

<b>Board Meeting</b>	<b>Date</b>	<b>23/07/2019</b>	<b>Time</b>	<b>11.45-13.00</b>	<b>Venue</b>	<b>G1, Fleetbank House</b>
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## Part 1

Time	Item	Subject	Leading	Purpose	Paper
<b>A Corporate affairs</b>					
11.45	1	Chair's opening remarks; apologies and introductions	Jeff Halliwell	Information	
	2	Minutes from the previous Board meeting on 12 March 2019	Jeff Halliwell	Discussion	✓
	3	Board action matrix	Jeff Halliwell	Discussion	✓
	4	Chair's report	Jeff Halliwell	Discussion	
	5	Chief Executive's report	Anthony Smith	Discussion	✓
	6	<u>Updates from subsidiaries</u>			
		Transport Focus Wales Limited	David Sidebottom	Information	
<b>B Other business</b>					
	1	<b><u>To receive and endorse draft Version 3 minutes of meetings:</u></b>			
	1.1	Passenger Contact Group (March)	William Powell	Information	✓
	1.2	Statistics Governance Group (March)	Theo de Pencier	Information	✓
	1.2	Audit, Risk Assurance and Remuneration Committee (April/June)	Isabel Liu	Information	To follow
	2	<b><u>For approval by the Board</u></b>			
		Final ARARC Annual Report to the Board	Isabel Liu	Information	✓
	3	<b><u>For noting by the Board</u></b>			
		<i>Items previously approved out of meeting:</i>			
	3.1	1819-002 – 51R - BPS Autumn 2018	David Sidebottom	Information	✓
	3.2	1819-003 – 035 - NRUSS 2018-19	Guy Dangerfield	Information	✓
	3.3	1819-004 – 039 - SRUS 2019-20	Guy Dangerfield	Information	✓
	3.4	1819-005 – 040 – Reliability in the South East	Louise Coward	Information	✓
	3.5	1819-006 – 027- Rail Connectivity project	Louise Coward	Information	✓
	3.6	1920-001 – 055 – HS2 One Space project	Ian Wright	Information	✓
	3.7	1920-002 – 047 - HS2 Customer Community 2019-20	Ian Wright	Information	✓

	3.8	1920-003 – Annual Report and Accounts	Anthony Smith	Information	✓
<b>C Private Session</b>					
		<i>Private session resolution</i>			
		The Board will be asked to RESOLVE that, pursuant to the statutory provisions governing procedure, members of the public shall be excluded from the meeting for the items set out below having regard to the confidential nature of the business to be transacted.	Chair		
	1	046-Continuous NRPS & Mystery Shopping on the EA Franchise 2019-20	Lousie Coward	Approval	✓
	2	March 2019 Board meeting Minutes Part 1 - Private V3	Jeff Halliwell	Approval	✓
		Any other business			
13.00		Close and lunch (Meeting Room 2)			

# Minutes

A 02.0 Jul 19 BM

<b>Transport Focus Board Meeting Part 1 (public session)</b>	
<b>Date:</b>	<b>12 March 2019</b>
<b>Location</b>	<b>Room G1, Fleetbank House, London</b>

## Attended

### **Board members:**

Jeff Halliwell	JH	Chair
Philip Mendelsohn	PM	Board member for Scotland
William Powell	WP	Board member for Wales
Arthur Leathley	AL	Board member for London
Theo de Pencier	TdP	Board member
Isabel Liu	IL	Board member
Kate Denham	KD	Board member
Keith Richards	KR	Board member
Rob Wilson	RW	Board member

### **Management in attendance:**

Anthony Smith	AS	Chief executive
David Sidebottom	DS	Director
Mike Hewitson	MH	Head of policy
Guy Dangerfield	GD	Head of strategy
Jon Carter	JC	Head of board and governance
Michelle Jackson	MJ	Management assistant to the CEO and Chair

### **Other attendees:**

N/A

### **Apologies:**

N/A

## Part A: Corporate Affairs

### 1.0 Chairman's opening remarks; apologies

JH welcomed everyone to the meeting and noted no apologies. He also noted that the idea of a podcast had recently been discussed and he would welcome the opportunity to trial this at a subsequent meeting in public. This was consistent with broadening the impact of Transport Focus's work, and the need to develop our approach to social media.

<b>Action</b>	BM 1819-330	Podcast at next public board meeting (July 2019)	Investigate and report back	HP	May 19
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### 2.0 Minutes of the 12 November 2019 Public Board Meeting

Board members were content that the minutes represented an accurate record of the meeting. No amendments were suggested. The minutes were **approved**.

### 3.0 Chair's Report

JH noted that he had chaired the coach research launch at Heathrow. The follow-up would include a roundtable with coach companies, Heathrow and Highways England.

JH had attended part of the young people and bus workshop in Birmingham, which had gone extremely well. He thanked RW for agreeing to chair the launch of the Bus Passenger Survey in Bristol. AS and JH had recently met with the chair and interim CEO of ORR.<sup>1</sup>

### 4.0 Chief Executive's Report

AS noted the announcement of introduction of 15 minute Delay Repay on Greater Anglia and some services of Great Western. Transport Focus should consider 'Delay Repay 15' a success wherever it was introduced.

### 5.0 Workplan Report 2018-2019 – Final Update

AS stated that it would be necessary to completely recast how progress was reported against the workplan in future. The current format had reached the end of its life. He suggested that the board accept the annual report as the end-of-year report for activities and finance. There were no objections.

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<sup>1</sup> Note: immediately after this meeting it was confirmed that the interim CEO of ORR, John Larkinson, would remain in post until at least the end of 2019.

## 6.0 Finance report – Management Accounts to end January 2019

Noting that Nigel Holden (NH) was not in attendance, AS reported that Transport Focus looked likely to finish the year-end within permitted tolerances of its annual budget for the year, as confirmed via draw-downs of grant in aid from DfT.

RW asked if the report could have been emailed previously. AS agreed that it should have been. JH noted that it was unsatisfactory for such a report to be tabled at the meeting and not previously circulated. The board also expressed some concern that the report related to management accounts to end-January and not end-February. JC reminded the board that from April 2019, the board would meet in the third week of the month, rather than the second, making most-recent management accounts more easily available, although they were unlikely to meet the 'meeting-5 working days' deadline. They would be uploaded to Connect as soon as they were available and board members advised accordingly.

JH was concerned that at the very least ARARC should have the opportunity to review management accounts before board meetings if the meeting cycle could accommodate this. TdP reminded the board that he and IL had an arrangement with corporate services to review the management accounts as soon as they were available. On this occasion they had received them on 28 February and had had no concerns. AS undertook to resolve the matter with Nigel Holden, noting that it would be helpful if either Nigel or Shahid could be present at each meeting to address any queries; this equally applied to the project management reports dealt with at members events.

<b>Action</b>	BM 1819-331	Management accounts	Ensure latest set of accounts available for meetings and either NH or SM available to speak to them.	AS	May 19
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Finally, IL reminded the board that it had been previously agreed that management accounts should be dealt with at members events and not board meetings (in public). The board **noted** JC's explanation that for transparency it was good to review them in public on the three occasions each year it met in such circumstances, but **accepted** that the finance report was management information only and the opportunity for public scrutiny was satisfied by the July board meeting when the Annual Report and Accounts were tabled for formal discussion and retrospective approval. <sup>2</sup>

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<sup>2</sup> Given the Parliamentary timetable for laying the annual report and accounts, these are normally considered by ARARC in June and, having been previously circulated to board members for comment, emailed for out-of-meeting approval. They are then formally and retrospectively tabled at the July board meeting for public scrutiny and comment.

## Part B: Other Business

### 1.0 To receive and endorse draft Version 3 minutes of sub-committee meetings:

#### 1.1 Passenger Contact Group

WP noted concerns flagged in the 10 January meeting around the lack of robustness in data regarding new arrangements with the Rail Ombudsman, which as of the previous days meeting appear unresolved. A meeting of all the scheme's independent members remained an option. He noted that the Group had been fully consulted on the related HR changes which had been handled with skill and sensitivity. The PCG minutes of January 2019 were **endorsed** by the board.

#### 1.2 Statistics Governance Group

TdP stated that the group had met the previous day and had discussed, in particular, the NRPS autumn 2018 publication. There was interesting development work around verbatim reporting, which the DfT in particular had been looking for. Detailed discussions had taken place on the retendering of the NRPS contract.

On Bus Passenger Survey, the response rate was a great success; the launch would be that Thursday. The initial results on the tram survey were also pleasing.

The group had discussed SRUS, which was going smoothly thanks to considerable efforts by Murray Leader (ML) and Louise Coward (LC). Highways England had been briefed extensively on actions they could take, and access to the datahub. The group was encouraging the management team to make something of the first 12-month report.

TdP reported that the SGG had requested updated information on the usage of the data hub and were concerned that as many people should be able to access it as possible.

JH recalled a comment from the Managing Director of Manchester Metrolink, that the tram passenger survey in the UK only compared the tram system with other UK systems. He asked if there was an opportunity for Transport Focus to liaise with tram system operators internationally, particularly those where Keolis was involved. It was after all an opportunity to commercialise the TPS methodology. DS noted that he had been invited to sit in on a Keolis meeting and he believed that such a plan was possible, and would report back.

<b>Action</b>	BM 1819-332	TPS international commercialisation	Report back from meetings with Keolis	DS	May 19
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The SGG minutes of December 2018 (meeting actually held in January 2019) were **endorsed** by the board.

### 1.3 Audit, Risk Assurance and Remuneration Committee

IL reported that the group had experienced a changeover in audit personnel. This had included the external auditors (NAO) and the internal auditors (GIAA). The programme for this year's statutory audit had been agreed and the internal audit programme for the next financial year was in the process of being agreed.

IL also noted that the committee was eagerly anticipating the results of the tailored review, and wondered what progress had been made. JC stated that it had run into process-related difficulties, and his team had specifically asked for a realistic timetable for delivery. Once known, the board would be advised. JH noted the significant amount of management time that had been expended on this review, and offered to write to DfT if necessary.

The minutes of the January 2019 meeting of the committee were **endorsed** by the board.

### 2.0 Business Plan and Budget 2019-20

#### 2.1 Workplan 2019-20

AS thanked the board for the detailed comments that had been supplied. He would ensure that the board would see the final version of the workplan prior to its publication.

The draft workplan for 2019-20 was **approved**.

#### 2.2 Budget 2019-20

AS stated that there was a compliant budget with a limited amount of movement. He was confident of delivering the workplan as set out, subject to at least £1.8 million in additional funding.

RW suggested that it would be useful for 2018-19 data to be included alongside that budgeted for 2019-20. The board **agreed**.

<b>Action</b>	BM 1819-333	Workplan	Include comparative budget data from 2018-19	AS	May 19
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The core budget of £5,720,000.00 was **approved** by the board.

### 3.0 Private Session Resolution

The Board **resolved** that, pursuant to the statutory provisions governing procedure, members of the public would be excluded from the meeting for the items set out below having regard to the confidential nature of the business to be transacted.

- SRUS 2019-20 Change proposal

Proposed by: Keith Richards

Seconded by: William Powell

The board **agreed**. The Chairman **countersigned** the resolution

The public were excluded from the discussion until the end of the meeting.

Signed as a true and accurate record of the meeting:

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Jeff Halliwell  
Chair, Board member, Transport Focus

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Date



<b>Transport Focus Board Meeting (Part 2)</b>	
<b>Date:</b>	<b>12 March 2019</b>
<b>Location</b>	<b>Bridewell Hall, St Brides Foundation, London</b>

## **Attended**

### **Board members:**

Jeff Halliwell	JH	Chair
Philip Mendelsohn	PM	Board member for Scotland
William Powell	WP	Board member for Wales
Arthur Leathley	AL	Board member for London
Theo de Pencier	TdP	Board member
Isabel Liu	IL	Board member
Kate Denham	KD	Board member
Keith Richards	KR	Board member
Rob Wilson	RW	Board member

### **Management in attendance:**

Anthony Smith	AS	Chief executive
David Sidebottom	DS	Director
Mike Hewitson	MH	Head of policy
Guy Dangerfield	GD	Head of strategy
Jon Carter	JC	Head of board and governance
Louise Coward	LC	Head of insight
Michelle Jackson	MJ	Management assistant to the CEO and Chair
Hannah Pearce	HP	Head of communications

### **Other attendees:**

Keith Williams	KW	Chair, Rail Review
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### **Apologies:**

N/A

### **Members of the public:**

Around 40 members of the public attended, many representing national and regional transport related organisations.

## Part C: Public Affairs

### 1.0 Chairman's opening remarks; apologies

JH thanked those present for attending the Board meeting in public. He planned that there would be an opportunity for questions from the floor towards the end. He introduced LC, Head of insight at Transport Focus.

### 2.0 The Williams Review

#### 2.1 Louise Coward, Transport Focus

LC introduced the research Transport Focus had commissioned in response to the Williams review. Passengers had been recruited from across the country and had been asked to complete diaries. Passengers had then been convened in a series of focus groups.

LC noted that commuters had specific issues and frustrations. Users' own experiences did not solely drive how they felt; there were certain myths and misconceptions around rail from reports and other forms of media. Even a limited baseline level of knowledge of how the industry was structured led to some cynicism about how it performed.

Respondents had begun by writing in their diaries that their journeys were broadly acceptable. However, they had also felt that they were rail passengers and not customers. A lack of choice came through as a strong reason for this feeling.

Putting rail in context (using other industries as a guide) had proved difficult. Respondents believed rail was not like other market-driven organisations (for example John Lewis or Amazon). The most similar comparators were organisations like Royal Mail and the NHS.

Understanding of railways was limited and vague. Generally, respondents knew that there were TOCs and that 'someone' owned the tracks and the stations. Some believed Network Rail owned the infrastructure but others believed they were simply responsible for maintenance. To the respondents, the system seemed fragmented and not designed with the passenger at its heart.

Government involvement in the industry was unclear. Research showed a low level of clarity regarding who had a role and who was in charge. Respondents were only unanimously sure that they paid their fares to train operators.

Many passengers were surprised that there was an element of taxpayer support in rail, considering how much they paid in fares. They equally questioned why their fares had to go up every year when they saw no improvements. They assumed that fares were set by the operators without any regulation.

LC explained that passengers found the current model complex and confusing. When they had been shown a simplified version of the current model, they had commented on 'lots of arrows' and 'a logistical nightmare'.

Accountability was a major concern in the current complex structure. Respondents wondered if the number of different organisations involved was an excuse to assign blame. They noted that rail passengers were at the bottom of the model. Many respondents conceded that there was no particular reason why the model could not work, but it might need to be designed better.

Fully public or fully private models held some initial appeal for their simplicity. However, after discussing the issue in groups, many respondents had generally tended to gravitate towards the franchise and concession options.

Six criteria had emerged while discussing the different models: accountability, customer focus, competition, value for money, simplicity and social purpose. For commuters, the concession and public models were preferable. For the leisure passengers, private and franchise models performed better.

LC emphasised that this had been a deliberative exercise. Without such an approach, it would be difficult to reach a suitably nuanced answer for this very complicated subject.

JH thanked LC, noting that the full research results were now available on the Transport Focus website. JH welcomed KW.

## **2.2 Keith Williams, Independent Chair, Rail Review**

KW noted that he had taken part in around 130 sessions with groups and individuals over the past five months. He explained that his background included time as the chairman and CEO of British Airways. He had also been on the board of Royal Mail.

KW noted that Secretary of State for Transport Chris Grayling had asked for a root-and-branch review of rail. There had also been a recognition that the industry was at a turning point and he believed this had been driven by a lack of customer trust.

The review had now reached the halfway point. It had started the previous October and was due to complete in the autumn. The first half of the review had included listening people's views. The team had also been talking to the industry. That period was coming to an end. There had also been around 200 submissions.

KW hoped that his team would produce their final paper around July. The government would then take it away and would hopefully turn it into a white paper in the autumn. KW wanted to stick to that timetable because public trust was vital.

KW suggested that the principle of putting the customer at the heart of the railways had been lost. Huge investment in the railway had happened and passenger numbers had doubled, but rail travel also had to be affordable. An interesting fact was that more than half of government spend on transport went into railways, which only supported around 2% of public journeys. A lot of money was going into a relatively small number of passenger journeys.

Finally, KW touched on the issue of structure. He believed that for passengers it was a second-level issue but one of primary importance. Achieving a model that worked for the customer would mean that the most appropriate structure was likely to fall into place behind it.

## 2.3 Questions and Discussion

RW asked what KW could do to give commuters a fairer deal, noting KW's experience with employee participation and, in particular, with Avios customer rewards. RW asked why this type of benefit was not available to railway customers. KW stated that in the airline industry, e-ticketing had been introduced in the 1990s. By 2008, all tickets across all airlines had been e-tickets because the industry had invested in ticketing and fare structures. In the rail industry, the mechanisms were not as simple and investment was less joined-up. Everybody he had spoken to initially had told him not to touch fares because they were so difficult! However, fare structures were in-scope as the industry needed to innovate more and modernise rapidly.

KD suggested that industry incentives may not be aligned, and that a blame culture had emerged as a result. KW agreed; structures needed to ensure that such issues could be fixed rather than determining who was at fault.

TdP wondered if KW had any early thoughts to share on rail freight. It seemed perverse that a large market for rail freight existed, but it was currently severely capacity constrained. KW confirmed that this was part of the review. Freight needed access to certain routes, but not access to all routes. It also offered environmental benefits and took traffic off the roads. All the data so far showed that rail freight benefited the economy. The conflict between freight and passenger flows was however real and was included in the review.

PM noted that KW had spoken about customer-focused alignment of goals – the Great Western electrification scheme and the Scottish Government's views on an appropriate electrification standard for the Scottish network was an obvious example. KW agreed that there was a close relationship between Network Rail and the operating companies in Scotland; his team had specifically been to Scotland because of that model. But it was becoming increasingly clear that a one model solution across the country was unlikely to be the answer.

If competition could not be introduced on a line, KR suggested a need to somehow replicate the benefits it brought to consumers. KW took the point, and noted that different models might depend on the operational maturity of routes, geography / distance and type of travel. Competition was an important element of running any business in the interests of consumers, but the railway presented many challenges in this respect.

AL asked about the potential for devolving to a local level. KW noted that he had used the word 'localisation' rather than 'devolution' because they carried different connotations. Many people had asked him if the government or the DfT needed to be involved in railways at all! But the review was being carried out in conjunction with the DfT, even if that meant root-and-branch reform.

WP asked how KW intended to promote greater take-up of compensation. KW pointed to his experience of European legislation and compensation in the airline industry. EU Regulation 261/2004 had been applied across Europe and had been a benchmark, and had ensured airlines put reliability and punctuality at the heart of what they did. He welcomed the changes TOCs were making in compensation arrangements [via the rail ombudsman], but believed it was not obvious how satisfactory compensation levels would be achieved. ORR had been asked to look specifically at this issue.

IL noted that respondents had usually rated Europe more highly than the UK for value for money and service. She asked if KW thought that was fair and whether he had looked outside the UK. KW stated that his team had specifically looked at international comparisons. An evidential paper would look at railways around Europe and Japan that were frequently models of punctuality and reliability. The issues in Europe were sometimes different, however, and the UK system was clearly more congested. But the team would take into account what they could learn from best practice as part of the review.

The Chair called for questions from the floor.

1. Network Rail's failure on accountability in respect of what service customers received and the inability to influence this around the country - devolution had worked almost everywhere in terms of improving station capacity. KW agreed that accountability was a key question, but the review would prescribe levels of localised decision making. There were different models in Scotland, Wales and Transport for the North, which was an amalgam of different units. He was also aware from his time at TfL what impact investment in stations could make for local communities.

2. Emphasis on competition - the East Coast Main Line franchise had gone bust three times. Would it be best to downplay the importance of competition. KW clarified that no one model would fit everything and competition had to be examined, although he was not clear that the benefits of competition always outweighed the costs of establishing it. If that were the case, KW would advise against pursuing that model.

3. A customer-centred railway? KW believed the evidence showed that when franchising had first come in 20 or 25 years previously, it had been far less restrictive. Over time, franchise agreements had increased in size and the industry had become less customer-centric. Data for customer satisfaction over the past 10 years had fallen by 10 percentage points and he could only say customers had been happier before. Any many had no choice but to travel by rail. But in the longer term, other modes of transport could potentially be more efficient and cheaper than rail, so the industry needed to think at least 10 – 15 years ahead.

KW recalled that the airline industry had recognised in 1994 that the future would be e-tickets. The question of whether rail had the structures and models to make that happen over time was something the review needed to look at. Ultimately, customers would decide how they used the industry and how they shopped for tickets.

4. Non-users. Was KW interested in the view of the 50% of people who did not use rail? KW confirmed that non-users' views were important to his team. They were interested in whether passengers *preferred* not to use rail or hadn't really *thought* about using it. KW believed the industry had a huge opportunity in this respect. He was happy to review previous research if it was available.

5. Future proofing. KW recalled that he had worked for Apple in the 1990s. At TfL, he had seen substantial change, with technological developments such as contactless ticketing successfully implemented. Innovation went hand in hand with customer satisfaction and the industry needed a medium term plan in this respect.

6. Rail was a local, short-term experience for passengers – what is this review's core message to commuters? KW was conscious that this was the 31<sup>st</sup> rail review since 2006. However, this review covered virtually everything except HS2 and Crossrail. Keeping to the timetable was key because success meant delivering something to passengers in the short term.

7. Regaining public trust and providing value for money. KW emphasised listening to customers and making their lives easier in matters such as information and compensation. He also suggested reliability might be improved in the short term by joining-up track and train. But longer-term, the industry needed to think about what it might be delivering in 10-15 year's time, now.

8. Integration of ticketing and routes. KW agreed that many passengers wanted to go from A to C and if rail could only get them from A to B, it would be advisable to look at the integrated journey. KW cautioned that this might mean making difficult decisions on how the journey was handled.

9. Franchising - accountability and transparency. KW believed that individual franchisees / TOCs did not feel fully accountable for some of the issues they faced. This had to be addressed in future franchise specifications.

10. Delivery - many of the industry's issues, including that of the May 2018 timetable crisis - could be traced back to not delivering the product when it was meant to be delivered. What will the review do about this? KW cited a surprising finding of the survey that passengers recognised how much was being spent on improvements. The fact that it was recognised was a huge positive. However, it might wear thin. KW believed the industry needed to recalibrate the trade-off between investment and the customer experience. It was currently not totally joined up. Frequently, the investment was being made and the customer was facing disruption at the same time. From a customer viewpoint, he wanted journeys to work.

# Minutes

JH thanked Keith Williams for his presentation and answers to the questions from those attending. He reminded everyone that Transport Focus would be keeping a close eye on the next stages of the review, ensuring that passengers interests remained at the heart of its outcomes.

The meeting closed at 1430.

Signed as a true and accurate record of the meeting:

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Jeff Halliwell  
Chair, Board member, Transport Focus

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Date

DRAFT V3

Group	Item	Date	Issue	Action	Owner	Due	Status	Comment
BM	1819-310	Nov-18	Dewsbury Station lifts	Lifts at Dewsbury station: when will they be available whilst trains are running instead of just ticket office opening hours?	Leo Goodwin via DS	May-19	Complete	Target date extended again (JC): assurances from operator obtained for end-March 2019 and checked
ME	1819-317	Dec-18	The Rail Ombudsman	Provide one year review of scheme	DS	Dec-19	Not yet started	
ME	1819-320	Feb-19	CAA Consumer Panel	Arrange meeting with Chair	MJ	Apr-19	Complete	Meeting arranged
ME	1819-321	Feb-19	Transport Focus Wales Ltd	Circulate notes and minutes to board	JC	Feb-19	Complete	Completed 12/02/19
ME	1819-322	Feb-19	Project Summary Report	Update P11 chart to provide indication of what is 'ready'	NH	May-19	Complete	
ME	1819-323	Feb-19	Project Summary Report	Update P12 chart to make data presentation clearer	NH	May-19	Complete	
ME	1819-324	Feb 19	Common staff objectives 2019-20	Ensure greater alignment with 2019-20 campaigns and themes	AS	May 19	Complete	
ME	1819-325	Feb-19	Campaigns 2019-20	Generate SMART objectives for agreement	AS	Jul-19	Ongoing (Good progress)	See Proposed Key Deliverables Report
ME	1819-326	Feb-19	BREXIT	Share No-Deal contingency planning with board	GD	Mar-19	Complete	
ME	1819-327	Feb-19	Project 027 Rail Connectivity	Address GDPR Assurance before seeking formal approval	LC	Feb-19	Complete	
ME	1819-328	Feb-19	Project 027 Rail Connectivity	Address choice of Amazon before seeking formal approval	LC	Feb-19	Complete	
ME	1819-329	Feb-19	Project 027 Rail Connectivity	review risks and equalities before seeking formal approval	LC	Feb-19	Complete	
BM	1819-330	Mar-19	Webcast at future public board meetings	Investigate and report back	HP	Jul-19	Ongoing (limited progress)	Further research / Comms team resourcing is required
BM	1819-331	Mar-19	Management Accounts	Ensure latest set of accounts available with NH/SM available to explain	NH	May-19	Complete	JC agreed with NH April 2019
BM	1819-332	Mar-19	TPS International Commercialisation	Report back after further discussions with Keolis	DS	May-19	Complete	DS to report at June ME
BM	1819-333	Mar-19	Workplan 2019-20	Include comparative data from 2018-19	AS	Apr-19	Complete	
BM	1819-334	Mar-19	National Infrastructure Commission	Set up meeting with Chair and CEO	MJ	May-19	Complete	Meeting arranged
ME	1819-335	Mar-19	Corporate calendar	Investigate introduction of board accessible calendar	MJ	Apr-19	Complete	Awaiting population
ME	1819-336	Mar-19	Project RAG descriptors	Amend to show which projects on 'amber' are ones the board should take a view on	NH/MJ/AR	May-19	Complete	
ME	1819-337	Mar-19	Action matrix	Update status and comments to be more helpful / accurate	JC	Apr-19	Complete	
ME	1920-338	Apr-19	Williams review	Write to KW with dates for next board meetings	AS	May-19	Complete	
ME	1920-339	Apr-19	NRUSS	Discuss use of post NRUSS funding with HE	GD	Jul-19	Ongoing (limited progress)	GD to provide note to board in due course
ME	1920-340	Apr-19	Risk Strategy	Convene meeting to discuss	JC	May-19	Complete	
ME	1920-341	May-19	NRPS	SGG to consider wave by wave review & report to board as necessary	TdeP	Jul-19	Not yet started	
ME	1920-341	Jun-19	New insight work	Share with board as soon as possible	LC	Jul-19	Complete	
ME	1920-341	Jun-19	ME meetings	Provide bullet point notes	JC / MJ	Sep-19	Not yet started	WEF September 2019



If sensitive, protective marking	NOT PROTECTIVELY MARKED
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<b>Member's Event</b>	<b>Jul 19 BM</b>	<b>Meeting date</b>	<b>23/07/2019</b>	<b>Agenda item</b>	<b>A 05.0</b>
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<b>Purpose of submission</b>	<b>For discussion</b>	<b>Type of submission</b>	<b>Briefing</b>
<b>Report Title</b>	Chief executive's report		
<b>Sponsor</b>	Anthony Smith		
<b>Author(s)</b>	Anthony Smith		

<b>Significant external activities</b>
<ul style="list-style-type: none"> <li>• NRPS Spring 2019 published June 18</li> <li>• SRUS first year report published</li> <li>• Chairman and chief executive took part in Civil Aviation Authority Board awayday on June 19/20</li> <li>• Chairman and chief executive taking part in Network Rail board meeting Reading June 28</li> <li>• Chairman and chief executive met RDG Chair Chris Burchell and Jacqueline Starr RDG head of customer experience</li> <li>• Delay Repay campaign launched July 22</li> <li>• Keynote at NRPS industry day – 50+ attendees</li> <li>• Board meeting July 23</li> </ul>

<b>Significant other activities</b>
<ul style="list-style-type: none"> <li>• Accompanied Minister, Network Rail and South Eastern Trains to launch £20M extra funding for station accessibility</li> <li>• Met Xavier Brice, new-ish chief executive of Sustrans</li> <li>• Met Darren Shirley, chief executive of Campaign for Better Transport</li> <li>• Took part in judging panel for <i>Transport Times</i> National Transport Awards 2019 – awards ceremony and dinner on 19 December</li> <li>• Met DfT and RDG to discuss Wavelenth, NRPS and our new tracker product</li> <li>• Met RDG to discuss customer strategy, Delay Repay, split ticketing and tracker surveys</li> <li>• Chairman and chief executive met Val Shawcross, new chair of Heathrow Area Transport Forum</li> <li>• Chairman and chief executive met Vicky Edmunds, joint OLEV head and some of her staff</li> <li>• <i>Rail</i> magazine National Rail Awards final judging event</li> <li>• Took part in re-launched Heathrow Area Transport Forum</li> </ul>

If sensitive, protective marking	NOT PROTECTIVELY MARKED
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- Visited, with Rob Wilson, Reading Buses for update
- We also spoke at the following events:
  - BDP Pitmans (law firm) Business Breakfast (Theo de Pencier attended)
  - *New Civil Engineer* Future of Roads conference (Chair attended)
  - Spoke at RAC Foundation Public Policy Committee
  - *Rail* magazine Rail Live 2019 exhibition and conference (Nina Howe)
  - Two Westminster Energy and Environment conferences (Guy Dangerfield and David Sidebottom)
  - Rail Customer Information conference (Dan Taylor)
  - *Transport Times* West Midlands Rail Conference (Linda McCord)
  - West Midlands Trains Annual Rail Conference (Linda McCord)

**Publications**

- July Transport User Voice
- NRPS Spring 2019 published
- SRUS first year report published
- Audit of Rail Passenger Ombudsman signposting by train companies in Board meeting papers
- Delay Repay update – published to mark launch of Delay Repay campaign
- Disabled Rail Passengers Survey from 2017 finally published alongside DfT announcements

**Performance**

- We are nearly four months into this financial year and can report that we are on track against projected spend with only minor variances. This is after we have allocated £50K towards the development of the new insight product and £10K to each of the campaigns. Our discretionary ‘pot’ is now non-existent
- The May Management Accounts have now been prepared
- Audit, Risk Assurance and Remuneration Committee met on July 18
- The Annual Report 2018/19 has been laid before the Parliaments on July 18 and published on our website

If sensitive, protective marking	NOT PROTECTIVELY MARKED
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**Coming up**

- August Transport User Voice
- Motorway Services User Survey August 1 launch at South Mimms services
- Tour of Euston station and HS2 works with station manager
- Attending LTW Interchange Matters meeting
- Meeting Heathrow Rail
- Meeting Arriva Trains to discuss potential partnering on passengers and environment research

## Minutes

B 01.1 Jul 19 BM

Date: Monday 11 March 2019  
Location: Meeting Room 2, Fleetbank House London  
Time: 1200-1400  
Classification: **NOT PROTECTIVELY MARKED**

### Attended

Cllr William Powell	WP	Board member for Wales, Chair
Arthur Leathley	AL	Board member for London
Keith Richards	KR	Board member
David Sidebottom	DS	Director
Jon Carter	JC	Head of board and governance
Kate O'Reilly	KOR	Contact team manager
Shelly van der Nest	SVDN	London Team Coordinator

Item	Subject	Action reference (if any)
<b>A</b>	<b>Standing items</b>	
<b>1</b>	<b>Chair's opening remarks: declaration of interests and apologies</b> <ul style="list-style-type: none"><li>The Chair welcomed everyone to the meeting and noted no apologies for absence. No conflicts of interest were declared.</li></ul>	
<b>2</b>	<b>Minutes from previous meeting</b> <ul style="list-style-type: none"><li>The minutes of the meeting held in Manchester on Thursday 10 January 2019 were <b>agreed</b> and the Chair was authorised to sign them.</li></ul>	
<b>3</b>	<b>Action matrix</b> <p>The action matrix was <b>noted</b> as follows:</p> <ul style="list-style-type: none"><li>PCG 1819-024 (Contact team KPI's) – only limited progress had been made. The Group agreed to defer this action to the next meeting</li><li>PCG 1819-025 (Complaint data in the annual report and accounts) - the Group agreed that as cases were still coming in there was no need for a split (action deleted)</li><li>PCG 1819-026 (Confidential action) (Complete, deleted)</li><li>PCG 1819-027 (terms of reference) – see agenda item E1. Complete, delete.</li></ul>	

## Minutes

### **B The Rail Ombudsman**

#### **1 Issues since launch**

- KR reported that access to the DRO portal was proving tricky, with only high level information provided. Despite the data sharing agreement in place, the Ombudsman was claiming that information needed to be anonymised before we can get access to it. We have made it very clear to RDG that we need the information to be able to do our job, and it is for RDG to instruct the Ombudsman accordingly.
- Given the general inadequacy of information reported to us, it is as yet quite unclear to what extent cases processed by DRO have been successful.
- KR confirmed that too many cases were being forwarded to Transport Focus as being 'out-of-scope': it appeared that even though Ombudsman staff have received substantial training they are still lacking the knowledge needed to do the job properly.
- Furthermore, it was clear (given the numbers) that upfront signposting was a major issue. KOR was tackling this with the RDG and operators.
- The Group **determined** that the time may be right soon for the five independent members to get together and discuss these issues, and perhaps use the opportunity of a public meeting in the summer to explore them with the board. In the meantime, however, our concerns should be set out in a letter to RDG from Anthony.
- The Group also believed that some mystery shopping soon was essential, perhaps making use of the online panel.

**PCG 1919-028**  
DS / Apr 19

**PCG 1819-029**  
KOR / May 19

#### **2 ORR Final determination on Licence Change**

- The Group noted that the decision has been made that this scheme will be mandatory to all TOC's from the 1 April 2019 and from 1 June 2019 for charter operators. Third party retailers are NOT included.
- Network rail will also be a member of the scheme for the purposes of station operations. Attention still needs to be paid to delay claims that exceed DR or charter commitments.

## Minutes

### C Contact Team Operations and Performance

#### 1 Team report

- KOR confirmed that case numbers are very much winding down. By the end of this month there will be very little to deal with.
- Call volumes to the outsourced customer service centre have also decreased significantly since last year. A decision will be required later this year about whether it is necessary to retender this contract.
- Passenger satisfaction with Transport Focus stands at 68%

#### 2 Change programme – report and feedback

- KOR confirmed the change process was now largely complete, with three permanent staff members leaving at the end of March.
- The temporary staff will be given notice when we are satisfied that their support is no longer required.
- One existing staff member will be assuming the new stakeholder liaison position at the beginning of April. In the meantime, it had been decided to postpone recruitment to the second role until the workload situation was clearer.
- DS believed that with the support of corporate services the change process had gone remarkably smoothly. The Group **agreed**, and congratulated the team for a remarkable effort.

### D Resolver

#### 1 Resolver update

- KOR reported that the resolver *Decider* system being built for Transport Focus has experienced significant delays. A soft launch will take place at the end of this month meaning we can start putting cases through the system to test its functionality.
- With regard to the outwardly facing Resolver platform, the contract between LNER and Resolver has now gone live.
- Further progress with other TOC's is very limited, as the franchising programme has come to a virtual standstill.

## Minutes

### **E Any other business**

#### **1 Updated terms of reference**

- The updated terms of reference, previously circulated, were **agreed** by the Group.
- JC would ensure they were tabled at the next Board meeting for formal approval.

#### **2 Template agenda**

- JC discussed the option of a set agenda cycle for PCG. He would work with Shelly and Kate to develop it.

#### **Next scheduled meeting:**

Monday 22 July, 1200-1400, London Fleetbank House

Signed as an accurate record of the meeting

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Cllr William Powell  
Chair

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Date

## Minutes

B 01.2 Jul 19 BM

Date: Monday, March 11<sup>th</sup> 2019  
 Location: Fleetbank House, Meeting Room 2  
 Time: 1400 - 1600  
 Classification: **Not protectively marked**

### Attended

Theo De Pencier	TdP	Board member, Chair
Philip Mendelsohn	PM	Board member
Rob Wilson	RW	Board member
Anthony Smith	AS	Chief Executive
Jon Carter	JC	Head of Business Services
Shelly van der Nest	SVDN	CEO Team Coordinator
Louise Coward	LC	Acting Head of Insight
David Greeno	DG	Senior Insight Advisor
Robert Pain	RP	Senior Insight Advisor
Rosie Giles	RG	Insight Advisor
Murray Leader	ML	Senior Insight Advisor
Toby Cotton	TC	Senior Insight Advisor

Item	Subject	Action reference (if any)
<b>A</b>	<b>Standing items</b>	
<b>1</b>	<b>Chair's opening remarks: declaration of interests and apologies</b>	
	<ul style="list-style-type: none"> <li>The Chair welcomed everyone to the meeting and noted no apologies for absence. No conflicts of interest were declared.</li> </ul>	
<b>2</b>	<b>Minutes from previous meeting</b>	
	<ul style="list-style-type: none"> <li>The minutes of the meeting held in London on Monday 14 January 2019 were <b>agreed</b> subject to the following final amendments:                             <ul style="list-style-type: none"> <li>P2, bullet 4 – change to additional data checks.</li> <li>P2, bullet 6 – DG will send draft of what should be changed.</li> <li>P3, the action belongs to the lower bullet point.</li> <li>P4, action belongs to second bullet point.</li> </ul> </li> <li>The Chair was then authorised to sign them.</li> </ul>	



## Minutes

### 3 Action matrix

- The action matrix was **noted**, with all items covered elsewhere on the agenda, or otherwise not yet due.

## B National Rail Passenger Survey (NRPS)

### 1 Autumn 2018 publication and Spring 2019 update

- The Group **noted** DG's report
- The pre-release went entirely to plan, with no challenges.
- A problem with the main report was identified; incorrect data from a previous version had been used, and filters inaccurately applied. Assurances that this will not happen again had been received from Watermelon, and a discount received to cover the costs of overtime working at Transport Focus.
- The accidental pre-release breach by GWR was **noted**. ONS and OSR had been informed
- Currently in week 5 of fieldwork. Responses to date better this wave than the previous wave, with 200 more questionnaires returned, with a small increase in the number of passengers completing the survey online.
- Work on the data hub is progressing well and it is hoped to have the autumn wave data uploaded by the end of March.
- Good progress is being made with the verbatim comment analysis. It is hoped that this can be included on the data hub with the results of the spring wave. The Group **restated** the importance it attached to this initiative as it was a good example of driving value and innovation (and demonstrating it to DfT and other stakeholders) from the existing survey. The data hub is key in this respect. The Group noted that around 40% of respondents were now providing verbatim comments. It considered the read-across to social media and concluded that verbatim comments were likely to be more useful.
- The Group **requested** a short note on the methodology for processing verbatim comments

**SGG 1819-141**  
LC / Jun 19

## Minutes

### 2 NRPS re-tendering

- The Group **agreed** with the proposal that the NRPS contract should not be retendered until at least the spring wave 2020.
- DfT is conducting a thorough review of this and other surveys. In addition, the OSR review had not been started, let alone finished. The performance of the incumbent agency had also improved, and train operators were significantly less hostile than they had been previously.
- Furthermore, it would be necessary to see the results of the improvement experiments currently underway before an ITT could be properly developed.
- In respect of the ScotRail parallel run, the Group **noted** this would be included in the autumn wave and a 'soft' report produced to complement the main report.

### C Bus Passenger Survey (BPS)

#### 1 Autumn 2018 survey update

- RP confirmed the sample size was the biggest to date, with around 49,000 responses.
- Online responses made up 7% of the total.
- RP confirmed the introduction of a factor analysis stage to the key driver analysis in the 2016 survey was a success and was retained for the 2017 and 2018 waves. The factor analysis was repeated on the 2018 wave data and found the 10-factor solution developed in 2016 was still valid (allowing for the splitting of one question into two – on the ease of getting on and off the bus).
- RP also reported, in response to action **SGG 1819-138**, that around 40% of respondents had registered the availability of wifi on the buses they used.
- The Group **noted** again the local / regional nature of the bus environment and the difference between bus and rail in this respect. It **welcomed** the focus on the West Midlands in the campaign objectives for 2019-20

## Minutes

### D Tram Passenger Survey (TPS)

#### 1 TPS update

- The final sample size achieved was 107% of the target, with the total share of online responses at 18% (higher than 2017 at 15%).
- The agency was conducting further data analysis. It's focus on ensuring they replicate the well-established weighting process is to be welcomed. An 'All Networks' report will be produced in addition to individual reports for all areas. Trust data will be shared within the reports.
- A publication date for the week commencing 18th March 2019 is anticipated.
- The Group **noted** the TPS update.

### E Strategic Road Users Survey (SRUS)

#### 1 SRUS update

- The Group **noted** the report from ML. Fieldwork by Kantar had improved, although the professional drivers' omnibus boost remains problematic. They are still evaluating a more longer-term solution.
- Transport Focus conducted an SRUS training day at Highways England which was very successful. The team had also taken part in a conference call to cover off second tier enquiries for DfT's analytical assurance requirement.
- Preparations for the July report launch were underway. Expectations needed to be managed, but a sense of anticipation also needed to be created. Comparisons with NRUS were inevitable but the differences between the two surveys were important to be clear about. A communications plan was required for the report release which may include a further stakeholder roundtable.
- As previously discussed, the contract with Kantar had been extended for the 2019 - 20 year.
- The contract with Beacon Dodsworth to supply and maintain the map has been renewed for the 2019 – 20 year.
- The questionnaire changes discussed at the last meeting and feedback from the Highways England workshop are being processed.

## Minutes

### F Any other business

#### 1 Data hub

- The Group **noted** and **welcomed** the extensive work going on to bring the data hub to completion, including the uploading of much historical data
- The Group **looked forward** to usage statistics at its next meeting.

REMINDER!  
**SGG 1819-137 (Dec 18)**  
LC / RP / Jun 19

#### 2 Mobile Connectivity project - GDPR procedures

- TC outlined the data protection concerns for this project. Data will be shared with the DFT, Ofcom and the P3 the management consultants for the app.
- In terms of process, an email will be sent to panel members to download the application (only available currently for android devices) and is planned to go live by the end of the week. A five-digit access code would be provided to facilitate secure log-in.
- The application will be available for use for 6 weeks, with a follow up email being sent after then to remind participants to delete it.
- The Group **noted** the care that had been taken to ensure data protection compliance, and suggested JC and TC meet to review any outstanding issues. The Group also **asked for** reassurance on the lawful basis for processing the personal data in this way.

**SGG 1819-142**  
JC / Jun 19

**Next scheduled meeting: 18 June 2019**

Signed as an accurate record of the meeting

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Theo de Pencier  
Chair

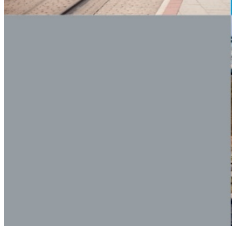
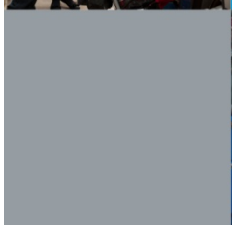
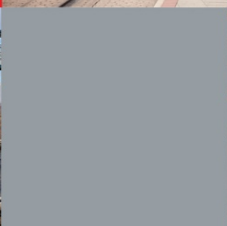
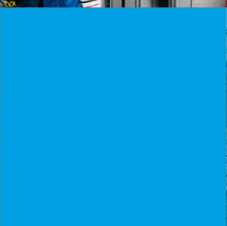
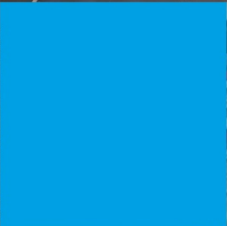
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Date

# Audit Risk Assurance and Remuneration Committee

2018-19  
Annual Report to the Board

23 July 2019



**AUDIT RISK ASSURANCE AND REMUNERATION COMMITTEE  
2018-19 ANNUAL REPORT TO THE BOARD  
23 JULY 2018**

**1. Chair's Introduction**

As the Chair I am pleased to submit this Annual Report of the Audit Risk Assurance and Remuneration Committee (ARARC) for 2018-19 to the Board in accordance with the Terms of Reference as of March 2018.

**This year we received an unqualified set of accounts from the Comptroller and Auditor General (C&AG). The Board approved the 2018-19 Annual Report and Accounts on XX June and the C&AG signed the audit certificate on XX June.**

This year grant in aid funding from our sponsor DfT has stayed roughly the same in nominal terms following cuts in prior years. As we bring our uniquely multi-modal skills in championing the interests of the transport user to a variety of channels across Great Britain, we have been successful in increasing co-funding from other stakeholders. We will need to do more of this.

We must stay pragmatic and careful in how we push what is essentially the same small resource base we had five years ago – fewer than 50 FTEs, of which 7 FTE's are now funded by external stakeholders. As well as quantitative issues of remuneration and deployment, the ARARC reviews qualitative development and engagement to ensure we retain the talent and passion that make Transport Focus effective.

Adapting nimbly to change and staying true to our mission to make a difference requires constant balancing between ambition and risk assessment, particularly as Transport Focus becomes increasingly reliant on additional funding. The ARARC has played and will continue to play its part in challenging the Management Team over risks that might affect the operation, financial management or reputation of the organisation. With the frameworks, processes and people we have working together, we will continue to maintain this balance.

**Isabel Liu**

Chair

Audit Risk Assurance and Remuneration Committee

## 2. The Purpose of the Committee

The ARARC is a committee of the Transport Focus Board and reports to the Board after each meeting.

The ARARC is governed by its Terms of Reference including delegations from the Board, which was last updated in March 2018. In essence, the ARARC supports Transport Focus on all matters relating to corporate governance, financial management and significant HR matters and oversees the process of internal and external audit. This entails providing guidance to the Chief Executive in his role of Accounting Officer and includes challenge to the Management Team on its interpretation of risk and other information reported to the Committee.

The Committee held quarterly meetings in April, July, October 2018 and January 2019. In addition the Committee held a telephone meeting in June 2019 to review and approve the annual report and accounts, the audit completion report by NAO, and the GIAA annual internal audit opinion for the 2018-19 financial year.

During the 2018-19 financial year, the non-executive members of the ARARC were:

- Isabel Liu, Chair – Isabel has been a member of the Committee since joining the Board in March 2013. Her career is in investing equity in infrastructure in the UK and around the world. She has been a Chief Financial Officer and director at airport companies. She holds an MBA from the University of Chicago Booth School of Business and a Masters in Public Policy from the Harvard Kennedy School of Government.
- Arthur Leathley – Arthur joined the Board in October 2017 representing London as the Chair of London Travelwatch. His career in communications started as a transport journalist, before moving on to Virgin Trains, Amey, the Cabinet Office and the Department of Energy and Climate Change.
- Kate Denham – Kate joined the Board in September 2018. She advises on strategy, building long-term business models, income generation, commercialisation, growth and service modernisation through technology throughout the public and third sectors. She is managing director of The Public Good Company and vice-chair of Accelerate, an award winning social enterprise.

### 3. Key Issues and Concerns for the Future

#### *Workplan and Budget*

This year DfT grant in aid was cut by 3% in real terms to £6.1 million. Of this funding for road user representation was cut by 10% in real terms to £1.7 million.

To complement DfT's grant in aid, Transport Focus strives to obtain funding from a diverse range of stakeholders to enable us to deliver benefits to transport users through all the regions of Great Britain. Separate funding of £2.2 million was obtained, surpassing last year's £1.9 million by 14.5%. Separate funding now represents a quarter of our total funding. This is a notable achievement. Separate funding both enhances existing projects, such as taking the Bus Passenger Survey further into Wales and Scotland, and supports new projects, such as representing user interests on Route Supervisory Boards set up by Network Rail. We have a multi-modal portfolio of independent industry benchmarks – user surveys of rail, buses, trams, highways and motorway service areas – which are now established annual national projects. This increasing influence means our budget dedicates a greater portion of expenditure to a higher number of specified annual projects, thus leaving minimal funds to pursue issues that arise during the year or to develop longer-term opportunities.

Transport Focus managed the budget closely to complete the financial year with no significant over- or under-spend, despite gearing up for major rail industry issues like the May timetable crisis, the Rail Passenger Ombudsman Scheme, Route Supervisory Boards, and the Williams Review; spreading knowledge on bus alliances, young people and bus, and coach transport throughout the regions; and working on the Strategic Road User Survey, Motorway Services User survey, and needs of disabled motorists.

#### *Rail Passenger Ombudsman Scheme*

The Rail Passenger Ombudsman Scheme (RPOS), a free, independent and legally binding mechanism to resolve disputes between rail operators and passengers, was launched in late November 2018 by the Rail Delivery Group (RDG) following Transport Focus' supporting work since December 2016. Throughout this process the ARARC has been monitoring two types of risks: The first, continuing to be useful to government and industry and deliver value for money, is interrogated through the strategic risk register reviewed monthly by the Management Team and quarterly by the ARARC. In this regard, Transport Focus has an advisory and governance role in RPOS. Transport Focus seeks to help ensure that passengers are properly signposted to the various appeal channels available to them, and that we can access outcomes to inform our work on behalf of passengers in both appeals handling and policy. The second risk relates to the impact of the RPOS on our own personnel organisation. Through the year, the Passenger Contact Team geared up to handle the highest ever caseload exacerbated by the May timetable crisis, then transitioned procedures to support the



launch of RPOS, and finally reduced the workforce to handle the remaining flow of cases not eligible for RPOS. Forward thinking and reporting on risk helped the management and staff carry out this significant change successfully. This is supported by the internal and external audit reviews.

### *Resources*

Transport Focus has essentially the same size workforce as five years ago, with fewer than 50 FTEs. Yet the organisation is working for more users across more transport modes such as trams and highways. In addition the organisation has to respond quickly to events. This year Transport Focus deployed significant numbers of staff on the stakeholder, communications, policy, insight, appeals handling and governance fronts to the May rail timetable crisis, which was not anticipated when the budget and workplan were set, but resulted in visible and timely wins for suffering passengers. At the same time, Transport Focus is representing the interests of transport users at more senior forums of operators and government bodies, such as rail Route Supervisory Boards and bus and regional transport boards. In addition the organisation is having to find new funding opportunities with stakeholders rather than relying on one central DfT grant in aid. Transport Focus has been effective in doing more with the same workforce, but resources continue to be stretched. The organisation has been nimble in using contract hires and interim appointments to cover requirements or trial new endeavours. The organisation has also handled smoothly the reduction of Contact Team personnel with the advent of RPOS. However, with fewer opportunities to hire in new personnel, and fewer entry-level positions, re-balancing and developing the staff to meet higher demands without overstressing them is a constant challenge.

### *Streamlining*

A small organisation, we aim to be both comprehensive and proportionate in our governance and operation as we define workplan objectives, allocate scarce money and time resources to those objectives, and track our risks and achievements. We have streamlined our reports and moved to generating electronic rather than paper reports. The Business Improvement Team, established in March 2018, has streamlined? project reviews and risk assessments and disseminated lessons learned to all staff.

### *Information Risks*

Our mission as the voice of the transport user means information about transport users is the critical asset of Transport Focus. The Senior Information Risk Officer reports quarterly to the ARARC on information risk. Alongside the daily administrative work of protecting our information assets and responding to information requests from outside parties, Transport Focus handled three major projects affecting information handling risk: RPOS, IT migration to the cloud and a new CRM programme, and implementing the General Data Protection Regulation (GDPR), which took effect in May 2018. Our training and risk and programme management to implement GDPR

was reviewed by internal audit. The latter entailed confirming and retaining thousands of contacts that Transport Focus surveys, informs and influences in its work.

#### *Assurance Framework*

Transport Focus submitted the Management Assurance returns to the DfT as required. The ARARC remains sceptical about its usefulness. Much of the information requirement is inflexible, not applicable to Transport Focus, and disproportionate to both the size of this organisation and the risk we present to DfT. We receive no feedback from DfT, so remain mystified as to whether and how our submission is used.

#### **4. Assurances**

The ARARC is satisfied that it is discharging its duty of review and challenge in respect of the comprehensiveness, reliability and integrity of the assurances it receives from management and others. These assurances are sufficient to support the Board and the Accounting Officer in taking decisions and fulfilling their accountability obligations.

#### *Management Assurance for 2018-19*

The NAO has completed its audit and submitted to the ARARC its completion report. The NAO recommended to the C&AG that the accounts be certified with an unqualified opinion, subject only to NAO's internal quality control review and review of our final wording on accounting policies. Review of issues which had arisen in prior years gave rise to no comments. The Committee recommended the Annual Report and Accounts for Board approval on XX June 2019. This was given forthwith and the C&AG signed the audit certificate on XX June 2019.

#### *Audit and Risk*

The Railways Act 2005 requires Transport Focus to submit its accounts to audit by the C&AG, thus the NAO provide the **external audit** function. The ARARC has ensured that NAO completed its work promptly this year to enable the laying of the Annual Report and Accounts before Parliament before the recess. In January 2019 the ARARC approved the NAO's audit strategy for 2018-19 and agreed the audit fee at £26,000 (an 8% increase from £24,000 for the previous year). As directed by the Combined Code and our Terms of Reference, we have assessed and continue to find the NAO provide quality, objectivity, independence and value for money.

The Management Statement agreed with DfT requires that Transport Focus have an **internal audit** function. This is provided by the GIAA. In April 2018 the ARARC agreed GIAA's internal audit workplan and fee of £20,929 for the 2018-19 year. The GIAA's annual opinion of Transport Focus is 'Moderate', the second highest of four possible

opinions and the same as for last year. This reflects the findings of the individual audits, which were:

- RPOS – Moderate.
- GDPR – Moderate
- Core Controls, Budget / Information Assurance – Moderate
- Cybersecurity – Moderate

Across these four audits there were a total of four high priority, 13 medium priority and five low priority recommendations where specific actions have been accepted and allocated to owners for implementation. The progress on actions in response to high and medium priority recommendations is regularly reported to the ARARC.

Areas to be scrutinised in 2019-20 include external funding, resourcing and staff planning, risk management and the usual Core Controls.

A major part of the ARARC's **risk assessment** in the round is its review of strategic risk and information risk registers at each quarterly meeting and an annual rota of the team risk registers – Communications, Corporate Services, Transport, CEO, Insight, and major projects. Assessments are summarised in the ARARC Chair's semi-annual risk reports to the Board.

The ARARC reviewed and approved the annual fraud and bribery risk assessment. The ARARC also reviewed and agreed the following policies/registers:

- Outside interests
- Gifts and hospitality
- Whistleblowing
- Fraud
- Expenses
- Board members' code of conduct

## 5. Remuneration and Staffing Issues

The 2018-19 pay remit amounted to a 1.5% uplift in pay and allowances from 1 April 2018. This was approved by the ARARC in July 2018 and the Department on 29 October 2018, and subsequently paid in November 2018 backdated to April 2018. The Bonus Scheme for 2019-20 was approved by the ARARC in January 2019 as no changes were proposed which would require additional agreement from the Department for Transport. The pay remit guidance for the 2019-20 financial year has not yet been issued by the Cabinet Office. Once it is available, the Corporate Services Director will prepare and submit the proposed pay remit in line with the guidance.

The Committee regularly reviews the staff absence record. Generally speaking, the impact of parental leave and medical absences on such a small organisation is significant. In addition, over the years Transport Focus has increasingly relied on contract and interim hires to handle workforce fluctuations and importantly to trial work on emerging opportunities. This flexibility is necessary and commendable, but entails more search, mobilisation, administration and termination costs.

The ARARC regularly reviews the staff profile. Overall gender diversity is medium and ethnic diversity is low. Expanding the net for our more frequent recruitment for temporary roles, plus opening internal opportunities to gain experience and advance careers to Transport Focus staff of all backgrounds, will help us benefit from diversity.

## **6. ARARC Management and Self-Assessment**

The 2016 HMT publication 'Good Practice Principles for Audit and Risk Assurance Committees' provided in the Audit and Risk Assurance Committee Handbook requires the ARARC to review the overall assurance framework for Transport Focus.

The NAO provides a suggested checklist for self-assessment. In view of the mid-year change in Committee membership, the ARARC decided to defer self-assessment until the next financial year.

**Board**  
**Out of meeting paper**  
**Record of approvals**



<b>If confidential, protective marking<sup>1</sup></b>	
<b>Out of meeting paper reference</b>	BRD1819-004
<b>When discussed</b>	Jan 19 ME – 15 January 2019
<b>Circulated by</b>	Michelle Jackson
<b>Report Title</b>	SRUS 2019-2020
<b>Sponsor</b>	Guy Dangerfield
<b>Author(s)</b>	Murray Leader

**Responses by Board Members**

<b>From</b>	<b>Reference</b>	<b>Comments, if any</b>
Jeff Halliwell	A	
Philip Mendelsohn	A	
Isabel Liu	A	
Theo de Pencier	A	
William Powell	A/L	
Arthur Lehtley	A	
Keith Richards	A	
Rob Wilson	A	
Kate Denham	A/L	

**Key to references**

- A: Yes, I am content
- B: Yes, I am content but would like to make one or more points for the record (please set these out in your email)
- C: I need more information to reach a decision (please indicate what further information you require)
- D: No, I am not content (please explain why not)
- A/L: annual leave or otherwise no response
- S: project or paper sponsor

**Business Services record**

<b>Responses recorded by</b>	Jon Carter
<b>Decision reached</b>	Approved
<b>Feedback to sponsor and author (date)</b>	16 January 2019
<b>Date this record complete and uploaded to Connect</b>	04 February 2019
<b>Signature</b>	

\_\_\_\_\_  
 Chair signature

04/02/19  
 \_\_\_\_\_  
 Date

<b>Board</b>
<b>Out of meeting paper</b>
<b>Record of approvals</b>



<b>If confidential, protective marking<sup>1</sup></b>	
<b>Out of meeting paper reference</b>	BRD1819-003
<b>When discussed</b>	Jan 19 ME – 15 January 2019
<b>Circulated by</b>	Michelle Jackson
<b>Report Title</b>	NRUSS 2018-2019
<b>Sponsor</b>	Guy Dangerfield
<b>Author(s)</b>	Murray Leader

### Responses by Board Members

From	Reference	Comments, if any
Jeff Halliwell	A	
Philip Mendelsohn	A	
Isabel Liu	A	
Theo de Pencier	B	"So long as fully funded by Highways England."
William Powell	A/L	
Arthur Leathley	A	
Keith Richards	A	
Rob Wilson	A	
Kate Denham	A/L	

### Key to references

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### Business Services record

<b>Responses recorded by</b>	Jon Carter
<b>Decision reached</b>	Approved
<b>Feedback to sponsor and author (date)</b>	16 January 2019
<b>Date this record complete and uploaded to Connect</b>	04 February 2019
<b>Signature</b>	

Chair signature

Date

<sup>1</sup> ie RESTRICTED plus COMMERCIAL / POLICY / STAFF / PERSONAL PROTECT

<b>Board</b>
<b>Out of meeting paper</b>
<b>Record of approvals</b>



<b>If confidential, protective marking<sup>1</sup></b>	
<b>Out of meeting paper reference</b>	BRD1819-002
<b>When discussed</b>	Jan 19 ME – 15 January 2019
<b>Circulated by</b>	Michelle Jackson
<b>Report Title</b>	BPS Autumn 2018
<b>Sponsor</b>	David Sidebottom
<b>Author(s)</b>	Robert Pain

**Responses by Board Members**

From	Reference	Comments, if any
Jeff Halliwell	A	
Philip Mendelsohn	A	
Isabel Liu	A	
Theo de Pencier	A	
William Powell	A/L	
Arthur Lehtley	A	
Keith Richards	A	
Rob Wilson	A	
Kate Denham	A/L	

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**Business Services record**

<b>Responses recorded by</b>	Jon Carter
<b>Decision reached</b>	Approved
<b>Feedback to sponsor and author (date)</b>	16 January 2019
<b>Date this record complete and uploaded to Connect</b>	04 February 2019
<b>Signature</b>	

\_\_\_\_\_  
 Chair signature

04/02/19  
 \_\_\_\_\_  
 Date

<sup>1</sup> ie RESTRICTED plus COMMERCIAL / POLICY / STAFF / PERSONAL PROTECT

Board  
 Out of meeting paper  
 Record of approvals



If confidential, protective marking <sup>1</sup>	
Out of meeting paper reference	BRD1819-005
When circulated	23/01/2019
Circulated by	Jon Carter
Report Title	040-What reliability means on the high frequency routes in the South East
Sponsor	Louise Coward
Author(s)	Louise Coward

**Responses by Board Members**

From	Reference	Comments, if any
Jeff Halliwell	A	

**Key to references**

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**Business Services record**

Responses recorded by	Michelle Jackson
Decision reached	Approved on behalf of Board
Feedback to sponsor and author (date)	23/01/2019
Signature	

Chair signature

22/1/19  
 Date

<sup>1</sup> ie RESTRICTED plus COMMERCIAL / POLICY / STAFF / PERSONAL PROTECT



Board  
 Out of meeting paper  
 Record of approvals



If confidential, protective marking <sup>1</sup>	
Out of meeting paper reference	BRD1819-006
When circulated	Discussed at Feb 19 Members' Event 12/02/2019
Circulated by	Michelle Jackson
Report Title	Rail Connectivity Project for the DfT
Sponsor	Louise Coward
Author(s)	Toby Cotton

**Responses by Board Members**

From	Reference	Comments, if any
Jeff Halliwell	A	
Philip Mendelsohn	A	
Kate Denham	A/L	
Isabel Liu	A	
Theo de Pencier	A	
William Powell	A	
Arthur Leathley	B	I am a B. I do think that any payments would be best made through a company such as John Lewis, or to a charity, and clearly such alternatives are being explored.
Keith Richards	A	
Rob Wilson	A	

**Key to references**

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**Business Services record**

Responses recorded by	Michelle Jackson
Decision reached	
Feedback to sponsor and author (date)	14/02/2019
Date this record complete and uploaded to Connect	14/02/2019
Signature	<i>Michelle Jackson</i>

*J Halliwell*  
 Chair signature

22/2/19  
 Date

<sup>1</sup> ie RESTRICTED plus COMMERCIAL / POLICY / STAFF / PERSONAL PROTECT





**Board**  
**Members' Event meeting**  
**Record of approvals**



If confidential, protective marking <sup>1</sup>	
Reference	BRD1920-003
When discussed	ARARC on 11 June 2019
Submitted by	Hazel Phillips
Report Title	Annual report and accounts 2018-19
Sponsor	Anthony Smith
Author(s)	Hazel Phillips and Nigel Holden

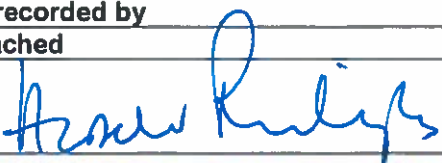

**Responses by Board Members**


From	Reference	Comments, if any
Jeff Halliwell	A	
Philip Mendelsohn	A	
Kate Denham	A	
Isabel Liu	A	
Theo de Pencier	A	
William Powell		
Arthur Leathley		
Keith Richards	A	
Rob Wilson	A	


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- S: project or paper sponsor

**Business Services record**

Responses recorded by	Hazel Phillips
Decision reached	14 June 2019
Signature	 

  
 \_\_\_\_\_  
 Chair signature

  
 \_\_\_\_\_  
 Date

<sup>1</sup> ie RESTRICTED plus COMMERCIAL / POLICY / STAFF / PERSONAL PROTECT