

From: [REDACTED]
Sent: 23 February 2016 17:18
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Letter re fare and non-fare price changes

Hello [REDACTED]

Attached are the word version and the missing powerpoint deck which you requested. I suspect this did not send last time due to file size.

The deck contains the background to the changes to fares and to the non-fare (supplement) prices.

Thanks,

[REDACTED]
From: [REDACTED]
Sent: 23 February 2016 15:53
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Letter re fare and non-fare price changes

[REDACTED]
Thanks

Can you send a word version that I can lift the tables from for briefing.

Also – I can't find to hand the previous note on fares structures. Could you send that too?

Regards

[REDACTED]
Transport Scotland
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

For agency and travel information visit our [website](#)

Transport Scotland, the national transport agency

Còmhhdail Alba, buidheann nàiseanta na còmhhdail

From: [REDACTED]
Sent: 22 February 2016 14:47
To: [REDACTED]
Cc: [REDACTED]
Subject: Letter re fare and non-fare price changes

Hello [REDACTED]

Following up on recent correspondence, attached is the letter from Peter.

We will send the physical by post.

Best regards,

[REDACTED]

[REDACTED]

Caledonian Sleeper

This email was scanned by the Government Secure Intranet anti-virus service supplied by Vodafone in partnership with Symantec. (CCTM Certificate Number 2009/09/0052.) In case of problems, please call your organisations IT Helpdesk. Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

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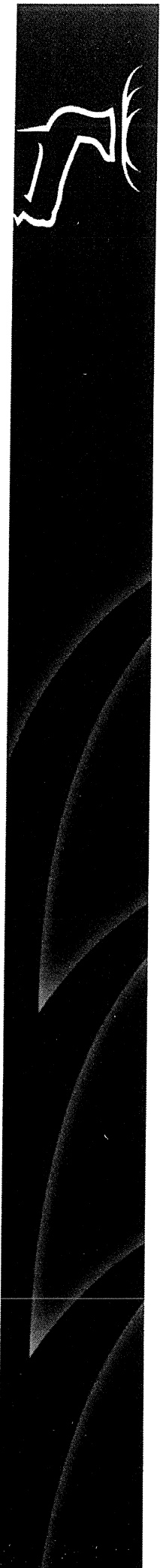
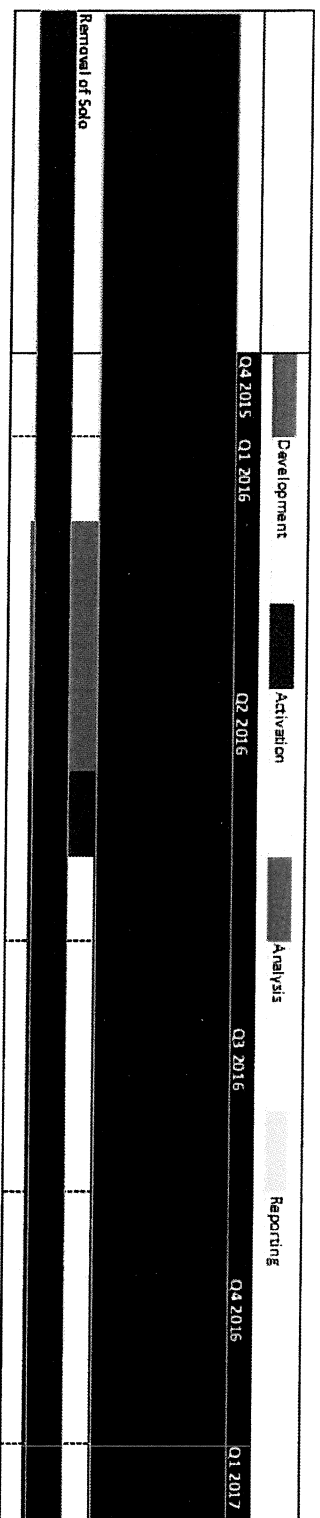
- Other than starting the removal of the Standard Solo product, no changes have been made to the *structure of fares or product types.*



CALEDONIAN
SLEEPER

Calendar

- The 2016 calendar of changes aligns with the Brand Plan and with the schedule of fares change rounds.



Serco Caledonian Sleeper
1 Union St
Inverness
IV1 1PP
17 February 2015



Transport Scotland
Floor 9
Buchanan House
58 Port Dundas
Glasgow
G4 0HF

Notification of Fares Changes

Caledonian Sleeper is planning to make fares changes in May 2016. Details are shown in the Appendix to this letter of notification.



[REDACTED]

[REDACTED]

[REDACTED]

	[REDACTED]		[REDACTED]		[REDACTED]		[REDACTED]	
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Standard Solo fares will be discontinued from May 2016.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: 01 April 2016 12:10
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Letter re fare and non-fare price changes

[REDACTED]

My apologies. Please see below.

Warm regards,

[REDACTED]

REMOVAL OF STANDARD SOLO

Currently, only 3 Standard Solo berths are allocated to the solo product, and only one on the Fort William train. This of course means that prices increase through the fares baskets very quickly, even if only one product is purchased. In many cases this makes Standard Solo more expensive than First Class. As our website shows prices across accommodation classes comparatively, this is highly visible on the website and has been noted by customers. It does not pass the 'common sense test' and looks incongruous, leading to guest confusion over pricing structure.

There is another looming problem that needs to be addressed before pricing work begins on new trains in Autumn 2016. Within the NRS reservation system there are only a total of 30 yield groups available across all accommodation types. We are close to using our 30 groups, and some will need to be made available for the new trains in order to have the appropriate number of baskets. There are currently insufficient groups to introduce any new classes of accommodation.

Finally, we have noted that the difference in product offering between 1st and Standard Solo is minimal, with the main variance being the breakfast and a slightly different sleep pack. With the pricing structure described above, where Standard Solo is often more expensive than 1st, the question has been asked – what is the point of Standard Solo?

In summary;

- Confusing and counter-intuitive price structure

Driven by

- Low numbers of allocations

Leading to

- Inefficient use of train space

And finally

- The product not sufficiently differentiated in relation to First to justify a 'reason to be'

From: [REDACTED]
Sent: 01 April 2016 11:48
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Letter re fare and non-fare price changes

Hi [REDACTED]

I don't think I've received this. Can you supply?

Thanks

[REDACTED]

From: [REDACTED]
Sent: 24 February 2016 17:42
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: Letter re fare and non-fare price changes

Hello [REDACTED]

Unfortunately I won't be at the franchise meeting tomorrow, but I will get the information requested to you by the end of the week.

Trust this is in order,

[REDACTED]

On 24 Feb 2016, at 14:31, [REDACTED]
wrote:

[REDACTED]

Reviewing this, the Franchise Agreement does specify the provision of Standard Solo accommodation:

SCHEDULE 5.2

THIS IS SCHEDULE 5.2 REFERRED TO IN THE FOREGOING FRANCHISE AGREEMENT BETWEEN THE AUTHORITY AND SERCO CALEDONIAN SLEEPERS LIMITED

Franchisee's Fares Structure

BEFORE DELIVERY OF NEW TRAIN FLEET

1. Dedicated Ticket Types on Franchise Commencement

The Franchisee's Fares structure shall utilise the following ticket types prior to the introduction of the New Train Fleet:

Ticket Types	Description
Seated	A standard Caledonian Sleeper ticket with a reserved seat
Standard Berth	A standard Caledonian Sleeper ticket for a reserved Berth with a bed in shared Cabin with another passenger of the same sex
Standard Berth Solo	A standard Caledonian Sleeper ticket for a reserved standard Cabin Berth occupied by a single passenger on payment of a supplement
First Berth	A first class Caledonian Sleeper ticket for a reserved first class Berth cabin for a single traveller with entitlements such as breakfast in bed

If the Product Plan is enacted without addressing this, Caledonian Sleeper will then be non-compliant with the FA.

However, we do understand the rationale for removing Standard Solo provision, and in this instance I am prepared to offer a derogation against the contract until the specified date for the delivery of the new train fleet. To support this, I will need a letter from you detailing the rationale for removing Standard Solo provision, lodge that with our lawyers, and have the Franchise Agreement appended.

Again, can I remind Caledonian Sleepers of its obligations under the Franchise Agreement., specifically in this case with Schedule 5.
We can discuss this tomorrow, if required.

Regards

[Redacted]

[Redacted]

[Redacted]

Transport Scotland
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF

For agency and travel information visit our [website](#)

Transport Scotland, the national transport agency

Còmhhdhail Alba, buidheann nàiseanta na còmhhdhail

Minister for Transport and Islands

Caledonian Sleeper – Fares Changes in May 2016 and Marketing Campaigns

Purpose

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Background

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Sensitivities

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Recommendation

[REDACTED]

[REDACTED]

Transport Scotland: Rail
x27551

29 February 2016

Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
[REDACTED]			[REDACTED]		

[REDACTED]

Caledonian Sleeper – Fares Changes in May 2016

[Redacted]

Standard Solo fare

3. The first structural change to this arrangement from May 2016 will be the removal of the Standard Solo occupancy fare. This is now relatively unused; in September 2015 Caledonian Sleeper reduced the price of First Class (solo) fares to the point where there was little differential between the fares types. Although Standard Solo provision is specified in the Franchise Agreement, we are convinced of Caledonian Sleeper's rationale for this proposal and are prepared to grant a contract derogation in this case.

[Redacted]

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