

Minutes

Sep 13 BM 2.1

Board meeting

Date: Thursday 16 May 2013

Location: Rooms G35/37
Piccadilly Gate
Manchester

Time: 11.15 – 12.30

Present

Board Members

Colin Foxall CBE	CF	Chairman
Dr Stuart Burgess CBE	SB	
Marian Lauder MBE	ML	
Bob Linnard	BL	
Isabel Liu	IL	
Stephen Locke	SL	
Philip Mendelsohn	PM	
Paul Rowen	PR	
Professor Paul Salveson MBE	PS	
Bill Samuel	BS	
Barbara Saunders OBE	BSa	
Nigel Walmsley	NW	

Executive in attendance

Anthony Smith	AS	Chief Executive
Jon Carter	JCa	Head of Business Services
Martin Clarke	MC	Business Services Executive
Jonathan Clay	JCI	Passenger Executive Team – Team Leader
Mike Hewitson	MH	Head of Policy
Nigel Holden	NH	Resources Director
Kylie Lennon	KL	Business Services Executive
Sara Nelson	SN	Head of Communications
Robert Samson	RS	Passenger Link Manager
Ian Wright	IW	Head of Research
Kyle Yeldon	KY	Passenger Contact Team Leader

Six members of the public attended the meeting.

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There were no external guests in attendance.

1 Apologies

The Chairman welcomed Board Members to Manchester and noted apologies from Deryk Mead and Diane McCrea. As it was their final meeting, the Chairman thanked KL and KY for their contributions to the work of the Board and wished them well. The Chairman welcomed the permanent appointment of SN as Head of Communications, and thanked her predecessor, Amy Stockton, for her service to the Board. The Chairman welcomed MC as the new Business Services Executive.

2 Minutes of the 13 February 2013 Board Meeting

JC pointed out an error in SL's name on page 1. There were no further amendments to the minutes. The Board **approved** the minutes and **authorised** the Chairman to sign them.

3 Action Matrix

Item	Date	Issue	Action	Owner	Due	Status
BM215	19/09/12	Scottish franchise	Chairman to raise in the context of forthcoming Passenger Focus series of meetings with Minister and industry in Scotland	AS	May 2013	Complete. Delete.
BM221	13/02/13	Staff attitude survey	Consult with staff forum on whether completion of survey should be done in-house or outsourced	AS	Feb 2013	Complete. Delete.
BM222	13/02/13	Resources report	Clarify c£20K discrepancy on smart card ticketing spend to date/budget	NH	Feb 2013	Complete. Delete.
BM223	13/02/13	Passenger Issues report: bus lines to take	Complete planned work and circulate to Board	MH / SN	Mar 2013	Complete. Delete.
BM224	13/02/13	Wales franchise	Develop stance on different franchise or concession or DOR models	MH	May 2013	Complete. Delete. See note.
BM225	13/02/13	Passenger Dividend on	Secure engagement with process to ensure	AS	May 2013	AS taken matter up with DfT but long-

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		franchise breach	maximum / thought-through passenger dividend			term issue which will need revisiting later in year. Delete.
BM226	13/02/13	Open Data Strategy	Include action plan dates / milestones in cover to strategy and indication of extent of 'extra' data this programme will place in the public domain	JCI	Mar 2013	Complete. Delete.
BM227	13/02/13	Work plan 2013-14	Update following discussion and recirculate for approval	AS	Feb 13	Complete. Delete.

AS drew the Board's attention to item BM224 and proposed bringing this issue back to the table for a fuller discussion at a future point.

4 Chairman's Report

The Chairman, AS and PM had met with the Scottish Minister in April. The Minister had shown an interest in the subject of passengers and a desire to know more about ways in which performance could be improved and issues concerning passengers dealt with. Potential opportunities for research had been identified, which would likely be paid for by the Scottish Government. The Minister would be attending the Edinburgh event planned for September.

5 Chief Executive's Work Plan Report

5.1 Activity Report including Research, Communications, Resources and Corporate Governance

BSa commented that, while the Chief Executive's Report mentioned that complaint figures were down, this was not the picture painted in a later report. AS clarified that the rate of increase had stabilised. KY added that the number of outstanding cases had reduced due to improved relationships and proactive work with TOCs.

The tram survey had received a positive reaction at the recent UK Light Rail Conference. Meetings were planned with UK Tram and the Parliamentary Group. Some issues around passenger price-sensitivity had been identified. In terms of the rollout of the survey, the ambition was to cover all services within the organisation's remit, although this was dependent on finding funding partners. There was to be an online element to the survey.

The Board's attention was drawn to current discussions with Network Rail about HS2 north of Birmingham, looking at the wider positive impact of the scheme – for example, the potential benefits of extra capacity on the existing WCML. This is similar to studies already carried out on the first stage of HS2.

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NW referred to the research on smart ticketing and said he did not think that the scale of the research would represent good value for money. The Chairman **urged** IW and AS to draw DfT's attention to the amounts being spent.

AS referenced potential work with Merseyrail in respect of new rolling stock, and in Bristol with First Bus. Neither piece of work was within the current work plan and a project-management fee was being considered. IL asked about the ownership of the outcomes of any research done in partnership with Merseyrail or First Bus. The Chairman **stressed** that any research undertaken would need to fit within the core purpose of Passenger Focus. The organisation would have the right to specify and control any such research, and all results would be made publicly available.

Referring to the point in the report on understanding of trust, SL felt the issue was complicated: while it was not the role of Passenger Focus to promote trust in the railways, it was its role to understand the reasons for any mistrust. Research in the financial services and energy sectors may help in this respect. The Chairman **endorsed** this sentiment.

In terms of communications, SN reported that the press office had continued its programme of meeting trade and national-media contacts. *Passenger Voice* had been moved to a monthly e-newsletter, with circulation increasing to 10,000 from 1,800 printed copies. Readers wishing to read a printed copy would be able to print out a text version from the internet. In addition, the team had received in-house training on how to write a successful web newsletter in order to garner interest and encourage recipients to open the attachment. Suggestions of new recipients to add to the contact database would be welcomed by the team. A review of the internal news for staff on Connect suggested that this facility was used by most staff. Passenger Focus would have the ability to create in-house video content, initially for internal use on Connect, but then for public use on the website and elsewhere. The Chairman **asked** that communications strategy would be discussed in more detail at the next Board meeting.

NH reported that pay awards for 2012 had gone through in the period, and agreement for 2013 had been reached. Other work in the last quarter had been around year-end finances. Final clearance on the audit report had been obtained that morning.

5.3 Finance Report January – March 2012

The final outturn for the year-end was a product of the tight monetary management that NH and his team had exercised. The Audit Committee had congratulated their efforts, and the Board could take comfort in the way in which the organisation's budget had been managed.

6 Review of National Passenger Issues

Franchising continued to dominate. Conversations had taken place around the role of the NPS on an individual-franchise basis, notably with the first of the new breed of franchises. The risky area remained in talking to the DfT and bidders in the midst of commercial negotiations around 18-36-month extensions to existing franchises. Many of the proposals that the organisation could put forward were around general moves towards such issues as transparency of information.

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There had also been activity around unpaid-fare notices and the code of practice that the industry had formulated. While it had not yet been fully implemented, it was moving in the right direction in terms of putting processes in place that would help, so long as they were followed in a passenger-friendly spirit. The Chairman held reservations around the sentiment and scope of the code of practice, feeling that a culture change in terms of industry attitude was required, such that TOCs assisted their passengers to obtain the right ticket at a reasonable price, rather than moving to prosecution as a first step. AS added that this issue should be listed as a substantive **agenda item at the next meeting**.

BM228	16/05/13	Unpaid fare notices	Present "Fares and ticketing progress report" to the board	MH	Aug 2013
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The importance of franchise extensions was underlined as an opportunity to obtain real benefits for passengers in terms of building relationships with rail-user groups at a more local level and looking at some strategic solutions that could be implemented fairly quickly, such as Sunday services. The chairman recognised that DfT might have limited room to negotiate and urged caution around the disposition of resources in this area. BL noted that the DfT would be keen to publicise any passenger benefits from an extension; however, it was in a weak negotiating position given that it had ruled out Directly Operated Railways.

7 Review of Passenger and Industry-facing Work

JCI reported that BPS results had been taken to 45 operators and local authorities in 22 geographic areas, as a result of which some good relationships had been forged.

Workshops with rail and bus-user groups had been held in London, Bristol, Manchester and Newcastle, which had proved to be valuable to attendees.

London Midland had been persuaded to publicise more widely the availability of compensation and refunds to passengers affected by a large shortages of drivers and consequential train cancellations in the autumn.

In terms of passenger contact, satisfaction rates remained on target. As an organisation, work had been done on open data, which required all staff to be onboard and to understand the benefits. As a result, a workshop had been held at a recent staff away-day, which had been well received.

A substantial number of complaints had been received on the closure of the booking offices at Birmingham New Street during its overhaul. Given that the intention was to make things better for passengers, a six-month-review process had been agreed to ensure that passengers were minimally disrupted. RS clarified that Birmingham New Street ticket offices would not be permanently closing, just that they would no longer be open 24hrs. The plan was to provide more ticket machines, more staff on the ground and more ticket offices open at peak times. Further proposals had been received to close booking offices at Stamford and Oakham, which, following an intervention by Passenger Focus, would remain open for at least another year.

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Research by London TravelWatch had identified that passengers were less concerned about booking-office hours than about the availability of staff to help when required. The Chairman highlighted the significance of this issue in general, particularly in the context of stations with low numbers of passengers, and **requested** that RS circulate a note to the Board on this subject.

BM229	16/05/13	Station staff	Circulate a note to the Board about passenger concerns regarding staff availability	RS	Jun 2013
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BS fed back on a positive engagement established with Peterborough City Council in terms of working through its public transport budget cuts, resulting in an increase in the reputation of, and engagement with, Passenger Focus as an organisation.

PS asked why East Coast had performed so badly in terms of passenger complaints. KY explained that East Coast regularly changed its processes and staff, and that its compensation policies had not filtered through to its outsourced contact centres. Efforts had been made to manage the relationship with East Coast in order to improve its complaints-handling and escalation processes. The Chairman added that East Coast's aggressive approach to ticketing issues was also a contributing factor. The organisation had tried to ensure that the issue was understood at a senior level within Government. While East Coast's MD had accepted on numerous occasions that the situation was unacceptable, it had not improved on a permanent basis. Data on complaint handling was to be published in a new, clearer format.

PR asked what was being done to publicise the complaints process for buses. Bus users tended to be less keen to complain, partially because of the smaller fares involved. Passenger Focus did not have a formal role in handling appeal complaints from bus passengers, and instead offered a signposting service to the Bus Appeals Body (BAB). Passenger Focus had been working with BAB on complaint handling. PR suggested looking at ways to get more information about Passenger Focus to passengers.

The new complaint handling arrangement with Ventrica was working well.

8 Matters for Discussion/Approval

To receive and endorse draft Version 3 minutes of meetings held on 1 May 2013 as follows:

8.1 Audit Committee (includes risk report)

Three new members had joined the Committee. The finance report for the final two quarters showed the organisation to be within budget. Two items of positive feedback had been received from the organisation's internal auditors on its stakeholder-engagement strategy and core controls. The Committee had noted JCa's report on information matters and the updated risk register. The current risk statements at the previous meeting related to the Communications team. The Committee noted the Chief Executive's paper on Passenger Power as an issue that warranted more discussion. The Committee had reported on its second six-monthly report on risk. The report set out the areas of work that the Committee had been involved in. Consistent with the external assurances, the Committee gave an overall substantial assurance

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for the work undertaken over the last year. The committee would return to the issue of succession planning over the coming year. The committee **noted** that an agenda for the board away day is needed.

BM230	16/05/13	Board away day	Prepare an agenda for the board away day	AS	6 June 2013
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8.2 Remuneration Committee

Discussion postponed until the next meeting.

8.3 Statistics Governance Group

The minutes were noted. The National Passenger Survey contract was to be looked at. SGG will produce a paper for the board to consider and accept.

BM231	16/05/13	NPS contract	Produce a paper on the NPS contract to present to the board	CF	Aug 2013
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9 To Receive the Audit Committee's Annual Report to the Board

The Committee provided specific assurance on matters that it had been involved in and work that it had undertaken. BS drew the Board's attention to the recommendations set out on page 8 of the report. It was important for the organisation to keep succession arrangements under review in terms of both key staff and Board Members, to build on and develop its influencing role going forward, and to transfer corporate memory through a workshop-type session at the next meeting. The Chairman **suggested** returning to the recommendations contained in the report at the next meeting.

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10 To Receive and Endorse Passenger Focus's Annual Report and Accounts 2012-13 (Statutory and Compliance Sections Only)

A substantial assurance had been received from the internal audit, reflecting the views of the NAO in terms of its work on the organisation's accounts. The Committee endorsed the governance statement contained within the annual report. As a consequence of those pieces of work and deliberations, the Committee were able to agree the content and format of the annual report, and were resolved to recommend to the Board that the accounts be adopted. The Board **accepted** the recommendations and **adopted** the accounts.

The Chairman thanked the Audit Committee for its work and saw benefit in planning a session on succession-planning.

11 To Receive and Agree the Chairman's Initial Nominations to Subsidiary Bodies for 2013-15

The nominations were **noted**.

12 To Discuss and Agree the Work Plan and Budget for 2013-14

BL noted that there were seven key objectives for the year in terms of risk and would find it useful to see a statement of the risks attached to each of those objectives, with an indication of their size and nature. The Chairman commented that each paper governing the objectives would contain a section on risk.

13 Any Other Business

There was no other business.

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Signed as a true and accurate record of the meeting:

Colin Foxall CBE
Chairman, Passenger Focus

Date