

Rt Hon Justine Greening MP
Secretary of State for Transport
c/o Robin Groth, Divisional Manager,
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10 November 2011

Dear Secretary of State

**PASSENGER FOCUS BOARD MEETING
WEDNESDAY 14 SEPTEMBER 2011
LONDON**

As required by paragraph 15 (6) of Schedule 5 of the Railways Act 2005, I am pleased to enclose minutes of the meeting of the Passenger Focus Board held on 14 September 2011 in London, and confirmed at the subsequent meeting held in Manchester on Wednesday 9 November 2011.

Yours sincerely,



MATT AYSON
Business Services Executive

Minutes

Board meeting

Date: Wednesday 14 September 2011
Location: Passenger Focus
 One Drummond Gate
 Pimlico, London
 SW1V 2QY
Time: 14.00 – 16.00

Present

Board Members

| | | |
|----------------------|-----|----------|
| Colin Foxall CBE | CF | Chairman |
| Stella Mair Thomas | SMT | |
| David Burton | DB | |
| Nigel Walmsley | NW | |
| Deryk Mead CBE | DM | |
| Barbara Saunders OBE | BSa | |
| Bill Samuel | BS | |
| Prof Jim Gallacher | JG | |

Board Bus Advisors

| | | |
|-------------|----|--|
| Mike Parker | MP | |
|-------------|----|--|

Executive in attendance

| | | |
|------------------|----|-----------------------------|
| Anthony Smith | AS | Chief Executive |
| David Sidebottom | DS | Passenger Team Director |
| Mike Hewitson | MH | Head of Passenger Issues |
| Jon Carter | JC | Head of Corporate Services |
| Ian Wright | IW | Head of Research |
| Matt Ayson | MA | Business Services Executive |

Apologies

| | | |
|----------------|----|-------------------|
| David Leibling | DL | Board Member |
| Gavin Booth | GB | Board Bus Advisor |

1 Chairman's Opening Remarks; Apologies

The Chairman welcomed all members to the meeting and accepted apologies from DL and GB. Professor Jim Gallacher (JG) was formally welcomed to the Passenger Focus Board after being appointed by Scottish Ministers.

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2 Minutes of the previous meeting held on 15 June 2011

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

3 Board action matrix

| No. | Date | Issue | Action | Owner | Due | Status |
|--------------|----------|--|--|------------------|-----------|--|
| BM120 | 12/05/10 | Equality strategy | New equality strategy to be developed | Lesley Sherwin | June 2011 | To be discussed at Sept 2011 BM. |
| BM137 | 14/07/10 | Bus Satisfaction Research | To be signed off by the department as set out in the recent spending guidelines. Phase 3 of bus satisfaction research to be published at operator level. | Anthony Smith | Sept 2010 | Signed off by the department. Complete. Delete. |
| BM170 | 16/03/11 | Intranet Access | To allow Board members access to staff intranet | Nigel Holden | July 2011 | Discussed at June 2011 ME. Future papers to be provided in hard copy. Complete. Delete |
| BM172 | 16/03/11 | Local authorities and bus service cuts | Board bus group to discuss ways in which Passenger Focus could capture how they have made a difference for passengers around the country. | David Sidebottom | Sept 2011 | This action has been somewhat affected by the recent changes to Passenger Focus. When appropriate, progress will be publicised by the communications team. Work Passenger Focus has done in this area was included in the recent submission to the Transport Select Committee, which has received extensive publicity. Complete. Delete. |

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|--------------|----------|-------------------------------------|---|------------------|-----------|---|
| BM174 | 16/03/11 | South Eastern PPM scores | To write to Ministers to outline concerns about the disparities of performance in the South Eastern franchise and the effects of this upon the PPM. | Anthony Smith | May 2011 | To be mentioned in discussions with Ministers. Complete. Delete. |
| BM175 | 16/03/11 | Open access operators | Board to discuss and review Passenger Focus's policy on open access operators | Mike Hewitson | June 2011 | Paper emailed to Board. On agenda for July ME. Complete. Delete. |
| BM176 | 11/05/11 | Coach Passenger Priorities Research | To circulate research to Board members prior to publication and present findings at next BM. | David Sidebottom | July 2011 | Research has been circulated to the Board. On agenda for July 2011 ME. Complete. Delete. |
| BM177 | 11/05/11 | West Coast Franchise report | Develop and implement communications plan to further publicise this report | Amy Bradley | July 2011 | Work in progress. |
| BM178 | 11/05/11 | Passenger Advice Team | Passenger Advice team to be recognised for their efforts in responding to high volume of calls during the London Midland ticket office closures. | David Sidebottom | June 2011 | Complete. Delete. |
| BM179 | 11/05/11 | Passenger Voice London | Ensure London Travel Watch logo is included on Passenger Voice publications for London. | Amy Bradley | Sept 2011 | Passenger Voice will now only be done Nationally. There will no longer be a London publication. Complete. Delete. |
| BM180 | 11/05/11 | Press cuttings | Review whether this service should still be provided | Amy Bradley | July 2011 | Reviewed. Will be provided to those Board members that require this service. Complete. Delete. |
| BM181 | 11/05/11 | HR Internal Audit report | Circulate to the remuneration committee | Jon Carter | June 2011 | Complete. Delete. |

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|--------------|----------|--------------------|--|------------|-----------|--|
| BM182 | 11/05/11 | Informal bus group | To consider the means by which the group could report to the Board | Jon Carter | June 2011 | To be included in the Passenger Directors report to the Board at quarterly Board meetings. Complete. Delete. |
| BM183 | 15/06/11 | Work plan 2011-12 | Develop a short summary of the work plans key themes/objectives for circulation to the Board and staff | Jon Carter | July 2011 | Short summary included in last edition of Interchange newsletter. Complete. Delete |

AS took the Board through the information in the action matrix. The Board **noted** that there were a lot of actions that had been completed and were to be deleted.

After some discussion, it was **agreed** that action **BM170** be put back onto the action matrix. Although Board papers were still to be distributed in hard copy, and not electronically, there was still a requirement for Board members to have access to the staff intranet site, Connect.

| Item | Date | Issue | Action | Owner | Due |
|--------------|----------|----------------------------------|---|--------------|----------|
| BM184 | 14/09/11 | Connect access for Board members | Board members to be given access to Connect | Nigel Holden | Nov 2011 |

AS acknowledged that action **BM177** was still due to be complete. It was reported that the West Coast Franchise report was to be republished the week beginning 19 September. This had been delayed because of resourcing pressures during Passenger Focus's change process.

4 Chairman's report

The Chairman reported that he and AS had a meeting with the DfT's Permanent Secretary, Lin Homer. During this meeting the difficulties that Passenger Focus were having in getting research proposals agreed by the Department were discussed, of which she was sympathetic. Authority to conduct the Bus Passenger Survey (BPS) has since been approved by the DfT and field work has begun. A significant amount of match funding has also been agreed for the BPS.

The Transport Select Committee has proposed that Passenger Focus develop a toolkit for local authorities, which outlines best practice to conducting consultations with passengers. Although this work had already started, BSa indicated concerns relating to the resources available to conduct such work. The Chairman **noted** this concern and added that the required resources will be kept under review.

The Chairman also reported that the fares review was underway. Passenger Focus had been consulted and discussions with the DfT were ongoing.

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5 Chief Executives work plan report for Quarter 1 of 2011-12

AS presented the Chief Executives work plan report to the Board. The first quarter of the year was dominated by Passenger Focus's restructure, which was completed in June.

IW reported that the business cases for the National Passenger Survey (NPS) and Bus Passenger Survey had both been approved by the DfT. The NPS was successfully retendered to Continental and the BPS was tendered to GfK NOP for 2011/12. Both pieces of research were currently in the field.

The research team have presented the Go Ahead funded BPS to their executive team and the nine business units which were surveyed. Go Ahead were very positive towards this research and expressed their willingness to repeat the survey on an annual basis and promote its value to other operators. The research data is about to be published.

Looking to future research, IW reported that the HS2: released capacity on WCML research was currently in the field after a long gestation period. Data from this research will be available in November. A research programme to monitor the winter resilience of the bus and rail industries is currently being planned. This will include, for the first time, monitoring of social media. Planning for future trends research is also underway, which will bring a fresh approach to Passenger Focus's current franchise research.

Ways in which the Board could be more involved in Passenger Focus's research was discussed. BSa mentioned that she found being present at focus groups very useful and that it was important that Board members were involved at the beginning of the research process. CF added that the best approach would be to email Board members, offering involvement to those interested. This should happen during the idea generation phase so that involved Board members can be present when the project is being defined. IW offered to produce briefing papers of any current research projects to those who were interested.

AS reported that the communications team continued to release a steady stream of reports. Passenger Voice is about to be published in its new format, which will combine national rail, bus, coach and tram news in a four page, quarterly newsletter. Due to resourcing pressures the communications team have recruited Nadia Hassini as a communications intern on a 12 month contract.

The resources team had mainly focused on Passenger Focus's restructure during quarter one. The annual report and accounts for 2010-11 had been published and had received an unqualified audit report.

After some discussion regarding the finance report, the Board **noted** that the main financial risk was the current cost of accommodation, which doesn't properly reflect current staff numbers since the restructure. The Manchester office has now been resolved with the ORR sharing space and costs. However, a solution for the London office was yet to be found, but was to be resolved before the end of the year. DM questioned whether the total variance of costs for the year to date, in the costs per directorate section of the finance update, was accurate. At first look, it seemed to be lower than the sum of all parts. The Board asked that this be clarified.

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| Item | Date | Issue | Action | Owner | Due |
|-------|----------|-------------------------------|--|--------------|----------|
| BM185 | 14/09/11 | Finance report – 30 June 2011 | Clarify variance data in costs by directorate section. | Nigel Holden | Oct 2011 |

AS reported that the Chief Executives team was currently discussing future recruitment to the Board with the DfT.

6 Review of national passenger issues

MH presented his review of national issues, priorities and objectives to the Board.

Summarising current activities against the key themes in Passenger Focus’s work plan for 2011-12, MH reported that a project outline and timetable for the bus punctuality project had been discussed with the CPT, PTEG and the DfT. The first meeting of the Project Steering Group is to be held on 15 September.

Passenger Focus recently gave evidence to the Transport Select Committee as part of their ‘bus services after the spending review’ enquiry. Recommendations have been made that Passenger Focus work with the LGA on producing a best practice toolkit to help transport authorities consult more effectively with local communities, when changes to services are planned. The Transport Select Committee’s recommendations have been discussed with the DfT and the necessary planning has begun. After some discussion, the Board **agreed** that a set of high level principles be produced by October 2011, with the full best practice toolkit to follow later.

| Item | Date | Issue | Action | Owner | Due |
|-------|----------|----------------------------|---|---------------|----------|
| BM186 | 14/09/11 | Accountability to bus cuts | Set of high level principles to be produced | Mike Hewitson | Oct 2011 |

MH reported that Sharon Hedges has been designated responsibility for the punctuality to rail services work streams, which is to concentrate on taking forward the overall transparency agenda as set out in Passenger Focus’s joint report with the ORR (putting rail information in the public domain – May 2011).

Planned and unplanned disruption work streams have been designated to Guy Dangerfield. Based on research carried out during last winter’s unplanned disruption, Passenger Focus have identified a number of changes that they would like the industry to make. There will be considerable interest on how the industry deals with unplanned disruption this winter, especially regarding the provision of information to passengers. Research is planned to capture passenger perspectives if there is major disruption again this winter.

Jocelyn Pearson has been designated responsibility for the ticketing work stream. Passenger Focus has submitted a response to the McNulty review which raised a number of concerns about demand

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management and fares regulation. The DfT has announced a fares review in the autumn of 2011. Passenger Focus is to meet with the DfT in September to discuss their key findings and recommendations, of which will be published.

On other national issues, MH reported that Passenger Focus had provided input into the 2014-19 High Level Output Statement/Period Review. This input focused on issues that were of most importance to passengers based on analysis of passenger priorities research and drivers of satisfaction within NPS.

Passenger Focus's approach to franchising was discussed by the Board, as there were several franchises either currently or soon to be up for tender. It was noted that the focus had now shifted from the DfT to dealing directly with bidding groups, which the DfT is actively encouraging. Passenger Focus would seek to have improvements for passengers included in the franchise specifications. In particular, making sure that extra revenue from fare rises goes towards improving capacity and that future timetabling changes are consulted on properly to maximise passenger satisfaction, not revenue. Further to the issue of timetabling, CF recommended that an outline toolkit be developed on how to best consult with passengers on timetabling, with the intention of having this included in future specifications.

| Item | Date | Issue | Action | Owner | Due |
|-------|----------|-------------------------|---|---------------|---------------------------------------|
| BM187 | 14/09/11 | Timetable consultations | Develop toolkit on how to best consult with passengers on timetabling changes. To be included as part of the Great Western franchise. | Mike Hewitson | TBC (part of Great Western franchise) |

MH reported that an action plan on how to improve the handling of bus and coach appeals had been developed with Bus Users UK. Recommendations have been presented to the bus appeals body and the DfT.

7 Review of passenger and industry facing work

DS presented his review of passenger and industry facing work to the Board.

Following Passenger Focus's restructure, DS reported that the passenger team had managed the handover notes, new correspondence and traffic from email boxes of the former passenger link teams. This along with appropriate stakeholder communications ensured a smooth transition both internally and externally. Passenger link email accounts were closed on 5 September 2011.

The passenger team have also attended meetings with several operators, and written to user groups to provide details of Passenger Focus's new structure, working arrangements and work plan for 2011-12. Further to this, there are plans to hold regional workshops with user groups to discuss ongoing engagement and how Passenger Focus can help user groups deliver even more effective local passenger representation. DS also had a meeting with Chris Irwin from TravelWatch South West to develop ideas on developing stronger communication lines and working opportunities.

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Since the restructure there had been some resourcing pressures within the passenger team because of a number of vacancies. Recruitment has since taken place and all posts have been filled.

In addition to handling the transition process, the passenger team have responded to the DfT's consultation on the West Coast franchise, attended an industry stakeholder consultation meeting on Alliance Rail Holdings application to secure capacity on the West Coast mainline and held joint RUS meetings with Network Rail in Glasgow, Preston and London. They have also held meetings in Manchester and Leeds which allowed Network Rail to present their recommendations and answer questions regarding the Northern RUS to local user groups and stakeholders.

BSa questioned whether there was a sense that operators were relieved that Passenger Focus no longer had the same amount of presence locally. DS replied that this wasn't the case; in fact, the feeling was they valued the level of understanding that Passenger Focus gave them and would miss the individual relationships they had. It was important that these relationships were maintained by following the stakeholder engagement strategy.

DS reported that the passenger satisfaction score for contact with Passenger Focus dropped to 60% in June 2011. Although it is difficult to determine exactly why this drop occurred, it did happen during the restructure, when staff resources were low. This has led to a review of the passenger contact process, which will identify opportunities to improve efficiency and effectiveness. Along with this, improvements to the way in which passenger contact is measured and reported will also be identified.

The Board further discussed the passenger contact review. DM thought it useful to revisit and include appropriate recommendations from previous passenger contact reviews. CF added to this by asking that the full review, including both adopted and rejected recommendations, be circulated to the Board. CF also requested that passenger contact reports be circulated to the Board monthly and that a report is sent to Managing Directors of individual TOCs annually, outlining their complaint results for the year. The Board **agreed** with the above recommendations.

| Item | Date | Issue | Action | Owner | Due |
|--------------|----------|---------------------------|---|------------------|------------|
| BM188 | 14/09/11 | Passenger contact review | Revisit recommendations from previous passenger contact reviews | David Sidebottom | Nov 2011 |
| BM189 | 14/09/11 | Passenger contact review | Full review including both adopted and rejected recommendations to be circulated to the Board | David Sidebottom | Nov 2011 |
| BM190 | 14/09/11 | Passenger contact reports | Arrangements to be put in place to distribute to the Board monthly | David Sidebottom | Nov 2011 |
| BM191 | 14/09/11 | TOC complaint stats | Annual account of individual TOCs complaint results to be sent to Managing Directors. | Anthony Smith | March 2012 |

DS also reported that the CRM system has been rolled out across Passenger Focus. Individuals are currently checking the accuracy of the contact details they are responsible for, after which the database will go through a final cleanse. SMT offered assistance to the passenger team in checking the accuracy of Welsh contacts.

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Matters for discussion/approval

8 Minutes of Audit Committee meeting held on 13 July 2011

BS reported that the Audit Committee had concerns that both the running costs budget and transition budget requirement for 2011-12 had not been formally reconfirmed by the DfT. Passenger Focus had written to the DfT outlining these costs but were still waiting for a response. Confirmation of the transition budget is especially important due to the lack of progress in finding a smaller, more affordable London office space, which better reflects Passenger Focus since the restructure. The costs of such a move could not be found within the running costs budget.

The Audit Committee had also expressed their concerns towards the slow progress of outstanding internal audit reports. It was reported that this had been due to staff changes and shortages within the DfT's audit team. After some discussion it was agreed that a plan be developed to 'test the market' to ensure that internal audit was adding value for money, as well as compliance.

The Board **adopted** the minutes subject to their confirmation at the next meeting of the Audit Committee.

9 Provisional or circularised determinations made between meetings of the Board

On 13 July 2011 the Board were emailed a paper seeking out of meeting approval for the cost and scope of the proposed bus passenger survey (BPS). The proposal was **approved** subject to final agreement from the DfT. It was noted that the DfT had since **approved** the proposal.

The Board **reconfirmed** the **approval** of the cost and scope of the BPS, which was made via the out of meeting approval process.

10 Terms of reference for SGG, RemCom and MT

JC presented his paper to the Board outlining the adjustments made to the terms of reference for the Remuneration Committee, Management Team and Statistics Governance Group.

The Board **approved** the updated terms of reference.

11 Public sector equality duty

AS presented his paper to the Board outlining the new public sector equality duty which came into force in April 2011 as part of the Equality Act. The Board were asked to **note** Passenger Focus's plans to implement a system whereby diversity information from passengers who contact the passenger team is

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captured. The possibility of extending the diversity information captured in the NPS and BPS will also be investigated.

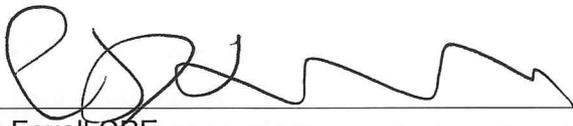
The Board **noted** the proposal and requested that an update be brought back at the November Board meeting, for further discussion.

| Item | Date | Issue | Action | Owner | Due |
|-------|----------|-----------------------------|--|---------------|----------|
| BM192 | 14/09/11 | Public sector equality duty | Update be brought back for further discussion at November Board meeting. | Anthony Smith | Nov 2011 |

12 Any other business

There was no other business. The meeting closed at 15.45.

Signed as a true and accurate record of the meeting:



Colin Foxall CBE
 Chairman, Passenger Focus

9.11.2011

Date