

Minutes

Board meeting

Date: Thursday 14 May 2015
Location: Thistle, Cardiff City Centre, Cardiff
Time: 10.01 – 11.51

Present

Board Members

Jeff Halliwell (The Chairman)	
Dr Stuart Burgess CBE	SB
Marian Lauder MBE	ML
Bob Linnard	BL
Isabel Liu	IL
Stephen Locke	SL
Diane McCrea	DM
Philip Mendelsohn	PM
Theo de Pencier	TdP
Paul Rowen	PR
Professor Paul Salveson MBE	PS

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
Katie Armstrong	KA	Passenger Team Manager
David Beer	DB	Passenger Team Executive
Sharon Hedges	SH	Passenger Issues Manager
Louise Collins	LC	Passenger Issues Executive
Hazel Phillips	HP	Public Affairs Advisor
Guy Dangerfield	GD	Road User Director

Guest Speakers

Selena Gray-Stewart	SGS	Virgin Trains
Paul Cooper	PC	Virgin Trains
Russell Evans	RE	First Great Western
Mark Youngman	MY	First Great Western

Seven members of the public attended the meeting.

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Part A: Preliminary

1.0 Chair's opening remarks; apologies

The Chairman welcomed the Board and thanked both them and the members of the public present for attending. He additionally thanked all members of Transport Focus who had contributed to the conference on 13 May.

There were no apologies. The Chairman welcomed TdP to his first Board meeting.

2.0 Minutes of the previous meeting

The Chairman noted on page three, item BM 245 of the Action Matrix had no status. AS clarified leaving the status column blank was not helpful so future minutes would include content in all instances.

The Board **approved** the minutes and **authorised** the Chairman 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	The Passenger Contact Group should review the 70% satisfaction target, and report its findings back to the Board	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

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4.0 Chairman's report

The Chairman noted he had received a full induction programme since his first Board meeting as Chairman. He had met with internal staff members, Board members and a variety of external stakeholders.

Part B: Guest speaker

1.0 Cross-border services – how are Virgin Trains and First Great Western delivering for passengers in Wales?

The Chairman welcomed the speakers from Virgin Trains and First Great Western.

Virgin Trains

PC stated that Virgin remained committed to rail and wished to maximise its potential on the West Coast, including into North Wales. SGS detailed Virgin Train's continued year on year double digit growth. She explained that the company had been introducing more services to the network.

On the National Rail Passenger Survey (NRPS) SGS noted Virgin Trains scored highly. The company had an internal measure it had called Net Advocacy Score (NAS) to understand what its customers wanted. It was targeting NAS 50. All customers that booked online would receive a survey by email. PC detailed the content of that survey, and noted he would contact any customers that had left contact details for direct feedback. He stated that a subsequent survey would be issued after three months which asked whether the customer saw any improvements.

SGS noted the PPM graph showed significant peaks and troughs. She stated when a train was delayed there was a need for a consistent message to ensure the customer knew what was occurring. However, there were also some delays outside of Virgin Trains' control; therefore, they had to build good relationships with Network Rail. As a result Virgin Trains had a specialist team that looked at performance and had contacts with Network Rail. PC stated there was a direct correlation between PPM and NAS. One of customers' big frustrations concerned information during disruption.

PC stated Virgin Trains had had its franchise extended to March 2017 with the option for a further year. He explained Virgin Trains retained a strong commitment to the West Coast. Improvements were being made to services, including the introduction of Wi-Fi at stations, new routes for Shrewsbury and Blackpool, and an increase in standard class capacity. The company was also increasing its engagement with local communities.

There would be a number of station improvements, including gating on all stations between Manchester and London. PC noted a May 2016 commercial timetable review aimed to provide extra connections from north Wales beyond the London route.

SGS explained Virgin Trains was concerned with customer experience and wished to compare itself with companies like Apple and John Lewis.

SL asked whether the comparisons with leading customer service organisations had provided particular messages applicable to the rail sector. PC explained upon using NAS Virgin Trains had discovered it was not close to the 50 score of John Lewis and Apple. He considered that gap to be revealing for the industry.

PS asked what Virgin Trains was doing to engage with communities in north Wales. PC answered Virgin Trains conducted a lot of CSR work, supporting local community events, and local products were used on the trains. PS also wished to know how big a priority electrification of the North Wales Coast Line would be for whoever won the franchise. PC said it would be fantastic to get electrification for the route as it would significantly reduce the journey time.

ML asked what could be changed in the three months between surveys issued to customers. PC replied that one issue that could be addressed was the information provided during disruptions. However, he agreed there were issues that would take longer to resolve. He also suggested basic issues could be dealt with within three months. TdP asked how actively Virgin Trains was using social media for follow-up and conversations with passengers. PC noted Virgin Trains was empowering staff to resolve customers' problems on the train, which freed up the customer relations team to focus on social media. SB asked for more detail on the developments around Shrewsbury and Blackpool. PC explained by adjusting its timetables Virgin Trains had freed up some Voyagers to provide a peak service from Shrewsbury to London. That held similarly for Blackpool.

The Chairman thanked SGS and PC for their presentation.

First Great Western

RE explained South Wales was a key part of FGW's network. He noted FGW had come a long way in terms of the service it offered and its performance. He noted all of the positive comments received on Twitter would be provided in a weekly report to frontline staff.

The Second Great Western Direct Award was a new franchise that would run for three and a half years until March 2019. FGW believed that over time it had won the right to stay as a stable partner. RE stated FGW had experience and knowledge which had been important for negotiating the period of the new franchise.

FGW viewed the change from diesel to electric as being as significant as the move from steam to diesel. He stated FGW would be re-branded as 'Great Western Railway'. The re-naming aimed to reinforce pride in the company. There would be a new ticket office in Paddington. One aspect of its design was removing the barriers between staff and passengers. To aid in providing passengers with a unified experience on the line, stations would be newly branded.

On Wales, RE explained one key issue was the transformational effect of electrification. The electric trains had a significantly larger capacity. Another key issue was capacity between Cardiff and Bristol. Almost all Cardiff-Portsmouth trains would have five cars, and would be operated by the existing diesel fleet, which would have air cooling and free Wi-Fi fitted.

In 2018 the super express trains could be introduced in South Wales which would permit faster trains.

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Compared to today, services would be around 15 minutes quicker to south-east Wales, and around 20 minutes quicker to Swansea. A new morning service to Paddington would be introduced, and the omission of stops would result in a journey from Cardiff to Paddington taking one hour 45 minutes.

DM asked what the cost to passengers would be. RE stated FGW would not assume an increase in fares. Faster services between Reading and Paddington would be introduced to decrease local travel on long distance trains. PR asked how disruption would be managed to avoid a situation similar to London Bridge. RE explained FGW had a mature understanding of major phases of work. AS noted Transport Focus was heavily engaged with FGW regarding the conduct of engineering works. RE responded that had helped FGW learn lessons about whether they were communicating with passengers during periods of disruption.

The Chairman thanked RE and MY for their presentation.

Part C: Workplan report

1.0 Making a difference for transport users:

1.1 How did we do in 2014-15?

AS noted in relation to 2014/2015 there had been six key objectives detailed in the work plan report.

On increasing the size and usefulness of the Bus Passenger Survey (BPS), DS stated that there had been around 47,000 responses from passengers. Two-thirds of the cost of the survey was now met by the industry. AS noted there had been over 50 meetings with local bus companies and local authorities to take the results to the industry and help drive change.

On the Tram Passenger Survey, DS reiterated the results were similar to the BPS, though on a much smaller scale. The major success had been the development of Edinburgh Tram, which had received a fantastic response from passengers in terms of completing surveys. The results had been taken back into the industry and actions plans developed.

AS noted that Transport Focus had put a lot of effort into boosting the passenger voice in rail franchising. SH noted there had been five new contracts over the past nine months, all of which Transport Focus had been actively involved in. The campaign for passenger power had resulted in new franchises delivering customer reports, and a greater focus on engagement with passengers. DB and his colleagues had been developing links with stakeholders and the Welsh Assembly.

AS explained the fourth objective had been using the Bus Punctuality Project to drive improvements in punctuality at a local level. DS stated a report had been published in December and would be presented at events across England, where Transport Focus would be joined by the Local Traffic Commissioner.

MH detailed that the Department for Transport was consulting on changes to penalty fares procedures, in particular the manner in which admin charges were levied. The DfT had recognised the tone of letters issued by companies about penalties needed to be addressed. Transport Focus was not convinced the powers around criminal prosecution were adequate to differentiate attempts to deliberately avoid paying from mistakes.

The final key objective had been dealing with approximately 3,000 'appeal' complaints with the aim of 70% satisfaction for how Transport Focus had handled the complaints. KA explained Transport Focus had concluded the year with 76% passenger satisfaction with its service. The organisation had helped train companies build more of what it believed were good service aspects into complaints handling procedures. DM noted Transport Focus continued to engage with the various organisations in Wales, including Welsh Government and the National Assembly for Wales. One of the challenges in Wales had resulted from the transport consortium, which oversaw the regional setup in Wales, had been dismantled. There were now 22 Local Authorities in Wales and it was a challenge to connect with them all.

AS noted more detail would be provided in the annual report. The only area missed had been initialising the Coach Passenger Survey, and AS believed there would be more success on that in 2015 as the new roads remit presented an increased interest in coach passengers.

The Chairman congratulated everyone for the work in the previous year and invited questions. TdP requested comment on the recently reported Traffic Commissioners triennial review. Regarding the review, DS explained he had sat on one of the working groups. He noted although Transport Focus desired greater transparency and clarity regarding punctuality data that remained a challenge. TdP queried why the consortium in Wales had been disbanded and AS noted devolution in Wales had led to greater centralisation. DB explained there had been a question about where funding would be directed, and the relevant Minister had decided it would be provided directly to the Local Authorities.

SL asked what actions were being taken to improve relations with the Welsh Government. DB stated that on BPS Transport Focus had campaigned for a survey to be introduced in Wales. They had been working with the Welsh Government transport statistics group, and a number of meetings on the issue had been held the previous day, which had included interest from bus operators to assist with funding. SL noted it had been disappointing no Welsh Government member had been present on the previous day to witness the debate.

PS observed there was need for representation in Scotland and Wales, and probably in North England as well. The Chairman seconded that view. AS noted that Transport Focus did wish such representation, but there were financial constraints. He stated the longer-term ambition was to have full time officers in Scotland and Wales, and noted there was some representation in Manchester. IL believed it would be useful to include dates for updates; the Chairman agreed.

1.2 How are we doing so far this year?

AS stated the Scottish and Welsh versions of the work plan would soon be published. He drew attention to the work that would be carried out to future-proof both the NRPS and BPS, and how new research methods could be trialled. IW stated the NRPS programme would be ongoing for a year or two. SL suggested in light of IW's comment the NRPS objectives should be amber.

2.0 Road user representation

GD noted Transport Focus was recruiting Road User Managers, which would be outward-facing roles. They would engage with user representatives, Highways England and help to influence change by engaging those who may not understand Transport Focus's research. GD had talked TdP through the 2015/2016 direction of the work programme. It would be opened to external stakeholders to make them aware of the proposals and provide an opportunity for comment.

The research colloquium had been a gathering of researchers within Transport Focus, Highways England and the DfT to share knowledge and understanding of what drives road user satisfaction. There was a desire both to repeat the process and also to explore a similar event for the freight industry.

TdP believed Transport Focus deserved great credit for its stakeholder engagement, which had helped to overcome the stakeholders' initial scepticism. PR suggested it was important to implement methods for measuring road disruption and how such disruptions were being managed. GD confirmed that would be one of the key areas of focus. The Chairman stated communication with drivers would also be essential.

3.0 Finance report

AS noted the auditors were finishing their report for the final quarter of 2014/2015. Funding sources had been diversifying. Extra funding had been received from the DfT in relation to additional franchise replacement work and the smart ticketing research. Money had also been received from HS2 in relation to the project regarding passenger input to HS2. Transport Focus had generated around another £1 million for research from third parties. The rail and bus work had been on budget; the road work had been under budget.

SB asked what would be put in place to limit possible cuts and how new money would be generated. The Chairman suggested that be discussed in the afternoon, but added diversifying income was a key priority. AS noted one of his objectives was to preserve Transport Focus's current financial position. The Chairman congratulated the organisation for its good audit report.

Part D: Corporate Affairs

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

1.1 Remuneration Committee (5 Mar 2015)

SB referred to the pension scheme update and pay proposals for 2015/2016 from the Remuneration Committee's minutes. Despite the organisation's financial constraints staff continued to perform greatly. On performance-related pay he believed the least-worst scheme had been adopted and would be reviewed in the future to evaluate its effect. The Chairman thanked SB for his work on the Committee.

1.2 Audit and Risk Assurance Committee (16 Apr 2015)

ML noted a lot of internal audit activity had occurred over the period of the report. She stated the quality, core controls and the Business Continuity Plan follow-up had a received a 'Moderate' grade. As a result

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the overall grading was 'Moderate'. The Equality and Diversity audit had recommended the Board consider an Equality and Diversity Champion. The Audit and Risk Assurance Committee (ARAC) had discussed the issue and recommended to the Board the proposal be followed through. The Chairman noted he and ML had discussed the proposal and he supported it. He proposed IL take up the role. The Board endorsed IL as Equality and Diversity Champion.

ML noted the ARAC received a detailed project management report, and believed that should be exposed to the Board. She stated in drafting the annual report the work plan had been used as a source of data.

SL noted the Statistics Governance Group (SGG) had also discussed the project-planning proposals, and was keen to work closely with the ASAC. He stated the work on NRPS would be a good test case as it would need detailed project planning. AS stated the project management skills of the organisation were good. However, he believed there were issues around describing the process and key dates related to publication.

1.3 Passenger Contact Group (30 Apr 2015):

PS explained that after extensive discussion at the Passenger Contact Group they had decided to keep the target for passenger satisfaction at 70%. The complaints-handling procedure had been discussed and it had been agreed the procedure, although reasonably clear, could be improved. The Chairman thanked the members of the group for their work.

2.0 Audit and Risk Assurance Committee

2.1 Risk report October 2014 – March 2015

ML noted under the team risks for the research team the SGG had seen one picture of NRPS risk whilst the ARAC had seen another. There was a need for a clearer and shared picture of that risk. The IT changes referred to in the Senior Information Risk Owner's report would be closely managed.

2.2 ARAC annual report to Board

ML noted there had been a strong focus on roads and change, and that was reflected in the ARAC's work. It had reviewed the change risk register and would be looking to the Roads Director to produce a risk register in the coming year. Both roads and change would be subject to an internal audit in Q4 2015/2016. The budget for 2015/2016 would be very tight, but the previous year's budget had been also and yet had been well managed. Therefore, ML was confident about the organisation's finances, assuming it was not subject to Government cuts.

The Chairman drew attention to the Triennial Review, which had been very positive about Transport Focus. He also thanked ML and the ARAC for their work.

3.0 Any Other Business

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There was no other business.

The Chairman again thanked the members of the public who had attended and invited any questions. There were no questions.

4.0 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: ML

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:

Stuart S. Burgess

Jeff Halliwell
Chair, Passenger Focus

16/7/15

Date