

Passenger Focus annual report and accounts 2014 - 2015





**Annual report and accounts
2014-15**

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Section 1

Chair's foreword

This year Passenger Focus underwent some significant changes – we added users of the Strategic Road Network to our remit, changed our name to Transport Focus, and in February the Secretary of State for Transport appointed me as Chair. I am delighted to be able to introduce our Annual Report and Accounts for the first time.

The organisation is building on its experience in representing train, bus, coach and tram passengers to work for the interests of all those who use motorways and major A-roads – known as the Strategic Road Network (SRN) - in England, from March 2015.

As well as representing users of the SRN, our work on behalf of train, bus, coach and tram passengers will continue at least to the current level, and we will aim to carry on making a difference for them too.

In 2014/5 Passenger Focus was very active on passengers' behalf. We published the second Tram Passenger Survey, and launched the fifth Bus Passenger Survey at a well-attended discussion event in Manchester, looking at how bus passenger satisfaction can be maintained and improved during changing times.

These reports sit alongside our National Rail Passenger Survey to provide a comprehensive picture of satisfaction across all modes of transport. Some companies and local authorities, including areas beyond our England remit, paid to be included as the results are so valuable in pinpointing where improvements would most usefully be made. These major tracking surveys benchmark service quality among providers and drive change in their own right.

For bus passengers, their satisfaction with the punctuality of the bus is consistently less than the overall satisfaction. This year we worked with those responsible for making sure the buses arrive when they are supposed to. Did they know when, where and why their buses were delayed? What were they doing to tackle the problem?

The bus punctuality project represented something of a departure from our work so far for bus passengers, in that we were working alongside operators and local authorities as they analysed their data and decided how to improve their services.

I am particularly pleased that the Bus Passenger Survey has joined the National Rail Passenger Survey on our data explorer– a collaborative effort between Passenger Focus and our stakeholders which furthers our mission to make as much information available as possible to transport users, regulators, funders and operators.

Our *Passenger Power!* campaign, launched last year, continued to press for passenger interests to be placed at the heart of rail franchises. As part of this we built on our work on rail passenger satisfaction by exploring passengers' trust in the rail industry. In August we published *Passengers' relationship with the rail industry*,

which set out the three factors that influence passengers' trust - service, relationship and judgement. Service elements affect day-to-day issues such as punctuality, reliability, helpfulness of staff and value for money. They are the foundations for building passengers' trust. As such, they are features increasingly being incorporated into new railway franchises.

Another 'win' for rail passengers was that franchise operators are now required to set out their promises to customers and report back on how the service is performing. We were asked to review some of the first 'Customer Reports' and published these findings in March 2015.

The Department for Transport continued to demonstrate its regard for our evidence gathering, by asking us to conduct feedback exercises for new franchises. These web-based activities allowed us to add context to our research with verbatim comments from passengers on what they would like to see in future services.

The rail network experienced major problems on 27 December, when Christmas engineering work was not finished on time. Hundreds of passengers were left stranded in cold temperatures. Our speedy evidence-gathering and feedback was in demand as we were asked to contribute to formal reviews of this unacceptable incident.

The industry's response in the days afterwards was quick and honest, but we felt that lessons had still not been learned from previous engineering overruns. We used our influence to ensure that the plans for engineering projects over the Easter weekend were heavily focused on reducing disruption for passengers through timely and clear communications.

Our *Ticket to Ride* campaign started in 2012, following a growing number of passenger complaints, with a report into the treatment of rail passengers who had made genuine mistakes with tickets. It is right and proper that passengers buy a ticket and Passenger Focus has never had a problem with the rail industry taking steps to catch those who deliberately set out to avoid payment.

However, train companies must make sure they do not scoop up those who make an innocent mistake alongside those who deliberately set out to avoid paying. Our 2015 update showed that, while there have been some improvements, the outlook for being caught making a mistake can still be bleak. We continue to call on the industry and government to address this issue.

The Passenger Focus Board met regularly in public – in 2014/15 we held four meetings plus conferences in Manchester, Birmingham, Glasgow and London. This allows us to meet stakeholders and passenger groups on home territory. We will continue the series in 2015/16 with events in Cardiff, Newcastle and Edinburgh.

I am honoured to join Transport Focus as it enters a new era, and am delighted to have this opportunity to pay tribute to my predecessor Colin Foxall CBE, who led the organisation from its creation in 2005, as it took on responsibility for bus, coach and

tram, and ensured it continued to build on its reputation as a truly passenger-focused watchdog. Colin was not only instrumental in building Passenger Focus to what it is today, but he was truly generous in giving his time and advice to me as incoming Chair. I have a tough act to follow!

I take this opportunity to thank Board members, the management team and all staff for their ongoing commitment to making a real difference for passengers and road users and to working with them over the coming year.

Now we look ahead to a landscape that includes transport users of all types, from rural bus passengers to the drivers of articulated lorries. We will continue to use the tried and tested formula of talking to transport users and creating an evidence base that allows us to influence decision makers to make changes that really matter, on behalf of the most important customers – transport users themselves.

Section 2

Making a difference for all passengers

Making a difference for all passengers by understanding their needs

Evidence is the foundation of our work. We create an official, independent picture of passenger opinion with our surveys.

This year we published rail, bus and tram surveys alongside a suite of work on smart ticketing across all modes of transport.

National Rail Passenger Survey (NRPS)

We published the spring and autumn waves in June 2014 and January 2015 – overall we surveyed more than 54,000 passengers, including on 12 Community Rail Partnership lines.

The report provides feedback on 33 factors of service including value for money, punctuality, dealing with delays and facilities on trains and stations.

We took the results out to a number of train operating companies (TOCs) to identify and address areas of poor NRPS performance. Among the TOCs we visited were First ScotRail, East Coast, Abellio Greater Anglia, South West Trains and First TransPennine Express and London Midland.

In a clear indication of how valued this work is, this year we appointed a passenger manager whose work will be focused on First Great Western operations - an independent post that is funded primarily by the operator.

We are pleased to see that NRPS targets continue to be embedded well within new franchise contracts – for more on this see **Making a difference for all passengers through long-term planning**.

We continue to make NRPS data available on data.gov.uk as well as updating our own data explorer tool on the website.

Bus Passenger Survey (BPS)

This year we reached more than 47,000 bus passengers in the fifth annual survey. Carried out in autumn 2014, it had responses from 38 areas in England (six former metropolitan counties, eight unitary authorities, nine two-tier authorities, and 15 bus company divisions) and four areas in Scotland.

We also added the results to our open data explorer tool, allowing passengers, operators and funders to create tailored charts and graphs. This work was entirely funded by the Department for Transport, Passenger Transport Executive Group and Confederation of Passenger Transport.

We carried out more than 50 bus-operator and transport-authority briefings with more than 100 organisations to understand how they have used BPS results – improvement plans that we saw showed a focus on driver behaviour, punctuality,

passenger information through apps and websites and ticketing initiatives for young people.

Improving satisfaction with buses

When bus companies act on the findings in the survey it has a direct result for passengers.

First Group used BPS results to drive new customer care programme across its businesses nationally.

We were invited to present results and key themes from the report to two conferences in July for all senior management. First Bus in the West of England Partnership area scored 61 per cent for value for money – an increase from 33 per cent two years ago.

Staffordshire County Council took part this year in order to compare against previous results from 2011. Overall satisfaction is similar (up 2 percentage points), but the value for money had shot up for young people. The council had introduced new tickets for 16-19 year-olds in 2011 and satisfaction increased from 47 per cent in 2011 to 63 per cent this time.

We were asked to chair the 2014 European Bus Operators' Forum which enabled our BPS (and other) work to be made available to a significant cross-section of bus-industry stakeholders.

Tram Passenger Survey (TPS)

We surveyed almost 5000 passengers in six areas including, for the first time, Edinburgh Trams. This was the second TPS and enables everyone interested to compare and benchmark what passengers think about their tram service.

Smart ticketing

Passengers are increasingly coming to expect services to be delivered to them in smarter ways as technology becomes a bigger part of everyday life. We believe that the introduction of smarter ticketing in public transport could make life easier – and cheaper – for passengers.

In order to make sure that the passenger is at the heart of this development – that products are designed for ease of use rather than what is convenient to administer – we are working on a wide-ranging smart-ticketing research programme, on behalf of the Department for Transport (DfT).

This year we published:

- a review of the Cross Country Trains trial of advance purchase tickets being sold on the day
- a review of the pilot 'holdall' smart bus ticketing scheme in Norfolk
- a report into using contactless payment cards for transport
- an exploration of current and potential future rail apps.

We have also begun work on a number of projects to be published in the year 2015/16, covering:

- possible products for the South East Flexible Ticketing on Rail (SEFT) scheme
- review of innovation in ticketing (carnets)
- an evaluation of the c2c smartcard pilot
- disabled passengers' perspectives on smart ticketing
- a review of the 'managed service' pilot on Brighton & Hove buses
- a review of the multipass pilot on Greater Anglia rail services.

Making a difference for all passengers through long-term planning

Rail

We continued to press for passenger interests to be placed at the heart of rail franchises through our *Passenger Power!* campaign, launched last year.

One of the successes of this campaign is that franchise operators must now set out their promises and report back to customers on how the service is performing, and how they are meeting their commitments, at least annually. We talked to passengers to find out how these reports might best meet their needs, and to identify examples of good practice. This was published in March 2015.

Building trust in rail

In August we published our report into passenger trust in rail, *Passengers' relationship with the rail industry*.

This aimed to help us understand why passengers' overall perception of the rail industry, generally informed by the media and word of mouth, differs from the satisfaction with individual train journeys reported in the NRPS.

We used this work to continue making the case for boosting the passenger voice in rail franchises.

We took our work on passenger satisfaction and trust to various high-level industry summits, including the Rail Delivery Group's (RDG) stations summit (December 2014) and planning oversight group (January 2015). We also gave a briefing on the passenger view on rail to the Department for Transport's passenger services team.

We are working with the regulator, the Office of Rail Regulation (ORR – known as the Office of Rail and Road from April 2015), to examine passengers' attitudes to punctuality, and the 'trade-offs' with capacity and journey time. Together with ORR we are also refreshing work carried out in 2010 looking at the relationship between actual punctuality and passenger satisfaction.

Both of these activities are designed to inform the next industry planning activities and formal targets that ORR sets for Network Rail for the years 2019-2024.

We continued to submit detailed representations to the Department for Transport (DfT), devolved bodies and bidders about each franchise replacement and direct award. Our input makes extensive use of the National Rail Passenger Survey (NRPS) and draws on other research. Where possible we commission specific research to explore passengers' views of their current experience and aspirations for each franchise.

We also refer to our work to identify rail passengers' priorities for improvements across the country. We encourage passenger feedback in the consultation process and publish our own response to the consultation.

Following the award we continue to liaise with the franchisee to hold them to account for continued improvement in delivery of service using NRPS and data from the complaint appeals that are referred to us. We also comment on their Passenger's Charter, Complaints Handling Procedure and Disabled People's Protection Policy.

The DfT also asked us to conduct feedback exercises for some franchises. These web-based activities allowed us to add some context to our research with verbatim comments from passengers on what they would like to see in future on the East Coast and East Midlands franchises.

Other work we carried out included:

- *East Coast*
We gave DfT some feedback on the customer service element of (anonymised) bids for this contract and then worked with the incoming operator, Virgin Trains East Coast (VTEC), to improve its Passenger's Charter.
- *Essex Thameside*
National Express-owned c2c won the Essex Thameside competition and continues to operate this franchise. We have fed back our thoughts on the Passenger's Charter, Complaints Handling Procedure and Disabled People's Protection Policy, and presented our review of the first Customer Report to management.
- *Northern/TransPennine Express (TPE)*
An Invitation to Tender for each service was published in February 2015. These reflected the detailed input from Passenger Focus including an increased emphasis on service quality and customer experience.
- *East Anglia*
As part of our work on this, we supported the DfT's series of innovation workshops. A number of public consultation events were held as recommended by us
- *Govia Thameslink Railway*
We provided NRPS data to the bidders and gave DfT our advice on the customer service element of bidders' delivery.

We responded to a direct award consultation for First Great Western and submitted proposals for the East Midlands and London Midland direct awards.

On behalf of HS2 Ltd, we set up a passenger panel and carried out regular scoping work on the future of this service. Passenger needs are being incorporated from the very start of this project. We hope to publish some of the results later in 2015.

We have contributed to the regulator's market study into ticket sales, and presented our work to Ministers and the industry on ticket vending machines. We were pleased to see that the industry's Code of Practice on retailing, published in March 2015, reflected passengers' desire for more information to help them make the right choices.

We know that it is vital for passengers to be involved in the design of new trains at the earliest opportunity, to prevent them ending up with trains that fail to meet both their existing and future needs. In April 2014 we worked with Merseytravel to establish what design features and facilities passengers think any new trains should incorporate, should Merseytravel buy a new fleet.

Bus

Bus passenger satisfaction with the punctuality of the bus is consistently less than their overall satisfaction.

In May 2014 we used our January 2014 research *How late is late? What bus passengers think about punctuality and timetables* to respond to the Senior Traffic Commissioner's consultation on guidance on bus punctuality.

In December 2014 we published *What's the holdup? Exploring bus service punctuality*, which looked at the issue from the point of view of operators and drivers. We asked if they knew when, where and why their buses were delayed and what they were doing to tackle the problem.

We are currently planning a series of workshops to discuss our punctuality project and the new guidance.

Working to improve the passenger experience

Rail

Fares and ticketing

Our *Ticket to Ride* report update was published in February 2015. The campaign started in 2012, following a growing number of passenger complaints, with a report into the treatment of rail passengers who had made genuine mistakes with tickets.

It is right and proper that passengers buy a ticket and Passenger Focus has never had a problem with the rail industry taking steps to catch those who deliberately set out to avoid payment.

However, train companies must make sure they do not scoop up those who make an innocent mistake alongside those who deliberately set out to avoid paying. Our 2015 update showed that, while there have been some improvements, the outlook for being caught making a mistake can still be bleak.

We continue to call on the industry to apply penalties for ticketless travel with greater consistency and fairness. We are also looking for a change to the railway byelaws to stop the use of criminal sanctions where there isn't any evidence that the passenger was attempting to commit fraud.

We have contributed to the regulator's market study into ticket sales, and presented our work to Ministers and the industry on ticket vending machines. We were pleased to see that the industry's Code of Practice on retailing, published in March 2015, reflected passengers' desire for more information to help them make the right choices.

Fare's fair

Last year we were pleased to see our long-running campaign for smaller and more predictable rail fare increases bear fruit.

The Secretary of State for Transport committed to, among other things, limiting the extent of the annual fare increase in England and Wales by reducing what is known as the 'fare flex' - the amount by which individual regulated fares can be increased.

This year we were delighted to see that, not only were fares capped at inflation, but that there was no fare flex at all. This was a relief to passengers and we are now pushing for the inflation-only increase to be made official policy.

In Scotland and Wales the fare increase was also capped at the rate of inflation.

Disruption

We know that when things go wrong, what passengers care about is being informed of the problem and what they can do to minimise the impact. The top issues raised by passengers contacting Passenger Focus include train delays, refund conditions and levels of compensation.

In the last couple of years there have been a number of weather-related events, including floods and high winds, which were severe enough to cause major disruption to rail travel.

We continued our work on reviewing industry's response to these unplanned disruptions. Early in the year, we produced *Passenger information when trains are disrupted* in order to help the Office of Rail Regulation (ORR) decide whether to review the industry's code of practice.

We presented our findings to a ministerial summit and follow-up seminar in February 2015.

Passengers remain concerned about the way the rail industry handles unexpected disruption to their trains more generally – in September we published the findings of our latest research and recommendations for improvement.

We carried out a review of the major disruption following overrunning engineering works during Christmas 2014. Our findings were used in the regulator's report into the incident and we have subsequently been able to influence industry to better consider the passenger when planning engineering projects.

We continue to recommend that train operators do more to inform passengers of their rights, give fairer compensation and give that recompense in the form that passengers actually want, such as cash or a card refund.

We are currently working with Government and industry to try to achieve a 'safety net' for season ticket holders experiencing frequent delays of under 30 minutes (for which delay repay never provides compensation). We are also pushing for a change in the formula used to calculate 'fare per journey' for a season ticket holder claiming delay repay as the current one assumes passengers go to work on Christmas Day and never take holiday.

Bus

In March 2015 we held a conference in Manchester to consider how devolution and other political changes could impact bus passenger satisfaction. Our speakers were Minister for Transport, Baroness Kramer, the opposition spokesperson Gordon Marsden, and senior figures from the industry. We also launched the Bus Passenger Survey at this event, which was attended by 100 delegates from the industry, transport authorities, media and passenger groups.

All modes

We empower passenger groups to work directly with operators and deliver local improvements for passengers. To help them in this effort, we send out a monthly newsletter, Exchange, to around 1000 subscribers.

We held a series of workshops to engage with the many rail and bus user groups across Britain. As well as updating on our research and workplan, the key theme was around rail franchises and major consultations. This signposted the process and how to engage effectively, along with discussing the depth of business case required and supporting evidence – particularly how our passenger research and data tools can help.

Promoting good practice in complaints handling and providing advice and advocacy

Passenger Focus is the statutory appeals body for rail passengers in Great Britain (except for journeys in the London area); our passenger contact team negotiates with rail companies when a passenger is unhappy with the way a company has responded to their complaint.

By the time a passenger's complaint reaches us, they are often already frustrated and annoyed. It is therefore critical that their experience of our service is good. We ask passengers how satisfied they are with the way we have handled their appeal

complaint - this year we achieved an overall passenger satisfaction score of 76 per cent.

This year we resolved 2526 appeals from passengers. We received a total of 3249 appeals but 489 were not pursued by the passenger, and 119 not pursued by us due to extenuating circumstances.

In order to improve the way operators respond to passengers, we carry out complaint process reviews. As we learn more about the way complaints are handled, we are able to share best practice within the rail industry.

Our policy team has also met operators and the regulator (ORR) to work on complaints handling reporting and the new complaints handling guidance for train operators.

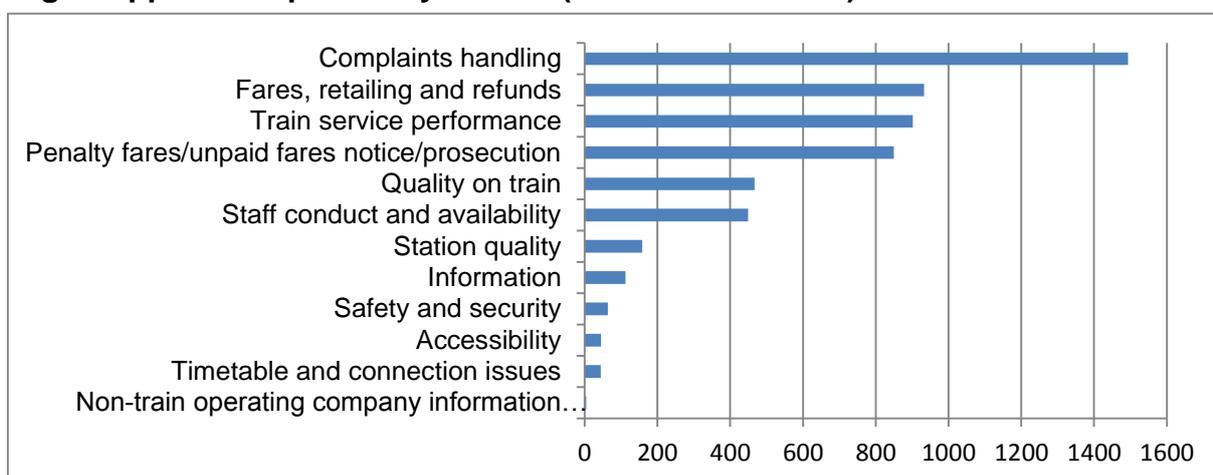
See Table 1 below, for a breakdown of appeal complaints by operator, and Fig 1, for the summary of complaints by reason.

Table 1: Appeal complaints by organisation

Organisation	Rail appeals
East Coast	360
South West Trains	279
Northern Rail	277
First Great Western	185
CrossCountry	176
Southern	176
ScotRail	139
Abellio Greater Anglia	125
Virgin Trains	103
Southeastern	101
London Midland	88
East Midlands Trains	79
Arriva Trains Wales	67
First TransPennine Express	49
First Capital Connect	45
thetrainline.com	43
Grand Central	34
Tyne and Wear Metro	29
IPFAS/RPSS	20
c2c	18
Chiltern Railways	18
Merseyrail	18
Network Rail	16
Association of Train Operating Companies (ATOC)	11
Metrolink	10
Nexus	10
Redspottedhanky.com	9

IRCAS	9
Great Northern	8
National Rail Enquiries (NRE)	6
First Hull Trains	5
Thameslink	3
Raileasy	2
TrainGenius.com	2
MyTrainTicket	1
Virgin Trains East Coast	1
Midland Metro	1
Govia Thameslink Railway	1
Loco2	1
Transport Investigations Limited	1
Total appeals pursued	2526

Fig 1. Appeal complaints by reason (all resolved cases)



Please note: Fig 1 totals add up to a greater number than Table 1. This is because a single appeal complaint may have several aspects.

Improving access to services for all passengers

Around five per cent of rail and more than 20 per cent of bus journeys are made by people with a disability or long-term illness - and accessibility is also an issue for those travelling with heavy luggage or small children.

Passenger Focus works to support improved accessibility on rail, bus, coach and tram. We regularly work with government, industry, user and disability groups. Twice a year we host a forum across transport modes with representatives of disability interest groups, in addition to involving these groups in our other events.

Following a review of the Passenger Assist scheme, we met train operators to discuss how performance could be improved.

We were asked to join the working group on operators' Disabled Persons Protection Policies (DPPPs) set up by the regulator (ORR), which now has responsibility for

monitoring them. We helped improve the DPPP for Abellio Greater Anglia, Thameslink Southern Great Northern and Essex Thameside franchises.

We have given more attention to non-visible disabilities. We also joined a government-sponsored working group looking at dementia-friendly transport.

Increasing our influence through building trust in our work

Much of Passenger Focus's influence is achieved through reputation.

Over the year we have achieved a high level of coverage in the media – see table below.

Table 2. Media coverage April 2013 – March 2014

	Coverage
National print/online mentions	313
Regional print/online mentions	613
Trade print/online mentions	476
Radio interviews	882
TV interviews	90

We continue to provide a 24-hour press office and have increased the reach of our communications with the help of social media. We have increased our Twitter following to 5600 (up from 3000 last year).

Our website had more than 212,000 visitors (up from 152,000 the year before) with a record 7255 page views on the day the National Rail Passenger Survey was published (up from 1862 the previous day).

More than 10,000 people subscribe to our monthly newsletter Passenger Voice, and more than 200 access it online via our website.

Raising our profile and the impact of our work in Scotland and Wales

We continue to represent passengers in, and address issues specific to, Scotland and Wales.

Scotland

We worked with Transport Scotland and operators to examine the results of our rail, bus and tram surveys and to look at using them to improve the passenger experience.

Our Board met in Edinburgh in June, part of its regular programme of meetings in public around the area we serve. We also held a stakeholder reception at Holyrood, hosted by Patrick Harvie MSP and John Mason MSP with an address from Transport Minister Keith Brown MSP.

In June we held a 'major events seminar' in Glasgow, ahead of the Commonwealth Games and Ryder Cup, to consider the potential impact on passengers.

As mentioned previously, we reviewed the rail industry's response to unplanned disruption caused by the weather – we continued this work with a series of focus groups in Scotland.

We also held discussions with both Abellio and Serco, operators of Scotrail and the Caledonian Sleeper, about the Passenger's Charter, Complaints Handling Procedure and Disabled People's Protection Policy.

We carried out research before the redevelopment of Glasgow Queen Street rail station and will be conducting follow up surveys during and after the works, as well as taking part in the Glasgow Queen Street Area Passenger Forum.

Wales

Following serious disruption on Arriva Trains Wales Valley Lines in July 2014, we were asked by the operator to carry out a 'no-holds-barred' review of the quality of information provided to passengers.

We wrote to the managing director with our findings and also published this on our website, in September 2014. In January 2015 we met Arriva Trains Wales for a presentation on the actions it had taken, or planned to take, in response. This was also published on our website.

We submitted our thoughts on the Welsh National Transport Plan, which sets out how the Welsh Government will deliver transport services.

We presented our work to the new Public Transport Users' Advisory Panel, and will continue to work with this body to deliver results for passengers in Wales.

Using our NRPS, passenger priorities and other research, we contributed to the British Transport Police (BTP) work towards its target of improving public confidence by 10 per cent.

We held meetings with the Department for Transport/Welsh Government cross-border rail forum, and the Network Rail/BTP community safety group.

We are also a member of the Welsh Government working group on smart ticketing in South East Wales.

We have shared insights from our wide-ranging smarter travel research programme with consultants working on the Welsh Government future smart ticket developments.

Section 3

Annual report and accounts 2014-15

Strategic Report

This is the 10th annual report and accounts for Passenger Focus (now known as Transport Focus but referred to here as Passenger Focus) covering the year to 31 March 2015.

Nature of business

Passenger Focus¹ is an executive non-departmental public body set up by the Government to protect the interests of Britain's rail passengers and England's bus passengers outside London, coach passengers on scheduled domestic services and tram passengers. As of April 2015 it also represents users of England's major roads (the strategic road network). We are funded by the Department for Transport (DfT) but our operations and policy-making are independent of government.

Financial structure of business

Passenger Focus is funded by grant in aid from the DfT and £4,950,000 was received in 2014-15. An initial payment was made to provide the organisation with working capital. Subsequent monthly payments have been made by the DfT based upon actual expenditure in the previous month, and forecast future requirements. Passenger Focus has agreed its funding requirements with the DfT until 2016.

Operational performance

Our key objectives for the year were as follows:

- making a difference for all passengers by understanding their needs
- making a difference for all passengers through long-term planning
- working to improve the passenger experience
- promoting good practice in complaints handling and providing advice and advocacy
- improving access to services for all passengers
- increasing the influence of Passenger Focus through building trust in our work
- raising our profile and the impact of our work in Scotland and Wales.

Our progress against these, including our achievements this year, is reported in **Section 2: Making a difference for all passengers.**

Finance

In 2014-15 the organisation received from the DfT grant in aid of £3,797,000 for operating costs including passenger research, £858,000 for work on the National Rail Passenger Survey (NRPS), £225,000 for work on the Bus Passenger Survey (BPS) and £71,000 for work on the Tram Passenger Survey (TPS). In addition, this year Passenger Focus has secured third-party funding totalling £1,481,000 for joint funded projects which included £1,197,000 from the DfT.

¹ Passenger Focus now operates under the name of Transport Focus, which is the operating name of the Passengers' Council, formerly known as the Rail Passengers' Council which was officially constituted on 24 July 2005 under the Railways Act 2005 and the subsequent amendments.

The organisation incurred net costs of £4,989,000 in the year to 31 March 2015. Some 42 per cent (2013-14: 34 per cent) of our spending has been invested in research on passenger issues which ensures we are able to provide objective evidence to support our campaigns for improvements.

Total taxpayers' equity² showed a balance of £3,000 at the end of the year and the total grant in aid drawn down during the year was £4,950,000.

Resources

The key strength of the organisation is the influence it is able to exert through the knowledge and expertise gained from targeted passenger research, and by working closely with key stakeholders in the rail, bus and tram industry to make a difference for passengers. Our investment in passenger research over the year totalled £2,100,000 including the NRPS and BPS. Full details of our research can be found on our website.

Essential contractual arrangements

The primary contractual arrangements for the organisation are for passenger research, including NRPS and BPS, and our outsourced information technology support and infrastructure provider.

The contracts for the NRPS and BPS are managed through regular reports on performance against service levels, and have been awarded under the terms of the research framework contract already in place.

Payment of suppliers

Passenger Focus endeavours to comply with the Better Payment Practice Code and seeks to pay invoices within 30 days of receipt. During the year we paid 98.4 per cent (2013-14: 99.6 per cent) of invoices within 30 days, and 87.1 per cent (2013-14: 77.8 per cent) within 10 working days. The average time taken to pay a supplier during the year was five days (2013-14: six days).

Staff

We are committed to equality of opportunity for all our staff, and do not condone discrimination on the grounds of sex, transgender, race and ethnicity, religion and belief, disability, marital status, age, pregnancy and maternity or sexual orientation. The table below shows the split between male and female staff and directors of Passenger Focus.

	Male	Female	Total
Non-executive directors	7	3	10
Executive directors	3	0	3
Senior managers	3	2	5
Staff	18	23	41
Total	31	28	59

² Taxpayers' equity can be defined as the total value of taxpayers' funds in reserves and represents the net value of the assets and liabilities which have been funded by government.

We are keen to provide our staff with a range of training and development opportunities to ensure they have the knowledge and skills necessary to carry out their responsibilities effectively. During the year we have spent £56,000 to support improved staff performance, including development and communication of the workplan.

The average number of staff employed rose slightly by two to 46 in comparison to last year as we undertook preparatory work for the change in our remit to include representation of road users.

We continued to operate our simple bonus scheme during the year so that we could recognise staff who have demonstrated exceptional performance - more details are included in the **remuneration report** on pages 23 to 27. Details of executive directors' remuneration during the year are also set out in the remuneration report.

Health and safety

It is a legal requirement to provide a safe and healthy environment for our staff and visitors. Our two bases, in London and Manchester, provide a modern working environment for staff.

Social and environmental issues

We occupy space in buildings that have stringent environmental credentials. Our office accommodation in Manchester uses recycled rainwater, energy-efficient heat pumps, motion-sensitive lighting as well as extensive recycling of office waste. Furthermore all redundant electrical items are disposed of in line with Waste Electrical and Electronic Equipment regulations.

In order to minimise the impact on the environment, Passenger Focus staff and Board members use public transport wherever possible when undertaking official business. We have continued to make better use of electronic communication and conferencing facilities and undertake these methods wherever possible.

Charitable and political donations

Passenger Focus did not make any charitable or political donations during the year.

Corporate governance

Passenger Focus has a Board of non-executive members who were appointed following a full competition process regulated by the Commissioner for Public Appointments (CPA). Their biographies can be found on our website.

The Board is responsible for setting the strategic direction and main policies of the organisation, and providing corporate governance and oversight of the finances and operations. The membership of the Board and its committees are listed below.

Board³

Non-executive Board members are appointed by the Secretary of State for Transport (Chair and six members), the National Assembly for Wales (one member), Scottish

³ More details of the management and structure of the organisation can be found on our website : www.transportfocus.org.uk/about/management

Ministers (one member) in line with the Code of Practice issued by the CPA and the London Assembly (one member). Board members provide a valuable contribution to the ongoing work of Passenger Focus including short-term input to one-off operational projects to longer term relationships and external-facing support for major projects such as franchising and fares and ticketing. Current Board members are listed below:

	Date of original app't	Date current or most recent app't ends or ended	Current Term (years)	Audit and Risk Assurance Committee	Remuneration Committee	Statistics Governance	Passenger Contact Group
Members in post at 31 March 2015							
J Halliwell (Chairman)	9 February 2015	8 February 2019	4				
S Burgess	1 April 2013	31 March 2017	4		√		√
M Lauder	01 February 2013	31 January 2017	4	√			
R Linnard	01 February 2013	31 January 2017	4			√	
I Liu	01 March 2013	28 February 2017	4	√	√		
S Locke	09 January 2013	08 January 2017	4			√	√
D McCrea	1 May 2013	30 April 2017	4		√		
P Mendelsohn	01 September 2012	31 August 2016	4			√	
P Rowen	01 March 2013	28 February 2017	4	√			
P Salvesson	1 April 2013	31 March 2017	4				√
Appointments which expired during the year to 31 March 2015							
C Foxall (Chairman)	23 September 2005	6 February 2015	1			√	

The Board has corporate responsibility for ensuring that Passenger Focus fulfils the aims and objectives agreed with the Secretary of State for Transport and for promoting the efficient and effective use of staff and other resources by Passenger Focus.

The Board has four committees and their primary purposes are:

- The Audit and Risk Assurance Committee supports Passenger Focus on all matters relating to corporate governance, risk and financial management (including the Governance Statement) and to oversee the process of internal and external audit. This entails providing advice, guidance and support to the Chief Executive in discharging the role of Accounting Officer.
- The Remuneration Committee supports Passenger Focus on all matters relating to pay and grading policy and terms of employment.
- The Statistics Governance Group ensures the ongoing integrity of statistical research and compliance with the UK Statistics Authority's Code of Practice for official statistics.
- The Passenger Contact Group oversees the effectiveness of the passenger contact function.

Principal risks and uncertainties

The work of Passenger Focus relies heavily on its credibility and the primary risk is that the reputation of the organisation is not maintained, which would reduce its ability to influence key stakeholders to secure improvements for transport users.

To mitigate this risk, the organisation has established an enterprise risk model which, amongst other things, is used to identify whether a project or piece of work will jeopardise the reputation of Passenger Focus.

In line with the Cabinet Office guidance for non-departmental public bodies Passenger Focus was subject to a triennial review by the DfT in the year. A triennial review normally has two aims:

- to provide a robust challenge of the continuing need for the NDPB
- where it is agreed that it should remain as an NDPB, to review the control and governance arrangements in place to ensure that the public body is complying with recognised principles of good corporate governance.

In a written ministerial statement issued on 25 March 2014 the Minister of State for Transport announced that, following the Public Bodies Review, Passenger Focus completed a significant restructure in 2011 and now has a key role in relation to future transport policy, including increasing the passenger voice in future rail franchises. As a result, it was decided that the review would focus its attention on the second stage.

The DfT completed the second stage of the review during 2014-15 and a full report was published by the DfT and is available on its website. The report concluded that Passenger Focus is managed to a high standard with well-structured and effective governance systems in place, with only a few minor administrative issues which should be capable of being quickly addressed.

Data handling

The Cabinet Office published a review of information security in government which set out a wide range of actions required to improve data security. As a non-departmental public body we are required to comply with the stricter guidelines on the handling of sensitive personal data.

Equalities Scheme

In order to comply with the Public Sector Equality Duty, we have produced an Equality Scheme, with an Action Plan linked to the workplan which is available on our website.

In addition to capturing diversity information from our surveys we have implemented a system to capture diversity information from passengers who contact us via the Passenger team, so we can ensure we try to represent the communities we serve.

The analysis of the diversity of passengers who contact us showed a similar profile to that from the National Rail Passenger Survey, but we will continue to monitor the diversity of passengers who contact us so we can ensure our services remain relevant to passengers.

We continue to co-ordinate a Passenger Accessibility Forum which brings together industry representatives and national organisations representing disabled people. More information about this can be found on our website.

Our Equality Scheme and Action Plan will be reviewed and updated during 2015-16 to ensure it remains relevant.

Future years

Our workplan for 2015-16 sets out our aspirations. In the next year Transport Focus wants to:

- work to improve the transport user experience
- make a difference for transport users through long-term planning
- understand the needs of transport users
- promote good practice in complaints handling and provide advice and advocacy
- improve access to services for transport users
- increase the influence of Transport Focus through building trust in our work.

For the year 2015-16 the organisation has agreed funding of £5,039,000 to cover work representing the interests of rail, bus, coach, and tram passengers and a further £1,450,000 to represent users of the strategic road network.

With effect from 1 April 2015, HM Government has put in place a new structure to deliver a substantial increase in investment in England's motorways and trunk roads. The Highways Agency, now Highways England, has a clear remit to modernise the network through £15 billion of investment over the next five years. To ensure that the new company is fully accountable to its users and taxpayers, Passenger Focus has become Transport Focus and now also represents the interests of road users.

Accounts and Audit

Under paragraph 8(2) schedule 5 of the Railways Act 2005 the Secretary of State for Transport, with the approval of the Treasury, has directed Passenger Focus to prepare a statement of account for each financial year in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of Passenger Focus's state of affairs at the year-end and of its income and expenditure and total recognised gains and losses and cash flows for the financial period. In preparing the accounts, Passenger Focus is required to comply with the requirements of the Government Financial Reporting Manual.

Passenger Focus accounts now form part of the DfT group accounts which are available at www.dft.gov.uk.

Anthony Smith

Chief Executive and Accounting Officer

10 June 2015

Directors' Report

During the year there have been 10 non-executive directors who are detailed in the strategic report. In addition there were three executive directors, Anthony Smith (Chief Executive), Nigel Holden (Resources Director), and David Sidebottom (Acting Chief Executive/Passenger Director). Further details are available in the remuneration report.

No director holds any significant interests which may conflict with their management responsibilities. A register of interests is available on our website.

At the time of approving this report, so far as each director is aware, there is no relevant audit information of which Passenger Focus's auditors are unaware and they have taken all reasonable steps they ought to have to make themselves aware of any relevant audit information and to establish that Passenger Focus's auditors are aware of that information.

These statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General at a cost of £21,000 and no remuneration has been paid for any non-audit services.

Passenger Focus participates in the Civil Service Pension arrangements which are described in the remuneration report. **Note 1.6** of the accounts explains how pension liabilities and costs are accounted for.

Over the year we have maintained policies and procedures to ensure that we have appropriate measures in place for handling any sensitive personal data. These include monthly assurances from information asset owners and quarterly and annual assurances to the DfT. There have been no data-related incidents during the course of the year.

The level of unplanned absences due to sickness was 2.8 per cent (2013-14: 3.3 per cent) of total staff time.

There have been no significant events which have occurred since the reporting period.

Anthony Smith

Chief Executive and Accounting Officer
10 June 2015

Remuneration report for the year ended 31 March 2015

The Remuneration Committee is made up of three non-executive Board members: Stuart Burgess (Chair), Isabel Liu and Diane McCrea.

The committee considers:

- the overall pay and grading structure for employees of Passenger Focus
- annual cost of living and performance pay increments
- any proposed changes to the terms of conditions of employment of Passenger Focus employees
- any proposed changes to the occupational pension arrangements
- the broad policy for the remuneration of executive level staff
- individual remuneration arrangements for executive level staff, and approval of any proposals for subsequent changes to those arrangements
- the level and structure of remuneration for executive level staff.

Any annual increase in the remuneration of Board members is agreed between the Chair of the Board and the DfT. Members of the remuneration committee have not been involved in decisions relating to their own remuneration. In 2014-15 there was an increase of one per cent in members' remuneration agreed by the DfT.

The arrangements for changes to the remuneration of executive management team members are the same as for other employees of the organisation. There was a one per cent pay increase for staff during 2014-15.

Our simple annual bonus scheme continued to operate in 2014-15, with a provisional allocation of £16,500, but at the date of these accounts the annual bonus awards for achievements in 2014-15 had not been approved or paid. This is because the Civil Service pay guidance for the current year, including approval of annual pay awards and the amount allocated to the bonus scheme, was deferred until after the General Election.

The Bonus Scheme will continue to recognise exceptional performance by staff in delivering exceptional value, or high levels of professionalism or personal commitment in delivering high quality work. All staff, including members of the Management Team, are eligible to participate in the Bonus Scheme and any awards to members of the Management Team are approved by the Chair of the Remuneration Committee.

Board members (audited)

Remuneration paid to the non-executive Board members for the period to 31 March 2015 is set out below:

	Board fees paid in the period ended		Date of current or most recent Appointment	Appointment Expiry date
	31 March 2015 £000s	31 March 2014 £000s		
Members in post at 31 March 2015				
J Halliwell (Chair)	7	-	9 February 2015	8 February 2019
S Burgess	12	12	01 April 2013	31 March 2017
M Lauder	15	14	01 February 2013	31 January 2017
R Linnard	12	12	01 February 2013	31 January 2017
I Liu	12	12	01 March 2013	28 February 2017
S Locke ¹	-	-	09 January 2013	08 January 2017
D McCrea	12	11	01 May 2013	30 April 2017
P Mendelsohn	12	12	01 September 2012	31 August 2016
P Rowen	12	12	01 March 2013	28 February 2017
P Salveson	12	12	01 April 2013	31 March 2017
Appointments which expired during the year to 31 March 2015				
C Foxall (Chair)	46	53	24 December 2014	6 February 2015

¹ Mr Locke is appointed by the London Assembly and does not receive any fees from Passenger Focus for this appointment.

The remuneration shown in the table excludes Employer's National Insurance Contributions payable by Passenger Focus in respect of these appointments.

Passenger Focus does not make any pension provision for Board members, and no other taxable benefits were provided for Board members in the period. All Board members have a three-month notice period, and no compensation terms for early termination in their contracts.

Executive Management Team (audited)

Members of the Executive Management Team are on continuing contracts and their remuneration as at 15 April 2015, together with their pension benefits, is set out below:

Name	A Smith	N R Holden	D Sidebottom
Job title	Chief Executive	Resources Director	Acting Chief Executive/Passenger Director
Start date with Passenger Focus	25 July 2005	7 September 2005	3 January 2006
	£000s	£000s	£000s
2014-15 Annual Salary in £5,000 bands [2013-14 Comparative]	125 -130 [120 - 125]	70-75 [65 - 70]	85 -90 [95 - 100]
2014-15 Remuneration in period in £5,000 bands [2013-14 Comparative]	115 - 120 [85 - 90]	65 - 70 [65 - 70]	80 - 85 [80 - 85]
2014-15 Real increase in pension and related [lump sum] at age 60 in bands of £2,500	0 - 2.5 [N/A] ¹	0 - 2.5 [N/A] ²	0 - 2.5 [5 - 7.5] ³
Total accrued Pension at age 60 at 31 March 2015 and related [lump sum] in bands of £5,000	30 - 35 [N/A] ¹	20 - 25 [25 - 30] ⁴	25 - 30 [75 - 80] ³
Cash Equivalent Transfer Value at End date	558	370	441
Cash Equivalent Transfer Value at Start of year to nearest £000	519	332	343
Real increase in Cash Equivalent Transfer Value to nearest £000	19	16	36

1. A Smith is a member of the premium pension scheme whose members are not eligible for an automatic lump sum payment on retirement.
2. N Holden in his current employment is a member of the premium pension scheme whose members are not eligible for an automatic lump sum payment on retirement.
3. D Sidebottom is a member of the classic pension scheme whose members are eligible for an automatic lump sum payment on retirement.
4. N Holden in his previous employment was a member of the classic pension scheme whose members are eligible for an automatic lump sum payment on retirement.

The main provisions of the pension schemes are set out further below.

Mr A Smith took an unpaid career break from December 2013 to April 2014 and Mr D Sidebottom was appointed Acting Chief Executive during this period. The table shows annual salaries at 31 March 2015 together with the remuneration paid in the year to 31 March 2015 to reflect the career break.

'Salary' includes gross salary only. No other performance pay or bonuses were awarded to the executive team in the financial year 2014-15 (a bonus of £1,364 was paid to Mr N R Holden in 2013-14 under the simple Annual Bonus Scheme applicable to all staff and management) and there were no benefits in kind or non-cash benefits made.

All the directors are contracted to a six-month notice period throughout their period of employment with Passenger Focus.

Review of Fair Pay

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. This is summarised in the table below.

	2014-15	2013-14
Mid-point of band of highest paid director's total remuneration (£'000)	127,500	122,500
Median total remuneration (£)	40,000	37,924
Ratio	3.1	3.3

The actual mid-point of the banded remuneration of the highest paid director in Passenger Focus in the financial year 2014-15 was £127,500 (2013-14: £122,500). This was 3.1 times (2013-14: 3.3) the actual median remuneration of the workforce which was £40,000 (2013-14: £37,924).

Total remuneration includes salary and non-consolidated performance-related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a final-salary scheme (classic, premium or classic plus), or a whole-career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year.

Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with pensions increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5 per cent and 6.85 per cent of pensionable earnings for classic and 3.5 per cent and 8.85 per cent for premium, classic plus and nuvos.

Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between three per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of three per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Anthony Smith

Chief Executive and Accounting Officer

10 June 2015

Statement of Accounting Officer's responsibilities

Under paragraph 8(2) schedule 5 of the Railways Act 2005 the Secretary of State for Transport, with the approval of the Treasury, has directed Passenger Focus to prepare a statement of account for each financial year in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of Passenger Focus's state of affairs at the year-end and of its income and expenditure and total recognised gains and losses and cash flows for the financial period.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume Passenger Focus will continue in operation.

The Director General of the Rail Executive, as Additional Accounting Officer for the DfT, designated the Chief Executive of Passenger Focus as Accounting Officer. His relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is responsible, for keeping proper records and safeguarding Passenger Focus's assets, are set out in HM Treasury's *Managing Public Money*.

Governance statement 2014-15

Scope of responsibility

As Accounting Officer I have responsibility for managing and controlling the resources used in Passenger Focus to achieve our aims and objectives as set by the framework document agreed with the Department for Transport. In accordance with the responsibilities assigned to me in *Managing Public Money*, I am personally responsible for safeguarding the public funds and organisational assets.

I am responsible to the Director General of the Rail Executive, the Department for Transport's Additional Accounting Officer, and to Parliament for ensuring value for money, regularity and propriety in deploying all the organisation's resources. This governance statement sets out how my governance responsibilities have been achieved.

In April 2014 I returned from an extended career break of four months and during this period David Sidebottom was appointed as Acting Chief Executive and Interim Accounting Officer.

Upon my return I have had formal confirmation that the Accounting Officer's responsibilities have been fully met in the period and there have been no significant issues which either I or our auditors should be made aware of.

Governance structure

In February 2015 Jeff Halliwell was appointed Chair of Passenger Focus by the Department for Transport as Colin Foxall came to the end of his term. The Chair is supported by a Board of nine non-executive members.

Two additional board-level advisors were appointed on a temporary basis in the year to help with the transition into the realm of road user representation. Their appointments came to an end on 1 May 2015 when an additional Board member was appointed by the Department for Transport. The membership of the Board during the year is shown in the **management commentary**.

The Board is responsible for:

- setting the organisation's strategies, policy framework and risk appetite
- monitoring performance against annual workplan objectives and targets
- identifying the central activities required to support delivery of the corporate plan and approving the annual budget
- evaluating the impact of emerging issues or significant divergences from longer-term and workplan delivery.

An audit and risk assurance committee of three non-executive Board members has been established to support the chief executive through monitoring and reviewing the adequacy and effectiveness within the organisation of:

- corporate governance arrangements
- processes for managing risks
- internal audit and related activity

- management responses to the recommendations resulting from internal audit work
- processes and controls to support this governance statement.

System of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of organisational policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised and to manage risks and associated controls effectively, efficiently and economically.

The system of internal control has been in place in Passenger Focus for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and includes the delegation of budgets and risk ownership to directors and managers. The system of internal control accords with Treasury guidance and continues to be reviewed and developed with further improvements in the pipeline.

Capacity to handle risk

As Accounting Officer, I have responsibility for reviewing our capacity to handle risk. To effect this Passenger Focus has developed and has implemented:

- a risk management strategy reflecting the purpose and underlying approach to risk management and the role of the staff and senior management team, which has been approved by the Board and made available to all staff on the intranet
- organisational and team risk registers identifying the main strategic, programme and operational risks which are assigned to individual risk owners - these include mitigating actions to eliminate or reduce risks wherever possible. Risks are reviewed at the monthly management team meeting alongside regular reporting to the audit and risk assurance committee.

Risk management

The risk management framework, in addition to the risk registers, is informed by the following process:

- periodic reviews of the risk registers
- identification of key risks when issues are submitted to the Board for consideration
- inclusion of risk management as a regular item on the audit and risk assurance committee agenda
- a management team which meets regularly to consider the operational plans and contingent risks of the organisation
- ensuring Passenger Focus's operations and system of internal control comply with the principal best practice recommendations from the Cabinet Office and HM Treasury.

Review of effectiveness

As Accounting Officer I have responsibility for reviewing the effectiveness of governance and the system of internal control. My review of effectiveness is informed by the work of the internal auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the effectiveness of governance and the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Passenger Focus risk management framework takes account of the Code of Good Practice on Corporate Governance in Central Government Departments issued by HM Treasury.

Board

The Board received regular updates on progress throughout the year which are discussed at public meetings. The Board met four times during the period to:

- consider and approve the Passenger Focus workplans for the period including the allocation of resources to deliver those plans
- monitor progress against the workplans for the period through regular reports from the management team
- consider regular financial reports
- consider and approve policies and procedures to be adopted by Passenger Focus
- consider and approve expenditure in accordance with the procurement policy adopted by Passenger Focus.

Attendance records at Board meetings along with issues discussed are available in the Board meeting minutes which can be downloaded from our website www.transportfocus.org.uk.

As part of the Board members' performance review programme, an initial review of the Board effectiveness was undertaken in the year. A full review of Board effectiveness is planned for 2015-16 to ensure the newly appointed Chair can participate effectively in the review. Details of the Board's remuneration and appointment processes are available in the remuneration report and Board appointment process on pages 23-27.

The audit and risk assurance committee

The audit committee met five times during the period to consider:

- the quarterly financial reports
- the draft annual report and accounts
- the policies and procedures to be implemented by Passenger Focus
- the planned activity and results of the external and internal audits
- the adequacy of management response to issues identified by audit on a quarterly basis
- the risk management policy and procedures managed by the executive.

In addition, the committee regularly reviews information risk, business planning and project management, and scrutinises conflicts of interest and declarations of gifts and hospitality.

The Chair of the audit and risk assurance committee provided the Board with regular reports on the committee's activities and any findings concerning internal control.

Other aspects of governance arrangements

The Board also maintains three additional committees to help discharge its governance duties. The remuneration committee oversees cross-organisation pay awards, changes to terms of employment and performance-related pay, and authorises SCS equivalent grade pay and conditions. It met twice during 2014-15.

The statistics governance group oversees Passenger Focus's compliance with UKSA's Code of Practice for official statistics and promotes good practice in research activities. It met three times during 2014-15. The passenger contact group oversees the effectiveness of the passenger contact function and met twice.

Internal audit

Internal Audit reports to the audit committee and agrees a rolling programme of audit for each forthcoming year according to the Board's priorities. Regular audit reports are made, along with the end of year internal audit annual report, as defined by the Public Sector Internal Audit Standards. This includes an independent opinion by the Head of Internal Audit on the adequacy and effectiveness of the organisation's system of internal control.

The Head of Internal Audit gave overall moderate assurance for the year in his annual report. There were five internal audit assignments completed over the year and there were no significant weaknesses that fall within the scope of issues that should be reported in the Governance Statement

The audit assignments this year covered rail franchise replacement activities, equality and diversity, resourcing and succession planning, core controls which this year focussed on our expenses and government procurement card policies and processes, and a follow-up exercise on business continuity. Managers have been assigned responsibility and timescales for implementing the audit recommendations which have either been or are in the process of being completed. Progress against the actions is reported to the audit committee periodically to ensure the findings are being addressed.

Meetings with Department for Transport

The chief executive and Passenger Focus's senior managers meet senior officials from the Department for Transport at regular intervals. These meetings usually occur quarterly and issues discussed include performance against operational plans, financial expenditure and policy development. In addition, Passenger Focus's Chair regularly meets Ministers.

The risk and control framework

The key element of our risk and control framework is the Board's commitment to establishing risk appetite for strategic, programme and operational risks. The audit and risk assurance committee reports twice yearly to the Board where it summarises risk management activity and provides an in-year opinion.

Passenger Focus's head of business services meets with each risk owner at the end of each quarter to review both risks and controls, and subsequently formally discusses these with me. Headline corporate risks were reviewed during the year and the primary risk for the organisation is a loss of reputation which would affect our ability to influence stakeholders to make a difference for transport users.

Data handling and information risks

I am aware that the handling of information and data is a risk to the organisation. Detailed guidance to all staff on this subject has been issued, and further training has taken place during 2014-15. Passenger Focus's Senior Information Risk Owner (SIRO) implements Cabinet Office guidance, as appropriate, through Information Asset Owners (IAOs) who have been appointed across the organisation and who meet quarterly. As he is required to do, the SIRO has written to me at year end with his opinion on information risk, and has published this opinion via our website. I accept this opinion and note that there were no reportable data handling incidents during the year.

Road user remit

With effect from 1 April 2015, HM Government has put in place a new structure to deliver a substantial increase in investment in England's motorways and trunk roads. The Highways Agency, now Highways England, has a clear remit to modernise the network through £15 billion of investment over the next five years. To ensure that the new company is fully accountable to its users and taxpayers, Passenger Focus has become Transport Focus and now also represents the interests of road users.

Preparation for this new role formed a large part of our work in 2014-15 and the associated costs were met by funds, under a scheme of authorisation, provided by the Department for Transport. Some adjustments to our governance arrangements have been made to ensure this new duty is effectively discharged.

Anthony Smith

Chief Executive and Accounting Officer

10 June 2015

Audit opinion

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I have audited the financial statements of Passenger Focus (the operating name of the Rail Passengers' Council) for the year ended 31 March 2015 under the Railways Act 2005. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with the Railways Act 2005. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Passenger Focus's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Passenger Focus and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Passenger Focus's affairs as at 31 March 2015 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Railways Act 2005 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Railways Act 2005; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Sir Amyas C E Morse
Comptroller and Auditor General

Date 10 June 2015

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

	Note	2014-15 £000	2013-14 £000
Expenditure			
Staff costs	3	2,532	2,301
Depreciation	4	18	17
Other expenditures	4	3,793	2,986
		6,343	5,304
 Redundancy provision	 10	 127	 -
		6,470	5,304
Income			
Income from activities	5	1,481	368
		(4,989)	(4,936)

A Statement of Other Comprehensive Expenditure has not been prepared as there has been no other expenditure or income in either the current year or prior year.

The Accounting Policies and Notes on pages 40 to 47 form part of these financial statements

Statement of Financial Position as at 31 March 2015

		2015	2014
		£000	£000
	Note		
Non-current assets:			
Property, plant and equipment	6	62	54
Total non-current assets		<u>62</u>	<u>54</u>
Current Assets			
Trade and other receivables	7	458	339
Cash and cash equivalents	8	975	402
Total current assets		<u>1,433</u>	<u>741</u>
Total assets		<u>1,495</u>	<u>795</u>
Current liabilities			
Trade and other payables	9	1,365	753
Provisions	10	127	-
Total current liabilities		<u>1,492</u>	<u>753</u>
Assets less liabilities		<u>3</u>	<u>42</u>
Taxpayers' equity			
General reserve		<u>3</u>	<u>42</u>
Total taxpayers' equity		<u>3</u>	<u>42</u>

The Accounting Policies and Notes on pages 40 to 47 form part of these financial statements

The financial statements on pages 36 to 39 were approved by the Board on 09 June 2015 and were signed on its behalf by

Anthony Smith

Chief Executive and Accounting Officer

10 June 2015

Statement of Cash Flows for the year ended 31 March 2015

	2014-15 £000	2013-14 £000
	Note	
Cash flows from operating activities		
Net expenditure after interest	(4,989)	(4,936)
Increase in trade and other receivables	(119)	(97)
Increase/(Decrease) in trade and other payables	612	(138)
Increase/(Decrease) in provisions	127	(11)
Add : Write down of fixed assets	-	-
Add : Depreciation	18	17
Net cash outflow from operating activities	<u>(4,351)</u>	<u>(5,165)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	6 (26)	-
Net cash outflow from investing activities	<u>(26)</u>	<u>-</u>
Cash flows from financing activities		
Grants from parent department	4,950	4,930
Net financing	<u>4,950</u>	<u>4,930</u>
Net (decrease)/increase in cash and cash equivalents in the period	<u>573</u>	<u>(235)</u>
Cash and cash equivalents at the beginning of the period	8 402	637
Cash and cash equivalents at the end of the period	8 975	402

The Accounting Policies and Notes on pages 40 to 47 form part of these financial statements

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	General Reserve £000
Balance at 1 April 2013	48
Changes in taxpayers' equity for 2013-14	
Retained Deficit	(4,936)
Total recognised income and expense for 2013-14	(4,936)
Grant in Aid received from the DfT	4,930
Balance at 31 March 2014	42
Changes in taxpayers' equity for 2014-15	
Retained Deficit	(4,989)
Total recognised income and expense for 2014-15	(4,989)
Grant in Aid received from the DfT	4,950
Balance at 31 March 2015	3

The Accounting Policies and Notes on pages 40 to 47 form part of these financial statements

Notes to the accounts

1. Statement of accounting policies

Transport Focus, known in this period as Passenger Focus, is the operating name of the Passengers' Council, previously known as the Rail Passengers' Council.

Passenger Focus is a non-departmental public body (NDPB) and is sponsored by the DfT and funded by grant in aid.

These financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Passenger Focus for the purpose of giving a true and fair view has been selected. The particular policies adopted by Passenger Focus are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to include the revaluation of non-current assets at their value to the business by reference to their current costs.

1.2 Income from operating activities

Income from operating activities represents income in respect of co-funding of expenditure on passenger research projects and is accounted for on an accruals basis. Income is recognised on a percentage of completion basis.

1.3 Tangible non-current assets

Expenditure on tangible non-current assets is capitalised. The minimum level for the capitalisation of tangible non-current assets is £2500 per individual item. Assets are revalued annually if material.

1.4 Depreciation/amortisation

Depreciation/amortisation is provided on all non-current assets, at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

- furniture and fittings - five years
- computer equipment - three years
- leasehold improvements - remaining length of lease.

1.5 Government grants

Grant in aid used to finance activities and expenditure which support the statutory and other objectives of Passenger Focus is treated as financing and credited to the

General Reserve when received because they are regarded as contributions from a controlling party.

1.6 Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) in respect of their pensions. The PCSPS is an unfunded multi-employer defined benefit scheme but Passenger Focus is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>).

Passenger Focus makes payments to the PCSPS of amounts to cover the accruing liabilities of the Treasury in respect of superannuation benefits for persons who have been employed in the funded operations, and in respect of the administrative expenses attributable to the liabilities and their discharge.

1.7 Operating leases

Rental payments due under operating leases are charged to the Net Expenditure Account on the basis of actual rentals payable and any rent-free periods are amortised over the term of the lease which fairly reflects usage.

1.8 Taxation

Passenger Focus has no corporation tax liability because funding is provided through grant in aid from the DfT.

1.9 Intra-Government balances

Intra-Government receivables and payables have been analysed in accordance with the Government Financial Reporting Manual.

2. Analysis of net expenditure by segment

	Passenger Representation	Road User Representation	2014-15 Total	2013-14 Total
	£000	£000	£000	£000
Gross expenditure	5,770	626	6,396	5,304
Income	855	(626)	1,481	(368)
Net expenditure	4,915	-	4,915	4,936

Costs have been directly allocated to the two activities wherever possible, and shared costs have been apportioned between the two activities on the basis of average staff numbers for each activity.

Funding of up to £732,000 was agreed with the Department for Transport for 2014-15 to cover the additional costs of preparing for road representation. The costs shown above for this activity include costs directly related to this work only.

3. Staff numbers and related costs

Staff costs comprise:

	2014-15			2013-14
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	1,996	1,925	71	1,812
Social security costs	182	182	-	164
Other pension costs	354	354	-	325
Total net costs	2,532	2,461	71	2,301

There were no high-paid off-payroll appointments in either 2014-15 or 2013-14.

The Principal Civil Service Pension Scheme is an unfunded multi-employer defined benefit scheme but Passenger Focus is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>).

For 2014-15 employers' contributions of £323,955 (2013-14: £304,372) were payable to the PCSPS at one of four rates in the range 16.7 to 24.3 per cent of pensionable earnings based on salary bands (2013-14: 16.7 to 24.3 per cent), based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation.

The contribution rates are set to meet the costs of the benefits accruing during 2014-15 to be paid when the member retires, and not the benefits paid during the period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £28,716 (2013-14: £21,388) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from three per cent to 12.5 per cent of pensionable pay. Employers also match employee contributions up to three per cent of pensionable pay.

In addition, employer contributions of £1638 (0.8 per cent of pensionable pay) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £2923.

Average number of persons employed

	2014-15			2013-14
	Total number	Permanent staff number	Others number	Total number
Directly employed	46	39	7	43
Other	-	-	-	1
Total	46	39	7	44

4. Administration costs and other expenditure

	2014-15 £000	2013-14 £000
Running costs		
Passenger research	2,100	1,681
Travel and subsistence, room hire and recruitment	321	186
Printing, postage and office costs	162	106
External services and support	163	169
Information technology support and maintenance	500	308
Board remuneration	175	190
Rent, rates and utilities	256	234
Training and development	56	56
Telecommunication costs	35	29
External audit fee	21	21
Operating lease rentals (excluding rent)	4	6
	3,793	2,986
Non-cash items		
Depreciation	18	17
Total	3,811	3,003

5. Income

	2014-15 £000	2013-14 £000
Income in respect of joint projects	1,404	366
Other income	77	2
	1,481	368

6. Property, plant and equipment

	Leasehold improvements £000	Information technology and fittings £000	Total £000
Cost or valuation			
At 1 April 2014	82	8	90
Additions	12	14	26
Write down	-	(8)	(8)
At 31 March 2015	94	14	108

Depreciation			
At 1 April 2014	28	8	36
Charged in year	17	1	18
Write down		(8)	(8)
At 31 March 2015	45	1	46
Net book value at 31 March 2015	49	13	62
Net book value at 31 March 2014	54	-	54
Asset financing			
Owned	49	13	62
Finance Leased	-	-	-
Net book value at 31 March 2015	49	13	62

	Leasehold improvements £000	Information technology and fittings £000	Total £000
Cost or valuation			
At 1 April 2013	82	8	90
At 31 March 2014	82	8	90
Depreciation			
At 1 April 2013	12	7	19
Charged in year	16	1	17
At 31 March 2014	28	8	36
Net book value at 31 March 2014	54	-	54
Net book value at 31 March 2013	70	1	71
Asset financing			
Owned	54	-	54
Finance Leased	-	-	-
Net book value at 31 March 2014	54	-	54

All assets remain at cost and have not been revalued as a revaluation is not considered to be material to the financial statements.

7. Trade receivables and other current assets

	2014-15	2013-14
	£000	£000
Accounts falling due within one year:		
Trade receivables	402	242
Other receivables	11	12
Prepayments and accrued Income	45	85
	<u>458</u>	<u>339</u>

Other receivables include season ticket and bicycle loans to 8 staff (2013-14: 8) totalling £11,385 (2013-14: £11,955).

	2014-15	2013-14
	£000	£000
Amounts in the above figures due from other entities included in the Whole of Government Accounts :		
Balances with other central government bodies	376	186
Balances with local authorities	12	5
Balances with NHS trusts	-	-
Balances with public corporations and trading funds	-	48
Amounts external to Government	70	100
	<u>458</u>	<u>339</u>

8. Cash and cash equivalents

	2014-15	2013-14
	£000	£000
Balance at 1 April	402	637
Net change in cash and cash equivalent balances	573	(235)
Balance at 31 March	<u>975</u>	<u>402</u>

The bank balance is held with the Government Banking Service.

9. Trade payables and other current liabilities

	2014-15	2013-14
	£000	£000
Amounts falling due within one year		
Other taxation and social security	62	53
Pension contributions payable	43	36
Trade payables	6	111
Other payables	9	9
Rent Liability	17	27
Accruals and deferred income	1,228	517
	<u>1,365</u>	<u>753</u>

The rent liability has been provided because a rent free period was negotiated for office accommodation, and will be utilised over the lease term. The rent liability includes £9860 (2013-14: £9,860) which is due within one year.

	2014-15	2013-14
	£000	£000
Amounts in the above figures due to other entities included in the Whole of Government Accounts :		
Balances with other central government bodies	279	130
Balances with local authorities	1	1
Balances with NHS trusts	-	-
Balances with public corporations and trading funds	-	-
Amounts external to government	1,085	622
	<u>1,365</u>	<u>753</u>

10. Provision for liabilities and charges

	2014-15	2013-14
	£000	£000
Redundancy cost provision		
Balance at 1 April	-	11
Provided in the year	127	
Provisions utilised in the year	-	(11)
Balance at 31 March	<u>127</u>	<u>-</u>

11. Commitments under leases

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2014-15	2013-14
	£000	£000
Obligations under operating leases:		
Buildings		
Not later than one year	188	195
Later than one year and not later than five years	175	362
Later than five years	-	-
	<u>363</u>	<u>557</u>
Other		
Not later than one year	4	4
Later than one year and not later than five years	3	7
Later than five years	-	-
	<u>7</u>	<u>11</u>

Passenger Focus has a licence to occupy offices in London and Manchester which has been included as a lease obligation because it has similar terms and conditions.

12. Contingent liabilities disclosed under International Accounting Standard 37

In November 2012 there was a premature surrender of the lease for our London offices at Drummond Gate. Although no immediate costs to reinstate the premises

were incurred because the agreement is between Crown bodies there is a remote possibility that Passenger Focus may be required to contribute to the reinstatement costs when the main lease ends in 2017. It is difficult to quantify the amount for any future liability at the date of the accounts so this item has been recorded as an unquantifiable contingent liability.

There were no other reportable contingent liabilities or contingent assets at 31 March 2015 or 31 March 2014.

13. Related-party transactions

Passenger Focus is an executive non-departmental public body sponsored by the DfT and is regarded as a related party. £4,950,000 was received from the DfT in grant in aid for the year. In addition further transactions totalling £1,197,000 were undertaken in the year with a balance outstanding at 31 March of £323,000. These included £626,000 for preparing for our roads user representation role, £301,000 for the smart ticketing programme of work and £190,000 for our work in connection with reviewing tenders as part of the rail franchise process.

Rental payments for office space in Manchester are made to the Highways Agency which is also regarded as a related party because it is an agency of the DfT. Payments made to the Highways Agency totalled £90,670 for the year.

£88,000 was received from HS2 Limited for passenger panel research and a further £21,500 invoiced but not yet received. £31,300 was invoiced to Network Rail and payment was outstanding at 31 March 2015.

Although Passenger Focus works with train operating companies (TOCs) to deliver improvements for passengers, the TOCs are not considered to be related parties.

None of the Board members or key management staff has undertaken any material transactions with Passenger Focus other than their remuneration, or its related parties, during the year and none has a financial interest in the TOCs such as to influence their work with Passenger Focus.

14. Events after the reporting period

There are no other reportable events after the reporting period. These accounts were authorised by the Accounting Officer for issue on 10 June 2015.

15. Financial instruments

As the cash requirements of Passenger Focus are met through grant in aid provided by the DfT, financial instruments play a more limited role in creating and managing risk than would apply to a non-public-sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Passenger Focus's expected purchase and usage requirements and Passenger Focus is therefore exposed to little credit, liquidity or market risk.

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Passenger Focus now operates under the name of Transport Focus, which is the operating name of the Passengers' Council, formerly known as the Rail Passengers' Council

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