

Minutes

Board meeting

Date: Thursday 12 September 2013
Location: Carlton Hotel
 Edinburgh
Time: 1016 – 1148

Present

Board Members

Colin Foxall CBE	CF	Chairman
Dr Stuart Burgess	SB	
Marian Lauder MBE	ML	
Isabel Liu	IL	
Stephen Locke	SL	
Philip Mendelsohn	PM	
Paul Rowen	PR	
Professor Paul Salveson	PS	
Diane McCrea	DM	

Executive in attendance

Anthony Smith	AS	Chief executive
Jon Carter	JC	Head of business services
Jonathan Clay	JCI	Senior passenger team executive
Mike Hewitson	MH	Head of passenger issues
Nigel Holden	NH	Resources director
Martin Clarke	MC	Business services executive
Sara Nelson	SN	Head of communications
Robert Samson	RS	Passenger manager
Ian Wright	IW	Head of research
David Sidebottom	DS	Passenger team director
Wensy Lee	WL	Communications assistant

Invited guests

Sue Johnston	SJ	ORR deputy director for Scotland
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Six members of the public attended the meeting.

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1 Opening Remarks; Apologies

The Chairman welcomed the Board and members of the public to Edinburgh. BL had sent apologies.

2 Minutes of the Previous Meetings

2.1 Manchester 16 May 2013

The Board approved the minutes and authorised the Chairman to sign them.

2.2 Bristol 11 July 2013

The Board approved the minutes and authorised the Chairman to sign them.

3 Action Matrix

Item	Date	Issue	Action	Owner	Due	Status
BM228	16/05/13	Unpaid fare notices	Present fares and ticketing progress report to Board	MH	Oct 2013	Not yet due (time has been allowed at the October ME for this discussion)
BM229	16/05/13	Station staff	Circulate a note to the Board about passenger concerns regarding staff availability	RS	Jun 2013	Complete. Delete.
BM231	16/05/13	NPS contract	Produce paper on the NPS contract arrangements to brief the Board	IW	Aug 2013	Complete. Delete.

There were no comments.

4 Chairman's Report

The Chairman outlined that the autumn Bus Passenger Survey (BPS) was upcoming; Lothian and First were to participate for the first time and this would hopefully be the start of much more work by Passenger Focus in Scotland on buses. There had also been productive discussions with Norman Baker and Maria Eagle.

The Fares and Ticketing Review was yet unpublished and it remained to be seen what it would include. SL asked what was holding up the review. The Chairman explained that it was a major task that required considerable cultural and financial commitment. Passenger Focus wanted to see the flex removed or circumscribed. The Chairman expressed particular interest in what emerged from the ATOC code of practice in terms of unpaid fare handling. MH noted that a code had appeared on the ATOC website but had not been officially launched.

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Match funding so far for research in the current year was £700,000. This was already close to the 25% target set for the organisation's research activities.

5 Chief Executive's Work Plan Report for Q1

AS introduced the Q1 work plan report, which was received by the Board.

5.1 Activity Report

The National Passenger Survey had published on 19 June and its findings discussed with TOCs. On ScotRail, RS said the focus had in the past been on resilience and improving information during disruption. NPS scores in that respect were positive and the flow of information was improved during disruptive incidents. Satisfaction overall was pleasing at 90%, but there was a perception amongst some that it was 'treading water'. However, compared to other regional operators ScotRail was good and AS noted the small number of complaints. RS commented that one complaint to take forward was that ticket machines included an option to buy 'anytime' tickets at the weekend. This was not unique to ScotRail. AS added that discussions around *Passenger Power!* were progressing well.

5.2 Research Report

IW confirmed that research at Edinburgh Waverley on its improvements and potential developments was underway. While in Scotland, IW planned to discuss with Transport Scotland potential joint non-user research. The BPS had been a huge success despite earlier supplier issues. This reflected strong working practice between teams at Passenger Focus. The Tram Passenger Survey was being developed and moving forward apace towards fieldwork in October/November. The Chairman noted a growing will to contribute to surveys, greatly increasing their utility and capacity to achieve results. Joint research was being undertaken with the ORR on passenger issues from a consumer protection point of view. This would focus on pre-journey planning, which could be a focus of the NPS in the future. The Merseytravel research was going well and the first stage would debrief in the next month.

DM commented that the research matrix could be clearer in terms of the nature and scope of research. The Chairman acknowledged that clarity could be added. IW offered to take DM through some of the continuing research that pre-dated her time on the Board.

Item	Date	Issue	Action	Owner	Due	Status
BM 232	12/09/13	Clarity of research matrix	Add clarity to the research matrix and provide background information on on-going research	IW	Nov-13	

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Reflecting on earlier Q&A sessions, ML noted that there was a lack of awareness in the research Passenger Focus undertook. If the non-user research went ahead for instance, it would be valuable to publicise it.

SB sought an update on the HS2 workshop. IW explained that the workshop was a precursor to the just-published report looking at the different models.

5.3 Communications Report

Communications was continuing to support the multitude of research in progress. Some of this support was in terms of publishing documents traditionally and some would be thinking creatively on engagement online and through videos. Passenger Focus engaged successfully with Ministers, but there was work on parliamentary knowhow to improve engagement with lower levels of Government. There was a high volume of media inquiries and work continued with the media to ensure the organisation retained that engagement.

The Chairman asked whether there was a strong appetite in the media for the work Passenger Focus was doing. SN stated that the media had an appetite to tie the organisation's work to big issues; journalists were seeking alternative angles in relation to longstanding issues like HS2. AS commented that *Passenger Voice* was widening its reach, with analysis making it possible to determine which aspects of it were most popular.

5.4 Finance Report

In relation to the new payroll service, ML asked if there was a fallback position if parallel testing did not produce the correct results. JC replied that the alternative option would be to continue working with the current provider, whom Passenger Focus was happy with. The reason for the change was to move to a Government-mandated supplier.

6 Review of National Passenger Issues

MH reported that the shift towards bus issues had continued. Guy Dangerfield was taking the completed bus disruption research out to bus companies in terms of technical, process and cultural issues, particularly with regard to the role of the bus driver in communication. Bus Value for Money research was complete and the report was due. It contained valuable data on attitudes to fares, particularly with regard to students wishing not to be treated as adults while they remained in fulltime education.

In terms of rail, varied ideas were circulating on fares and ticketing while everyone awaited the Government review. Which ideas progressed depended largely on financing from the Exchequer. Passenger Focus was still awaiting a response from the Minister on Ticket to Ride and was contacting train companies to develop a sense of the scale of the issue. Legal advice had also been sought on the extent to which a prosecution could proceed without evidence of intent.

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Franchising continued apace in terms of Passenger Focus' input into franchise discussions and with the Department for Transport on *Passenger Power!* This was around increasing passenger engagement in franchising and was a message that had now broadly been accepted.

Passenger Focus had made its submission to the periodic review from the ORR. It had raised themes of punctuality, raising the standard or poorer performers, and stressed the demand for transparency and accountability. The submission had also ventured into crowding issues by mentioning the 'traffic light' scheme to communicate crowding levels. AS noted that TransPennine had objected to this scheme on the basis that the information was of limited use if in reality it just showed that carriages were full all the time.

SL related that London TravelWatch had observer status on the board set up to look at travel demand management across operators in the London travel area. This would allow consumers to be alerted of peaks in demand, enabling these peaks to be softened. AS recalled that Passenger Focus had undertaken research with C2C which indicated some willingness to alter journeys if there was a significant cost reduction. MH suggested that presenting small cost savings over a longer period might make changing journeys more attractive.

Reverting to youth fares, MR noted that with the mandatory school age increasing more young people would soon be affected. Examples of this impact could be included in the Value for Money report. The Chairman agreed that there was considerable interest in the issue; the real question was who would pay to resolve it.

MH related that Passenger Focus had talked to Network Rail planners in terms of coordinating major disruption schemes on different routes; at present it did not seem joined-up. The question had been fed into the ORR review and the principle remained relevant to address. The Chairman thought it was worth reminding devolved rail bodies to continue to ensure coordination on disruption.

Item	Date	Issue	Action	Owner	Due	Status
BM 233	12/09/13	Non-evident coordination of major disruption schemes	To remind devolved rail bodies to continue to ensure coordination on disruption	MH	Nov-13	

PM stated that there were major Scottish events in 2014, including the Commonwealth Games and Ryder Cup, with a Government push to encourage visiting Scotland. Any transport disruption working to the detriment of this would be perceived as obstructive. The Chairman suggested work could be undertaken looking at relative timings.

Item	Date	Issue	Action	Owner	Due	Status
BM 234	12/09/13	Potential overlap between disruption and	To consider the relative timings of disruption Scotland events	MH	Nov-13	

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		2014 Scotland events				
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7 Periodic Review for Scotland

SJ reported that Scottish railway was in good shape; it was a vibrant railway where performance had been better than elsewhere in the country.

The periodic review was to ensure that £37 billion Government money to the railway was properly spent and work currently was running to schedule. The consultation period draft determination was closed and the ORR was considering 77 responses, which varied considerably. These comments had to be balanced with the position in the draft determination with a view to publishing the final determination on 31 October. Network Rail planned to consult on its delivery plan for the final determination in December and the control period would start on 1 April 2014.

In the draft determination there had been greater focus on passengers and SJ hoped that was clearly reflected. This was part of the Board's desire to re-focus the industry to ensure passengers and freight users were properly considered. Of particular significance was that the NPS would be monitored as an indicator in the output framework to show how well the industry was performing. It was one of a number of measures: regulated outputs, indicators and enablers. There would also be greater transparency, which passengers had expressed that they wanted in the industry. There was an expectation in the determination that the railway would approach Passenger Focus and passengers to discuss how well enhancement funds were spent. This should ensure passenger input in decisions.

In terms of Scotland there was investment to come on improving journey times and capacity. The challenge was delivering this in time with the funds available. The industry's principal concerns in the determination were on the 'big ticket' items; there was a sizeable saving expected from it on track renewals, for instance. There were also concerns regarding the financial framework and sustainability of debt.

The Chairman stated that Passenger Focus welcomed the re-focusing from the ORR, after pressing many years for passenger concerns to be given greater importance. Passenger Focus was happy to continue to provide material to fulfil this objective. Debt overhang was a concern because it had an impact on what could be achieved with the short to medium term issues on which the organisation focused. The Chairman asked how debt could be tackled without a different approach to the entire railway. SJ commented that there was divergence in views between England and Wales and Scotland; the former was more content to have private investment. The ORR recognised that as time progressed all parties would have to take more account of localism; there would be divergent models of funding and delivery of railways.

AS asked if Scotland's regulatory asset base was funded entirely by the Scottish Government. SJ replied that the funding came from the central pot Scotland received from UK Government. It was not clear cut though and the system of funding required some refinement. For instance, Transport Scotland was currently challenging fixed access charges from Control Period (CP) 3.

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PR asked if the ORR had undertaken an assessment of the overall conditions and safety of stations in Scotland. SJ said that such work was Transport Scotland's responsibility and it had its own station measures. The ORR dealt with safety generally on a reactive basis; it did not have sufficient resource to be proactive. This was the same approach as England.

SB asked of the particular challenges faced in terms of rural access to railways. SJ explained that there were plans in CP5 for further improvement to the Highland main line and Aberdeen to Inverness. The budget was tight though and it was not clear what would ultimately be in the final determination. The Chairman asked if a decision to drop a project on the basis of affordability could be changed post that determination. SJ said Transport Scotland could change its mind subsequently or there was an option to start projects through the investment framework.

8 Review of Passenger and Industry Facing Work

DS outlined that the main focus of work had been taking BPS results out to the industry and working with bus companies and authorities to develop action plans, and to line up funding for the next phase. In South Yorkshire, for instance, the transport executive had used BPS results as a benchmark indicator in work to align fares, timetabling and improve the passenger experience. There had also been work with the NPS, and in particular working with Northern Rail on how it could improve its outcomes.

The Passenger Contact Team had seen improved numbers. There were record lows of outstanding cases; work with East Coast over the last 12 months had translated into lower volumes. Transition to the call centre provider, Vetrica, had gone very well. 47,000 emails were sent to stakeholders in the quarter and 10,000 on the *Passenger Voice* newsletter.

10 Matters for Discussion/Approval

ML introduced Audit Committee minutes from 16 May 2013 and 1 July 2013 for approval.

ML highlighted key points emerging from the minutes to follow. At the end of the last financial year all the appropriate processes were undertaken. The year-end management assurance statement had been submitted. The annual report and accounts were approved by the Comptroller and Auditor General and placed before Parliament on 27 June.

The NAO had reported no issues of concern in their completion report. The internal auditor had delivered its annual opinion of substantial assurance. This compared favourably with other organisations within the Department for Transport.

In final two internal audit reports for the previous year, stakeholder strategy received a substantial report and core controls a reasonable report. Issues arising from those had been resolved.

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The year's internal audit had been commenced with business continuity and third party funded research assignment. Also looked at over the year would be appeals complaint handling, procurement framework and core controls.

A change was planned in the organisation of internal auditors, with the establishment of a cross-departmental internal audit service between DfT, BIS and DCLG. This provided an opportunity to be audited from a wider pool of auditors who had greater experience of the particular issues studied. Three of the current four auditors were handing over audit at a similar time, which meant there could in the short-term be a reduction in base knowledge of Passenger Focus.

The Audit and Risk Assurance Handbook had been reissued. It had been proposed that the Audit Committee should be renamed the 'Audit and Risk Assurance Committee', to clarify the focus on risk.

10.1 Audit Committee (16 May 2013)

The Board **approved** the minutes and **authorised** the Chairman to sign them.

10.2 Audit Committee (1 July 2013)

The Board **approved** the minutes and **authorised** the Chairman to sign them.

The Board **approved** re-naming the Audit Committee to the Audit and Risk Assurance Committee (ARAC).

10.3 Statistics Governance Group (13 June 2013)

The Chairman introduced the minutes from the SGG. He related a discussion on fieldwork checks on the NPS. Steps had been taken to ensure there were some means that fieldwork was done correctly because the credibility of the work was vital and there was professional risk in passing judgment on others' performance. Response rates were trending gradually downwards and work was planned to determine how this could be reversed. There had been discussions on how the NPS might evolve within cost constraints, but no change was anticipated in the short term.

JCI reported that there were discussions with the ORR on the format of the complaints data that was sent to them in the light of work on standardisation. No agreed conclusions had been reached, but discussions were ongoing.

The Board **approved** the minutes and **authorised** the Chairman to sign them.

11 To discuss and agree the terms of reference for the Passenger Contact Group to have immediate effect

PS reported that there had been a preliminary meeting of the Group and it was content with the terms of reference defined. The Group intended to hold a meeting with the team in Manchester and start to develop a programme of activity over the next year.

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The Chairman recommended the terms of reference and the Board approved their adoption.

12 To receive and agree the Chairman's final nominations to subsidiary bodies for 2013-15

The Board endorsed the Chairman's final nominations to subsidiary bodies.

13 Any Other Business

There was no other business.

Signed as a true and accurate record of the meeting:



Colin Foxall CBE
Chairman, Passenger Focus

19/09/2013

Date