Dear Lilian,

Thank you for your letter dated 6 March 2019 in relation to the 16-17 railcard. I am responding as the Minister responsible for this issue.

Government recognises that the cost of travelling can seem high to young people in education and training, which is why we announced plans to extend half price rail fares to 16 and 17-year-olds through a new railcard. The new railcard will be launched this coming September with up to 1.2 million young people eligible for a 50 per cent discount on rail travel. This will provide tangible support to young people in education and training.

Turning now to your questions:

1. **How will the 16-17 Railcard be funded?**

   The Department has engaged the Rail Delivery Group (RDG) to develop and implement the new railcard, with the associated costs funded by the Department. In addition, the Department will work with operators to understand the impacts of this railcard on their franchises in the longer-term.

2. **Will all current franchises be required to accept the new railcard – and if so how will this be achieved – or will it only apply to franchises let after the railcard is launched later this year?**

   All Department for Transport franchised train operators will be contractually required to accept the 16-17 railcard. This will be achieved by negotiating changes to franchise agreements.
3. How confident are you that your discussions with the RDG will be complete in time for the new railcard to be launched in September 2019?

The Department engaged RDG on the basis that young people will be able to benefit from the new railcard from the start of the next academic year. We are confident this date is achievable and we will continue to work closely with RDG and operators ahead of launch.

4. Why did you consider it necessary to introduce this card given there is already a 16-25 Railcard? Will you be asking RDG to make changes to the 16-25 Railcard?

This railcard will provide a different level of discount to the existing 16-25 railcard, which is aimed at leisure travel. The 16-25 railcard has a minimum fare of £12 for journeys starting between 4.30am and 10am on weekdays and is therefore less useful for travel to and from education or training. There will be few restrictions associated with the 16-17 railcard, with railcard-holders eligible for half price fares, including on season tickets, and with no minimum fares. This will be particularly useful in facilitating cheaper regular travel to education and training given the requirement for young people to participate until they turn 18.

We appreciate there will be an overlap with the existing 16-25 railcard, but we have no current plans to ask RDG to amend the 16-25 Railcard terms and conditions.

5. What evidence is there that people eligible for a 16-17 railcard or a 16-25 railcard can make an informed choice and understand the benefits and costs of each option?

RDG are developing comprehensive information products to ensure customers understand the benefits of the new 16-17 railcard product, and which product will best suit their travel needs given other concessionary products already on the market. As the date of launch approaches this will form part of the communications campaign.

6. How do you justify the current range of different railcards?

Many of the railcards available are either long-standing, mandatory offers targeted at particular groups\(^1\) who might otherwise be disadvantaged in trying to access the rail network, or commercial offers introduced based on specific market needs. However, you will be aware that RDG has

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\(^1\) The 16-25 Railcard; the Disabled Persons Railcard and the Senior Railcard.
recently expressed a desire to move to a simpler buying process in their “Easier Fares For All” proposals. The RDG’s proposals are a welcome addition to the Williams Rail Review launched by the Secretary of State last year. This root and branch review is aimed at delivering a better railway for passengers. We expect a White Paper in 2019 and will begin to implement recommendations in 2020.

7. Do you expect to introduce similar arrangement for discounts for students and young people using buses?
Legislation gives local authorities the flexibility to offer local travel concessions such as free or discounted bus travel for young people. Such concessions are funded from local resources such as Council Tax. In addition, many bus operators already offer youth discounts.

The Government does not currently have any plans to introduce mandatory bus travel concessions for young people. However, this Department is working with the Department for Education to consider options for discounted public transport, including buses, for young apprentices.

I hope you find this response helpful.

Yours,

Andrew

ANDREW JONES