

# Minutes

## Board meeting

Sep 14 BM 2.0

**Date:** Thursday 15 May 2014  
**Location:** Passenger Focus  
 Piccadilly Gate, Manchester  
**Time:** 10.59 – 13.00

### Present

#### Board Members

Colin Foxall CBE	CF	Chairman
Dr Stuart Burgess	SB	
Marian Lauder MBE	ML	
Bob Linnard	RL	
Isabel Liu	IL	
Stephen Locke	SL	
Philip Mendelsohn	PM	
Paul Rowen	PR	
Professor Paul Salvesson	PS	

#### Executive in attendance

Anthony Smith	AS	Chief Executive
Jon Carter	JC	Head of business services
Mike Hewitson	MH	Head of Passenger Issues
Nigel Holden	NH	Resources Director
David Sidebottom	DS	Passenger Team Director
Hazel Phillips	HP	Head of Communications
Ian Wright	IW	Head of Research
Katie Armstrong	KA	Passenger Team Manager
Martin Clarke	MC	Business Services Executive

Three members of the public attended the meeting.

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## 1 Opening Remarks; Apologies

The Chairman welcomed the Board and members of the public to Manchester. Apologies were received from Diane McCrea. He welcomed back AS and thanked DS and Linda McCord for their work in AS's absence.

## 2 Minutes of the Previous Meetings: 13 February 2014, London

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

## 3 Action Matrix

Item	Date	Issue	Action	Owner	Due	Status
BM237	13/02/14	Substantial variable overheads	To undertake analysis of variable overheads and how these could be managed	NH	May 2014	<b>Reviewed by ARAC but not yet by Board</b>
BM238	13/02/14	Board Events feedback	Circulate a summary of feedback received from the events held in Edinburgh and Cardiff	JC	May 2014	<b>Outstanding, JC to follow up</b>
BM239	13/02/14	Decline in bus services in rural areas	To review existing research, produce recommendations and liaise with ATCO on declining rural area bus services	DS	November 2014	<b>Meeting took place Friday 9 May to discuss wider implications. Results to be circulated to board by DS.</b>

## 4 Chairman's Report

The Chairman outlined that an announcement had been made by Ministers on the future of the Strategic Road Network, including an additional remit for Passenger Focus to represent road users, but the timetable for legislation was as yet unclear.

There had been a major increase in franchise work. The DfT was realising its commitment to the importance of passenger input to the specification of new franchises, and to a review of aspects of franchise bids. Passenger Focus was busy with its disruption and passenger priorities work, the latter requiring further review before its publication in June. AS noted that priorities would be an important topic at the Edinburgh meeting. The Chairman highlighted the trust report, which IW indicated would be published in June.

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The advert for a new Chair had been published and interviews were scheduled for July. There had been very positive engagement with local stakeholders in the north west, the previous evening's reception having been successful.

DS added that TransPennine Express was due to launch its new timetable the following Monday and had asked Passenger Focus for comments.

## 5 Chief Executive's Work Plan Report for Q4

DS pointed to the successful launch of the Bus and Tram Passenger Survey results. The sessions had been successful, and there was strong recognition of Passenger Focus for its work. The HS2 panel work had also been positive. He commended the work of the organisation during a busy period.

### 5.1 Activity Report

HP reiterated that the Bus and Tram Passenger Surveys had provided a useful focus for communications. Passenger Focus had received good local coverage, with positive statements from operators and authorities, demonstrating the value of the report.

Passenger Focus had undertaken Parliamentary engagement with respect to the Consumer Rights Bill on improving consumer protection. With regard to rail, this would link to the update of the National Rail Conditions of Carriage. They had suggested the Department establish a group to assess the potential improvements in consumer protection on bus services.

The Chairman noted that the consumer landscape work was becoming more complex, but BIS initiatives required some careful examination to ensure passenger rights did not suffer. The Chairman had been particularly impressed with the presentation of the Bus Passenger Survey in this regard.

### 5.2 Research Report

SL queried the South East Flexible Ticketing proposition, suggesting that smart ticketing plans may now only apply to season tickets. He asked whether this had been reflected in the research. IW stated that the Department officials had not given that impression. Passenger Focus was soon to have a joint briefing with the Department and he would report back if necessary. IW pointed to the substantial workload this year with the retendering of both the National Rail Passenger Survey and the Bus Passenger Survey.

There had been some updates of methodology on the rail passenger priorities improvement work. A small online pilot had produced almost identical results.

First Great Western and The Welsh Government had boosted fieldwork in their areas to look into the results in greater detail. Providing value for money had been a top priority, followed by punctuality and capacity. A new issue brought up by users was the importance of Wi-Fi. IW agreed to circulate the results.

BM240	15/05/14	Passenger priorities	Circulate the results of the Passenger	IW	Sep 2014	
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			Priorities research, including FGW and WAG boosts			
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PR noted positive developments on the Passenger Panel.

SL noted that there had been a good presentation at the previous TravelWatch board meeting on the impacts of HS2 in London. There were three areas of concern: capacity at Euston, Euston as an interchange and the Old Oak Common interchange.

## 5.4 Finance Report

NH stated that a 1% pay award would come into effect from 1 April. The Chairman noted that with inflation the pay award was effectively a pay reduction, which could affect morale.

NH pointed out that the budgets for the year had been met. The National Audit Office (NAO) sign-off had been scheduled for the end of June. ML added that this necessitated a complicated process involving out-of-session ARAC and main Board approval in order that we submit the final report before Parliamentary recess. Dissatisfaction with the late date given for NAO sign-off was noted.

## 5.5 Business services

JC stated that much of Q4 had been dominated by discussions of the final configuration of the campaign to recruit a Chairman. An advert had been launched in *The Sunday Times*, the *Guardian* and on totallyexec.com. There had been approximately 300 hits on the website. A review with DfT was scheduled the following week. Long-listing would take place on 6 June, shortlisting on 26 June and interviews on 10 July, with the hope of making an appointment before Parliamentary recess on 22 July.

## 6 Review of National Passenger Issues

MH noted that a major theme had been franchising. There would be a catch-up session with the DfT to gain feedback on our input to the bid review process.

A further significant issue had been weather disruption. A number of meetings had been held with the industry regarding the provision of information to passenger and the planning of emerging timetables.

MH stated that the area of fares had been relatively quiet, but the Department was about to start trials on single-leg pricing and flexible seasons. The rail regulator had started a market review of retailing, which would look at the concerns raised by third-party retailers on competitiveness.

PM commented that ticket vending machines often offered the highest cost fare up front, which could be confusing, particularly for foreign tourists. SL endorsed this point and had raised concerns with TfL in

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respect of the prominence of Heathrow and Gatwick Express over the cheaper Tube fares. MH noted that Guy Dangerfield and Jocelyn Pearson had reviewed what had and had not been fixed in this respect.

PR noted the great impact Passenger Focus had made regarding planned disruption at Watford. AS noted that the industry in general was improving its solutions to planned disruption. PM added that Network Rail was looking at a major redevelopment of Queen Street in Glasgow and there were two planning groups. PM had suggested the possibility of hiring one executive individual representing the passenger.

SL pointed to the need to keep an eye on how the London Bridge development was managed. The Chairman suggested that the experiences could, subject to other workplan commitments, be used to create a toolkit for putting passengers first during periods of planned disruption.

MH stated that there had been discussions on passenger engagement as part of the enhancement projects with Network Rail and the regulator. He and Guy Dangerfield had spoken to Network Rail about incorporating these principles.

## **7 Review of Passenger and Industry Facing Work**

DS noted the intention to 'bring the Survey results to life' for operators and authorities, thereby explaining the results, developing action plans and planning future survey work. On the Tram Passenger Survey, there had been a cooperative relationship with TfGM to develop methodology and use the results to track improvements. In addition, there had been work undertaken with TravelWatch North West to understand the activities at a grassroots level.

KA pointed out that the data tool had been used in publishing the National Rail Passenger Survey, resulting in a surge of hits. There had also been meetings with the bidding groups for the East Coast franchise in relation to customer relations issues. The programme of complaints reviews with operators continued.

On passenger contact, the numbers of appeals remained steady with a slight drop in appeals closed in Q4. The top issues had been penalty fares, compensation and delays/fares issues in general. East Coast, followed by Northern Rail and Southern had the highest volume, with the latter two having increased their proportion of the overall numbers. The effects of the weather disruption were starting to impact. The Chairman noted the long time period for receiving responses for appeals. KA noted that a back log of appeals remained for South West Trains, who were three-months delayed. This had been due to the huge surge in customer contact and the requirement to increase resources not held previously. South West Trains had also responded to cases on an individual basis, which was slower, but more personal. PR expressed concern that the number of complaints for Northern had increased. KA reiterated that the overall number had not increased; there had been a proportional increase relative to other companies. PR pointed to the issue of dealing with non-payment of tickets, and the company's "Get a ticket" campaign. KA noted that the approach had raised complaints initially.

AS expressed a concern regarding the increase in the deployment of BTP officers in frontline revenue protection. MH noted that that this was a continuing concern. DS pointed out that there were mixed messages regarding revenue protection. PM pointed to the approach in Scotland, which had strong

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revenue protection alongside a soft approach. It was agreed that this was a difficult point, with varying approaches between companies.

## **Rail, bus and tram passenger satisfaction in Manchester**

IW felt the process had been a good example of collaboration. TfGM had contributed considerable funding to conduct the surveys. Having all three surveys, we could now carry out comparisons. Ultimately, we could incorporate such processes in to our data tool.

Typically, trams had performed better than bus and rail, although the current survey saw bus perform slightly better than tram locally. This was partly due to better-rated bus services, which may be attributed to reductions in fares by First.

AS asked whether the analysis had been shared with TfGM. IW confirmed that the outcomes had been shared, but in a slightly different format. IL considered the results useful to compare between different modes and geographical locations. She particularly noted how well bus had performed in terms of value for money, as well as in other areas. RL agreed and also pointed to the similar satisfaction levels between transport modes on punctuality. PR noted that the tram network was still evolving and, therefore, a fairer comparison might be in 12 months' time.

IL thought the multi-modal approach was positive both internally and externally. SL pointed to page nine regarding value for money among different age groups; there had been similar research with TfL and issues had arisen regarding both price and quality of service. He felt the results were disappointing for the tram system in Manchester. The Chairman noted that the trams were still at a relatively early stage and it was a complex city. SB thought the survey was a useful piece of work and congratulated those involved.

## **8 Roads: *transforming the Highways Agency into a government-owned company*; Passenger Focus's response to the conclusions of the government's consultation**

The Chairman explained that AS and he were engaged in a series of discussions with the major stakeholders affected by the government's announced changes. We were planning to ask the industry to provide secondments. We would also ask the industry to help them with an induction process for the Board. The Chairman would offer a small group of the most senior individuals in the industry an informal forum that would meet up to once a month. There was no specific timetable, but he noted that the process was likely to be a prolonged one.

With regard to the work, RL was unclear what areas of satisfaction we would measure and how they would be measured, and suggested discussing this further. The Chairman agreed that this was not yet settled, and Passenger Focus was talking to the industry. We hoped to provide a more concrete picture of what the proposals looked like over the summer. The Chairman did not expect the first survey to encompass all the questions they would later seek to ask and, therefore, he was strongly in favour of conducting a pilot.

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Item	Date	Issue	Action	Owner	Due	Status
BM 241	15/05/14	Passenger Focus's new 'roads' remit	Provide a clear picture of our work plan relating to roads	AS	Sep 14	

IL asked that the induction include the Board and executives. The Chairman confirmed this would be the case, although it would be important to assess what was achievable.

PM pointed out that conducting surveys on roads was different to previous surveys as there would be no stations or stops. There was also the issue of what the drivers of satisfaction were, which the organisation could look into immediately. The Chairman questioned whether they should focus too much on the physical network. The next stage would be to answer questions on how one conducted the surveys but this would not be possible until there was additional capacity to do so.

JC referred to the equality screen, which he had provided in the pack. An impact assessment would be a job for the Change Manager. PS commented that this would not only relate to disability groups but also other parties, such as children, and stressed the importance of including other associations. The Chairman thought it was important to make a distinction between 'taking account of' and 'representing'. Their job was to collect information on road users and he advised members to be careful about representing other groups.

The Chairman was clear that Passenger Focus' other activities would not suffer as a result of this new remit. The Board formally **endorsed** the new remit and approach.

## 9 Matters for Discussion/Approval

### 9.1 Audit and Risk Assurance Committee

ML drew attention to the internal audit reports, through which we acquired useful knowledge and improved our processes. Nevertheless, internal audit assignments did not always run entirely smoothly and the Preferred Supplier List was an example of this. However, the grading had increased due to the management response.

There had been a 'substantial' grading for the audit on appeals complaint handling. The committee had laid out its internal audit plan for this year, which covered: franchising, equality and diversity, succession planning, data validation and core controls.

ML commented that the budget for 2014/15 was fully committed, less approximately £30,000. The project budget had been defined according to the workplan priorities. There was little flexibility in the budget to make changes and therefore any changes would require an alteration of priorities. The discussion at ARAC had included whether the Board had had enough exposure to the budget, and asked colleagues what they thought.

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RL would be keen to see how the workplan proposals fit into the available funding and what elements of the work plan were of lowest priority. SL thought the situation in 2014/2015 would be different to previous budgets and, as a result, the board may need more exposure. CF urged that the board did not develop the role of a scrutiny committee. A reasonable and important question for the board was whether the budget was delivering value for money. However, he cautioned against being exposed to too much detail as this was the role of audit committees. He noted the desire for a little more input but would leave it to ML and AS to see how this could be taken forward appropriately.

ML drew Board members' attention to a thorough review of documentation and policy. There had been some minor amendments although feedback on amendments to the membership codes was that it was too early.

ML referred to the half-yearly risk report and the data incident concerning interfered with payslips. She assured members that this had been thoroughly assessed and the data protection process and investigation had gone well.

On the annual report to the Board from the ARAC, the key issues were noted in the pack. The executive had worked on a new format of reporting to the Board, which the ARAC had reviewed and tested. It aimed to promote more rounded discussions within the board and lead to better governance of projects.

On emerging risk and change proposals, they had suggested passing the work on to the Change Manager and bring a more mature piece of work to the board when completed. There still was not a succession plan but there would be an internal audit on the subject in the current year.

The core controls audit had been completed and had graded 'substantial'.

## 9.2 Remuneration Committee

SB stated that the committee had agreed the recently submitted pay proposal of 1% and recognised the risk of a negative effect on morale. The committee had recently reviewed proposals for salary sacrifice schemes such as childcare vouchers and cycle-to-work, and had agreed that formal consultation with staff should go ahead. The committee now planned to meet twice a year.

## 9.3 Passenger Contact Group

PS noted that the meeting had been productive with discussion around the visibility of Passenger Focus among passengers. There was a need for greater uniformity of messages portrayed by TOCs on the existence and role of Passenger Focus.

A further point discussed in the meeting was the development of links with Ventrica and board members establishing a better understanding of their role. Overall, the levels of passenger satisfaction for the service had been extremely high.

The Board **received and endorsed** the three sets of minutes.

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## 9.4 Data Security Policy

JC noted that the cabinet office had reviewed the government security framework policy and had changed what used to be “restricted” to “official/sensitive”. This had been reflected in the updated version of the data security policy. It required board approval.

The Board **approved** the policy.

## 13 Any Other Business

There was no other business.

A member of the public asked to what extent the passenger satisfaction scores for Metrolink had been driven by the impact of the construction works taking place. IW noted that they guarded against this as much as possible. The questionnaire was centred on a specific transport experience. However, they may pick up some of these factors.

Signed as a true and accurate record of the meeting:

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Colin Foxall CBE  
Chairman, Passenger Focus

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Date