

Additional Paper

PAPER TO: Fares & Retail Group
SUBJECT: Railcard Discounts on All Line Rail Rover
MEETING DATE: 21 September 2010
PREPARED BY: Cath Lyver, National Rail Marketing Manager

1 Purpose

- 1.1 The purpose of this paper is to seek the agreement of Fares & Retail Group to allow HM Forces and Family & Friends Railcard discounts on the 7 and 14 day All Line Rail Rover.

2 Background

- 2.1 All Line Rail Rovers are leisure products that allow unlimited travel without restriction on the National Rail network for 7 or 14 days, in Standard or First Class. They are not regulated or mandatory products.
- 2.2 Anecdotal evidence suggests that users are from a niche market which is mostly repeat business and past sales indicate that there is a very limited market for this product.
- 2.3 Currently Senior and Disabled Persons Railcard holders get 34% discount on First Class and Standard All Line Rail Rovers, while 16-25 Railcard holders only get 34% discount on Standard All Line Rail Rovers. There is no discount for HM Forces or Family & Friends Railcard holders.
- 2.4 16-25 and Senior Railcard discounts are for the card holder only. The Disabled Persons Railcard allows a discount for the card holder and one companion. Existing Senior Railcard time restrictions in the Network Railcard area apply.

3 Current Position

- 3.1 Current prices, sales revenue and ticket issues for the All Line Rail Rovers are as follows:

All Line Rail Rover Prices	Adult	Child / Railcard
First Class 14-day All Line Rail Rover	£990	£653
First Class 7-day All Line Rail Rover	£650	£429
Standard 14-day All Line Rail Rover	£650	£429
Standard 7-day All Line Rail Rover	£430	£284

All Line Rail Rover Ticket Issues & Revenue 2009/10					
	2009/10 Revenue	2009/10 Issues	% Railcard Discounted Ticket Issues		
			Senior	Disabled	16-25
7-day	████████	████	████	████	████
14-day	████████	████	████	████	████
TOTAL	████████	████	████	████	████

4 Proposal for HM Forces and Family & Friends Railcard discount

- 4.1 Following a query from a member of the Armed Forces, Nigel Harris from Rail Magazine approached ATOC asking why HM Forces Railcard holders were not entitled to discounts on the All Line Rail Rover.
- 4.2 It was advised that this product had been inherited from British Rail with discounts for the 16-25, Senior and Disabled Persons Railcard holders only. It was thought that discounts were not available to other Railcards as they allowed discounts for accompanying adults and children.
- 4.3 As this was a historic position that had not been reviewed for some time, Rail Magazine asked if TOCs would reconsider the discounts available on the All Line Rail Rover.
- 4.4 The proposal is to standardise the Railcard discounts on the 7-Day and 14-Day All Line Rail Rover products allowing HM Forces Railcard holders a discount on Standard and First Class tickets and Family & Friends Railcard holders a discount on Standard tickets. This would bring the Railcard discounts on the All Line Rail Rover in line with the discounts available on Anytime and Off-Peak tickets.
- 4.5 HM Forces Railcard offers the cardholder 1/3 off and up to 4 accompanying children 60% off most rail fares. No time restrictions apply and the minimum fare will not be applicable because of the value of the All Line Rail Rover. There are approximately 50k HM Forces Railcards in circulation.
- 4.6 Family & Friends Railcard offers the cardholder and up to three accompanying adults 1/3 off and up to 4 accompanying children 60% off most rail fares. A morning time restriction applies in the Network Railcard area. A minimum of one adult and one child must be travelling to obtain the discount. There are 336k Family & Friends Railcards in circulation.
- 4.7 Off-Peak time restrictions and standardised Child discounts have been proposed in another paper to Fares & Retail Group. If these changes are agreed, then extending the Railcard discounts offers an opportunity to provide additional benefits.

- 4.8 No research has been conducted into demand for the All Line Rail Rovers from HM Forces and Family & Friends Railcard holders. However, demand is expected to be low, comparable to the demand from the 16-25 and Disabled Persons Railcard holders with less than 100 tickets issued per year.
- 4.9 It is also important to note that there were only two Child rate All Line Rail Rovers issued in 2009/10, so demand from family groups appears very low.

5 Next Steps

- 5.1 If agreed, the proposal to introduce HM Forces and Family & Friends Railcard discounts would be submitted to Commercial Board for approval in October 2010 alongside any other proposed changes to the All Line Rail Rover.
- 5.2 Subject to Commercial Board approval, the additional Railcard discounts would need to be added in line with the 2 January 2011 Fares Setting Round, as it involves altering a permanent product under the terms of the Ticketing & Settlement Agreement.

6 Conclusion

- 6.1 Fares & Retail Group is asked to:
- i. **NOTE** this report;
 - ii. **APPROVE** the proposal to introduce HM Forces Railcard holder discounts on First Class and Standard 7-day and 14-day All Line Rail Rovers;
 - iii. **APPROVE** the proposal to introduce Family & Friends Railcard and HM Forces accompanying children discounts, subject to the proposed morning time restrictions and standardised child discounts.

From: Wakeford, Andy [mailto:Andy.Wakeford@atoc.org]

Sent: 29 January 2010 16:04

To: Bilan, Ravinder (EastMidlandTrains); Brock, Chris (FirstGroup); Cooper, Roy (FirstGroup); Edwards, Barry (SouthernRailway); Gidman, Dale (Northern Rail); Johnson, Chris (Natex); Jones, Gary (LOROL); Kingston, Haydn (Natex); Knights, Steve (Natex); Legg, Ian (FirstGroup); Lewis, Dave (SWTrains); McAlpine, Kenny (FirstGroup); McLeish-Longthorn, Glenn (HullTrains); Nicolopulo, James (ChilternRailways); Orr, Thomas (Firstgroup); Pearce, Dave (VirginTrains); Pearson, Simon; Print, David (Merseyrail); Reilly, Len (Arrivatw); Sharpe, Phil (LondonMidland); Thaler, Neil (SouthEastern); Thompson, Nigel; Wakeford, Andy; Bromwich, Bob (CrossCountryTrains); Callaghan, Tony (MerseyRail); Donnelly, Brian (VirginTrains); English, Sean (GrandCentral); Flowers, Peter (GatwickExpress); Lewis, Dave (SWTrains); McLeish-Longthorn, Glenn (HullTrains); Pritchard, David (FirstGreatWestern); Reilly, Len (Arrivatw); Townend, David (HullTrains); Wallington, Dave (SWTrains); Bond, Stephen (NorthernRail); Bray, Alan (C2C); Fountain, Steve; Oliver, John (Southernrailway); Thompson, Derek (ArrivaTW); Robertson, Andrew

Subject: All-Line Rail Rover revisions

Dear all,

At the Commercial Board meeting last week, the proposed changes to the pricing of the All Line Rail Rover were approved, which will see the price reduced and some off-peak travel restrictions introduced, with the intention that this all takes place in the May fares change.

The new prices will be as follows:

	Standard Class	First Class
7 Day Adult	£390	£590
7 Day Child	£195	£295
14 Day Adult	£590	£890
14 Day Child	£295	£445

Railcard and prlv (safeguarded and non-safeguarded) discount prices will still apply, as now, at the standard rates.

The proposed off-peak restrictions followed consultation with TOC pricing managers, with the requirement that they must be simple and easily understood. It was clear during this process that whilst some TOCs needed to protect their income from longer-distance business travel, others that did not have this model did not wish to be drawn into the net of restricting travel, and for that reason, a process of restriction by TOC was agreed, as follows:

Not valid on CrossCountry services timed to arrive or depart from Birmingham New Street before 1000 Mondays - Fridays

Not valid on East Coast, Hull Trains or Grand Central services timed to arrive or depart London Kings Cross or Stevenage before 1000 Mondays - Fridays

Not valid on Virgin Trains services timed to arrive or depart London Euston, Watford Junction or Milton Keynes before 1000 Mondays - Fridays

Not valid on East Midlands Trains services timed to arrive or depart London St Pancras, Bedford, Luton or Luton Airport Parkway before 1000 Mondays - Fridays

Not valid on First Great Western services timed to arrive or depart London Paddington, Reading or Slough before 1000 Mondays - Fridays except Sleeper services

Valid on all trains Saturdays, Sundays and Bank Holidays. Valid on all Sleeper services subject to accommodation being available and additional berth reservation charge being paid.

At the Commercial Board meeting it was queried whether the restriction should apply to all operators using the named stations above. When this was originally considered, this was rejected because the operators not named above had no wish to restrict their own services. **In view of the question being raised, before we finalise the restriction, I wanted to check whether operators still wanted to proceed on this basis.**

If you wish to comment on this I would be grateful if you could let me know by Friday 5 February,

Thanks for your input,

Andy Wakeford

Tel: 07825 375 987

The contents of this email and any associated files are for the addressee only and should be treated as confidential. Unless you are the named addressee you cannot copy, use or disclose it to anyone else. If you have received this email in error please notify the sender immediately. The email has originated from the Association of Train Operating Companies (an unincorporated trade association) or one of its corporate entities: ATOC Limited (3069033), Rail Settlement Plan Limited (3069042), Rail Staff Travel Limited (3069020) or NRES Limited (3691898) each of these companies are registered in England and Wales and with a common registered address - 3rd Floor, 40 Bernard Street, London WC1N 1BY. Neither entity listed herein shall be liable for any defamatory statements. Outbound messages are checked for all currently known viruses.

This email is sent for and on behalf of East Coast Main Line Company Limited, registered in England and Wales with company number 04659708. Registered Office: 4th Floor, One Kemble Street, London, WC2B 4AN. This email and its attachments, if any, is for or from the above named company only and may contain confidential or proprietary information and/or information which may be legally privileged. If you are not the intended recipient, please notify the sender by replying to this e-mail and highlighting the error. You must take no action based on the email and/or its attachments, nor must you use, distribute, print, disclose, copy, or rely on this e-mail and/or its attachments. Whilst reasonable caution has been taken to ensure that this email and any attachments are free from viruses, it is your responsibility to check for viruses before opening this email or forwarding it. To the fullest extent permitted by law, East Coast Main Line Company Limited accepts no liability for any losses arising from your receipt or use of this email including but not limited to those caused by viruses. Any opinions or information expressed in this email and its attachments do not necessarily represent the views held by East Coast Main Line Company Limited.

From: Thompson, Nigel
Sent: 20 November 2009 11:44
To: 'Wakeford, Andy'
Subject: All Line Off-peak rover

Hi Andy

Having spoken with Suzanne, she also feels we should have restrictions out of London in the morning. Having played around with the words, which took longer than expected, the following might be the simplest way of phrasing it, despite what I said earlier:

The Off-Peak All Line Rover is valid on all National Rail trains except the following:
Mondays to Fridays on trains run by East Coast, Hull Trains, Grand Central, Virgin West Coast, East Midlands Trains, South East Trains (?) and First Great Western that are timed to arrive or depart London Kings Cross, Euston, St Pancras or Paddington (also Stevenage, Watford Junction, Milton Keynes, Bedford, Luton, Luton Airport Parkway, Reading and Slough) at or before 09.59.
Valid on these trains for all journeys other than to/from/via the stations listed above. Valid on all trains Saturdays, Sundays and Bank Holidays. Also valid on all sleeper trains (?).

Alternatively, tabular format

The Off-Peak All Line Rover is valid on all National Rail trains except journeys on trains of the following companies, Mondays to Fridays, to/from the places shown:

Train Company	Restricted journey: trains timed to arrive or depart:
East Coast, Hull Trains, Grand Central	London Kings Cross or Stevenage at or before 09.59
Virgin West Coast	London Euston, Watford Junction or Milton Keynes at or before 09.59
East Midlands Trains, South East Trains	London St Pancras, Bedford, Luton or Luton Airport Parkway at or before 09.59
First Great Western	London Paddington, Reading or Slough at or before 09.59

Valid on these trains for all journeys other than to/from/via the stations listed above. Valid on all trains Saturdays, Sundays and Bank Holidays. Also valid on all sleeper trains (?).

By naming the TOCs (you'll have to confirm they are all happy with it), you avoid the issues of St Pancras from the south etc, and indeed all local TOCs into London. I've added SET as Mr Boden may throw a wobbly if you forget him and was keen for us to restrict AP fares on his shiny new trains in the morning peak. However, I think if we took SET out, we might be able to reduce the wording further to "London Terminals". Also need to check that FGW are happy for a passenger to arrive London on their sleeper during the barred period. If we could take EMT out, that would reduce the wording much further.

I'd suggest we run the wording past Barry Doe before it is finally published. If he's happy with it, it'll smooth progress considerably.

I'm now going to lie down in a darkened room!

Cheers

N

Nigel Thompson
Pricing Manager
East Coast Main Line Company
Ground Floor North, East Coast House, 25 Skeldergate, York YO1 6DH
Tel: 0845 059 3170

EAST COAST

Save trees - please don't print this unless you really need to

This email is sent for and on behalf of East Coast Main Line Company Limited, registered in England and Wales with company number 04659708. Registered Office: 4th Floor, One Kemble Street, London, WC2B 4AN. This email and its attachments, if any, is for or from the above named company only and may contain confidential or proprietary information and/or information which may be legally privileged. If you are not the intended recipient, please notify the sender by replying to this e-mail and highlighting the error. You must take no action based on the email and/or its attachments, nor must you use, distribute, print, disclose, copy, or rely on this e-mail and/or its attachments. Whilst reasonable caution has been taken to ensure that this email and any attachments are free from viruses, it is your responsibility to check for viruses before opening this email or forwarding it. To the fullest extent permitted by law, East Coast Main Line Company Limited accepts no liability for any losses arising from your receipt or use of this email including but not limited to those caused by viruses. Any opinions or information expressed in this email and its attachments do not necessarily represent the views held by East Coast Main Line Company Limited.
