

Proposed new membership codes for Passenger Focus

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1. Background information

About Passenger Focus

Passenger Focus was created by the Railways Act 2005, and replaced the previous Rail Passengers Council and Committee network that had been in existence, in various forms and under several names, since 1947. For the first time, a GB-wide remit could be coherently and consistently delivered under the strategic direction of one Chairman, one Board, and one Chief executive. We are a non-departmental public body sponsored by the Department for Transport.

Our vision

That operators, funders, and regulators of transport systems **put passengers first**.

Our mission

Getting the best deal for passengers.

Our values

In order to make a difference for passengers, we need to ensure that we are recognised as being forward-thinking, proactive, and enabling. This will be realised through our four core values, which we try to demonstrate throughout our work:

- independence – we will be impartial, objective and fair in all our activities
- credibility – our work will be evidence based
- inclusiveness – we seek to represent all the passengers covered by our remit
- influence – in order to deliver change, we will constructively and energetically engage with public bodies and private operators on behalf of passengers and other stakeholders.

Priorities

Passenger Focus is a relatively small organisation. We make work priority choices based on passengers' priorities and resources. In developing our choices for work priorities we ask:

- Is the issue of direct concern to passengers?
- How many passengers will be affected and how serious is the actual or potential impact?
- Will addressing the issue improve the service and / or deliver significant improvements to the passenger experience?
- Do we have the resources to deal with the issue?
- Are we best placed to focus on the subject?
- Is the issue within our remit?

Our annual business plans permit us to alter priorities and our resources to meet changes in circumstances as they emerge.

2. About the proposed new codes

It is usual for government departments to agree, by and with the consent of Her Majesty's Treasury, a management statement with their sponsored agencies or NDPB's. This statement, along with the associated financial framework, sets out the relationship between, in our case, the Department for Transport (DfT) and Passenger Focus, and establishes clear responsibilities on both sides.

The current (2007) version of the management statement concluded between Passenger Focus and our sponsor assigns the following responsibility to the Chairman:

[29] The Chairman shall also:

- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice
- advise the Secretary of State of the needs of the RPC when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise
- annually assess the performance of individual Board members
- Meet the Secretary of State annually and with other Ministers where necessary.

[30] The Chairman shall also ensure that a Code of Practice for Board Members is in place, based on the Cabinet Office's model Code of Practice for Board Members of Public Bodies. The Code shall commit the Chairman and other Board Members to the Nolan seven principles of public life, and shall include a requirement for a comprehensive and publicly available register of Board Members' interests.

The current (2004) Cabinet Office model can be found at:

http://www.civilservice.gov.uk/Assets/exec_adv_codes_practice_23oct04_tcm6-2440.pdf

Note: Passenger Focus is due to conclude a new **framework document** with DfT during 2010, which will replace the existing management statement and financial framework. In respect of the above provisions, the new ones are similar. The new framework document can be found at:

http://www.hm-treasury.gov.uk/d/mpm_annex7.4.pdf

Secondary legislation was introduced into the House of Commons on 5 January 2010, under the Local Transport Act 2008 amendments to the Railways Act 2005. This provides the Secretary of State with the power, subject to parliamentary approval, to give Passenger Focus non-rail functions. The statutory instrument giving Passenger Focus a remit for bus, coach and tram passengers in England, excluding London, was approved on 1 February 2010, and now awaits ministerial signature.

The main changes to the membership codes we are proposing are as follows.

Part A – Conduct

A number of tidying-up amendments have been made to this part. These are highlighted in **yellow**. Such changes have been made for one or more of the following reasons:

- To be compliant with Passenger Focus's new publication scheme required by the Information Commissioner under the Freedom of Information Act 2000
- To reflect other changes in the statutory or compliance environment
- To remove provisions that are no longer relevant or necessary
- To provide greater clarity, or otherwise simplify provisions.

The substantive changes proposed as a result of the new remit are shown in **green** and relate primarily to sections 3 (financial and business interests) and 4 (shareholdings) and annex A (category A companies). Annex B continues to relate to rail-associated companies only, since the regulatory environment in which they operate is wholly dissimilar to that of the bus industry.

Part B – Contribution, development and payment

There are no substantive amendments to this part, only 'tidy-up' amendments as described above

Process

1. The draft proposals have been agreed in principle by the Sponsorship Team at DfT and are now circulated to Board members for comment.
2. The agreed drafts will then be placed on our website for two weeks; we will write to those external parties with an interest in these proposals signposting, rather than seeking specific comments.
3. Any responses will be collated, and a small team comprising the author and two board members will produce a penultimate draft for approval by the Board in March 2010.