

Minutes

Board meeting

Date: Thursday 12 February 2015
Location: Fleetbank House, London
Time: 10.03 – 11.54

Present

Board Members

Jeff Halliwell	JH	Chair
Dr Stuart Burgess	SB	
Marian Lauder MBE	ML	
Isabel Liu	IL	
Bob Linnard	BL	
Stephen Locke	SL	
Diane McCrea	DM	
Philip Mendelsohn	PM	
Professor Paul Salveson	PS	
Paul Rowen	PR	

Board advisors

Geoff Dunning	GD	Road and Freight Advisor
David Liebling	DL	Road and Freight Advisor

Executive in attendance

Anthony Smith	AS	Chief Executive
David Sidebottom	DS	Passenger Director
Mike Hewitson	MH	Head of Passenger Issues
Sara Nelson	SN	Head of Communications
Ian Wright	IW	Head of Research
Martin Clarke	MC	Business Services Executive

One member of the public attended the meeting.

Minutes

Part A: Preliminary

1.0 Chair's Opening Remarks; Apologies

The Chair welcomed the Board and expressed his gratitude to Colin Foxall for his role in creating and shaping Passenger Focus. The Board welcomed the Chair to his first meeting as Chair.

AS informed the Board that the most recent National Rail Passenger Survey had been published at the end of January. Passenger Focus had also published an update of the Ticket to Ride report, which had received a lot of coverage, including on the front page of The Metro. MH commented that the industry had now generally accepted that there was a problem, and within the government it was recognised that elements of the penalty fare scheme needed to be changed and that they had begun a public consultation on this. If implemented those charged would not have to pay their penalty until their appeal process had concluded, which was not the case under the current system. More work needed to be done on the issue of prosecutions; this would require either a change of the byelaw, or a commitment by train companies to more circumspect use of powers. The relevant Minister, and all political parties, had been written to on the issue of byelaws.

BL commented that it would be useful for Train Operating Companies (TOCs) to be required to report data on prosecutions to the Department for Transport (DfT). PM added that the new ScotRail franchise agreement specifically stated that penalty fares could not be used. Passengers could be sold a ticket when they arrived at their destination, but at rush hour, they could be waiting 20 minutes to purchase it. This acted as an incentive for passengers to pay in advance, and was an equitable approach.

AS stated that the relevant Minister had continued to be 'very energetic', and had held three meetings, which had been opportunities for backbench MPs of all parties to ask questions of representatives of Southern, Southeastern and Govia Thameslink about their performance. The MPs present had been clearly 'fed up' with the present situation, to a degree that AS had not experienced for a long time. This had been exacerbated by the problems with London Bridge, and there had been a number of letters in The Metro that morning complaining about the fact that there was no formal compensation for delays of less than 30 minutes. AS's impression was that, if Passenger Focus took up the issue of compensation again, they might be able to progress it further.

PR asked whether some research could be done to back up opinions such as those being expressed on the letters page of The Metro. IW replied that Passenger Focus had access to monthly figures, but nothing broken down on the basis of routes or individuals. PR stated that Passenger Focus should spend some time talking to affected people on the worst-affected routes, although this might take some time. AS stated that if a defensible figure could be arrived at more quickly, which could be included in a press release, this would be preferable. This was generally agreed to by the Board.

A report on the King's Cross and Paddington disruption over Christmas had now been released by the Office of Rail Regulation (ORR), following our feedback to them. The three key findings had been inadequate planning on the day, insufficient contingency planning, and generally poor information at Paddington. Network Rail were implementing the recommendations that had been made by ORR, and the

Minutes

Rail Delivery Group would report at the end of March; there had been no financial penalty. SL said that London TravelWatch had put out a statement responding to this report, stating that there had not been a proper plan for dealing with overruns that had inconvenienced passengers. GD noted that there were parallels between this situation and the recent situation on the M25: the Highways Agency's response had been similar. However, the customer relationship was different in this case; there was no possibility of redress for people traveling via car, whereas there was at least some for rail passengers.

ML asked whether Passenger Focus should ask to see the TOCs' contingency plans in the case of major engineering works. AS replied that it would be dangerous for Passenger Focus to attempt to second-guess the TOCs, but it was proper for them to ask the questions. SL added that the industry as a whole, and the Department for Transport, should not be discouraged from implementing major projects. Thameslink would eventually deliver major benefits. AS agreed with this, but stated that Passenger Focus still needed to deliver a degree of challenge.

The bus passenger survey was now complete, and the launch would be in Manchester on 12 March. At least two politicians would be present, Baroness Kramer and Gordon Marsden MP, and there would also be a good industry panel.

2.0 Minutes of the Previous Meeting

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

3.0 Board Action Matrix

Item	Date	Issue	Action	Owner	Due	Status
BM 243	10/09/14	The fairness and consistency of audits across the DfT family	To request information on the internal audit gradings received by other DfT organisations	ML	Retained until February 2015	ML had been given this information by the Department. Complete; delete
BM 244	10/09/14	Establishing task forces to consider policy issues in more depth	To produce terms of reference for the various task forces	JC	Retained until February 2015	Terms of reference would be drafted when Jon Carter returned. Complete; delete
BM 245	13/11/14	Actions in work plan not dated	Consider how dates could be included for actions in future years work plan reports	JC/MC	May 2015	
BM 246	13/11/14	Reporting of DfT franchising	Clarification to Board in presentation of	NH	December 2014	Complete; delete

Minutes

		costs not reflective of activity undertaken	quarterly financial report			
BM 247	13/11/14	NRPS TOC comments	Brief DfT in relation to change of policy	AS	December 2014	Complete; delete
BM 248	13/11/14	NRPS retender	Brief DfT at forthcoming sponsorship meeting	AS	December 2014	Complete; delete
BM 249	13/11/14	NRPS retender	Produce deliverable programme for successful retendering in one year's time	IW	May 2015	

4.0 Chair's Report

It was agreed that this item had already been covered in sufficient detail.

Part B: Work Plan Report

1.0 Making a Difference for Passengers: How are we doing?

AS stated that the document presented to Board members should give them a sense of the direction of travel. Not as much as hoped had been achieved in relation to the Coach Passenger Survey, and the Bus Punctuality Project was also not yet in the position that Passenger Focus had wanted. This would be a priority for next year; the Senior Traffic Commissioner had signed up to a series of initiatives with the industry. Her punctuality guidance would be published next month. The Bus Passenger Survey would reach 47,000 passengers this year, and the key objective in promoting the passenger voice in rail franchising was going extremely well. Work on contact and complaints handling would be completed around the end of the year. SB noted that a lot of good work had gone into achieving these results; the Board expressed their thanks to the team.

2.0 Finance

Passenger Focus was 'pretty much on target'; the 'unallocated' section of the budget had now been completely allocated. The finance team were congratulated on their work over the course of this year. DL noted that Passenger Focus were under pressure to reduce their costs by 3%, despite increasing our budget and remit in other areas. AS replied that this demonstrated the tension between how the Department viewed 'admin' versus 'programme' costs; they regarded them as separate costs, but these were linked.

BL noted that NRPS costs thus far had been £287,000, but the forecast profile was £855,000. IW clarified that this related to how the contractor was paid. Each wave was broken down into three tranches, which historically had always been back-loaded; this was partly to do with how the agency submitted their

Minutes

invoices. BL asked whether spreading these costs out over the course of the year would be beneficial. IW stated that he would look into this. However, for research projects in general, the last quarter of the financial year was a 'real rush'. The Chair noted that some of this money was cash for research that had already taken place.

Part C: Research

1.0 National Rail Passenger Survey Update

The results had been published at the end of January. The second slide in the pack presented to Board members contained a historical record of satisfaction; this had climbed over the last decade, but had plateaued recently, and had now started to decline. Southeastern were the lowest in terms of satisfaction, down 11 points over the course of a single wave. IW noted that these metrics were year on year; this was Passenger Focus' usual method of making comparisons, as there were seasonal fluctuations in satisfaction. There was not much movement in the rankings of TOCs, with smaller, local train services tending to be in the higher bracket, and London and South-East commuter TOCs tending to be at the bottom. There was a second chart included, going into further detail about the level beneath TOC level.

There was also a breakdown by journey purpose. Commuters were the least satisfied; IW commented that this was unsurprising, as they were paying high prices and travelling at peak times, in crowded conditions and on trains that were often late. This was bringing down overall scores, as just under half of journeys were commuter journeys. Overall satisfaction was beginning to decline. The biggest driver of satisfaction was punctuality and reliability, with cleanliness as the second biggest. The correlation between punctuality and satisfaction was, however, less close than it had been in the past. Punctuality was declining as a driver, and the importance of cleanliness was increasing. This was related to the work on trust that Passenger Focus did: part of treating customers well was carrying them in decent conditions. DS noted that this was also an area that was entirely the operators' responsibility.

DM observed that Arriva Trains Wales still received low scores for cleanliness because they were old trains, even though Arriva had put extra cleaners on their trains. PS added that it would be interesting – although difficult – to compare people in different regions' perceptions of other regions' trains. AS noted that what was being measured was perception, which could produce unusual results: a customer running late who caught a delayed train would be personally happy, for instance. IW commented that there had been very little argument from the industry about the fact that satisfaction was declining.

A summary of Passenger Focus media attention had been circulated. SN stated that what had been circulated presented a 'snap-shot' of one day's work; there had been a lot of effort from the team.

BL inquired what the rationale had been for saying in Passenger Focus' recent press release that if the industry could not manage to timetable, there should be a discussion about the suitability of the timetable. AS replied that the previous Chair had been of the view that too much was being asked of the current system, and that it could not deliver what was being asked of it. The industry and the regulator had been surprised by this comment, and had asked whether Passenger Focus really believed that they could not deliver on their targets for 2019. AS added that the Government were doing 'all the right things', but they were not seeing the results they had hoped for, and more reform would not necessarily solve the issue.

Minutes

The Chair stated that there could be a strategy session held, dealing with the extent to which Passenger Focus could comment on consequences or lessons learned. SL replied that there had been some proposals to rewrite timetables for May 2015. There was concern that that any temporary changes might become permanent. The organisation would need to carefully think through how they communicated these messages, and what kind of 'return to normality' they envisaged. PR stated that it was not Passenger Focus' role to tell Network Rail how to do their job, but to ensure that TOCs kept their customers aware of what was happening, and able to make plans.

Part D: Corporate Affairs

1.0 Roads User Representation

The Infrastructure Bill had completed its passage through Parliament the previous evening, and Passenger Focus would now become Transport Focus on 30 March: a rebranding would take place; a new website would be launched, and the first road user newsletter would be sent out. A more formal launch would take place over the summer. In the meantime, Passenger Focus were writing to all their major stakeholders to keep them informed, and to reassure more traditional stakeholders.

2.0 To Approve the 2015-16 Work Plan and Budget

The number of key objectives had been reduced to seven; the management team were happy with these objectives. A shorter document would be produced for the website, but AS stated that if a passenger or road user came into possession of this document, they should be able to tell from it what Passenger Focus were doing and why. He was pleased with the budgets: over a third of Passenger Focus' budget would now be spent on research, which was a good message to send to an incoming government.

DL stated that the second paragraph in the introduction could include examples of specific activities that Passenger Focus intended to carry out in relation to roads. On page six, readers should be reminded that Passenger Focus would be looking at both private cars and freight.

PS stated that the first key objective 'did not really say anything'. The reference to 'refocusing' should make it clearer what this refocusing would focus on. PM noted that the introduction contained a reference to 'those whose needs are greatest', but there was no objective relating to these people. Either there should be one objective related to each aim, or the fifth aim should be rewritten to be broader.

SL added that, in relation to the second paragraph on page three, Passenger Focus did not necessarily believe that choice was the best way to promote improvement; he would prefer to say that a strong consumer voice was the best way to promote improvement. AS clarified that this sentence had been intended to indicate that Passenger Focus did not have a view on what was the best mode of transport.

BL stated that he had been concerned about the final key objective, which was 70% satisfaction with the handling of complaints. This year, Passenger Focus had achieved 76%; this did not seem to BL to be a particularly demanding target. AS replied that he would want the Board to 'think very carefully' before

Minutes

increasing this target percentage. They should not be setting themselves up to fail, as there had been times when the average had dipped below 70%; in some cases, Passenger Focus simply could not resolve a complaint to the customer's satisfaction. The Chair stated that BL's point was a fair one, but it was too late in the year to have a meaningful discussion on this topic. He proposed to the Board that this target should be left at 70% for the moment; next year, they should challenge themselves to determine whether they could be doing better. This was generally agreed to by the Board. DL added that Passenger Focus could have separate external and internal targets, with the internal target being tougher. DS said that the Passenger Contact Group could take this further. The Chair stated that this was a good idea; they should consider it, and feed back to the Board.

BM 250	12/02/15	Passenger satisfaction with Passenger Focus	The Passenger Contact Group should review the 70% satisfaction target, and report its findings back to the Board.	KA	May 2015	
--------	----------	---	---	----	----------	--

DL noted that the budget for last year's road use representation was excluded from the totals; they were therefore not making a like-for-like comparison. AS replied that he did not know why this had not been included. This would be followed up with Nigel Holden.

Subject to the above changes, the Board **endorsed** the draft 2015-16 Work Plan and Budget.

3.0 To Receive and Endorse Draft Version 3 Minutes of Meetings:

3.1 Audit and Risk Assurance Committee

The internal audit on resourcing and succession planning had taken place; this had been graded 'moderate'. The succession of the Chair on a temporary basis would be something that would need to be discussed with the Department for Transport. The internal audit programme for next year had been agreed, based on the risk register. The external audit would take place earlier in this year than it had taken place the previous year. The Audit and Risk Assurance Committee had looked at the change team's risk register; one risk identified had been that of the Board not being fully informed, briefed on, and committed to the change programme.

The Board **received** and **endorsed** the ARAC minutes.

4.0 Statistics Governance Group Update

SL stated that formal minutes of the most recent meeting of this committee were not yet available.

NRPS had reached a 'junction point'; it was being used for more purposes than had originally been intended, and following an independent report that had been quite critical, the retender would be delayed

Minutes

for a year. Over the next month, the committee would address loose ends arising from the consultant's report, including sampling and online versus paper documents. They would also develop plans for handling the proposed review, and from Easter until June, they would consult with interested parties to make sure that they did not raise expectations too high. From July to September, work would be done on detailed design and implementation plans and stress-testing, and in October, the committee would prepare and issue information for tender. One option might be to maintain the NRPS for the first year, and change it thereafter.

IW added that a four-page document was being trialled alongside the NRPS, to maintain the credibility of its response rate and potentially make it easier to move the questionnaire online. Feedback on this would be received in May or June.

5.0 To Agree the Updated Membership Code for Board Members

The membership code had needed to be updated reflecting the change to Transport Focus. ML stated that the Audit and Risk Committee had been content with the document as written, but the Department for Transport had wanted to review it; if the Board agreed it, Jon Carter could then take it to the Department for discussion.

SL noted that the reference to the 'Greater London Assembly' on page six should read 'London Assembly', and that the document should include a reference to individuals who were elected mayors. IL stated that Rolling Stock Leasing Companies (ROSCOs) should be included in the list of 'super-sensitive' companies in which any ownership interest had to be declared. BL added that this list included Network Rail, which did not distribute shares. PM stated that the Category A and B companies ought to be reviewed in relation our additional remit to represent road users.

AS stated that this code needed to be finalised by 30 March. The Chair asked whether this document would need to come back to the Board for approval. AS confirmed this, but added that it could be agreed before being officially ratified at a meeting of the Board.

BM 251	12/02/15	Board Membership Code	Update the Board Membership Code to further take into account potential conflicts of interest in relation to our additional remit	JC	May 2015	
--------	----------	-----------------------	---	----	----------	--

6.0 To Approve Changes to the Passenger Contact Group Terms of Reference

The Board **endorsed** the changes to the Passenger Contact Group Terms of Reference.

Minutes

7.0 Forthcoming Meetings

AS stated that information regarding forthcoming meetings would be sent to Board members via email.

8.0 Any Other Business

No other business was raised.

9.0 Private Session

The Board resolved that, pursuant to the provisions of the Railways Act 2005, Schedule 5, Part 6 members of the public shall be excluded from the meeting for the discussion set out below having regard to the confidential nature of the business to be transacted:

"The discussion is commercially confidential: the affairs of an individual or organisations will be disclosed, and such disclosure may 'seriously and prejudicially' affect their interests."

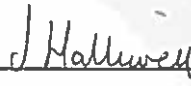
Proposed by: BL

Seconded by: PM

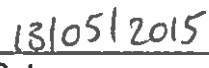
The Chairman countersigned the resolution.

The public were excluded from the discussion until the end of the meeting.

Signed as a true and accurate record of the meeting:



Jeff Halliwell
Chair, Transport Focus



Date