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| Transport Focus Board meeting | |
| Date: | 17 July 2018 |
| Location | St Bride Foundation, Bride Lane, London |

Attended

Board members:

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|-------------------|-----|---------------------------|
| Jeff Halliwell | JH | Chair |
| Theo de Pencier | TdP | Board member |
| Isabel Liu | IL | Board member |
| Philip Mendelsohn | PM | Board member for Scotland |
| William Powell | WP | Board member for Wales |
| Arthur Leathley | AL | Board member |
| Marian Lauder MBE | ML | Board advisor |

Executive in attendance:

| | | |
|------------------|----|---|
| Anthony Smith | AS | Chief executive |
| Mike Hewitson | MH | Head of policy |
| Guy Dangerfield | GD | Head of transport strategy |
| Jon Carter | JC | Head of board and governance |
| Sara Nelson | SN | Head of communications |
| Hannah Pearce | HP | Head of communications (maternity cover) |
| Michelle Jackson | MJ | Management assistant to the CEO and Chair |
| Catherine Folca | CF | Stakeholder manager |

Guests:

| | | |
|---------------|----|--|
| Andy Mellors | AM | Managing director, South Western Railway |
| Becky Lumlock | BL | Route managing director (Wessex), Network Rail |
| David Langton | DL | Head of Route Communications, Wessex, Network Rail |

Part A: Preliminary

1.0 Chairman's opening remarks; apologies

JH welcomed members and guests to the public Board meeting.

There were no apologies.

2.0 Minutes of previous meetings

2.1 13 March 2018 – Board Meeting

JC asked the Board to accept a brief apology for item 2.1. It had been marked 'to follow' but the minutes of the committee meetings had not been provided.

Subject to any amendments, the Board **approved** the minutes and **authorised** the Chairman to sign them.

2.2 15 May 2018 – Special Board Meeting

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

2.3 12 June 2018 – Special Board Meeting

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

2.4 19 June 2018 – Special Board Meeting

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

3.0 Board action matrix

Training related to unconscious bias would be arranged once new board members had been appointed.

4.0 Chair's report

JH reported on past meetings with the key stakeholders, and an update on recruitment to the board.

5.0 Chief Executive's report

AS reported that the last three months had been dominated by the summer timetable crisis, which had taken priority over other planned work.

Part B: Public Affairs

1.0 Andy Mellors, Managing Director, South Western Railway (SWR); Becky Lumlock, Route Managing Director (Wessex), Network Rail

Andy Mellors (AM) thanked the board for the opportunity to provide an update on three key topics: performance, informed traveller and passenger compensation. Becky Lumlock (BM) also welcomed the chance to discuss a number of challenges for Network Rail. Improving capacity and passenger experience were key targets. The next five-year funding cycle, which began on 1 April the following year, was also approaching.

AM reported on key deliverables for the new franchise. For example, Delay Repay was now well established with a 15-minute threshold.

The Class 707 fleet was now established in regular passenger service. In terms of additional capacity, the 707 fleet provided over 7,000 more seats in service every day and the 442 fleet would add a further 6,000 seats.

AM acknowledged that train service performance had not been good enough. However, since the start of the financial year, SWR had seen the best periods of performance so far during the franchise.

There had been a number of significant challenges. The recent hot weather had been particularly challenging. There had been a number of trespass incidents which, in very busy locations, had resulted in significant disruption.

BL presented charts on public performance measure (PPM). In terms of punctuality and reliability, the first months of the calendar year had been difficult; however, since the beginning of the financial year there had been an uplift in performance. Improvements could be seen in April, May and June.

BL stated that there were two key areas Network Rail is focusing on: prevention of incidents and response from them. In terms of prevention, Network Rail has doubled its asset inspection teams in the Waterloo area. Their measures were part of a plan to predict problems. There had been a number of service-affecting failures, though they had fallen by 6%.

On response, BL pointed to additional crews on the maintenance side and incident response in the corridor between London and Basingstoke. Network Rail was also endeavouring to minimise speed restrictions. New incident officers had been appointed.

AM stated that the upside of lengthening trains was that busier peak services customers could get on and off quicker. The Windsor line service group had ensured trains had

almost all been lengthened to 10-car trains during peak times.

BL stated that there had been a number of reports on Wessex performance. The Office of Rail and Road (ORR) had recently published a report into where performance had fallen short. Sir Michael Holden was carrying out a review into operational performance on the SWR network, which was expected later in the summer.

AM moved on to areas of concern going forward. There were some challenges with the inherited train planning workload and some of the Waterloo recovery work. The company's own recovery plan from the start of the year could be understood in the context of informed traveller. The industry had been working on a T-6 benchmark, which SWR had consistently met.

SWR had recently published the outcome report into the December 2018 timetable consultation, working through over 7,000 responses. There were also wider industry challenges elsewhere. Capacity was second only to punctuality in the company's priorities. SWR would work in the coming weeks on how some of the Class 442 trains could be introduced into service from December 2018 given the industry decision to postpone the timetable change.

AM pointed to some Delay Repay headlines. An average of 82% had been accepted on 'first pass'. In addition, more than half of the initial rejections had been due to an actual delay of less than 15 minutes.

The team had also worked very hard to encourage customer service improvement. They were now consistently achieving around a 97% response rate within 10 working days.

JH thanked AM. JH added that as the Chair of Transport Focus, it would be remiss not to point out that Transport Focus does not believe that PPM represents an appropriate and passenger-focussed measure of train punctuality. Research shows that passenger trust starts to deteriorate well before the PPM measure of delay.

1.1 Questions and answers

ML asked if the cancellation of the December timetable change was storing up further problems for 2019 that were not going to be resolved.

AM stated that the announcement had only been made the previous week and any changes to the timetable were going to be limited nationally. Changes to the timetable would be largely related to the introduction of some of the Class 442s. AM did not expect the timetable to change to any great extent which would limit the amount of Class 442s which could be deployed.

CF noted that six 24-hour RMT strikes and one 48-hour one over July and August had

been announced. CF asked about mitigating the effects on passengers. AM stated that he had not wanted to be in this position. SWR would continue to utilise the team of contingency guards in order to deliver a service on those strike days. The timetable to be operated was still being developed given that SWR had only received the notification the previous Thursday. SWR was intending to deliver the best possible service during the action.

AL asked about capacity constraints between Wimbledon and Waterloo. AM agreed that this was a particular area of focus and that the re-opening of the Waterloo International Terminal platforms would assist in reducing peak congestion. There was a franchise obligation to have an external performance review every two years with 2018/19 being the first time that this obligation had been triggered. So, there was no end in sight, suggested AL. AM stated that it would now realistically be May the following year before the full benefit could be achieved given the need for a timetable change. However, this did not prevent minor changes in the meantime.

MH noted declining performance over six or seven years, asking when this performance might improve and what the tipping point might be. AM stated that performance improvement plans were in place. When performance in the future had been considered during the franchise bid, replacing the current fleet of suburban trains to give a homogenous fleet had been key. By the end of 2020, it would improve performance with better operational and maintenance synergies. There would also be consistency for customers.

MH asked when the Holden report would happen. AM stated that it was due to be published later in the summer. He would be working with Network Rail and DfT into the autumn on its conclusions. One area for consideration would be the trade-off between longer hours of operation and infrastructure maintenance access. MH asked if there would be a public debate regarding these tough decisions. AM stated that it was ultimately an issue for the DfT to decide. SWR would be part of that discussion.

AS asked what Sir Michael Holden could point out that SWR did not already know. AM stated that he had a level of independence, along with the experience of having been a Railtrack zone director and more recent involvement with a Train Operator. Much of what had been found so far was only a work in progress. Some difficult choices needed to be made on infrastructure, which would be increasingly utilised with more trains and longer trains.

JH thanked AM and BL, noting that if issues were to be resolved then it was important to work together in order to understand and mitigate the impact on passenger journeys. Transport Focus stood ready to continue to engage in a constructive way, on behalf of passengers.

Part C: Business Planning

2017-18: for discussion and review

1.0 Workplan report 2018-19

AS introduced the workplan report. Feedback on objective K01, in respect of the Strategic Road Network, was insufficiently populated and therefore seriously understated the work in hand. GD would update this section for the September Members Event.

Regarding K02 (bus passengers), AS reported good progress. There had been good progress in Wales regarding funding for the bus passengers survey. Transport Focus's key role in the two major city region bus alliances was continuing to deliver results. More work was, however, needed in Greater Manchester.

AS moved on to K03 (rail industry trust). The T-12 work was continuing; regarding train performance, AS reinforced the inappropriateness of the rail industry's use of the PPM metric. He noted the importance of continuing to make the case for the correct time measure. Finally, there was an ongoing enquiry in the House of Lords Select Committee regarding RPI versus CPI. Transport Focus continues to support CPI as the appropriate measure of inflation.

In respect of A01 (journey reliability and disruption), there had been good work at Derby and it looked like it would be repeated at King's Cross. HS2 provided all the more reason to try. TdP believed that there had been some silence on this last issue. Whilst correct, AS stated that HS2's business plan had clearly refocused them entirely on delivery of the infrastructure, but detailed specifications had been passed on to the West Coast partnership. The issues were complicated, and Transport Focus needed to hear more about it.

The accessibility objective (A03) had seen work well underway. A research proposal was in train which would report on the experience of disabled transport users, with a syndicated approach to funding it. AS noted attempts to make contact with Motability, which could be a good target for collaboration. JH noted that two new Board members had specific experience in this area.

AS noted continued good work on franchise replacement. DfT were very pleased with our inputs to the process drawing on a firm evidence base. Having completed reviews for Southeastern and Wales and the Borders, we were now moving on to Cross Country, West Coast and East Midlands.

ML wondered if the workplan report represented the totality of our work. The document only had a passing reference to the timetable crisis; she had got the impression that it had been all-consuming. AS conceded that the report should reflect that. ML suggested that

the work plan have a separate, first section, setting out all the work that was unplanned and any impact on planned work. The board agreed; this would provide context of what had happened in the last three months.

2.0 Finance report

AS introduced the finance report. He noted that the format was much improved, thanks to the work of Audit Committee members and TdP. Clearly spending the money allocated properly was an ongoing priority, but some teams had been under huge pressure and there were delays in actually gearing up to spend what had had been planned.

JH considered Transport Focus was performing extremely well given its resources. AS noted that whilst the breadth of activity had been reduced, everything possible was being done to ensure that depth was protected.

Referring to page 6, PM pointed out a graph showed a grant-in-aid funded expenditure profile. During March, the figure increased sharply. This meant all of the unallocated budget would, at present, not be allocated until March. Given we were now in July, we should plan to allocate remaining funds in October, November and December.

TdP pointed to the new cash balance indicator on page 1. Most organisations kept an eye on this and it was sensible for Transport Focus to do the same, especially as the proportion of third-party funding grew. It was also necessary to carry a certain amount of cash if something went seriously wrong.

3.0 Project summary report

AS believed that the report was maturing very well. The Audit Committee had worked on it in detail recently with much better visual and text analysis reflecting the increasingly complex portfolio. However, the review had experienced something of a trough with many reports stuck in the review stage.

IL stated that improvements had been pushed for in the measuring accounts and record of projects, but it was still an ongoing process. The record of projects would come back to the Board regularly.

Part D: Corporate Affairs

1.0 Minutes of or updates from committee meetings

1.1 Passenger Contact Group: oral update

WP thanked ML for her stewardship of the Group. The main issue remained the Ombudsman Scheme; there was every prospect of launching successfully, and much detailed work was under way with the provider. There would be further meetings on

31 July and 1 August. The public announcement had been made that morning.

Future staffing needs had also been discussed. These would be very different in the future. Planning also had to take account of the legacy caseload once the scheme went live.

AL and WP had made a commitment, as and when it was useful, to familiarise themselves with the operation at Stevenage.

1.2 Statistics Governance Group: oral update

TdP noted that some of the discussions at the last meeting had been previously covered. These largely concerned some of the statistical issues arising from the last wave of the NRPS and how the Insight Team were dealing with them.

TdP mentioned that the Office for Statistics Regulation (part of UKSA) were planning a form of audit later in the year. SGG considered, on balance, that this could be a useful intervention in ensuring our data continued to be as accurate and useful as it could be.

The Tram Passenger Survey was now going ahead as planned with a few minor changes, but the Autumn 2018 wave was the last one planned. The Group had encouraged early discussions with stakeholders about TPS funding beyond then.

1.3 Audit, Risk Assurance and Remuneration Committee: oral update

IL reported that the information provided to the committee continued to be timely and useful, and commended the corporate services team for producing end of quarter financial data less than two weeks after its end. The committee had recently reviewed an internal audit of business planning processes. Strengths had included the business planning flowchart; areas for improvement had included resource planning and allocation. Going through the year, there was a need for a better process for reprioritisation when unplanned work materialised, and how what was going to be dropped was agreed.

IL anticipated that future budgets would be as tight as the current one or even tighter. Consideration should be given, if it proved necessary, to dropping entire blocks of work rather than trying to do everything in a half-hearted, 'salami sliced' way across the board.

The committee had reviewed the work of the GDPR task force, and were broadly satisfied with the state of compliance. In the most corporate services risk review, the issue of the future of Fleetbank House had been discussed, and the risk level raised.

JH wished to put on record the appreciation of the whole Board for the work of all three subcommittees, which had completed outstanding and valuable work on limited resources.

2.0 For approval by the Board:

2.1 Audit, Risk Assurance and Remuneration Committee Annual Report

The report was **received** and **endorsed** by the Board.

3.0 For noting by the Board:

Items previously approved out of meeting

3.1 BRD1718-08 – BPS retender

The action was **approved** and **noted** by the Board.

3.2 BRD1819-01 – MerseyTravel Ferries

The action was **approved** and **noted** by the Board.

Any other business

JH concluded by noting it was ML's final Board meeting and thanked her for her service. Her words over the years had been carefully chosen, had been listened to carefully by colleagues, and carried great weight. The Chair of any organisation relied heavily on the chair of the Audit Committee and it was a relief when her duties were discharged with such skill. ML would be greatly missed.

Actions from this meeting

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|----|----------|---------------------------------|--|-------|--------|
| BM | 1819-302 | Work plan report Objective K-01 | Complete and report to ME in September | GD | Sep-18 |
| BM | 1819-303 | Workplan report CT KPI's | Update and report to ME in September (KOR) | DS | Sep-18 |
| BM | 1819-304 | Workplan report | Create 'unplanned work' section on cover page | AS/MJ | Sep-18 |
| BM | 1819-305 | Finance report GIA profile | Ensure 'spike' at year end is brought back to at least 11/18 | NH | Oct-18 |
| BM | 1819-306 | Costs of Governance | Prepare report for future board discussion | JC | Nov-18 |
| BM | 1819-307 | Detailed project report | Use plain English to describe '10,000ft' projects (AR) | NH | Oct-18 |

Minutes

Signed as a true and accurate record of the meeting:

Jeff Halliwell
Chair, Transport Focus

Date

DRAFT