

Board meeting

Date: Thursday 16 July 2015
Location: Fleetbank House, London
Time: 10.01 – 12.17

Present

Board Members

Dr Stuart Burgess CBE (The Chair)	SB
Marian Lauder MBE	ML
Bob Linnard	BL
Stephen Locke	SL
Theo de Pencier	TdP
Paul Rowen	PR
Professor Paul Salveson MBE	PS
Phillip Mendelsohn	PM

Executive in attendance

Anthony Smith	AS	Chief Executive
Martin Clarke	MC	Business Support Executive
Jon Carter	JC	Head of Business Services
Mike Hewitson	MH	Head of Policy and Issues
David Sidebottom	DS	Passenger Director
Ian Wright	IW	Head of Research
Guy Dangerfield	GD	Road User Director
Sara Nelson	SN	Head of Communications

Guest Speakers

Paul Plummer	PP	Network Rail
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Part A: Preliminary

1.0 Chair's opening remarks; apologies

Apologies were received from Jeff Halliwell (JH), Diane McCrea and Isabel Liu. SB would act as chair in JH's absence.

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 249	13/11/14	NRPS retender	Produce deliverable programme for successful retendering in one year's time	IW	May 2015	The Statistics Governance Group had met on 13 May and IW would produce a timeline. Ongoing
BM 250	12/02/15	Passenger satisfaction with Passenger Focus	Anthony Smith said he would circulate a mini report	KA	May 2015	The Contact Group was yet to conduct a review. The due date was extended to September 2015 Ongoing
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	The second version draft had been sent to the DfT for comment. JC would bring the Code back to the Board at the earliest opportunity Ongoing

4.0 Chair's report

AS reported that on 6 July there had been a very successful Parliamentary reception to mark the evolution of Passenger Focus into Transport Focus. The event had been hosted by Louise Ellman MP and rail minister Claire Perry MP had delivered a speech. A wide range of stakeholders had been involved and all had been very supportive of Transport Focus.

AS said a number of meetings had been held with the Transport Secretary and other ministers. It had proven more difficult to maintain regular contact with Labour opposition spokespeople following the election. An issue for discussion was the way in which Transport Focus would approach the SNP as they were now a powerful force within Parliament. Contact had been made with the SNP transport spokesperson and a decision was needed over whether Transport Focus should attend the SNP conference.

AS and JH had met with Colin Matthews and Jim O'Sullivan, chair and chief executive of Highways England respectively. AS had also met with Martin Griffiths, chief executive of Stagecoach and the Rail Delivery Group. AS believed Transport Focus was currently well placed with regard to public affairs engagement.

Part B: Guest speaker

1.0 Rail infrastructure project announcements

Paul Plummer, Group Strategy Director, Network Rail

The Chairman welcomed PP to the meeting and Board members introduced themselves.

PP said he was frustrated that Network Rail came across as not caring about passengers, as he knew many people at Network Rail cared passionately. However, he acknowledged that recent events had not given this impression. He was keen to express that Network Rail valued the work and input of Transport Focus very highly.

PP provided an update on Network Rail's enhancement programme, business plan and the associated challenges that had been set out in 2013. Efficiency savings of £3 billion had been planned, on top of the 38% in savings made in the previous decade and this had been challenging to deliver.

There had been issues with the enhancement programme. Network Rail's ability to borrow had since been capped, limiting its flexibility. Although the majority of projects in the portfolio were being delivered on time and on budget, there were many significant programmes in which there had been serious problems. PP admitted Network Rail had been too optimistic about the costs of the electrification programme.

Network Rail had considered how to address these challenges and he believed that accountability should be devolved to route teams at a local level, turning them into empowered business units within the group. This would enable strong collaboration with train operators, which would ultimately deliver a better service for passengers and value for taxpayers.

There was no doubt among the Network Rail executive that the end user was its customer, and Transport Focus could help in this regard. A scorecard had been used throughout the year to remind Network Rail staff of how well it had been doing in this area. However, a significant challenge had been attracting and retaining the best staff in the company.

PP believed the periodic review process had been successful in providing clarity of funding for the 'steady state' railway (i.e. maintenance, operation and renewal). However, it was not as helpful for enhancement projects. The periodic review timescales meant that costs for these projects often had to be estimated before the projects themselves had been fully developed – and which meant costs were liable to change. He felt Network Rail needed to be clearer about providing a range of costs and/or being explicit when it was committing only to developing an idea, rather than the project itself. PP asked for continued engagement with Transport Focus to keep the views of the end user in mind.

Q&A

PS asked whether Network Rail was looking to redefine its routes in the North of England from the current North-South East and West Coast lines to a 'Network North'. He noted the pause in the electrification of the TransPennine Express (TPE) had caused a lot of discontent and asked what the plan for the future was. PP explained that there were multiple markets making use of the network and he did not think there was a perfect structure that would serve all. In future, there needed to be one conversation about what the North needed overall, rather than splitting it into East and West, and PP said his team would facilitate this. Regarding TPE, there was now an opportunity to do more than had been outlined and he hoped there would soon be clarity on the end point.

SL noted that Network Rail had to contend with the distinctiveness of London problems against those of the rest of the network. PP said Network Rail had always supported the devolution of franchising powers to London, but the company needed to reconcile the aspirations of London commuters, longer-distance travellers and freight.

PR asked about events at London Bridge and the extent to which passengers had been taken into account. He also asked whether the pause in the electrification of the TPE network would increase costs for train operating companies, who would now have to purchase dual-fuel vehicles. On London Bridge PP said that Network Rail should have been more explicit with passengers on the short-term pain involved and more realistic with its operational plans. It was not that the company did not care about passengers, but rather that it had unwisely tried to run more services initially than it should. Regarding the rolling stock, this would be a joined-up conversation between Network Rail, train operators and DfT.

GD asked how a government-owned company could avoid committing itself to projects that DfT might want, knowing they were perhaps overly ambitious. PP did not think being government owned should make any difference; DfT was a shareholder and also a customer. Network Rail needed to ensure it was being realistic about what was possible and challenge where necessary. It needed to improve early stage development and its communication of risks to the public.

PM expressed concern that project estimates had been exceeded resulting in the Government's recent decision to suspend some investment schemes. PP said a huge number of projects were delivered within the expected ranges, but there had been a systematic optimism in relation to electrification and brownfield station projects. Network Rail had not hidden these issues and had been in regular contact with ORR and DfT.

TdP asked what PP's response would be if his new chairman were to ask, 'What do you want from me?' PP said he believed Network Rail was lucky Sir Peter Hendy had been appointed. The Board had held discussions over staff recruitment and retention and Sir Peter Hendy could help in this regard. Network Rail also wanted the flexibility to pay market salaries.

BL said passengers simply wanted someone to take charge of the whole network and asked whether passengers could have faith in the current system, which seemed to be getting more complex. PP believed that the current system could work in passengers' favour. He thought there was passenger benefit in having a separate focus on infrastructure and operations, as long as there was the right level of collaboration and partnership. Incentives also needed to be changed so that the best outcomes for shareholders and passengers were aligned.

PR suggested a key challenge faced by Network Rail was preventing the Government breaking it up. It needed to demonstrate that devolution and partnership with TOCs could work. With this in mind he asked what had happened with the South West Trains Alliance. PP said the Network Rail had different forms of joint working across the country. South West Trains Alliance was not the only formal alliance, although it had been the deepest. In Scotland, the new franchise had been designed and built around an alliance from the start, which should help. They were hoping to negotiate similar baselines from the start in the next South West franchise.

DS asked how Network Rail would control the communications agenda to regain trust with passengers. PP said there needed to be a common narrative and they needed to be more proactive and assertive in getting positive coverage in the national media. He suggested that Transport Focus had a role to play in getting fair and balanced media coverage.

PS stated that in some areas levels of engagement were better than others. He asked if Network Rail had a stakeholder management strategy for the future. PP said it was better to make the route teams more accountable for stakeholder relationships. He believed engagement with local authority planning offices worked well. The director of communications was in the process of putting together a stakeholder strategy.

SL noted that Network Rail was subject to a number of upcoming reviews, such as Sir Peter Hendy's review of the upgrade programme and Nicola Shaw's review of structured finance and devolution. He asked how consumer groups could play a part in this, as Transport Focus had already been contacted by Nicola Shaw's team. PP did not think it would be the right answer for Network Rail to be broken up; it would be better to foster a more competitive ethos within the company. He felt there was a degree of consensus among what had gone wrong and he thought the reviews were likely to confirm this.

PS asked whether further delays to key projects in the north were expected. PP conceded there were challenges with the affordability of the programme and Government needed to make some important choices. He agreed that electrification was necessary but Sir Peter Hendy would help inform the Government's view. AS said it appeared that Sir Peter Hendy's role would be to recalibrate the expectations of politicians into a strategy that was deliverable. It was extremely difficult to refuse politicians' demands. PP agreed that Network Rail needed to be clear in setting out the choices.

The Chairman thanked PP for his openness and said Transport Focus was keen to work constructively with him.

Part C: Workplan report

1.0 Road user representation:

1.1 National Road User Satisfaction Survey update

GD said the paper, which was noted, had been provided to update the Board on the arrangements for the transfer of responsibility for National Road User Satisfaction Survey (NRUSS) from Highways England to Transport Focus in April 2016. The report had been working out the costs for conducting the existing NRUSS and the long-term costs once the new Road User Satisfaction Survey (RUSS) had taken its place.

The Board discussed how the parallel surveys would be funded, such as by a transfer of money from Highways England. GD said it would be safest if the money went back to the Department for Transport and was then issued back to Transport Focus.

2.0 Making a difference for transport users

2.1 How are we doing so far this year?

AS had provided an updated Workplan report for 2015/16 and the Board discussed the key objectives contained within it.

Objective 1.1 – “Use our Bus Punctuality Project to refocus the bus industry, local government and Traffic Commissioners, including road shows on our research and the Traffic Commissioners’ guidance”: DS said that five seminars had been held as part of the Bus Punctuality Project, which had been well attended by industry figures and traffic commissioners. BL asked how the success of this objective would be measured. DS explained that bus passenger surveys would be held measuring views on punctuality and they would work to focus the industry on greater punctuality. PM suggested that Transport Focus find a low-cost way to raise its profile with traffic commissioners in Scotland. DS said an event could be run if some outside funding could be found.

Objective 1.2 – “Identify road users’ priorities and work with Highways England to improve their experiences”: GD updated that the first tranche of work on priorities had been completed and he had been helping stakeholders to understand them. GD had also made contact with the David Brewer, director of the Network Delivery and Development directorate, who had been keen for Transport Focus to keep him focused on passenger service.

Objective 2.1 – “Strengthen the passenger voice in rail franchise replacement and monitoring”: a full report had been provided. MH said that since the report, bids had been submitted for Northern and TPE, and DfT had also brought forward the franchise of South West Trains.

Objective 3.1 – “Boost the voice of bus passengers, through bus passenger priorities research and through reaching 50,000 passengers via the Bus Passenger Survey (BPS)”: IW explained that they had been seeking third party funding and next week would be the final cut off point. It was looking likely that the 50,000 passenger contact target would be reached.

Objective 3.2 – “Enhance the usefulness and value for money of the National Rail Passenger Survey (NRPS) and Bus Passenger Survey through new research methods, ensuring they continue to be fit for purpose for years to come.”: IW said the consultation would begin today. They were looking to introduce an online element to the Bus Passenger Survey, which should improve the response rate.

Objective 3.3 – “Promote the voice of road users, trialling new research methods with a view to developing a satisfaction survey for the future”: GD updated that the proposition advocated by the University of West England (UWE) report would be put to the DVLA board next week with a recommendation to approve.
Action: UWE report to be circulated among the Board.

Objective 4.1 – “Handle cases where companies and passengers are deadlocked following a complaint, and gather intelligence to inform other areas of our work. We will achieve over 70% satisfaction with the way we deal with cases”: DS noted that satisfaction levels for June had dipped below 70%. Around 300 complaints were currently being handled and a close eye would be kept on the transition in the team.

SL thought that highlighting the Workplan document in green gave a misleading overview of whether the projects were on track. Other Board members supported SL’s view and felt more detail should be included in the document. PR said the issue of local authority cuts to bus punctuality projects had been highlighted in the seminar and should be flagged up.

AS agreed the report was patchy; although improvements had been made, he would need to devote more attention to it. It was a work in progress and he believed that a fuller mid-year report on whether projects were on track could be provided by October. The Chair said he had noted the points about barriers to success and the suggestions about the way in which the report should be compiled.

IW stated that, since the last board meeting, the following reports had been published: the spring wave of the National Rail Passenger Survey, a summary report of the HS2 Community Panel, Communicating Suicides on the Railway, and the Road Priorities for Improvement among car and van drivers and motorcyclists. AS said the Extreme Weather Report could be launched at Transport Focus's Scottish event in September.

3.0 Project Framework

3.1 Tram Passenger Survey Wave Three

IM updated that funding of £73,000 had been requested for the Tram Passenger survey, which would be split equally between Transport Focus, local authorities and tram operators.

3.2 Bus user priorities and trust

MH said this had previously been discussed at a Members' Event and formal endorsement was now required. The current paper would quantify the three different outputs: priorities for improvement in ranked order, figures on the question of trust and the barriers to use from non-users.

PR suggested it would be useful to break down the data into segments such as age groups and ethnicity. MH said this information would be captured.

Part D: Corporate Affairs

1.0 To receive and endorse draft Version 3 minutes of meetings:

1.1 Audit and Risk Assurance Committee (8 June 2015)

ML said the purpose of the meeting had been to consider the annual report of accounts and recommend their endorsement by the Board. The Board had endorsed the accounts and they had been laid before Parliament on 29 June. The Board **endorsed** the minutes.

2.0 Update from Statistics Governance Group (18 June 2015)

SL said a meeting had been held on 18 June, the minutes of which were being prepared. The Bus Passenger Survey had been discussed and a series of technical changes would be made to improve the response rate from younger users.

Regarding trains, there had been a disappointing response rate to the shorter questionnaire. The consultation document had also been discussed and SGG had agreed that more flexibility was required than two complete 12-page surveys twice a year. There would be testing for a more gradual migration to online completion.

On roads, the SGG had discussed Transport Focus taking over the NRUSS data and the procurement that had been discussed earlier.

3.0 Subsidiary bodies:
3.1 Statistics Governance Group

JC asked the Board to endorse TdP's nomination to the Statistics Governance Group. The Board **agreed** the nomination.

JC said the terms of reference had been adapted to include other statistical products, including the new RUSS. SL explained that SGG had a confined remit, which did not include research outside of Annex A, and the current terms of reference constrained them. The Board discussed what would constitute a statistic and the remit of SGG. AS suggested that SGG continue with the tracker surveys; it could also be asked to consider other categories if they were not contentious. The Board **agreed** it would continue with the current terms of reference, but would draw exceptional matters to the SGG's attention.

4.0 Change of name

The Chair said the Board needed to formally agree the change of name from the Passengers' Council to Transport Focus, as proposed by the Government. The Board **agreed** to the change of name.

5.0 Any other business

PS wanted to raise the matter of TPE electrification and the Midland Mainline pause. He felt Transport Focus needed to continue pushing on this issue, as it affected 15 million people and he had never before experienced such a high level of public concern. The Chair said the management team would pick this up. The Chair thanked the staff for their efforts over the past year and wished everybody a good summer break.

Signed as a true and accurate record of the meeting:

J Halliwell

Jeff Halliwell
Chair, Passenger Focus

21/9/15

Date