*The Franchise Operator shall introduce with effect from December 1999 and maintain for the remainder of the Franchise Term an enhancement of the LTS Job Start Scheme satisfactory to the Franchising Director, so that individuals who have participated in that scheme and who have subsequently obtained permanent employment, may travel free of charge on any services operated under the Franchise Agreement for a period of 2 calendar months from commencement of their employment.*

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<sup>11</sup> Insertion of new text w.e.f 24 October 2002.

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## **Doc D2 Derogation Page**