

Dated 1<sup>st</sup> November 2011

- (1) The Secretary of State for Transport
- (2) Abellio Greater Anglia Ltd

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Greater Anglia Franchise Specific Agreement  
incorporating by reference the National Rail Franchise Terms

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**THIS AGREEMENT** is dated 1<sup>st</sup> November 2011

**BETWEEN**

- (1) **THE SECRETARY OF STATE FOR TRANSPORT**, whose principal address is at 33 Horseferry Road, London SW1P 4DR (the "**Secretary of State**"); and
- (2) **ABELLIO GREATER ANGLIA LTD**, whose registered office is at 5 Fleet Place, London EC4M 7RD (the "**Franchisee**").

**WHEREAS**

- (A) The Secretary of State wishes to appoint a franchisee to provide railway passenger services within the Franchise and expects his franchisee, on the terms of this Agreement, actively to seek, in all reasonable business ways, greatly improved performance over the Franchise Term from its employees, its Train Fleet and other assets, and from Network Rail and its other suppliers, so as to deliver to the passenger the best railway passenger service that can be obtained from the resources that are available to it.
- (B) The Franchisee wishes to be appointed as the Secretary of State's franchisee for the Franchise and intends, on the terms of this Agreement, actively to seek, in all reasonable business ways, greatly improved performance over the Franchise Term from its employees, its Train Fleet and other assets, and from Network Rail and its other suppliers, so as to deliver to the passenger the best railway passenger service that can be obtained from the resources that are available to it.
- (C) This Agreement has been entered into pursuant to and incorporates by reference the Terms. This Agreement specifies the matters which the Terms require to be addressed in a franchise agreement and which are to be agreed between the parties or prescribed by the Secretary of State, together with any other provisions that the parties have agreed should amend or supplement the Terms.
- (D) The following provisions of this Agreement are intended to reflect and give effect to the matters referred to in Recitals (A) to (C) inclusive.

**1. INTERPRETATION AND DEFINITIONS**

**1.1 In this Agreement:**

<b>Conditions Precedent Agreement</b>	means the agreement between the Secretary of State and the Franchisee of even date herewith specifying certain conditions to be satisfied prior to the issue of a Certificate of Commencement.
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<b>Terms</b>	means the National Rail Franchise Terms Fifth Edition (Greater Anglia) attached to this Agreement.
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**1.2** The Terms are hereby incorporated by reference in this Agreement.

**1.3** This Agreement, the Conditions Precedent Agreement and the Terms together constitute a single agreement, which is a "franchise agreement" for the purposes of the Act.

1.4 This Agreement shall be interpreted in accordance with the Terms, for which purpose terms defined therein shall have the same meanings where used in this Agreement, unless this Agreement expressly provides to the contrary.

1.5 If there is any conflict between the terms of this Agreement and the Terms, the terms of this Agreement shall prevail.

## 2. **COMMENCEMENT**

2.1 The provisions of the Terms listed in clauses 2.1(a) to 2.1(o) (inclusive) of this clause 2.1 together with such provisions of this Agreement as may be required to give effect to the same, shall take effect and be binding upon each of the Secretary of State and the Franchisee immediately upon signature of this Agreement:

- (a) paragraph 4.3 of Schedule 4 (Persons with Disabilities and Disability Discrimination);
- (b) paragraph 1 of Part 2 of Schedule 2.1 (Asset Vesting and Transfer);
- (c) paragraph 2 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);
- (d) paragraph 2 of Schedule 2.3 (Third Party Delivery of Passenger Services and Other Franchisees);
- (e) Schedule 5.1 (Purpose, Structure and Construction);
- (f) Schedule 5.3 (Allocation of Fares to Fares Baskets);
- (g) Schedule 5.7 (Changes to Fares and Fares Regulation);
- (h) Schedule 9 (Changes);
- (i) Schedule 10 (Remedies, Termination and Expiry);
- (j) paragraph 2 of Schedule 11 (Agreement Management Provisions);
- (k) paragraph 4 of Schedule 12 (Financial Obligations and Covenants);
- (l) paragraphs 1, 2, 5, 6, 7 and 8 of Schedule 13 (Information and Industry Initiatives);
- (m) Schedule 14.3 (Key Contracts);
- (n) Schedule 17 (Confidentiality); and
- (o) Schedule 19 (Other Provisions).

2.2 The other provisions of this Agreement and of the Terms shall take effect and become binding upon the parties on the Start Date, as stated in the Certificate of Commencement issued pursuant to the Conditions Precedent Agreement.

### 3. **TERM**

This Agreement shall terminate on the Expiry Date or on the date of any earlier termination pursuant to clause 4.2(b) or clause 4.3(b) of the Conditions Precedent Agreement or pursuant to Schedule 10 (Remedies, Termination and Expiry) of the Terms.

### 4. **GENERAL OBLIGATIONS**

- 4.1 The Franchisee shall perform its obligations under the Franchise Agreement in accordance with its terms and with that degree of skill, diligence, prudence and foresight which would be exercised by a skilled and experienced Train Operator of the Franchise.
- 4.2 Any obligation on the part of the Franchisee to use all reasonable endeavours shall extend to consequent obligations adequately to plan and resource its activities, and to implement those plans and resources, with all due efficiency and economy.
- 4.3 The Franchisee shall co-operate with the Secretary of State and act reasonably and in good faith in and about the performance of its obligations and the exercise of its rights pursuant to the Franchise Agreement.
- 4.4 The Secretary of State shall act reasonably and in good faith in and about the performance of his obligations and the exercise of his rights pursuant to the Franchise Agreement.
- 4.5 The Franchisee and the Secretary of State shall agree a conformed copy of the Terms, incorporating those changes to the Terms set out in the Franchise Specific Agreement, by no later than one month after the date of the Franchise Agreement or such later date as the Secretary of State and the Franchisee may agree. In the case of any dispute or inconsistency between such conformed copy and the Franchise Specific Agreement, the Franchise Specific Agreement shall prevail.

### 5. **SPECIFIC OBLIGATIONS**

The following provisions shall apply for the purpose of implementing the Terms.

#### **Clause 3 (Definitions)**

- 5.1 The following words and expressions contained in clause 3.1 of the Terms shall be interpreted in accordance with the following:
  - (a) the prescribed month for the purpose of the definition of Bond Year is March;
  - (b) for the purpose of the definition of Bid Profit Stream the prevailing discount rate is 3.5 per cent. per annum (in real terms) at the date of this Agreement;
  - (c) the prescribed stations for the purpose of the definition of Commuter Fare are:
    - (i) London Stations; and
    - (ii) Suburban Stations;

- (d) the Commuter Fares Document in the agreed terms is attached to this Agreement marked CFD;
- (e) the schemes for the purpose of the definition of Discount Fare Scheme are:
  - (i) ATOC Disabled Persons Railcard Scheme dated 23 July 1995 between the participants named therein;
  - (ii) ATOC Young Persons Railcard Scheme dated 23 July 1995 between the participants named therein; and
  - (iii) ATOC Senior Railcard Scheme dated 23 July 1995 between the participants named therein;
- (f) for the purpose of the definition of Estimated Profit Stream the prevailing discount rate is 3.5 per cent. per annum (in real terms) at the date of this Agreement;
- (g) the prescribed period for the purpose of the definition of Evening Peak is the period between 1600 and 1859 (inclusive) during a Weekday or such other continuous three hour period between 1200 and 2359 (inclusive) as the Secretary of State may specify from time to time;
- (h) the prescribed time and date for the purpose of the definition of Expiry Date is 0159 on 20 July 2014;
- (i) for the purposes of the definition of Franchise:
  - (i) the prescribed date is 21 April 2011; and
  - (ii) the prescribed places are London Liverpool Street, Southend, Norwich, Colchester, Ipswich, Stowmarket, Cambridge, Kings Lynn, Broxbourne, Bishop's Stortford amongst others and as may be varied from time to time in accordance with the Franchise Agreement;
- (j) the date for the purposes of the definition of Franchise Letting Process Agreement is 18 February 2011;
- (k) each Franchisee Year shall, subject to the terms of that definition, begin on 1 April and end on 31 March;
- (l) not used;
- (m) not used;
- (n) the schemes for the purpose of the definition of Inter-Operator Scheme are:
  - (i) ATOC Staff Travel Scheme dated 23 July 1995 between the participants named therein;
  - (ii) Ticketing and Settlement Agreement;
  - (iii) ATOC LRT Scheme dated 23 July 1995 between the participants named therein;

- (iv) Travelcard Agreement dated 15 October 1995 between London Regional Transport and the parties named therein;
- (v) Through Ticketing (Non-Travelcard) Agreement dated 15 October 1995 between London Regional Transport and the parties named therein;
- (vi) National Rail Enquiry Scheme dated 11 June 1996 between the participants named therein; and
- (vii) The PAYG Scheme dated 16 October 2009 between the participants listed therein;
- (o) the prescribed station for the purpose of the definition of Managed Station is London Liverpool Street;
- (p) the prescribed amount for the purpose of the definition of Minor Works' Budget is £300,000 for each Franchisee Year;
- (q) the prescribed period for the purpose of the definition of Morning Peak is the period between 0700 and 0959 (inclusive) during a Weekday or such other continuous morning three hour period as the Secretary of State may specify from time to time;
- (r) the Operational Model in the agreed terms is attached to this Agreement marked OM;
- (s) Parent means Abellio Transport Holding B.V.;
- (t) the Passenger's Charter in the agreed terms is attached to this Agreement marked PC;
- (u) the Power of Attorney in the agreed terms is attached to this Agreement marked POA;
- (v) the Protected Fares Document in the agreed terms is attached to this Agreement marked PFD;
- (w) for the purpose of the definition of Qualifying Change, the prevailing discount rate is 3.5 per cent. per annum (in real terms) at the date of this Agreement;
- (x) the Record of Assumptions in the agreed terms is attached to this Agreement marked ROA;
- (y) not used;
- (z) the date for the purpose of paragraph (a) of the definition of Review Date is 19 December 2011;
- (aa) the agreed assumptions for the purpose of the definition of Secretary of State Risk Assumptions are set out in Appendix 1 (Secretary of State Risk Assumptions);
- (bb) the Service Level Commitment in the agreed terms is attached to this Agreement marked SLC;

- (cc) the Service Quality Audit Programme in the agreed terms is attached to this Agreement marked SQAP;
- (dd) the Service Quality Management System in the agreed terms is attached to this Agreement marked SQMS;
- (ee) the Service Quality Standards in the agreed terms are attached to this Agreement marked SQS;
- (ff) the time and date for the purpose of paragraph (a) of the definition of Start Date is 0200 on 5 February 2012;
- (gg) the agreed amounts of "TR" for the purpose of the definition of Target Revenue are set out in Appendix 2 (Target Revenue (expressed in real terms)); and
- (hh) for the purposes of the formula set out in the definition of Threshold Amount:
  - (i) the prescribed threshold amount for any Franchisee Year, referred to by the acronym "FAT" is 0.1 per cent. annual Turnover for that Franchisee Year;
  - (ii) the prescribed month for the purpose of the definition of "CRPI" is February; and
  - (iii) the prescribed base month and year for the purpose of the definition of "ORPI" are February 2011.

## Changes to the Terms

5.2 The Terms shall be amended by the insertion in clause 3.1 thereof of the following definitions:

- (a) **"Actual Fares Revenue"** means the gross revenue of the Franchisee (without any deductions except for commission charged to revenue in the normal course of business) relating to the sale of tickets of any type for the carriage of passengers by railway (including revenue allocated to the Franchisee under the Ticketing and Settlement Agreement, the Inter Operator Schemes referred to in Clauses 5.1(n)(iv) and 5.1(n)(v) of the Franchise Specific Agreement, the Pay As You Go Agreement or otherwise) but excluding (for the avoidance of doubt) any revenue which is a fee for parking a vehicle;
- (b) **"Crossrail Concessionaire"** means any person who is appointed to provide railway passenger services on the railway transport system to be constructed and maintained as specified in the Crossrail Act 2008;
- (c) **"Crossrail Programme"** means the programme of planning, preparatory, construction, tunnelling and engineering activities and works and the procurement of rolling stock and other assets and equipment being undertaken for the purposes of building the east west cross London railway transport system specified in the Crossrail Act 2008;
- (d) **"Crossrail Services"** means the Passenger Services operated on the "E-Lines" between London Liverpool Street and Shenfield;



- (e) **"Crossrail Stations"** means the following stations: Stratford, Maryland, Forest Gate, Manor Park, Ilford, Seven Kings, Goodmayes, Chadwell Heath, Romford, Gidea Park, Harold Wood and Brentwood;
- (f) **"McNulty Outputs"** means changes or proposed changes to the structure, operation or organisation of the British railway system following the publication of the final report of the rail value for money study chaired by Sir Roy McNulty;
- (g) **"Olympics Cancellation"** means a train which is scheduled to be provided as part of the Olympic Services Delivery Plan and which, other than by prior direction by the Olympic Delivery Authority:
  - (i) is cancelled or does not operate for more than half its scheduled mileage;
  - (ii) begins its journey after its scheduled departure point or terminates its journey before its scheduled destination point;
  - (iii) does not call at any station at which it is scheduled to call; or
  - (iv) is delayed at its point of destination by more than 120 minutes.
- (h) **"Olympics Cancellation Payment Adjustment"** has the meaning given to such term in paragraph 6.1 of Appendix 12 (2012 Olympic Games and Paralympic Games) of the Franchise Specific Agreement;
- (i) **"Olympics Capacity Shortfall"** means any shortfall in the number of vehicles actually operated in accordance with relevant diagrams throughout a day when an Olympic Services Delivery Plan is in force by comparison to the Olympic Vehicle Target;
- (j) **"Olympics Capacity Shortfall Payment Adjustment Fee"** has the meaning given to such term in paragraph 6.2 of Appendix 12 (2012 Olympic Games and Paralympic Games) of the Franchise Specific Agreement;
- (k) **"Olympic Vehicle Target"** means in respect of a day on which an Olympic Services Delivery Plan is in force the number of vehicles required to be operated in delivering the Passenger Services on that day as is specified in the table at paragraph 7 of Appendix 12 (2012 Olympic Games and Paralympic Games) of the Franchise Specific Agreement;
- (l) **"Survey Period"** means such day or days as are determined by the Secretary of State falling within each of the following Reporting Periods:
  - (i) the 13th Reporting Period in the Franchisee Year beginning on 1st April 2012;
  - (ii) the third Reporting Period in the Franchisee Year beginning on 1st April 2013;

- (iii) the sixth Reporting Period of the Franchisee Year beginning on 1st April 2013; and (thereafter)
- (iv) every subsequent third Reporting Period until the Expiry Date;
- (m) **"Ticketless Travel Payment Adjustment"** means a payment adjustment made to Franchise Payments as determined in accordance with paragraph 3 of Appendix 13 of the Franchise Specific Agreement;
- (n) **"Ticketless Travel Payment Adjustment Date"** means:
  - (i) in the case of any Ticketless Travel Payment Adjustment determined pursuant to paragraph 3.2(b) of Appendix 13 of the Franchise Specific Agreement, the first Payment Date falling no less than seven days after the relevant determination; and
  - (ii) in the case of any Ticketless Travel Payment Adjustment falling due in respect of the final Franchisee Year and which has not been made during the Franchise Period, the date that is 30 days from the date on which the Secretary of State notifies the Franchisee of the amount of such Ticketless Travel Payment Adjustment;
- (o) **"Ticketless Travel Rate"** means that proportion (expressed as a decimal fraction to four decimal places) of passengers estimated by the Ticketless Travel Survey as being the central estimate rate for that Survey Period of passengers travelling on the Passenger Services without a valid ticket or other valid permission to travel;
- (p) **"Ticketless Travel Survey"** means the survey carried out by or on behalf of the Secretary of State in each Survey Period to determine the Ticketless Travel Rate for such period;
- (q) **"Ticketless Travel Survey Methodology"** means the methodology dated 19 April 2010 in agreed terms marked **"TTSM"** (as such document may be amended pursuant to paragraph 3.3 of Appendix 13 of the Franchise Specific Agreement) or any other methodology agreed by the Secretary of State and the Franchisee (or on failure to agree as determined by the Secretary of State) for carrying out Ticketless Travel Surveys as set out in paragraph 3.1 of Appendix 13 of the Franchise Specific Agreement; and
- (r) **"the relevant 42 Day Statement"** means a statement provided by Network Rail to the Franchisee under Schedule 8 of its Track Access Agreement identifying and attributing responsibility for any Olympics Cancellation.

#### **Schedule 1.1 (Service Development)**

- 5.3 For the purpose of paragraph 3.1 of Schedule 1.1 (Service Development) of the Terms, Tables 1 and 2 are set out in Appendix 3 (The Train Fleet) of this Agreement.

### **Schedule 1.5 (Information about Passengers)**

- 5.4 The technology to be used for the purpose of paragraph 1.2 of Schedule 1.5 (Information about Passengers) of the Terms is:
- (a) passenger load determination where it is fitted on the Train Fleet:
    - (i) five class 315 units (by way of Infodev system);
    - (ii) all class 379 units (by way of a count-on, count-off infra-red system); and
    - (iii) 27 class 321 units (by way of Infodev system); and
  - (b) otherwise by manual counts of passengers.

### **Schedule 1.6 (Franchise Services)**

- 5.5 The prescribed percentages for the purposes of paragraphs 5(d)(i) and (ii) of Schedule 1.6 (Franchise Services) of the Terms are, respectively:
- (a) 1 per cent.; and
  - (b) 1 per cent.
- 5.6 The relevant Depots for the purpose of paragraph 5(e) of Schedule 1.6 of the Terms are as follows:
- (a) Norwich Crown Point; and
  - (b) Ilford.
- 5.7 The relevant property for the purpose of paragraph 5(n) of Schedule 1.6 (Franchise Services) of the Terms is as follows:
- None
- 5.8 The prescribed 'Original Amounts' for the purposes of paragraph 5(q) of Schedule 1.6 (Franchise Services) of the Terms are:
- (a) £25,000 per annum per item; and
  - (b) £250,000 per annum in aggregate.

### **Schedule 2.1 (Asset Vesting and Transfer)**

- 5.9 The provisions of Part 2 of Schedule 2.1 (Asset Vesting and Transfer) of the Terms shall apply, for which purpose the Property Leases shall be in the agreed terms attached to this Agreement marked SL and DL (as appropriate).

### **Schedule 2.3 (Third Party Delivery of Passenger Services and Other Franchisees)**

- 5.10 The prescribed percentage for the purpose of paragraph 1.2(d) of Schedule 2.3 (Third Party Delivery of Passenger Services and Other Franchisees) of the Terms is five per cent.

### **Schedule 2.5 (Transport, Travel and Other Schemes)**

- 5.11 The prescribed Integrated Transport Schemes for the purpose of paragraph 1.1 of Schedule 2.5 (Transport, Travel and Other Schemes) of the Terms are as follows:

None

- 5.12 The prescribed concessionary travel schemes for the purpose of paragraph 2.1(a) of Schedule 2.5 (Transport, Travel and Other Schemes) of the Terms are as follows:

- (a) London Boroughs Concessionary fares schemes;
- (b) Suffolk County Council Scholar season Ticket Agreement dated 1 September 1999 between Anglia Railway Train Services Ltd and Suffolk County Council;
- (c) Suffolk County Council Scholar Season Ticket (covers student travel to Woodridge and Ipswich). Agreement dated 1 September 1999 between Anglia Railway Train Services Ltd and Suffolk County Council;
- (d) Suffolk County Council Scholar Season Ticket (covers student travel to Lowestoft and Norwich). Agreement dated 1 September 1999 between Anglia Railway Train Services Ltd and Suffolk County Council;
- (e) Norfolk County Council Scholar Season Ticket (covers student travel on various routes in Norfolk). Agreement dated 3 September 1991 between Anglia Railway Train Services Ltd and Norfolk County Council; and
- (f) Norfolk County Council Scholar Season Ticket (covers student travel between Norfolk and Great Yarmouth). Agreement dated 1 April 2004 between Anglia Railway Train Services Ltd and Norfolk County Council.

- 5.13 The prescribed multi-modal schemes for the purpose of paragraph 3.1(a) of Schedule 2.5 (Transport, Travel and Other Schemes) of the Terms are as follows:

None.

- 5.14 Not Used.

### **Schedule 7.1 (Performance Benchmarks)**

- 5.15 The Cancellations Benchmarks for the purpose of paragraph 1.1 of Schedule 7.1 (Performance Benchmarks) of the Terms are set out in Appendix 5 (Cancellations Benchmark Table) of this Agreement.

- 5.16 The Capacity Benchmarks for the purpose of paragraph 1.2 of Schedule 7.1 (Performance Benchmarks) of the Terms are set out in Appendix 6 (Capacity Benchmark Table) of this Agreement.
- 5.17 The TOC Minute Delay Benchmarks for the purpose of paragraph 1.4 of Schedule 7.1 (Performance Benchmarks) of the Terms are set out in Appendix 7 (TOC Minute Delay Benchmark Table) of this Agreement.
- 5.18 Not Used.
- 5.19 Not Used.

#### **Schedule 8.2 (Annual Franchise Payments)**

- 5.20 The agreed figures for the purposes of the definitions of "FXD", "VCRPI", "VCAWE", "PRPI" and "TRRPI" in the formula set out in Schedule 8.2 (Annual Franchise Payments) of the Terms are shown in the table set out in Appendix 8 (Figures for Calculation of Annual Franchise Payments) of this Agreement.
- 5.21 The prescribed month and the prescribed date for the purposes of the definitions of "RPI" and "AWE" in the formula set out in Schedule 8.2 (Annual Franchise Payments) of the Terms are, respectively, February and February 2011.

#### **Schedule 9.1 (Financial and Other Consequences of Change)**

- 5.22
- (a) The requirements for the purposes of paragraph 7.1(b) of Schedule 9.1 (Financial Consequences of Change) of the Terms are such requirements as the Secretary of State may determine prior to the Run of the Financial Model in respect of the relevant Qualifying Change.
  - (b) The circumstances for the purposes of paragraph 11.2(a)(i) of Schedule 9.1 (Financial Consequences of Change) of the Terms are as follows:  
  
None
  - (c) The percentage agreed profit margin for the purpose of paragraphs 5.1(a) and 5.1(b)(i) of Appendix 2 (Agreement or Determination of Revised Inputs) of Schedule 9.1 (Financial Consequences of Change) of the Terms is <sup>1</sup>.

#### **Schedule 12 (Financial Obligations and Covenants)**

- 5.23 The agreed amounts of any Performance Bond for the purposes of paragraph 4.4 of Schedule 12 (Financial Obligations and Covenants) of the Terms is £<sup>2</sup> for the duration of the Franchise Term.

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<sup>1</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>2</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

### **Schedule 14.3 (Key Contracts)**

5.24 The Key Contracts as at the date of this Agreement for the purpose of paragraph 1.2 of Schedule 14.3 (Key Contracts) of the Terms are set out in Appendix 9 (List of Key Contracts) of this Agreement.

### **Schedule 14.4 (Designation of Franchise Assets)**

5.25

- (a) The Primary Franchise Assets as at the date of this Agreement for the purpose of paragraph 2.1(a) of Schedule 14.4 (Designation of Franchise Assets) of the Terms are listed in Appendix 10 (List of Primary Franchise Assets) of this Agreement;
- (b) The amounts for the purposes of paragraph 2.2(b)(i) of Schedule 14.4 (Designation of Franchise Assets) of the Terms are as follows:

<b>Franchisee Year</b>	<b>£(k)</b>
Year 1 (from Start Date)	1,000
Year 2	3,000
Year 3	3,000
Year 4 (up to Expiry Date)	1,000

### **Schedule 16 (Pensions)**

5.26 The relevant sections of the Railways Pension Scheme for the purpose of paragraph 1 of Schedule 16 (Pensions) of the Terms are:

- (a) Anglia Railways Shared Cost Section;
- (b) London Eastern Railways (West Anglia) Shared Cost Section; and
- (c) Greater Eastern Railway Shared Costs Section

5.27 Not Used

### **Schedule 19 (Other Provisions)**

5.28 The details of the parties for the purpose of paragraph 5.1(a) of Schedule 19 (Other Provisions) of the Terms are as follows:

Name: The Department for Transport  
Address: 33 Horseferry Road, London SW1P 4DR  
Facsimile: +44 (0)20 79442446  
E-mail: franchise.notices@dft.gsi.gov.uk  
Attention: Director, Rail Commercial Contracts

Name: Abellio Greater Anglia Ltd  
Address: 5 Fleet Place, London EC4M 7RD

Facsimile: +44 (0)20 7430 2239  
E-mail: [greateranglia@abellio.com](mailto:greateranglia@abellio.com)  
Attention: Managing Director

**6. COMMITTED OBLIGATIONS**

The Franchisee shall deliver the Committed Obligations that are set out in Appendix 11 (List of Committed Obligations and Related Provisions) of this Agreement in accordance with the terms thereof.

**7. SUPPLEMENTAL TERMS**

- 7.1 The provisions of Appendix 12 (2012 Olympic Games and Paralympic Games) of this Agreement shall apply.
- 7.2 The provisions of Appendix 13 (Greater Anglia Specific Provisions) of this Agreement shall apply.
- 7.3 The Priced Options and the terms upon which the Secretary of State may exercise each Priced Option are set out in Appendix 4 (List of Priced Options) of this Agreement.

**8. RECALIBRATION OF THE BENCHMARKS**

The Benchmarks shall be recalibrated in accordance with the provisions of Appendix 14 (Recalibration of the Benchmarks) of this Agreement.

**9. DOCUMENTS IN THE AGREED TERMS**

The parties hereby acknowledge that the list of documents in the agreed terms is set out in Appendix 15 (List of Documents in the Agreed Terms) of this Agreement.

**10. ENTIRE AGREEMENT**

- 10.1 This Agreement, the Conditions Precedent Agreement and the Terms contain the entire agreement between the parties in relation to the subject matter of this Agreement and supersede all prior agreements and arrangements between the parties other than any confidentiality agreements or undertakings which the Franchisee may have entered into with the Secretary of State in connection with his proposal to secure the provision of the Passenger Services under this Agreement.
- 10.2 The Franchisee hereby acknowledges that it is not entering into this Agreement, the Conditions Precedent Agreement and the Terms in reliance on any warranties, representations or undertakings howsoever or to whomsoever made except in so far as such warranties, representations or undertakings are:
- (a) contained in this Agreement; or
  - (b) embodied in any warranties, representations or undertakings contained in the long form report provided by the Department for Transport in respect of the Greater Anglia franchise, dated 24 March 2011.

- 10.3 The Franchisee hereby acknowledges and agrees with the Secretary of State (for himself and as trustee for each of the other persons referred to therein) to the disclaimer of liability which is contained in the section entitled "Important Notice" contained in any document supplied by or on behalf of the Secretary of State in connection with this Agreement, the process leading to the entering into of this Agreement, or the Franchise Services (including any "Invitation to Tender" issued in connection therewith).
- 10.4 The Franchisee irrevocably and unconditionally waives any right which it may otherwise have to claim damages in respect of and/or to rescind this Agreement, the Conditions Precedent Agreement and the Terms on the basis of any warranty, representation (whether negligent or otherwise, and whether made prior to and/or in this Agreement, the Conditions Precedent Agreement and/or the Terms) or undertaking howsoever or to whomsoever made unless and to the extent that such warranty, representation or undertaking was made fraudulently.



**IN WITNESS** whereof the parties hereto have executed this Agreement the day and year first before written.

The Corporate Seal )  
of **THE SECRETARY OF** )  
**STATE FOR TRANSPORT** )  
is hereunto affixed )

.....  
Authenticated by authority of the  
Secretary of State for Transport

SIGNED FOR AND ON BEHALF OF )  
**ABELLIO GREATER ANGLIA LTD** )  
acting by one Director in the presence of: )

.....  
Director

Witness signature: .....

Witness name:

Witness address:

## APPENDIX 1

### Secretary of State Risk Assumptions (*Clause 5.1(aa)*)

1. <sup>3</sup>
2. <sup>4</sup>
3. <sup>5</sup>
4. **Stamp Duty Land Tax**
  - 4.1 It shall be a Change if the Franchisee properly incurs any Stamp Duty Land Tax charge in consequence of it entering into any Station Lease during the Franchise Period or between the date of this Agreement and the Start Date subject to it being reasonably determined by the Secretary of State that the Franchisee has used reasonable endeavours to minimise such charge.
  - 4.2 Any Change pursuant to this paragraph 4 shall automatically be a Qualifying Change irrespective of whether such Change meets the requirements of the definition Qualifying Change.
5. <sup>6</sup>
6. <sup>7</sup>

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<sup>3</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>4</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>5</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>6</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>7</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

## **APPENDIX 2**

### **Target Revenue (expressed in real terms) (*Clause 5.1(gg)*)**

Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

## APPENDIX 3

### The Train Fleet (*Clause 5.3*)

#### 1. THE COMPOSITION OF THE TRAIN FLEET

The Train Fleet consists of:

- 1.1 the rolling stock vehicles specified in Table 1, with the capacity characteristics referred to there, until the lease expiry dates referred to there;
- 1.2 following any such lease expiry, substitute rolling stock vehicles having:
  - (a) at least the capacity specified in respect of the original rolling stock vehicles being substituted; and
  - (b) reliability, capability and quality that is at least equal to the reliability, capability and quality of the original rolling stock vehicles being substituted; and
- 1.3 from the dates specified in Table 2, the additional rolling stock vehicles referred to against those dates, having:
  - (a) in the case of any additional rolling stock vehicles of the same class as any original rolling stock vehicles:
    - (i) at least the capacity specified in respect of such original rolling stock vehicles or such greater capacity as may be specified in Table 2; and
    - (ii) reliability, capability and quality that is at least equal to the reliability, capability and quality of such original rolling stock vehicles; and
  - (b) in the case of any other additional rolling stock vehicles:
    - (i) at least the capacity specified in respect of any original rolling stock vehicles that are, in the reasonable opinion of the Secretary of State, most similar to such additional rolling stock vehicles; and
    - (ii) reliability, capability and quality that is, in the reasonable opinion of the Secretary of State, at least equal to the reliability, capability and quality of any original rolling stock vehicles that are, in the reasonable opinion of the Secretary of State, most similar to such additional rolling stock vehicles.

**Table 1 (existing vehicles)**

Column 1	Column 2	Column 3				Column 4	Column 5
Class of vehicle	Number of vehicles and unit configuration	Capacity of units				Owner/ Lessor	Lease expiry date(s)
		Seats <sup>8</sup>	Standing <sup>9</sup>	Total <sup>10</sup>	Standard Class		
153	5 = 5 x 1	72	N/A	N/A	72	Porterbrook	20 July 2014
156	18 = 9 x 2	150	N/A	N/A	150	Porterbrook	20 July 2014
170/2	8 = 4 x 2	110	N/A	N/A	110	Porterbrook	20 July 2014
170/3	24 = 8 x 3	180	N/A	N/A	173	Porterbrook	20 July 2014
315	244 = 61 x 4	318	114	432	318	Eversholt	20 July 2014
317/5	60 = 15 x 4	293	129	400	271	Angel Trains	20 July 2014
317/6	96 = 24 x 4	258	116	350	234	Angel Trains	20 July 2014
317/8	48 = 12 x 4	263	85	328	243	Angel Trains	20 July 2014
321/3	264 = 66 x 4	308	122	414	292	Eversholt	20 July 2014
321/4 <sup>11</sup>	112 = 28 x 4	308	122	414	292	Eversholt	20 July 2014
360	84 = 21 x 4	278	108	370	262	Angel Trains	20 July 2014

<sup>8</sup> Includes standard and first class seating

<sup>9</sup> 2.2 passengers per square metre

<sup>10</sup> Total of standard and standing, not including first class seating

<sup>11</sup> The capacity of the Class 321/4 units set out here is modelled on the Class 321/3s

379	120 = 30 x 4	210	136	325	189	Lloyds TSB	20 2014	July
90	15	N/A	N/A	N/A	N/A	Porterbrook	20 2014	July
DVT	15	N/A	N/A	N/A	N/A	Porterbrook	20 2014	July
SET ONE4	3 sets of (FO, FOD, RFM, 5 x TSO)	582	N/A	N/A	472	Porterbrook	20 2014	July
SET ONE5	3 sets of (FO, FOD, RFM, 6 x TSO)	502	N/A	N/A	396	Porterbrook	20 2014	July
SET ONE6	6 sets of (FO, FOD, TSOB, 6 x TSO)	602	N/A	N/A	524	Porterbrook	20 2014	July
Spare Vehicles	2 x FO, 2 x FOD, 2 x RFM, 8 x TSO	N/A	N/A	N/A	N/A	Porterbrook	20 2014	July

**Table 2 (additional vehicles)**

Column 1	Column 2	Column 3	Column 4				Column 5	Column 6
Lease start date(s)	Class of vehicle	Number of vehicles and unit configuration	Capacity of units				Owner / Lessor	Lease expiry date(s)
			Seats	Standing	Total	Standard Class		

## **APPENDIX 4**

### **List of Priced Options (*Clause 7.3*)**

#### **Part 1 of Appendix 4**

##### **1. List of Priced Options**

Part 2 of this Appendix 4 contains a list of the Priced Options agreed as at the date of the Franchise Agreement, and the terms upon which the Secretary of State may exercise each Priced Option.

##### **2. Terms on which Priced Option may be called**

2.1 The Secretary of State may call any Priced Option by serving written notice on the Franchisee:

- (a) at any time on or prior to the last date for the call of such Priced Option and on terms of such Priced Option, in which case the terms of such Priced Option, including the agreed cost and revenue amounts for that Priced Option, shall apply and the Franchisee shall implement such Priced Option in accordance with those terms; or
- (b) at any time after the last date for the call of such Priced Option and/or on different terms to those specified within such Priced Option, in which case such call shall be a Change.

## Part 2 of Appendix 4

### 1. TFL CYCLE SPACES

#### Description, objective and specification

- 1.1 This Priced Option relates to the provision of additional cycle facilities at 18 Stations specified by TfL.

#### Price for exercising this Priced Option (in £ base date)

- 1.2 Where this Priced Option is called in accordance with its terms, the price for and the financial implications of the exercise of this Priced Option shall be as set out in Tables 1A and 1B in Part 3 to this Appendix 4 and adjustments to Franchise Payments shall be made accordingly.
- 1.3 The price of this Priced Option shall be indexed in accordance with the principles set out in Schedule 8.2 (Annual Franchise Payments) of the Terms.

#### Timescale for implementing this Priced Option from the date it is called

- 1.4 Where this Priced Option is called in accordance with its terms, implementation will take place on a phased basis with a first phase in May to June 2012 followed by a pause for the Games and a second phase in October to December 2012, with completion by 21 July 2013.

#### Other effects on the Franchise Agreement

- 1.5 Where this Priced Option is called in accordance with its terms:
- (a) a new Committed Obligation shall be included in Part 1 to Appendix 11 (List of Committed Obligations and Related Provisions) as follows:

“ [x] **TfL Cycle Spaces**

[x.1] On or before 21 July 2013, the Franchisee shall provide new cycle parking facilities (“**Cycle Parking Facilities**”) at the 18 Stations listed in the table below and in the quantities set out in respect of such Stations in the table:

12			

[x.2] The Franchisee shall ensure that any Cycle Parking Facility shall be:

[a] installed in accordance with the TfL's Cycle Parking Quality Standards, placed in a convenient, accessible, well signed, advertised and well lit location, close to the Station entrance or

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<sup>12</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.



near to, but not obstructing, primary passenger desire line(s) (as far as is reasonably practicable);

[b] of an appropriate standard of robustness and attack resistance and fit for purpose; and

[c] once installed, incorporated within the station maintenance regime with regular cleaning and maintenance being undertaken by the Franchisee.

[x.3] The Franchisee's obligation under paragraph [x.1] above shall be conditional on the Franchisee having received: (i) the consent of Network Rail under the relevant Station Leases to carry out the obligation contemplated under paragraph [x.1]; and (ii) Network Rail's undertaking that they will not during the Franchise Period propose to take over the provision and/or any part of the Stations where the Cycle Parking Facilities are located as part of any Network Rail Development under (and as defined in) the relevant Station Leases.

[x.4] The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 (List of Committed Obligations and Related Provisions) shall apply to this Committed Obligation.

[x.5] For the purposes of this paragraph [x], TfL's Cycle Parking Quality Standards means the standards set out in the document in agreed terms marked **CPQS** being the document attached as Annex 1 to this Appendix 4";

- (b) a new entry shall be included in the Table in Part 2 to Appendix 11 (List of Committed Obligations and Related Provisions) as follows:

<sup>13</sup>			

- (c) a new entry shall be included in the Table in Part 3 to Appendix 11 (List of Committed Obligations and Related Provisions) as follows:

<sup>14</sup>				

- (d) a new entry shall be in Appendix 15 (List of Documents in the Agreed Terms) in alphabetical order as follows:

"**CPQS** TfL's Cycle Parking Quality Standards"

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<sup>13</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>14</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

**Latest date for calling this Priced Option to maintain the price in paragraph 1.2**

- 1.6 The latest date for calling this Priced Option to maintain the terms of this Priced Option including the price referred to in paragraph 1.2 is the Start Date.

## Part 3 of Appendix 4

### 1. TFL CYCLE SPACES

**Table 1A: Target Revenue (expressed in real terms) (*Clause 5.1(gg)*)**

The table below sets out the increment to the Target Revenue set out in Appendix 2 (Target Revenue (expressed in real terms)) of this Agreement where this priced option is to be implemented by the date set out in paragraph 1 of Part 2 of this Appendix 4.

Column 1	Column 2
Franchisee Year	Target Revenue (£k)
Year 1 (from Start Date)	N/A
Year 2	N/A
Year 3	N/A
Year 4 (up to Expiry Date)	N/A

**Table 1B: Figures for Calculation of Annual Franchise Payments (*Clause 5.20*)**

The table below sets out the increment to the figures for calculation of the Annual Franchise Payments set out in Appendix 8 (Figures for Calculation of Annual Franchise Payments) of this Agreement where this Priced Option is to be implemented by the date set out in paragraph 1 of Part 2 of this Appendix 4.

15					

<sup>15</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

## **Annex 1 to Appendix 4**

### **TfL standards for new cycle parking facilities to be provided by the Greater Anglia franchisee**

- 1.1 Where new facilities are provided these should be placed in a convenient, accessible, well signed, advertised and well lit location, close to the station entrance or near to, but not obstructing, primary passenger desire line(s) (as far as is practicable). There should be a clear "audit trail" for the decision making in relation to the provision and siting of the facilities. TfL can provide further advice on the type of signage that should be used and would also wish to ensure consistency of publicity concerning cycle security messages with the franchisee. Refer to the following document published by Cycling England for further information on the approach required and equipment available:  
<[http://www.dft.gov.uk/cyclingengland/site/wp-content/uploads/2009/03/c04\\_cycle\\_parking.pdf](http://www.dft.gov.uk/cyclingengland/site/wp-content/uploads/2009/03/c04_cycle_parking.pdf)>
- 1.2 New facilities should meet the requirements of Section 17 of the Crime and Disorder Act (1998). They should be covered by CCTV and lighting to an appropriate standard in line with legislative and regulatory requirements. All selected locations must undergo a full situational crime prevention survey by a suitably qualified crime prevention specialist to ensure that the introduction of cycle parking facilities does not increase opportunities for crime. All equipment used in the provision of cycle parking should meet appropriate standards of robustness and attack resistance, and be fit for purpose.
- 1.3 Additional cycle parking facilities should be incorporated within the station maintenance regime, with regular cleaning and maintenance being undertaken.
- 1.4 Station staff should offer assistance to customers using cycle parking facilities whenever required, particularly if customers' bicycles have been stolen or damaged.

## APPENDIX 5

Cancellations Benchmark Table (*Clause 5.15*)<sup>16</sup>

Column 1		Column 2	Column 3	Column 4	Column 5
Franchisee Year/ Reporting Period		Target Performance Level (%)	Improvement Plan Performance Level	Breach Performance Level (%)	Default Performance Level (%)
Year 1	Period 12	0.47	0.50	0.54	0.56
	Period 13	0.47	0.50	0.54	0.56
Year 2	Period 1	0.47	0.50	0.54	0.56
	Period 2	0.46	0.50	0.53	0.56
	Period 3	0.46	0.50	0.53	0.56
	Period 4	0.46	0.50	0.53	0.56
	Period 5	0.46	0.50	0.53	0.56
	Period 6	0.46	0.50	0.53	0.55
	Period 7	0.46	0.50	0.53	0.55
	Period 8	0.46	0.50	0.53	0.55
	Period 9	0.46	0.49	0.53	0.55
	Period 10	0.46	0.49	0.53	0.55
	Period 11	0.46	0.49	0.53	0.55
	Period 12	0.46	0.49	0.53	0.55
	Period 13	0.46	0.49	0.53	0.55
Year 3	Period 1	0.46	0.49	0.53	0.55
	Period 2	0.46	0.49	0.52	0.55
	Period 3	0.46	0.49	0.52	0.55
	Period 4	0.45	0.49	0.52	0.55
	Period 5	0.45	0.49	0.52	0.54
	Period 6	0.45	0.49	0.52	0.54
	Period 7	0.45	0.49	0.52	0.54
	Period 8	0.45	0.49	0.52	0.54
	Period 9	0.45	0.49	0.52	0.54
	Period 10	0.45	0.48	0.52	0.54
	Period 11	0.45	0.48	0.52	0.54
	Period 12	0.45	0.48	0.52	0.54
	Period 13	0.45	0.48	0.52	0.54
Year 4	Period 1	0.45	0.48	0.52	0.54
	Period 2	0.45	0.48	0.51	0.54
	Period 3	0.45	0.48	0.51	0.54
	Period 4	0.45	0.48	0.51	0.54

### 1. START OF THE FRANCHISE

The Reporting Period in the cells entitled "Year 1 Period 12" shall be the first Reporting Period of the Franchise Term.

<sup>16</sup> Date of change 09/03/2012

## APPENDIX 6

**Capacity Benchmark Table (Clause 5.16)<sup>17</sup>**

Column 1		Column 2	Column 3	Column 4	Column 5
Franchisee Year/ Reporting Period		Target Performance Level (%)	Improvement Plan Performance Level	Breach Performance Level (%)	Default Performance Level (%)
Year 1	Period 12	0.079	0.085	0.091	0.095
	Period 13	0.079	0.085	0.091	0.095
Year 2	Period 1	0.079	0.085	0.091	0.095
	Period 2	0.079	0.085	0.091	0.095
	Period 3	0.079	0.085	0.091	0.094
	Period 4	0.079	0.084	0.090	0.094
	Period 5	0.078	0.084	0.090	0.094
	Period 6	0.078	0.084	0.090	0.094
	Period 7	0.078	0.084	0.090	0.094
	Period 8	0.078	0.084	0.090	0.094
	Period 9	0.078	0.084	0.090	0.094
	Period 10	0.078	0.084	0.090	0.093
	Period 11	0.078	0.084	0.089	0.093
	Period 12	0.078	0.083	0.089	0.093
	Period 13	0.078	0.083	0.089	0.093
Year 3	Period 1	0.077	0.083	0.089	0.093
	Period 2	0.077	0.083	0.089	0.093
	Period 3	0.077	0.083	0.089	0.093
	Period 4	0.077	0.083	0.089	0.093
	Period 5	0.077	0.083	0.089	0.092
	Period 6	0.077	0.083	0.088	0.092
	Period 7	0.077	0.083	0.088	0.092
	Period 8	0.077	0.082	0.088	0.092
	Period 9	0.077	0.082	0.088	0.092
	Period 10	0.076	0.082	0.088	0.092
	Period 11	0.076	0.082	0.088	0.092
	Period 12	0.076	0.082	0.088	0.091
	Period 13	0.076	0.082	0.087	0.091
Year 4	Period 1	0.076	0.082	0.087	0.091
	Period 2	0.076	0.082	0.087	0.091
	Period 3	0.076	0.081	0.087	0.091
	Period 4	0.076	0.081	0.087	0.091

### 1. START OF THE FRANCHISE

The Reporting Period in the cells entitled "Year 1 Period 12" shall be the first Reporting Period of the Franchise Term.

<sup>17</sup> Date of change 09/03/2012

## APPENDIX 7

**TOC Minute Delay Benchmark Table (Clause 5.17)<sup>18</sup>**

Column 1		Column 2	Column 3	Column 4	Column 5
Franchisee Year/ Reporting Period		Target Performance Level (Minutes Delay)	Improvement Plan Performance Level (Minutes Delay)	Breach Performance Level (Minutes Delay)	Default Performance Level (Minutes Delay)
Year 1	Period 12	20,280	21,810	23,330	24,340
	Period 13	20,250	21,770	23,290	24,310
Year 2	Period 1	20,230	21,740	23,260	24,270
	Period 2	20,200	21,710	23,230	24,240
	Period 3	20,170	21,680	23,190	24,200
	Period 4	20,140	21,650	23,160	24,160
	Period 5	20,110	21,620	23,120	24,130
	Period 6	20,080	21,580	23,090	24,090
	Period 7	20,050	21,550	23,060	24,060
	Period 8	20,020	21,520	23,020	24,020
	Period 9	19,990	21,490	22,990	23,990
	Period 10	19,960	21,460	22,950	23,950
	Period 11	19,930	21,430	22,920	23,920
	Period 12	19,900	21,390	22,890	23,880
	Period 13	19,870	21,360	22,850	23,850
Year 3	Period 1	19,840	21,330	22,820	23,810
	Period 2	19,810	21,300	22,790	23,780
	Period 3	19,780	21,270	22,750	23,740
	Period 4	19,750	21,240	22,720	23,710
	Period 5	19,720	21,200	22,680	23,670
	Period 6	19,700	21,170	22,650	23,630
	Period 7	19,670	21,140	22,620	23,600
	Period 8	19,640	21,110	22,580	23,560
	Period 9	19,610	21,080	22,550	23,530
	Period 10	19,580	21,050	22,510	23,490
	Period 11	19,550	21,010	22,480	23,460
	Period 12	19,520	20,980	22,450	23,420
	Period 13	19,490	20,950	22,410	23,390
Year 4	Period 1	19,460	20,920	22,380	23,350
	Period 2	19,430	20,890	22,350	23,320
	Period 3	19,400	20,860	22,310	23,280
	Period 4	19,370	20,820	22,280	23,250

### 1. START OF THE FRANCHISE

The Reporting Period in the cells entitled "Year 1 Period 12" shall be the first Reporting Period of the Franchise Term.

<sup>18</sup> Date of change 09/03/2012

## APPENDIX 8

### Figures for Calculation of Annual Franchise Payments (*Clause 5.20*)

Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.



## **APPENDIX 9**

### **List of Key Contracts (*Clause 5.24*)**

The following items have as at the date of the Franchise Agreement been agreed between the parties to be Key Contracts:

1. Any Access Agreement to which the Franchisee is a party other than in its capacity as a Facility Owner.
2. Any Property Lease.
3. Any Rolling Stock Related Contract including the Rolling Stock Leases listed in Table 1 and Table 2 of Appendix 3 (The Train Fleet), but excluding any Rolling Stock Related Contract relating only to rolling stock vehicles funded by Additional Rolling Stock Investment.
4. Any contract for the maintenance and renewal works at Stations including any framework delivery contracts for the provision of building and civil engineering works, mechanical and electrical works at Stations.
5. Any contract or arrangement for the lending, seconding, hiring, contracting out, supervision, training, assessment, or accommodation by another Train Operator of any train drivers, conductors or other train crew used by the Franchisee in the provision of the Passenger Services.
6. Any contract or arrangement for the subcontracting or delegation to another Train Operator of the provision of any of the Passenger Services (whether or not the consent of the Secretary of State is required to such subcontracting or delegation under paragraph 1 of Schedule 2.3 (Third Party Delivery of Passenger Services and Other Franchisees) of the Terms).
7. Any contract or arrangement with a Train Operator (other than an Access Agreement) for the provision to the Franchisee of train dispatch, performance or supervision of platform duties, security activities, evacuation procedures, advice or assistance to customers, assistance to disabled customers, operation of customer information systems, cash management or ticket issuing systems administration.
8. Any contract or arrangement with a Train Operator for the provision of breakdown or recovery, and track call services to assist in the provision of the Passenger Services.
9. Any contract or arrangement for the supply of spare parts or Spares.
10. Any contract or arrangement for the maintenance of track and other related infrastructure.
11. Any licences of Marks to the Franchisee.
12. Any licence of any CRM System or Yield Management System.

13. Any contract or arrangement for the provision or lending of Computer Systems (other than the CRM System and Yield Management System) used by the Franchisee for the delivery of the Franchise Services.

## APPENDIX 10

### List of Primary Franchise Assets (*Clause 5.25*)

#### Primary Franchise Assets

Description of Primary Franchise Asset	Commitment not to de-designate
Lease in respect of the car park at Stowmarket between Suffolk County Council and London Eastern Railway Limited (as transferred to Abellio Greater Anglia Ltd under the Start Date Transfer Scheme).	Yes
Portable Cab Secure Radio Units (Unipart No. 87/980379) being 23 x portable CSR and 3 x portable NRN.	Yes
<p>The cab simulators for the following classes of the Train Fleet:</p> <p>(i) Class 170 (company asset number LER c00108);</p> <p>(ii) Class 315 (company asset number LER 00108); and</p> <p>(iii) Class 379 (company asset number LER 10001)</p>	Yes

## APPENDIX 11

### List of Committed Obligations and Related Provisions (*Clause 6*)

#### Part 1 to Appendix 11

#### List of Committed Obligations

##### 1. Marketing

- 1.1 Subject to paragraph 1.4, the Franchisee shall invest a total sum of £<sup>19</sup> in marketing of the Franchise Services (the "**Marketing Investment**") during the Franchise Term. The Franchisee plans to invest the Marketing Investment in accordance with its marketing budget for each Marketing Spend Year. In the interests of commerciality and to meet changing circumstances, the Franchisee reserves a degree of flexibility in terms of exactly when the Marketing Investment is made, and therefore shall commit to invest, as a minimum, <sup>20</sup> of the marketing budget designated for each Marketing Spend Year during such Marketing Spend Year provided that by the end of the Franchise Term it shall have invested the total Marketing Investment.
- 1.2 Subject to paragraph 1.4, the Franchisee shall, pursuant to paragraph 1.1, invest during the relevant Marketing Spend Year no less than:
- (a) £<sup>21</sup> by 26 May 2012 (Marketing Spend Year 1); and
  - (b) £<sup>22</sup> during the period 27 May 2012 until 25 May 2013 (Marketing Spend Year 2); and
  - (c) £<sup>23</sup> during the period 26 May 2013 until 24 May 2014 (Marketing Spend Year 3); and
  - (d) £<sup>24</sup> during the period 25 May 2014 until the Expiry Date (Marketing Spend Year 4).

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<sup>19</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>20</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>21</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>22</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>23</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>24</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

Within 10 days of the end of each relevant Marketing Spend Year a statutory director of the Franchisee shall certify to the Secretary of State the amount of marketing expenditure actually incurred by the Franchisee in marketing the Franchise Services pursuant to this paragraph. The Franchisee shall provide such information as the Secretary of State shall reasonably require for the purposes of verifying the information contained in the certificate provided. If the amount spent is less than the prescribed minimum amount then the Franchisee shall deliver to the Secretary of State with the certificate of the statutory director a reasonable and credible draft plan for remedying the shortfall in marketing expenditure within a specified time (which shall be as soon as reasonably practicable) through the implementation of reasonable marketing initiatives at reasonable cost consistent with the marketing plans of the Franchisee. The Secretary of State shall be permitted to propose amendments to the draft plan and the parties shall engage in good faith with the intention of agreeing such a plan with 20 working days of the submission of the draft plan by the Franchisee. If such a plan ("**Marketing Spend Recovery Plan**") is agreed then:

- (i) the Franchisee shall not be regarded as being in contravention of the Franchise Agreement in relation to the shortfall in expenditure at the end of the relevant Marketing Spend Year; and
- (ii) it shall be a term of the Franchise Agreement that the Franchisee shall comply with the Marketing Spend Recovery Plan in accordance with its terms at the cost of the Franchisee.

- 1.3 Within 10 days of the end of the Franchise Period a statutory director of the Franchisee shall certify the amount of marketing expenditure actually incurred by the Franchisee in marketing the Franchise Services pursuant to this paragraph 1 and, if such amount is less than the Marketing Investment, the Franchisee shall pay (as a debt) the difference between such lesser amount and the Marketing Investment to the Secretary of State within 3 days of such certificate being issued. The Franchisee shall provide such information as the Secretary of State shall reasonably require for the purposes of verifying the information contained in the certificate provided and the Secretary of State may require a further balancing payment to be made if he reasonably determines that the original payment made by the Franchisee was less than the Marketing Investment due to have been made by that date. The Secretary of State agrees that on receipt of the amount properly payable to him pursuant to this paragraph he shall have no right to claim damages from the Franchisee arising in consequence of the amount of marketing expenditure actually incurred being less than the Marketing Investment or take any other action in respect of the reduced Marketing Investment except as otherwise required under the Act.
- 1.4 Where the Franchise Period ends prior to the Franchise Term, the Marketing Investment which the Franchisee shall be required to have made under paragraph 1.1 shall be reduced pro rata to the reduction in the Franchise Term on a straight-line basis (that is 1/32 of £<sup>25</sup> for each Reporting Period by which the Franchise Period is less than the Franchise Term).
- 1.5 The Marketing Investment shall be spent on activities including:
- (a) general brand development and promotion of the Franchise brand;
  - (b) general railway marketing;
  - (c) specific marketing promoting Franchise online presence;
  - (d) specific marketing promoting ticket sales via the Franchisee's website; and
  - (e) specific marketing of Franchise products and promotions.

## 2. **Ticket vending machines ("TVM") – GUI**

On or before 26 May 2012, the Franchisee shall update the graphical user interface for all ticket vending machines located at Stations as at the Start Date to make it more customer-friendly by simplifying the screen layout, reducing the number of steps to purchase a ticket and including train restriction information.

## 3. **New ticket vending machines**

- 3.1 On or before 21 July 2012, the Franchisee shall procure and install 28 new (that is, in addition to those which existed at the Stations listed in paragraph 3.2 as at the Start Date) ticket vending machines ("**TVMs**"):
- (a) at the Stations listed in the table in paragraph 3.2 below, or, to the extent it is not reasonably practicable to install a TVM in any such Station, in a reasonably equivalent Station as may be approved by the Secretary of State (acting reasonably); and

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<sup>25</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

- (b) which are fit for purpose (and include the graphical user interface updates described in paragraph 2 of this Part 1 and the “tickets on departure” season ticket functionality described in paragraph 4 of this Part 1) and are maintained in good working order throughout the Franchise Period.

### 3.2 Table of locations of new TVMs

<b>Stations</b>	<b>Number of TVMs</b>
Cambridge	+4
Ipswich	+1
Norwich	+3
Chelmsford	+2
Chadwell Heath	+2
Chingford	+1
Gidea Park	+1
Romford	+4
Wickford	+1
South Woodham Ferrers	+1
Witham	+1
Audley End	+1
Harwich International	+1
March	+1
Thetford	+1
Burnham-on-Crouch	+1
Maryland	+1
Ware	+1
<b>TOTAL</b>	<b>+28</b>

### 3.3

- (a) The Franchisee shall, prior to entering into any leasing contract with a third party for the purposes of fulfilling its obligations under paragraph 3.1 (“**TVM Leasing Contract**”), submit such TVM Leasing Contract to the Secretary of State for his approval (such approval not to be unreasonably withheld or delayed).
- (b) If the Secretary of State approves the terms of the TVM Leasing Contract he shall on the date of such approval designate the TVM Leasing Contract as a Primary Franchise Asset for the purposes of the Franchise Agreement and, accordingly, Appendix 10 (List of Primary Franchise Assets) of this Agreement shall be deemed amended (and be amended) to include the TVM Leasing Contract as a Primary Franchise Asset with a commitment from the Secretary of State that he shall not de-designate the TVM Leasing Contract as a Primary Franchise Asset without the prior written consent of the Franchisee.

4. **Online season tickets via ToD**

- 4.1 Subject to paragraph 4.3, on or before 21 July 2012, the Franchisee shall make available online season ticketing so that customers may book tickets online and then collect those tickets on departure ("**ToD**") from ticket vending machines with ToD capability at Stations for monthly, quarterly (and odd period) point-to-point season tickets as well as Travelcard season tickets.
- 4.2 The registration system for the online ticketing service will be transferred to the Franchisee's website, replacing the locally-based paper records with a centralised database. Customers with company cheques will be able to forward payment to the Franchisee's payment office or arrange for payment to be transferred electronically.
- 4.3 The Franchisee's obligations pursuant to paragraph 4.1 above to introduce the online ticketing system are subject to the Franchisee having obtained the approval of RSP to the introduction of this online ticketing system by 31 March 2012. The Franchisee agrees to use reasonable endeavours to obtain the approval of RSP by this date.
- 4.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

5. **Online ticketing functionality**

- 5.1 On or before 5 January 2013, the Franchisee shall introduce mobile ticketing and extend the service of print-at-home ticketing beyond the print-at-home ticketing available for the Stansted Express as at the date of this Agreement.
- 5.2 The new ticketing functionality shall mean that:
- (a) mobile tickets may be purchased through a new mobile phone application. The ticket will be downloaded onto the customer's phone (mobile-to-mobile) in both an animated visually readable format and as a barcode which conforms to RSP shared standards. The application will enable customers to make purchases via their mobiles, and will offer fulfilment via ToD (as defined in paragraph 4.1 above) and post as well as via bar code validation;
  - (b) print-at home ticketing will enable customers purchasing their ticket online to print it on a standard A4 sheet of paper for use on the train. The ticket will feature a barcode and other security information; and
  - (c) Station and on-board staff will be provided with sufficient numbers of handheld barcode readers to enable validation of mobile and print-at-home tickets and will also be able to validate them visually.
- 5.3 Mobile ticketing will be introduced on the Stansted Express, Norwich to London mainline, Colchester via Clacton to London line, Harwich to Colchester line and the Ely via Cambridge to London line.
- 5.4 Print-at-home ticketing will be extended to the Norwich to London mainline, Colchester via Clacton to London line, Harwich to Colchester line and the Ely via Cambridge to London line.
- 5.5 When sales of mobile and/or print-at-home tickets have increased to such a level that the Franchisee believes expenditure is warranted (which for these



purposes is approximately 600 per day), gate readers will be introduced at London Liverpool Street for Stansted Express and Intercity services.

#### **5A Improve Customer Information at TfL Interchanges**

5A.1 Subject to paragraph 5A.3, on or before 21 July 2012, the Franchisee shall:

- (a) install five service update screens at interchanges with London Underground services (as set out in the table at paragraph 5A.2 below) to improve onward journey information for customers; and
- (b) work in partnership with TfL to purchase, install and update such screens.

5A.2 Table of Stations in which new service update screens will be installed:

<b>Station interchange</b>	<b>Number of screens</b>	<b>Platform location – indicative</b>
Seven Sisters	1	Platform 1
Stratford	2	One screen located on Platform 6 outside the customer information point; additional screen located in subway at bottom of stairs from Platform 10.
Tottenham Hale	1	Platform 2 on approach to stairs and escalator
Walthamstow Central	1	Platform 1 on approach to exit

5A.3 The Franchisee's obligation under paragraph 5A.1 above shall be conditional on the Franchisee having received (i) all necessary consents including the consent of Network Rail under the relevant Station Leases to carry out the installation of the service update screens and (ii) Network Rail's undertaking that they will not during the Franchise Period propose to take over the installation and/or any part of the Stations where such service update screens are located as part of any Network Rail Development under (and as defined in) the relevant Station Leases.

5A.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

#### **6. Extension of Oyster PAYG**

6.1 The Franchisee shall, on or before 5 January 2013, extend Oyster PAYG coverage to the Stations listed in paragraph 6.2 below. The Franchisee shall procure and install all necessary validators, gate readers, WAN communications and systems operations services for this purpose.

6.2 The Stations to which the Oyster PAYG extension applies are:

- (a) Theobalds Grove,
- (b) Waltham Cross,

- (c) Cheshunt,
- (d) Brentwood,
- (e) Shenfield,
- (f) Broxbourne,
- (g) Rye House,
- (h) St Margarets,
- (i) Ware, and
- (j) Hertford East.

## 7. Car park capacity (at grade)

7.1 Subject to paragraph 7.3, the Franchisee shall, on or before 1 March 2014, provide 300 new at-grade customer parking spaces at the Stations listed in the table in paragraph 7.2 below, or, to the extent it is not reasonably practicable to increase the number of spaces by the number shown at any such Station, at a reasonably equivalent Station approved by the Secretary of State (acting reasonably).

7.2 Table of locations of additional at-grade customer parking spaces

<b>Stations</b>	<b>Additional spaces (at grade)</b>
Lowestoft	110
Cambridge	33
Colchester	25
Clacton	10
Wrabness	10
Walthamstow	11
Billericay	10
Bishop's Stortford	10
Althorne	9
Marks Tey	7
Ipswich	5
Wickford	3
Hockley	2
Other locations	55
<b>TOTAL</b>	<b>300</b>

7.3 The Franchisee's obligation under paragraph 7.1 shall be conditional on the Franchisee having received by 1 September 2013 (i) all necessary consents and approvals (including the consent of Network Rail under the relevant Station Leases) to be able to carry out those obligations in accordance with all applicable Laws and the terms of the relevant Stations Leases; and (ii) Network Rail's undertaking that they will not during the Franchise Period propose to take over the initiative to provide the car parking spaces referred to in paragraph 7.1 and/or any part of the Stations where such car park spaces would be provided as part of any Network Rail Development under (and as defined in) the relevant Station Leases. The Franchisee agrees to use reasonable endeavours to obtain

all necessary approvals or consents in order to comply with its obligations in paragraph 7.1 above.

7.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

**7A. Car park capacity (deck)**

7A.1 Subject to paragraphs 7A.2 and 7A.4, the Franchisee shall, on or before 1 March 2014, provide 300 new customer parking spaces on deck in the car parks at Shenfield and Wickford Stations in accordance with the table in paragraph 7A.3(a) below.

7A.2 To the extent that it is not reasonably practicable to increase the number of spaces at these two Stations, the Franchisee shall:

- (a) deliver 300 decked spaces at one or more of the "other Stations" listed in the table in paragraph 7A.3(b) (up to the maximum number of spaces indicated); or
- (b) if a proportion of the 300 spaces has been delivered at either or both of the Stations in paragraph 7A.3(a), deliver the remainder of the 300 spaces at any one or more of the other Stations in the table in paragraph 7A.3(b) up to the maximum number of spaces indicated.

7A.3 Table of locations of additional deck customer parking spaces

(a) Stations

<b>Stations</b>	<b>Additional spaces (deck)</b>
Shenfield	150
Wickford	150

(b) Other Stations

<b>Other Stations</b>	<b>Maximum number of additional spaces (deck)</b>
Billericay	100
Diss	80
Marks Tey	110
Bishop's Stortford	140
Chelmsford	85
Witham	140

7A.4 The Franchisee's obligation under paragraph 7A.1 shall be conditional on the Franchisee having received by 31 March 2013 (i) all necessary consents and approvals (including the consent of Network Rail under the relevant Station Leases) to be able to carry out those obligations in accordance with all applicable Laws and the terms of the relevant Stations Lease; and (ii) Network Rail's undertaking that they will not during the Franchise Period propose to take over the initiative to provide the car parking spaces on deck referred to in

paragraph 7A.1 and/or any part of the Stations where such car park spaces would be provided as part of any Network Rail Development under (and as defined in) the relevant Station Leases. The Franchisee agrees to use reasonable endeavours to obtain all necessary approvals or consents in order to comply with its obligations in paragraph 7A.1 above.

#### 7A.5

- (a) The Franchisee shall, prior to entering into any leasing contract with a third party for the purposes of fulfilling its obligations under paragraph 7A.1 ("**Car Park Leasing Contract**"), submit such Car Park Leasing Contract to the Secretary of State for his approval (such approval not to be unreasonably withheld or delayed).
- (b) If the Secretary of State approves the terms of the Car Park Leasing Contract he shall on the date of such approval designate the Car Park Leasing Contract as a Primary Franchise Asset for the purposes of the Franchise Agreement and, accordingly, Appendix 10 (List of Primary Franchise Assets) of this Agreement shall be deemed amended (and be amended) to include the Car Park Leasing Contract as a Primary Franchise Asset with a commitment from the Secretary of State that he shall not de-designate the Car Park Leasing Contract as a Primary Franchise Asset without the prior written consent of the Franchisee.

7A.6 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

### 8. **Car park facilities**

8.1 On or before 1 March 2014, the Franchisee shall:

- (a) replace 100 Pay & Display machines in Station car parks in accordance with a replacement programme to be provided to the Secretary of State by no later than the Start Date for his approval within 30 days of receipt of such programme; and
- (b) install one new electrical car point in each of the Station car parks listed in paragraph 8.2 below, or, to the extent it is not reasonably practicable to install an electric car point in any such Station car park, in a reasonably equivalent Station car park approved by the Secretary of State (acting reasonably).

8.2 The list of Station car parks for electrical car points is:

- (a) Bishop's Stortford,
- (b) Broxbourne,
- (c) Cheshunt,
- (d) Chingford,
- (e) Ely,
- (f) Gidea Park,
- (g) Harlow Town,

- (h) Harold Wood,
- (i) Hertford East,
- (j) Highams Park,
- (k) Ilford,
- (l) Ipswich,
- (m) Norwich,
- (n) Shenfield,
- (o) Stansted Mountfitchet,
- (p) Waltham Cross,
- (q) Walthamstow,
- (r) Wickford,
- (s) Witham, and
- (t) Woodham Ferrers.

#### **9. Rail Plus – Cyclepoint at Chelmsford**

- 9.1 Subject to paragraph 9.3, the Franchisee shall, on or before 1 March 2014, provide a Cyclepoint facility (bicycle parking spaces) with a capacity for 500 bicycles within the railway arches adjacent to Chelmsford Station.
- 9.2 In order to satisfy its obligations in paragraph 9.1, the Franchisee shall:
- (a) operate the facilities once completed with the support of its Affiliates as required;
  - (b) invest up to £<sup>26</sup> in capital expenditure towards the project;
  - (c) use reasonable endeavours to obtain at least £<sup>27</sup> (matched) funding from Essex County Council; and
  - (d) use reasonable endeavours to obtain all necessary consents to be able to carry out the obligations in paragraph 9.1 above in accordance with applicable Laws.
- 9.3 The Franchisee's obligation under paragraph 9.1 above is conditional on it having received by 31 December 2013:
- (a) at least £<sup>28</sup> matched funding from Essex County Council;

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<sup>26</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>27</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

- (b) all necessary consents and approvals (including the consent of Network Rail under the relevant Station Leases) to be able to carry out those obligations in accordance with all applicable Laws and the terms of the relevant Stations Leases; and
  - (c) Network Rail's undertaking that they will not during the Franchise Period propose to take over the initiative to provide the bicycle parking spaces referred to in paragraph 9.1 and/or any part of the land where such bicycle parking spaces would be provided as part of any Network Rail Development under (and as defined in) the relevant Station Leases. The Franchisee agrees to use reasonable endeavours to obtain all necessary approvals or consents in order to comply with its obligations in paragraph 9.1 above.
- 9.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

## 10. Cycle storage facilities

- 10.1 On or before 2 March 2013, the Franchisee shall provide new cycle storage facilities at the 15 Stations listed in the table in paragraph 10.2 below, or, to the extent it is not reasonably practicable to provide the facilities shown at any such Station, at a reasonably equivalent Station approved by the Secretary of State (acting reasonably).

- 10.2 Table of locations of new cycle storage spaces

<b>Stations</b>	<b>New cycle spaces</b>
Billericay	15
Kelvedon	10
Rayleigh	16
Braintree Freeport	7
Harling Road	7
Harwich International	7
Hythe	7
Witham	12
Manea	7
Whittlesea	7
Alresford	7
Althorne	7
Shippea Hill	7
Lakenheath	7
Buckenham	7
<b>TOTAL</b>	<b>130</b>

- 10.3 If the facilities at Billericay, Kelvedon or Rayleigh Stations are completed through Essex County Council funding, any remaining funding which has been allocated by the Franchisee to this Committed Obligation will be invested in cycle

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<sup>28</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

spaces at reasonably alternative Stations to be approved by the Secretary of State (acting reasonably).

**11. PlusBike hire at Norwich Station**

- 11.1 On or before 13 October 2012, the Franchisee shall provide a cycle hire service at Norwich Station with an initial provision of 30 bicycles where customers will be able to hire bikes for a day/weekend with discounts for regular users.
- 11.2 The Franchisee shall install secure cycle storage adjacent to the lost property office at Norwich Station for this facility.

**12. Scheduled bus service trial**

- 12.1 Subject to all necessary approvals for bus operations having been obtained, the Franchisee shall procure the operation of a six month trial of a scheduled bus service between Saffron Walden Station and Audley End Station, to have been commenced on or before 4 January 2014.
- 12.2 The minimum level of service will be two bus services between the two Stations in each direction per week day.
- 12.3 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

**13. PlusCab**

- 13.1 On or before 1 March 2014, the Franchisee shall set up and make available a "PlusCab" service across the 24 Stations listed in paragraph 13.3 or, to the extent it is not reasonably practicable to provide the service at any such Station, at a reasonably equivalent Station. The PlusCab service will also be provided from a further 21 Category F Stations.
- 13.2 The PlusCab service will provide a new facility allowing customers to book a taxi from selected Stations outside the TfL area with pre-agreed fares based on a zonal pricing structure. Customers will be required to book two hours prior to the required pick-up time.
- 13.3 Table of locations for PlusCab service availability

Stations	
Alresford	Great Chesterford
Bishop's Stortford	Great Yarmouth
Burnham-on-Crouch	Hatfield Peverel
Bury St Edmunds	Ipswich
Cambridge	Kelvedon
Chelmsford	Lowestoft
Clacton-on-Sea	Manningtree
Colchester	March
Elsenham	Norwich
Ely	Sawbridgeworth
Frinton-on-Sea	South Woodham Ferrers
Great Bentley	Southend Victoria

- 13.4 The Franchisee will provide relevant information about PlusCab on the Franchisee's website, including maps of the fare zones and details of how the service will operate.

**14. First class on-train catering service**

- 14.1 On or before 15 September 2012, the Franchisee shall introduce a complimentary refreshments service for first class passengers on the London to Norwich and Stansted Express services.

- 14.2 The service shall include:

- (a) complimentary hot and cold soft drinks, accompanying snacks such as biscuits, and a newspaper; and
- (b) service of customers at their seats in first class except where it is assessed that the most appropriate service level is to roster one train host providing the service from the café bar in which case first class customers may be requested to collect their complimentary drinks and snacks from the café bar.

- 14.3 To support this new service the Franchisee shall implement a training programme with the London to Norwich on-train catering contractor and the Stansted Express on-train catering contractor which will cover customer service techniques, at-seat service procedures, café bar service procedures (including combining at-seat and café bar service on lightly loaded services), sales training, product range briefings and the service approach in first class.

**15. Asset Management System**

- 15.1 The Franchisee is required pursuant to its Licence in relation to Stations to design, implement and populate a Station Asset Management System (the "**System**"). Pursuant to its obligations under paragraph 2.1 of Schedule 15.4 (Provisions Applying on and after Termination) of the Terms the Franchisee shall provide access to any of the information or data held within the System to:

- (a) the Successor Operator where a Successor Operator has been appointed by the Secretary of State; or
- (b) the Secretary of State where a Successor Operator has not yet been appointed,

and shall take such steps as may be reasonably requested by the Secretary of State in connection therewith. Without limiting any other obligation of the Franchisee, the Franchisee's obligation to provide access to information and data under this paragraph 15 shall include an obligation to provide such information and data for inclusion in a data room to be made available to bidders applying to be appointed as Successor Operator.

**16. Station refresh**

- 16.1 On or before 5 January 2013, the Franchisee shall carry out a station refresh of the following 15 Stations:

- (a) Cambridge,



- (b) Chelmsford,
- (c) Bishop's Stortford,
- (d) Clapton,
- (e) Colchester,
- (f) Harlow Town,
- (g) Bury St Edmunds,
- (h) Maryland,
- (i) Ipswich,
- (j) Broxbourne,
- (k) Tottenham Hale,
- (l) Norwich,
- (m) Cheshunt,
- (n) Shenfield, and
- (o) Edmonton Green.

16.2 For the purposes of this paragraph 16, a station refresh shall include preparation, undercoat and top coat painting and shall apply to areas of the Station within the leased area, including canopies (with no height limitation).

#### **16A General Station Refresh**

16A.1 On or before 21 June 2014, the Franchisee shall carry out a station refresh at an additional 126 Stations (to be approved by the Secretary of State (acting reasonably)) which are not otherwise subject to a station refresh under any other Committed Obligation.

16A.2 For the purposes of this paragraph 16A a station refresh shall include preparation, undercoat and top coat painting to areas of the Station within the leased area, including canopies (with no height limitation).

#### **17. Cambridge Station redevelopment plan**

On or before 5 January 2013, the Franchisee shall submit to the Secretary of State for his approval a plan for the redevelopment of Cambridge Station setting out the Franchisee's proposals for the planned redevelopment of the ticket hall.

## 18. **Cambridge Station redevelopment**

18.1 Subject to receipt by the Franchisee of the approval of the Secretary of State as required pursuant to paragraph 17 above and subject to the provisions of paragraph 18.2, the Franchisee shall, by no later than 21 June 2014, use reasonable endeavours to:

- (a) secure planning approval for the redevelopment of Cambridge station as described in the redevelopment plan submitted pursuant to paragraph 17 above;
- (b) secure all relevant consents to carry out the Cambridge station redevelopment in accordance with all applicable Laws;
- (c) deliver the detailed design phase; and
- (d) build a redesigned ticket hall as described in the redevelopment plan submitted pursuant to paragraph 17 above.

18.2 The Franchisee's obligation under paragraph 18.1 above is conditional on:

- (a) the £2.24 million "s.106 monies" relating to the redevelopment of Cambridge station being made available to the Franchisee by Network Rail; and
- (b) necessary approvals in order to carry out the redevelopment in accordance with all applicable Laws having been obtained.

## 19. **Customer service training programme**

19.1 On or before 5 January 2014, the Franchisee shall deliver an interactive customer service training programme to certain frontline staff including those listed in the table in paragraph 19.4 below.

19.2 The customer service training programme will be delivered by way of up to 211 workshops over 20 months to frontline employees and managers. Each workshop will be tailored for the group attending, with line managers attending a three-day course and frontline employees attending a two-day course. The Franchisee shall deliver a total of up to 4,490 specific customer service training days.

19.3 The training programme will be delivered in two phases: the first before the Olympics for 140 frontline managers and 480 frontline employees (subject to operational issues); and the second from September 2012 to September 2013 for the remaining staff.

19.4 Table of employees to be selected for training

<b>Operational unit (current structure)</b>	<b>Frontline managers</b>	<b>Frontline employees</b>
Customer Service West	14	325
Customer Service North	12	228
Customer Service South East	25	310
On board Services	2	49

<b>Operational unit (current structure)</b>	<b>Frontline managers</b>	<b>Frontline employees</b>
Revenue Protection	17	133
Operations West	17	268
Operations North	26	302 drivers plus 188 conductors
Operations South East	13	240
Control	11	0 (all classified as managers)
Customer Relations	3	31
<b>Total</b>	<b>140</b>	<b>2074</b>

## 20. Information desks and kiosks

20.1 Subject to paragraph 20.2, the Franchisee shall, on or before 15 September 2012, install three new information desks and six new kiosks:

- (a) at the Stations listed in the table in paragraph 20.3 below, or, to the extent it is not reasonably practicable to install an information desk or kiosk in any such Station, at a reasonably equivalent Station approved by the Secretary of State (acting reasonably); and
- (b) which are fit for purpose and are maintained in good working order from installation until the end of the Franchise Period.

20.2 The Franchisee's obligation to comply with the obligation in paragraph 20.1 above shall be conditional on having obtained all necessary approvals to be able to carry out such obligations. The Franchisee shall use reasonable endeavours to obtain all necessary approvals under applicable Laws for this purpose.

20.3 Table of Stations for installation of new information desks and kiosks

<b>Information desk</b>	<b>Kiosk</b>
Cambridge	Bishop's Stortford
Norwich	Chelmsford
Stansted Airport	Colchester (2)
	Ipswich
	Stratford

20.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

## 21. Information desk at Liverpool Street Station

21.1 Subject to paragraph 21.3, the Franchisee shall, on or before 20 July 2013, install one new information desk at Liverpool Street Station which is fit for purpose (which for these purposes shall include being manned and equipped to meet the customers reasonable expectations in relation to the provision of real time operational information) and is maintained in good working order from installation until the end of the Franchise Period.

- 21.2 The Franchisee agrees to use reasonable endeavours to obtain all necessary approvals to comply with the obligation set out in paragraph 21.1.
- 21.3 The Franchisee's obligation to carry out the obligation in paragraph 21.1 above shall be conditional on (i) obtaining all necessary approvals to install a new information desk at Liverpool Street Station; and (ii) the relocation of the ticket office at Liverpool Street Station.
- 21.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

## 22. PDAs

- 22.1 The Franchisee shall, on or before 2 February 2013, ensure that there are available within the Franchise, and manage the introduction of, sufficient new personal digital assistants ("PDAs") to ensure that there are 1,650 PDAs (which may include any PDAs acquired from the Train Operator under the Previous Franchise Agreement) available:

- (a) for use by the Franchisee Employees (including those categories of employees set out in the table in paragraph 22.2 below) in order to improve customer service by facilitating access to information; and
- (b) which are fit for purpose with functionality for train service and disruption information and are maintained in good working order from issue until the end of the Franchise Period.

### 22.2 Table of Franchisee Employee PDA distribution

Role	Number of PDAs
Customer Service	303
Revenue Protection	180
Drivers	806
Guards/Conductors	188
Engineering	173
<b>Total</b>	<b>1,650</b>

## 23. Text service (SMS) for customers

- 23.1 On or before 18 August 2012, the Franchisee shall introduce a text messaging service to registered customers to provide information about disruption and service interruptions. This new service shall:
- (a) provide SMS updates free of charge to customers in the first year of registration in recognition of the amount of potential disruption caused by the Olympics and Crossrail. During registration, customers may opt in for either SMS or email alerts about services they use regularly. The registration process will be completed online and customer details will be automatically added to the existing database and entered into the Franchisee's customer relationship management database; and
  - (b) remain available to any customer during the Franchise Period for so long as such customer remains registered.

## 24. Service Quality Management System

- 24.1 On or before 4 March 2012, the Franchisee shall, without prejudice to its obligations under Schedule 7.2 (Service Quality Management) of the Terms, implement an enhanced Service Quality Management System which shall include additional measures to monitor and improve customer service standards of the Franchisee in addition to surveying the Train Presentation Specification Standard and the Station Environment Specification Standard.
- 24.2 The enhanced Service Quality Management System shall comply with the requirements of Schedule 7.2 (Service Quality Management) of the Terms and:
- (a) be based on the minimum measurement requirements of surveys identified in the table in paragraph 24.3 below, such surveys to be carried out unannounced and independently;
  - (b) introduce additional people surveys to monitor customer service interaction; and
  - (c) provide management information reports against targeted performance for trains, stations and people within seven days of the end of each Reporting Period.
- 24.3 Table of surveys to be completed under the SQMS audit programme

Measurement requirements		Minimum contracted surveys per period
<b>Trains</b>	<ul style="list-style-type: none"><li>• 0.5 per cent. of units in the fleet to be measured as passenger trains in service each period</li><li>• each period 10 per cent. of passenger train services surveyed will be at weekends, early morning and late night</li></ul>	224
<b>Stations</b>	<ul style="list-style-type: none"><li>• station visits will be based on station category, with minimum numbers for each period: Category B stations weekly, C1/2 every period, D/E each quarter and F/G stations twice a year</li><li>• 10 per cent. of station visits at weekends, with a min. 10 per cent. carried out in the morning/afternoon peak</li></ul>	85
<b>People</b>	<ul style="list-style-type: none"><li>• 120 measure of individuals each period on staffed trains, revenue protection and stations</li><li>• 4 surveys of customer relations centre per period (including assisted travel)</li><li>• 10 web surveys per period</li><li>• flexibility in deployment to cover special events or disruption</li></ul>	134
<b>Total surveys</b>		<b>443</b>

## 25. Customer panel forums

- 25.1 On or before 2 February 2013, the Franchisee shall establish two new customer panels which will meet on a monthly basis until the end of the Franchise Period.
- 25.2 Each customer panel shall be made up of an independent chairperson (appointed each quarter who will sit on the Franchisee's stakeholder panel) and between four and eight customers.

25.3 The customer panels shall report on a six monthly basis to the Franchisee's stakeholder panel.

**26. Project team to manage Olympics transport**

26.1 From 5 February 2012 until 9 September 2012 (inclusive), the Franchisee shall employ six full-time staff (or full time equivalents) as specialised project management/ support staff to support the Franchisee's Olympics team before and during the Games.

26.2 The Franchisee's staff assigned to this support role shall:

- (a) consist of employees from all major departments with some doing full-time projects roles, drawn from the operations, engineering, commercial and security departments; others will be part-time roles, combining Olympics work with their day-to-day activities in HR, communications and finance; and
- (b) be part of the Franchisee's project management organisation ("**PMO**") to ensure that team members have all the relevant tools to support them: project scheduling software, risk analysis tools, progress and issues reporting processes and expertise in developing contingency plans.

**27. Olympics – Franchisee customer service volunteers**

27.1 From 27 July 2012 until 12 August 2012 (inclusive), the Franchisee shall provide sufficient customer-service trained volunteers to provide information to customers in or around the relevant Stations affected by the Games during the Olympics.

27.2 The Franchisee shall recruit sufficient multi-lingual volunteers from across its group companies in Europe to carry out its obligations under paragraph 27.1, such volunteers to have experience in transport operations customer service and dealing with major events.

**28. Paralympics – customer service volunteers**

From 29 August to 9 September 2012 (inclusive), the Franchisee shall provide sufficient customer-service trained volunteers to provide information to customers in or around the relevant Stations affected by the Games during the Paralympics.

**29. Olympics – agency customer service employees training**

29.1 Before and during the Games until 9 September 2012, the Franchisee shall make available bespoke customer service training for all agency customer service employees contracted by the Franchisee to assist with customer service at Stations.

29.2 The training will be:

- (a) based on the training in paragraph 19 and designed to give agency employees an awareness of the customer service coupled with specific issues relating to the Games;

- (b) specifically designed to supplement any training arranged as part of the normal induction programme; and
  - (c) delivered as one-day workshops.
30. <sup>29</sup>**Olympics – Booklet/Leaflet**
- 30.1 ***The Franchisee shall invest £25,000 to develop, design, publish and distribute a book/leaflet with information on how to get to the Olympic Park, other venues, live sites and information about hotspots to avoid travelling in to London.***
- 30.2 ***The Franchisee shall hand the booklet/leaflet out at main origin stations as a small gift to customers, instead of being put on a stand.***
31. **Project Management Organisation (PMO)**
- 31.1 On or before 5 March 2012, the Franchisee shall set up a specific PMO within its organisation which will be fully resourced throughout the Franchise Period to manage the impacts of various projects, including internal projects, and deploy cross-functional initiatives.
- 31.2 The number and scope of the roles will change as projects are progressed and new ones initiated but will remain at, at least six staff. The PMO will be flexible in terms of resource and team members will be Franchisee Employees or specialist contractors with the necessary skills and expertise. This will ensure an optimum mix of full time employees supported by additional resources at peak times or if a specialist is needed for a particular project.
- 31.3 Projects and programmes that will be managed and supported by the PMO include:
- (a) the Olympic Service Delivery Plan;
  - (b) the creation of a Crossrail Separable Business Unit and provision of management information for Crossrail;
  - (c) the Crossrail infrastructure works and the associated impact on Franchise Services;
  - (d) industry change projects emanating from the McNulty Outputs, associated unit cost reduction projects and Network Rail alliance;
  - (e) the appraisal of the GE main line study into economic benefits and the Chesterton Parkway station development;
  - (f) the Franchise mobilisation and migration programme; and
  - (g) the Franchise transition programme, delivery of Committed Obligations and Franchise bid initiatives.

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<sup>29</sup> Date of change: 14/06/2012

32. **Over-crowding strategy – marking Stations**

32.1 Subject to paragraph 32.5, on or before 21 July 2012, the Franchisee shall zone or mark 30 platforms across the Stations indicated in the table in paragraph 32.4 below.

32.2 The Franchisee shall provide platform zoning in 7 Stations to inform passengers where to stand for less busy coaches during peak times and platform marking at 14 Stations to show where train doors will be positioned.

32.3 The Franchisee shall make arrangements for the installation of poster frames where required within the customer information zones on each Station to inform customers about how the new system works and the Franchisee shall consult with key stakeholders and user groups to obtain feedback on the precise methodology to be used.

32.4 Table of Stations to have new platform zoning or marking

<b>Stations with new platform zoning</b>
Chelmsford
Ingatestone
Shenfield
Wickford
Billericay
Broxbourne
Bishop's Stortford

<b>Stations with new platform marking</b>
Brentwood
Harold Wood
Romford
Chadwell Heath
Goodmayes
Seven Kings
Ilford
Manor Park
Forest Gate`
Maryland
Stratford
Seven Sisters
Tottenham Hale
Hackney Downs

32.5 The Franchisee's proposals for zoning or marking platforms are subject to any requirements of Network Rail under the relevant Station Lease (if any), and any relevant Station Facility Owner (where this is not the Franchisee at the relevant time).



32.6 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

**33. Over-crowding strategy – microphone systems at Stations**

33.1 Subject to paragraph 33.5, the Franchisee shall, on or before 21 July 2012 provide microphones to roving platform staff linked to the Station's public address system to keep customers informed and facilitate their boarding and alighting during the peak times.

33.2 The microphones will be provided to staff at the 8 Stations in paragraph 33.4.

33.3 The microphones shall be fit for purpose and maintained in good working order until the end of the Franchise Period.

33.4 Table of Stations to have microphone systems

<b>Stations</b>
Chelmsford
Shenfield
Colchester
Ingatestone
Stratford
Bishop's Stortford
Tottenham Hale
Seven Sisters

33.5 The Franchisee shall use reasonable endeavours to obtain all necessary approvals required under applicable Laws in order to comply with the obligation in paragraph 33.1 above and the Franchisee's obligation under paragraph 33.1 above shall be conditional on the Franchisee obtaining all such necessary approvals.

33.6 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

**34. Over-crowding strategy – additional Station staff**

On or before 21 July 2012 until the end of the Franchise Period, the Franchisee shall provide two additional part-time staff at Ilford and Romford Stations (that is, in addition to the numbers of employees in existence at those Stations as at the Start Date) to assist in the distribution of passengers both along platforms and within trains, to assist with the reduction in impact of any overcrowding.

**35. Over-crowding strategy – colour code timetables**

35.1 The Franchisee shall consult with key stakeholders and user groups in order to provide colour coded timetables indicating the level of anticipated crowding on different services.

35.2 The Franchisee shall carry out its obligations in paragraph 35.1 as a minimum for the timetable change in May and December in each year during the Franchise Period, starting with the December 2013 timetable change.

**36. Fleet performance**

- 36.1 On or before 3 March 2013, the Franchisee shall develop and introduce nine new fault finding guides in respect of faults relating to (i) the doors; (ii) electrical traction systems; and (iii) battery and control systems of each of the class 321, class 317 and class 315 units of the Train Fleet.
- 36.2 The Franchisee shall train the 'trouble fitters' and exam technicians in relation to the fault finding guides during the first six months of the Franchise Period with a further half day's training for all fitters in Year 2.

**37. Deep clean of Train Fleet prior to Olympics**

- 37.1 Subject to paragraph 37.2, the Franchisee shall, on or before 21 July 2012, procure a deep clean of all vehicles comprised in the Train Fleet (except the vehicles comprised in the class 379 units) including:
- (a) a steam clean of all surfaces and soil extraction of floor coverings in the vehicles;
  - (b) addressing the areas of the vehicles that are below an acceptable standard including seat shells, table edges, seat supports, heater grills, kick plates, lighting diffusers (where fitted);
  - (c) refreshing the toilets by installing picture vinyls on the toilet walls; and
  - (d) replacing tubes so that lighting levels are uniform in the coaches.
- 37.2 The Franchisee shall use reasonable endeavours to obtain all necessary consents including under the relevant Rolling Stock Related Contracts to be able to carry out this deep clean and its obligation in paragraph 37.1 shall be conditional on the Franchisee having obtained such necessary approvals (including in relation to any Rolling Stock Related Contract).
- 37.3 The activities in paragraph 37.1 will be undertaken at Ilford and Norwich depots and at Orient Way sidings during the inter-peak and at weekends to ensure there is no impact on availability.
- 37.4 The Train Fleet will be allocated to relevant diagrams each day to ensure that staff are all present at the required locations within the planned timescales. The deep clean will be outsourced to a cleaning company. The equipment and methods used by such cleaning company ensure that the vehicles can be returned to passenger service immediately and do not require any drying periods.
- 37.5 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

**37A Enhanced Train Cleaning Regime**

- 37A.1 No earlier than four months following the initial deep clean of the Train Fleet undertaken pursuant to paragraph 37 and on a periodic basis but by no later than 21 June 2014 the Franchisee shall carry out or procure the carrying out of the following deep cleaning activities of all the vehicles comprised in the Train Fleet (except for the vehicles comprised in the class 379 units):

- (a) one steam clean of seat covers, shells, arm rests, heater grills, tables, lighting diffusers and litter bins;
    - (b) three steam cleans of all floor coverings and carpets where fitted, coir mats in vestibules, dado panels and toilet compartments (where fitted); and
    - (c) hand washing the exterior of units to remove dirt not removed by the carriage washing machines.
- 37A.2 The deep cleaning activities to be undertaken by the Franchisee under paragraph 37A.1 shall be carried out during less busy periods and shall not affect the availability of vehicles used for the purposes of delivering the Passenger Services.
38. **Class 321 refresh and CCTV fitment**
- 38.1 The Franchisee shall, by no later than 5 January 2013:
- (a) carry out a programme of refresh works for the interior of the class 321 units using the class 321 materials as transferred to the Franchisee from the Train Operator under the Previous Franchise Agreement under the Start Date Transfer Scheme ("**Class 321 Materials**") but only to the extent that such Class 321 Materials are fit for purpose; and
  - (b) fit CCTV to 68 class 321 vehicles in the Train Fleet.
- 38.2 Most of the refresh programme will be performed in house however, an external supplier will be used for specialist tasks such as spray painting the lino and toilet vinyls.
- 38.3 The CCTV fitment will be performed in the same downtime as the refresh by a contractor of the class 321 lessor. The CCTV fitment will take place at night and the refresh during the day to allow both teams to progress work without obstructing the other.
- 38.4 If the Class 321 Materials are not in sufficient quantity or fit for purpose to allow the Franchisee to undertake its obligations in paragraph 38.1 in respect of all the class 321 units the Franchisee shall notify the Secretary of State and with such notification provide to the Secretary of State a proposal to deliver a revised programme of refresh works in relation to the class 321 units. The Secretary of State shall have the right to require reasonable alterations and amendments to such revised programme provided that such alterations and amendments do not lead to the cost of the refresh works exceeding the amount that would have been the case had the programme been able to proceed on the basis that the Class 321 Materials were both sufficient in quantity and fit for purpose to deliver the original planned refresh works. The obligation of the Franchisee pursuant to paragraph 38.1 shall be deemed to be amended to an obligation to deliver the revised programme as this may have been altered or amended by the Secretary of State pursuant to this paragraph 38.4.
39. **Working with Network Rail in virtual performance teams**
- 39.1 Subject to paragraph 39.2 below, the Franchisee shall, by no later than 2 March 2013, implement a training programme to improve effectiveness of the joint

virtual performance teams ("**VPTs**") comprising Franchisee staff and their Network Rail counterparts (minimum of five and maximum of eight VPTs).

39.2 The Franchisee's obligation in paragraph 39.1 above is conditional on Network Rail:

- (a) entering into the proposed alliance agreement with the Franchisee; and
- (b) providing 50 per cent. of the total cost specified in paragraph 39.3 below.

39.3 The total investment in the VPT programme will be £<sup>30</sup> (excluding VAT).

39.4 The provisions of paragraphs 7.3 and 7.4 of Part 2 to this Appendix 11 shall apply to this Committed Obligation.

#### 40. **Tackling minor injuries to employees**

40.1 The Franchisee shall procure that its safety team:

- (a) raises safety awareness amongst employees and contractors through campaigns and team talks;
- (b) reviews how planned general inspections are undertaken and recorded and where necessary corrects faults;
- (c) reviews the way contractors are licensed to determine if a more formal approach to competence is required; and
- (d) commissions a survey utilising the Railway Safety and Standards Board ("**RSSB**") safety culture survey model for employees and a bespoke survey for contractors.

40.2 The first employee and contractor survey will be carried out no later than 5 January 2013 and the second survey will be carried out no later than 21 June 2014.

#### 41. **EFQM training of executive team**

On or before 15 September 2012, the Franchisee shall procure and provide EFQM training for the executive team (the Managing Director and their direct reports) so that they all become qualified British Quality Foundation assessors prior to the first Franchisee EFQM assessment.

#### 42. **Leadership training of senior team**

On or before 30 March 2013, the Franchisee shall procure and provide two phases of leadership training for key people managers. This training will include the Managing Director and their direct reports and 30 other key managers.

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<sup>30</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

#### 43. Community Rail Partnerships (CRP)

- 43.1 Subject to paragraph 43.4, the Franchisee shall invest a total sum of £125,000 in Community Rail Partnerships (the "**CRP Investment**") during the Franchise Term. The Franchisee plans to invest the CRP Investment in accordance with its relevant budget for each CRP Spend Year. In the interests of commerciality and to meet changing circumstances, the Franchisee reserves a degree of flexibility in terms of exactly when the CRP Investment is made, and therefore shall commit to invest, as a minimum, 70 per cent. of the CRP budget designated for each CRP Spend Year during such CRP Spend Year provided that by the end of the Franchise Term it shall have invested the total CRP Investment.
- 43.2 Subject to paragraph 43.4, the Franchisee shall, pursuant to paragraph 1.1, invest during the relevant CRP Spend Year no less than:
- (a) £5,468.75 by 26 May 2012 (CRP Spend Year 1); and
  - (b) £35,546.88 during the period 27 May 2012 until 25 May 2013 (CRP Spend Year 2); and
  - (c) £35,546.88 during the period 26 May 2013 until 24 May 2014 (CRP Spend Year 3); and
  - (d) £10,937.50 during the period 25 May 2014 until the Expiry Date (CRP Spend Year 4).
- 43.3 Within 10 days of the end of each relevant CRP Spend Year a statutory director of the Franchisee shall certify to the Secretary of State the amount of CRP expenditure actually incurred by the Franchisee on community rail partnerships pursuant to this paragraph. The Franchisee shall provide such information as the Secretary of State shall reasonably require for the purposes of verifying the information contained in the certificate provided. If the amount spent is less than the prescribed minimum amount then the Franchisee shall deliver to the Secretary of State with the certificate of the statutory director a reasonable and credible draft plan for remedying the shortfall in CRP expenditure within a specified time (which shall be as soon as reasonably practicable) through the implementation of reasonable initiatives at reasonable cost consistent with the CRP plans of the Franchisee. The Secretary of State shall be permitted to propose amendments to the draft plan and the parties shall engage in good faith with the intention of agreeing such a plan within 20 working days of the submission of the draft plan by the Franchisee. If such a plan ("**CRP Spend Recovery Plan**") is agreed then:
- (a) the Franchisee shall not be regarded as being in contravention of the Franchise Agreement in relation to the shortfall in expenditure at the end of the relevant CRP Spend Year; and
  - (b) it shall be a term of the Franchise Agreement that the Franchisee shall comply with the CRP Spend Recovery Plan in accordance with its terms at the cost of the Franchisee
- 43.4 Within 10 days of the end of the Franchise Period a statutory director of the Franchisee shall certify the amount of expenditure on community rail partnerships actually incurred by the Franchisee pursuant to this paragraph 43 and, if such amount is less than the CRP Investment, the Franchisee shall pay (as a debt) the difference between such lesser amount and the CRP Investment to the Secretary of State within 3 days of such certificate being issued. The

Franchisee shall provide such information as the Secretary of State shall reasonably require for the purposes of verifying the information contained in the certificate provided and the Secretary of State may require a further balancing payment to be made if he reasonably determines that the original payment made by the Franchisee was less than the CRP Investment due to have been made by that date. The Secretary of State agrees that on receipt of the amount properly payable to him pursuant to this paragraph he shall have no right to claim damages from the Franchisee arising in consequence of the amount of community rail partnership expenditure actually incurred being less than the CRP Investment or take any other action in respect of the reduced CRP Investment except as otherwise required under the Act.

- 43.5 Where the Franchise Period ends prior to the Franchise Term, the CRP Investment which the Franchisee shall be required to have made under paragraph 1.1 shall be reduced pro rata to the reduction in the Franchise Term on a straight-line basis (that is 1/32 of £125,000 for each Reporting Period by which the Franchise Period is less than the Franchise Term).

#### **44. Environmental Management System**

- 44.1 On or before 21 June 2014, the Franchisee shall obtain ISO 14001 certification (or, where this ceases to exist, such other equivalent accreditation as the Franchisee may reasonably select) for its environmental management system.
- 44.2 The Franchisee shall carry out a review of the existing environmental management system of the Train Operator under the Previous Franchise Agreement to establish the actual position and shall have discussions with key stakeholders to understand and take into account their expectations.
- 44.3 Based on its review, the Franchisee shall develop an environmental strategy and a new environment plan which it shall publish on the internet and update periodically as required.

#### **45. Energy Management System**

- 45.1 On or before 21 June 2014, the Franchisee shall obtain ISO 50001 certification (or, where this ceases to exist, such other equivalent accreditation as the Franchisee may reasonably select) for its energy management system and shall implement such energy management system.
- 45.2 The Franchisee shall review energy management across the Franchise and ensure automated meter reading on 90 per cent. of sites.

#### **46. Waste audit and action planning**

- 46.1 On or before 21 June 2014, the Franchisee shall engage consultants to carry out a waste audit of all Franchise operations to provide a comprehensive baseline of waste data; a base for improvement work; and to provide valuable information for a Successor Operator.
- 46.2 The Franchisee shall use the waste audit findings to develop an action plan to achieve waste reductions and increase recycling and implement controls within the energy management system in paragraph 45 above to deliver comprehensive waste management. The waste action plan will be developed in conjunction with process owners responsible for delivering the actions to achieve at least a 10 per cent. reduction in waste going to landfill by the end of the Franchise Term.



## **Part 2 to Appendix 11**

### **Miscellaneous Provisions**

#### **1. APPLICATION**

This Appendix sets out further terms which apply to the Committed Obligations set out in Part 1 (List of Committed Obligations) to this Appendix 11 and the references to Committed Obligations in each Part of this Appendix 11 are only to the Committed Obligations in Part 1.

#### **2. CONTINUATION OF AVAILABILITY**

2.1 Save as expressly provided in this Appendix 11, the Franchisee shall maintain facilities established in accordance with its Committed Obligations throughout the remainder of the Franchise Term.

2.2 The Franchisee shall be treated as maintaining Committed Obligations notwithstanding temporary non-availability due to accidental damage or vandalism or maintenance, repair or replacement activities, or temporary staff absence, subject in each case to the Franchisee taking all reasonable steps to keep any such period of temporary non-availability to a minimum.

2.3 Where Part 1 to this Appendix 11 includes a commitment regarding staffing or particular appointments it plans to make:

(a) the obligation of the Franchisee applies, but shall not be regarded as being contravened by:

(i) temporary absences (for example for sickness or holiday);  
or

(ii) temporary non-fulfilment of a relevant post whilst the Franchisee is recruiting for that post, subject to the Franchisee using all reasonable endeavours to keep the duration between appointments as short as reasonably practicable; and

(b) the Franchisee's rights and obligations in relation to the numbers or deployment of its other staff remain unaffected.

#### **3. EXPENDITURE COMMITMENTS**

##### **Annual Expenditure**

3.1 Where Part 1 (List of Committed Obligations) to this Appendix 11 provides for the expenditure of an annual amount (or an amount over some other period) by the Franchisee, that amount:



- (a) is assessed net of Value Added Tax; and
- (b) is the amount required to be expended by the Franchisee itself or procured by the Franchisee to be expended.

### **Expenditure Commitments in real amounts**

- 3.2 All expenditure commitments set out in Part 1 to this Appendix 11, to the extent they have not already been incurred by the Franchisee, shall be indexed by the Retail Prices Index (in the same way as variable costs are indexed in Schedule 8.2 (Annual Franchise Payments) to the Terms).

### **Expenditure by Network Rail**

- 3.3 All amounts which the Franchisee has committed (whether unconditionally or otherwise) pursuant to Part 1 to this Appendix 11 to expend in connection with improvements to track or Stations shall be in addition to any expenditure made by Network Rail as part of its infrastructure improvements or maintenance programme to the extent such expenditure is not directly funded or reimbursed by the Franchisee.

## **4. LIAISON AND CO-OPERATION**

- 4.1 Where the Franchisee is committed to liaison and co-operation under Part 1 (List of Committed Obligations) to this Appendix 11, it shall participate actively in the relevant measures including through the application of management time and internal resources, correspondence and attendance at meetings, in each case as the Franchisee reasonably considers in all the circumstances to be an appropriate use of its resources and effective to help achieve the relevant objective.

- 4.2 Whenever the Secretary of State is required to give his approval to:

- (a) any changes to the details of any Committed Obligation; or
- (b) any alternative proposals made by the Franchisee to the Secretary of State in circumstances where the Franchisee has not been able to achieve delivery of a Committed Obligation as originally contemplated in Part 1 of Appendix 11,

the Secretary of State shall not unreasonably withhold or delay any such approval.

## **5. NATURE OF COMMITMENT**

- 5.1 Any commitment in terms of Part 1 (List of Committed Obligations) to this Appendix 11 shall be in addition to any obligation of the Franchisee elsewhere in this Agreement and nothing in this Appendix 11 shall limit or restrict an obligation imposed on the Franchisee elsewhere in this Agreement.
- 5.2 Where in Part 1 to this Appendix 11, references are made to particular manufacturers or suppliers of equipment or services, the Franchisee may fulfil its relevant commitment by using reasonable equivalents.

- 5.3 Each commitment under this Appendix 11 shall come to an end on expiry of the Franchise Term for whatever reason, save in respect of any accrued payments owed pursuant to Part 3 (Late/Non-Completion of Committed Obligations) to this Appendix 11 but not yet paid.

**6. REVIEW OF COMPLIANCE**

- 6.1 Progress with Committed Obligations is an agenda item for Franchise Performance Meetings and the Franchisee shall ensure that at such meetings, the Secretary of State is given such progress reports as he may reasonably request.
- 6.2 In addition to its obligation under paragraph 6.1, the Franchisee shall from time to time promptly provide such evidence of its compliance with any Committed Obligation as the Secretary of State may reasonably request.

**7. THIRD PARTY CONSENTS, AGREEMENT AND CONDITIONS**

- 7.1 Where, in Part 1 to this Appendix 11, any Committed Obligation is expressed to be conditional upon the satisfaction of any condition (including the occurrence of any event or the obtaining of any third party consents, approvals and/or entering into any agreement or arrangement with a third party) the Franchisee shall use all reasonable endeavours to procure that such condition is satisfied within such timescales that would enable the Franchisee to deliver in full such Committed Obligation within the timeframe specified for its delivery in Part 1 (List of Committed Obligations) to this Appendix 11.
- 7.2 Without limiting paragraph 7.1 or any other commitment of the Franchisee if any Committed Obligation is expressly subject to the satisfaction of any condition (including the occurrence of any event or the obtaining of any third party consents, approvals and/or entering into any agreement or arrangement with a third party) and the Franchisee is unable to satisfy such condition within the timescales that would enable the Franchisee to deliver in full such Committed Obligation within the timeframe specified for its delivery in Part 1 (List of Committed Obligations) to this Appendix 11 then the provisions of paragraphs 7.3 and 7.4 shall apply.
- 7.3 The Franchisee shall
- (a) as soon as reasonably practicable notify the Secretary of State if it is unable to procure the satisfaction of any condition (including the occurrence of any event or the obtaining of any third party consents, approvals and/or entering into any agreement or arrangement with a third party) relating to any commitment set out in Part 1 to this Appendix 11 despite having complied with its obligations in paragraph 7.1;
  - (b) as soon as reasonably practicable but by no later than 30 days from the date of any notification to the Secretary of State pursuant to paragraph 7.3(a), propose to the Secretary of State, in reasonable detail, alternative improvements to enhance the quality of the Passenger Services and/or Station Services involving the reasonable and proper expenditure of an amount that is the same amount of money as would have been incurred in delivering such Committed Obligation which cannot be delivered due to non-fulfilment of relevant conditions less such amount that the Franchisee can reasonably

demonstrate to the reasonable satisfaction of the Secretary of State has been reasonably and properly expended in seeking to procure the satisfaction of such condition; and

- (c) discuss with the Secretary of State in good faith the proposal made by the Franchisee and any alternative or revised proposal made by the Secretary of State with the intention of agreeing a reasonable replacement Committed Obligation and related Committed Obligation Payment Adjustment to be incorporated into the Franchise Agreement by deed of amendment.

7.4 If the Franchisee fails to:

- (a) submit a proposal to the Secretary of State pursuant to paragraph 7.3(b); or
- (b) the Secretary of State and the Franchisee fail to agree a replacement Committed Obligation and related Committed Obligation Payment Adjustment pursuant to paragraph 7.3(c),

the Franchisee shall pay to the Secretary of State on the Expiry Date (as a debt to the Secretary of State) the sum specified in column 3 of the table below in respect of the Committed Obligation set out in column 1 of such table:

Committed Obligation number	Description of Committed Obligation	Additional payment on Expiry Date (£)
4	ToD (RSP approval)	<sup>31</sup>
5A	Improve Customer Information at TfL Interchanges	
7	Car park spaces at grade	
7A	Car park spaces on deck	
9	Cyclepoint	
12	Bus trial	
20	Information desks	
21	Information desks at Liverpool St	
32	Zoning and lining of stations	
33	Microphones	
37	RS improvements	
39	Working with NR - alliance agreement as a condition	

<sup>31</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.



## **Part 3 to Appendix 11**

### **Late/Non Completion of Committed Obligations**

#### **1. LATE COMPLETION OR NON-DELIVERY OF COMMITTED OBLIGATIONS**

If the Franchisee fails to deliver in full a Committed Obligation in accordance with and by the timeframe specified for its delivery in Part 1 (List of Committed Obligations) to this Appendix 11, such late, partial or non-delivery shall constitute a contravention of this Agreement.

#### **2. COMMITTED OBLIGATION PAYMENT ADJUSTMENT**

2.1 In addition to being a contravention of this Agreement, if any of the Committed Obligations referred to in the Table is not delivered in full by the date specified for that Committed Obligation in column 3 of the Table, the Franchisee shall pay to the Secretary of State:

(a) in respect of each Reporting Period or part thereof for which that Committed Obligation remains undelivered in full from such date; and

(b) until the Committed Obligation is delivered in full,

a Committed Obligation Payment Adjustment, being the amount set out in column 4 of the Table, as adjusted in accordance with paragraph 2.3 or 2.4 (as appropriate).

2.2 Column 5 of the Table shall specify which of paragraphs 2.3 or 2.4 shall apply to each Committed Obligation specified therein, should any such Committed Obligation be partially delivered by the date specified for that Committed Obligation in column 3 of the Table.

#### **Pro-rating of Committed Obligation Payment Adjustment where partial delivery**

2.3 Where:

(a) in relation to any Committed Obligation referred to in column 5 of the Table to be subject to the terms of this paragraph 2.3 that is expressed in terms of a requirement to deliver or carry out activities in respect of a specified number of facilities; and

(b) the Franchisee has delivered or carried out the relevant activity in respect of one or more but less than the number of facilities specified in that Committed Obligation by the relevant delivery date,

then the relevant Committed Obligation Payment Adjustment shall be reduced pro rata by reference to the number of facilities so delivered or by reference to the number of those activities that have been carried out (as appropriate).

**Adjustment to Committed Obligation Payment Adjustment where partial spend**

2.4 Where:

- (a) in relation to any Committed Obligation referred to in column 5 of the Table to be subject to the terms of this paragraph 2.4 that is expressed in terms of a requirement to spend a specified sum in fulfilling its stated objective; and
- (b) the Franchisee has spent less than the sum specified in that Committed Obligation in fulfilling its stated objectives by the relevant delivery date,

then the relevant Committed Obligation Payment Adjustment shall be reduced pro rata by reference to the amount actually spent by that delivery date.

2.5

- (a) Where in relation to any Committed Obligation that is expressed in terms of a requirement to spend a specified sum in fulfilling its stated objective, the Franchisee is able to achieve that stated objective within the timeframe specified for its delivery without investing the full amount referred to in that Committed Obligation, whether because of cost savings or securing additional investment from third parties, the Franchisee may apply to the Secretary of State for the consent referred to in paragraph 2.5(b).
- (b) The Secretary of State's consent for the purposes of paragraph 2.5(a) is his consent for the Franchisee to invest any unspent amount towards the fulfilment of such other commitments as the Franchisee proposes at that time. That consent may not be unreasonably withheld.
- (c) If the Secretary of State consents to an application pursuant to paragraph 2.5(a) in respect of any Committed Obligation, then:
  - (i) Part 1 to Appendix 11 and this Part 3 shall be amended to reflect the terms of any new commitments; and
  - (ii) no Committed Obligation Payment Adjustment shall be payable in respect of the unspent amount that relates to that Committed Obligation.

2.6 The Committed Obligation Payment Adjustment shall be payable in accordance with Schedule 8.1 (Franchise Payments) of the Terms.

**Table: Committed Obligations where a Committed Obligation Payment Adjustment applies**<sup>32</sup>

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
1. Marketing				
2. Ticket Vending Machines – GUI				
3. New Ticket Vending Machines				
4. Online season tickets (ToD)				
5. Online ticketing functionality				
5A. TfL Interchanges – Service Update Screens				

<sup>32</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
6. Extension of Oyster PAYG				
7. Car park capacity (at grade)				
7A. Car park capacity (deck )				
8. Car park facilities				
9. Rail Plus – Cyclepoint at Chelmsford				
10. Cycle storage facilities				
11. PlusBike hire				



Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
12. <b>Bus trial</b>				
13. <b>PlusCab</b>				
14. <b>Catering</b>				
15. <b>Asset Management System</b>				
16. <b>Station refresh x15</b>				
16A. <b>General Station Refresh</b>				
17. <b>Cambridge Station redevelopment</b>				
18. <b>Cambridge Station redevelopment</b>				

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
19. <b>Customer service training</b>				
20. <b>Information desks and kiosks</b>				
21. <b>Information desk at Liverpool Street Station</b>				
22. <b>PDA's</b>				
23. <b>Text service (SMS) for customers</b>				

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
24.  <b>Service Quality Management System</b>				
25.  <b>Customer panel forums</b>				
26.  <b>Project team within PMO to manage Olympic transport</b>				
27.  <b>Olympics – Franchisee customer service volunteers</b>				
28.  <b>Paralympics – customer service volunteers</b>				
29.  <b>Olympics – agency customer service</b>				

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
employees training				
30. <sup>33</sup> <i>Olympics – Smartphone App</i>				
31. Project Management Organisation (PMO)				
32. Over-crowding strategy – marking Stations				
33. Over-crowding strategy – microphone systems at Stations				
34. Over-crowding strategy – additional				

<sup>33</sup> Date of change 14/06/2012

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
Station staff				
35. Over-crowding strategy – colour code timetables				
36. Fleet performance				
37. Deep clean of Train Fleet prior to Olympics				
37A. Enhanced Train Fleet Cleaning Regime				
38. Class 321 refresh				
39. Working with				

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
Network Rail				
40. Minor injuries to employees				
41. EFQM training of executive team				
42. Leadership training of senior team				
43. Community Rail Partnerships				
44. Environmental Management System				
45. Energy Management				

Column 1	Column 2	Column 3	Column 4	Column 5
Reference in Part 1 (paragraph)	Summary description of Committed Obligation	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period unless otherwise specified)	Does paragraph 2.3 or 2.4 apply?
System				
46. Waste audit and action planning				

Note: Column two (Summary Description) in the Table should be read in conjunction with the relevant Committed Obligation in Part 1 to this Appendix 11 set out at the paragraph specified in column 1 (Reference).

### 3. **WAIVER OF PAYMENTS UNDER THIS PART 3**

- 3.1 The Secretary of State may at his reasonable discretion decide to waive his 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 Secretary of State may, but shall not be obliged to, take into consideration the circumstances under which the late, partial or non-delivery arose.

## **APPENDIX 12**

### **2012 Olympic Games and Paralympic Games (*Clause 7.1*)**

#### **1. ACKNOWLEDGEMENT**

##### **1.1 The parties acknowledge that:**

- (a) London will host the Games in 2012;
- (b) as a key provider of public transport services into and out of London, the surrounding area and other areas serving as venues for the Games, the Franchisee will have an important role to play during the Franchise Term in helping to make the staging of the Games successful; and
- (c) the Olympic Delivery Authority must prepare and keep under review the Olympic Transport Plan for addressing transport matters relating to the Games.

#### **2. FRANCHISEE CO-OPERATION**

##### **2.1 The Franchisee:**

- (a) shall at its own cost, co-operate and consult as reasonably required by and with the Olympic Delivery Authority, the LOCOG, the Secretary of State, Transport for London, Network Rail, the British Transport Police and any other relevant party in connection with any arrangements directly or indirectly connected with the Games, including:
  - (i) the provision of additional and/or specific railway passenger services;
  - (ii) the carrying out of necessary works to the network;
  - (iii) the provision of additional and/or specific security arrangements at stations at which the Passenger Services call and on the Passenger Services;
  - (iv) the provision of specific integrated ticketing in relation to the Passenger Services; and
  - (v) advertising and marketing of the Games in relation to the Franchise Services; and
- (b) shall not for the purposes of publicity, advertising, marketing or any other reason, without the prior written consent of LOCOG, represent that any product or service provided by the Franchisee under this Agreement:
  - (i) has been endorsed or approved by LOCOG, the Olympic Delivery Authority or any other Olympic body; or



- (ii) is in any way associated with those organisations or the Games,

including by publishing or issuing any statement (factual or otherwise) about the Franchisee's products or services under this Agreement.

### 3. **THE OLYMPIC SERVICES DELIVERY PLAN**

3.1 The Franchisee acknowledges that a plan has been agreed by the Train Operator under the Previous Franchise Agreement and the Olympic Delivery Authority:

- (a) to facilitate, in particular, the implementation of the railway aspects of the Olympic Transport Plan; and
- (b) to the extent not already provided for under paragraph 3.1(a), to:
  - (i) implement any or all of the matters referred to in paragraph 2 of this Appendix 12; and
  - (ii) any other matter relevant to the planning or staging of the Games,

(the "**Olympic Services Delivery Plan**"). The Olympic Services Delivery Plan as at the date of the Franchise Agreement is in the agreed terms marked OSDP.

### 4. **ROLLING STOCK AVAILABILITY DURING SUBSISTENCE OF OLYMPIC SERVICES DELIVERY PLAN**

The Franchisee shall provide an additional <sup>34</sup> vehicles (equating to <sup>35</sup> additional units) as part of the Train Fleet for the period of the Games (that is, between 27 July 2012 and 12 August 2012 (inclusive)) to satisfy the requirements of the Olympic Services Delivery Plan. The total number of vehicles which the Franchisee shall make available during the Games is set out in the table in paragraph 7 (Olympic Vehicle Target) of this Appendix 12.

### 5. **IMPLEMENTATION OF THE OLYMPIC SERVICES DELIVERY PLAN**

5.1 Subject to paragraph 5.2 below the Franchisee shall implement the Olympic Services Delivery Plan in accordance with its terms.

5.2 The Olympic Development Authority shall have the right to amend the Olympic Services Delivery Plan and, without prejudice to the obligation of the Franchisee to implement the provisions that have not been amended pursuant to paragraph 5.1, the Franchisee shall use reasonable endeavours to implement such amendments.

### 6. **OLYMPICS CANCELLATIONS AND OLYMPIC CAPACITY SHORTFALL**

6.1 Failure by the Franchisee to deliver the Olympic Services Delivery Plan shall constitute a contravention of this Agreement and, subject to paragraph 6.3, for each Olympics Cancellation attributed to the Franchise Operator in the relevant

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<sup>34</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>35</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

42 day statement, the Franchisee shall pay to the Secretary of State an Olympics cancellation payment adjustment fee of £<sup>36</sup> ("**the Olympics Cancellation Payment Adjustment**").

- 6.2 In addition to the Olympics Cancellation Payment Adjustment payable by the Franchisee pursuant to paragraph 6.1, and subject to paragraph 6.6, to the extent that if on any day in respect of which an Olympic Service Delivery Plan is in force an Olympic Capacity Shortfall occurs the Franchisee shall pay to the Secretary of State an Olympics capacity shortfall payment adjustment fee calculated as the difference between the Olympic Vehicle Target applicable in relation to that day and the number of vehicles actually operated throughout their daily diagram on such day multiplied by £<sup>37</sup> ("**the Olympics Capacity Shortfall Payment Adjustment Fee**").

6.3

- (a) The Franchisee shall provide to the Secretary of State a report setting out:

- (i) any Olympic Cancellations that are attributed to the Franchisee; and
- (ii) in respect of each day on which the Olympic Services Delivery Plan is in force the number of vehicles actually operated throughout their daily diagram and the number of vehicles required to be operated pursuant to the Olympic Services Delivery Plan on each day that the Olympic Services Delivery Plan is in force,

by no later than 17 days after the end of the Reporting Period ending 19th August 2012 and, in respect of the Paralympic Games, by no later than 17 days after the end of the Reporting Period ending 16 September 2012.

- (b) It is acknowledged that amendments may be made to the Olympic Services Delivery Plan by agreement between the Franchisee and the Olympic Delivery Authority during the period in which the 2012 Olympic and Paralympic Games are taking place to reflect evolving circumstances. The report shall identify such amendments made to the Olympic Services Delivery Plan and they shall be taken into account for the purposes of the calculation of the Olympic Cancellation Payment Adjustment and the Olympic Capacity Shortfall Adjustment Fee provided that the Secretary of State shall not be required to take account of such amendments unless the Franchisee demonstrates to the reasonable satisfaction of the Secretary of State that such amendments were actually approved by the Olympic Delivery Authority.

- 6.4 The Olympics Cancellation Payment Adjustment and the Olympics Capacity Shortfall Payment Adjustment Fee, together an "**Olympics Payment Adjustment**", shall be paid by way of adjustments to Franchise Payments.

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<sup>36</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

<sup>37</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

6.5 The Olympics Cancellation Payment Adjustment and the Olympics Capacity Shortfall Adjustment Fee shall be without prejudice to the Secretary of State's other rights of enforcement under this Agreement and the Act.

6.6 The Secretary of State may at his reasonable discretion decide to waive his rights to receive an Olympics Payment Adjustment. In deciding whether to waive such rights the Secretary of State may, but shall not be obliged to, take into consideration the circumstances under which the Olympics Cancellation or Olympics Capacity Shortfall arose.

7. **Olympic Vehicle Target**

The table for the purposes of the definition of Olympic Vehicle Target is as follows:

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<sup>38</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

## APPENDIX 13

### Greater Anglia Specific Provisions (*Clause 7.2*)

#### 1. **DELAY ATTRIBUTION UNDER SCHEDULE 8 OF THE TRACK ACCESS AGREEMENT**

- 1.1 In connection with the allocation of responsibility for Minutes Delay, Cancelled Stops and Performance Sums the Franchisee shall act in a reasonable and proper manner as a skilled and experienced Train Operator managing its business to minimise costs in line with its contractual rights and duties under the Track Access Agreement. Where the Secretary of State on reasonable grounds is of the opinion that the Franchisee has not complied with this obligation he shall be entitled to conduct or commission a nominee to conduct an audit of the Franchisee's compliance at the cost of the Franchisee. For the purposes of such audit the Franchisee shall grant to the Secretary of State or his nominee access to all relevant data, records or information (in written or electronic form) and relevant Franchise Employees.
- 1.2 For the purposes of this paragraph 1, the terms "**Minutes Delay**", "**Cancelled Stops**" and "**Performance Sums**" shall have the meanings given to each such term in the Track Access Agreement.

#### 2. **PUBLICATION OF PUBLIC PERFORMANCE MEASURE INFORMATION**

- 2.1 The Franchisee shall Publish the statistics in relation to its Public Performance Measure to such level of disaggregation (including by Route or Service Group) as is reasonably specified by the Secretary of State. The initial relevant level of disaggregation from the Start Date shall be: GE Main Line, GE Metro, Rural, Stansted Express and West Anglia.
- 2.2 For the purposes of this paragraph 2:
- "**Publish**" means making the relevant information available upon request in one or more booklets or in similar form at Stations and displaying such information on information displays at all Stations and/or on the Franchisee's website; and
- "**Public Performance Measure**" means 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 Plan of the Day) which arrive punctually at their final scheduled destination in the Plan of the Day measured on the basis that:
- (a) for this purpose, "punctually" means within 4 minutes 59 seconds of the scheduled arrival time as shown in the Plan of the Day; and
  - (b) any train which is a Cancellation will be regarded as not arriving punctually.

### 3. **TICKETLESS TRAVEL REGIME**

#### 3.1 **Ticketless Travel Surveys**

- (a) The Secretary of State (or a nominee on his behalf) shall carry out Ticketless Travel Surveys in accordance with the Ticketless Travel Survey Methodology.
- (b) The Franchisee shall co-operate with the Secretary of State as he may reasonably request from time to time to allow or facilitate the carrying out of Ticketless Travel Surveys. When so requested by the Secretary of State the Franchisee shall permit the Secretary of State (or a nominee on his behalf) to have access to passengers and other persons who use the Passenger Services (such access to be provided on relevant trains or at relevant Stations or as otherwise reasonably required by the Secretary of State) for the purposes of the Secretary of State (or his nominee on his behalf) carrying out Ticketless Travel Surveys.
- (c) It is acknowledged and agreed by the Franchisee that:
  - (i) a Ticketless Travel Survey can only be carried out during a Survey Period;
  - (ii) nothing in this paragraph 3.1 shall prevent the Secretary of State from carrying out any other ticketless travel surveys as he may wish to undertake from time to time (such surveys not to be subject to the provisions of this paragraph 3); and
  - (iii) the Secretary of State may (but shall not be obliged to) determine not to carry out, or suspend or delay or discontinue any Ticketless Travel Survey planned or commenced for a Survey Period if he considers that in the circumstances it is inappropriate or impractical to carry out or continue such survey.
- (d) The Secretary of State shall procure that the results of any Ticketless Travel Surveys are provided to the Franchisee as soon as reasonably practicable following the completion of such surveys.

#### 3.2 **Ticketless Travel Adjustment**

- (a) The Secretary of State shall use the results of the Ticketless Travel Survey for any Survey Period to calculate whether a Ticketless Travel Payment Adjustment is payable by the Franchisee in respect of that Survey Period. The parties acknowledge that under no circumstances will any Ticketless Travel Payment Adjustment be payable by the Secretary of State to the Franchisee.
- (b) If the Ticketless Travel Rate for any Survey Period is greater than <sup>39</sup>% then a Ticketless Travel Payment Adjustment shall be payable by the Franchisee to the Secretary of State and an adjustment made to the

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<sup>39</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

Franchise Payment payable on the next Ticketless Travel Adjustment Payment Date following the calculation of any such Ticketless Travel Payment Adjustment. Each Ticketless Travel Payment Adjustment shall be determined as follows:

$$\text{TTPA} = ((T - y) \times \text{AR}) / 2$$

Where:

TTPA is the Ticketless Travel Payment Adjustment;

T is the Ticketless Travel Rate for the relevant Survey Period; and

AR is the Actual Fares Revenue for the Reporting Period in which the relevant Survey Period falls and the two preceding Reporting Periods.

### 3.3 **Change to the Ticketless Travel Survey Methodology at the request of the Franchisee**

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## 4. **FRANCHISEE CO-OPERATION WITH THE McNULTY OUTPUTS**

4.1 The Franchisee shall comply with the reasonable requirements of the Secretary of State in relation to the development of any plans to implement the McNulty Outputs including without limitation:

- (a) upon reasonable notice, attending meetings with the Secretary of State to discuss and provide an opinion on any McNulty Outputs;
- (b) providing information, data, reports and analysis reasonably required by the Secretary of State for the purposes of assessing the implications of the implementation of some or all McNulty Outputs in whole or in part; and
- (c) reviewing and commenting on implementation timetables and programmes for any McNulty Outputs.

## 5. **CREATION OF A CROSSRAIL BUSINESS UNIT AND COOPERATION**

5.1 As soon as reasonably practicable after the commencement of the Franchise Term, the Franchisee shall reorganise the business of providing the Franchise Services by the creation of a business unit (the “**Crossrail Business Unit**”) in relation to the Crossrail Services through the introduction of separate train crew, and rolling stock diagrams in relation to the Crossrail Services and separate station staff allocation in relation to the Crossrail Stations. Without the prior written consent of the Secretary of State the Franchisee shall not take any additional action which would be reasonably likely to lead to increased cost or reduced revenue in consequence of duplication of business functions as a result of the establishment of the Crossrail Business Unit.

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<sup>40</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

- 5.2 Without limiting the provisions of paragraph 2 of Schedule 15.1 (Reletting Provisions), the Franchisee shall, if so requested by the Secretary of State, in connection with any proposal (whether or not yet finalised) to transfer any Franchise Services to a Crossrail Concessionaire (including any invitation to potential Crossrail Concessionaires to tender for the right and obligation to provide any Franchise Services in succession to the Franchisee), provide the Secretary of State and/or TfL (or any of their advisers, employees, representatives, nominees or agents) with such information, reports and analysis as the Secretary of State and/or TfL (or any of their advisers, employees, representatives, nominees or agents) may require in respect of the Crossrail Business Unit. This may include:
- (a) operational and financial information, data, reports and analysis (including driver, other train crew and rolling stock diagrams, health and safety and environmental information, Network Rail charges and performance data);
  - (b) terms and conditions of employees and human resources policies;
  - (c) upon reasonable notice, attending meetings with the Secretary of State in relation to the Crossrail Services;
  - (d) reviewing and commenting on implementation timetables and programmes for the Crossrail Services; and/or
  - (e) any other information as the Secretary of State may specify from time to time.
- 5.3 The Franchisee shall comply with the reasonable requirements of the Secretary of State in relation to:
- (a) the proposed transfer of any Franchise Services to a Crossrail Concessionaire; and
  - (b) the implementation of the Crossrail Programme where such implementation involves an interface with any railway infrastructure used in relation to the Franchise Services or is otherwise related to the Franchise Services

The Franchisee's obligations pursuant to this paragraph 5.3 shall include:

- (i) upon reasonable notice, attending meetings with the Secretary of State to discuss and provide an opinion on any relevant issues;
- (ii) providing information, data, reports and analysis reasonably required by the Secretary of State in relation to assessing the implications of the proposed transfer of any such Franchise Services to a Crossrail Concessionaire or relevant aspects of the implementation of the Crossrail Programme; and
- (iii) reviewing and commenting on implementation timetables and programmes for the proposed transfer of any such Franchise Services to a Crossrail Concessionaire or relevant aspects of the implementation of the Crossrail Programme.

## **6. FARES POLICY AND CAR PARK CHARGES**

6.1 Unless as may otherwise be agreed by the Secretary of State and subject to the provisions of Schedule 5.4 (Regulation of Fares Basket Value) of the Terms, the Franchisee shall ensure that in each Fare Year during the Franchise Term the Regulated Price or the Regulated Child Price (as the case may be) for any Fare is increased by at least an amount that is equal to the Permitted Individual Increase (as such term is defined in Schedule 5.5 (Regulation of Individual Fares) of the Terms) applicable in respect of that Fare Year.

6.2 In setting unregulated fares and determining the level of car park charges the Franchisee shall act in a reasonable and proper manner as a skilled and experienced Train Operator seeking to achieve its target level of profitability taking into account inflation and ignoring any revenue support payments received from the Secretary of State.

## **7. BRITISH TRANSPORT POLICE**

The Franchisee shall pay to the British Transport Police the cost of an additional police officer to be employed throughout the Franchise Period. Such police officer shall work with the Franchisee for the purposes of understanding the problems of criminality the Franchisee faces (including assaults on passengers and staff, theft, criminal damage to railway property and graffiti vandalism) and how these can be addressed in co-operation with the British Transport Police with the intention that criminals will be prosecuted and the overall levels of criminality will be reduced.

## **8. REGISTRATION OF TITLE (STATION LEASES)**

The Franchisee shall, as soon as reasonably practicable upon receipt of the relevant documentation from Network Rail, lodge or procure the lodging of the properly completed applications for registration of the Station Leases at HM Land Registry and use all reasonable endeavours to ensure that registration of title is obtained in relation to each Station as soon as reasonably practicable to the highest standard reasonably obtainable from the evidence of title received from Network Rail.

## **9. SUBMISSION OF ROLLED OVER ACCESS PROPOSALS**

The Franchisee shall be required to submit to Network Rail, before the Priority Dates (as defined in the Network Code) in February 2012, 2013 and, if applicable, 2014, rolled over Access Proposals (as defined in the Network Code), as required by Part D of the Network Code, in respect of the December 2012, 2013 and, if applicable, 2014 Principal Change Dates (as defined in the Network Code).

## **10. NON COMPLIANCE WITH STATION MAINTENANCE LICENCE CONDITION**

The Franchisee shall pay to the Secretary of State such amount as ORR determines is required to remedy any failure of the Franchisee to meet its station asset stewardship obligations under the Licences in relation to the condition of any Stations and any amount which the ORR determines is equivalent to a saving made by the Franchisee in consequence of any reduction in the Specification of Works as may be agreed by the ORR from time to time. Such sums shall be due and payable within three days of the Secretary of State notifying the Franchisee of the amount due.

For the purposes of this paragraph 10 "Specification of Works" means the specification of works required at Stations pursuant to the Licence and listed in



Annex A of the ORR document titled "Station Operator Licence asset stewardship obligations Statement by the Office of Rail Regulation".

11. **DRAW DOWN OF FUNDING DEED FACILITY**

The Franchisee undertakes to the Secretary of State that it will draw on the facility provided under the Funding Deed to the extent reasonable and prudent for the purposes of ensuring that the Franchisee is reasonably financially robust and that it is able to discharge the Liabilities (as defined in the Funding Deed) (including those Liabilities owed to the Secretary of State) as and when they fall due. The Franchisee further agrees that it shall draw on the Facility where it would be consistent with the Business Plan to do so.

12. **SOUTHEND AIRPORT STATION**

12.1 It is acknowledged by the Franchisee and the Secretary of State that:

- (a) the Train Operator under the Previous Franchise Agreement entered into an operations agreement with London Southend Co Limited on 15 July 2011 (the "**Operations Agreement**") which sets out the terms and conditions under which the Passenger Services will serve the Station located at Southend Airport (the "**Southend Airport Station**") initially on an experimental basis and subsequently, subject to the terms of the Operations Agreement, for the remainder of the term of the lease in respect of the London Southend Co Limited's lease of Southend Airport Station;
- (b) the Operations Agreement (including the station access agreement and the retailing licence in respect of that station) will be transferred to the Franchisee under the Start Date Transfer Scheme; and
- (c) under the Operations Agreement the Operator:
  - (i) can request a review of the Passenger Services calling at Southend Airport Station if it considers that such passenger services constitute a call on the public purse; and
  - (ii) may also elect to terminate the Operations Agreement if following such review it is agreed or determined that such passenger services constitute a call on the public purse.

12.2 It is agreed by the Franchisee that in exercising any of its rights as set out in paragraph 12.1(c) above, the Franchisee shall act in such manner as the Secretary of State may reasonably direct. The Franchisee shall immediately notify the Secretary of State if at any time during the Franchise Period such passenger services begin to constitute a call on the public purse.

12.3 For the purposes of this paragraph 12, "call on the public purse" and "Operator" shall each have the meanings given to each such term in the Operations Agreement.

13. **CLASS 379 TRIAL**

13.1 The Franchisee shall, at the request of the Secretary of State, co-operate in good faith with the Secretary of State, Network Rail and, if relevant, the manufacturer of the class 379 units and the relevant rolling stock leasing

company in respect of the proposed trial of an on-board energy storage system on a class 379 unit so that the unit is able to be powered by the energy storage system rather than the electrification infrastructure when such system is in use ("**Class 379 Trial**").

- 13.2 The Secretary of State may at any time by proposing a Variation pursuant to paragraph 1.1(a) of Schedule 19 (Other Provisions) of the Terms require the Franchisee to:
- (a) subject to obtaining the consent of the relevant rolling stock leasing company, make available up to 2 four car class 379 units for the duration of the Class 379 Trial;
  - (b) provide suitable facilities for stabling and maintaining such class 379 units and related equipment in accordance with the reasonable requirements of Network Rail;
  - (c) provide a driver (or drivers) for the duration of the Class 379 Trial and make such driver or drivers available for training in accordance with the reasonable requirements of Network Rail; and
  - (d) operate such class 379 units during the Class 379 Trials in accordance with the reasonable requirements of Network Rail, such operation to include both special test workings and use of such class 379 units in delivering the Passenger Service.
- 13.3 Any Variation proposed by the Secretary of State pursuant to paragraph 13.2 shall automatically be a Qualifying Change irrespective of whether it meets the requirements of the definition of Qualifying Change.

14. <sup>41</sup>

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<sup>41</sup> Where text has been omitted from the document, this is because the Director General Rail or Secretary of State has decided to exclude the text in accordance with the provisions within the Freedom of Information Act 2000.

## APPENDIX 14

### Recalibration of the Benchmarks (*Clause 8*)

#### 1. **CANCELLATIONS TARGET PERFORMANCE LEVEL FOR FIRST REPORTING PERIOD**

In respect of the Cancellations Benchmark Table, the Target Performance Level specified therein for the first Reporting Period of the Franchise Term shall be recalibrated by:

- (a) taking the number of instances where a Previous Passenger Service was cancelled in accordance with the definitions of Cancellation and Partial Cancellation during the Performance Measurement Period, where a cancellation satisfying the definition of Cancellation shall count as 1 and a cancellation satisfying the definition of Partial Cancellation shall count as 0.5;
- (b) dividing the sum of that total by 13; and
- (c) calculating a percentage in respect of that total in accordance with the following:

$$\frac{A}{B} \times 100$$

where:

- A equals the number determined in accordance with paragraph 1(a), as divided in accordance with paragraph 1(b); and
- B equals the total number of Previous Passenger Services that were scheduled to be operated during the last Reporting Period prior to the Start Date.

#### 2. **CAPACITY TARGET PERFORMANCE LEVEL FOR FIRST REPORTING PERIOD**

In respect of the Capacity Benchmark Table, the Target Performance Level specified therein for the first Reporting Period of the Franchise Term shall be recalibrated by:

- (a) taking the number of instances where a Previous Passenger Service operated in the period equivalent to the Peak was short formed in accordance with the definition of Short Formation during the Performance Measurement Period; and
- (b) dividing the sum of that number by 13; and
- (c) calculating a percentage in respect of that number in accordance with the following:

$$\frac{A}{B} \times \frac{C}{D} \times 100$$

where:

- A equals the number determined in accordance with paragraph 2(a), as divided in accordance with paragraph 2(b);
- B equals the total number of Previous Passenger Services operated in the period equivalent to the Peak that were scheduled to be formed of more than one rolling stock vehicle in the last Reporting Period prior to the Start Date;
- C equals the total number of Passenger Services scheduled in the first Reporting Period of the Franchise Term to be operated by the Franchisee and formed of more than one rolling stock vehicle in the Train Plan; and
- D equals the total number of Passenger Services scheduled to be operated in the first Reporting Period of the Franchise Term.

### 3. **TOC MINUTE DELAY PERFORMANCE LEVEL FOR FIRST REPORTING PERIOD**

In respect of the TOC Minute Delay Benchmark Table, the Target Performance Level specified therein for the first Reporting Period of the Franchise Term shall be recalibrated by:

- (a) taking the minutes of delay attributed to the Train Operator that provided the Previous Passenger Services under its track access agreement with Network Rail in respect of the Performance Measurement Period; and
- (b) dividing the sum of that number by 13.

### 4. **TARGET PERFORMANCE LEVELS FOR EACH BENCHMARK FOR ALL SUBSEQUENT REPORTING PERIODS**

The relevant Target Performance Level for the first Reporting Period of the Franchise Term, as determined pursuant to each of paragraphs 1 to 3 (inclusive), shall then be used to determine the relevant Target Performance Level for each Reporting Period during the remainder of the Franchise Term by calculating:

- (a) the relevant Target Performance Level for the last scheduled Reporting Period of the Franchise Term in accordance with the following formula:

$$\frac{(100 - (0.5 \times 9))}{100} \times \text{TPL}$$

where:

- TPL equals the relevant Target Performance Level for the first Reporting Period of the Franchise Term as determined pursuant to paragraph 1, 2 or 3 (as appropriate); and

- (b) the relevant Target Performance Levels for each intervening Reporting Period in the Franchise Term, by decreasing each such level on a straight-line basis from the level set for the first Reporting Period of the Franchise Term to the level set for the last Reporting Period of the Franchise Term.

5. **IMPROVEMENT PLAN PERFORMANCE LEVELS FOR EACH BENCHMARK FOR ALL REPORTING PERIODS**

The Target Performance Levels for each Benchmark shall then be used to determine the relevant Improvement Plan Performance Level for each Reporting Period of the Franchise Term by calculating:

- (a) the relevant Improvement Plan Performance Level for each of the first Reporting Period and the last scheduled Reporting Period of the Franchise Term in accordance with the following formula:

$$\frac{(100 + 7.5)}{100} \times \text{TPL}$$

where:

TPL equals the relevant Target Performance Level for the first Reporting Period or the last scheduled Reporting Period (as appropriate) as determined pursuant to this Appendix 14; and

- (b) the relevant Improvement Plan Performance Levels for each intervening Reporting Period in the Franchise Term, by decreasing each such level on a straight-line basis from the level set for the first Reporting Period of the Franchise Term to the level set for the last Reporting Period of the Franchise Term.

6. **BREACH PERFORMANCE LEVELS FOR EACH BENCHMARK FOR ALL REPORTING PERIODS**

The Target Performance Levels for each Benchmark shall then be used to determine the relevant Breach Performance Level for each Reporting Period of the Franchise Term by calculating:

- (a) the relevant Breach Performance Level for each of the first Reporting Period and the last scheduled Reporting Period of the Franchise Term in accordance with the following formula:

$$\frac{(100 + 15)}{100} \times \text{TPL}$$

where:

TPL equals the relevant Target Performance Level for the first Reporting Period or the last scheduled Reporting Period (as appropriate) as determined pursuant to this Appendix 14; and

- (b) the relevant Breach Performance Levels for each intervening Reporting Period in the Franchise Term, by decreasing each such level on a

straight-line basis from the level set for the first Reporting Period of the Franchise Term to the level set for the last Reporting Period of the Franchise Term.

## 7. **DEFAULT PERFORMANCE LEVELS FOR EACH BENCHMARK FOR ALL REPORTING PERIODS**

The Target Performance Levels for each Benchmark shall then be used to determine the relevant Default Performance Level for each Reporting Period of the Franchise Term by calculating:

- (a) the relevant Default Performance Level for each of the first Reporting Period and the last scheduled Reporting Period of the Franchise Term in accordance with the following formula:

$$\frac{(100 + 20)}{100} \times \text{TPL}$$

where:

TPL equals the relevant Target Performance Level for the first Reporting Period or the last scheduled Reporting Period (as appropriate) as determined pursuant to this Appendix 14; and

- (b) the relevant Default Performance Levels for each intervening Reporting Period in the Franchise Term, by decreasing each such level on a straight-line basis from the level set for the first Reporting Period of the Franchise Term to the level set for the last Reporting Period of the Franchise Term.

## 8. **ROUNDINGS**

### 8.1 The:

- (a) Cancellations Benchmark percentages recalibrated pursuant to paragraphs 1 and 4 to 7 (inclusive); and
- (b) Capacity Benchmarks percentages recalibrated pursuant to paragraphs 2 and 4 to 7 (inclusive),

shall be rounded to two decimal places, with the midpoint (that is, 2.835) rounded upwards (that is, 2.84).

### 8.2 The TOC Minute Delay Benchmarks recalibrated pursuant to paragraphs 3 to 7 (inclusive) shall be rounded to the nearest ten minutes of delay, with the midpoint (that is, 5,005) rounded upwards (that is, 5,010).

## 9. **DEFINITIONS**

For the purpose of this Appendix 14:

### 9.1 Previous Passenger Services means:

- (a) any railway passenger service operated under a Previous Franchise Agreement that is the same or substantially the same as any

Passenger Service in terms of departure and arrival times and stopping patterns; or

- (b) if no such railway passenger service is found under paragraph (a), such other railway passenger service operated under a Previous Franchise Agreement which is similar in terms of departure and arrival times and stopping patterns to the Passenger Services as the Secretary of State may reasonably determine.

**“Short Formation”** means the operation of a railway passenger service with fewer rolling stock vehicles than the number of rolling stock vehicles scheduled to be operated by a Train Operator under the Previous Franchise Agreement or by the Franchisee, as applicable.

## **APPENDIX 15**

### **List of Documents in the Agreed Terms (*Clause 9*)**

<b>CFD</b>	Commuter Fares Document
<b>DL</b>	Depot Lease
<b>FF</b>	Financial Formats
<b>FM</b>	Financial Model
<b>OM</b>	Operational Model
<b>OSDP</b>	Olympic Services Delivery Plan
<b>PC</b>	Passenger's Charter
<b>PFD</b>	Protected Fares Document
<b>POA</b>	Power of Attorney
<b>ROA</b>	Record of Assumptions
<b>SLC</b>	Service Level Commitment
<b>SL</b>	Station Lease
<b>SQAP</b>	Service Quality Audit Programme
<b>SQMS</b>	Service Quality Management System
<b>SQS</b>	Service Quality Standards
<b>TTSM</b>	Ticketless Travel Survey Methodology