

Minutes

Nov 14 BM 02.0

Board meeting

Date: Wednesday 10 September 2014
Location: Passenger Focus
Ground Floor, Fleetbank House, London
Time: 14.15 – 15.30

Present

Board Members

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

Geoff Dunning	GD	Roads Advisor
David Leibling	DL	Roads Advisor

Executive in attendance

Anthony Smith	AS	Chief executive
Jon Carter	JC	Head of business services
Mike Hewitson	MH	Head of passenger issues
David Sidebottom	DS	Passenger team director
Hazel Phillips	HP	Head of communications
Louise Hall	IW	Senior research advisor
Katie Armstrong	KA	Passenger team manager
Martin Clarke	MC	Business services executive
Keith Bailey	KB	Senior research advisor

The meeting was open to members of the public.

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1 Opening Remarks; Apologies

The Chairman welcomed the Board and introduced LH, who would be representing the research team on behalf of Ian Wright. The Chairman also welcomed GD and DL as the Board's new road and freight advisors, stating that the Board looked forward to working with them in future. Apologies were noted from Isobel Liu.

2 Minutes of the Previous Meetings: Manchester 15 May 2014

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

3 Action Matrix

Item	Date	Issue	Action	Owner	Due	Status
BM237	13/02/14	Substantial variable overheads	To undertake analysis of variable overheads and how these could be managed	NH	May 2014	Reviewed by ARAC; the matter would be put before the Board in November
BM238	13/02/14	Board Events feedback	Circulate a summary of feedback received from the events held in Edinburgh and Cardiff	JC	May 2014	Complete; delete
BM239	13/02/14	Decline in bus services in rural areas	To conduct research, produce recommendations and liaise with ATCO on declining rural area bus services	DS	November 2014	Complete; delete
BM240	15/05/14	Passenger Priorities	Circulate the results of the Passenger Priorities research, including FGW and WAG boosts	IW	September 2014	Keith Bailey to report during Board Meeting on Wednesday 10 September.
BM241	15/05/14	Passenger Focus's new 'roads' remit	Provide a clear picture of our work relating to roads, and offer an induction session to Board members	AS	June 2014	The Board to be presented with a substantive paper at the November Board Meeting.

4 Chairman's Report

The Chairman briefed the board on recent meetings he had held including those with Baroness Kramer (Minister of State, DfT), Anna Walker (Chair, ORR), and Lord Berkeley (Rail Freight Group), and senior managers of Caledonian MacBrayne.

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It had been a particularly busy time in respect of franchising, with bids reviewed for both East Coast and Thameslink Southern Great Northern. Despite the confidentiality agreements covering the process, and the huge amount of work it caused Mike Hewitson and his team, he concluded the outcomes would almost certainly justify the means.

Not having met publicly since the events in Edinburgh in June, the Chairman suggested, and the board agreed, that the programme had been exceptionally well put together and delivered. Several important new relationships had been formed and followed up, and the Scottish Minister, Keith Brown, who had addressed the reception in the Scottish Parliament, had been very supportive of our work north of the border. The feedback on the major events seminar, which had been very well attended, had been consistent and good.

The Chairman updated the board on our progress towards a remit for roads, of which GD and DL were good evidence. A monthly-ish meeting of very senior stakeholders now attended what had been styled the Chairman's Advisory Group and this had proved very useful in getting buy-in from the industry. A wider group of stakeholders had been invited to form an advisory board to discuss research activities in some detail.

Finally, the Chairman reported that there was nothing much to report on the appointment of his successor, with only just over a week to go before the end of his term. The difficulties in making this appointment had also impacted on the recruitment process for the additional board member which was now on hold.

5 Making a Difference for Passengers – how are we doing?

AS introduced the Work Plan, noting that this should not be considered as a replacement for the more detailed feedback the Board would receive on areas such as the research programme and individual research projects. PR asked whether Passenger Focus had made any progress in meeting with Megabus and other coach operators regarding the Coach Operators Survey. DS replied that while a meeting had been held with the Managing Director of Megabus, this individual had since left the company; Passenger Focus would aim to re-establish contact with this firm. National Express had indicated that they would not engage in the survey unless Megabus was included as a comparator.

MH noted that the organisation had planned to collaborate with traffic commissioners in order to refocus the attention of stakeholders on bus punctuality issues. Work in this area had been delayed, as the Senior Traffic Commissioner's punctuality guidance had not yet published. DS suggested that in order to avoid further delays, Passenger Focus could publish its report as a standalone document.

BL commended Passenger Focus's work on rail franchising, and asked how the DfT had viewed the organisation's recent contributions in this area. MH stated that following the work on the Thameslink franchise, the DfT had requested more 'colour' from Passenger Focus's bid review reports. The Chairman believed that the balance between colour and caution had broadly been achieved in the report on the East Coast franchise, although the DfT had not yet fed back on this contribution. SL highlighted the need to collaborate with London TravelWatch in relation to the Crossrail franchise.

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DS commented that Passenger Focus had made progress on increasing the reach and usefulness of the BPS. The organisation had increased its coverage in Scotland, and funding for the BPS was now matched by either local authorities or bus operators in every survey location. Centro, the West Midlands transport authority, had recently issued a press release recognising the usefulness of the BPS. Passenger Focus was preparing a document to show how survey results were being used in other areas.

DS stated that Passenger Focus had completed its first Tram Passenger Survey (TPS) in April. Work had begun on the organisation's next TPS, which would be expanded to include Edinburgh's tram network.

MH remarked that progress had been made on boosting the passenger voice in rail franchising. The organisation would shortly begin a research project around the type of information passengers wished to receive with regards to franchising, and how they wanted this information to be communicated. Bidders' proposals had recently begun to focus more on passenger engagement; however, the DfT's passenger consultation process around new franchises still needed to improve.

One of Passenger Focus's objectives was to ensure that passengers who made innocent mistakes concerning tickets were not treated as criminals. Progress had been made on the issue with TOCs; this was evidenced by Northern Rail's new, clearer ticket designs. Passenger Focus had recently increased its emphasis on the penalty fares system, highlighting this system's independence and lack of audit processes. A Code of Practice had been put in place, and the next step would be to achieve the standardisation of penalty fare appeal criteria across operators. The organisation would shortly be publishing an updated version of its *Ticket to Ride* report in order to promote change in this area.

According to current projections, Passenger Focus would handle 3,000 rail 'appeal' complaints during the year, roughly the same number as had been handled in 2013. 75% of these complaints had been satisfactorily resolved up to the end of July, exceeding the organisation's target of 70% in this area. The main issues from passengers were around TOCs' complaint-handling procedures, fares and refunds, and delays.

ML stated that as part of the work-planning process for 2015, Passenger Focus would evaluate the achievements of the current Work Plan, the areas where performance could be improved, and the work streams that should be continued into the following year. JC added that ARAC would produce a report on the 2015 work-planning process, which would be put before the Board at their next meeting in November.

6 Finance Report

BL highlighted that the finance report had included the cost of the HS2 passenger panel, yet had not referenced the fact that this expenditure would be reimbursed by HS2 Ltd. The Chairman explained that the report provided cash flow figures rather than a full set of accounts; the payment from HS2 Ltd had not yet been received and therefore would not appear in these figures.

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Item	Date	Issue	Action	Owner	Due	Status
BM242	10/09/14	Board finance report	Clarify the status of figures provided in the report	AS	Nov 2014	

7 Road Users Representation

AS explained that Passenger Focus was making progress regarding its potential role as the representative of users of the strategic road network. The organisation had prepared for this new role by developing relationships with stakeholders, setting out a research programme, and liaising with the DfT and the Highways Agency. A fuller report on progress in this area would be put before the Board at its next meeting. The Chairman mentioned that the appointment of a permanent Board member for road had been deferred by the DfT.

DL sought clarification on whether the role of the ORR, and its relationship with Passenger Focus, would change as a result of the organisation's new roads remit. AS replied that the ORR's role would be limited to measuring the efficiency of the new highways agency that would be created. The Chairman added that Passenger Focus's relationship with the ORR in this area would operate on a similar basis to the relationship over rail.

8 Latest Published Research: 'Rail Passenger Trust Survey' and 'Rail Passenger Priorities for Improvement'

KB commented that the Rail Passenger Trust Survey (RPTS) had received a significant amount of media coverage, and had earned positive feedback from stakeholders. Meetings had since been scheduled with TOCs such as East Coast and Southern in order to discuss the RPTS's findings, and operators had expressed an appetite for a repeat of this work. DS noted that as a result of this survey, the Rail Delivery Group had asked Passenger Focus to hold a workshop for operators; discussions were being held with Michael Roberts and his team on how this could be approached. The Chairman suggested that Passenger Focus could draw out several conclusions from the RPTS's findings and use them as the basis for future research, in order to build on the momentum generated by this project.

DM sought clarification on the cost of the RPTS. KB stated that the RPTS had cost roughly £65,000, and had involved both quantitative and qualitative aspects. It would cost less to repeat only the quantitative part of this work. SL asked if there had been any indications that this survey would undermine the NRPS. KB replied that he had not received any indications from TOCs that this was the case. The Chairman pointed out that the RPTS would be useful for operators as many of its findings could be addressed relatively easily through changes to their business practices. Another benefit of the survey was the scope it allowed for operators to differentiate themselves from their competitors.

BL enquired if there had been any discussion around a potential bus passenger trust survey. AS responded that he had asked the Confederation of Passenger Transport (CPT) if they would fund a version of the survey for bus passengers, yet this request had been declined. AS suggested that Passenger Focus should continue to advocate for funding in the hope that CPT would change its stance on the matter.

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KB remarked that the latest Rail Passenger Priorities for Improvement (RPPI) survey had shown that 'train tickets offer better value for money' was the top priority for passengers, as had been the case in previous RPPI surveys. 'Passengers always able to get a seat' and 'trains sufficiently frequent' followed as the second and third highest priorities. Free WiFi on trains had appeared for the first time as a priority in the current report; it was hoped that the industry would take note of this finding. DL expressed surprise at the relatively low priority given by passengers to car parking facilities near stations. MH replied that according to demographic analysis, only 10% of passengers travelled to stations by car. KB suggested that work was necessary in order to determine whether more passengers would drive to stations if car parking facilities were improved.

The Chairman noted that it would be helpful to refer to the findings from the latest RPPI survey when identifying areas in need of further research over the next three years. KB highlighted that First Great Western and the Welsh Government had allocated extra funding to the RPPI in order to boost the sample size in their territories and thereby achieve more granular data. An internal report on the survey was already available, and the full public report would be published in the following month.

9 Minutes of the Audit and Risk Assurance Committee

ML remarked that a new entry covering roads had been added to the strategic risk register; this entry would be developed as the organisation adapted to its new role in future. The ARAC had also decided to add another page to Passenger Focus's project report, in order to include one-off items of large expenditure that did not qualify as projects. The organisation had received a grading of 'reasonable' after its latest internal audit. ARAC had viewed this as quite a 'harsh' judgment; ML had challenged the grading yet the internal auditors had not changed their final opinion.

The Chairman sought clarification on the reasons behind the auditors' judgment. ML replied that the auditors had based their judgment on a basket of internal audits carried out throughout the year. ML had challenged the auditors on the basis that the grading for the business continuity audit had been unreasonably severe, and had contributed to a lower than expected overall opinion. The Chairman noted that it would be worth examining the overall gradings of other organisations in the DfT family.

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		

ML noted that the organisation had recently embarked on a new set of internal audits; the franchising audit had begun already, and would be followed by an Equality & Diversity (E&D) audit. It would be necessary to ensure that all Board members had received E&D training ahead of this audit. Going forwards, it had been decided that ARAC would act as an intermediary between Passenger Focus's senior managers and

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internal audit teams. This would allow for the more effective resolution of any disagreements that might arise over the planning, conduct, or review of audits.

The Board **received and endorsed** the two sets of ARAC minutes.

10 Board committees and champions

JC noted that issues such as franchising, bus, coach, and tram, and Passenger Focus's new roads remit required more attention than the Board could currently manage. It was therefore necessary to organise a series of 'task forces' that could consider policy issues in greater detail. There would be no change to the organisation's existing, formally-established committees, other than the replacement of the chair of the Statistics Governance Committee. PR highlighted the need to establish a timetable for future task force meetings. BL added that before these task forces met, it would be advisable to determine their terms of reference.

Item	Date	Issue	Action	Owner	Due	Status
BM 244	10/09/14	Establishing task forces to consider policy issues in more depth	To produce a timetable for meetings of the various task forces	JC		

Item	Date	Issue	Action	Owner	Due	Status
BM 245	10/09/14	Establishing task forces to consider policy issues in more depth	To produce terms of reference for the various task forces.	JC		

The Chairman noted that it was important for task forces to avoid taking over the decision-making role of the executive, except where they were given formal delegated authority for this purpose. DL suggested that the Statistics Governance Group (SGG) should include a highways specialist. There was general agreement with this suggestion. ML pointed out that she and DM had originally been listed as thematic champions for stakeholder engagement, yet their names had not been included in the champions list in the supporting papers for the meeting. JC stated that this was an error, and confirmed that their names would be added to the list of thematic champions.

Item	Date	Issue	Action	Owner	Due	Status
BM 246	10/09/14	Establishing thematic champions	To add ML and DM to the documentation on thematic champions	JC		

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GD suggested that a roads champion should be included in the list of thematic champions. The Chairman stated that the current arrangement of thematic champions could be modified in future to take account of changes to Passenger Focus's workload. GD commented that the organisation needed to decide whether to use the word 'roads' or the word 'highways' in future communication, in order to achieve consistency and avoid confusion.

The Board **approved** the changes to the Board committees and champions and **endorsed** the chairman's nomination of SL as the chairman of the SGG.

11 Annual report and accounts

Due to Passenger Focus's position in the NAO's audit cycle, it had been difficult for the organisation to lay their accounts before Parliament prior to the recess. ML would liaise with the NAO in order to determine how this situation could be avoided in the coming year.

Item	Date	Issue	Action	Owner	Due	Status
BM 247	10/09/14	Difficulties in laying accounts due to position in the NAO's audit cycle	To liaise with the NAO in order to ensure that accounts could be laid in a timely manner in future.	ML		

The Board formally **adopted** the annual report and accounts.

12 Any Other Business

AS stated that Passenger Focus's ICT contract had been put out to tender, yet the only respondent had been the organisation's existing supplier. Eamon Caughey was currently considering whether to repeat the process. The Chairman suggested that AS should circulate a written note to Board members on the status of the tendering process.

Item	Date	Issue	Action	Owner	Due	Status
BM 248	10/09/14	The tendering of Passenger Focus's ICT contract	To provide Board members with a written note on the status of tendering process for the ICT contract	AS		

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Signed as a true and accurate record of the meeting:

Colin Foxall CBE
Chairman, Passenger Focus

Date

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