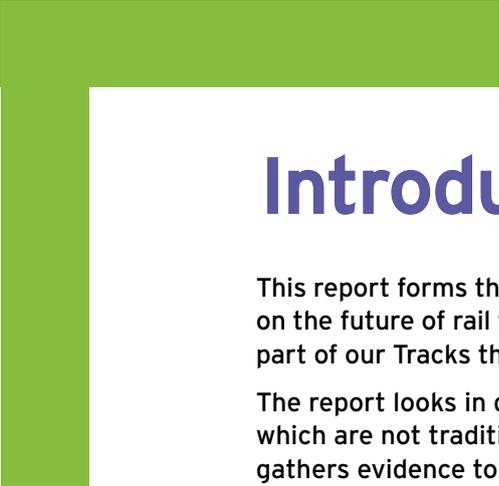


Ensuring a Sustainable Rail Industry

Environmental, community and local
economic obligations

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Introduction

This report forms the second part of Campaign for Better Transport's research project on the future of rail franchising, carried out for the Department of Transport (DfT) as part of our Tracks thought leadership programme.

The report looks in detail at how rail franchising can further enhance policy areas which are not traditionally central to its objectives or implementation. The research gathers evidence to look at the role that franchises can play in improving transport's environmental sustainability, supporting social cohesion and underpinning local communities and economies. These findings are used to inform recommendations as to how the DfT can use the franchising system to drive forward progress with these agendas. In this regard, references to Government policy should be read as references to Westminster government. The Scotrail franchise is managed from Edinburgh and its inclusion is intended to offer comparison with a connected but distinctly different approach.

The research report consists of four main elements:

1. What is the government buying?

A summary of the social, economic and environmental policy objectives that rail can contribute to.

2. What is being delivered?

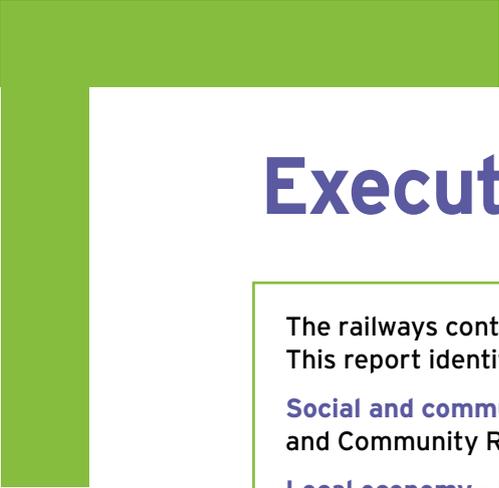
How recent DfT-produced franchising documents consider social, economic and environmental benefits, and how these are reflected in subsequent franchise agreements.

3. Where are the gaps?

Where and how franchise agreements contribute to more sustainable development.

4. Recommendations

How franchising can be employed to improve social, economic and environmental benefits.



Executive summary

The railways contribute significantly to sustainable development. This report identifies three core areas where this is important:

Social and community - Including accessibility, integration with other transport and Community Rail Partnerships

Local economy - Including skills, procurement and support for local industry such as tourism

Environment - Including carbon emissions, air quality and noise.

Rail is a sustainable mode of transport. In recent decades, it has lowered its environmental impacts and become more responsive to local economic needs and community interests. In most circumstances, travelling by rail generates lower carbon emissions than other modes and helps contribute to safer and less congested transport networks overall. It supports public health objectives, being both a remarkably safe way to get around, and by encouraging active travel. There are also economic benefits, with access to the rail network increasing mobility across the population and improving accessibility of employment and services.

The current model of franchising passenger rail services faces significant challenges. As the previous report in this project argued (Options for developing franchised passenger services),¹ the franchising model may be facing a period of significant risk and uncertainty. Recent franchise bids have been predicated on strong revenue growth which in some cases have been overly ambitious. The franchising model is not best placed to support the rail industry by, for example, creating the right mechanism to support investment and development of key assets such as stations. As the DfT's Vision for Rail (2017) recognises,² there has been a lack of integration with Network Rail in terms of incentives and planning horizons and no clear link between the current franchise model and wider policy objectives.

Neither, in addition to these concerns, is the current franchising model an obvious choice for delivering sustainable development. The model was devised at a time of stagnant revenue and falling passenger demand with the objective of reducing net public expenditure on rail rather than delivering wider public policy objectives in the form of sustainable development. It is only through successive reforms that wider social, economic and environmental outcomes have been sought.

More fundamentally, having only temporary custodianship of trains and stations, no ownership of tracks and neighbouring franchises to work with makes long-term planning and investment problematic. Over time, initiatives such as the residual value mechanism have been created to help address these issues. Anecdotally, however, these are regarded by many within the industry as marginal and there remain problems with how franchise agreements encourage and reward sustainable-development promoting activities.

Sustainability is not a particularly important part of winning a franchise. It ranks lowly in the process of franchise letting with the consequence that it is given relatively little attention by both specialist bidding teams and those charged with assessing bids. Subsequently, relatively little attention is given to assessing progress, highlighting success or appropriate censure for shortcomings.

Winning a franchising competition is judged primarily on timetabling, fleet and performance – not on maximising contribution to wider public policy objectives. For sustainable development, the result is franchise agreements heavy with process objectives such as strategies and working groups, and very specific actions such as numbers of cycle racks.

None of this should imply an absence of progress or good will, or a lack of opportunity to achieve more sustainable development through franchised rail services. Reduced energy and water use, excellent examples of community engagement, metrics to assess how well stations meet community needs, and a more diverse and representative workforce, for example, have all been actively pursued via franchising. Beyond this, the Rail Safety and Standards Board (RSSB) is also developing ways to understand and measure the industry's social value across organisations, projects and programmes.

For deeper progress to be made in promoting rail's sustainable development role, other change is arguably now needed.

This could be supported by:

- **Developing a Social Return On Investment (SROI) model for the rail industry** – For franchises, this would be based on contribution to established Government policy objectives and should look at themes including how rail can widen employment markets, enhance access to retail and other services, directly provide space for business development and help tackle road congestion
- **New delivery models for station management** – Franchise bidders should be required to examine the potential for alternative models of station management to achieve social and community ends. This could include long-term management of stations and associated buildings being passed over to other bodies, allowing operators to focus on train operations rather than asset management
- **Ownership of sustainable development** – DfT Group should take more ownership of sustainable development as a policy area. This should reflect both the need to identify where and how rail can make a difference, and in ensuring franchise holders are making appropriate progress through devolved structures and local oversight
- **Bid scoring** – Reflect the wider benefits of good rail services in franchise bid marking. The percentage of marks for quality – and specifically for sustainable development – should be increased in future competitions. The RSSB's sustainable development principles could be used as a basis for this
- **Better data and guidance** – Stronger DfT ownership of sustainable development in rail needs to be augmented with accurate, meaningful and comparable data across franchises. One option for delivering this would be via an expanded responsibility for the Office of Rail and Road (ORR) in ensuring data on aspects of sustainable development (environmental targets, for example) is available and up to date. Where numerical measures are unavailable or inappropriate more use should be made of best practice examples.

1. What is the government buying?

1.1 Rail's contribution to sustainable development

Introduction

The delivery of franchised rail services is relevant to a wide range of social, economic and environmental policy objectives and goals. At present, however, no single initiative sets out what government in England, Wales or Scotland expects the railways to contribute to sustainable development through franchising.

Franchising has had a long evolution and its response to sustainable development is an iterative one. From an initial aim of cutting subsidy, White Paper's have emphasised the importance of passenger satisfaction, a strategically planned and integrated transport network was added with post-Hatfield structural changes greatly increasing public sector involvement. In 2005, rail's ability to support economic growth, reduce carbon emissions and help tackle road congestion were formally recognised as objectives.

Over the subsequent decade, a series of reports (Eddington, McNulty, Laidlaw and Brown) responded to external challenges and highlighted ways to improve the performance of the railways. The link with productivity, further reducing carbon emissions, exploiting technologies like hydrogen trains, fostering more door-to-door journeys, improving air quality, noise mapping, value for money, franchising periods, sectoral inertia, and a lack of capacity in DfT to effectively manage franchises all came to the fore.

When considering sustainable development, many of these issues are still relevant and, along with reference to the wider policy agenda, examples of each are set out below.

Policy context

Sustainable development is a contested term with numerous definitions in circulation.

A useful government definition of sustainable development was given in the 2011 policy paper 'Mainstreaming sustainable development: the government's vision and what this means in practice', which defined it as:

"Making the necessary decisions now to realise our vision of stimulating economic growth and tackling the deficit, maximising wellbeing and protecting our environment, without negatively impacting on the ability of future generations to do the same."³

In 2016 the then Rail Minister, Claire Perry, described a sustainable railway as:

"A railway that is fit for the future, one that helps solve the environmental challenges we face, rather than contributing to them. It's a railway that is properly connected to the communities it serves, and it's a railway that has invested in the workforce it needs for the decades ahead."⁴

From these definitions, the provision of rail services can contribute directly to a large number of commitments and policy objectives. The policy context of rail services is summarised below. A more detailed version of this information can be found in Annex 3.

Social and community	
UN sustainable development goals	Everyone should have access to safe, affordable, accessible and sustainable transport.
DfT franchise guide	Franchises should increase the long-term value of the railway by giving world class passenger experience and improved performance across environmental and social outcomes (including reducing resource use, improving facilities, supporting modal integration).
Community rail	Support partnerships to connect people and places, create a fairer and more inclusive society, support local economies and improve the operation of the railway.
Accessibility	Stations, trains and train services should be accessible to all in terms of physical access, support and information. Cycling and walking (and their health benefits) should be supported as a natural part of rail journeys. Every child should have access high-quality education regardless of location.
Integrated and sustainable transport	The Sustainable Local Transport White Paper, Door-to-Door strategy and Buses Act all require better transport integration on services and ticketing.
Planning	Local authorities and transport providers should support sustainable development including in travel demand. Plans should exploit opportunities for sustainable transport and rail infrastructure should be managed to create jobs and homes, and replace poor design. A community's desire to shape the development and growth of their local area includes station buildings.

Local economy	
Industrial strategy	Supports investing in rail transport as an essential part of connectivity, skills and clean growth.
Procurement	Those commissioning public services are required to adopt a broad interpretation of value for money, taking in social, economic and environmental benefits.
Tourism	A priority for UK tourism is to make it easier for visitors to explore by rail, bus and coach.

Environment	
DfT strategy	Franchising should ensure transport helps tackle climate change and contributes to better air quality.
Carbon reduction	Halve emissions from rail by improved efficiency, greener fuel, and using the railway estate to generate low-carbon energy.
Air quality	Better links between public transport and walking and cycling with safe and convenient links to rail stations.
Noise	Although there are no legal limits to noise from existing railways, operators should be responsive to concerns.

SECTION 1

What is the government buying?

The majority of these policy areas are reflected in the terms of franchise agreements, albeit to varying degrees. There are, however, some areas where these wider policy objectives are not proactively pursued through franchising when they could be.

For example:

- Objectives including air pollution and the industrial strategy are not referenced. In some cases this is an outcome of timing, with franchise agreements pre-dating policy announcements
- Support aimed at encouraging more journeys to school via the railways varies greatly between operators and its expansion is not promoted in the agreements reviewed in this research
- Working relationships with local planning authorities are uneven and the rail sector's ability to help deliver new housing in a sustainable manner remains largely untested
- Moves to improve accessibility are often reliant on Access for All funding, rather than investment by franchise holders. This is despite the opportunity presented by Committed Obligations among other tools. There is inconsistency in accessibility across the network. For example, while all rolling stock must be compliant with physical accessibility regulations by 2020, many of the stations themselves will not be. The DfT's aim to introduce a new delivery plan focused on accessibility into invitations to tender (ITTs) should be part of the long term plan to overcome this and ensure hidden disabilities such as hearing loss and dementia are taken account of
- Integration between rail and bus is patchy and policy priorities are unclear after the recent Competition and Markets Authority inquiry in the North East⁵
- Carrying bicycles on trains remains problematic, particularly at peak times.

Case study: Developing the local economy - Settle to Carlisle Development Company

The Settle to Carlisle Development Company (SCDC) promotes economic activity along this famous scenic line.

The company promotes and supports the line in three ways:

- As part of the rail network serving the communities along its route
- As an attraction in its own right
- As a venue for other leisure activities.

For the leisure industry, SCDC operates a website which augments ticket and timetable information with details of holiday accommodation, nearby visitor attractions and an events guide.

As a working rail line, SCDC is a partner in the Settle Carlisle Line Association with Northern Rail and Network Rail. This body has adopted a strategy which aims to develop the line as an important alternative to the East and West Coast routes, to improve connectivity between the HS2 hub at Leeds and Carlisle, to enhance journey times and frequency, and use of the line for freight traffic.

<https://www.settle-carlisle.co.uk>

Social and community		
1995-2000	Post privatisation, the early years of franchising focused on reducing subsidy and franchises were let on a purely cost basis. No active benefit to environment, local economy or communities was sought through the franchising process.	
	A change of Government in 1997 brought a different approach to rail. The 1998 Transport White Paper promised a new policy environment that 'put the passenger first' and a vision of integrated transport networks with high levels of public transport usage and reduced environmental impact.	1998 Transport White Paper
2000-2005	The Paddington and Hatfield rail crashes (1999 and 2000) amplified calls for change within the rail industry and led to new structures emerging. This included more direct involvement from the DfT and the establishment of the Rail Executive (now the Rail Group) as a single point of government control over the level of public funding for the railways.	
2005-2010	The 2005 Railways Act formally recognised the benefits of an effective, efficient and well-used rail network in supporting the economy, reducing carbon emissions and road congestion. Other measures also came forward including more emphasis on Community Rail Partnerships and devolution to better reflect local interests.	2005 Railways Act
	In 2006, Sir Rod Eddington published his report examining the long-term links between transport and economic productivity, growth and stability, within the context of the Government's broader commitment to sustainable development. Some of his findings were implemented in the 2007 White Paper including objectives to reduce carbon emissions, exploiting technologies such as hydrogen and fuel cell powered trains, encouraging better planning for door-to-door journeys, air quality improvements and rolling stock replacement. The importance of the RSSB's sustainable development group was also emphasised.	2006 Eddington Report 2007 Deliver a Sustainable Railway White Paper

SECTION 1

What is the government buying?

Social and community		
2010-2015	<p>In 2010, Sir Roy McNulty was asked to identify options for improving value for money to passengers and taxpayers. Responding to his recommendations, in 2012, Reforming the Railways brought forward measures intended to put the railways on a secure financial footing, enabling them to contribute towards the country's economic growth and environmental goals. This included a clearer role for the DfT in setting the direction and funding for rail policy, less prescriptive franchises and a move to a single regulator, the ORR, with a new focus on whole-system outputs and with the necessary resources, skills and standing to support an expanded role.</p> <p>Following the collapse of West Coast in 2012, the Laidlaw inquiry found that in running the franchise competition the DfT had presided over 'an accumulation of significant errors'. In response, Laidlaw recommended new structures to support franchising procurement within the DfT.</p>	2010 Roy McNulty Report
	<p>Building on the findings of the Laidlaw report, the Brown Review of Rail Franchising (2013) then looked at the wider implications of the collapse of West Coast. A new focus on quality was recommended, with franchise scoring being awarded for measures including improving scores in the National Passenger Survey (NPS), investing in training, engaging the workforce, and investment in station facilities. Environmental improvements and social benefit are not explicitly named as part of 'quality'. Franchise lengths of seven to ten years were also recommended along with increased oversight for Public Transport Executives (PTEs) and Integrated Transport Authorities (ITAs) and to encourage investment through a residual value mechanism.</p> <p>In enacting Brown's recommendations, the Government created a franchising system much as it exists now.</p>	2012 Laidlaw Report 2013 Brown Report
2015-	<p>Other changes are now planned. The DfT's new Vision for Rail (2017) promises more integrated management of tracks and trains through a closer working between Network Rail and train operators. There is also an end to the 'one size fits all' franchising model with proposals to split the Great Western franchise into two parts and the development of a public-private arrangement to run the East Coast franchise from 2020.</p>	2017 Vision for Rail

A full assessment of the evolution of franchising is included as Annex D

1.2 Policy and structure

The Franchise Competition Guide

The DfT's Franchise Competition Guide (January 2016) gives an overview of what franchising aims to achieve and the environment in which it operates.⁶ Sustainable development principles feature strongly in this and the guide lists the 'relentless pursuit' of strategic objectives for franchising including:

- **Growing an efficient railway:** Improve efficiency, spread demand, reduce costs and increase the long-term value of the railway
- **Providing a world class passenger experience:** Increase standards in customer service, train performance and station facilities and modal integration
- **Improving safety and environmental outcomes:** Maintaining rail as a safe, resilient and green mode of transport, promoting environmental sustainability, and improving safety and security
- Improving social inclusion, accessibility and modal integration.

Drawing on these principles, the DfT then develops new franchise agreements via processes set out in the Franchise Competition High Level Process Map.⁷ This has five main stages:

1. Readiness - Ensure the resources needed to complete the project effectively are available
2. Initiation, pre-procurement and specification
3. Procurement
4. Mobilisation and close-out
5. Benefits realisation

Government expectations of sustainable development are set in the second part of the process (Initiation, pre-procurement and specification). The Pre-Qualification Questionnaire (PQQ) is used to shortlist those applicants who have access to the ITT. While much of the questionnaire relates to the ability of the applicant to run rail services, section F (Technical and professional ability) is more widely drawn and includes the reference to sustainability-related themes, relevant elements of which are set out below:

F1. Service delivery and capability

Includes reference to working with stakeholders.

F2 Customer experience

Currently limited to direct passengers, rather than all those who benefit from good rail services (employers, training and education).

F3 Business and market growth

Examines working with stakeholders to derive improvements. It does not stipulate what these improvements should be, but does ask for details about the timescale over which their achievement should be considered and benchmarked.

F4 Sustainability

This requires recent examples to demonstrate an ability to manage and improve the impact of passenger transport services on sustainable development, including:

- Details of certification or accreditation to recognised sustainability, environmental and energy standards. Specific initiatives you have undertaken for minimising negative sustainability impacts and maximising sustainability benefits, including details of resources and results achieved
- Achievements resulting in reductions in carbon and energy impacts
- Details of how sustainable development has been embedded in governance and decision making.

ITT and sustainable development

To pass Section F, applicants need to score a minimum of 40 per cent against the following criteria:

- 40 per cent - Evidence submitted shows the ability to deliver in some areas, but the Authority has concerns in some areas, about the relevance and transferability of past experience and achievements and/or about the approach described.
- 60 per cent - Evidence submitted shows the ability to deliver in most areas, but the Authority has concerns in a few areas, about the relevance and transferability of past experience and achievements and/or about the approach described
- 80 per cent - Evidence submitted shows the ability to deliver, supported by relevant and transferable past experience and achievements
- 100 per cent - Evidence submitted shows the ability to deliver, very strongly supported by relevant and transferable past experience and achievements.

The scoring is allocated to the different sections of Part F in the following way:

- Service delivery and capability - 40 per cent
- Customer experience - 25 per cent
- Business and market growth - 20 per cent
- Sustainability - 5 per cent.

While the PQQ can elicit useful information on applicants' approach to sustainable development, scoring is very lightly weighted and it is easily possible to pass this section of the PQQ with only cursory attention.

Reflecting the nature of sustainable development, the questions tend toward qualitative assessment and away from quantitative measures. Interpretation of responses is therefore very important and relies on the assessor having good knowledge of sustainable development.

In order to reduce the administrative burden on both bidders and assessors, the PQQ has been made portable between franchise bids. By only needing to complete a PQQ every four years, there is the potential for responses to become dated and not representative of current corporate approach of the policy environment.

Institutional structures

The DfT, RSSB and ORR all have a stake in sustainable development and franchising.

The DfT has responsibility for developing, letting and monitoring rail franchises. The Reforming our Railways White Paper (2012) and the reports of the Brown and Laidlaw inquiries created the DfT's central role in delivering sustainability through franchising. What sustainable development should look like for the railways evolves each time a new franchise is let. While this provides potentially useful flexibility to reflect local circumstances and changes in national policy context, it is only with the recent development of a baseline ITT that consistency for rail franchising and sustainable development has come about.

The RSSB oversees the key initiatives relating to sustainability in the UK rail industry.

Sustainability is one of seven areas of RSSB-facilitated work. It is implemented via the Sustainable Development Steering Group (SDSG)⁸ which draws its membership from across the rail industry including operators, developers and the public sector.

The SDSG's main area of work is the Sustainable Rail Programme. This includes a number of projects:

- Research examining how to improve the sustainability of stations
- Establishing the industry's carbon reduction goals to 2024
- Assessing how the rail industry can improve and influence the management of noise during line-side residential development
- Establishing good practice in accessibility
- Supporting the DfT to embed sustainable development in franchising.

In May 2016, RSSB produced a revised set of sustainable development principles intended to 'define what sustainable development means for the railway'.⁹ These were generated 'by the industry for the industry' and identify ten areas where the railways need to act in order to achieve more sustainable development. By virtue of this work, the RSSB has in some ways taken an informal lead on sustainable development for the railway, subsequently helping to draw up the baseline ITT for sustainable development and assessing the sustainable development strategies submitted by operators.

The Office of Rail and Road

Although the ORR interprets its role in regulating railway network 'for the benefit of the whole country'¹⁰ and 'holding the rail industry to account for public benefit' this was initially built on a comparatively narrow interpretation based on public safety, customer service and value for money for passengers, the freight industry and taxpayers. Environmental criteria has subsequently been added but wider social outputs have proved more difficult to establish.

There risks a disconnect between sustainable development's prominent position in the DfT's strategic objectives for franchising, its consideration in franchise prospectuses and the comparatively low level of significance it is given in franchise bid scoring matrices and the PQQ.

SECTION 1

What is the government buying?

Other bodies

There are also other bodies funded by operators via the franchising process. This includes the individual Community Rail Partnerships (CRPs), and the Association of Community Rail Partnerships (ACoRP). These bodies often have a great deal of insight and knowledge concerning railway operations which could and should be reflected in franchise bids. Similarly, ACoRP should support CRPs in working with operators to deliver better quality community initiatives.

Case study - Setting targets for carbon reduction

The Science-Based Targets (SBT) initiative works with large corporations to set carbon reduction strategies in line with the latest scientific knowledge and at levels which would keep global temperatures within 2 degrees of pre-industrial levels.

A joint initiative of organisations including the World Resources Institute, WWF and the Carbon Disclosure Project, Science-Based Targets defines methodologies and agrees plans for how much and how quickly specific companies and their supply chains need to reduce their greenhouse gas emissions. New tools and guidance for the transport sector are currently being developed by SBT.

By the end of 2017, 327 companies had joined the initiative and 85 had adopted approved targets. Only three surface transport companies had joined including two (Deutsche Bahn and SNCF) with a current involvement in UK rail operations.

<http://sciencebasedtargets.org>

2. What is being delivered?

2.1 Objectives and methodology

This section of the report assesses how the key documents from the development and letting of three franchises reflect the core elements of sustainability and the RSSB's Sustainability Principles. This part of the research aims to identify where and how franchise agreements seek to contribute to more sustainable development. Three franchise agreements - East Anglia, Northern and Scotrail - have been assessed and the Obligations relating to sustainable development identified and categorised. Obligations have then been assessed via three processes to help identify where the emphasis of each franchise lies in relation to sustainable development:

1. Allocated into one of the three elements of sustainable development - Social and community (Including accessibility, integration with other transport and CRPs); Local economy (including skills, procurement and support for local industry); and Environment (including carbon emissions, air quality and noise)
2. Split between the eight themes which make up the RSSB's sustainable development principles
3. Characterised as one of five types of obligation or objective:
 - **Principle** - requiring the franchise holder to act in ways that make a particular outcome more likely
 - **Internal process** - objectives to be achieved via processes carried out within or led by the franchise holder - for example, producing a strategy or organising a panel or committee
 - **External process** - objectives which are led externally, or where accreditation is overseen by an independent body
 - **Numerical target** - a measurable achievement which is required to be completed or met by a named date
 - **Fund** - a specified amount of money which is to be put toward a named cause or objective.

There are limitations to the methodology set out above:

- The nature of sustainable development means some Obligations contribute to more than one element. In these circumstances, what is perceived as the main area of contribution has been used
- Obligations range from important points of principle to actions concerning particular railway stations. This risks the reductive effect of implying small and large Obligations are of equal value. Commentary is provided to steer readers to more accurate interpretation
- It does not acknowledge whether an Obligation was instigated by the ITT or draft franchise agreement, or offered by the bidder. This distinction is important in assessing the value added by the franchising process
- In each of the franchise agreements, some information has been redacted for reasons of confidentiality. This could further cloud interpretation of emphasis within the franchise agreement.

The research findings should not be regarded in absolute terms but rather as indicative of the strengths and weaknesses of franchising in supporting sustainable development. Summary assessments of the central themes emerging are discussed in the remainder of this section. References to government policy refer to Westminster decision making. Tables setting out the detail of each of the franchises make up the annexes of this report.

Case study: One Public Transport System for Cornwall

The Cornwall Devolution Deal includes an aim to create a single integrated public transport network for the county. The vision is for a seamless, sustainable network attractive to both existing and current non-users. By December 2018, public transport services aim to be promoted as a single network with integrated timetabling and smart ticketing across bus, rail and ferry.

Rail improvements to support this include an infrastructure improvements, increased service frequency and additional rolling stock. Customer service will also be overhauled to give passengers an increased say in the design and delivery of public transport.

The project is being managed by Cornwall County Council and funded from sources including central government Growth Deal monies.

<http://www.cornwall.gov.uk/transport-and-streets/public-transport/ongoing-developments/one-network/>

2.2 East Anglia

Franchise prospectus

The prospectus identifies franchise objectives as:

- Tackle capacity constraints, grow new markets and support wider housing and economic development plans
- Improve efficiency, spread demand, reduce costs and increase long-term value of the railway
- Increase standards in passenger service, railway performance and station facilities
- Improve safety and environmental outcomes:
- Improve social inclusion, accessibility and modal integration
- Support local communities to help deliver local transport integration, local regeneration and investment in and around stations
- Improve social and environmental sustainability to reduce carbon emissions, use resources effectively and build skills and capability within the business and supply chain.

Other mentions of wider sustainability themes in the document include:

- Community Rail Partnerships Includes brief section on Community Rail but does little more than list the partnerships in the franchise area

Franchise agreement obligations

Type of obligation	Social	Local economy	Environment	Total
Principle	1	0	0	1
Internal process	10	3	5	18
External process	0	0	2	2
Numerical target	6	2	3	11
Funding	5	1	0	6

RSSB sustainable development principle	Social	Local economy	Environment	Total
Customer-driven	4	0	0	4
Putting rail in reach of people	4	0	0	4
Providing an end-to-end journey	4	0	0	4
Being an employer of choice	3	0	0	3
Reducing our environmental impact	0	0	7	7
Carbon smart	0	0	7	7
Having a positive social impact	5	2	0	7
Supporting the economy	0	4	0	4
Optimising the railway	-	-	-	-
Being transparent	0	0	2	2

- Stations:
 - Accessibility features through a mention of Station Travel Plans, although it is made clear this was an Association of Train Operating Companies (ATOC) (now the Rail Delivery Group) and RSSB initiative
- Mention is included of 'adopt a station' as a way for local people and groups to improve the appearance of a station
- Integrating bike and train is mentioned via the 'Bike and Go' programme which operated at 13 stations

The prospectus also includes specific mention of the RSSB sustainability principles. It suggests that the winning bidder will achieve the following:

- Meeting challenging targets on carbon emissions, waste and recycling and resource consumption
- Adopting sustainable procurement practices
- Focusing on delivering an integrated transport offering, investing in infrastructure and information, and working with other providers
- Understanding and acting where it can have the greatest impact on local communities and economically disadvantaged groups

SECTION 2

What is being delivered?

- Supporting and growing community rail
- Demonstrating support for economic development
- Delivering a more inclusive, affordable and accessible service
- Supporting equality, diversity, health and wellbeing and development of the workforce
- Having a long-term outlook, with regard to benefits beyond the franchise life
- Building a closer relationship between passenger services and freight/logistics businesses to promote carriage on the railway.

In addition, the prospectus includes mention of a 'detailed environmental baseline' for the franchise to be produced by the RSSB.

Invitation To Tender

This has six overarching objectives including:

- Support local communities to help deliver local transport integration, local regeneration and investment in and around stations
- Improve social and environmental sustainability to reduce carbon emissions, use resources effectively and build skills and capability within the business and the supply chain.

Bidders are required to show how they would meet the terms of the ITT through a series of delivery plans.

- For sustainable development, much of the relevant information is captured under 'customer experience' and specifically in the Station Social and Commercial Development Plan and the dashboard of metrics for stations
- Working with the community and Community Rail Partnerships is captured under 'developing the market'
- The establishment of a specific Community Investment Fund is also mentioned in the section concerning 'customer experience'
- Obligations focused on social outcomes significantly outnumber those supporting local economic or environmental objectives
- Obligations are most likely to rely on internal processes and numerical targets to achieve their ends.

The franchise agreement requires the creation, implementation and reporting on a number of strategies:

- Sustainable Development Strategy
- An independently audited annual Environmental Impact Monitoring Report and Environmental Impact Targets Plan across carbon emissions, waste and water use
- Customer and Stakeholder Engagement Strategy.

The franchise requires specific ways of working to be employed:

- Make an agreed amount of space available to community groups and produce a marketing package to promote the scheme (by the end of 2017)
- Disabled passengers to be able to travel at 12 hours' notice (from April 2018) and, by the end of the franchise, at one hour's notice

- Develop partnerships with rural bus operators to help supplement less frequent passenger services and/or to arrange links to smaller communities which are poorly serviced by rail/bus services
- A Customer and Community Investment Fund is to be established
- By June 2017, establish an online discussion forum for employees and stakeholders to discuss improvements to the operation of the franchise (the Spark).

To achieve these ends, new ways of working and new consultative forums are required:

- Establish a Stakeholder Advisory Board, chaired by the Managing Director, with invited representatives including from local authorities, Local Enterprise Partnerships (LEPs), Transport Focus, community rail and rail user groups
- Establish a Stakeholder Equality Group to advise on accessibility, with invited organisations including local authorities, disability and independent living organisations. The group's work is to be supported by research, audits and qualified staff
- Establish a transport integration forum, meeting to discuss integration of timetables across modes and operators (from September 2017)
- Establish an Innovation Steering Group chaired by the Managing Director with the role of improving the operation of the franchise (from April 2017).



2.3 Northern Rail

Franchise prospectus

The six overarching objectives for the franchise include two that relate directly to sustainable development:

- Support local communities to help deliver local transport integration, local regeneration and investment at and around stations
- Improve social and environmental sustainability to reduce carbon emissions, use resources efficiently and build skills and capability within the business and supply chain.

Invitation To Tender

This repeated the overarching objectives from the prospectus. Bidders are then required to show how they would meet the terms of the ITT through a series of delivery plans. These include:

1. Franchise Management

1.1 Leadership and management

Promoting diversity and equality across the workforce and attracting and recruiting people who are new to the rail industry, particularly from historically under-represented groups, including through apprenticeships, traineeships and graduate schemes. [p50]

1.3 Stakeholder partnering

The Department requires a franchisee who will work proactively in partnership with stakeholders to develop and deliver initiatives to improve whole-industry efficiency in relation to the franchise and to support wider industry strategies, including better strategic planning at industry level and with local authorities, and between passenger service and freight operators.

1.4 Sustainability and environment

The Department requires a franchisee who will ... Meet the targets specified in paragraph 17 (Environmental impact monitoring, data collection and contractual targets) of Schedule 13 (Information and Industry Initiatives) of the Franchise Agreement and delivering environmental outcomes connected with delivering Franchise Services:

- Invest, develop and co-operate in the use of existing and new Franchise Assets (and in particular Station Assets) so as to improve the socioeconomic impact in the region of the franchise in delivering community and local business benefits
- Implement a sustainable procurement strategy that has been independently evaluated by an appropriate third party as being in accordance with BS8903
- Involve stakeholders (including public bodies, customers and those with an involvement in rail) in developing strategies and being open and accountable in decision making, measuring, monitoring and reporting publicly on progress towards achieving long-term sustainability and environmental outcomes connected with delivering Franchise Services.

1.6 Community engagement

The Department requires a Franchisee who will adopt a joint approach with and support Community Rail Partnerships or organisations looking to form Community Rail Partnerships along routes operated by the franchisee by:

- Maintaining regular and purposeful dialogue and co-operation between the franchisee and each Community Rail Partnership
- Marketing, including the development of a distinct marketing plan and generating additional travel on relevant services including, where relevant, exploiting tourist potential
- Providing technical support for timetable specification for Community Rail Partnerships, including providing appropriate journey and revenue data
- Securing, supporting and managing station adopters through a revised Northern station adoption scheme aimed at community groups rather than individuals
- Encouraging innovative local third party funding approaches to develop community rail schemes.

Franchise agreement obligations

Type of obligation	Social	Local economy	Environment	Total
Principle	9	0	1	9
Internal process	21	2	8	31
External process	9	0	4	13
Numerical target	6	0	4	10
Fund	8	0	2	10

RSSB sustainable development principle	Social	Local economy	Environment	Total
Customer-driven	3	0	1	4
Putting rail in reach of people	12	1	0	13
Providing an end-to-end journey	1	0	0	1
Being an employer of choice	5	0	0	5
Reducing our environmental impact	0	0	12	12
Carbon smart	0	0	12	12
Having a positive social impact	24	1	1	26
Supporting the economy	4	2	0	6
Optimising the railway	-	-	-	-
Being transparent	2	1	2	5

SECTION 2

What is being delivered?

- A large majority of sustainable development-related obligations named in the franchise agreement are intended to further social benefit. This is very much in line with the objectives in the franchise prospectus to 'Support local communities to help deliver local transport integration, local regeneration and investment at and around stations,
- There are also 19 obligations intended to enhance environmental performance. These contribute to the objective to 'Improve social and environmental sustainability to reduce carbon emissions, use resources efficiently and build skills and capability within the business and supply chain'
- By contrast, very little emphasis is placed in obligations intended to benefit the local economy beyond the provision of rail services. This is somewhat surprising given the prospectus objective to 'help the economy of the north of England thrive by offering good quality rail services for travellers across the region, with service levels that are appropriate to demand and provide sufficient passenger capacity, all while working within the affordability constraints on public funding' (this is partly mitigated by the focus on this objective on rail operations)
- Internal processes are central to achieving the obligations set out in the franchise agreement. These greatly outnumber externally-led obligations, numerical targets and specified funding commitments
- The social obligations are dominated those targeted at 'having a positive social impact' with a good number aimed at 'putting rail in reach of people'
- The environmental obligations are split between 'reducing environmental impact' and being 'carbon smart'
- By contrast, few obligations are targeted at 'providing end-to-end journeys' or being 'customer driven'.

Operations

- Diversity and Equality - target for changes to the make up of the workforce i.e. increase percentage BME
- Require new business structure including community and sustainability manager
- Living wage for all staff, but this does not appear to extend to contractors or suppliers
- Programme to increase staff engagement in overall business objectives
- Programme of stakeholder engagement including an annual plan, stakeholder conference and satisfaction target as measured by surveys
- Travel integration and accessibility manager - to be appointed - championing accessibility, taking forward door-to-door transport.

Accreditation

- Thirty employees a year to receive the Doncaster Deaf Trust's Deafness Awareness Training Signature Level 1
- Cycling promise - produced with the active involvement of Sustrans
- Deutsche Bahn's StationGreen design principles to 46 stations
- Requirement to reach ISO14001 and ISO50001.

Using the railway estate

- Includes a list of redundant buildings that are to be brought into commercial use
- Station management plans - to include 'principles of inclusive design' and to cover a 40 year time horizon
- Rainwater harvesting at appropriate stations and depots
- Replace traditional lighting with LED equivalent at stations and depots
- Construction - 'excellent' rating from the Building Research Establishment (BRE) for all works over £250,000.

Accessibility

- Target for installing Harrington Humps on platforms
- Implement the BlueAssist scheme for those who have difficulty communicating along with a donation to the charity which developed and promotes it.

Strategies, plans and training

A range of obligations including

- A social and commercial development plan, to be agreed with the DfT
- A socio-economic strategy with targets and methodology agreed with the DfT, and progress to be made in future years
- Review of all existing station travel plans
- A sustainable development strategy, to be produced with the RSSB
- Environmental training for all staff, but no detail as to what this would cover
- Supporting research into traction including a £75,000 grant to Newcastle University Centre for Railway Research

Communities

- Detailed list of support and obligations for CRPs, including
 - £600,000 a year funding
 - Submit report saying where the franchise cash has been spent.
 - Help for community groups in finding third party financial support.

Case study: Deutsche Bahn's StationGreen programme

Deutsche Bahn AG's StationGreen programme aims to combine improved passenger experience with carbon-neutral railway stations. The first such station opened in Germany in 2014. Taking five-by-five metres modules, StationGreen requires the laying out of features including ticket office, waiting area and shops in an open plan and highly accessible way.

Buildings feature large glass fronts to maximise passive heating and lighting. Roofing includes photovoltaic and thermal solar systems while geothermal heat pumps are used under the station. Combined, these technologies make the station carbon neutral. Using local materials wherever possible, StationGreen is aimed at medium sized stations. Building costs are estimated to be 20 per cent higher than those of a conventional station building but operating costs and environmental costs are significantly lower.

2.4 ScotRail

The ScotRail franchise is administered by the Scottish Government and follows a separate process from those let by the DfT. The genesis of objectives for the franchise is therefore more difficult to identify and follow through the process. Key principles of the franchise are, however, named in the Invitation To Tender and the franchise agreement itself.

Invitation To Tender

Overall ten objectives for the franchise include:

- Improve environmental performance
- Improve accessibility to services and stations.

This is supported by seven delivery plans including:

- Sustainability
- Long-term value/efficiency

Franchise agreement obligations

Type of obligation	Social	Local economy	Environment	Total
Principle	1	4	4	9
Internal process	12	7	11	30
External process	1	4	5	10
Numerical target	5	9	10	24
Fund	6	1	1	8

RSSB sustainable development principle	Social	Local economy	Environment	Total
Customer-driven	5	0	0	5
Putting rail in reach of people	8	1	0	9
Providing an end-to-end journey	4	0	4	8
Being an employer of choice	1	11	0	12
Reducing our environmental impact	0	0	18	19
Carbon smart	0	0	7	8
Having a positive social impact	7	4	0	11
Supporting the economy	0	7	0	7
Optimising the railway	-	-	-	-
Being transparent	0	0	6	6

- A total of 79 obligations to promote sustainable development are included in the franchise agreement
- There is an even split between social, economic and environmental obligations
- Statements of principle are included for all three areas of sustainable development
- 'Internal process' and 'numerical target' dominate the types of intervention used
- Funding to deliver obligations is aimed primarily at delivering social outcomes. None are aimed at environmental outcomes
- Less than half the obligations aimed at reducing environmental impact are targeted at cutting carbon
- Only one of the franchise agreements mentions the need to tackle noise pollution.

Summary

The ScotRail franchise agreement contains a number of initiatives not included in the other franchise agreements which were looked at:

- Encouragement of modal shift through new housing work
- Requirement for a close working relationship with the tourism industry
- Requirement for external accreditation across management and procurement
- Living wage for all employees, contractors and suppliers
- Reference to improvements in noise pollution from rail activities
- Integration with Network Rail on property management.

Franchise agreement

One of the key principles underpinning the franchise agreement is to put rail in reach of people. This is strongly reflected in obligations gathered in this report as 'social and community'.

Accreditation

The franchisee is required to meet several accredited standards in different aspects of the business

- BS8903 (sustainable procurement)
- BS8900 (managing sustainable development)
- ISO 14001 (Environmental Management System),
- ISO150001 (this may be a misprint and perhaps should refer to ISO 50001 (energy management))
- Investors In People Gold,
- BiTC 'big tick'
- Investors in Diversity
- These are supported by training including so-called 'soft skills' training

Strategies, panels, working groups and surveys

The franchise requires the several strategies, panels and working groups to be produced or established:

- Stakeholder advisory panel meeting twice a year - no detail on the seniority of those attending
- Stakeholder equality group
- Transport integration group (supported by funding)
- Customer experience delivery group - has a poorly defined purpose in the agreement. It is not clear who attends it, which external stakeholders are involved and how it can achieve improved customer satisfaction
- Stakeholder perception survey (there is a lack of guidance on what this aims to achieve, what is to be consulted on, who is to be consulted, or how the resulting information is to be used)
- Climate change adaptation strategy (this is a slim document and is supported by an action plan)
- Sustainability innovation fund - with list of first projects to be worked on
- Production of a Corporate Social Report
- Creation of a Cycling Innovation Plan
- Sustainability Innovation Fund - includes need to fund specific area of research and involve relevant public bodies in designing the research
- Energy audit, carbon and energy strategy, energy reduction targets all included
- A passenger panel with 5,000-10,000 passengers. 'The Platform' is now in operation, but it is not clear how many passengers are using it, nor what the findings add to existing passenger surveys and Transport Focus' National Rail Passenger Survey.

Funding and targets

A number of the strategies are supported by funding commitments and targets.

For example:

- Named fuel consumption reduction targets
- Named water consumption reduction targets
- 25 per cent waste reduction.

Staffing and employment

- The franchise requires two new full-time equivalent community liaison executive posts to be created
- The franchise also has in place a Safety and Sustainability Director - one of eight director posts reporting to the Chief Executive
- Specific obligations for veterans, prisoners and job-seekers (small numbers)
- Living wage - requirement for all employees, subcontractors and suppliers to receive it
- Work with schools, prisons, interns, job seekers (including apprenticeships) to support disadvantaged groups
- Making training facilities available free to charities.

Buildings and access

- The franchise includes a prescriptive and detailed list of improvements needed at a number of stations
- 30 station travel plans - the agreement does not specify which stations should be included
- Target for electric car charging bays
- Noise and vibration reduction objectives
- Support for mobility impaired passengers, including transport to the closest accessibility station
- Very extensive requirements on bicycle storage and carriage on train as part of a cycle innovation strategy (self-policed)
- A new asset management system - across all station activities and drawing in information from Network Rail - agreement requires across the board improvements but is not clear on targets. Establishment of an integrated property management team with Network Rail.

3. Where are the gaps?

3.1 Does franchising contribute to more sustainable development?

The evolution of franchising policy has undoubtedly resulted in more emphasis being placed on social, local economic and environmental outputs. The franchising process now includes a broad range of outputs which train operators are required to deliver as part of the agreements they hold with government. The overall results of this are lower environmental impacts, rail operations which are more responsive to local needs and interests, and community benefits including numerous individual projects initiated by CRPs. The combined impacts of this programme arguably stand comparison with any rail industry-led sustainable development programme in the world.

Building on these foundations, research shows there are numerous opportunities to further rail's contribution to sustainable development and drive progress forward.

Good or innovative practice from individual franchises should be first celebrated (conceivably by both the operator and the DfT) and then become the industry norm for future franchise agreements. For example, East Anglia's focus on modal integration in both station facilities and in strategic planning with local authorities and others could in future become a standard feature of franchises.

Operators could do more to promote rail travel as a sustainable choice. Virgin's carbon calculator¹¹ and targeting of modal shift from domestic air travel¹² are rare examples of public facing initiatives in this area. All too often, reporting is limited to annual reports to passengers which tend to be low profile and difficult to find online.

Much can also be learnt from industry leaders in sustainable development. For example, Unilever's sustainable living plan¹³ demonstrates not only clarity of reporting, but more importantly what it looks like when sustainability is embedded within the corporate culture of an organisation.

The measures currently used to indicate progress toward sustainable development are summarised, below.

3.2 Environment

Environmental issues included in franchising agreements cover carbon dioxide emissions, waste generation and disposal, and water use. By being readily quantifiable, performance in these areas has the significant advantage over many other fields within sustainable development.

Carbon: Reducing energy use to help tackle carbon dioxide emissions has featured clearly in objectives of railway policy since 2007. It is referenced in all the franchise agreements looked at in this research for both traction and non-traction obligations.

Requirements to improve energy usage feature in all the baseline ITT agreements, including the achievement of ISO50001 standard. Data on energy use by traction is gathered by the ORR and presented as carbon dioxide emissions per passenger kilometre.

Recent RSSB research¹⁴ reported that non-traction railway activities were responsible for nearly 20 per cent of energy use on the railway, and that there were still significant

opportunities to reduce this including through lighting stations, heating and cooling buildings, and IT. Franchises name specific changes to be made, such as deployment of energy efficient LED lighting at named locations.

Arguably, the UK transport policy sets a minimum threshold for carbon savings but does not prioritise a maximising of carbon savings. For rail, significant investment in buildings and train fleet would be required by operators who do not own them. Although the residual value mechanism could support such investment, a clear long-term policy of promoting rail as a low carbon transport option would arguably also be required. This would need to include a strategy to move away from diesel traction, further support for the development and deployment of low carbon fuels and active promotion of rail in preference to fossil fuel surface and air transport. Arguably, none of these is currently in place.

While welcome progress with improving energy performance continues to be reported, some interviewees felt more could be done. With carbon reduction targets redacted from franchise agreements, audits not made public and subsequent carbon savings not included in most public reporting, it is difficult to assess the scale of the opportunity.

Particular concern was raised about the need for accurate, detailed and up to date data, and the efficacy of the RVM given the scale of investment sometimes required and the term over which financial savings are recouped.

Areas for further inquiry:

- Whether the baseline ITT is sufficiently aligned with the savings required in national government's Carbon Budgets.
- Could ORR information gathering on rail be extended to a gross figure of CO₂ for each franchise, and to include non-traction energy usage by rail?
- Whether the RVM provides sufficient encouragement for franchise holders to invest in energy efficiency infrastructure, and whether there are other ways for advancing this agenda beyond including location specific obligations in franchise agreements
- An additional ambitious objective on energy would be to focus on moving operation of the railway estate toward carbon neutrality. Working closely with Network Rail and energy suppliers, this could include train operators using railway buildings and estate to generate green energy where appropriate
- How franchising can influence the culture of rail operators from top to bottom. All staff need to be bought into the objective of reducing environmental impact so it informs everything from investment decisions, to turning things off at all night.

Waste reduction is given significantly less attention in franchising agreements than carbon emissions, although it is addressed in the ISO14001 standard.

Waste associated with rail activities comes from two distinct sources:

- Waste generated by the business itself
- Waste generated by organisations using land and buildings in the care of the Train Operating Company (TOC).

For the first category, challenging standards are included in all franchise agreements, for example to reduce the percentage of waste going to landfill to zero per cent by the second year of operations. These headline targets largely draw on the standards promoted through the RSSB sustainable development principles.

Beyond direct operations, progress relies on requiring those who use space on the railway estate to improve their performance. This leaves progress reliant on external factors such as supply chains, recycling provision and the priorities of local waste authorities. There is also suggestion that some operators may on occasion have been involved in gaming the system by exporting waste to stations operated by others. This research has not sort to substantiate this suggestion.

Areas for further inquiry

- How to improve the quality of data relating to waste, and examine how the performance of different parts of franchise operations might be benchmarked to allow comparisons within and between franchises
- Can the railway use its status as a landlord to reduce waste among groups of tenants such as retailers and food and drink outlets?

Water: All the franchise agreements which were looked at contain requirements to reduce use of mains water. The origin and level of the target raises several issues:

- In some instances, the target is redacted (e.g. East Anglia) while in others it is not (e.g. Northern). It is unclear why this is the case
- It is not clear where the nominal targets have come from. As they do not form part of any external standards, it is assumed they have come from franchise bids compiled by the operator themselves, thus allowing no interpretation of whether they are the best that can be achieved
- As with waste, it is not clear whether the target refers to all activities on the station including those the TOC is not directly responsible for, or if it represents a holistic figure of water use across all activities taking place on the estate managed by the TOC
- Open ended commitments such as installing 'water efficiency measures' or use of rainwater harvesting at stations where it is appropriate to do so offer no expectation, or means of assessing, progress.

Areas for further inquiry

- Examining the case for not redacting environmental targets, allowing easier benchmarking in areas such as water use and grey water recycling.

Other environmental impacts such as noise or air pollution are not included in any of the franchise processes looked at. This could be explained by three factors:

- They are less well embedded in objectives for rail policy or the RSSB sustainability principles
- Because of its medium-term time horizons (seven to ten years), franchising can be slow to respond to changes in the policy environment, such as recognition of the need to tackle air pollution
- Split in responsibilities between train operators, Network Rail and local authorities.

Over the last two years, new research and high-profile court cases have made local air quality a major and pressing public health issue. Rail has largely been absent from the debate about NO_x and particulate emissions because it's overall contribution is small. But as road emissions reduce and policy development gathers pace so rail's contribution becomes more significant. Yet the subject does not feature in any of the franchise agreements. Greater Investment in research and technology (for example, deployment of regenerative braking).

Areas for further inquiry

- How franchise agreements can be more reactive to emerging challenges and changing policy priorities, such as air pollution
- Assessment of where air pollution (nitrogen oxide and particulate matter) is likely to make a meaningful contribution to breaches of legal limits
- Research into the railway's impact on wider communities (for example, as traffic generators) and how franchising can help ensure effects 'beyond the fence' are recognised, understood and responded to
- Reducing the environmental impact of access to stations through a focus on non-private car access and greater integration with onward greener journey options.

Case study: Reporting sustainability - Unilever's Sustainable Living Plan

Unilever is recognised as a leader in corporate sustainability. Its Sustainable Living Plan demonstrates good practice in setting out and reporting on an image of sustainability for the business.

First, the Plan is based around an ambitious vision for the whole organisation. It describes a blueprint to 'grow our business, whilst decoupling our environmental footprint from our growth and increasing our positive social impact'.

Second, the Plan is central to the way the business presents its operations, for example being given an equal standing to Unilever's individual brands on the organisation's main website.

Third, the Plan sets out meaningful objectives and measurable targets. Goals are clearly stated, ambitious and time dependent. How each part of the business is expected to contribute is well-articulated, and reporting of information makes it easy to follow vision through principles and strategy, to staff and responsibility.

For example, the goal of reducing environmental impact by half by 2030 is supported by strategies and monitoring across greenhouse gases, water, waste, and sustainable sourcing. Meanwhile, the goal to 'enhance the livelihoods of millions of people as we grow our business' is supported by work relating to fairness in the workplace, opportunities for women and inclusiveness.

<https://www.unilever.co.uk/sustainable-living/>



3.3 Social and community issues

Communities benefit both directly and indirectly from the rail network. Direct benefits relate to connectivity, including access to employment, education and other services. Wider social and community benefits can also be very important. These include direct employment, training or volunteering opportunities, adding to the aesthetics of a local area and providing a venue for other services which are of use to a community.

That franchise agreements should actively seek to maximise social and community benefit was an important recommendation from the Brown Review of 2012. Although the railways have a long record of generating these kinds of benefits, much of this has been ad hoc, relying on the interests of motivated individuals and local circumstances. Moreover, such benefits are often difficult to quantify and the RSSB is currently conducting research which aims to create a common framework for measuring and understand social impact and value.

The RSSB's Sustainable Development Principles identify actions which the industry could undertake to support community engagement. Those which relate to franchise holders can be summarised as:

- Pro-active communication and engagement with communities about their needs and industry plans
- Being a good neighbour and developing good relationships with local partners including schools, community organisations and businesses
- Engaging in and aligning with local development plans
- Using buildings as community hubs, serving SMEs, social enterprises, and community groups, or to replace lost services including local shops, pubs and post offices.

Achieving social and community ends is a central objective of the Government's strategy for developing community rail (under review in 2018). To this end, the Sustainable Development Principles highlight working with CRPs, investment in community facilities and employee involvement in community activities. There are numerous examples of good projects which rail franchises have supported and engaged with. Some of these would undoubtedly not have taken place without franchising agreements that require strong social and community engagement.

It is important that community engagement is interpreted in the broadest terms. Too often, it can end up referring to little more than supporting local volunteers to improve the physical appearance of the stations and running open days. While this in itself is a worthy endeavour, it reaches only a narrow section of the community and should be accompanied by more challenging initiatives.

As a result, current franchise agreements struggle to articulate the type and depth of community engagement government is seeking. Problems include:

- In both development and implementation, the franchising process is distant from the communities it aims to serve. For existing franchise holders to set out the community benefit they wish to help achieve is hard enough. For bid teams and Whitehall officials to do so – sometimes at a distance of hundreds of miles – is arguably impossible

- Connected with the above, where long-term community engagement has been clearly established (notably, the Northern and ScotRail franchises), very specific detail regarding project outcomes are subsequently included in the franchise agreement (for example, numbers of apprenticeships for former services personnel). Arguably, this can deny flexibility in those places where rail's community reach is most geared up to use it profitably
- In the absence of agreed metrics, obligations tend to focus on defining process - most frequently, requiring the creation of a strategy and appointment of a steering group or panel including external stakeholders. While this is often useful, it can be achieved without guarantee of desired outcomes and generates criticism of a tick box exercise approach being taken
- Staffing and budget commitments to support community work also feature in all the agreements looked at. Again, the focus on process means the scope, skills, seniority and ability to influence corporate culture are not captured
- Within franchise agreements, there can be a tendency to over-rely on CRPs as a cypher for all community engagement, rather than looking to work with the wider community and voluntary sector as some TOCs look to do
- There can be a clash between community and financial objectives of the franchise holder. This is most often apparent in use of railway building space. Commercial contractors are used to extracting maximum income from lettings, rather than adopting an approach which seeks to maximise wider community benefits.

Areas for further inquiry

In addition to ongoing RSSB-led research on creating a common framework for measuring and understanding social impact and value, further research should be considered in the following areas:

- Alternative models for management of station buildings should be developed. Drawing on best practice from, and with the involvement of, CRPs this should focus on maximising the social and community benefit that different models of management could bring
- Reform of the franchise letting process to enable agreements that better reflect and respond to local community needs and interests. This could take the form of best practice guidance overseen by the DfT
- In concert with the RSSB research, work is needed to examine how franchises can work with CRPs to move away from basic numeric outputs (school visits or apprenticeships, for example) and toward outcomes achievable through continuous and meaningful engagement with communities and other stakeholders. Best practice in this area focuses on multifaceted and ongoing engagement - see for example, the programme undertaken by the Eden Project.¹⁵
- Best practice guidance may also be useful in establishing how social and community interests are reflected in staff structures and budgets. This should reflect the desired scope, skills, seniority and influence on corporate culture.

Case study: Creative engagement - The Eden Project

The Eden Project in Cornwall employs a creative approach to involving people community engagement and planning.

Using unconventional techniques including art, music, storytelling and hands-on practical activities, it undertakes an ongoing and varied programme. Objectives of the sessions include stimulating thinking about new development; making best use of green space; establishing and supporting community enterprises; and promoting understanding climate change.

Seeking to avoid conventional stakeholder engagement, Eden Project seeks to give tangible ways to input, encourage new people to get involved, reach out to as many age groups as possible and raise aspirations of what's possible.

Events have included:

- Community planning days, designed like local fêtes
- Filmmaking workshops with local stakeholders
- Practical training from gardening to business skills.

<http://www.edenproject.com/eden-story/our-ethos/creative-community-engagement>

3.4 Local economy

Local economies can benefit greatly from rail. Franchise holders can increase the sustainability of their core business.

Although prospectus and ITT documentation references the importance of rail to local economies, in the main this is limited to providing rail services which support the needs of the local economy. Obligations intended to support local economies are less numerous and generally poorly developed than for other elements of sustainable development.

Although achieving positive social change is not a core part of transport operators' DNA, there are numerous examples of community engagement crossing over into economic benefit. The number of projects franchise holders are involved in via CRPs and station adoption programmes show they can be responsive to community engagement opportunities when required. This includes the adoption of Salford Central by a charity which works with ex-offenders and uses the buildings to support reintegration into the community through volunteering, training and a social enterprise.

However, local authority engagement appears very patchy, reflecting the declining availability of skills and experience many authorities have in dealing with the railways. Where proactive engagement is defined, it relates either to individual projects or is based around the development of forums and panels which are at best a prelude to more comprehensive interaction.

Issues around timescales and flexibility also limit the effectiveness of rail franchises to support relevant national policies. For example, housing, employment and regional economic rebalancing objectives set out in the Industrial Strategy do not directly inform any franchises, despite the clear linkages and opportunities between the two.

ScotRail offers a more integrated relationship between franchise agreement and local economies. Not only does the agreement contains many more obligations to support the local economy than the other agreements looked at, there appears to be a closer, more proactive and better staffed working relationship between the franchise

holder and its sponsoring authority (Transport Scotland) than is the case with other franchises examined.

However, pushing social outcomes too hard through a franchise can be counterproductive and lead to requirements that are too prescriptive. Some suggest ScotRail's well-intentioned and ambitious targets for community involvement have actually been too top-down in practice, leading to perverse incentives and not leaving enough room for flexibility. There is a need to research how the relationship between franchise holders and the DfT can be deepened and enhanced with local knowledge.

A number of franchises have been successful in supporting local economies. For example, Great Western's procurement prioritises buying from local suppliers. Redundant buildings at Kilmarnock Station are being brought back into use to serve the local area via a Community trust. The Settle to Carlisle development company is developing services along a route, combining accommodation and shops with the natural strengths of the line to support the tourism industry.

Areas for further inquiry

Franchise agreements need to further the sector's understanding of the relationship between rail and local economies. Following the example of Northern, where the franchise commits a small investment into traction research being carried out by the Newcastle University, future franchises should actively support research looking at themes such as:

- How the railways can widen local employment markets
- How rail can best enhance local access to retail and other services
- Opportunities for rail services to help tackle road congestion
- Directly provide space business development.

Case study: Local procurement - Manchester City Council

Manchester City Council has adopted progressive procurement policies to encourage investment in the local economy. These oblige the council to ensure spend delivers the maximum social and economic benefit for Manchester. Over the last ten years, the council's procurement team has researched and improved its understanding where procurement spend is going and the impact it has. Building on this, it has developed policies to influence the supply chain to enhance social value.

The outcomes include:

- The proportion of procurement spent locally has increased from 52 per cent in 2008/09 to 74 per cent 2015/16
- 53 per cent of the council's procurement spend is with SMEs
- Re-spend by suppliers back into the local economy has increased from 25p in the £1 in 2008/09 to 43p in the £1 in 2015/16
- Increased local investment has been achieved alongside efficiency savings of £65 million.

<https://cles.org.uk/our-work/publications/the-power-of-procurement-2/>

4. Recommendations

This section sets out recommendations for improving the sustainable development contribution delivered through the franchising system. These apply both to franchise holders and the DfT.

Making sustainable development important

Progress toward more sustainable development has been made using franchising to improve the social, economic and environment performance of the railways. However, within the existing approach to franchising it may be difficult to increase the importance given to these themes without also increasing the marks available for them at the time the franchise is let. The scoring matrix tells bidders what is important. Fleet, timetable and performance will remain the most important elements, and the area where most of the money is spent. Although quality elements can represent over 30 per cent of scoring, innovation and sustainability are generally only between one and five per cent of the marks. In response, bidders draw heavily on DfT, RSSB and Network Rail positions supported by a limited number of original committed obligations. If quality elements such as sustainable development are to be more important in both franchise bidding and operation, they need to receive a higher priority in scoring, with the consequent effect that other elements of railway performance are given fewer marks.

More strategic approach to franchise development

There risks a disconnect between sustainable development's prominent position in the DfT's strategic objectives for franchising, its consideration in franchise prospectuses, and comparatively low level of significance it is given in franchise bid scoring. In setting out what franchisees are expected to deliver, clearer reference to wider Government policy objectives is essential.

Sustainable development needs stronger DfT ownership

Currently, the RSSB makes much of the running on sustainable development and the railways. While it has been effective in honing the way the rail industry approaches the subject, this leadership role has arguably resulted in mission creep with the organisation going beyond setting standards and into steering and assessing implementation. Among the impacts of this is a failure of Government to proactively use franchising as a delivery tool for wider policy objectives. If sustainable development is to become a central part of franchising over the long term, this latter role needs to be actively taken on by the DfT Rail Group.

Effective monitoring and oversight

Franchises with strong local oversight often also have the highest levels of performance and passenger satisfaction.¹⁶ The DfT's ability to monitor the performance of individual franchise agreements is arguably inhibited by limited resources and remoteness from many of the operations they are assessing. Together, devolution and the new Vision for Rail offer the opportunity for better insight and understanding of the relationship between rail and local economies and to involve all stakeholders (TOC, NR, CRP and local authority) to ensure clear roles and responsibilities, and shared objectives. This approach would also help to combat any tendency to use the CRPs as a cypher for all interaction with communities. Building on the experience of ScotRail, TfL and Merseyrail, initiatives are needed to increase on the ground knowledge of operations and ensure monitoring of performance is effective. Bid assessment teams also need knowledge and understanding of sustainable development and its franchise-specific application.

Better data

Stronger DfT ownership of sustainable development in rail needs to be augmented with accurate, meaningful and comparable data across franchises. This could be delivered via an expanded responsibility for the ORR in ensuring data on aspects of sustainable development (environmental targets, for example) is available.

Sustainable development outcomes for rail

Franchise agreements require meaningful targets. For some aspects of sustainable development, these can be difficult to identify. In their stead, process-driven objectives (producing strategies, appointing panels, for example) have come to dominate franchise agreements. While these have delivered positive results in some places, they are also susceptible to box-check approaches and uneven implementation. An alternative model would be to focus on outcomes. Using the RSSB's sustainable development principles as a basis, a set of durable long-term outcomes would be developed. Shorter term targets would be drawn from these, reflecting national and (where relevant) local public policy objectives. Such targets could then either form part of the ITT, or be pursued via a separate process funded through the franchising process. The latter approach would offer more flexibility to respond to changing policy circumstances, for example responding to air pollution.

Connect with wider policy objectives

In concert with the above, it is important that franchise agreements set the terms of how rail operations will contribute to relevant public policy objectives. Examples of where this would be appropriate include reference to carbon budgets, industrial strategy objectives and supporting house building targets.

Publicise good practice

There are numerous examples of good sustainable development projects operating across the rail network. The DfT, working with franchise holders and RSSB, should actively gather and publicise best practice.

Long-term investment in stations

In recent years, franchising has helped facilitate investment in new rolling stock. However, similarly transformative investment has not been forthcoming for stations. As currently calibrated, it may be that the Residual Value Mechanism is insufficient to generate such investment in the face of operator inertia. It is suggested that alternative approaches to station management and investment be investigated and trialled. This should include identifying where it may be appropriate to pass the management of groups of stations to parties able to take a long-term approach to investment and planning. These could include to non-commercial operators, for example community interest companies.

Supporting local economies

The understanding of how rail operations help local economies is significantly less well represented in franchise agreements than environmental and social elements. This suggests research is needed to understand how a stronger relationship between the two can be fostered. In the same way franchise agreements are beginning to contain commitments to support research into improved traction, there is a strong case for future franchise holders investing in research programmes looking at the relationship between rail and local economies. This should look at themes including how rail can widen employment markets; enhance access to retail and other services; directly provide space for business development; and help tackle road congestion.

From 'good' to 'excellent'

Drawing on the RSSB Sustainable Development Principles and best practice from the franchises examined, DfT Rail Group should consider a set of key performance indicators and stretch targets for use across all franchises. The table opposite contains suggestions of what this could include.

Identifying what sustainable development is for railway franchising: Working with the RSSB, Network Rail and others, the DfT should consider developing a high level and clearly articulated vision of what sustainable development looks like for the railways. This should then be reflected in franchise processes:

- **Objective setting** - Drawing directly from the RSSB principles interpreted through a circular economy model, or similar
- **Reporting and accreditation** - Based on models such as ISO, BS or the Global Reporting Initiative
- **Progress** - Standard measure accompanied by targets based on a Social Return On Investment model.

These processes need to be supported by appropriately levied and enforced censure where agreed objectives are not met.

Sustainable development indicator	Key Performance Indicator or measure	Examples good practice	Potential stretch targets
Customer driven	<p>Service frequency and speed</p> <p>Punctuality</p> <p>Journey quality, comfort and security</p> <p>Passenger value for money</p> <p>Effective handling of service disruption</p>	<p>Passenger panel with 5,000+ members (ScotRail)</p> <p>Automatic delay repay to smart ticket for delays over two minutes (c2c)</p> <p>Pilot pay-as-you-go ticketing (Southeastern)</p> <p>50 per cent discount for 16-18 year olds in education and training (GTR Cambridgeshire).</p>	<p>Major reform of ticketing including, for example, a simpler fares structure, flexible season tickets, a single national railcard scheme, better value single leg ticketing and introduction of 'pay the difference' for catching different services to those pre-booked</p>
Being an employer of choice	<p>Attracting, recruiting and retaining the right people</p> <p>Partnering with schools and universities to ensure availability of relevant skills</p> <p>Ensuring a fair, safe, diverse and supportive place to work.</p>	<p>Increase percentage of BME staff in the workforce (Northern)</p> <p>Living wage for all employees, subcontractors and suppliers (Scotrail)</p> <p>Investors In People Gold and Investors in Diversity (ScotRail and others).</p>	<p>Set business-wide targets for a workforce representative of the local community.</p> <p>Maximising flexible working opportunities for all staff, including at point of hire.</p>
Supporting the economy	<p>Supporting co-location of services</p> <p>Increasing efficiency and costs through reducing journey costs and times.</p>	<p>BS8903 (Sustainable procurement) (ScotRail).</p>	<p>Overhaul procurement practice to focus on sustainable, local and SME sectors</p> <p>Develop franchising model based on principles of the circular economy.</p>
Putting rail in reach of people	<p>Accessibility to people with physical impairments</p> <p>Supporting vulnerable groups</p> <p>Availability of information on services, disruption and connections</p> <p>Affordability of travel.</p>	<p>Disabled passengers to be able to travel at one hour's notice (East Anglia)</p> <p>30 employees a year to receive Doncaster Deaf Trust training (Northern)</p> <p>BlueAssist scheme for those with difficulty communicating (Northern)</p> <p>Staffing at stations from first to last train (c2c)</p> <p>Access Advisory Panel of disabled passengers, meeting every two months (Southern).</p>	<p>Service patterns designed jointly with local authorities and other transport providers as part of a single local public transport offer</p> <p>Permanent discounted travel for job seekers, school pupils and other low income essential users</p> <p>Disability Equality Training for all front-line passenger staff on trains and at stations</p> <p>Guaranteed Turn-Up-And-Go travel at every station while it is staffed.</p>

SECTION 4
Recommendations

Sustainable development indicator	Key Performance Indicator or measure	Examples good practice	Potential stretch targets
Providing an end-to-end journey	<p>Working across operators and modes</p> <p>Collaborating with local authorities</p> <p>Supporting sustainable ways to complete non-rail parts of journeys.</p>	<p>Cycle innovation strategy including bicycle storage and carriage on train (ScotRail)</p> <p>Transport integration forum to discuss timetabling across modes and operators (East Anglia)</p> <p>Integrating cycle and train through bike hire at stations (East Anglia)</p> <p>Develop partnerships with rural bus operators (East Anglia)</p> <p>Travel integration and accessibility manager (Northern)</p> <p>Staffed bus information hub at York station (VTEC)</p> <p>Improving signage to town centre at station to facilitate walking (East Anglia).</p>	<p>Smart, flexible and inter-modal ticketing on all journeys inside the franchise area</p> <p>Support development of multi-operator app with real time advice on route and cost</p> <p>Peak period train services able to carry bicycles</p> <p>Financial support for safe walking and cycling routes to all medium and large stations, including as part of new developments near stations</p> <p>Station travel plans for all stations including clear mode share and shift targets and strategies.</p>
Carbon smart	Reduce carbon emissions from traction and non-traction	<p>Grant support for research into low emission traction (Northern)</p> <p>ISO 50001 (Energy management) (Scotrail)</p>	<p>Set target for non-traction energy use to be carbon neutral</p> <p>Identify and utilise opportunities for railway estate to be used for energy generation</p> <p>Trail carrying high value, low volume goods on off-peak passenger trains</p>
Having a positive social impact	<p>Understanding needs of the local area</p> <p>Treating the railway estate as a community asset</p> <p>Building relationships with local schools, community organisations, and business networks.</p>	<p>Audit of all buildings and plan to make space available to community groups and promote it (East Anglia)</p> <p>Inclusive station management plans to cover a 40-year time horizon (Northern)</p> <p>BiTC 'big tick' (Scotrail)</p> <p>Apprenticeships to support disadvantaged groups, including former prison inmates (Scotail)</p> <p>Making training facilities available free to charities (Scotail).</p>	<p>Develop and adopt new models of managing the railway estate, including community interest companies</p> <p>Unclaimed passengers Schedule 8 compensation to go to independently managed community investment fund</p> <p>Supporting affordable housing at or around stations.</p>

Sustainable development indicator	Key Performance Indicator or measure	Examples good practice	Potential stretch targets
Being transparent	Embedding a culture of dialogue with government, customers, neighbours and those who have an involvement in rail.	Stakeholder Advisory Board with reps from local authorities, LEAs, Transport Focus, community rail and rail user groups (East Anglia) Customer Panel meetings always attended by senior members of staff (c2c).	Give communities ongoing and genuine influence in selection of investment priorities, including of ticketing, service patterns and infrastructure enhancements Adopt a more varied and imaginative approach to engagement (see Eden Project case study).
Reducing environmental impact	Reducing waste, noise, and air emissions.	Independently audited annual Environmental Impact Report (East Anglia) Deutsche Bahn's StationGreen design principles to be applied to 46 Stations (Northern) Construction works over £250k to be rated 'excellent' by BRE (Northern) Noise and vibration reduction objectives (ScotRail) Fuel, water and waste reductions targets (several operators).	Extend environmental targets to all tenants, subcontractors and suppliers Develop a franchise-wide strategy for reducing noise pollution from railway activities Develop and apply technology to end diesel running through large urban areas Set targets for modal shift to rail Set targets for significantly increasing percentage of passengers arriving by public transport or sustainable modes Reform car parking charges to discourage non-essential arrival by car Reduce emissions from diesel trains with no-idling policy and research on retrofit options for existing trains.
Optimising the railway	Increasing capacity Relieve pressure on other modes.	Establishment of an integrated property management team with Network Rail (ScotRail).	Identify and tap best opportunities to facilitate modal shift (e.g. congested roads, major trip generators). Investment responses should cover services and infrastructure.

References

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- 16 <http://www.bettertransport.org.uk/sites/default/files/research-files/GoingLocal.pdf>

Annexes

Annex A: East Anglia franchise agreement

[link will go in here](#)

Annex B: Northern Rail franchise agreement

[link will go in here](#)

Annex C: ScotRail franchise agreement

[link will go in here](#)

Annex D: Evolution of franchising policy

[link will go in here](#)

Annex E: Policy context of rail services

[link will go in here](#)

Tracks

Tracks is a dynamic Thought Leadership programme that reacts to contemporary issues in the transport sector. The annual programme comprises four themes, linked to current and evolving challenges. Ensuring a Sustainable Rail Industry is one theme within the 2016-17 programme.

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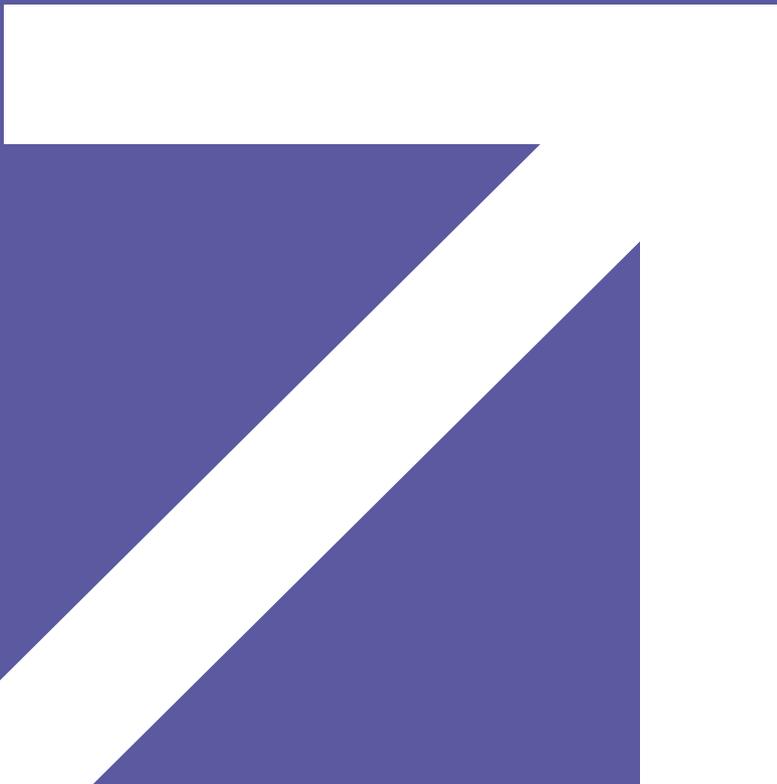
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Annex A

East Anglia franchise agreement

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Schedule 1.4</p> <p>Passenger facing obligations</p> <p>5. End to End Journeys and Cycles</p> <p>The Franchisee shall have due regard to the desirability of acting in a manner which facilitates end to end journeys that involve travel by all transport modes (including cycles). [p158]</p>	Providing an end to end journey	Principle
<p>55. Cycle Improvement Scheme [P327]</p> <p>55.1 By the end of 2020 the Franchisee shall provide and promote 4,000 additional cycle racks spread across 24 stations</p> <p>5 new Bike&Go Schemes</p> <p>A one-year trial of 4 electric hire cycles at Norwich and Cambridge Station with online booking</p>	Providing an end to end journey	Numerical target
<p>56. Station Travel Plans [p328]</p> <p>By end of 2020, the Franchisee shall</p> <p>(a) extend the existing Full Station Travel Plans at 10 Stations (Southend Victoria, Colchester, Ipswich, Wickford, Ely, Lowestoft, North Walsham, Cambridge, Norwich, Diss)</p> <p>(b) create a new Full Station Travel Plan at 12 further Stations (Stansted Airport, Chelmsford, Bishops Stortford, Harlow Town/Mill, Witham, Colchester Town, Hythe, Broxbourne, Audley End, Shenfield, Manningtree)</p>	Putting rail in reach of people Providing an end to end journey	Numerical target
<p>57.2 The Franchisee shall create a Safer Travel Group reporting bi-annually to the Franchise Manager.</p>		Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>61. Customer Experience [p331]</p> <p>61.1 By June 2017, the Franchisee shall prepare and submit to the Secretary of State an audited portfolio of all Stations, outlining details of how each Station is occupied ("Audited Portfolio")</p> <p>61.2 By no later than 30 September 2017, the Franchisee shall:</p> <p>(a) update the Audited Portfolio to include a plan for each Station which highlights how the floor space for such Station is used; and</p> <p>(b) introduce a new intelligent space management system and trial its effectiveness at 30 Stations</p> <p>61.3 By no later than 1 December 2017, the Franchisee shall develop and submit to the Secretary of State a marketing package for the community use of Stations ("Community Use Programme" and implement the Community Use Programme from 1 January 2018.)</p> <p>61.4 In each of the first four (4) Franchisee Years, the Franchisee shall make available on an annual basis a minimum of [REDACTED] to allow community groups to refurbish disused and available spaces in the Stations subject to such funding being matched at an equal level by another source.</p> <p>61.5 By no later than 31 December 2017, the Franchisee shall demonstrate to the Secretary of State how it has made available space at a minimum of 20 Large Stations and Major Stations for ad hoc events and exhibitions.</p>	<p>Customer-driven</p> <p>Having a positive social impact</p>	<p>Internal process</p> <p>Numerical target</p> <p>Funding</p>
<p>62. Transport Integration Forum</p> <p>62.1 By no later than 30 September 2017, the Franchisee shall establish a new transport integration forum to consider and promote integrated timetable ("Transport Integration Forum") and hold its first meeting, with the purpose of promoting integrated timetabling.</p> <p>62.2 From the 30 September 2017 until the end of the Franchise Period, the Franchisee shall hold Transport Integration Forum meetings on a quarterly basis.</p> <p>62.3 The Franchisee shall ensure that representatives from bus, tram, airports and ferry operators and other Train Operators relevant to the Franchise are invited to attend each Transport Integration Forum meeting.</p> <p>62.4 By no later than 31 December 2020, the Franchisee shall provide the Secretary of State with the proposed terms of reference of the Transport Integration Forum, which shall include as a minimum:</p> <p>(a) integrated timetabling, to include protocols for key connections between rail and other public transport operators;</p> <p>(b) customer facilities interchange, to include details in respect of standardising the level and quality of facilities provided for customers at modal interchanges, based on the level of passenger footfall and the specific needs of users;</p> <p>(c) marketing and promotion, to include details in respect of optimising the marketing of integrated services through joint promotions with all key modes;</p> <p>(d) the provisions of customer information, particularly during major disruptions, to include details on a central point to coordinate transport during periods of major service disruptions and agreeing overall transport connection policy to identify and protect key linkages within the East Anglia region; and</p>	<p>Providing an end to end journey</p>	<p>Principle</p> <p>Internal process</p> <p>Funding</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>(e) commercial agreements, to include agreeing commercial issues regarding integrated transport services.</p> <p>62.6 From the Start Date until the end of the Franchise Period, the Franchisee shall:</p> <p>(a) develop closer partnerships with local community and rural bus operators to help supplement less frequent Passenger Services and/or to arrange links to smaller communities which are poorly serviced by rail-bus services; and</p> <p>(b) invest a minimum expenditure of [REDACTED92] per annum to support future bus-rail evaluations.</p>	Providing an end to end journey	Principle Internal process Funding
<p>63. Stakeholder Advisory Board [p335]</p> <p>63.1 By no later than 31 December 2016, the Franchisee shall establish an advisory board, chaired by the managing director of the Franchisee, to act as a consultative body for the Franchise, share intelligence and best practice, discuss potential ideas for improvements and oversee initiatives to promote the role of rail in the local economy and community relevant to the Franchise (the "Stakeholder Advisory Board").</p> <p>63.2 From 31 March 2017, the Franchisee shall ensure that the Stakeholder Advisory Board meets at least three (3) times each Franchisee Year and that the following are invited:</p> <p>(a) to attend each Stakeholder Advisory Board meeting: chief executives from each local authority and chamber of commerce relevant to the Franchise; representatives from the New Anglia local enterprise partnership and Hertfordshire local enterprise partnership; appropriate representatives from Network Rail; British Transport Police; Transport Focus; Stansted Airport and TfL representatives from each of Community Rail Norfolk; East Suffolk Lines CRP; Essex & South Suffolk CRP; Hereward Community Rail Partnership, West Anglia and Great Eastern Main Line task forces and rail user groups (including Essex Rail Users Federation)</p>	Customer-driven	Internal process
<p>64 Stakeholder Equality Group</p> <p>64.2 The Franchisee shall ensure that:</p> <p>(a) the Stakeholder Equality Group shall meet quarterly following an initial meeting in the first quarter of the 2017 calendar year; and</p> <p>(b) the following are invited to each meeting of the Stakeholder Equality Group: appropriate representatives from each local authority relevant to the Franchise; representatives from disability and accessibility organisation (including Disability Essex, the Essex, Suffolk and Norfolk Coalition of Disabled People; Options for Independent Living; Disability Rights UK and Mencap).</p> <p>64.3 From 1 January 2017, the Franchisee shall incur a minimum expenditure of [REDACTED93] per annum to fund research, mystery shoppers, accessibility audits and other activities to improve accessibility awareness and to fund the provision of special versions of the Disabled People's Protection Policies (to include, as a minimum, large print) being made available to passengers at Key Stations.</p> <p>64.4 By no later than the Start Date, the Franchisee shall appoint a suitably qualified and experienced Franchise Employee as an integration and accessibility manager responsible for delivering the accessibility initiatives and the key contact for customers and stakeholders in respect of accessibility issues (the "Integration and Accessibility Manager").</p> <p>64.5 The Franchisee shall retain a Franchise Employee as the Integration and Accessibility Manager for the duration of the Franchise Period and ensure that the Integration and Accessibility Manager attends and leads the meetings of the Stakeholder Equality Group.</p>	Customer-driven Having a positive social impact Putting rail in reach of people	Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>70. PRM Strategy</p> <p>70.1 By no later than 1 October 2017, the Franchisee shall develop the Passenger Assist App in order that it is accessible to all Franchise Employees in customer facing roles.</p> <p>70.2 The Franchisee shall ensure that:</p> <p>(a) by no later than 1 April 2017, Passenger Assist Bookings can be made online;</p> <p>(b) by no later than 1 April 2018, Passenger Assist Bookings are capable of being made with a minimum of 12 hours' notice to the Franchisee for journeys made solely using the Passenger Services; and</p> <p>(c) as soon as reasonably practicable prior to the expiry of the Franchise Period, Passenger Assist Bookings are capable of being made with a minimum of one (1) hours' notice to the Franchisee for journeys made solely using the Passenger Services.</p> <p>70.3 From 1 October 2017, the Franchisee shall ensure that:</p> <p>(a) all Franchise Employees in customer facing roles attend a training workshop (half a day in duration) developed in consultation with the Stakeholder Equality Group to improve staff competence in dealing with passengers who are Disabled Persons including communication skills, boarding and on-train procedures ("Passenger Assist Training"); and</p> <p>(b) all Franchise Employees in customer facing roles attend the Passenger Assist Training a minimum of once every three (3) years.</p> <p>70.4 The Franchisee shall ensure that the Passenger Assist App is capable of being transferred to a Successor Operator</p>	<p>Putting rail in reach of people</p> <p>Having a positive social impact</p>	<p>Internal process</p> <p>Numerical target</p>
<p>Flex Carnet [p347]</p> <p>76.6 By no later than the next Fares Setting Round occurring after 1 May 2018, the Franchisee shall make available to passengers for the remainder of the Franchise Period Anytime Flex Carnet and the -Off Peak Flex Carnet.</p> <p>76.7 The Franchisee shall ensure that the Anytime Flex Carnet and the Off Peak Flex Carnet is capable of fulfilment on ITSO Certified Smartmedia at Stations by no later than 1 May 2018 and on the Franchisee's Ticket Application Function by no later than 30 June 2019.</p> <p>76.8 The Franchisee shall:</p> <p>(a) ensure that the Off Peak Flex Carnet may be used for journeys departing at any time between 09:00 and 09.59 (inclusive) in the Morning Peak and for journeys originating at any time on a Friday for a period of 12 months following the introduction of the Off-Peak Flex Carnet fare; and</p> <p>(b) following completion of the 12 month period referred to in paragraph 76.8(a) implement the obligation set out in paragraph 76.8(a) for the remainder of the Franchise Period unless the Franchisee determines in its reasonable opinion, that, in considering the outcome of the trial undertaken pursuant to in paragraph 76.8(a), it is not economically feasible to do so.</p>	<p>Putting rail in reach of people</p>	<p>Internal process</p> <p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>84. Community Rail Partnerships [p353]</p> <p>84.1 During Franchise Period, the Franchisee shall promote Community Rail Partnerships by:</p> <p>(a) providing personalised travel planning; developing station travel plans and incurring a minimum expenditure [REDACTED102] during the Franchise Period in making funding available to the Community Rail Partnerships for them to develop their own station travel plans evidence base;</p> <p>(b) investing [REDACTED103] every Franchisee Year to create a standardised marketing toolkit for the Community Rail Partnerships;</p> <p>(c) providing the Community Rail Partnerships with access to printing, easy to use website templates and website booking widgets; arranging and leading an annual conference for Community Rail Partnerships on best marketing practice;</p> <p>(d) promoting rail use to local communities and for tourism through themed rail days and train services and the free recycled bicycle scheme 'Journeys to Jobs' initiative; and</p> <p>(e) using the Franchisee's business growth programme to help all Community Rail Partnerships develop marketing and business plans.</p>	<p>Having a positive social impact</p> <p>Supporting the economy</p>	<p>Internal process</p> <p>Funding</p>
<p>97. The Spark [p360]</p> <p>97.1 By no later than 30 June 2017, the Franchisee shall launch the Spark and ensure it is accessible online via a web address to, as a minimum, Franchise Employees, Stakeholders and members of the public and in doing so shall incur a minimum expenditure of [REDACTED111].</p> <p>97.2 The Franchisee shall ensure that as a minimum the Spark has the following capabilities:</p> <p>(a) designated 6 online communities to cover people, customers, community, industry partners and supply chain, each community to contain a separate forum for each of the RTS Themes ("Spark Communities");</p> <p>(b) private online discussion boards in respect of each Spark Community; and</p> <p>(c) notification updates in respect of proposals or topics in respect of each Spark Community.</p> <p>97.3 From the Start Date until the end of the Franchise Period, the Franchisee shall promote the Spark, set challenges for discussion on the Spark and promote activities and outcomes contributing to or arising from innovation in connection with the Franchise generally and in doing so shall incur a minimum expenditure of [REDACTED112] per annum.</p>	<p>Being an employer of choice</p>	<p>Numerical target</p> <p>Internal process</p> <p>Funding</p>
<p>100. Innovation Steering Group [p362]</p> <p>100.1 The Franchisee shall establish an innovation steering group chaired by the managing director of the Franchisee ("ISG") to meet quarterly beginning 1 April 2017 and thereafter until the end of the Franchise Period.</p> <p>101.1 From the Start Date until the end of the Franchise Period, the Franchisee shall organise and host an "Annual Innovation Workshop" to which Stakeholders, Network Rail, RSSB, passengers and such other relevant parties as the Franchisee considers appropriate will be invited, the first workshop to be held by no later than 30 November 2017.</p>	<p>Being an employer of choice</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Schedule 7.2</p> <p>3. Customer and Stakeholder Engagement Strategy [p468]</p> <p>3.1 The Franchisee shall:</p> <p>(a) undertake and complete a review of its Customer and Stakeholder Engagement Strategy during each of the 4th and 7th Franchisee Years;</p>	<p>Customer-driven</p> <p>Being an employer of choice</p>	<p>Internal process</p>
<p>Schedule 7.2</p> <p>5. CCIF Scheme</p> <p>5.1 No later than three (3) months prior to the start of each CCIF Period the Franchisee shall provide to the Secretary of State details of those initiatives, works or proposals (each a "CCIF Scheme") which the Franchisee proposes to undertake in that CCIF Period in order to resolve or mitigate issues raised with the Franchisee through the consultations as carried out pursuant to paragraph 2.</p>	<p>Having a positive social impact</p>	<p>Internal process</p> <p>Funding</p>
<p>Schedule 1.7</p> <p>Stations</p> <p>Station asset management plan to include plans for improving the environmental performance of Stations (energy and water efficiency)</p> <p>The plan shall be maintained over a 40 year time horizon and the Secretary of State can issue a Remedial Plan Notice if the buildings are not maintained to an appropriate standard. [p180]</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p>
<p>Schedule 6.2</p> <p>Committed obligations</p> <p>New fleet specification</p> <p>New Fleet Energy Reduction [p308] details required energy and water reduction in the new fleet, but details of what the savings should be has been redacted:</p> <p>"34.1 The Franchise shall ensure that the New Fleet shall, by the end of the Franchise Period:</p> <p>(a) achieve or exceed the Environmental Impact Targets set out in paragraph 2 of Appendix 1 (Environmental Information) of Schedule 11.2 (Management Information) of the Franchise Agreement in respect of traction carbon emissions, non-traction energy use and mains water reductions to deliver no less than a:</p> <p>(i) [REDACTED54] reduction in kgCO₂e/vehicle km (vkm);</p> <p>(ii) [REDACTED55] reduction in existing depot non-traction energy use; and</p> <p>(iii) [REDACTED56] reduction in mains water use against the baseline determined in accordance with paragraph 2 of Appendix 1 (Environmental Information) of Schedule 11.2 (Management Information)."</p> <p>Progress with 34.1 will be reported to the Secretary of State in an Environmental Impact Monitoring Report.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Environmental Improvements at Existing Depots [p318]</p> <p>48.1 During the first eighteen (18) months of the Franchise Period, the Franchisee shall carry out the environmental improvements described in paragraph 48.2 at:</p> <p>(a) the Depot at Clacton;</p> <p>(b) the Depot at Ilford; and</p> <p>(c) the Depot at Norwich Crown Point:</p> <p>48.2 The environmental improvements referred to in paragraph 48.1 are:</p> <p>(a) an initial baseline energy audit and review with a suitably qualified independent body to validate initial assumptions and the measurement, metering and setting of individual depot targets;</p> <p>(b) replacement of the lighting with LED lighting and the installation of intelligent metering and wireless energy management systems as part of the planned depot upgrade and redevelopment projects; and</p> <p>(c) heating and ventilation improvements identified during the initial baseline energy audit and review referred to at paragraph 48.2(a).</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p> <p>Numerical target</p>
<p>[p318] 50. Incorporation Of Depot Plan In Sustainable Development Strategy</p> <p>50.1 The Franchisee shall agree the scope of, and implement the depot plan, which shall include the activities referred to in paragraph 48.1 in relation to all the Depots, as part of the sustainable development strategy to be developed by the Franchisee in accordance with paragraph 10 of Schedule 13.1 (Rail Industry Initiatives).</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p>
<p>58. Innovation and Environment [p327]</p> <p>58.1 By March 2017, the Franchisee “shall install a wireless condition monitoring system at one Station and one Depot to monitor the performance of mechanical and electrical assets at such Station and such Depot respectively in order to monitor electrical consumption and provide an indication of any change in performance and the need for servicing or fault rectification in respect of such mechanical and electrical assets.”</p> <p>58.2 The Franchisee shall:</p> <p>(a) by no later than 31 October 2018, install LED lighting to replace all the existing lighting at each Station</p> <p>(b) by no later than 31 March 2024, undertake a refresh of such LED lighting</p> <p>58.3 By no later than 31 October 2018, subject to the success of a pilot programme, the Franchisee shall install a wireless energy management system at 39 Stations and 3 Depots.</p> <p>58.4 By no later than 31 October 2018, subject to the success of a pilot programme, the Franchisee shall install automatic voltage regulators at selected Stations, as agreed with the Secretary of State.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p> <p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Schedule 11.2</p> <p>15.2 Environmental Impact Monitoring Report and Environmental Impact Monitoring Audit</p> <p>(a) The Franchisee shall submit to the Secretary of State a report setting out the result of the data collection of the Initial Dataset required by this paragraph 15 in accordance with the applicable granularity and regularity specified in paragraph 1 of Appendix 1 (Environmental Information) to this Schedule 11.2 (the "Environmental Impact Monitoring Report") within three (3) months following the end of each Franchisee Year.</p> <p>(b) The Franchisee shall procure a suitably qualified independent body (such independent body to be appointed only with the prior written approval of the Secretary of State) to undertake an annual independent written audit of the data provided in the Environmental Impact Monitoring Report and the collection methodology of the Initial Dataset in respect of each Franchisee Year (the "Environmental Impact Monitoring Audit").</p> <p>(c) The Franchisee shall procure that the independent body appointed pursuant to paragraph 15.2(b) includes in the Environmental Impact Monitoring Audit:</p> <p>(i) a retrospective assessment (covering the Franchisee Year to which the audit relates) of the Franchisee's data collection methodology and level of data granularity carried out in accordance with this paragraph 15.2 and any recommendations by the independent body in respect of such methodology;</p> <p>(ii) a verification of the accuracy of past data submissions made in respect of the Initial Dataset and as summarised in the Environmental Impact Monitoring Report; and (iii) an assessment of the Franchisee's proposed data collection methodology and level of data granularity for the following Franchisee Year's data collection, and</p> <p>(iv) where the independent body has identified as part of its audit any errors, discrepancies or concerns with any of the items described in paragraphs 15.2(c)(i) to (iii) above, whether these are, in the reasonable opinion of the independent body undertaking the audit material or minor errors, discrepancies or concerns.</p> <p>(d) The Franchisee shall submit a copy of the Environmental Impact Monitoring Audit to the Secretary of State at the same time as Environmental Impact Monitoring Report is submitted in accordance with paragraph 15.2(a) above.</p> <p>(e) Where the Environmental Impact Monitoring Audit highlights errors, discrepancies or concerns with any of the items described in paragraphs 15.2(c)(i) to (iii) above, the Franchisee shall, at the Franchisee's cost:</p> <p>(i) in the case of minor errors, discrepancies or concerns which are capable of rectification without material additional expenditure - rectify such minor errors, discrepancies or concerns and resubmit the relevant Environmental Impact Monitoring Report updated to address these to the Secretary of State as soon as reasonably practicable, and in any event within ten (10) Weekdays, following the date of the submission of the Environmental Impact Monitoring Audit to the Secretary of State so that there is a complete and accurate record of the data in question;</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p> <p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>(ii) in the case of material errors, discrepancies or concerns which are capable of rectification - rectify such material errors, discrepancies or concerns and resubmit the relevant Environmental Impact Monitoring Report updated to address these to the Secretary of State as soon as reasonably practicable, and in any event within ten (10) Weekdays, following the date of submission of the Environmental Impact Monitoring Audit to the Secretary of State so that there is a complete and accurate record of the data in question; and</p> <p>(iii) in the case of concerns in relation to the Franchisee's data collection methodology and level of data granularity for the forthcoming Franchisee Year's data collection - make such amendments to such methodology as recommended in the Environmental Impact Monitoring Audit so as to address those concerns.</p>	<p>Reducing our environmental impact Carbon smart</p>	<p>Internal process External process</p>
<p>16. Environmental Impact Targets</p> <p>16.1 Environmental Impact Targets set by the Secretary of State</p> <p>The Secretary of State sets out in paragraph 2 of Appendix 1 (Environmental Information) of this Schedule 11.2 the targets for improving the environmental performance of the Franchise (the "Environmental Impact Targets"), and the Franchisee shall meet such Environmental Impact Targets during the Franchise Period.</p> <p>16.2 Performance against the Environmental Impact Targets</p> <p>(a) For each Franchisee Year the Secretary of State shall determine the Franchisee's performance against each Environmental Impact Target on an annual basis (within two (2) Reporting Periods of receipt of the Environmental Impact Monitoring Report) by comparing:</p> <p>(i) for traction carbon emissions: the Franchisee's performance set out in the Environmental Impact Monitoring Report (as updated following the Environmental Impact Monitoring Audit) against the relevant Environmental Impact Target for the relevant Franchisee Year, in accordance with the annual trajectory specified in the Sustainable Development Strategy;</p> <p>(ii) for non-traction energy use: the Franchisee's performance as set out in the Environmental Impact Monitoring Report (as updated following the Environmental Impact Monitoring Audit) against the relevant Environmental Impact Targets;</p> <p>(iii) for waste: the Franchisee's performance as set out in the Environmental Impact Monitoring Report (as updated following the Environmental Impact Monitoring Audit) against the relevant Environmental Impact Targets;</p> <p>(iv) for mains water: for the second (2nd) Franchisee Year, the number of automatic water meters installed against the total number of water meters. These details shall be reported by the Franchisee within three (3) months of the end of the second (2nd) Franchisee Year. For subsequent Franchisee Years, the Franchisee's performance as set out in the Environmental Impact Monitoring Report (as updated following the Environmental Impact Monitoring Audit) against the relevant Environmental Impact Targets.</p>	<p>Reducing our environmental impact Carbon smart Being transparent</p>	<p>Internal process External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>(b) For the purposes of undertaking the comparison pursuant to paragraph 16.2(a), the results referred to in paragraphs 16.2(a)(i) to (iii) (as the case may be) shall be rounded up to one (1) decimal place with the midpoint (that is, 4.45) rounded upwards (that is, 4.5). (c) As soon as reasonably practicable following the Start Date and in any event within six (6) months of the Start Date, the Franchisee shall produce and provide to the Secretary of State for approval an implementation plan for the duration of the Franchise Period which is capable of achieving each of the Environmental Impact Targets each Franchisee Year (as such implementation plan may be revised in accordance with paragraph 16.3 (the “Environmental Impact Targets Plan”)).</p> <p>(d) Following the Secretary of State’s approval, the Franchisee shall use all reasonable endeavours to implement the Environmental Impact Targets Plan (including any such plan which is revised in accordance with paragraph 16.2(e)) in order to achieve the Environmental Impact Targets. (e) Notwithstanding the requirements of this paragraph 16.2, the Franchisee shall review its then current Environmental Impact Targets Plan and revise such plan as necessary by the end of the fifth (5th) Franchisee Year to ensure that such plan, in the reasonable opinion of the Secretary of State, is capable of achieving each Environmental Impact Target in each Franchisee Year.</p> <p>16.3 Remedial Actions</p> <p>(a) In the event that an Environmental Impact Target is not met in any Franchisee Year, the Franchisee shall as soon as reasonably practicable produce and provide to the Secretary of State a revised Environmental Impact Targets Plan which, in the reasonable opinion of the Secretary of State, is capable of achieving the Environmental Impact Targets.</p> <p>(b) The Franchisee shall use all reasonable endeavours to implement the revised Environmental Impact Targets Plan, which shall be the Environmental Impact Targets Plan for the purposes of the Franchise Agreement.</p> <p>16.4 Publication</p> <p>The Franchisee shall publish (in such format as the Secretary of State may reasonably require) details of its performance against the Environmental Impact Targets in widely accessible forms including, as a minimum, publishing them on its website and in each Customer Report.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Being transparent</p>	<p>Internal process</p> <p>External process</p>

Annex B

Northern Rail franchise agreement

1. Social

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>1. Relationship with other obligations relating to persons with disabilities</p> <p>1.1 The Franchisee acknowledges that its obligations in this Schedule 4 are in addition to and do not limit its obligations to comply with:</p> <p>(a) the EA and any regulations imposed by it;</p> <p>(b) any applicable condition(s) in any of its Licences (including in respect of persons with disabilities); and</p> <p>(c) any other of the requirements of the Franchise Agreement.</p> <p>1.2 This Schedule 4 sets out:</p> <p>(a) specific arrangements which apply in respect of physical alterations to stations to facilitate accessibility and use by Disabled Persons; and</p> <p>(b) specific obligations of the Franchisee directed at meeting the needs of persons with disabilities.</p>	Putting rail in reach of people	Principle
<p>2. Physical Alterations and Accessibility of Stations</p> <p>2.1 In respect of physical alteration works at stations to facilitate accessibility and use by Disabled Persons, it is acknowledged by the Franchisee that:</p> <p>(a) there is limited funding available to the Secretary of State to assist franchisees and/or franchise operators with the carrying out of those works;</p> <p>(b) consequently, there is a need for such works to be carried out over a period of time to reflect the availability of funding, and for such works to be prioritised with regard to where there is the greatest need and/or where physical alterations can have the greatest effect; and</p> <p>(c) the Secretary of State's national programme of works of physical alterations at stations addresses these issues in a structured way.</p> <p>2.2 The Franchisee shall:</p> <p>(a) co-operate reasonably with and assist the Secretary of State in the development and furtherance by the Secretary of State of the programme described in paragraph 2.1(c) by providing to the Secretary of State:</p> <p>(i) information concerning the usage of Stations (including, where and to the extent reasonably practicable, usage of Stations by Disabled Persons); and</p> <p>(ii) advice as to the most economic way in which accessibility for Disabled Persons could, in the Franchisee's reasonable opinion, be improved at Stations;</p>	Putting rail in reach of people	External process Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>(b) co-operate reasonably with other Train Operators and/or Network Rail to seek to ensure that, where it would be advantageous to do so, having regard to the needs of Disabled Persons, any planned work on the Stations to facilitate accessibility and use by Disabled Persons is, so far as reasonably practicable, co-ordinated with other work to be carried out at the Stations and/or other parts of the network; and</p> <p>(c) use all reasonable endeavours to secure sources of grant funding (other than from itself or an Affiliate) for improving accessibility for Disabled Persons at Stations (in addition to any funding secured through the Secretary of State pursuant to paragraph 2.5), including from Local Authorities, local development agencies and the Lottery Commission.</p> <p>The Franchisee shall notify the Secretary of State of:</p> <p>(i) any such additional funding which it secures; and</p> <p>(ii) the terms on which such additional funding has been granted.</p> <p>2.3 In participating in any multi-modal fares scheme, the Franchisee shall use all reasonable endeavours to secure, through the planning and development of such scheme, improvements in disabled access to the entrances of any relevant station, including within and in the immediate proximity of such station.</p> <p>2.4 If, during the Franchise Term:</p> <p>(a) the Franchisee has complied with its obligations in Section 20(4) and Section 20(9), as varied by paragraph 2(3) of Schedule 2, of the EA (to take such steps as are reasonable to provide a reasonable alternative method of making services at a Station accessible to a Disabled Person to avoid a Disabled Person being placed at a substantial disadvantage by a physical feature at a Station) and its obligations in paragraph 2.7 concerning Minor Works; and</p> <p>(b) notwithstanding such compliance, the Franchisee reasonably considers it is still required to carry out or procure physical works of alteration at a Station in order to comply with the EA Requirements in respect of that Station, and, in so carrying out or procuring, would incur expenditure which it would not otherwise have an obligation to incur, the Franchisee may seek funding from the Secretary of State in respect of that expenditure.</p> <p>2.5 If the Franchisee seeks funding from the Secretary of State under paragraph 2.4, and demonstrates to the Secretary of State's satisfaction that the criteria in paragraph 2.4 have been satisfied, then the Secretary of State may agree to adjust the amount of Franchise Payments in respect of some or all of the works and/or expenditure. In considering his response to any such request, the Secretary of State will have regard to the availability of funding and the priorities set out in the national programme described in paragraph 2.1(c), together with any other available sources of funding described in paragraph 2.2(c). If and to the extent the Secretary of State agrees to adjust Franchise Payments in accordance with this paragraph 2.5 in any Franchisee Year:</p> <p>(a) the Secretary of State shall make such adjustment to the Franchise Payments; and</p> <p>(b) the Franchisee shall spend such additional funds:</p> <p>(i) in order to comply with the EA Requirements referred to in paragraph 2.4(b); and</p> <p>(ii) in accordance with any conditions the Secretary of State may notify the Franchisee of.</p>	<p>Putting rail in reach of people</p>	<p>External process</p> <p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>2.6 If and to the extent the Franchisee is required to pay any increased access charges as a result of additional expenditure required to be incurred by another station Facility Owner for the purpose of complying with the EA Requirements in respect of a Franchisee Access Station, provided that the Franchisee:</p> <p>(a) notifies the Secretary of State within seven days of becoming aware of any proposal for the increase in such charges (or the works to which they relate); and</p> <p>(b) complies with the Secretary of State's reasonable directions regarding the exercise of any rights the Franchisee may have in respect thereof, the imposition of the increased access charges shall be a Change.</p> <p>2.7 The Franchisee shall:</p> <p>(a) establish and manage the Minor Works' Budget to fund the carrying out of Minor Works. For the purposes of this paragraph 2.7, Minor Works means small scale physical alterations or additions to improve accessibility of Stations to Disabled Persons, not involving substantial works of construction or reconstruction. The Minor Works:</p> <p>(i) may, but shall not necessarily include, the Minor Works described in Appendix 1 (Minor Works) of this Schedule 4;</p> <p>(ii) shall not include any works which Network Rail, the Franchisee or any other person has a separate obligation to carry out, except where:</p> <p>(A) such obligation is an obligation of the Franchisee under the EA; or</p> <p>(B) the inclusion of such works would lead to the acceleration of the timescale for their completion and the Secretary of State gives his consent pursuant to paragraph 2.7(a)(iii);</p> <p>(iii) shall only include works other than those permitted by paragraphs 2.7(a)(i) and 2.7(a)(ii) with the prior consent of the Secretary of State; and</p> <p>(iv) must comply with the standards provided for in the Code of Practice, unless otherwise agreed with the prior consent of the Secretary of State;</p> <p>(b) as soon as reasonably practicable (and in any event within four months) after the Start Date and thereafter before the start of each Franchisee Year:</p> <p>(i) develop a Minor Works' Programme and consult with the Disabled Persons Transport Advisory Committee and relevant Passengers' Council in relation thereto;</p> <p>(ii) in conjunction with its activities in paragraph 2.7(b)(i), and, consistent with its obligations under paragraph 2.2(b), liaise with Network Rail and other Train Operators as necessary with regard to the determination and implementation of each Minor Works' Programme; and</p> <p>(iii) following the consultation and liaison described in paragraphs 2.7(b)(i) and 2.7(b)(ii), obtain the Secretary of State's prior approval (such approval not to be unreasonably withheld) of each Minor Works' Programme;</p> <p>(c) carry out or procure the carrying out of the Minor Works' Programme in each Franchisee Year and in doing so, spend at least the amount of the Minor Works' Budget for the relevant Franchisee Year in such Franchisee Year (unless otherwise agreed by the Secretary of State);</p> <p>(d) report progress to the Secretary of State in determining and carrying out the Minor Works' Programme no less than once every three Reporting Periods; and</p> <p>(e) co-operate, as the Secretary of State may reasonably require, with Network Rail or any other person seeking to carry out or procure Minor Works at the Stations or any other stations.</p>	<p>Putting rail in reach of people</p>	<p>External process</p> <p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>3. Dealing with Claims Relating to Stations</p> <p>3.1 If the Franchisee receives notification of a claim under the EA in respect of any alleged non-compliance with the EA Requirements or otherwise in respect of any Station (an “EA Claim”) then the Franchisee shall:</p> <p>(a) notify the Secretary of State within seven days of receiving notification of the EA Claim. The Franchisee shall at the same time notify the Secretary of State of any reasonable alternative methods of making services at the Station accessible to Disabled Persons that it has considered and/or put in place pursuant to Section 20(4) and Section 20(9), as varied by paragraph 2(3) of Schedule 2, of the EA;</p> <p>(b) if required by the Secretary of State, defend the EA Claim or any aspect of the EA Claim (which may include appealing the judgment). The Secretary of State will, subject to paragraph 3.4, pay the Franchisee’s reasonable costs of:</p> <p>(i) any defence or appeal required by the Secretary of State; and/or</p> <p>(ii) compliance with the Secretary of State’s instructions in accordance with paragraph 3.1(c); and</p> <p>(c) act in accordance with the reasonable instructions of the Secretary of State to defend the EA Claim (or any aspect of it) as required under paragraph 3.1(b) and shall not (without the prior consent of the Secretary of State) settle or enter into any compromise in relation to the EA Claim (or the relevant aspect of it), including by entering into mediation.</p> <p>3.2 If, in the reasonable opinion of the Franchisee, it will be more cost effective to settle the EA Claim rather than act in accordance with the Secretary of State’s requirement under paragraph 3.1, it shall produce for the Secretary of State’s approval a settlement proposal, setting out the terms of the Franchisee’s proposals to make an offer to the Disabled Person making the EA Claim and its reasons for making such offer (the “Settlement Proposal”).</p> <p>3.3 If the Secretary of State does not accept the Settlement Proposal and still requires the Franchisee to defend the EA Claim (or any aspect of it) then the Franchisee shall defend the EA Claim in accordance with paragraph 3.1.</p> <p>3.4 If the Franchisee is required to defend an EA Claim where it has submitted a Settlement Proposal to the Secretary of State and an award is made in respect of the EA Claim in favour of the person bringing it which is higher than the figure set out in the Settlement Proposal, then, subject to paragraph 3.5, the Secretary of State shall pay to the Franchisee:</p> <p>(a) the difference between such an award and the figure set out in the Settlement Proposal; and</p> <p>(b) the further reasonable costs incurred or payable by the Franchisee in defending the EA Claim, to the extent that such costs have not already been paid by the Secretary of State under paragraph 3.1(b).</p> <p>3.5 The Secretary of State shall not have any obligation to make the payments described in paragraphs 3.1(b) or 3.4 where it is determined or, if no declaration or determination by the court on this point has been sought or made, the Secretary of State, in his reasonable opinion, considers that the Franchisee has not taken such steps as it is reasonable, in all the circumstances of the case, for it to take to provide a reasonable alternative method of making services at the Station accessible to Disabled Persons.</p>	<p>Putting rail in reach of people</p>	<p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>4. Specific additional obligations relating to persons with disabilities</p> <p>4.2 The Franchisee shall establish and implement procedures necessary to:</p> <p>(a) record the making of reservations for seating accommodation for and/or the provision of assistance to, persons with disabilities which are made through the Passenger Assistance (or whatever service may replace it from time to time for the purposes of ORR's most recent guidance on Disabled People's Protection Policies);</p> <p>(b) record whether such seating accommodation and/or assistance is actually provided; and</p> <p>(c) provide such records to the Secretary of State on his request.</p> <p>4.2A Any helpline established by the Franchisee for the purposes of making reservations for seating accommodation for and/or the provision of assistance to, persons with disabilities shall be provided free of charge.</p> <p>4.3 Where the Franchisee's Disabled People's Protection Policy:</p> <p>(a) has been established before the date of the Franchise Agreement; and</p> <p>(b) has not been revised and approved by the ORR to take into account the ORR's most recent published guidance on Disabled People's Protection Policies as at the date of the Franchise Agreement, the Franchisee shall within six months of the date of the Franchise Agreement revise its Disabled People's Protection Policy such that it complies with that guidance, and obtain the ORR's approval of the revised version.</p> <p>4.4 The Franchisee shall comply with the requirements set out in Appendix 2 (Alternative Transport) of this Schedule 4 in respect of the provision of alternative means of transportation for persons with disabilities.</p>	Putting rail in reach of people	Internal process
<p>[p180] "2.7 The Franchisee shall:</p> <p>(a) establish and manage the Minor Works' Budget to fund the carrying out of Minor Works. For the purposes of this paragraph 2.7, Minor Works means small scale physical alterations or additions to improve accessibility of Stations to Disabled Persons, not involving substantial works of construction or reconstruction."</p>	Putting rail in reach of people	Funding

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p201] Schedule 6.1 Committed Obligations and Related Provisions 6. Organisation and Culture Redesign</p> <p>[p218] 6.1 In addition to the North East Business Unit, the Franchisee shall, from the Start Date, create three dedicated management business units within the Franchisee's organisation such that by 31 December 2017 the Franchisee's organisation will consist of four dedicated management business units as follows:</p> <p>(a) the North East Business Unit to be created by the Franchisee in accordance with the requirements of paragraph 16 of Schedule 6.2 (Northern Franchise Specific Provisions) (including with regards to the delivery date of such requirement);</p> <p>(b) the West Business Unit;</p> <p>(c) the Central Business Unit; and</p> <p>(d) the East Business Unit.</p> <p>(together to be known as the "Franchise Business Units").</p> <p>[p201] 6.2 Each Franchise Business Unit shall:</p> <p>(a) consist of a dedicated regional director and team including a stakeholder manager, a head of train and station services, a commercial marketing and retailing manager, a community and sustainability manager, a finance manager, a property manager, a human resources manager, a Revenue Manager and a Customer Action Team; and</p> <p>(b) focus mainly on (and, in respect of the North East Business Unit without prejudice to the requirements of paragraph 16 of Schedule 6.2 (Northern Franchise Specific Provisions)):</p> <p>(i) the efficient and effective delivery of the Franchise Services which form part of the geographical area comprised in each such Franchise Business Unit; and</p> <p>(ii) working closely with the relevant constituent authorities of Rail North, other relevant Stakeholders and the local Network Rail teams for the purposes of optimising the effective delivery of the Franchise Services in accordance with the provisions of the Franchise Agreement.</p>	<p>Supporting the economy</p>	<p>Internal process</p>
<p>[p219] 7. Diversity and Equality</p> <p>7.1 By 1 April 2020 and without prejudice to the provisions of Clause 6 (Compliance With Laws), the Franchisee shall, as proposed in its response to the Invitation to Tender, increase the percentage of:</p> <p>(a) Franchise Employees who are women by 33% as compared to the percentage of Franchise Employees who are women as at the Start Date; and</p> <p>(b) the Franchise Employees that are of black, Asian and ethnic minority ("BAME") origins by 42% as compared to the percentage of Franchise Employees of BAME origins as at the Start Date.</p>	<p>Being an employer of choice Having a positive social impact</p>	<p>Numerical target Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>8. Zero Work Hours and Living Wage Accreditation</p> <p>8.1 As proposed in its response to the Invitation to Tender, the Franchisee shall:</p> <p>(a) not at any time during the Franchise Term enter into a contract of employment with any person who is to become a Franchise Employee whereby the terms and conditions of such contract of employment include no obligation on the Franchisee to offer minimum working hours to such a person or no obligation on such a person to accept any work offered by the Franchisee;</p> <p>(b) as soon as reasonable practicable after the Start Date and in any event by no later than 31 December 2016 achieve and thereafter for the remainder of the Franchise Term maintain the “Living Wage Accreditation” offered by the Living Wage Foundation and ensure that from the Start Date and throughout the Franchise Term all Franchise Employees are paid at least the Living Wage.”</p>	<p>Being an employer of choice</p> <p>Having a positive social impact</p>	<p>Principle</p>
<p>[p218] 9. Employee Engagement Programme</p> <p>9.1 The Franchisee shall undertake an employee engagement programme and in so doing shall:</p> <p>(a) once in every two Franchisee Years (commencing in the first Franchisee Year) undertake employee surveys in order to measure and assess its plans and processes for employee engagement and performance (“Employee Surveys”) and improve the level of responses received from Franchise Employees in relation to any such Employee Surveys such that by 1 April 2019 the level of responses to its Employee Survey is at least 80%;</p> <p>(b) increase the level of engagement between the Franchisee and its Franchise Employees such that in each Franchisee Year commencing from 1 April 2019 such level of engagement is at least 75% as measured by calculating the mean percentage in each Employee Survey undertaken by the Franchisee in each such Franchisee Year of the Franchisee Employees who answer “agree” or “strongly agree” to each of the following, or materially similar, statements:</p> <p>(i) “I fully support the targets and strategy of my employer”;</p> <p>(ii) “I would recommend my employer as a good place to work”;</p> <p>(iii) “I work beyond what is required to help my employer succeed”;</p>	<p>Being an employer of choice</p>	<p>Internal process</p>
<p>[p221] 10. Proud to be Northern</p> <p>10.1 In addition to its obligations in paragraph 9.1 and as proposed in its response to the Invitation to Tender, the Franchisee shall from the Start Date:</p> <p>(a) establish and implement an employee cultural change campaign (as proposed by the Franchisee in its response to the Invitation to Tender and known as “Proud to be Northern”) with the objective of ensuring that Franchise Employees fully understand the plans and policies of the Franchisee including in relation to the growth and development of the Franchise Services so that Franchise Employee morale and engagement is improved and the Franchisee’s plans to transform the Franchise and provide exceptional service to the users of the Franchise Services and Stakeholders are facilitated;</p>	<p>Being an employer of choice</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p221] 11.1 From the Start Date and throughout the Franchise Term the Franchisee shall: ...</p> <p>(c) undertake the following programmes to encourage young people to join the Franchise as Franchise Employees in various fields: ...</p> <p>(ii) work in partnership with universities and colleges based within the geographical area of the Franchise and introduce and offer to students attending such universities and colleges at least a 100 placements such that in each Franchisee Year there are at least 10 placement schemes offered to such students, each such placement scheme to be offered for a duration of at least 44 weeks;</p> <p>(d) in partnership with social housing trusts and social enterprise schemes located within the geographical area of the Franchise (such as organisations known as “Procure Plus” and the Trafford Housing Trust), establish structured work experience to be offered to persons who have faced difficulties in accessing employment (such as persons from deprived backgrounds, ex- offenders, people with learning disabilities or people who have experienced mental health difficulties), such work experience programmes to be designed to cater for the development of qualifications and skills in areas where there is a recognised shortage of such skills and qualifications in the railway industry (such as train planning, project management and other customer service non- vocational qualifications).”</p>	<p>Being an employer of choice</p>	<p>Numerical target</p>
<p>[p223] 12. Management of stakeholder engagement</p> <p>12.1 Annual stakeholder plan</p> <p>(a) By the Start Date the Franchisee shall create a first annual stakeholder plan and shall then update this annually throughout the Franchise Term. The plan (“Stakeholder Plan”) shall include:</p> <p>(i) identifying a contact point within the Franchise for every Stakeholder; and</p> <p>(ii) setting out the Franchisee’s objectives for every Stakeholder.</p> <p>(b) The Franchisee shall act in accordance with the Stakeholder Plan.</p> <p>12.2 Stakeholder conferences</p> <p>(a) Throughout the Franchise Term the Franchisee shall hold, each year:</p> <p>(i) a regional Stakeholder conference for each Franchise Business Unit; and</p> <p>(ii) one franchise-wide Stakeholder conference,</p> <p>(b) and invite an appropriate range of Stakeholders to it.</p> <p>12.3 Database to support stakeholder engagement</p> <p>From the Start Date the Franchisee shall introduce and use a web-based ‘Berg’ stakeholder database with the intention of improving the effectiveness of its engagement with Stakeholders.</p>	<p>Customer-driven</p> <p>Having a positive social impact</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>12.4 Stakeholder satisfaction target</p> <p>The Franchisee shall measure the effectiveness of its engagement with Stakeholders by undertaking stakeholder surveys every Franchisee Year with the effect that:</p> <p>(a) the percentage of the respondents who “agree” or “strongly agree” to the question “I believe Arriva Rail North engages effectively with Stakeholders” is at least 70% in the first Franchisee Year; and</p> <p>(b) the percentage of the respondents who “agree” or “strongly agree” to the question “I believe Arriva Rail North engages effectively with Stakeholders” is at least 90% by the fifth Franchisee Year and each subsequent Franchisee Year.</p> <p>12.5 Expenditure commitment</p> <p>During the Franchise Term, in undertaking activities relating to stakeholder engagement (including at least those described above in paragraphs 12.1 to 12.4, the Franchisee shall incur expenditure of no less than:</p> <p>(a) £40,000 (pounds sterling forty thousand) by 31 March 2017; and</p> <p>(b) £66,000 (pounds sterling sixty six thousand) in each Franchisee Year thereafter, for the rest of the Franchise Term.</p>	<p>Customer-driven</p> <p>Having a positive social impact</p>	<p>Internal process</p>
<p>[p253] 65. Simplification of Fares</p> <p>65.1 Without prejudice to its obligations under paragraph 1.3 of Schedule 1.4 (Passenger Facing Obligations) and Schedule 5 (Fares), the Franchise shall, as proposed in its response to the Invitation to Tender, simplify the fares structure in existence as at the Start Date including:</p> <p>(a) with effect from the Fares Setting Round commencing in September 2016, the introduction of an “Off-peak Day Return” Fare in relation to all Flows. The “Off-peak Day Return” Fare introduced pursuant to this paragraph 65.1 shall be priced at all times during the Franchise Term on the basis that each such “Off-peak Day Return” Fare on a Flow offers at least a 15% saving when compared to the “Anytime Day Return” Fare applicable in relation to the same Flow;</p> <p>(b) with effect from the Fares Setting Round commencing in January 2017 introduce:</p> <p>(i) a Peak Carnet Fare; and</p> <p>(ii) an Off-Peak Carnet Fare, which will provide discounts of at least 16% on the equivalent ‘Standard Anytime Day Return’ and ‘Off-Peak Day Return’ Fares. The Franchisee shall procure that from 31 March 2017 and for the remainder of the Franchise Term the Peak Carnet Fares and Off Peak Carnet Fare introduced pursuant to this paragraph</p> <p>65.1 (b) are offered for sale by the Franchisee (or by any person authorised to sell Fares on its behalf) to customers and where other Train Operators support fulfilment to smart ticketing or barcode the Franchisee will make these fulfilment options available to users of the Franchisee’s online channels (such as website and mobile app).</p>	<p>Putting rail in reach of people</p> <p>Supporting the economy</p>	<p>Principle</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p263] 79. NOR-A App</p> <p>79.1 The Franchisee shall from the Start Date make available to customers a mobile app ("NorA") which shall be available for use on Smart Devices and by no later than 71 have the following functionality:</p> <p>(a) multi-modal real time journey planner, allowing customers to plan door-to-door journeys using a variety of public transport options (including trains, buses, trams and ferries) and unscheduled options (including walking, taxi and cycling);</p> <p>(b) 72, provide real-time data on all railway passenger services and alternative travel options and routes during periods of disruption to the Passenger Services, including information to re-plan customers' routes in real time if disrupted;</p> <p>(c) 73, automatically provide information to customers about the Passenger Service they are travelling on including:</p> <p>(i) the distance to the next station at which the service stops;</p> <p>(ii) the number of stations at which the Passenger Service is to call before reaching the customer's alighting point;</p> <p>(iii) information about stations at which the Passenger Service is due to call, including location of metro stations, bus stops and cycling facilities and information on Connections;</p> <p>(d) provision of real-time information relating to specific Passenger Services to which a customer has subscribed to receive that information;</p> <p>(e) in relation to any rail-replacement bus services operated by or on behalf of the Franchisee, 74 provide real-time information about that bus service including departure and arrival times and the progress of the bus on its route and ensure that all drivers of such services are provided with smartphones with a "Northern Rail Replacement Service App" installed and active (and which they are trained to use) when providing those services;</p> <p>(f) allow customers to report faults and/or quality issues concerning the Passenger Services, receive direct feedback on the resolution of any such issue reported and respond to surveys regarding the resolution of the issue requested by the Franchisee;</p> <p>(g) allow customers to report suspicious activity, low level disorder or incipient or actual criminality on the Passenger Services; and</p> <p>(h) provide information about ferry services and services operated from ports and airports served by the Passenger Services.</p>	<p>Providing an end to end journey</p> <p>Customer-driven</p>	<p>Internal process</p>
<p>[p266] Accessing the network</p> <p>84. Travel integration and accessibility manager</p> <p>From the Start Date the Franchisee shall appoint, on a full-time basis, a travel integration and accessibility manager who shall be responsible for promoting accessibility of the Franchise Services, champion the Franchisee's door to door plans and policies and manage the relationship between the Franchisee and other transport providers.</p>	<p>Putting rail in reach of people</p>	<p>Internal process</p>
<p>85. Step-free station map</p> <p>85.1 By 31 March 2016 the Franchisee shall introduce a map showing the step-free access that is available at the Stations, Managed Station and other stations served by the Passenger Services. This map shall be made prominently available:</p> <p>(a) within Franchisee's Passengers' Charter document; and</p> <p>(b) on the Franchisee's web site.</p>	<p>Putting rail in reach of people</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>86. Customers with communication and hidden difficulties</p> <p>86.1 The Franchisee shall:</p> <p>(a) from 1 September 2016 and for the remainder of the Franchise Term, introduce and implement the BlueAssist Scheme and from such date:</p> <p>(i) provide a link to the BlueAssist Scheme on the Franchisee's website; and</p> <p>(ii) ensure that all Franchise Employees in customer facing roles can and do respond to customers' use of a BlueAssist Card in an appropriate manner; and</p> <p>(b) by no later than 1 April 2017 donate £10,000 (pounds sterling ten thousand) to the charitable organisation BlueAssist UK Limited.</p>	<p>Putting rail in reach of people</p>	<p>Internal process Funding</p>
<p>[p267] 89. Disability awareness training</p> <p>The Franchisee shall ensure that, throughout the Franchise Term, 30 Franchise Employees per year undertake disability awareness training which shall be of a quality and level equal to or greater than Doncaster Deaf Trust's "Deafness Awareness Training Signature Level 1".</p>	<p>Putting rail in reach of people</p>	<p>Internal process Numerical target</p>
<p>90. Cycling promise</p> <p>To increase the usage of cycles to, from and generally in conjunction with Passenger Services, the Franchisee shall from 31 July 2017 and for the duration of the Franchise Term, provide high quality and accessible information for cyclists. In particular the Franchisee shall publish and promote, in the same manner as its Passengers' Charter (named by the Franchisee the "Customer Promise"), a "Cycling Promise" document created in partnership with Sustrans.</p>	<p>Providing an end to end journey Being transparent</p>	<p>Principle Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p268] 93. Further Station Improvements</p> <p>93.1 The Franchisee shall by no later than 31 March 2025:</p> <p>(a) redevelop for social use redundant or underutilised buildings at Stations including Mytholmroyd and Cottingham (including the old ticket office Platform 2 at Cottingham Station) and in so doing shall incur expenditure of at least:</p> <p>(i) 80 by no later than 31 March 2020; and</p> <p>(ii) an additional 81 by the end of the Franchise Term;</p> <p>(b) redevelop for commercial use redundant or underutilised buildings at Stations including Halifax, Bolton, Wilmslow and Manchester Victoria and in so doing shall incur expenditure of at least:</p> <p>(i) 82 by no later than 31 March 2020; and</p> <p>(ii) an additional 83 by the end of the Franchise Term.</p> <p>93.2 Prior to, and as part of, delivering its obligations in paragraph 93.1, the Franchisee shall, by no later than the date that is nine months after the Start Date, undertake a survey of the condition of each Station (and the facilities and assets comprised within such Stations). Immediately following the completion of such survey, the Franchisee shall provide to the Secretary of State a list specifying the priority schemes to be undertaken by the Franchisee in accordance with paragraph 93.1 and the names of each of the Stations that will be the subject of the redevelopments referred to in paragraph 93.1.</p> <p>93.3 The provisions of paragraph 8 (Specimen Schemes) of Part 2 of Schedule 6.1 shall apply in respect of the Committed Obligation set out in paragraph 93.1.</p>	<p>Having a positive social impact</p> <p>Supporting the economy</p>	<p>Internal process</p> <p>Funding</p>
<p>95. Installation of Harrington Humps</p> <p>In addition to and without prejudice to its obligations in paragraph 2.7 of Schedule 4 (Persons with Disabilities and Disability Discrimination) and paragraphs 3.3 to 3.11 of Schedule 7.2 (National Rail Passenger Surveys and Customer and Communities Improvement Fund), the Franchisee shall, by no later than 31 March 2020, install 18 humps known in the rail industry as 'Harrington Humps' at such Stations where in the reasonable determination of the Franchisee platform stepping distance is of particular concern and in so doing shall incur expenditure of not less than 87.</p> <p>96. Delivery Plan</p> <p>In order to assist the Secretary of State in the monitoring of the Franchisee's performance of the obligations specified in paragraphs 94 and 95, the Franchisee shall by no later than 19 September 2016 provide to the Secretary of State a delivery plan which sets out as a minimum the name of each of the Stations where Inclusive Hubs will be created and Harrington Humps will be installed.</p>	<p>Putting rail in reach of people</p>	<p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p288] 4. Stations related provisions</p> <p>Station Asset Management Plan</p> <p>4.1 By the first anniversary of the Start Date the Franchisee shall ensure that:</p> <p>(a) the Station Asset Management Plan has been created so that it describes in relation to each Station:</p> <p>(i) the maintenance, repair and renewal activity undertaken by the Franchisee, Network Rail, any Local Authority, any Community Rail Partnership and any other relevant stakeholder since the Start Date;</p> <p>(ii) the maintenance, repair and renewal activity planned by the Franchisee, Network Rail, any Local Authority, any Community Rail Partnership and any other relevant stakeholder, which the Franchisee is aware of; ...</p> <p>(vi) how the Principles of Inclusive Design will be taken into account in the renewal of station assets, and covers a period of forty years from the date it is created, as if the Franchisee was to operate the Stations for such period;</p> <p>4.3 By the date of each anniversary of the Start Date, the Franchisee shall conduct consultations with relevant stakeholders (including ACoRP, passengers, Station users and members of relevant local communities) in relation to the potential risks, opportunities and priorities for investment and operational efficiencies in relation to Stations. The Franchisee shall act reasonably in determining the scope of the specification of such consultations including the Stations to be considered.</p> <p>4.4 By the second anniversary of the Start Date and by the date of each subsequent anniversary of the Start Date the Franchisee shall have reviewed the Station Asset Management Plan and shall submit to the Secretary of State a draft updated version of the Station Asset Management Plan incorporating a schedule of any revisions to the Station Asset Management Plan and a brief summary of the rationale supporting any change for review and approval. Updating shall reflect changed and developing circumstances and the requirements of the Station Asset Management Plan Accreditation together with, where relevant, the outcomes of, and the Franchisee's responses to the stakeholder consultation process described in paragraph 4.3 above. ...</p> <p>4.5 If: (a) the Secretary of State approves an updated draft Station Asset Management Plan submitted to it pursuant to paragraph 4.4 above, such document shall become the then current Station Asset Management Plan; or</p> <p>(b) the Secretary of State does not approve an updated draft Station Asset Management Plan submitted to it pursuant to paragraph 4.4 above, then the Franchisee shall make such amendments to it as the Secretary of State shall reasonably direct.</p>	<p>Having a positive social impact</p> <p>Supporting the economy</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Station Social and Commercial Development Plan</p> <p>4.6 By the date of each anniversary of the Start Date the Franchisee shall submit to the Secretary of State a draft updated version of the Station Social and Commercial Development Plan, incorporating a schedule of any revisions to the Station Social and Commercial Development Plan and a brief summary of the rationale supporting any change for review and approval. Updating shall reflect changed and developing circumstances together with, where relevant, the outcomes of, and the Franchisee's responses to, the stakeholder consultation process described in paragraph 4.3 above. The Station Social and Commercial Development Plan shall be updated so that following each update it continues to cover a ten year time period from the date of the update. The Franchisee shall implement the Station Social and Commercial Development Plan as it may be updated from time to time.</p> <p>4.7 If: (a) the Secretary of State approves an updated draft Station Social and Commercial Development Plan submitted to it pursuant to paragraph 4.6 above, such document shall become the then current Station Social and Commercial Development Plan; or</p> <p>(b) the Secretary of State does not approve an updated draft Station Social and Commercial Development Plan submitted to it pursuant to paragraph 4.6 above, then the Franchisee shall make such amendments to it as the Secretary of State shall reasonably direct (it being agreed that it will be unreasonable for the Secretary of State to make amendments that increase cost and risk to the Franchisee beyond parameters specified in the Record of Assumptions).</p>	<p>Having a positive social impact</p> <p>Supporting the economy</p>	<p>Internal process</p>
<p>Inclusive design</p> <p>4.8 The Franchisee shall ensure that all renewal, enhancement and other building works at Stations are implemented in accordance with the Principles of Inclusive Design.</p>	<p>Putting rail in reach of people</p>	<p>Principle</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p297] 9. Community Rail Partnerships</p> <p>9.1 The Franchisee shall become a member of and shall continue to participate in the Community Rail Partnerships relevant to the Passenger Services, including but not limited to:</p> <p>Community Rail Partnership Line / Services forming Partnership</p> <ul style="list-style-type: none"> (a) Bentham Line Leeds - Lancaster - Morecombe (b) Bishop Line Darlington - Bishop Auckland (c) Clitheroe Line Clitheroe - Manchester Victoria (d) Crewe - Manchester Crewe - Manchester (e) Cumbrian Coast Carlisle - Barrow (f) East Lancashire Colne - Preston (g) Esk Valley Railway Development Company Middlesbrough - Whitby (h) Furness Line Lancaster - Barrow-in-Furness (i) Hope Valley & High Peak Manchester - Sheffield / Buxton / Glossop (j) Humber Region Cleethorpes - Barton-on-Humber (k) Lakes Line Oxenholme - Windermere (l) Mid Cheshire Manchester - Northwich - Chester (m) North Cheshire Chester - Warrington (n) Penistone Line Huddersfield - Sheffield (o) Settle Carlisle Railway Development Company Leeds - Carlisle (p) South Fylde Preston - Blackpool South (q) Tyne Valley Newcastle - Carlisle (r) West Lancashire Wigan - Southport and Preston - Ormskirk (s) Yorkshire Coast Hull - Scarborough <p>(and any successor Community Rail Partnerships).</p>	<p>Having a positive social impact</p>	<p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>9.2 The Franchisee shall, at the request of the Secretary of State:</p> <p>(a) co-operate with the Secretary of State, Network Rail, ACoRP, local transport authorities and/or any other person as the Secretary of State may nominate for the purposes of developing and furthering the success of Community Rail Partnerships;</p> <p>(b) co-operate with, establish and/or participate in any Community Rail Partnership; and</p> <p>(c) co-operate in the development of the Secretary of State's initiatives to examine:</p> <p>(i) options for a more cost effective delivery of the railway passenger services operated on any Community Rail Route (such options to include changes in working practices of the relevant Franchise Employees, reducing rolling stock lease costs and maximising opportunities for obtaining local funding of development at relevant stations and developing new ways of maintaining and renewing relevant railway infrastructure); and</p> <p>(ii) the actual costs incurred in operating, maintaining and renewing the infrastructure relevant for such Community Rail Route.</p>	Having a positive social impact	External process
<p>9.5 Within three months of the Start Date in respect of the first Franchisee Year and no later than three months before the start of each subsequent Franchisee Year, the Franchisee shall provide to the Secretary of State a report (the "Community Rail Report") setting out the distribution of the CRP Amount in full amongst the Community Rail Partnerships identified in paragraphs 9.1 and 9.2.</p> <p>9.6 The Community Rail Report shall contain the following information:</p> <p>(a) a statement confirming that the Franchisee's distribution of funds to the Community Rail Partnerships takes account of the Secretary of State's then current published Community Rail Development Strategy;</p> <p>(b) a statement confirming that the Franchisee has discussed the funding of the Community Rail Partnerships with ACoRP and has taken sufficient account of ACoRP's views;</p> <p>(c) confirmation that the Franchisee has discussed with all Community Rail Partnerships the aims and needs of such partnerships and the funding required to achieve these;</p> <p>(d) a table setting out the relevant portions of the CRP Amount which are to be paid to each Community Rail Partnership (on a non-indexed basis) over the next three years (it being acknowledged that these amounts are likely to be different for each Community Rail Partnership) and</p> <p>(e) such further information as the Secretary of State may from time to time request.</p>	Having a positive social impact	Internal process External process
<p>9.7 The Franchisee shall within 30 days of the commencement of each Franchisee Year, make the relevant payments totalling the CRP Amount to each of the Community Rail Partnerships identified in the Community Rail Report for that year.</p>	Having a positive social impact	Funding
<p>9.8 The Franchisee shall hold an annual full-day conference for Community Rail Partnership officers and station adopters in conjunction with ACoRP to encourage the spread of best practice and to communicate plans for franchise development. The first such conference shall be held within six months of the Start Date.</p>	Having a positive social impact	Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>9.9 The Franchisee shall devise and implement in collaboration with relevant Community Rail Partnerships a “station adopters scheme” under which members of the local community can “adopt” a local Station and engage in activities such as:</p> <p>(a) promotion of the Passengers Services calling at the Station;</p> <p>(b) monitoring and reporting faults, damage and anti-social and criminal behaviour; and</p> <p>(c) carrying out minor Station cleaning and maintenance tasks and the development and cultivation of station gardens.</p> <p>The Franchisee shall take reasonable steps to promote the station adopters scheme and provide safety and other training and support to participants.</p>	Having a positive social impact	External process
<p>9.10 In collaboration with relevant Community Rail Partnerships and other Stakeholders the Franchisee shall use reasonable endeavours to identify sources of third party funding for Community Rail Partnerships and encourage such third parties to make funding commitments.</p>	Having a positive social impact	Principle
<p>9.11 From the Start Date, the Franchisee shall appoint appropriate staff to support the Communities and Sustainability Director to deliver the obligations of the Franchisee in relation to Community Rail Partnerships.</p>	Having a positive social impact	Principle
<p>9.12 Without prejudice and in addition to its obligations in the preceding paragraphs, the Franchisee shall within six months of the Start Date, establish, and thereafter chair and coordinate, the Northern Community Rail Executive Group (“ComREG”) whose members shall be relevant Stakeholders including representatives from Community Rail Partnerships, Rail North, other relevant sub-national transport bodies, the Secretary of State, and ACoRP for purposes which include fostering collaboration between Community Rail Partnerships and the Franchisee and providing guidance to the Franchisee in respect of its policies plans for developing and furthering the success of Community Rail Partnerships (the “CRP Policies and Plans”).</p>	Having a positive social impact	External process
<p>9.13 By no later than the second anniversary of the Start Date and then, for the rest of the Franchise Term, at least once in every two year period, the Franchisee shall, in consultation with ComREG, review the effectiveness of the CRP Policies and Plans and as a result of such consultation shall make reasonable changes to such CRP Polices and Plans to give effect to such consultation, as the Franchisee may reasonably determine.</p>	Having a positive social impact	Internal process
<p>9.14 In addition to and without prejudice to its obligations in paragraph 9.9, the Franchisee shall:</p> <p>(a) within three months of the Start Date, in collaboration with ComREG and the National Community Rail Development Implementation Steering Group, develop a standardised template (the “Standardised Template”) for the adoption of Stations by local community groups and, by way of its membership of ATOC, shall use all reasonable endeavours to agree with ATOC and all Train Operators in Great Britain the introduction of the Standardised Template as a nationally accepted standard to be recognised by the rail industry; and</p> <p>(b) devise and implement (in collaboration with Community Rail Partnerships) a scheme known as the “station adopters schemes” pursuant to which local community groups will each be able to adopt a Station and ensure that, by the fifth anniversary of the Start Date, no less than 90% of Stations are adopted by local community groups.</p>	Having a positive social impact	External process Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>9.15 In addition to and without prejudice to the obligations under paragraph 9.7 and as proposed in its response to the Invitation to Tender, the Franchisee shall incur expenditure of no less than £600,000 (pounds sterling six hundred thousand) in each Franchisee Year (reduced pro-rata amount in respect of any Franchisee Year of less than 365 days) in support of Community Rail Partnerships including:</p> <ul style="list-style-type: none"> (a) organising and holding an annual Community Rail Partnership conference and marketing support; (b) preparation and publication of the annual Community Rail report (including any required survey work); (c) development of a Community Rail market plan; (d) provision of additional funding to ACoRP; (e) provision of funding for an ACoRP communications and marketing resource; (f) provision of funding for training an ACoRP Community Rail Partnership officer; (g) provision of funding for the implementation of “station adoption schemes”; (h) funding and establishing a seed corn and competition fund; (i) provision of funding to ACoRP to support new uses for property; and (j) provision of funding for the development and implementation of community hubs. 	<p>Having a positive social impact</p>	<p>Funding</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>9.16 Within six months of the Start Date, the Franchisee shall, as proposed in its response to the Invitation to Tender, use all reasonable endeavours to agree service level commitments with each Community Rail Partnership identified in paragraph 9.1 and ACoRP (the “Community Rail Service Level Commitments”). The Community Rail Service Level Commitments shall measure on an annual basis (during each Franchisee Year) the Franchisee’s ability to meet its obligations with regards to the relevant Community Rail Partnership and/or ACoRP, including the following obligations:</p> <p>(a) a maximum response time of three Weekdays by the Franchisee to all enquiries from a Community Rail Partnership and/or ACoRP and the escalation of any unresolved enquiries within that timescale to appropriate persons for urgent resolution;</p> <p>(b) a commitment by the Franchisee to share with each Community Rail Partnership and ACoRP passenger volume data for all journeys starting or ending along the relevant Community Rail Route (and in respect of ACoRP, all Community Rail Routes), identified by broad ticket category and origin/destination;</p> <p>(c) the meeting of planned delivery dates and key milestones as agreed by the Franchisee with ACoRP and/or the relevant Community Rail Partnership in relation to projects to be undertaken by the Franchisee on behalf of and/or in conjunction with any of ACoRP or a relevant Community Rail Partnership (“Shared Projects”) and compensate each of the relevant Community Rail Partnerships and ACoRP by paying to each of them an amount equal to 1% of the total cost of such Shared Project for each week the applicable delivery date or key milestone is delayed by the Franchisee;</p> <p>(d) in each Franchisee Year, provision by the Franchisee of at least 50% of the time of one of the Franchisee’s timetable experts in supporting timetable developments on Community Rail Routes, including journey time improvements, adjusting timetables to meet local demand and developing any policies in relation to Connections;</p> <p>(e) attendance by:</p> <p>(i) the Communities and Sustainability Director at least one meeting with each Community Rail Partnership and ACoRP in each Franchisee Year;</p> <p>(ii) each Regional Communities and Sustainability Managers at least 80% of all meetings with each relevant Community Rail Partnership and/or ACoRP; and</p> <p>(iii) other specific Franchise Employees at meetings with each Community Rail Partnership and/or ACoRP as may be reasonably agreed by the Franchisee;</p> <p>(f) provision by the Franchisee of travel on the Passenger Services without charge to all representatives of the Community Rail Partnerships in connection with the attendance at meetings or training courses related to any Community Rail Route or Community Rail Partnership; and</p> <p>(g) a commitment by the Franchisee to ACoRP to provide three travel passes at no cost to ACoRP permitting travel by ACoRP representatives on the Passenger Services in connection with the attendance at meetings or training courses related to any Community Rail Routes or Community Rail Partnerships. As proposed by the Franchisee in its response to the Invitation to Tender, the Franchisee agrees that it shall seek a review by ComREG of the Community Rail Service Level Commitments every three Franchisee Years and shall comply with any amendments or alterations to commitments made by ComREG which result from that review.</p>	<p>Having a positive social impact</p>	<p>Principle</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>9.17 The Franchisee shall, in collaboration and consultation with ComREG, Network Rail and Community Rail Partnerships, identify and pursue opportunities and implement new and innovative initiatives to maximise the benefits produced by Community Rail Partnerships in relation to the Franchise, including (i) improvements to the performance and/or frequency of Passenger Services and/or (ii) improvements to the customer experience of using the relevant Passenger Services. Such initiatives shall include:</p> <p>(a) the implementation of revised operating procedures where it is feasible to do so on Community Rail Routes; and</p> <p>(b) introducing a policy to delay the departure of certain low frequency Passenger Services from Stations where key Connections are delayed in arriving at that Station.</p>	Having a positive social impact	Principle
<p>9.18 Without prejudice to the Franchisee's obligations pursuant to paragraph 9.3 and as part of the Community Rail Report, the Franchisee shall provide to the Secretary of State information setting out:</p> <p>(a) the initiatives the Franchisee has identified pursuant to paragraph 9.17 and will implement during the forthcoming Franchisee Year; and</p> <p>(b) an update on progress of the implementation or delivery of such initiatives during the previous Franchisee Year.</p>	Having a positive social impact	Internal process
<p>3. Customer Reports and Communities Improvement Fund</p> <p>3.1 The Franchisee shall undertake consultations with passengers, potential passengers and other users of the rail network (including in each case by undertaking consultations with:</p> <p>(i) persons who are protected by a Disabled People's Protection Policy; and (ii) persons with other protected characteristics within the meaning of the EA) in accordance with and shall otherwise comply with the Customer and Stakeholder Engagement Strategy.</p> <p>Customer Reports</p> <p>3.2 The Franchisee shall:</p> <p>(a) by no later than the Start Date; and</p> <p>(b) thereafter at least twice each Franchisee Year, publish the Customer Report in such readily accessible formats as the Secretary of State may reasonably require (including in booklet or other similar hard copy formats, in electronic formats (such as on the Franchisee's website, through social media channels and by email)), in each case in accordance with the Customer and Stakeholder Engagement Strategy and the provisions of paragraph 20 of Schedule 13 (Information and Industry Initiatives).</p> <p>The Secretary of State and the Franchisee acknowledge and agree that, as regards the Customer Reports to be published by the Franchisee pursuant to paragraph 3.2(b) above, the first Customer Report of each Franchisee Year shall be prepared in respect of the first six Reporting Periods of that Franchisee Year and the second Customer Report of each Franchisee Year shall be prepared in respect of the last seven Reporting Periods of that Franchisee Year. This pattern of Reporting shall be continued in subsequent Franchisee Years.</p> <p>3.3 No later than 3 months prior to the start of each CCIF Period the Franchisee shall provide to the Secretary of State details of those initiatives, works or proposals (each a "CCIF Scheme") which the Franchisee proposes to undertake in that CCIF Period in order to resolve or mitigate issues raised with the Franchisee through the consultation referred to in paragraph 3.1. The Franchisee shall use all reasonable endeavours to propose, in respect of each CCIF Period, CCIF Schemes with an aggregate projected CCIF Scheme Shortfall of not less than the aggregate of the CCIF Amount for each Franchisee Year in the relevant CCIF Period.</p>	Having a positive social impact Being transparent	Internal process Funding

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>3.4 In relation to each CCIF Scheme proposed by the Franchisee pursuant to paragraph 3.3 the Franchisee shall provide:</p> <p>(a) details of the specific issues which that CCIF Scheme is intended to resolve or mitigate (including how those issues have been identified) and how that CCIF Scheme will resolve or mitigate those issues; and</p> <p>(b) fully worked up details of the CCIF Scheme sufficient to enable the Secretary of State to evaluate the same, including:</p> <p>(i) a timetable for the implementation of that CCIF Scheme, setting out the proposed commencement and completion date of such CCIF Scheme and any other key dates and milestones;</p> <p>(ii) details of the projected CCIF Scheme Cost; and</p> <p>(iii) details of the projected CCIF Scheme Revenue.</p> <p>3.6 A CCIF Scheme proposed by the Franchisee pursuant to paragraph 3.3 shall not be an Approved CCIF Scheme unless and until approved by the Secretary of State pursuant to this paragraph 3.6. Without limitation, the Secretary of State may withhold his approval to any proposed CCIF Scheme which:</p> <p>(a) has not been identified and/or developed in accordance with the Customer and Stakeholder Engagement Strategy;</p> <p>(b) is not designed to resolve or mitigate issues raised with the Franchisee through the consultation referred to in paragraph 3.1;</p> <p>(c) has a completion date falling later than the end of the relevant CCIF Period;</p> <p>(d) is projected to generate a Commercial Return or in relation to which the Secretary of State considers the CCIF Scheme Costs (or any part of them) to be too high or disproportionate to the benefits accruing from the CCIF Scheme;</p> <p>(e) the Franchisee is otherwise funded to undertake; or</p> <p>(f) in the opinion of the Secretary of State, amounts to actions or steps which the Franchisee is otherwise obliged to take or which any competent train operator should be taking in relation to the operation of the Franchise.</p>	<p>Having a positive social impact</p> <p>Being transparent</p>	<p>Internal process</p> <p>Funding</p>
<p>3.11 The Franchisee shall:</p> <p>(a) undertake and complete a review of its Customer and Stakeholder Engagement Strategy during each of the 4th and 7th Franchisee Years; and</p> <p>(b) provide the Secretary of State with any proposed revisions to the Customer and Stakeholder Engagement Strategy arising out of such review by no later than the end of each such Franchisee Year.</p> <p>3.12 The aim of such review shall be to update the Customer and Stakeholder Engagement Strategy to reflect lessons learned in the period since the Start Date or the previous review of the Customer and Stakeholder Engagement Strategy (as applicable) and to ensure that the Customer and Stakeholder Engagement Strategy achieves effective passenger engagement. Any revisions to the Customer and Stakeholder Engagement Strategy shall require the consent of the Secretary of State (such consent not to be unreasonably withheld or delayed).</p> <p>3.13 Any Franchise Asset arising as a result of an Approved CCIF Scheme shall be designated as a Primary Franchise Asset and shall not be de-designated as such. Any such Primary Franchise Asset which falls to be valued in accordance with the Supplemental Agreement shall be valued at nil.</p>	<p>Customer-driven</p> <p>Having a positive social impact</p>	<p>Internal process</p> <p>Funding</p>

2. Local economy

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p218] Station Travel Plans</p> <p>“5.2 By no later than 31 March 2018, the Franchisee shall:</p> <p>(a) undertake a review of each of the station travel plans in existence as at the Start Date at each of the Stations located at Accrington, Chapeltown, Hebden Bridge and Hazel Grove (the “Existing Station Travel Plans”); and</p> <p>(b) in consultation with relevant Stakeholders, adopt the findings from such review for the purposes of developing and implementing new station travel plans at each of the Stations referred to in paragraph 5.2(a).</p> <p>5.3 Any review of the Existing Station Travel Plans pursuant to paragraph 5.2(a) shall be undertaken in partnership with key stakeholders involved in the development of the Existing Station Travel Plans by the Train Operator under the Previous Franchise Agreement.”</p>	<p>Putting rail in reach of people</p> <p>Having a positive social impact</p>	<p>Internal process</p>
<p>16. Socio-economic Strategy</p> <p>16.1 The Franchisee shall establish and implement a socio- economic performance panel which shall, by no later than 1 August 2016:</p> <p>(a) develop a methodology for measuring its socio-economic impact on the geographic area of the Franchise (such methodology to be approved by the Secretary of State, acting reasonably); and</p> <p>(b) based on such methodology set improvement targets in respect of each Franchisee Year following the development of such methodology, such improvement targets to be included by the Franchisee in its Sustainable Development Strategy. At the end of each Franchisee Year the Franchisee shall publish its performance against such improvement targets on its website and provide the same to the Secretary of State.</p>	<p>Having a positive social impact</p> <p>Supporting the economy</p> <p>Being transparent</p>	<p>Internal process</p>

3. Environment

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>15. Environmental leadership and management training</p> <p>15.1 During the first two years of the Franchise Term, the Franchisee shall deliver environmental training for all staff, which will be leadership, management or as appropriate depending on each individual's grade and role.</p> <p>15.2 Following the completion of the training programme referred to in paragraph 15.1, the Franchisee shall deliver further environmental training at least twice each year during the remainder of the Franchise Term so that Franchise Employees who have been trained get appropriate refresher training and new employees receive training to the specification of the training to be provided under paragraph 15.1.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p>
<p>17. LED lighting/Roof Lights at Depots</p> <p>17.1 To deliver useful environmental benefits and significant cost-savings, by the end of the fourth Franchisee Year, the Franchisee shall replace all of the lighting at Depots and Stations with LED lighting where it does not exist as at the Start Date. In respect of the obligation to replace all lighting at Depots only as required by this paragraph 17.1, the Franchisee shall incur expenditure of at least 12 in each of the first two Franchisee Years.</p> <p>17.2 In addition to the provisions of paragraph 17.1, the Franchisee shall by no later than 31 March 2018, install additional lighting (such as roof lights or lighting in pits) at such Depots to be nominated by the Franchisee and notified to the Secretary of State and in so doing shall incur expenditure of no less than 13.</p>	<p>Carbon smart</p>	<p>Internal process</p> <p>Numerical target</p>
<p>[p243] 49. Research into diesel engine efficiency and lifespan</p> <p>49.1 Subject to paragraph 49.2 below the Franchisee shall, as proposed in its response to the Invitation to Tender, provide a grant of at least £75,000 (pounds sterling seventy five thousand) in each Franchisee Year (other than the first Franchisee Year) to the "Centre for Railway Research at Newcastle University" or such other suitable research establishment approved by the Secretary of State for the purposes of supporting research into improving diesel engine efficiency and lifespan in rail traction use or such other matters as the Secretary of State in his unfettered discretion may agree. The Franchisee shall report to the Secretary of State on the findings of the research and its potential applications.</p> <p>49.2 The Franchisee shall report to the Secretary of State on the proposed use and intended outputs of the grant (and the rationale for considering this to offer value for money) before it is paid. The Secretary of State shall have the unfettered right to decide that such research does not offer value for money and, if he does so, an amount equivalent to that intended to be spent shall be returned to him.</p>	<p>Reducing our environmental impact</p>	<p>Funding</p>
<p>[p273] 100. StationGreen programme</p> <p>100.1 By 31 August 2018 the Franchisee shall apply Deutsche Bahn's "StationGreen" design principles to 46 Stations, which shall include</p> <p>(a) installing new eco-friendly modular station buildings at 36 identified unmanned Stations;</p> <p>(b) refurbishing redundant buildings at nine other Stations; and</p> <p>(c) improving Windermere Station to an eco-station, and in so doing shall incur expenditure of not less than 91.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p> <p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>101. Rain Water Harvesting/Carriage Wash Water Re-cycling</p> <p>101.1 For the purposes of the Franchisee achieving its environmental impact improvement targets as specified in paragraph 17.12(c) of Schedule 13 (Information and Industry Initiatives), the Franchisee shall by 31 March 2018 procure and/or install certain assets at Stations and Depots which shall be used for capturing rainfall and recycling carriage wash water and in so doing shall incur expenditure of no less than:</p> <p>(a) 92 in respect of the assets for capturing rainfall; and</p> <p>(b) 93 in respect of the assets for the recycling of carriage wash water.</p> <p>101.2 The Franchisee shall by no later than 1 April 2017 to the Secretary of State a delivery plan which sets out as a minimum a description of the assets that will be procured and/or installed at each Station and Depot and the name of each of the Stations and Depots where such assets shall be installed.</p> <p>101.3 On receipt of the delivery plan pursuant to paragraph 101.2, the second paragraph of the first row and the first column of the table in part 2 of Appendix 14.4 (Designation of Franchise Assets) shall be deemed amended and shall be amended to specify the description of the assets that shall be procured and/or installed by the Franchisee at each Station and Depot as specified in such delivery plan.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p> <p>Funding</p>
<p>Schedule 13</p> <p>Information and Industry Initiatives</p> <p>12. Sustainable Construction</p> <p>For construction projects (including building refurbishment or fit out):</p> <p>(a) which are either being funded by the Franchisee or in respect of which the Franchisee has design responsibility; and</p> <p>(b) in respect of which the total capital cost exceeds £250,000 (pounds sterling two hundred and fifty thousand) (indexed by the Retail Prices Index in the same way as variable costs are indexed in Schedule 8.2 (Annual Franchise Payments)), the Franchisee shall use reasonable endeavours to achieve at least an “excellent” rating from an accredited assessor using Building Research establishment environmental assessment methodology (or an equivalent recognised standard) at both the design stage and the post-construction stage unless the Secretary of State (acting reasonably) agrees that the relevant project is not of a suitable scale or type to be so assessed and the Franchisee shall provide to the Secretary of State such information in relation to any construction project as the Secretary of State may reasonably request.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>External process</p>
<p>13. Environmental Management and Sustainability Accreditation</p> <p>The Franchisee shall, by no later than 1 April 2017, attain and, at all times thereafter, maintain accreditation pursuant to ISO14001 and ISO50001 or equivalent standards.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Having a positive social impact</p>	<p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p513] 17. Environmental impact monitoring, data collection and contractual targets</p> <p>17.1 The Franchisee shall, by no later than 3 months after the Start Date, provide a report to the Secretary of State setting out:</p> <p>(a) which measures included in the Dataset the Franchisee is unable to provide, despite using reasonable endeavours to do so (“Excluded Data”);</p> <p>(b) for each item of Excluded Data, the technical, operational or commercial reason why the Franchisee is unable to provide the Excluded Data; and</p> <p>(c) a plan (“Environmental Data Implementation Plan”) detailing, in relation to each item of Excluded Data, the actions which the Franchisee would need to take in order to be able to provide such Excluded Data, the Franchisee’s best estimate of the cost of taking such action and the date by which, if such actions were taken, the Franchisee would be able to begin providing such Excluded Data to the Secretary of State. The Dataset, excluding any measures which the Secretary of State agrees, acting reasonably, that the Franchisee is, despite using reasonable endeavours, unable to provide, shall be referred to as the “Initial Dataset”.</p> <p>17.2 The Secretary of State may require:</p> <p>(a) the Franchisee to implement the Environmental Data Implementation Plan in whole or in part; and/or</p> <p>(b) the Franchisee to take such other actions as, in the reasonable opinion of the Secretary of State, would enable the Franchisee to provide any item of Excluded Data, following which the relevant item of Excluded Data will form part of the Initial Dataset.</p> <p>17.3 Where the Franchisee is:</p> <p>(a) undertaking works, whether at a station or depot or in respect of rolling stock;</p> <p>(b) procuring rolling stock; or</p> <p>(c) taking any other action which could enable the Franchisee to provide any items of Excluded Data in a cost effective manner, the Franchisee will use reasonable endeavours to do so in a manner which would enable the Franchisee to provide any relevant item of Excluded Data (and any item of Excluded Data which the Franchisee becomes able to provide as a result will, with effect from the date on which the Franchisee becomes able to provide the same, form part of the Initial Dataset).</p> <p>17.4 With effect from the Start Date, unless not reasonably practicable in which case with effect from the date which is 3 months after the Start Date, the Franchisee shall measure and collect that data included on the Initial Dataset so as to allow the Secretary of State and the Franchisee to understand the current environmental performance of the Franchise and any potential for improvement in terms of environmental impact.</p> <p>17.5 The Franchisee may, in its discretion, measure and collect additional data provided that the minimum required Initial Dataset is adhered to and the Franchisee will co-operate with the Secretary of State to seek to identify improvements in the efficiency and/or cost effectiveness of the collection of the data in the Dataset.</p> <p>17.6 The Franchisee shall ensure that the form of measurement of the Initial Dataset enables it to report a consolidated periodic or annual usage figure to the Secretary of State as specified for each measure in Appendix 1 to Schedule 13.</p> <p>17.7 The Franchisee shall submit to the Secretary of State a report setting out the result of the data collection required by this paragraph 17 within three months following the end of each Franchisee Year.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>17.8 The Franchisee shall procure a suitably qualified independent body (such independent body to be appointed only with the prior written approval of the Secretary of State) to undertake an annual independent audit of the data provided and the collection methodology in respect of each Franchisee Year.</p> <p>17.9 The Franchisee shall procure that the independent audit report contains:</p> <p>(a) a retrospective assessment (covering the Franchisee Year to which the audit relates) of the Franchisee's data collection methodology and level of data granularity carried out in accordance with this paragraph 17;</p> <p>(b) a verification of the accuracy of past data submissions made in accordance with paragraph 17.7 above; and</p> <p>(c) an assessment of the Franchisee's proposed data collection methodology and level of data granularity for the following Franchisee Year's data collection.</p> <p>In each case where the independent audit report states that there are errors or concerns with any of the items described in paragraphs 17.9(a) to 17.9(c) above, the Franchisee shall procure that the independent auditor specifies whether these are material or minor errors or concerns.</p> <p>17.10 The Franchisee shall submit a copy of the independent audit report covering the relevant Franchisee Year to the Secretary of State at the same time as the report is submitted in accordance with paragraph 17.7 above.</p> <p>17.11 Where the independent audit report highlights errors or concerns with any of the items described in paragraphs 17.9(a) to 17.9(c) above, the Franchisee shall:</p> <p>(a) in the case of minor errors within past data which are capable of rectification without significant resource or significant expenditure, rectify those flaws and resubmit the relevant report to the Secretary of State as soon as reasonably practicable following submission of the independent audit report so that there is a complete and accurate record of the data in question;</p> <p>(b) in the case of material errors within past data which are capable of rectification, rectify those flaws and resubmit the relevant report to the Secretary of State as soon as reasonably practicable following submission of the independent audit report so that there is a complete and accurate record of the data in question; and</p> <p>(c) in the case of concerns in relation to the Franchisee's proposed data collection methodology and level of data granularity for the forthcoming Franchisee Year's data collection, make such changes to that proposed methodology so as to address those concerns.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Environmental Impact Improvement Targets</p> <p>17.12 The following targets shall apply for the purpose of this paragraph 17. For the purpose of paragraphs 17.1 and 17.4, the data required in order to measure the Franchisee’s performance against these targets is acknowledged to be data which it is reasonable for the Franchisee to measure and collect from the Start Date:</p> <p>(a) Traction carbon emissions: the target is a reduction of 25.26% in kg CO2e per vehicle km against the 2014 baseline figure of 1.24kg CO2e per vehicle km over the Franchise Term, such reduction to be achieved in accordance with the annual trajectory set out in the Sustainable Development Plan agreed or determined in accordance with paragraph 18.3 (Sustainability), which will contain a target for each Franchisee Year for this purpose;</p> <p>(b) Non-traction energy use: a reduction of 3.2% year on year so that:</p> <p>(i) the target for the first Franchisee Year is a reduction in kilowatt hours (kWh) of 3.2% against the 2014 baseline figure of 45,740,698 kWh and</p> <p>(ii) the target for each subsequent Franchisee Year is a reduction in kilowatt hours (kWh) of 3.2% against the preceding Franchisee Year;</p> <p>(c) Mains water use: a reduction of 28% in mains water use over the Franchise Term as compared against the 2014 baseline of 350,748m3 such that usage in each Franchisee Year is less than in the preceding Franchisee Year; and</p> <p>(d) Waste: from the end of the second Franchisee Year, the Franchisee must send zero waste to landfill and must recycle or prepare for re-use:</p> <p>(i) 90% of waste (by weight) for the first and second Franchisee Years; and</p> <p>(ii) 95% of waste (by weight) in each subsequent Franchisee Year thereafter.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>Numerical target</p>
<p>Performance against environmental impact improvement targets and remedial actions</p> <p>17.13 For each Franchisee Year the Secretary of State shall determine the Franchisee’s performance against each target in paragraph 17.12 by comparing:</p> <p>(a) for traction carbon emissions: the Franchisee’s performance (as submitted to the Secretary of State pursuant to paragraph 17.7 or (where it applies) paragraph 17.11) against the target for the relevant Franchisee Year, in accordance with the annual trajectory specified in the Sustainable Development Plan;</p> <p>(b) for both non-traction energy use and mains water use: the Franchisee’s performance (as submitted to the Secretary of State pursuant to paragraph 17.7 or (where it applies) paragraph 17.11) against the annual targets set out in paragraphs 17.12(b) and (c); and</p> <p>(c) for waste: the Franchisee’s performance (as submitted to the Secretary of State pursuant to paragraph 17.7 or (where it applies) paragraph 17.11) against the target set out in paragraph 17.12(d).</p> <p>17.14 For the purposes of undertaking the comparison pursuant to paragraph 17.13, the results referred to in paragraphs 17.13(a), 17.13(b) or 17.13(c) (as the case may be) shall be rounded up to one decimal place with the midpoint (that is, 4.45) rounded upwards (that is, 4.5).</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p>	<p>External process</p> <p>Internal process</p> <p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>17.15 As soon as reasonably practicable following the Start Date, the Franchisee must produce an implementation plan which, in the opinion of the Secretary of State, is capable of achieving each target in paragraph 17.12 until the end of the Franchise Term. This includes, for the purpose of paragraph 17.13(a) the Franchisee Year targets provided for in the annual trajectory contained in the Sustainable Development Plan. The Franchisee shall use all reasonable endeavours to implement that plan.</p> <p>17.16 In the event that a target set out in paragraph 17.12 is not met in any Franchisee Year, the Franchisee must as soon as reasonably practicable produce a revised implementation plan, which, in the reasonable opinion of the Secretary of State, is capable of achieving the targets. The Franchisee shall use all reasonable endeavours to implement that plan.</p> <p>17.17 Without limiting paragraph 17.17, the Franchisee shall review its then current implementation plan and produce a revised implementation plan by the end of the fifth Franchisee Year which, in the opinion of the Secretary of State, is capable of achieving each target in paragraph 17.12 until the end of the Franchise Term. The Franchisee shall use all reasonable endeavours to implement that plan.</p> <p>17.18 The Franchisee shall publish (in such format as the Secretary of State may reasonably require) details of its performance against the targets set out in paragraph 17.12 in widely accessible forms including, as a minimum, publishing them on its website and in each Customer Report.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Being transparent</p>	<p>Internal process</p>
<p>18. Sustainability</p> <p>18.1 The Franchisee shall at all times comply with the Sustainable Development Strategy.</p> <p>18.2 By no later than six months following the Start Date, the Franchisee shall consult with the Rail Safety and Standards Board, and such other Stakeholders as agreed between the Secretary of State and the Franchisee (or, in the absence of agreement, such Stakeholders as the Secretary of State shall determine) on the Initial Sustainable Development Plan in order to finalise (i) the key priority sustainable development areas specified in the Initial Sustainable Development Plan and (ii) the targets associated with such key priority sustainable development areas.</p> <p>18.3 The Franchisee shall revise the Initial Sustainable Development Plan to reflect such consultation and the Franchisee shall propose and agree a final version of the sustainable development plan with the Rail Safety and Standards Board and the Secretary of State by not later than 12 months after the Start Date. Such agreed plan shall be the Sustainable Development Plan for the purposes of the Franchise Agreement, provided that in the absence of agreement between the parties the Sustainable Development Plan shall be the plan determined by the Secretary of State (acting reasonably).</p> <p>18.4 The Franchisee shall 1 year after the Sustainable Development Plan is agreed in accordance with paragraph 18.3 above, and annually thereafter, provide to the Secretary of State a report showing:</p> <p>(a) progress against the targets in key priority sustainable development areas;</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Customer-driven</p> <p>Being transparent</p>	<p>External process</p> <p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>(b) progress on development of staff to ensure they have the skills and knowledge required to deliver a sustainable franchise;</p> <p>(c) proposed revisions to the Sustainable Development Plan (such revisions to include those revisions reflecting feedback and advice from stakeholders, and which have been consulted on with Rail Safety and Standards Board).</p> <p>18.5 Subject to the Secretary of State consenting to such amendments to the Sustainable Development Plan, such revised Sustainable Development Plan shall be the Sustainable Development Plan for the purposes of the Franchise Agreement.</p> <p>18.6 On request by the Secretary of State, the Franchisee shall publish (in such form as the Secretary of State may reasonably determine):</p> <p>(a) all or any part of its Sustainable Development Strategy; and/or</p> <p>(b) all or any of the information described in paragraphs 18.4(a), (b) and/or (c).</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Customer-driven</p> <p>Being transparent</p>	<p>External process</p> <p>Internal process</p>
<p>18.7 Rail Industry Sustainable Development Principles</p> <p>The Franchisee will have regard to the Rail Industry Sustainable Development Principles in the management and operation of the Franchise Services. For this purpose the Rail Industry Sustainable Development Principles are those published by Rail Safety and Standards Board in February 2009 as varied from time to time.</p>	<p>[all RSSB principles]</p>	<p>Principle</p>

Northern Rail notes

The figure for 'numerical target' doesn't include those targets which are to be included in future strategy (such as the sustainable development strategy). Instead, it is listed only as an internal strategy.

It is notable how comparatively small the number of initiatives directly applied to supporting the local economy are. Is this because it is difficult to numerically assess what such targets should be.

Annex C

ScotRail franchise agreement

<https://www.transport.gov.scot/media/2302/abellio-scotrail-redacted-franchise-agreement-web-version-revised-november-2016.pdf>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p1] Eight policy objectives for the Franchise Agreement are set out, including</p> <ul style="list-style-type: none"> - Improve accessibility to services and stations. 	Putting rail in reach of people	Principle
<p>SCHEDULE 1.4</p> <p>Passenger Facing Obligations</p> <p>[p60] Timetable Integration</p> <p>2.3. (a) The Franchisee shall work with other public transport operators to provide cross modal information at, as a minimum, Stations that are major interchanges;</p> <p>(b) The Franchisee shall use reasonable endeavours to identify, obtain and Publish timetable information of operations of other forms of public transport for which integrated ticketing is available with and/or which connect with Passenger Services as the Authority may nominate from time to time;</p> <p>(c) The Franchisee shall work in partnership with other Station Facility Owners to provide cross modal information at stations;</p> <p>(d) The Franchisee shall work with the operator of the Edinburgh Tram link and other relevant organisations to develop integration of service timetables, ticket integration and connectivity to the tram services; and</p> <p>(e) The Franchisee shall particularly in rural areas and areas where onward forms of public transport are less frequent work with other public transport operators to maximise public transport service timetable integration and cross connectivity.</p>	Putting rail in reach of people Providing an end to end journey	Internal process
<p>[p64] Communications and Marketing Strategy</p> <p>2.22. (b) The C&M Strategy shall seek to promote the diverse nature of Scotland’s rail routes, promote rural routes, Passenger Services, achieve the policy objectives [to] promote the benefits of cycling and the cycling facilities at Stations, promote rail travel as an environmentally friendly mode of transport and include specific fares and products, promotions and arrangements for Special Events;</p> <p>(e) The C&M Strategy shall be regularly reviewed (no less than annually) by the Franchisee and the Authority. The Franchisee shall also seek the view of Stakeholders such as Visit Scotland when reviewing and updating the C&M Strategy</p>	Providing an end to end journey Customer-driven	Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p73] 11. Car Parking at Stations</p> <p>11.1. As from the Franchise Commencement Date car parking charges at Stations shall not be increased from the level as they are at the date of this Agreement. Thereafter the Franchisee shall only be entitled to introduce or increase car parking charges at Stations with the prior consent of the Authority. Any such consent may, amongst other things, require:-</p> <p>(a) that any additional revenue from car parking charges is paid to the Authority; or</p> <p>(b) that it be re-invested at the direction of the Authority in facilities at Stations, including car parks; or</p> <p>(c) steps are taken to minimise the adverse impact of introducing or varying charges on rail demand.</p> <p>11.2. The Franchisee shall not reduce the number of car parking spaces at any Station without the prior consent of the Authority</p>	Putting rail in reach of people	Numerical target
<p>[p77] Alternative Transport and Website</p> <p>Stations Accessibility Information</p> <p>2. Subject to paragraph 4, where:</p> <p>(a) a passenger wants to travel on a Passenger Service; and</p> <p>(b) the design of the station at which the Passenger Service is to start, (the Departure Station) or finish (the Destination Station) or the then current operational status or condition of either station or facilities at the same or the trains deployed in providing the Passenger Services prevents the passenger from using that station on the intended date of travel to access or disembark from that Passenger Service, the Franchisee shall provide alternative transport for that passenger in accordance with paragraph 3.</p> <p>3. The Franchisee shall provide alternative transport for the passenger referred to in paragraph 2:</p> <p>(a) from the Departure Station to the next station at which the Passenger Service is scheduled to call and at which it is possible for the passenger to access that Passenger Service on the intended date of travel;</p> <p>(b) to the Destination Station, from the station closest to such station at which the Passenger Service is scheduled to call and which it is possible on the intended date of travel for the passenger to use to disembark from that Passenger Service; and/or</p> <p>(c) to or from such other station as the Franchisee may, having regard to the journey and the needs of the passenger, agree, and, in any case, at no cost additional to the price of the Fare which would otherwise be payable for the passenger's rail journey.</p> <p>4. The Franchisee's obligations under this Appendix 1 are subject to:</p> <p>(a) reasonable prior notice of the passenger's requirement for alternative transport; and</p> <p>(b) the availability of suitable alternative transport (provided that the Franchisee has used all reasonable endeavours to ensure that it has arrangements in place to meet requirements for the provision of such alternative transport).</p> <p>5. Where the Franchisee provides alternative transport for a passenger pursuant to paragraph 2, the Franchisee shall permit a carer for that passenger to accompany the passenger on the alternative transport at no cost additional to the price of the Fare which would otherwise be payable for the carer's rail journey.</p>	Customer-driven Putting rail in reach of people	Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p85] SCHEDULE 1.6 Committed Obligations includes Investors in diversity The Franchisee shall use reasonable endeavours to achieve:</p> <ul style="list-style-type: none"> a) the 'Investors in Diversity' stage 1 accreditation by 31st December 2016; b) the 'Investors in Diversity' stage 2 accreditation by 31st December 2017; and c) the 'Investors in Diversity' stage 3 (Leaders in Diversity) by 31st December 2018. <p>Centres of Excellence and the Abellio Academy The Franchisee shall establish Abellio Group centres of excellence in relation to SME working, Network Rail Alliance working and employee training becoming the location where policy and content is determined for the Abellio Group as a whole (the "Centres of Excellence") and its best practice and knowledge sharing function (the "Abellio Academy").</p> <p>The Centres of Excellence and the Abellio Academy shall be based in Scotland and employees from other Abellio Group train operating companies and transport companies shall be trained there. The Franchisee shall invite Network Rail and the Parent to have its relevant employees trained at the Centres of Excellence and the Abellio Academy. The Centres of Excellence and the Abellio Academy will serve as a forum for knowledge exchange and best practice development, allowing experiences from the UK and Dutch rail industries to be shared.</p> <p>At least 4 training or knowledge sharing events shall take place in each Franchisee Year at the Centres for Excellence and the Abellio Academy.</p>	<p>Being an employer of choice</p>	<p>External process</p>
<p>[p85] SCHEDULE 1.6 Committed Obligations includes 4.2 Stakeholder Advisory Panel The Franchisee will establish a Stakeholder Advisory Panel. This group will meet at least twice each year and will comprise a number of key stakeholders representing passenger watchdogs, rail user groups, business associations, mobility groups and Community Rail Partnerships. The first meeting of the Stakeholder Advisory Panel will take place no later than the 31st October 2015. The Franchisee shall deliver to the Authority agendas, minutes and reports for each meeting of the Stakeholder Advisory Panel. Stakeholder perception survey The Franchisee shall carry out and complete an annual stakeholder perception survey during each Franchisee Year. The survey will measure the quality and effectiveness of Franchisee's stakeholder management approach. The results of the survey will be shared with the Authority and other key stakeholders no later than one Reporting Period following the completion of the survey. Schools programme From the 1st October 2015, the Franchisee shall participate, in co-operation with Network Rail and the British Transport Police, in a schools programme. The programme will consist of at least 40 visits per year by Franchise Employees or partner organisations to schools throughout Scotland to raise awareness of the risks inherent in the railway environment.</p>	<p>Customer-driven Having a positive social impact Numerical target</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications [p105] Customer Experience Delivery Group</p> <p>The Franchisee shall establish a Customer Experience Delivery Group by the end of the first Franchisee Year. The Customer Experience Delivery Group will meet at least every three Reporting Periods and will comprise key internal and selected external stakeholders. The Customer Experience Delivery Group will be responsible for production and annual review of the Quality Plan. The Franchisee will provide a copy of all minutes and a report on the annual review of the Quality Plan to the Authority within one Reporting Period of the relevant meeting.</p> <p>The selected external stakeholders will include at least a representative from each of:</p> <ul style="list-style-type: none"> • Passenger's Council; • the Authority; • Network Rail; and • the Regional Transport Partnerships. 	Customer-driven	Internal process
<p>SCHEDULE 1.3 Additional Service Specifications [p106] On-line passenger panel</p> <p>On or before the end of the first Franchisee Year, the Franchisee will introduce an online passenger panel comprising at least 5000 Passenger Service users.</p> <p>The Franchisee shall use all reasonable endeavours to increase the membership of the panel to 10,000 members by the end of the second Franchisee Year.</p>	Customer-driven	Internal process
<p>SCHEDULE 1.3 Additional Service Specifications Schools Programme</p> <p>From 1st March 2016, the Franchisee shall introduce a schools programme. The programme will comprise at least two Franchisee Employees visiting 4 Scottish schools each month during the school term to promote the employment opportunities within the Franchisee.</p>	Having a positive social impact	Internal process Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 26.1 Community liaison executives</p> <p>On or before the 30th June 2015, the Franchisee shall create and fill four part time or two full time equivalent community liaison executive posts to be responsible for the development of Community Rail projects in Scotland.</p>	Having a positive social impact	Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications 26.3 Community ambassadors scheme</p> <p>From the Franchise Commencement Date, the Franchisee shall allocate at least [---REDACTED---] each Franchisee Year to be spent on supporting a community ambassador scheme.</p>	<p>Having a positive social impact</p>	<p>Funding</p>
<p>SCHEDULE 1.3 Additional Service Specifications 26.4 The Deal Campaign</p> <p>On or before the end of the first Franchisee Year, the Franchisee shall launch, Publish and promote the ScotRail Deal Campaign to recruit Community Rail Volunteers.</p> <p>During mobilisation, the Franchisee shall develop a campaign to promote the ScotRail Deal to encourage volunteering along the key Community Rail Partnership lines, and other lines identified as potentially benefitting from Station adoption. This will be accompanied by specific pages on the Website and Project Scotland’s website. Specific roles which the Franchisee will advertise are: Station Adopters, Community Rail Partnership members, and Community Ambassadors.</p> <p>The campaign will be launched 6 months after the Franchise Commencement Date. The community rail managers will hold volunteering recruitment sessions in either village halls, local Stations (if suitable), or hired space at leisure centres or local hotels. Other stakeholders (eg ACoRP, Community Councils, RTPs) will be invited to attend to encourage a joint approach from the outset.</p>	<p>Having a positive social impact</p>	<p>Internal process</p>
<p>SCHEDULE 1.3 Additional Service Specifications [p131] 30.2 Transport integration fund</p> <p>The Franchisee shall make available a fund of [---REDACTED---] for the first two Franchisee Years; [---REDACTED---] for the remaining Franchisee Years; to be spent in connection with the Franchisee’s work with the Transport Integration Group.</p>	<p>Providing an end to end journey</p>	<p>Funding</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications [p131] 30.3 Station Travel Plans</p> <p>On or before the end of the fourth Franchisee Year, the Franchisee shall work with Local Authorities to develop Station Travel Plans to deliver improved transport integration at 30 Stations.</p> <p>The Station Travel Plans shall be reviewed by the Franchisee and the relevant Local Authority on an annual basis for the remainder of the Franchise Term.</p> <p>The Franchisee shall use all reasonable to secure the active participation of the relevant Local Authority</p>	<p>Putting rail in reach of people</p> <p>Providing an end to end journey</p>	<p>Internal process</p>
<p>SCHEDULE 1.3 Additional Service Specifications 31.1 Stakeholder Equality Group</p> <p>On or before the 31st December 2015, the Franchisee shall establish a Stakeholder Equality Group. The Stakeholder Equality Group will meet every three Reporting Periods and be comprised of key external stakeholders and will be responsible for a programme of activities to monitor the level of use on the ScotRail network by people with reduced mobility. The product of the Stakeholder Equality Group's research and monitoring activities will be fed into the Franchisee's strategy for future improvement works at Stations and on Trains.</p> <p>The Franchisee shall allocate and spend [---REDACTED---] per annum on the Stakeholder Equality Group undertaking research and commissioning mystery shopping through member organisations to monitor performance of facilities and services and undertake access audits to gain greater understanding of the numbers of disabled people and elderly people using train services in Scotland and the quality of their journey experience.</p>	<p>Having a positive social impact</p>	<p>Internal process</p> <p>Funding</p>
<p>SCHEDULE 1.3 Additional Service Specifications [p140] 34.7 New homes initiative</p> <p>The Franchisee shall work closely with Homes for Scotland and the Authority to develop and implement a marketing strategy designed to ensure that individuals benefiting from the Authority's first time home buyer incentive schemes are aware of the benefits of using the Passenger Services. The Franchisee shall spend a fund of [---REDACTED---] to provide a free one month Season Ticket to households which have benefited from such an Authority scheme. Each household shall be entitled to one such Season Ticket.</p>	<p>Putting rail in reach of people</p>	<p>Internal process</p> <p>Funding</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p224] Station Improvement Projects and Station Improvement Fund</p> <p>3 Business Cases and Third Party Funding for Station Improvement Projects</p> <p>3.1 The Franchisee:</p> <p>3.1.1 shall, at its own cost, prepare business cases for the Eligible Station Projects which as a minimum must contain the following information:</p> <p>3.1.1.1 a detailed description of the proposed Eligible Station Project;</p> <p>3.1.1.2 a detailed description of the costs and benefits of the outcome of the Eligible Station Project including any additional commercial revenue and rental projected to be derived from the proposed Eligible Station Project;</p> <p>3.1.1.3 the schedule and programme of the proposed Eligible Station Project;</p> <p>3.1.1.4 a detailed schedule of the timing and value of withdrawals from the Fund Account necessary to fund the proposed Eligible Station Project or where it is not reasonably practicable for the Franchisee to provide such information at the time of submitting the Business Case, the Franchisee's proposal for determining the timing and value of withdrawals in advance of the commencement of the works to which they relate;</p> <p>3.1.1.5 any contingency fund reasonably required to mitigate the risk of cost-overruns, given the nature and risks associated with the proposed Eligible Station Project,;</p> <p>3.1.1.6 confirmation that necessary permissions and consents have been given, or are in the process of being sought and are likely to be granted prior to the date scheduled for commencement of the proposed Eligible Station Project;</p> <p>3.1.1.7 the Committed Obligation and Committed Obligation Payment Adjustment to be applied if the Franchisee fails to deliver the proposed Eligible Station Project.</p> <p>3.1.2 use all reasonable endeavours to secure third party funding for each Eligible Station Projects identified in a Business Case; and</p> <p>3.1.3 present each Business Case, and any offers of third party funding secured in relation to it, to the Authority for approval.</p>	<p>Putting rail in reach of people</p>	<p>Internal process Funding</p>
<p>[p280] SCHEDULE 4.2</p> <p>Persons with Disabilities and Disability Discrimination</p> <p>2.7 Minor Works Budget</p> <p>The Franchisee shall:</p> <p>(a) establish and manage the Minor Works Budget to fund the carrying out of Minor Works. For the purposes of this paragraph 2.7, Minor Works means small scale physical alterations or additions to improve accessibility of Stations to Disabled Persons, not involving substantial works of construction or reconstruction.</p>	<p>Putting rail in reach of people</p>	<p>Funding</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p576] SCHEDULE 13.3 Co-operation 5. Community Rail Partnerships 5.1 The Franchisee shall contribute from the Franchise Commencement Date to the expiry of the Franchise Term to Community Rail initiatives including covering funding for Community Rail Partnerships and Stations Community Regeneration Fund; (a) in the first Franchisee Year [---REDACTED---]; (b) in the second Franchisee Year an amount which is [---REDACTED---] x RPI; (c) in relation to each subsequent Franchisee Year an amount which is equal to the amount of the previous Franchisee Year, that is replacing x RPI, and for the purposes of this paragraph 5.1, RPI shall be the Retail Prices Index for the January which immediately precedes the commencement of the relevant Franchisee Year divided by the Retail Price Index for January 2015. 5.2 The Franchisee shall, at all times during the Franchise Term, participate in the relevant Community Rail Partnership's governance, funding and activities. 5.3 The Franchisee shall employ the equivalent one full time member of staff to assist with the creation, development and operation of Community Rail Partnerships. 5.4 The Franchisee shall manage and administer the Station Community Regeneration Fund in accordance with the SCRF Principles that can be used to (a) carry out structural repairs to disused buildings; and (b) meet up to half of the costs of fitting out disused buildings for their intended use.</p>	<p>Having a positive social impact</p>	<p>Internal process Funding</p>
<p>SCHEDULE 1.3 Additional Service Specifications [p63] 6. Engagement with Visit Scotland The Franchisee shall seek a meeting with Visit Scotland no less frequently than once every six months, to discuss tourism promotion matters, and shall provide the Authority with copies of meeting minutes and confirmation of matters arising and actions taken upon request.</p>	<p>Supporting the economy</p>	<p>External process</p>
<p>SCHEDULE 1.3 Additional Service Specifications [p97] Establishment of an integrated property management team with Network Rail</p>	<p>Putting rail in reach of people</p>	<p>External process</p>
<p>SCHEDULE 1.3 Additional Service Specifications 24.1 IIP Gold The Franchisee shall use reasonable endeavours to ensure that the Investors In People Gold accreditation is obtained by no later than 31st March 2017 and thereafter is maintained throughout the Franchise Term.</p>	<p>Being an employer of choice</p>	<p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications 24.2 Apprenticeships</p> <p>The Franchisee shall recruit at least 10 apprentices each Franchisee Year during the Franchise Term. The apprenticeships will be as follows:</p> <ul style="list-style-type: none"> • 4 in in engineering lasting not less than 48 months • 2 in customer services lasting not less than 18 months, • 2 in tourism lasting not less than 18 months and • 2 in hospitality lasting not less than 18 months <p>All apprentices will also be offered the opportunity to complete the Duke of Edinburgh Scheme Gold Award. All apprentices shall be Franchise Employees.</p>	<p>Being an employer of choice Supporting the economy</p>	<p>Internal process Numerical target</p>
<p>SCHEDULE 1.3 Additional Service Specifications 24.4 Equality as a core competency</p> <p>On or before the 31st October 2015, the Franchisee shall make equality, inclusion and diversity a core part of the regular appraisal process for all</p>	<p>Being an employer of choice</p>	<p>Principle</p>
<p>SCHEDULE 1.3 Additional Service Specifications Franchise Employees.</p> <p>24.5 Soft Skills training for all managers and supervisors on or before the 31st March 2016, the Franchisee shall introduce a soft skills training programme for all managers and supervisors. The Franchisee shall also procure that all managers and supervisors have had an opportunity to attend the soft skills training programme.</p>	<p>Being an employer of choice</p>	<p>Internal process</p>
<p>SCHEDULE 1.3 Additional Service Specifications 24.6 Learning and Development prospectus</p> <p>The Franchisee shall ensure a learning and development prospectus is provided to every Franchise Employee within the first Franchisee Year.</p>	<p>Being an employer of choice</p>	<p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications 24.7 Inspire training programme</p> <p>On or before the end of the second Franchisee Year, the Franchisee shall deliver 420 interactive development workshops to all Franchise Employees. Such training shall be delivered by an external training partner and shall include bespoke training sessions for directors, line-managers and front-line Franchise Employees.</p> <p>Every two Franchisee Years following the first round of training detailed above, the Franchisee shall deliver refresher workshops for at least all managers and team leaders.</p> <p>On or before the 31st December 2017, the Franchisee shall use all reasonable endeavours to ensure the Inspire programme is accredited to SCFQ level 2 standard. Each Franchise Employee participating in such training once the programme is accredited will receive an SVQ in Customer Services.</p>	Being an employer of choice	Internal process Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications [p117] 24.13 Scottish Business in the Community Scheme</p> <p>From the Franchise Commencement Date, the Franchisee shall be a member of the Scottish Business in the Community Scheme and allow every Franchise Employee to be released for one day per annum to take part in a community project organised pursuant to the Scottish Business in the Community Scheme.</p> <p>The Franchisee shall nominate itself for the BiTC Big Tick Award during 2017. The Franchisee shall also nominate itself for Volunteering Company of the Year Award during 2019.</p> <p>From the Franchise Commencement Date, the Franchisee shall place two of its customer apprentices with Scottish Business in the Community during each Franchisee Year for a period of 3 months.</p>	Having a positive social impact	External process
<p>SCHEDULE 1.3 Additional Service Specifications 24.20 Intern programme</p> <p>From 1st September 2015, the Franchisee shall offer at least 2 six-month placements per Franchisee Year to graduate interns.</p>	Being an employer of choice	Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 24.15 Certificate of Work Readiness</p> <p>From 1st August 2015, the Franchisee shall offer at least 5 school leavers each year the opportunity to complete a certificate of work readiness while completing a 5 to 6 week work placement.</p>	Being an employer of choice	Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications 24.16 Training facilities available to charities</p> <p>From 1st October 2015 and throughout the remainder of the Franchise Term, the Franchisee shall, so far as is reasonably practicable, make its training facilities available to local charities free of charge on request.</p> <p>At least once every three Reporting Periods the Franchisee shall Publish, promote and hold a train simulator open day from which all proceeds will be paid to a local charity.</p>	Being an employer of choice	Internal process
<p>SCHEDULE 1.3 Additional Service Specifications 24.17 Training for Scottish Veterans</p> <p>From the 1st June 2016, the Franchisee shall offer free courses in CV writing and interview skills to at least 100 Scottish veterans who are registered with the Scottish Association for Mental Health or Poppy Scotland.</p>	Being an employer of choice	Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 24.18 Training for Scottish prisoners</p> <p>From 1st June 2016, the Franchisee shall:</p> <p>a) Make at least two visits per year to Scottish prisons to provide recruitment and selection workshops; and</p> <p>b) Make available at least 5 work placements for newly released exoffenders.</p>	Being an employer of choice	Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 24.19 Reduced Fares for job-seekers</p> <p>On the Franchise Commencement Date, the Franchisee shall launch a scheme which will allow unemployed job seekers who are not in full-time education the opportunity to receive:</p> <p>a) a maximum of 2 free Return Fares each month for the sole purpose of enabling travel to and from job interviews; and</p> <p>b) a maximum of one free monthly Season Ticket if they are successful in securing a job, subject to the job seeker meeting such reasonable eligibility criteria as are specified by the Franchisee for such tickets and are necessary to avoid fraudulent use.</p>	Supporting the economy Having a positive social impact	Internal process Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications [p118] 25.2 Community benefit clauses</p> <p>From the Franchise Commencement Date, the Franchisee shall use all reasonable endeavours to ensure that eligible contracts with large suppliers contain provision requiring them to contract with SMEs.</p>	Supporting the economy	Principle
<p>SCHEDULE 1.3 Additional Service Specifications [p119] 25.6 Borders Rail sustainable development enterprise</p> <p>No later than 30th September 2015, the Franchisee shall establish a sustainable development enterprise for the Borders Railway Project. The enterprise will promote Stations and Passenger Services to local residents and influence development around the railway by local developers. The Franchisee shall carry out a review of the Borders Rail sustainable development enterprise with review dates of 31st December 2017 and 31st December 2019 and results of the reviews being shared with the Authority within 4 Reporting Periods of such review date.</p>	Supporting the economy	Internal process
<p>[p576] SCHEDULE 13.3 Co-operation 7. Small and Medium-sized Enterprises</p> <p>7.1 the Franchisee shall at all times keep accurate and complete records of its contracts with, as to type and value, and interaction with SMEs in delivering the Franchise Services.</p> <p>7.2 By no later than 31 January in each year (and within one month of the end of the Franchise Period) the Franchisee shall deliver to the Authority a breakdown of the number of SMEs, and type and value of the contract the Franchisee has so contracted with in providing the Franchise Services during the calendar year (or part thereof) which ended on the immediately preceding 31 December or at the end of the Franchise Period (as applicable).</p>	Supporting the economy	Principle

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p579] APPENDIX TO SCHEDULE 13.3</p> <p>SCRF Principles</p> <p>Aim</p> <p>This scheme aims to make use of disused station buildings as either:</p> <ul style="list-style-type: none"> - a business meeting passenger or community needs - a community project which contributes to the local community <p>The SCRF will create conditions where passengers will benefit from improved facilities at stations, redundant buildings will be brought back into use, and new opportunities for job creation and community involvement will be opened up.</p> <p>Parties are to be requested to apply for funding Applications are to be sought for funding towards a contribution towards set-up costs for ideas that would make use of a disused station building.</p> <p>Is there a funding cap?</p> <p>There is no upper limit for individual schemes. The scheme would not expect to be used for proposals which require less than £5,000. Any application seeking funding of £75,000 or more must be supported by a feasibility study which will be assessed for its strengths and weaknesses but which will not be included in the evaluation process. Approval of requests for funding on this scale will be put to the Authority for a final decision.</p> <p>Assessment Criteria</p> <p>Applications are to be assessed against the following criteria:</p> <ol style="list-style-type: none"> 1. Proposal details - ensuring a fit between the proposed project and the building 2. Local fit - giving assurance the proposal works in partnership with or complements other local organisations 3. Market - showing that an evidence base exists and there is a need or market for the proposal 4. Outcome - targets and benefits expected as a result of the proposal 	<p>Having a positive social impact</p> <p>Supporting the economy</p>	<p>Funding</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p583] 11. Living Wage</p> <p>11.1 The Franchisee shall:</p> <p>(a) ensure that all employees of the Franchisee who as at the Franchise Commencement Date are paid at least the Living Wage continue to be paid at least the Living Wage;</p> <p>(b) without prejudice to paragraph 11.1(a) ensure that by no later than three months after the Franchise Commencement Date all employees of the Franchisee from time to time are paid at least the Living Wage;</p> <p>(c) by no later than the end of the first Franchisee Year, use reasonable endeavours to procure that all other Franchise Employees are paid at least the Living Wage;</p> <p>(c) by no later than the end of the first Franchisee Year, use reasonable endeavours to procure that all employees in the United Kingdom of subcontractors and suppliers to the Franchisee are paid at least the Living Wage; and</p> <p>(d) ensure that from the date of this Agreement the requirement to pay all employees in the United Kingdom at least the Living Wage is included in all procurements undertaken by or on behalf of the Franchisee and is included in all sub-contracts and supply contracts entered into by the Franchisee.</p> <p>11.2 In paragraph 11.1, "Living Wage" means the amount of remuneration with that name calculated and set annually as relevant to Scotland by the Centre for Research in Social Policy at Loughborough University, or such alternative amount of remuneration as is required to cover the basic cost of living in Scotland as may be proposed by the Franchisee to the Authority for its approval</p>	Being an employer of choice	Principle
<p>[p1] Eight policy objectives for the Franchise Agreement are set out, including</p> <p>- Improve environmental performance</p>	Reducing our environmental impact	Principle
<p>[p64] Communications and Marketing Strategy</p> <p>2.22. (b) The C&M Strategy shall seek to promote the diverse nature of Scotland's rail routes, promote rural routes, Passenger Services, achieve the policy objectives [to] promote the benefits of cycling and the cycling facilities at Stations, promote rail travel as an environmentally friendly mode of transport and include specific fares and products, promotions and arrangements for Special Events;</p>	Reducing our environmental impact	Principle Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p71] 9. Bicycles</p> <p>9.1. The Franchisee shall, so far as is reasonably practical and subject to the availability of appropriate space on any rolling stock vehicles in the Train Fleet, ensure that reasonable facilities for the transport of bicycles on such rolling stock vehicles are made available, to passengers using the Passenger Services. The Franchisee shall not, without the prior consent of the Authority impose additional charges for making a reservation for the transport of bicycles on Passenger Services.</p> <p>9.2. The Franchisee shall install a minimum of 215 bicycle storage spaces per annum at Stations. In respect of the requirement for spaces for Franchisee Years one to three the Franchisee shall provide these through delivery of Committed Obligation reference 30.13. In respect of the remaining Franchisee Years the Franchisee shall propose to the Authority, for its approval, the specific Stations in relation to which the obligation will be delivered together with the rationale for that selection.</p> <p>9.3. The Franchisee shall, retain, maintain and renew when necessary the existing facilities to enable the secure storage of bicycles at Stations.</p> <p>9.4. The Franchisee shall not introduce charges for the use of the bicycle storage facilities at Stations where such facilities exist as at the Franchise Commencement Date. Thereafter the Franchisee shall only be entitled to introduce charges for improved bicycle storage facilities or additional services in relation to bicycle storage. Any such charges, if introduced, shall be reasonable or at nil cost to passengers using the Passenger Services.</p> <p>9.5. The Franchisee shall not, except to the extent the Authority otherwise agrees, cease to provide the level of facilities for the carriage and storage of bicycles on the rolling stock vehicles used in the provision of the Passenger Services as referred to in Train Fleet Table 3.</p> <p>9.6. Except to the extent that the Authority otherwise agrees having regard to, amongst other things, the likely use of such facilities (such agreement not to be unreasonably withheld), any new rolling stock vehicles which are procured directly or indirectly by the Franchisee shall include reasonable facilities for the carriage and storage of bicycles.</p> <p>9.7. Notwithstanding any of the above, the Franchisee shall not be in contravention of any of its obligations under this paragraph 9 if the reason for its failure to comply with any such obligation is the use by it on any particular occasion of some or all space otherwise available to cyclists and/or bicycles for the carriage and/or accommodation of wheelchairs and/or prams or infant buggies, and/or wheelchair users and/or those passengers travelling with such wheelchair users or infants. The on-train policy at the Franchise Commencement Date shall be preserved.</p> <p>9.8. The Franchisee shall ensure that staff are fully aware of cycle capacity and policies at Stations and on trains and that staff performance in this regard is monitored to ensure that cyclists are advised and accommodated appropriately.</p> <p>9.9. The Franchisee shall ensure that free reservations for the carriage of cycles on trains shall be capable of being booked through a dedicated phone number.</p> <p>9.10. The Franchisee shall throughout the Franchise Term through its Transport Integration Manager:</p> <p>(a) liaise with potential partners such as Local Authorities to develop marketing strategies and shall seek Public Transport Fund grants to improve cycle parking facilities at Stations further; and</p> <p>(b) use all reasonable endeavours to work with local businesses and cycle event organisers to promote and facilitate more, and greater use of, cycling facilities at Stations including co-operation with cycle hire schemes and promotional schemes for passengers.</p>	<p>Providing an end to end journey</p> <p>Reducing our environmental impact</p>	<p>Principle</p> <p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>9.11. The Franchisee shall establish and implement procedures necessary to:-</p> <p>(a) monitor and record the use of bicycle facilities at Stations and on trains;</p> <p>(b) provide such records in a readily accessible format to the Authority on its request; the Franchisee and the Authority shall be entitled to share such records with interested parties.</p> <p>9.12. In determining the extent of any refurbishment of Stations which is to be procured directly or indirectly by the Franchisee, the Franchisee shall consider what additional facilities for bicycle storage can be included in the said refurbishment provided the Franchisee is satisfied that there is an increased demand for and thus a requirement for such additional facilities.</p> <p>9.13. The Franchisee shall:</p> <p>(a) deliver to the Authority on or before the Franchise Commencement Date the Cycle Innovation Plan. The Cycle Innovation Plan shall incorporate:</p> <p>(i) innovation ideas that will enable more bicycles to be conveyed by train to destinations offering cycling experiences;</p> <p>(ii) details of the partnership working with local organisations and businesses to ensure that rail can fully contribute in enabling Scotland to offer a greater cycle experience for both residents and visitors;</p> <p>(iii) a programme for delivery of the initiatives detailed therein; and</p> <p>(b) deliver a report at least once every 13 Reporting Periods during the Franchise Term (the first such report no later than the end of the 13th Reporting Period following the Franchise Commencement Date) providing the Franchisee's own assessment of the Franchisee's performance of its obligations in terms of the Cycle Innovation Plan and any additional actions taken by the Franchisee in respect of cycle innovation.</p>	<p>Providing an end to end journey</p> <p>Reducing our environmental impact</p>	<p>Principle</p> <p>Numerical target</p>
<p>[p85] SCHEDULE 1.6</p> <p>Committed Obligations includes</p> <p>[p92] Transmission trial</p> <p>On or before the 31st December 2017, the Franchisee shall fit a ZF eco-mat transmission to a Class 158 Unit in a trial to assess environmental and technical benefits. The trial will continue for at least 13 Reporting Periods. The Franchisee shall share the results of this trial with the Authority and other key stakeholders.</p>	<p>Carbon smart</p> <p>Being transparent</p>	<p>Internal process</p>
<p>10.1 Climate change adaptation strategy</p> <p>On or before 31st March 2016, the Franchisee shall produce a climate change adaptation strategy which will set out the actions the Franchisee will take to mitigate the identified risks to Franchise Services created by climate change. The strategy will be Published on the Website, implemented and reviewed annually to ensure it remains fit for purpose.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Being transparent</p>	<p>Internal process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications [p112] 23.1 Environmental management systems</p> <p>The Franchise shall use all reasonable endeavours to ensure that it achieves accreditation to the updated ISO 14001 standard before the end of the first Franchisee Year.</p>	Reducing our environmental impact	External process
<p>SCHEDULE 1.3 Additional Service Specifications 23.2 Sustainability innovation fund</p> <p>From the Franchise Commencement Date, the Franchisee shall allocate [---REDACTED---] to be spent on research and development of innovative solutions to environmental issues in the railway environment which will include, but will not be limited to, research into innovative solutions to key sustainability, issues relating to carbon reduction, energy use reduction and the reduction of waste sent to landfill. All proposed research and development projects will be assessed by a panel including representatives of the Authority, Network Rail, Resource Efficient Scotland and Zero Waste Scotland.</p> <p>In addition, four initial research projects shall be carried out by the Franchisee, which are (1) the feasibility of using biobutane to resolve the cold weather operation issues for biodiesel; (2) trialling new smart meters to achieve additional benefit from fitment of Automated Meter Reading system to low energy use sites; (3) finding solutions to waste issues, including behaviour change and hard to recycle waste streams; and (4) using thin film lightweight solar PV technology in areas lacking the structural strength to support traditional PV.</p>	Reducing our environmental impact	Fund
<p>SCHEDULE 1.3 Additional Service Specifications 23.3 Corporate Social Responsibility Report</p> <p>The Franchisee shall Publish a corporate and social responsibility report each Franchisee Year during the Franchise Term. The Report will show the Franchisee's progress in achieving its sustainability targets, in particular those associated with reductions in energy use, carbon and waste. The Report will be Published on the Website by no later than the end of each Franchisee Year.</p>	<p>Reducing our environmental impact</p> <p>Carbon smart</p> <p>Being transparent</p>	Internal process
<p>SCHEDULE 1.3 Additional Service Specifications 23.4 Energy audit</p> <p>The Franchisee shall carry out an audit of energy used by the Franchisee, per Reporting Period and per location and use the results of the audit to agree baselines from which energy use per passenger kilometre shall be reduced over the Franchise Term on or before the end of the first Franchisee Year. The methodology for carrying out the audit shall be submitted to the Authority by no later than 4 Reporting Periods after the Franchise Commencement Date.</p>	Carbon smart	Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications</p> <p>23.5 Carbon and Energy Strategy</p> <p>On or before 20th September 2016, the Franchisee shall Publish a carbon and energy strategy document detailing its approach to reducing energy consumption and carbon emissions across the Franchise Services.</p> <p>23.6 Reduction in fuel consumption per passenger kilometre</p> <p>The Franchisee shall achieve the reductions in diesel/electricity use per passenger kilometre (from a benchmark set on or before the Franchise Commencement Date) which are set out in the table below:</p> <p>REDUCTION TO BE ACHIEVED (%)</p> <p>30th April 2018 1 30th April 2021 3 31st March 2025 5</p> <p>The benchmark shall be calculated by dividing the total consumed electricity and diesel (Kw/H) for traction by passenger kilometres travelled (taking into account the impact of regenerative braking). All numbers will be on an annual basis, and included in the Franchisee's published annual accounts from which they will be drawn for these purposes.</p> <p>Diesel usage will be converted to Kw/H at a rate of 11.1 Kw/H per litre of diesel.</p>	<p>Carbon smart Being transparent</p>	<p>Internal process Numerical target</p>
<p>SCHEDULE 1.3 Additional Service Specifications</p> <p>23.7 Reduce non-traction energy use</p> <p>The Franchisee shall achieve the reductions in non-traction energy use (from a benchmark set on or before the Franchise Commencement Date) which are set out in the table below.</p> <p>REDUCTION TO BE ACHIEVED (%)</p> <p>30th April 2018 4 30th April 2021 7 31st March 2025 10</p> <p>For the purpose of this Committed Obligation, when comparing actual nontraction energy use to the benchmark:</p> <p>1) the energy usage of any New Stations, and</p> <p>2) the additional energy requirements associated with any Qualifying Change, shall be excluded from the usage which is compared to the benchmark. The benchmark usage shall be calculated by reducing the total energy consumption of the Franchisee (Kw/H) by the amount used for traction, and deducting from that figure the energy consumption of the Franchisee which is subject to re-charge by the Franchisee to third parties. All numbers will be on an annual basis, and included in the Franchisee's published annual accounts from which they will be drawn for these purposes.</p>	<p>Carbon smart Being transparent</p>	<p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications 23.8 Better waste management</p> <p>On or before the end of the seventh Franchisee Year, the Franchisee shall reduce the proportion of waste sent to landfill by 25% from a benchmark set on or before the Franchise Commencement Date.</p>	Reducing our environmental impact	Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 23.9 Environmental awareness training</p> <p>All new Franchise Employees will receive an environment and sustainability induction within 3 months of joining. On or before 31st December 2017, the Franchisee shall ensure that all Franchise Employees, including directors, have received such environmental awareness training.</p> <p>Green champions in each Business Unit will train towards National Vocational Qualification (NVQ) Environmental Principles and Practice.</p>	Reducing our environmental impact	Internal process
<p>SCHEDULE 1.3 Additional Service Specifications 23.10 Sustainable procurement policy</p> <p>The Franchisee shall:</p> <p>(a) on or before 31st July 2016, attain assurance to level 3 of the framework for sustainable procurement in accordance with the BS8903 standard or equivalent standard; and</p> <p>(b) on or before 31st January 2018, attain assurance to level 4 of the framework for sustainable procurement in accordance with the BS8903 standard or equivalent standard.</p>	Reducing our environmental impact	External process
<p>SCHEDULE 1.3 Additional Service Specifications 26.2 Station Biodiversity fund</p> <p>From the Franchise Commencement Date, the Franchisee shall allocate [--- REDACTED---] per Franchisee Year to be spent on biodiversity research or planting projects at Stations which are in close proximity to natural heritage and nature reserves across a wide geographical area.</p>	Reducing our environmental impact	Fund

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications [p133] 30.12 Electric Car Charging Bays</p> <p>On or before the end of November 2017, the Franchisee shall ensure there are at least two electric car charging bays in each of at least 50 Station car parks. The locations will be chosen based on evidence and feedback from the Authority and other key stakeholders and market conditions.</p> <p>The Franchisee shall promote low emission car usage by offering lower parking tariffs with discounts of up to 15% to customers with Low Emission Vehicles.</p>	Carbon smart	Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 30.13 Cycle spaces</p> <p>Without prejudice to Paragraph 9.2 of Schedule 1.4 to this Agreement, on or before the end of the third Franchisee Year, the Franchisee shall install 3500 extra cycle spaces at stations. Such spaces shall include the following:- [lists large number of stations] Total 725 1513</p> <p>The remaining locations will be chosen based on evidence and feedback from the Authority and other key stakeholders and market conditions. No later than 1st September 2015, the Franchisee shall provide to the Authority its updated programme of installation of the 3,500 bicycle storage spaces specifying the number of spaces to be installed by location, the type of bicycle storage facility to be installed at each location and by what date the installation shall be completed to cover each Franchisee Year in the Franchise Term for the Authority's approval. The Franchisee shall make any changes to the programme that the Authority may request. The Authority will have a final right of approval over the location of such spaces.</p>	<p>Providing an end to end journey</p> <p>Reducing our environmental impact</p>	Numerical target
<p>SCHEDULE 1.3 Additional Service Specifications 30.14 Cyclepoints</p> <p>Subject only to the consent of Network Rail and other relevant property owners, on or before the end of the third Franchisee Year, the Franchisee shall install a cyclepoint at Glasgow Central station, Edinburgh Waverley station and Stirling Station.</p> <p>For the purposes of this Committed Obligation, a cyclepoint shall be defined as a cycle parking facility with a mix of free and paid for secure storage.</p>	<p>Providing an end to end journey</p> <p>Reducing our environmental impact</p>	Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>SCHEDULE 1.3 Additional Service Specifications 30.15 Bike & Go Facilities</p> <p>Subject only to the consent of Network Rail (where required) on or before the end of the second Franchisee Year, the Franchisee shall use all reasonable endeavours to introduce 'Bike & Go' Facilities in at least 10 of the stations listed below. [Total 25 locations]</p> <p>The Franchisee's Bike & Go facilities branding in Scotland shall be cobranded with ScotRail branding or another Scottish government or Local Authority brand of the Authority's choice.</p> <p>The Franchisee shall also procure subject to Local Authority matched funding, that accessible cycles including hand cycles, recumbent bikes and trikes shall be available for hire.</p>	<p>Providing an end to end journey</p> <p>Reducing our environmental impact</p>	<p>Numerical target</p>
<p>4.6 Noise and Vibration</p> <p>Noise generated by railway operations can be a source of annoyance to neighbours of the railway and the minimisation and control of noise is important. In addition to the general requirement for compliance with the TTS, consideration needs to be given to the requirements in respect of exterior noise and noise measurement guidance in the Noise-TSI.</p> <p>4.6.1 Each Unit shall comply with the requirements of the Noise Technical Standard for Interoperability.</p> <p>4.6.2 The Franchisee shall ensure that when the Rolling Stock is stationary, with pantograph up and auxiliary systems (including air conditioning) running and all doors closed, noise levels measured inside the Vehicles at every seat location shall not exceed 65dB(A) averaged over 15 seconds at the average height of a seated passenger's head.</p> <p>4.6.3 The Franchisee shall ensure that when running under conditions of power or braking, noise levels at every seated position, measured inside the Vehicles shall not exceed 74dB(A) averaged over 15 seconds at 1.2m from the floor at all speeds up to 160 km/h. This measurement shall be in accordance with Euronorm prEN3381 and take place on the Operational Routes on a track maintained in accordance with RGS.</p>	<p>Reducing our environmental impact</p>	<p>Numerical target</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p317] 4.12 Energy Efficiency</p> <p>The Scottish Government is committed to reducing the energy demand of train fleets operating on the Scottish Rail Network, to reduce energy and minimise impacts on the environment. A Description of how energy efficiency is, or will be optimised for key areas during the Unit design is required as part of the Technical Response.</p> <p>4.12.1 The Franchisee shall ensure that the Rolling Stock is designed to optimise energy efficiency.</p> <p>4.12.2 The Franchisee shall ensure that the Rolling Stock as a minimum includes a “Sleep Mode” to reduce auxiliary load during stabling. This shall automatically switch off all non-essential auxiliary loads (e.g. reduced lighting, reduced/no heating) and include the requisite logic to allow maintenance and servicing of the Rolling Stock.</p> <p>It is the intention that billing for energy consumed by trains on Scottish Electrified AC Network shall be based on measurements of actual electricity consumption. In addition to EN50463, GM/RT2132 On-board Energy Metering for Billing Purposes is an applicable standard.</p> <p>4.12.3 The Franchisee shall ensure that the Rolling Stock shall be supplied with an operational metering system accepted by Network Rail as compliant with applicable standards and certificated to permit immediate use by the Operator.</p> <p>4.12.4 The Franchisee shall ensure that the Rolling Stock shall be fitted with onboard energy consumption meters capable of sampling no less than every 30 seconds the overall electricity consumption to within +/-1.5 % accuracy as required by GMRT2132.</p> <p>4.12.5 The Franchisee shall ensure that the Rolling Stock shall include a feedback indication to the Driver of the energy used. The Driver Advisory System to be developed by the Manufacturer shall reflect UK Rail industry best practice. The information to be provided shall include, as a minimum:</p> <p>(a) Actual Unit running against timetable; and</p> <p>(b) Target speed to maintain timetable slot while optimising energy consumption.</p>	Carbon smart	Principle Internal process Numerical target

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>[p549] 5. Environment commitments and standards</p> <p>ISO 14001 and ISO150001 Environmental Accreditation and other systems</p> <p>5.1 The Franchisee shall operate an environmental management system, the standard of which shall comply with ISO 14001, EMAS or BS8900 accreditation status by the first anniversary of the Franchise Commencement Date and thereafter take all steps necessary to maintain such standard during the Franchise Term.</p> <p>5.2 The Franchisee shall operate an energy management system, the standard of which shall comply with ISO 15001 accreditation status by the first anniversary of the Franchise Commencement Date and thereafter take all steps necessary to maintain such standard during the Franchise Term.</p> <p>5.3 The Franchisee shall, in so far as not covered by paragraphs 5.1 and 5.2, put in place systems to monitor the Franchisee's : -</p> <p>(a) energy consumption from traction and non-traction operations;</p> <p>(b) carbon dioxide equivalent emissions from traction and non-traction operations; and</p> <p>(c) waste to landfill.</p> <p>5.4 The Franchisee shall ensure that there are adequate levels of staffing and management with responsibility to improve the Franchisee's environmental performance.</p> <p>5.5 The Franchisee shall comply with all rail industry protocols with regard to reporting energy consumption and carbon dioxide equivalent emissions to the ORR and Network Rail.</p> <p>5.6 The Franchisee shall Publish annual progress statements on the overall environmental performance of the Franchise (such shall include as a minimum energy consumption and carbon dioxide equivalent emissions and waste that went to landfill from Franchise Services).</p> <p>5.7 The Franchisee shall ensure all New Stations or new Depots deliver, where practicable, at least an "excellent" rating using BREEAM.</p>	<p>Reducing our environmental impact</p> <p>Being transparent</p>	<p>External process</p>

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Regenerative braking</p> <p>5.10 The Franchisee shall use regenerative braking to reduce energy consumption and CO2 emissions where this is part of the standard equipment on the train and the line the train is operating on is capable of accepting regenerative output.</p> <p>Energy consumption and emissions reporting</p> <p>5.11 The Franchisee shall</p> <p>(a) with such frequency as the Authority may require, but in any event monthly, report to the Authority on the energy consumption and carbon dioxide equivalent emissions of the delivery of Franchise Services and energy efficiency and environmental performance, by the provision of such information in such format as is compatible with the Authority's Carbon Management System may reasonably require. Such reports shall include:</p> <p>(i) details of the unit numbers that are not using regenerative braking, the period for which it will not be in use and the reasons why it is not in use;</p> <p>(ii) actual energy consumption, emission and environmental performance against targets; and</p> <p>(iii) measures for monitoring diesel consumption to assist energy efficiency, reduce costs and carbon emissions, inform maintenance and driver training strategies and prevent spillages;</p> <p>(b) ensure:</p> <p>(i) energy metering equipment is fitted to all electric rolling stock;</p> <p>(ii) energy metering equipment is fitted at all Stations and Depots;</p> <p>(iii) all train drivers are trained in eco-driving techniques and that systems are put in place to ensure that these techniques are applied;</p> <p>(iv) the fitment of appropriate Driver Advisory Systems;</p> <p>(v) through working with Network Rail, that the Franchisee takes into account energy efficiency in timetable preparation and stabling arrangements;</p> <p>(vi) intelligent control of train auxiliary/ hotel loads in service and when stabled;</p> <p>(vii) investment is made in energy efficiency at Stations and Depots; and</p> <p>(viii) existing micro-generation facilities at Stations and Depots are preserved and maintained.</p>	Carbon smart	Internal process

Franchise agreement measure	RSSB SD principle	Type of intervention
<p>Waste</p> <p>5.13 The Franchisee shall:</p> <p>(a) implement relevant systems to ensure that waste is recovered and disposed of without endangering human health or causing harm to the environment; and</p> <p>(b) put mechanisms in place to achieve and monitor progress in reducing the waste the Franchisee sends to landfill from the Franchise Services.</p>	Reducing our environmental impact	Internal process
<p>Sustainability</p> <p>5.14 The Franchisee shall develop and implement a sustainable procurement policy to:</p> <p>(a) reduce the environmental impact of goods and services procured to support the operation of the Franchise Services;</p> <p>(b) embed environmental and sustainability management across the Franchise Services;</p> <p>(c) consider how this will provide financial savings; and the Franchisee shall consider operating an accredited management system in regard to sustainable procurement such as BS8903.</p>	Reducing our environmental impact	Internal process

[p478] APPENDIX TO SCHEDULE 9.3

Incentivising Long-Term Investment This only related to the objectives to

- (a) improve the efficiency;
- (b) reduce the cost; and
- (c) enhance the revenue earning potential of the delivery of services to passengers,

No sustainable development-related investments are included.

Annex D

Evolution of franchising policy

Early years 1993-1997

The initial focus of franchising was on reducing subsidy for railway activities with the first rail franchises let on a purely cost basis. Those bids which were able to meet the minimum services requirement at lowest cost to the public purse won the franchise. While research suggests this was initially successful in reducing subsidy through high level of competition, http://eprints.whiterose.ac.uk/2477/2/Passenger_Rail_Franchising_secure.pdf no active benefit to environment, local economy or communities was sought through the franchising process.

Labour Government 1997-2000

A change of Government in 1997 brought a different approach to rail. The 1998 Transport White Paper (A New deal for Transport: Better for everyone (1998) http://webarchive.nationalarchives.gov.uk/20100303184715/http://www.dft.gov.uk/adobepdf/187604/A_new_deal_for_transport_be1.pdf) promised a new policy environment that “put the passenger first” [p37] and brought investment intended to expand the rail market. The emphasis on quality was interpreted as increasing service frequencies, reducing overcrowding and measures to encourage new passengers onto the railways.

The subsequent Transport Act 2000 was based around a vision of an integrated transport network with high levels of public transport usage. Specific changes for rail aimed to provide a better framework for strategic planning of transport, means of incentivising private sector investment and reducing impact on the environment.

The Act formally established the Strategic Rail Authority (SRA) to oversee franchising and strategic planning of major projects. From 2001, the SRA's work led to a broadening of the outputs expected of passenger franchises. These changes were captured in Transport 2010, a ten-year plan to create a more integrated transport network, published by the Department of the Environment, Transport and the Regions in 2000. This described the role of the SRA as to “decide what quality and capacity improvements are needed. [The SRA] will procure them, for example, from train operators when replacing existing passenger franchises or by contracting with Railtrack for new infrastructure. The SRA will monitor delivery of these obligations on behalf of passengers and taxpayers, and be empowered to take swift action if train operators are found wanting. The SRA will work to directions and guidance from Ministers to provide a bigger and better railway.”

The Transport Ten Year Plan, 2000 DETR, p10 <https://www.injuryobservatory.net/wp-content/uploads/2012/09/Road-Strategy-2000-Transport-10-Year-Plan.pdf>

Post-Hatfield

However, the aftermath of the Hatfield rail crash (2000) and Railtrack's entry into administration (2001) brought unresolved questions about management of rail to a head. The Office of Rail Regulation (now the Office of Rail and Road (ORR)) was established via the Railways and Transport Safety Act 2003, replacing the Rail Regulator.

In 2004, the abolition of the SRA was announced and the subsequent Railways Act of 2005 transferred the majority of its functions to a new Rail Group within the DfT, to Network Rail (NR) and the new ORR.

The establishment of the Rail Group in the DfT took place in 2005. It drew on Select Committee recommendations and was carried out to create a single point of Government control over the level of public funding for the railways;

“In future, therefore, the Government will decide the level of public funding for the railways, and will consider in consultation with the ORR the levels of capacity and reliability that it wants the railway to provide from that budget, whilst meeting its commitments on safety.”

http://webarchive.nationalarchives.gov.uk/20050301192906/http://dft.gov.uk/stellent/groups/dft_railways/documents/pdf/dft_railways_pdf_031105.pdf

The 2005 Act also formally recognised the benefits of an effective, efficient and well-used rail network in supporting the economy (foreword and elsewhere), reducing carbon emissions (paragraph 2.5.6) and reducing road congestion (2.5.7). It put forward a range of measures to meet these objectives including more emphasis on the role of Community Rail Partnerships (p6) and devolution of decision making to better reflect the interests of local communities (p17)

Also in 2005, Sir Rod Eddington was commissioned by the Chancellor of the Exchequer and the Secretary of State for Transport to examine the long-term links between transport and economic productivity, growth and stability, within the context of the Government’s broader commitment to sustainable development.

Eddington reported at the end of 2006, with some of his findings implemented in the 2007 White Paper, *Delivering a Sustainable Railway* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243207/7176.pdf

This included a number of environment objectives for the railways focused on

- Reducing carbon emissions via low energy lighting, regenerative braking and other means
- Exploiting technologies such as hydrogen and fuel cell powered trains
- Encouraging better planning for door to door journeys, with rail as an element (notably, the strategy opposes widespread network electrification as too expensive)
- Air quality improvements, as dictated by EU standards on diesel engines
- Noise mapping and accompanying action plans
- Rolling stock replacement

The document highlights the importance of the RSSB’s sustainable development group in establishing and implementing new standards and approaches.

Renewed focus on value for money

In 2010, Sir Roy McNulty’s was commissioned by the DfT and the ORR “to identify options for improving value for money to passengers and taxpayers while continuing to expand capacity as necessary.”

Realising the potential of GB Rail was published in May 2011. Although lacking a clear definition of who railway policy is for, the McNulty review did identify franchising as a barrier to creating a more efficient network, with

“relatively short franchising periods, overly-prescriptive franchises, insufficient risk transfer from Government, and difficulty in agreeing changes to franchise agreements” (para 12) among the problems.

McNulty also found that whole-system approaches were difficult to apply in the rail industry

“Players within GB rail are more inclined to follow approaches which maximise their position within their own ‘silo’ rather than optimising outcomes for the industry as a whole, for example in the areas of technology and innovation.” (paras 17)

To resolve this, McNulty proposed a number of measures. These included:

- DfT to develop a clearer definition of the roles of the Government and industry, with Government focused primarily on setting the overall vision for the industry, the direction of rail policy, the objectives of the industry, the level of funding available, and leading on franchising procurement
 - The industry to accept greater responsibility for strategic planning and the delivery of outcomes in line with policies and objectives, particularly on cost reduction
 - The industry to establish a Rail Delivery Group, consisting of the most senior people from NR and the TOC-owning groups, freight and other stakeholders, to lead a substantial programme of change - focused particularly on cost reduction, changing the industry culture, encouraging more integrated whole-system approaches where necessary, and improving the speed and effectiveness of cross-industry bodies. Mechanisms for establishing a dialogue at industry level with trade unions should also be explored
 - Less prescriptive franchises to allow TOCs more freedom to respond to the market
 - Reform of franchising, along the lines already announced by Government with much stronger incentives to TOCs to reduce costs, and to co-operate more effectively with NR
 - Move towards the industry having a single regulator, the ORR, with a new focus on whole-system outputs and with the necessary resources, skills and standing to support an expanded role"
- (selected recommendations from pages 10-12)

Command Paper - Reforming our Railways

Published by the DfT in March 2012, the command paper sets the government's vision for the railways and the approach it will take in enacting it. These respond to the McNulty Report and set the tone for the subsequent HLOS announcement, as well as preceding a busy period of franchise re-lettings.

Key objectives set out in Reforming our Railways:

"to reduce the demand on taxpayer subsidy, ensuring that the railways are financially sustainable in the longer term and can contribute towards the country's economic growth and environmental goals." (para 1.1)

and

"to secure significant reductions in the railway's cost base, while at the same time improving the railway for passengers and freight customers." (para 1.3)

The document then sets out "a vision and purpose for rail";

"This Government's vision is for a transport system that is an engine for economic growth, is more environmentally sustainable and improves quality of life within our communities. In that context, the railway must:

- offer commuters a safe and reliable route to work;
- facilitate an increasing amount of business and leisure travel;
- support regional and local public transport as a key means of connecting
- communities with public services, workplaces and other economic opportunities; and
- transport millions of tonnes of freight around the country, relieving congestion on our road network and helping to meet our environmental goals." (para 1.7)

The document then deals with sections on the role of Government, the needs of passengers, improved efficiency and better information. On reform of franchising it describes the Government's role as;

"to develop, specify, and procure franchises that incentivise train operators towards efficient, collaborative and customer-focused performance that is value for money for taxpayers." (para 3.27)

<http://webarchive.nationalarchives.gov.uk/20130104060510/http://assets.dft.gov.uk/publications/reforming-our-railways/reforming-our-railways.pdf>

Collapse of West Coast

Prior to 2012, the most severe problems with rail services had been limited to individual franchises, for example the National Express' default on East Coast in 2009 or Connex' loss of South Eastern in 2000. More systemic problems now emerged. In October 2012, the DfT cancelled its franchise competition for West Coast Intercity and paused all other new franchise lettings - a move which resulted in a series of reports and policy announcements and a major shake-up in the operation of the franchising system.

Laidlaw inquiry (Dec 2012)

The independent inquiry into West Coast, headed by Sam Laidlaw, found that in running the franchise competition the DfT had presided over "an accumulation of significant errors". In particular, it had used flawed and inconsistent methodology when guiding bidders on the amount of risk capital they would need to guarantee their franchise, and that ministers had then made the provisional contract award without being told about the critical flaws.

<https://www.gov.uk/government/news/west-coast-main-line-final-report-of-the-laidlaw-inquiry>

In response, Laidlaw recommended measures including new structures be established to support franchising procurement within the DfT. This was to cover the nature and extent of external support required by the DfT, the terms of reference of bodies responsible for governance of the franchising programme, and the effectiveness of the bodies with responsibility for undertaking and following up franchising procedures. (see Laidlaw recommendations 3.14.7 - 3.14.10).

Brown Review of the Rail Franchising Programme (Dec 2012)

Building on the findings of the Laidlaw report, the Brown Review of Rail Franchising looked at the wider implications of the collapse of West Coast.

Published the year after the Reforming Our Railways Command Paper, Brown addressed how to set a clear framework for passenger rail franchising.

This was to be based around:

- Between 20 - 40 per cent of the franchise scoring being awarded for quality and deliverability (depending on the type of franchise), with the remainder allocated to the financial assessment (Quality is defined on a franchise by franchise basis linked to the specific objectives, with examples listed including improving scores in the NPS, investing in training, engaging the workforce, non-commercial investments (e.g. station facilities), managing partnerships Network Rail and the Department [p43]. Environmental improvements and social benefit are not explicitly named as part of 'quality'.)
- Franchise lengths of 7 to 10 years, with additional extensions of up to 5 years.
- PTEs and ITAs having increase oversight of relevant franchises.
- Encourage investment through a residual value mechanism while maintaining profit sharing arrangements.
- Reinforced the need for quality to be a clear factor in assessing bids with overt and direct weighting given for quality and deliverability in bid evaluation.

The document contains repeated criticism that franchises had become increasingly prescriptive, but highlighted the need for a balance:

“There is clearly a difficult trade-off for franchising authorities, who are ultimately procuring a public service, between ensuring an appropriate level and quality of service for passengers, and giving significant flexibility to operators to evolve and adapt services to ensure best value for money for taxpayers. Where to strike the balance is likely to be different for different types of franchise, with more flexible specifications usually being considered more appropriate for inter-city type franchises, which are closer to being commercial enterprises with a measure of competition from motorways and airlines. Yet even for these franchises many of the cities and communities served view inter-city services as an important public service, requiring a measure of safeguarding in franchise specifications.” [p15-16]

Nevertheless, the themes captured under sustainable development do not feature strongly in those areas Brown pinpointed for action before franchising couple be restarted, which focused on reducing costs while coping with soaring demand. Indeed, wider benefits accruing from a successful rail network were limited to “ensure passenger rail services are delivered and managed by organisations which are more closely attuned to local market needs, by designing franchises which cover well defined routes or geographic markets.” [p20]

and

“Each franchise should have a specific set of objectives which reflect the route specific needs and challenges of that franchise. Clear objectives will assist bidders to focus on what Government is looking to procure, and ensure bids which offer the best value. These objectives should be consistent with the Department’s published policy position, and with the domestic and EU legal frameworks for franchising.” [p22]

<https://www.rssb.co.uk/improving-industry-performance/sustainable-development/rail-sustainable-development-principles>

Annex E

Policy context of rail services

Social and community	
UN Sustainable Development Goals	<p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <ul style="list-style-type: none"> • 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. <p>Transport also has an important part to play in meeting Goal 13 'Take urgent action to combat climate change and its impacts' and the target to 'Integrate climate change measures into national policies, strategies and planning'</p>
National Planning Policy Framework	<p>Station buildings and rail infrastructure in general should be managed in line with land use planning principles concerning sustainable development, as described in the National Planning Policy Framework</p> <p>"9. Pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life, including (but not limited to):</p> <ul style="list-style-type: none"> • making it easier for jobs to be created in cities, towns and villages • moving from a net loss of bio-diversity to achieving net gains for nature • replacing poor design with better design • improving the conditions in which people live, work, travel and take leisure • widening the choice of high quality homes." <p>NPPF also makes clear the role of transport providers such as TOCs in supporting sustainable transport:</p> <p>"31. Local authorities should work with neighbouring authorities and transport providers to develop strategies for the provision of viable infrastructure necessary to support sustainable development, including large scale facilities such as rail freight interchanges, roadside facilities for motorists or transport investment necessary to support strategies for the growth of ports, airports or other major generators of travel demand in their areas."</p> <p>and</p> <p>"35. Plans should protect and exploit opportunities for the use of sustainable transport modes for the movement of goods or people. Therefore, developments should be located and designed where practical to</p> <ul style="list-style-type: none"> • accommodate the efficient delivery of goods and supplies • give priority to pedestrian and cycle movements, and have access to high quality public transport facilities • create safe and secure layouts which minimise conflicts between traffic and cyclists or pedestrians, avoiding street clutter and where appropriate establishing home zones • incorporate facilities for charging plug-in and other ultra-low emission vehicles • consider the needs of people with disabilities by all modes of transport"
DfT Vision for Rail	<p>The DfT's new Vision for Rail (2017) promises more integrated management of tracks and trains through a closer working between Network Rail and train operators. There is also an end to the 'one size fits all' franchising model with proposals to split the Great Western franchise into two parts and the development of a public-private arrangement to run the East Coast franchise from 2020.</p>

Social and community	
Community	The Government's community rail strategy aims to ensure the railway reflects the communities and customers it serves. It supports partnerships that aim to connect people and places, create a fairer and more inclusive society, support local economies and improve the operation of the railway. Community rail policy was set in 2007 and is currently being reviewed.
Neighbourhood planning	Whilst transport operations are not covered directly by neighbourhood plans, a community's desire to shape the development and growth of their local area, including provision and use of buildings and infrastructure, is.
Education	Department for Education's Single Departmental Plan 2015-2020 includes the objective of "Educational excellence everywhere: every child and young person can access high-quality provision, achieving to the best of his or her ability regardless of location, attainment and background". In some locations, rail has an important part to play in this.
Accessibility	<p>DfT accessibility action plan (consultation) proposed the following actions and objectives:</p> <ul style="list-style-type: none"> • "Continued roll-out of station access improvements and delivery of the Access for All programme • Subject to availability of funding, (due in October 2017), provision of additional accessible toilet facilities at stations • DfT pilot to explore opportunities to improve train tanking facilities and increase the availability of train toilets. Building on the learning from this and industry-led research in this area, we will consider how best to allocate further investment, beginning with upcoming franchising opportunities. • Provision of 'alternative journey options' if the journey becomes unsuitable <ul style="list-style-type: none"> - for example, if the only accessible toilet on a train goes out of use unexpectedly • Publication of performance data on accessible features on trains, and details of any remedial action necessary to improve both the quality of the data reported and any areas of poor performance (by the end of 2017). • Encourage the provision of better information about levels of accessibility on vehicles and services, so that disabled people can make informed choices about their journeys. • Commission research to further understand the barriers to travel for individuals with cognitive, behavioural and mental health impairments, to help us to develop potential measures to improve accessibility." <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638404/accessibility-action-plan-consultation.pdf</p>
Cycling and Walking	<p>The Cycling and Walking Investment Strategy's central ambition concerns making cycling and walking a natural part of longer journeys, including those by rail.</p> <p>Specific initiatives include the Plus Bike app, the Cycle Rail toolkit</p> <p>https://www.gov.uk/government/publications/cycling-and-walking-investment-strategy</p> <p>In addition, Public Health England's strategic plan</p> <p>Actions for 2016-17 include "support work across government on sustainable travel to promote increased levels of physical activity through walking and cycling"</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/516985/PHE_Strategic_plan_2016.pdf</p>

Social and community	
Integrated and sustainable transport	<p>Among the relevant transport policy documents is the White Paper, Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen (2011) aims to increase the percentage of journeys taken by sustainable transport</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3890/making-sustainable-local-transport-happen-whitepaper.pdf</p> <p>The DfT Door-to-Door strategy https://www.gov.uk/government/publications/door-to-door-strategy has aims including</p> <ul style="list-style-type: none"> • improving availability of information; • simplifying ticketing; • making connections between different steps in the journey, and different modes of transport, easier; and • providing better interchange facilities <p>Buses Act (2017) made it easier to for joint and through ticketing schemes between public transport operators.</p>
Local economy	
Industrial strategy	<p>The industrial strategy is based around five themes, including 'infrastructure', and four 'Grand Challenges' including clean growth.</p> <p>Investing in rail transport is identified as essential to support low carbon growth which benefits all parts of the country.</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf</p>
Procurement	<p>Best practice as set out in the Government Buying Standards, including the Greening Government Commitments.</p> <p>https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs</p> <p>The Social Value Act (2013) requires those commissioning public services to adopt a broad interpretation of value for money, taking in social, economic and environmental benefits.</p> <p>https://www.gov.uk/government/publications/social-value-act-information-and-resources</p> <p>Government-funded WRAP has set standards for reducing waste and encouraging sustainability in food and drink production and retail. WRAP's 2020 goals include reducing waste of carbon, water and materials across the food and drink supply chain.</p>
Tourism	<p>The 2016 Tourism Action Plan sets out five Government priorities for UK tourism including</p> <p>"iv. Transport: making it easier for visitors to explore by rail, bus and coach"</p> <p>Measures to support this objective are being taken forward by the rail industry and focus primarily on data and information</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/555039/Tourism_Action_Plan.pdf</p>

Environment	
Department for Transport strategy	<p>Single Departmental Plan</p> <p>The DfT's single departmental plan includes measures aimed at 'supporting wider government objectives to protect the environment and public health'</p> <p>This contains three elements relevant to rail franchising:</p> <ul style="list-style-type: none"> • ensure transport plays its part in delivering the government's climate change obligations • contribute to delivery of the national air quality plan • double the number of journeys made by bicycle
Carbon reduction	<p>DECC Single Departmental Plan includes the objective for cost-effective reduction of domestic carbon emissions.</p> <p>UK carbon budget - More detail on the challenge facing transport can be found in the UK carbon budgets. The fourth carbon budget was signed off in 2011 and covers the period 2023 - 27. As such, it coincides with franchises being let from 2015 onward.</p> <p>In its guidance, the Committee on Climate Change makes clear the particular abatement benefits that come from modal shift away from road transport.</p> <p>https://www.theccc.org.uk/archive/aws2/4th%20Budget/CCC-4th-Budget-Book_interactive_singles.pdf</p> <p>In line with Government policy requirements, the rail industry also sets its own targets for net carbon emission. The RSSB reports this as a medium term of objective to halve emissions by employing efficiency improvements, green fuel sources and using the railway estate to generate low carbon energy.</p> <p>https://www.rssb.co.uk/improving-industry-performance/sustainable-development/rail-sustainable-development-principles/carbon-smart</p>
Air quality	<p>DEFRA's Clean Air Framework for England sets guidance for local authority in the establishment of Clean Air Zones. This includes encouraging the provision of safe, convenient and continuous cycle and walking networks linking public transport hubs such as rail stations within Clean Air Zones to employment and education.</p> <p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612592/clean-air-zone-framework.pdf</p> <p>While rail is a relatively small direct emitter of air pollutants, these are often experienced in areas which suffer from poor air quality. For example, diesel fumes in city centre railway stations, or as a trip generator for cars in such environments. As such, rail can have a significant local impact on air pollution and should consider an active contribution to the achievement of Government air quality targets.</p>
Noise	<p>There are no legal limits to noise from existing railways.</p> <p>https://www.gov.uk/noise-pollution-road-train-plane/railway-noise</p> <p>Individuals making complaints about noise from railways do so to train operators. Defra publishes a map of noise from rail.</p> <p>https://www.gov.uk/government/publications/open-data-strategic-noise-mapping</p>