

Transport Focus Annual report and accounts 2019-20

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Annual report and accounts 2019-20

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Any enquiries regarding this publication should be sent to us at:

Transport Focus
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX

0300 123 2350
www.transportfocus.org.uk
info@transportfocus.org.uk

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Contents

	page
Section 1: Chair's foreword	5
Section 2: Making a difference for transport users	7
Section 3: Management commentary	25
Notes to the accounts	58

Section 1

Chair's foreword

Transport Focus is a consumer organisation – a powerful and effective champion of users' interests. Our mission is to make a difference for transport users and help make their services better. They are at the heart of our work and we are committed to being

- **Consumer-focused:** giving transport users a voice and advocating positive change
- **Useful:** giving the right support to individuals and organisations in providing services
- **Evidence based:** informed by robust research and insights. Our focus on providing an objective evidence base is key. By supplying hard evidence of transport users' views and levels of satisfaction, we encourage and enable transport providers to make positive changes. What gets measured gets managed!

Covid-19 resulted in huge changes in the transport world during the 2019-20 financial year which impacted very significantly on users. Transport Focus responded and adapted at speed in order to continue to give maximum support to users and providers.

The coronavirus caused a dramatic impact. As governments reduced transport services in response, we monitored impacts on users and pressed for change where needed. We also had to go into reverse gear on some initiatives. From looking at how people should use public transport to reduce carbon emissions, the emphasis switched so people were discouraged from doing so to prevent the virus spreading.

The impact of the coronavirus on the way we travel and work in the longer term may be profound, providing the transport user and Transport Focus itself with new challenges, as yet unknown.

But in the 11 months before March, Transport Focus had been engaging with other significant external developments in the sector, as well as making internal changes. Most of this annual report inevitably focuses on that period. I highlight some of these.

To maximise the effectiveness of the organisation's resources, Transport Focus concentrated some of its influencing work on three specific campaigns. The first was *Make Delay Pay* to improve rail passengers' compensation due to them. The second was *Give Bus a Go* aimed at identifying barriers to using bus services, focused on the West Midlands. The third was *Sort my Sign* which encouraged road users to report problems with signs on Highways England's roads. This has enabled us to focus efforts and communicate our messages in new and different ways.

The Williams Rail Review has provided a fundamental and significant opportunity to change the railways to provide benefits to passengers. We have worked with the Review Team to ensure that these benefits become reality once the worst of the pandemic is over.

The bus industry has received the recognition and profile it deserves through increased funding alongside policies designed to boost the number of users. There are different changes in England, Wales and Scotland. We have been pressing for all to truly benefit the user and encourage the potential user. I am delighted that we conducted our 10th Bus Passenger Survey which provides the bedrock to our bus work.

The organisation, in common with other public bodies, was assessed to provide the Government with assurance that the organisation and its functions were still needed. The 'Tailored Review' confirmed that Transport Focus should retain its current functions. Some timely recommendations were made to improve the organisation's already good efficiency and effectiveness which we have embraced.

We continued to ensure that our insight work maximises the opportunities and potential for efficiencies provided by new technology while maintaining the rigorous statistical validity of the user views we collect. Likewise, we have been working with the Office of Statistics Regulation (OSR) to secure our flagship National Rail Passenger Survey (NRPS) as a national statistic.

I am delighted that Transport Focus has deepened its presence in different parts of Britain over the past year. In Scotland we have created a subsidiary company, and we have established Transport Focus Wales Limited with an office and staff member in Cardiff, supported by Transport for Wales Rail Services and Network Rail.

We have also created a closer working relationship with London TravelWatch which will enable the two organisations to influence jointly and share resources.

We continue to be represented on transport bodies in England to ensure we influence decision making for the user based on our research. This includes the Mayor of Greater Manchester's and Bristol's Transport Boards, and bus alliances in West Midlands, Liverpool City Region and West Yorkshire as well as Network Rail's Route Supervisory Boards.

The Transport Focus Board continues to challenge transport providers and decision makers at our meetings in public about the services they provide. Senior personnel invited during the year have included the Rail Ombudsman, Rail Delivery Group, Highways England and South West Trains.

We have proved that our user-based model can apply to other modes. Users of air, ferries, and roads beyond those managed by Highways England are poorly represented at present. We are ready and able to do more. I am also proud that all staff, and the organisation as a whole, has demonstrated great flexibility in the way we have worked during the coronavirus pandemic which dominated the last month of 2019-20.

Section 2

Making a difference for transport users

2.1 Overall

We ended this year with the sudden curtailment of activities, including transport, as a result of the coronavirus. The impact on the transport system was considerable as those who could were urged to work from home. Transport Focus assessed the impact of reduced services on users. On rail we pressed for season ticket and Advanced ticket refunds and improved processes surrounding it, and that the needs of disabled rail passengers were taken into account. We pressed Highways England to make information available to road users about which Motorway Service Areas were open and the services they were providing. But we have been mindful of the need for various sectors remaining sustainable once the crisis has passed.

Significant policy changes were being considered in different parts of Britain. On rail, the Williams Rail Review dominated thinking. We focused on influencing a bus strategy in England and also legislation in Scotland and Wales. The Scottish Government reviewed its National Transport Strategy setting out a new 20-year vision for transport in Scotland providing a framework for investment, priorities and policies. As a key stakeholder, we contributed comment, challenge and evidence on behalf of users.

In more normal times, as the need to reduce carbon emissions grows, we have been keen to help governments ensure that users make sustainable transport decisions. We have a wealth of data that can help public transport providers make their services more attractive to people including those who do not normally use them. Getting the basics, such as reliability, right is fundamental.

2.2 Making a difference for rail passengers

Williams Rail Review

The Government established this Review in 2018 to devise radical reforms resulting in a world class railway. The Review has provided a significant opportunity to ensure that the passenger interest is at the heart of the railway.

We continued working closely with the Review Team producing a number of high-quality papers, backed up by research, on what passengers and non-users want from rail services, industry structures and trust. We argued strongly for independent passenger representation so the user view can be first and foremost in strategy, implementation and monitoring of the railway in a new structure.

The anticipated White Paper has been delayed due to the coronavirus and general election held at the end of 2019. We do not want to lose the huge opportunity the Review provides to improve rail travel for passengers.

Rail franchises and contracts

Franchise work continued during 2019-20 against a backdrop that the system will be altered by the Rail Review, so Government decisions have been taken in that light.

We continue to work with the Department for Transport (DfT) on different aspects of the franchise renewal process. Our aim is to identify problems from the passenger experience (our insight) and resolve and improve them. We advise on the passenger perspective of the franchise specification and on the customer experience element of bidders' proposals. Once chosen, we advise the successful company on passenger issues and ensure their promises become a reality for passengers.

The DfT has acknowledged that our input in this process is valuable, providing tangible benefits for passengers. This year we worked on the West Coast and East Midlands franchises which have been awarded. South Eastern and Great Western Railway (GWR) have both received Direct Awards, while the Northern Rail franchise was taken into public ownership due to poor performance.

Transport Focus win: We pointed to passengers' concerns about the state of rolling stock when the Greater Anglia franchise was being renewed. New rolling stock was part of the new franchise awarded in 2016 and has been rolled out since.

Transport Focus win: Likewise, Transport Focus passenger research on Northern Rail franchise reinforced the prominent view that Pacer trains were uncomfortable and unpopular. The new franchise has replaced them. In addition, our research highlighted the need for Boxing Day services – this was also included in the new Northern franchise.

There have been significant failures with some franchises during the year which have highlighted the weaknesses in the economic model. The Government has taken over the running of Northern Rail. It insisted that West Midlands Trains spend an extra £20m on improving services. Prior to coronavirus South West Trains was under the Government's spotlight for poor performance.

Passenger disruption

Planned disruption to rail services, often as a result of investment, can cause significant inconvenience to passengers. There is inevitably some pain before the gain materialises for the user. But careful planning and communication and minimise the impact. For a number of improvement projects, including the TransPennine Route Upgrade due to begin in 2021, we asked passengers how they preferred the works to be managed.

Transport Focus win: Passengers' preferences were for the TransPennine route upgrade to be conducted overnight, during summer months and with

adequate advance notice to enable them to develop alternatives. These requests have been incorporated into Network Rail's plans.

We also worked on Greater Anglia's planned nine-day disruption on the Liverpool Street to Southend line and Network Rail's closure of Kings Cross station over the August Bank Holiday.

Unplanned disruption is also a major inconvenience to passengers, particularly during periods of poor performance. Compensation can help rebuild trust but often goes unclaimed by passengers. Passenger compensation was the subject of our *Make Delay Pay* campaign.

Make Delay Pay was our campaign to improve passenger take up of compensation due to them when their train fails to run on time. Over a number of years the research we conducted, paid for by the DfT has shown that too few passengers – just 35 per cent in 2018 – claim the compensation due leaving tens of millions of pounds unclaimed. The campaign was first launched in July and aimed to increase take up by countering the reasons: lack of awareness, indifference and effort.

The campaign secured good media coverage, reaching an estimated 13 million people. A report based on survey results from our Transport User Panel formed part of the second phase of the campaign. We promoted a video via social media, in cinemas and on digital billboards at some stations to encourage take up. We published an audit of train company websites looking at the ease of finding information on claiming which has been shared with stakeholders. A new survey to assess any improvement in compensation take up will be published in 2020.

Transport Focus win: Greater Anglia made the information on claiming more prominent on its home page, so enabling passengers to find it more easily.

Transport Focus win: Both ScotRail and Caledonian Sleeper promised to make the claims process easier for passengers delayed on their services.

Transport Focus win: Due in part to our continued efforts, the number of compensation claims (as report by the Office of Rail and Road) has increased over the year.

We have also conducted audits of passenger information during unplanned disruption, including with Greater Anglia who requested a version to use themselves. These have been valued by some other train companies including Northern.

Rail fares and ticketing

The annual fares increase in January is always a difficult moment for passengers especially as the rises recently have been above those of wage increases are exacerbated by poor performance on a number of routes. The National Rail Passenger Survey (NRPS) shows that less than half of passengers believe they get good value for money for their tickets.

Over many years, Transport Focus research has demonstrated that passengers find the fares and ticketing system very confusing. We have been calling for major fare reform for a number of years too. This has been needed to make the railway a more attractive mode of transport. Reform has got a step closer with the opportunity of the Rail Review and trials of alternatives.

Transport Focus win: Following our long-standing pressure for reform, the trialling of single-leg pricing – a more flexible rail ticket - began with LNER.

NRPS shows passengers in Wales have been increasingly dissatisfied with value for money for the price of their ticket, measuring it against the service they receive.

Transport Focus win: Transport for Wales Rail addressed passengers' dissatisfaction with value for money. In January they introduced a package of fare reduction measures and free travel for certain groups.

Transport Focus considered it unfair that 16-17-year-olds should pay the same rail fare as adults when they have to stay in education up to their 18th birthday. We pressed for a special rail card for that group.

Transport Focus win: A railcard for 16-17-year-olds was introduced bringing them a 50 per cent discount on season tickets and travel in peak periods.

During the initial weeks of coronavirus lockdown, refunds for tickets including season tickets bought became an important issue for passengers who had to stay at home.

Transport Focus win: A number of train companies responded to our call to refund a proportion of Advance tickets and also to waive the £10 administration fee. In addition, we were successful in our call for season ticket refunds to be backdated to 17 March when the lockdown began.

Timetable and performance

Railway performance suffered considerably during 2018 and has been recovering since then. This was reflected in the passenger experience as measured by NRPS which showed a 10-year low in passenger satisfaction in Autumn 2018.

Autumn 2019 results showed some significant improvements in satisfaction with punctuality. Southern and Great Western Railway, for example, all showed improved

satisfaction on reliability from a low level. Northern and TransPennine Express struggled with poor performance. Northern performed worst in Autumn 2019 and was investigated by the Office of Rail and Road (ORR).

Passengers rely on staff to provide timely, helpful and accurate advice about their journeys, particularly at times of disruption. Sadly, there was a notable decline in passenger satisfaction of attitudes and helpfulness of staff at stations on the Wales and Borders Service from 83 per cent in Autumn 2018 to 75 per cent a year later.

Transport Focus win: Following these poor results, Transport Focus worked closely with Transport for Wales Rail to help them understand the experiences of staff interaction, feeding into the development of a robust staff training programme. Passengers' needs are to be addressed and staff encouraged to buy into the vision of an efficient and high-quality service for passengers.

The current ScotRail franchise recognises the importance of the passenger interest through contractual targets based on the NRPS. When it scored 79 per cent in Autumn 2018 the Scottish Government issued a remedial plan notice. Transport Focus then worked with ScotRail on an Action Plan to meet the NRPS targets. The delivery of the Plan, investment in new trains and timetable improvements showed in the NRPS results a year later.

Transport Focus win: Overall passenger satisfaction with ScotRail in 2019 rose to 89 per cent compared to 79 per cent in Autumn 2018. Likewise, the helpfulness and attitude of staff on the train improved by six percentage points to 80 per cent.

Rail ombudsman and complaints

The establishment of the Rail Ombudsman has changed Transport Focus's role on rail complaints. We worked closely with the industry to establish the Ombudsman in November 2018 which, building on our years of experience in handling rail complaints, now provides passengers with free, binding, independent dispute resolution. Transport Focus and London TravelWatch continue to advise passengers on how to complain, consider issues that have a policy implication and monitor the operation of the Rail Ombudsman scheme.

After monitoring the Ombudsman's progress in its first seven months, we were concerned that the number of complaints they received was much lower than we would expect. We audited train company websites and found that some were failing to give adequate priority to signposting and information about the scheme. We published our findings, submitted them to the DfT and ORR, and invited the Ombudsman and train companies to discuss them at our Board meeting in public.

Transport Focus win: Rail passengers needing to make a complaint now have better information from the train companies about how to access the Rail Ombudsman if they need to escalate their complaint.

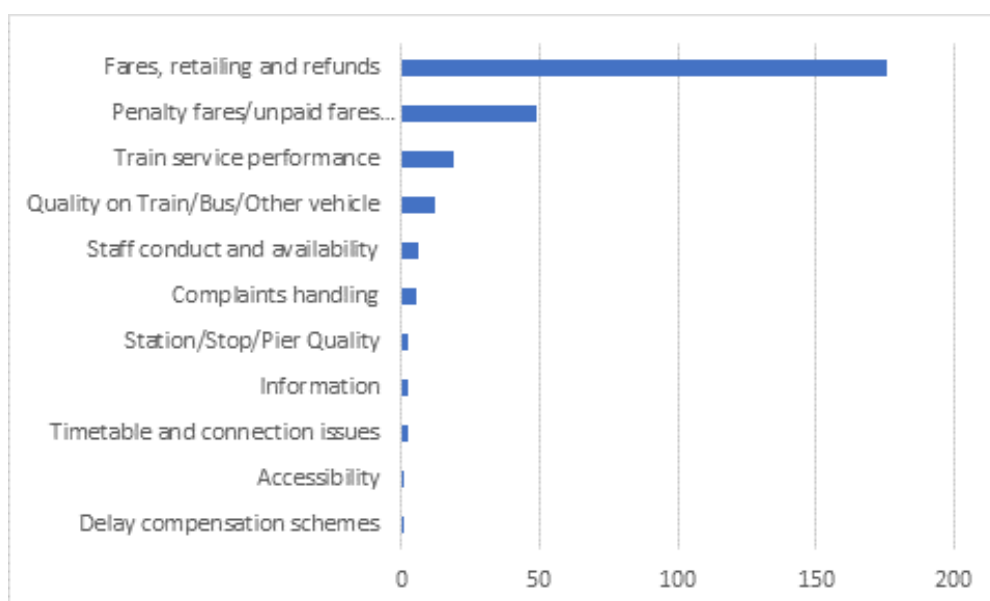
Since the Ombudsman was established the number of complaints received directly by Transport Focus has reduced significantly. In 2019-20 Transport Focus received 290 appeal complaints and resolved 199 (some remaining active on 31 March). Of those resolved, 47 were not pursued by the passenger and two did not qualify.

Table 1. Breakdown of incoming complaint cases by train operator

Train operator	Incoming complaints
Rail Delivery Group (railcards)	141
Northern (Arriva)	26
thetrainline.com	25
West Midlands Trains	11
Great Western Railway (GWR)	10
Greater Anglia	9
London North Eastern Railway	8
Independent Revenue Collection and Support	7
South Western Railway	6
Southern (GTR)	6
ScotRail (Abellio)	4
TransPennine Express	4
c2c	4
Nexus	4
Merseyrail	3
Transport for Wales Rail Services	3
CrossCountry	3
Network Rail	2
Tyne and Wear Metro	2
Southeastern	2
East Midlands Railway	2
Penalty Services Limited	2
Raileasy (split ticketing website)	1
Govia Thameslink Railway Limited (GTR)	1

Caledonian Sleeper	1
Chiltern Railways	1
Avanti West Coast	1
Transport Investigations Limited	1
Grand total	290

Table 2. Incoming complaints by reason



Due to the significant reduction in complaints being dealt with by Transport Focus in 2019-20 and as part of our closer working with London TravelWatch, we have been planning to combine the casework functions of both organisations from April 2020. So Transport Focus casework from rail passengers will be handled by London TravelWatch so as to provide a more streamlined, joined-up service.

The complaints in table 1 above highlight a problem that emerged with the process of registering rail cards. The Rail Delivery Group (RDG), who manage the process, had a service failure in Autumn 2019 which resulted in passengers being unable to communicate with them by phone or email. They were worried that they would not be able to use their card and therefore be out of pocket. Having received 141 complaints it was apparent that there were problems. Transport Focus wrote to RDG highlighting passengers' experiences.

Transport Focus win: RDG responded to passengers' concerns on railcard registrations by investigating the cause of the problem, ensuring resources were allocated to resolve the issue and also that no one was out of pocket.

Penalty fares

We have long taken an interest in how passengers are treated by train companies over penalty fares and the level of discretion being shown by some operators. Following our campaign some years ago, welcome improvements were made to the appeal process making the system fairer, including a new independent review stage.

Since 2018, when new regulations came into force, Transport Focus continued to receive some appeals from passengers which were then overturned. With London TravelWatch we have investigated and recommended improvements to ensure greater fairness.

2.3 Making a difference for bus, coach and tram passengers

The bus industry in England received a very welcome boost with the Government's £220m fund to improve existing services, restore lost services and make buses cleaner and greener as part of a long-term strategy. It is vital that such spending provides services that encourage people to use the bus more. Transport Focus's third set of research on what bus passengers want to see improved most gives some guidance. Value for money is particularly important, especially for younger passengers. But getting the basics right, such as being on time and going where people want to go, are also high on the priority list.

We continued to develop our bus role in different parts of Britain. In Wales, using our research as a basis, we have pressed the Welsh Government to put the passenger at the heart of its plans and legislation for reforming the planning and delivery of local bus services.

Transport Focus win: Our lobbying of the Senedd's Government's Economy, Infrastructure and Skills Committee resulted in Transport for Wales establishing a stakeholder engagement structure. This will give passengers a stronger say.

In Scotland, legislation reformed the relationship between authorities and bus operators, giving authorities powers to improve services. Informed by our research, we pressed for the passenger to be at the heart of these reforms highlighting what they need from a good bus service.

We continued to play our role in bus alliances between the industry and local authorities in England. This included the Mayor of Greater Manchester's and Bristol's Transport Boards, and bus alliances in West Midlands, Liverpool City Region and West Yorkshire. We contributed to bus plans in Mayoral Cambridgeshire and Peterborough and provided evidence to the South Yorkshire Bus Reform Panel chaired by local MP Clive Betts and commissioned by the Mayor of South Yorkshire, Dan Jarvis MP. We now chair the West Yorkshire Bus Alliance and continue to chair the Alliance in the West Midlands. We therefore play a part in embedding the user voice in service provision.

Transport Focus win: Our research contributed to the West Midlands customer charter to embed a passenger-focused approach within different parts of the alliance – practically and culturally.

Transport Focus win: The West Yorkshire Bus Alliance, wanting to integrate the passenger perspective, has adopted the Bus Passenger Survey (BPS) as a key success measure.

Transport Focus win: Bristol and West have been using the BPS to track the passenger response when implementing new services.

This year we published our tenth annual BPS – the largest published survey of bus passengers in the world. The Autumn 2019 survey captured the views of 44,000 passengers in England who rated their services. They gave an overall satisfaction rating of 89 per cent for their last journey which shows the value they place on the service. Other factors such as value for money and punctuality need to be considered by the authorities and operators.

Transport Focus presents the results to authorities and operators and discusses how improvements can be made such as ticketing deals and bus priority measures. Some companies, such as Blackpool Transport, analyse the results in depth to fully understand how to make improvements to the passenger experience.

Transport Focus win: Reading Buses disseminate BPS results among staff, reflecting driver-related scores. The drivers' welcome greeting and helpfulness contributed to an increase in those scores in Autumn 2019 compared to 2018. Personal security increased by five per centage points.

Transport Focus win: Passengers on Brighton and Hove buses benefited from a fares freeze as a result of low value for money scores in the 2018 BPS.

This year we took a new approach to our bus work focusing on a few pertinent issues and boosting our visibility as the watchdog. Encouraging bus use is important, especially if we want to promote public transport as a way of tackling climate change. We wanted to understand barriers to bus use, identify interventions to break down these barriers by concentrating on passenger priorities and also share learnings and best practice more widely. Working with the operators and West Midlands Bus Alliance, we devised the '*Give Bus a Go*' campaign in the region.

Give Bus a Go This campaign, focused on the West Midlands, aimed to understand passengers' barriers to using bus. We identified 10 volunteers aged between 15 and 78 who did not normally use the bus. These 'Busketeers' were asked to make observations about their bus journeys across the region. The campaign was launched at the Wolverhampton bus station along with the city region's Mayor, Andy Street, Transport for West Midlands and with the support of the bus companies National Express and Diamond. With local media coverage, the campaign boosted the profile of bus and highlighted what could be done to increase bus patronage.

The campaign was timely given that the DfT was about to publish its Bus Strategy. The work is continuing to identify barriers to bus use across the region and what value for money means for different groups of passengers.

Transport Focus win: After 'giving bus a go', most of the participants in the (albeit) small sample, said they would continue to use the bus. The DfT referred to it in their Bus Strategy, recognising that this was a cost-effective initiative that could play a wider role in increasing bus patronage.

16-18-year olds are the biggest users of bus – but don't feel services are designed for them and are the least satisfied group of passengers. Our work looking at young people's use of bus has continued by gathering case studies from operators and authorities to show how young people can be encouraged to use bus and keep using it into adulthood. The case studies were with the support of the DfT.

We also held a workshop in Glasgow with bus operators, transport partnerships and others which facilitated this process. In Wales we held a stakeholder event to showcase our young people's work and presented it to a cross party group to Assembly Members.

Transport Focus win: Our work with young people has prompted many bus operators to focus on improving the experience for that group of passengers, so their satisfaction rate rose three percentage points to 80 per cent in 2019.

Tram Passenger Survey

5,000 tram passengers in Blackpool, Manchester, West Midlands and Sheffield were asked about their satisfaction with aspects of their journey in 2018. Nine out of ten passengers were satisfied with their journeys. While satisfaction with punctuality, value for money, time waiting for the tram remained the same as those 2017, other ratings improved. Across the four networks, tram passengers reported an increase in satisfaction with the smoothness of their journey.

Transport Focus win: Following a focus on making improvements, passengers noted increased satisfaction with staff on the Manchester Metrolink which rose from 82 per cent in 2017 to 89 per cent in 2018.

2.4 Making a difference for users of Highways England's roads

Measuring road user satisfaction

Transport Focus's Strategic Roads User Survey (SRUS) has been running since 2018. It measures users' satisfaction with such factors as road surface quality, management of roadworks and information provision on England's motorways and major 'A' roads. It provides data on a regional basis which is published through the Transport Focus data hub each month. It showed that drivers using the A19 in North Yorkshire and Teeside were the most satisfied at 95 per cent. Drivers rated the M11 as the best motorway.

Through the second Road Investment Strategy, the Government has specified SRUS as the customer satisfaction measure for Highways England for 2020-25. It enables anyone, including stakeholders, to use it. Highways England use the data to assist their decision making at a local level.

Transport Focus wins: Highways England's South West region use the SRUS data to trace user satisfaction before and after roadworks. As a result, they are erecting 'real time' variable message signs near to roadworks.

Cyclists, pedestrians and equestrians experience motorways and major 'A' roads when they cross them. We conducted a second survey of this group of users. Understandably, safety is a key concern. Improved lighting and lower speed limits were identified as two measures which could help improve safety for these users.

Transport Focus win: Highways England is exploring how to engage with cyclists, pedestrians and equestrians to determine their information needs.

Information for road users

Appropriate information is a key element in road users' satisfaction with their journey which is a focus of a number of Transport Focus projects. One survey of 2000 road users looked at the position of junction signs as a proportion of accidents occur at junctions. It found that one in five drivers admitted that an obscured junction number caused them to drive poorly. Junction numbers are one of the major ways that road users navigate their route. Eliminating obstructions to signs became the subject of a major campaign launched in February.

‘Sort my sign’ – this campaign encourages road users to report things to Highways England that need to be fixed about the signs on their roads. Its objective is to drive up satisfaction with signage and lead to smoother, safer journeys. When it comes to road signs, if it’s not clear, it’s not safe. *Sort my sign* also involves Transport Focus pressing Highways England to make changes where policy and process falls short of meeting road users’ needs.

As with other areas of transport, road users can get frustrated by the lack of information about delays to their journey, whether planned or unplanned.

Our own Transport User Panel members highlighted their dissatisfaction with the amount of information they receive through different means, ideally via signage, online channels and social media rather than the local newspapers. So we have worked with Highways England to secure improvements, including as part of the substantial roadworks on the M5’s Oldbury Viaduct.

Transport Focus win: Highways England improved their liaison with the freight industry about the Oldbury viaduct works. In addition to using faster-setting concrete, Highways England used social media and new roadside information boards to improve their communications with drivers on the M5.

Highways England is converting the M4 between Heathrow airport and Reading into a smart motorway, with roadworks over a significant length at any one time. We applied the approach we use to planned rail engineering work by measuring drivers’ awareness of the roadworks and their attitude towards them. Drivers were frustrated by the distance they had to drive at 50mph and the lack of a hard shoulder.

Transport Focus win: Responding to road users’ frustration, Highways England have now improved their engagement with key users in the area such as those travelling to Heathrow Airport and Legoland.

Transport Focus win: Highways England have used electronic billboards on the M4 at every junction to give more information about the increased journey time drivers will face.

Motorway services user survey (MSUS)

We published our third annual satisfaction survey of motorway service stations in England. The survey measures nearly 12,000 users’ satisfaction with a range of factors including value for money, toilets, quality of food and also users’ mood after their stop. As a result, we have seen operators invest in improvements at lower performing sites, so boosting their results in the following year. This demonstrates

the value of the survey in driving change. Service stations become more attractive places for drivers to stop and rest.

Transport Focus wins: Thurrock services improved its overall user satisfaction rate by 25 percentage points from 68 to 93 per cent. Toddington South services improved its overall satisfaction rate by 17 percentage points from 72 to 89 per cent.

Transport Focus win: Overall there has been a 30 percentage point increase in people's feeling of happiness and relaxation since the previous year.

Transport Focus win: One service provider, Roadchef, decided to use MSUS data to inform their decisions about where to target investment and have a designated fund for the purpose. A number of operators are targeting toilet facilities, for example, where scores were low.

During the early period of coronavirus restrictions, we suggested to Highways England that they ensure road users have good information about which motorway services stations were open or closed and, if open, which services were available. This would help drivers making journeys who were unsure about what was open.

Transport Focus win: Highways England created a dedicated page on their website providing information so road users could see what services were available where.

All-lane running smart motorways

Public concerns about the safety of all-lane running smart motorways became a high-profile issue prompting a Government review. Statistics may show that all-lane running is as safe as a conventional motorway, but to road users not having a hard shoulder if they were to break down is concerning. Transport Focus urged Highways England to keep communicating what drivers should do if they break down and why obeying the red 'X' matters. We emphasised the need to set an early date to install automatic stopped vehicle detection on every all-lane running section.

Transport Focus win: The Government review concluded that stopped vehicle detection should be installed on all-lane running smart motorways to further improve safety.

Accessibility

Following our 2018 report *An accessible road network?*, Transport Focus sits on Highways England's newly established Roads for All Forum which continues to take forward the report's recommendations proactively. The report highlighted that disabled users did not know what to do if they broke down or were in a traffic jam for a long time.

Transport Focus win: Highways England has produced a leaflet and video explaining what disabled road users should do if they break down or find themselves in a traffic jam for a long time. These have been circulated to relevant charities for distribution to their members

2.5 Developing our insight and evidence

This year, once again, we captured the views of more than 150,000 users through our tracker and one-off surveys. Our principle is to be Digital by Default, which brings advantages of speed, accuracy, cost and being the channel which many transport users find most convenient. However, where relevant and necessary, we adapt our methods to get the best results.

We continue to explore and develop different methods of measuring transport users' experiences. We want them to be fast, frequent and as cost efficient as possible, while maintaining quality and making best use of developing technology to get more value. We have been working with Artificial Intelligence and behavioural change experts to maximise the value and efficiency of our insight work.

We have been gathering the views of rail passengers through the NRPS for more than 20 years. Nearly half now complete the survey online, but some still find a paper version on the spot more convenient. Providing a choice of completion methods ensures we are inclusive.

NRPS is currently an Official Statistic. It was assessed by the Office for Statistics Regulation (OSR) in 2019 and their report was published in January 2020 with a view to being classified as a National Statistic. The report has 14 requirements and we published our action plan to achieve these. We will continue to work with the OSR to ensure NRPS receives the higher classification.

The NRPS has been adapted to an online survey for measuring satisfaction for passengers on the Caledonian Sleeper. We have worked with the company to adapt the NRPS into a Guest Satisfaction Survey (GSS) that measures passenger satisfaction with the unique and hospitality nature of the service it provides. The GSS measures all the passenger touchpoints throughout the journey experience and has set targets to be met as part of the Sleeper franchise contract.

SRUS provides continuous feedback on what road users think of the Strategic Road Network, using bespoke mapping software which enables Highways England to pinpoint road user pain points.

We have also expanded the information on our data hub, which enables anyone – road users, passengers, transport providers and decision makers – to access data from our large-scale surveys. The data from NRPS going back 20 years is now on the hub. The data hub is widely used, attracting widespread positive feedback. We continue to improve its functionality in line with users' suggestions.

The Transport User Panel, which draws on 15,500 transport users, continues to provide useful and rapid feedback from users about particular issues of the day. The Panel has been used to ask for passenger views on information during disruption, personal security on rail and claiming compensation among other subjects.

2.6 Ensuring the transport user's voice is heard

Much of our influence is achieved through reputation and our relationships, and exposure in the media – conventional and social – and communication with numerous stakeholders, including through the monthly newsletter, *Transport User Voice*.

Transport Focus maintains a 24-hour, 365-day press office. Through its press and media work Transport Focus achieved 2688 items of media coverage across diverse national and regional broadcast outlets (including BBC, ITV and Sky), national or regional newspapers, trade outlets, and online channels (such as Money Saving Expert). Around half of this was broadcast media. This is a decrease from 2018-19 when we had 3430 items.

The monthly newsletter *Transport User Voice* has 8674 subscribers of whom around half (4702) are active readers. While the overall number of subscribers has fallen slightly, the proportion of active readers remains the same.

The website had around 310,000 visits from just over 230,000 individuals, down on the previous year (343,000 visits from 245,000 individuals). A planned website update is aimed at improving readership and time spent on the site.

The 'following' on @TransportFocus twitter handle rose from 13,000 to 15,200 who generated a total of more than 4.8 million impressions. The launch of our *Make Delay Pay* campaign in July alone generated over 2 million impressions.

Campaigns

2019-20 was Transport Focus's first year of running consumer-facing campaigns. *Make Delay Pay* campaign (see page 9) ran in July and August and achieved:

- 150 pieces of broadcast, print and online coverage
- the cinema ad reached 9m people in the young family demographic
- the billboards were seen by 13.5m people across Britain all at busy commuter stations
- the social media activity reached 373000 people with 190,000 viewers of our content, 460 retweets, 200 likes and 216 new followers
- paid-for social media reached 1.8 million with an engagement rate of 1.88 per cent (average engagement rate for a top 25 brand is around 0.7 per cent)
- 78 per cent of visitors to our website were brand new, having never been to our website before and 62 per cent came from searching "Make Delay Pay"
- for the first time since we began recording this data the average age of a website visitor dropped below 35

- 18,000 people acted on the 'call to action' through our website.

Sort My Sign campaign (see page 16) was launched in February and achieved:

- around 150 reports received in the first month
- nearly 1400 plays of interactive test
- 7500 impressions on social
- wide social media support from stakeholders including the RAC, IAM Roadsmart, and Disabled Motoring UK plus motoring-related celebrities including Top Gear's Vicki Butler-Henderson and James May
- 90 media mentions including BBC Breakfast, extensive BBC local radio, Daily Telegraph and Daily Mail.

Give Bus A Go (see page 16) in August in the West Midlands and generated a significant amount of media coverage with crews from local BBC and ITV channels and print journalists in attendance. It achieved:

- Print and online coverage in the Express and Star, Birmingham Live and RouteOne and Broadcast coverage including BBC 1 West Midlands TV, BBC radio, ITV 1 Central West, Birmingham TV and Free Radio Birmingham.
- Social content gained 17K impressions on launch day, 50K over the course of September, and 2000 video views of launch material

2.7 A modern workplace for great people

Transport Focus relies on its talented and skilled people to secure change for transport users. As a small organisation, staff have the opportunity to experience a wide range of work activities to help develop their skills and capabilities. These opportunities, coupled with flexible working arrangements, ensure the organisation retains high quality talent.

The staff survey in 2020 showed that 98 per cent of staff were satisfied with working at Transport Focus (compared with 89 per cent in 2018-19). 69 per cent of these were very satisfied (compared to 30 per cent in 2018-19).

This year staff members of our internal Staff Forum promoted a programme of staff workshops across a range of broad consumer policy and personal development themes. This programme has continued on a virtual basis since the coronavirus lockdown and has been well received by staff.

The organisation's cloud-based IT systems enabled staff to securely access all our systems and work from home with minimal business interruption when the coronavirus lockdown began in March.

2.8 Deepening our geographical reach

Transport Focus is keen to adapt its operation in response to external and devolutionary realities so it is more responsive to transport users' needs. During the year, the organisation deepened its link with different parts of Britain and England.

Scotland and Wales Transport Focus has created a subsidiary company for Scotland to enable us to deepen our relationship with stakeholders there. To give focus and energy to representing Welsh transport users, we have established Transport Focus Wales Limited with an office in Cardiff. With support from Transport for Wales Rail Services and Network Rail, we now employ a stakeholder manager who acts as a 'critical friend' to ensure the passenger voice is heard and measures acted upon.

These developments enable us to serve the transport user in those countries more effectively so we can improve their transport experiences. The Scottish and Welsh Governments will each continue to appoint Board members to Transport Focus.

English regions During the year we have developed and deepened our working partnership with our sister organisation, London TravelWatch. A Collaboration Agreement has been concluded and the chief executive of Transport Focus has become the chief executive of London TravelWatch.

This collaboration enables the two organisations to share their skills, knowledge and experience and jointly work on campaigns. Transport users can benefit from a single portal for rail complaints, for example. The two organisations can work together for the clear benefit of transport users while maintaining their different accountabilities to the DfT and London Assembly. The Chair of London TravelWatch continues to be a Board member of Transport Focus.

We continue to deepen our stakeholder work in English regions. We have more stakeholder managers in different parts of England to boost our presence and work with transport providers. This has been particularly helpful with our *Give Bus a Go* campaign. Our work in different regions and countries has enabled us to transfer useful ideas from one area to another. For example, Transport Scotland took a fact-finding trip to the West Midlands to learn about the region's Bus Alliance.

In addition to the various bus alliances, we sit on a number of route supervisory boards where train companies and Network Rail work together, providing the passenger input. As part of the Welsh Route Supervisory Board, for example, we helped Transport for Wales with its stakeholder engagement strategy.

Other Transport Focus wins

Rail: Incorrect information was being displayed about bank holiday services at Wakefield Westgate. On discovering this, Transport Focus approached Network Rail who corrected the information.	Rail station: At Manchester Piccadilly we helped set up a disabled passengers' working group. Now this group of users have their voice heard in the running of the station.	Bus: Diamond Buses in Worcestershire had poor BPS results. The County Council used the data to demonstrate that improvements were needed.
Rail: Flooding on the Conwy Valley line left services out of action for some time. We encouraged Network Rail to welcome passengers back. They held a steam event attracting large crowds at every stop, to demonstrate it was open.	Roads: In the Highways England's Eastern Region, information on road work accuracy and details of how a scheme is developed will be communicated by their website, Facebook page and signage.	Rail: The train company running the Newport to Hereford service was disrupted after floods. We helped redraft the messages so they were more easily understood by passengers.
Roads: Highways England will regularly review early warning signs of roadwork changes so users are not overloaded with outdated information.	Rail: We established a Customer Experience Forum for South Western Railway along with a new 'meet the manager' event so passengers could have their say.	Rail stations: We identified problems with ticket advice and poor signage in 24 stations in the West Midlands for passengers with disabilities. These have now been rectified.
Rail stations: Passengers now have a new sign at Wymondham station following our representations to Greater Anglia.	Rail stations: New improved electronic information screens at Ely station have been installed as a result of our intervention.	Trains: Damage to trains in Wales from wheels slipping on the rails reduced the number of trains available. After a strong challenge from us, measures were introduced to mitigate the effect in preparation for winter weather in 2019.
Rail stations: Passengers at Manchester Piccadilly told us that platforms 13 and 14 were often exposed to bad weather. As a result, Network Rail has installed glass windbreaks.	Rail: Passengers wanting to use Overpool Station, closed due to platform improvement, benefited from Transport Focus changing the information to be clear and in Plain English.	Roads: Highways England has used Transport Focus's user research to develop an action plan for improving signs to roadside facilities on A roads.

Section 3

Management commentary

3.1 Performance Report

Overview

The annual report and accounts cover the year to 31 March 2020. Our achievements this year for transport users, including road users, train, bus, coach and tram passengers are set out in Section 2: Making a difference.

The overview section provides a short summary of the purpose of Transport Focus, our key risks to the achievement of our objectives and how we have performed over the year.

Statement of purpose

Transport Focus¹ is an executive non-departmental public body set up to protect the interests of Britain's rail passengers; England's bus and tram passengers outside London; coach passengers in England on scheduled domestic services; and users of England's motorways and major 'A' roads. We are sponsored by the Department for Transport (DfT) but our operations and policymaking are independent of government.

Business model and organisational structure

Transport Focus is funded mainly by grant in aid from the DfT and a total of £5,728,000 was received in 2019-20 (2018-19: £6,145,000). Further funding is generated through working with other key organisations in the transport industry and is used to provide additional consumer representation and transport user insight. In 2019-20 the group generated £2,238,000 of additional funding (2018-19: £2,161,000).

Transport Focus has two subsidiaries; Transport Focus Wales Limited which is a company registered in Wales (company number 11439946) and Transport Focus Scotland Limited which is a company registered in Scotland (company number SC643794). Both subsidiaries are limited by guarantee having no share capital and Transport Focus is the sole member of each company so will contribute a maximum £1 in the case of either company being wound up. The two subsidiaries were set up to allow the Transport Focus group to broaden its work on behalf of transport users in Wales and Scotland through activities funded by third parties.

Transport Focus Scotland Limited is a dormant company but Transport Focus Wales Limited began trading on 1 October 2019 and its results have been included in the consolidated accounts for the group.

Transport Focus has provided a guarantee under section 479C of the Companies Act to Transport Focus Wales Limited in respect of the financial year ended 31

¹ Transport Focus is the operating name of the Passengers' Council, established as a body corporate and non-departmental public body by the Railways Act 2005, as amended.

March 2020. The guarantee has been provided because this allows the subsidiary to be exempt from audit for the year ended 31 March 2020 thereby saving the annual audit fee. The saving increases the funds available for work on behalf of transport users.

Objectives

Our key objectives for the year were:

- Make a difference for rail, bus, coach, tram and road users
- Develop our insight and evidence
- Ensure the voice of the transport user is heard

Our progress against these, including our achievements this year, are reported in Section 2.

Business Strategy - Future years

Our three-year plan for 2018-2021 set out our goals and how we will achieve them

- Making a difference for today's transport user
- Making a difference for tomorrow's transport user
- Making Transport Focus an insight and evidence hub
- Creating a modern workplace for great people

Our plan for the next three-year period (2021-2024) is being developed in the 2020-21 business year and will be aligned with the outcomes of the Comprehensive Spending Review.

Our work plan for 2020-21 sets out three campaigns which will deliver broader improvement for transport users:

- Boosting rail reliability – making it easier to claim Delay Repay compensation – claims are currently at just 35 per cent of those eligible. This is helping focus attention on the key driver of passenger satisfaction – a reliable railway. Increasing levels of delay claims will in turn put additional financial pressure on the railway to run trains on time.
- Improve bus services. As passenger numbers rise Transport Focus is already demonstrating what a difference it can make on behalf of passengers in the West Midlands. We will use this work to show what can be done more widely by other operators and local authorities.
- Improve roadside information. Road users need signs to help them make decisions during a journey, whether about which way to go or because of an approaching hazard. When something goes wrong, road users need good information on electronic message signs.

In response to the Covid-19 pandemic we have concentrated our activities on ensuring transport users continue to have an effective voice in respect of the services they need to use during the outbreak, focussing on

- the quality of information provided by transport providers and governments.
- the adequacy of service provision for transport users.
- the clarity and adequacy of refund arrangements

Beyond these campaigns, the majority of our core work will continue to deliver improvements for users under the following themes:

- On time! – focussing attention on the smooth running of transport networks, including during planned and unplanned disruption.
- Get it right! – when things go wrong, make sure they are put right quickly with a particular regard for the interests of disabled users.
- Boost the user voice – making sure users are heard in debates about the planning and operation of transport services.

For the year 2020-21 the organisation has agreed funding of £5,400,000 to cover work representing the interests of rail, bus, coach, and tram passengers and a further £1,720,000 to represent users of the Strategic Road Network (SRN). Following the spending review in 2015 grant in aid funding has been agreed with the DfT until 2020-21. A full departmental spending review is expected to be completed in 2020 which will determine future years funding.

Performance analysis

Finance

In 2019-20 the organisation received from the DfT grant in aid of £3,358,000 for rail passenger representation (2018-19: £3,467,000). Additionally, £770,000 (2018-19: £763,000) was received for work on the National Rail Passenger Survey (NRPS), and £180,000 (2018-19: £180,000) for work on the Bus Passenger Survey (BPS). Further grant in aid of £1,420,000 (2018-19: £1,735,000) was received from the DfT for representing users of the SRN. This year the Transport Focus group has secured funding totalling £2,238,000 (2018-19: £2,161,000) from third parties for joint and fully funded projects which included £438,000 (2018-19: £576,000) from the DfT.

The group incurred net costs before tax of £5,592,000 in the year to 31 March 2020. Some 39 per cent (2018-19: 38 per cent) of our spending has been invested in insight work on passenger and road user issues which ensures we are able to provide objective evidence to support our campaigns for improvements.

Total taxpayers' equity² for the group showed a balance of £387,000 (2018-19: £254,000) at the end of the year and the total grant in aid drawn down during the year was £5,728,000 (2018-19: £6,145,000).

Resources

The key strength of the organisation is the influence it is able to exert through the knowledge and expertise gained from targeted transport user insight, and by working closely with key stakeholders in the roads, rail, bus and tram industry to make a difference for transport users. Our investment in transport user research over the year totalled £3,005,000, including the NRPS and BPS. The main insight projects this year have been highlighted in the Review of Activities, and the full details of our insight can be found on our website.

² Taxpayers' equity can be defined as the total value of taxpayers' funds in reserves and represents the net value of the assets and liabilities which have been funded by government.

Performance, risks and uncertainties

Transport Focus measures its performance through a workplan report. The report identifies the critical success measures for each objective, progress to date, upcoming work and potential barriers to success. The report is reviewed monthly by the executive Management Team and quarterly by the Board.

The work of Transport Focus relies heavily on its credibility and the primary risk is that the reputation of the organisation is not maintained, which would reduce its ability to influence key stakeholders to secure improvements for transport users. To mitigate this risk, the organisation has established an enterprise risk model which, amongst other things, is used to identify whether a project or piece of work will jeopardise the reputation of Transport Focus.

Essential contractual arrangements

The primary contractual arrangements for the organisation are for transport user insight, including the NRPS and BPS, our outsourced design and print services provider.

The contracts for the NRPS and BPS have been awarded following a competitive tendering exercise and are managed through regular reports on performance against service levels.

Payment of suppliers

Transport Focus endeavours to comply with the Better Payment Practice Code and seeks to pay invoices within 30 days of receipt and during the year paid 98.7 per cent (2018-19: 98.5 per cent) of invoices within 30 days, and 82.9 per cent (2018-19: 83.5 per cent) within 10 working days. The average time taken to pay a supplier during the year was five days (2018-19: five days).

Health and safety

It is a legal requirement to provide a safe and healthy environment for our staff and visitors. Our office hubs in London and Manchester provide a modern working environment for staff.

Social and environmental issues

We occupy shared office space in buildings which makes it difficult to determine the actual consumption of utilities. However, the buildings do have stringent environmental credentials. Our office accommodation in Manchester utilises recycled rainwater, energy efficient heat pumps, motion sensitive lighting as well as extensive recycling of office waste. During the year an estimated 28,000 kWh of electricity has been consumed in our offices.

All redundant electrical items are disposed of in line with Waste Electrical and Electronic Equipment regulations.

In order to minimise the impact on the environment, Transport Focus staff and Board Members use public transport wherever possible when undertaking official business. During the year an estimated 89,000 miles of business travel was covered on trains generating 5,955 CO₂ (kg) of emissions. We have continued to make better use of

electronic communication and conferencing facilities and utilise these methods wherever possible.

We regard our human rights responsibilities very highly and are in the process of ensuring all our suppliers work to the same standard.

Covid-19

The impact of Covid-19 on Transport Focus in 2019-20 has been to curtail some of our face to face, transport user evidence gathering in March 2020. However the majority of our work had been completed before the lockdown began, and remaining work was completed through online interviews with transport users, so we have been able to complete substantially all our programme of work and publish the results for the year ended 31 March 2020. The Covid-19 lockdown has meant that we have closed our offices and staff have been working from home. The business disruption from closing the offices has been minimised because our ICT systems are cloud based and designed to support flexible working.

Since the year end we have focussed our work on the immediate impact of the Covid-19 lockdown on transport users and their priorities for using transport services in future as restrictions are lifted. In addition, we have been taking steps to make our offices Covid-19 secure in preparation for when we decide it is safe to reopen them.

Charitable and political donations

Transport Focus did not make any charitable or political donations during the year.

Corporate governance

Transport Focus has a Board of non-executive members who are appointed by the Secretary of State for Transport (Chair and five members), the Welsh Government (one member), Scottish Ministers (one member) in line with the Governance code on Public Appointments of March 2016 issued by the Cabinet Office and the London Assembly (one member). Their biographies can be found on the Transport Focus website. The Board is responsible for setting the strategic direction and main policies of the organisation and providing corporate governance and oversight of the finances and operations. The membership of the Board and its committees are listed in the Directors' Report.

Bribery and corruption

There were no incidents relating to bribery or corruption during the year. All staff are made aware of the Transport Focus fraud and whistleblowing policies and key staff attend refresher bribery and corruption training periodically.

Data handling

The Cabinet Office published a review of information security in government which set out a wide range of actions required to improve data security. As a non-departmental public body we are required to comply with the strict guidelines on the handling of sensitive personal data.

Equalities Scheme

In order to comply with the Public Sector Equality Duty, we have produced an Equality Scheme, with an Action Plan linked to the work plan which is available on our website. The Equality Scheme and Action Plans will be updated during 2020-21.

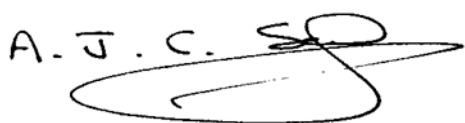
In addition to capturing diversity information from our surveys we have implemented a system to capture diversity information from passengers who contact us, so we can ensure we try to represent the communities we serve. The analysis of the diversity of passengers who contact us showed a similar profile to that from the NRPS, but we will continue to monitor the diversity of passengers who contact us so we can ensure our services remain relevant to passengers.

We continue to co-ordinate an Accessibility Forum which brings together industry representatives and national organisations representing disabled people. More information about this can be found on our website.

Accounts and Audit

Under paragraph 8(2) schedule 5 of the Railways Act 2005, the Secretary of State for Transport with the approval of the Treasury, has directed Transport Focus to prepare a statement of account for each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of Transport Focus's state of affairs at the year-end and of its income and expenditure and total recognised gains and losses and cash flows for the financial period. The accounts are audited by the National Audit Office on behalf of the Comptroller and Auditor General. In preparing the accounts, Transport Focus is required to comply with the requirements of the Government Financial Reporting Manual.

Transport Focus accounts form part of the DfT group accounts which are available at www.dft.gov.uk.

A handwritten signature in black ink, appearing to read 'A. J. C. Smith', with a large, stylized flourish underneath.

Anthony Smith

Chief Executive and Accounting Officer
6 November 2020

3.2 Accountability Report

Directors' Report

During the year there have been nine non-executive directors who are detailed below. In addition, there were three executive directors, Anthony Smith (Chief Executive), Nigel Holden (Corporate Services Director) and David Sidebottom (Transport Director). Further details are available in the Remuneration and Staff Report.

Non-executive directors are appointed by the Secretary of State for Transport (Chair and five members), the Welsh Government (one member), Scottish Ministers (one member) in line with the Governance Code on Public Appointments of March 2016 issued by the Cabinet Office and the London Assembly (one member). Board Members provide a valuable contribution to the ongoing work of Transport Focus including short term input to one-off operational projects to longer term relationships and external-facing support for major projects such as franchising and fares and ticketing. Board Members in post during the year are listed below:

	Date of original appointment	Date current or most recent appointment ends	Audit, Risk Assurance and Remuneration Committee	Statistics Governance Group	Passenger Contact Group
J Halliwell (Chair)	9 February 2015	8 August 2021			
I Liu	1 March 2013	31 December 2020	Chair		
A Leathley ¹	1 October 2017	30 September 2021	√		√
W Powell ²	1 May 2017	30 April 2021			Chair
P Mendelsohn ³	1 September 2012	31 August 2020		√	
T De Pencier	1 May 2015	30 April 2023		Chair	
K Richards	14 August 2018	13 August 2022			√
K Denham	14 August 2018	13 August 2022	√		
R Wilson	14 August 2018	13 August 2022		√	

¹ Appointed by the London Assembly

² Appointed by the Welsh Government

³ Appointed by Scottish Ministers

The Board has corporate responsibility for ensuring that Transport Focus fulfils the aims and objectives agreed with the Secretary of State for Transport and for promoting the efficient and effective use of staff and other resources by Transport Focus.

The Board has three committees. Their primary purposes are:

- The Audit, Risk Assurance and Remuneration Committee supports Transport Focus on all matters relating to corporate governance, risk and financial management (including the Governance Statement), remuneration and to oversee the process of internal and external audit. This entails providing

advice, guidance and support to the Chief Executive in discharging the role of Accounting Officer.

- The Statistics Governance Group ensures the ongoing integrity of statistical insight and compliance with the UK Statistics Authority's Code of Practice for official statistics.
- The Passenger Contact Group oversees the effectiveness of the Transport Focus passenger contact function with particular emphasis on the oversight of the developing Rail Passenger Ombudsman Scheme.

No director, executive or non-executive, holds any significant interests which may conflict with their management responsibilities. A register of interests is available on our [website](#).

These statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General at a cost of £27,000 and no remuneration has been paid for any non-audit services.

Transport Focus participates in the Civil Service Pension arrangements which are described in the Remuneration and Staff Report. Note 1.8 of the accounts explains how pension liabilities and costs are accounted for.

Over the year we have maintained policies and procedures to ensure that we have appropriate measures in place for handling any sensitive personal data. These include monthly assurances from information asset owners and quarterly and annual assurances to the DfT. There have been no data-related incidents during the course of the year.

The average number of working days lost due to unplanned absences as a result of sickness was 8.3 days (2018-19: 5.3 days), 3.3 per cent of total staff time (2018-19: 2.1 per cent). The increase was due to two members of staff who had an extended period of unplanned sickness absence during the course of the year in addition to a member of staff who has been on long-term sickness leave.

Losses and Special Payments (audited)

Transport Focus has not incurred any losses or made any special payments that must be reported to Parliament, nor does it have any remote contingent liabilities other than that reported in the notes to the financial statements.

Long Term Expenditure Trends (audited)

The net expenditure before tax incurred by the Transport Focus group over the previous five years is summarised in the table below.

	2015-16	2016-17	2017-18	2018-19	2019-20
Passenger Representation £000	4,962	4,919	4,177	4,384	4,118
Road User Representation £000	1,033	2,147	1,888	1,731	1,474
Total Net Expenditure £000	5,995	7,066	6,065	6,115	5,592

Fees and Charges (audited)

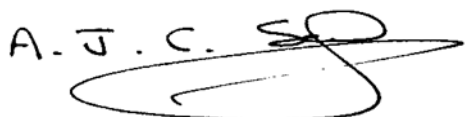
The following information summarises the final report to Transport Focus Management Team for the period to 31 March 2020 and excludes any joint funded activities for the group.

	Full Cost £000	Revenue £000	Operating Surplus/(Deficit) £000
Additional Consumer Representation	378	425	47
Transport User Insight	1,701	1,709	8
Net Income	2,079	2,134	55

Additional consumer representation activities are delivered through assigning staff to liaise with specific service providers. We set fees to recover, at a minimum, the direct costs of these activities plus a margin to recover an appropriate proportion of management costs.

Transport user insight activities are managed market research projects to gather and analyse user evidence. Where fees are charged for transport user insight which would have been part of our workplan we set fees to recover, at a minimum, the direct costs of these activities, the costs for project management plus a margin to recover an appropriate share of overheads and notional cost of capital.

There have been no significant events which have occurred since the reporting period.

Handwritten signature of Anthony Smith, consisting of the initials 'A.J.C.' followed by a stylized, cursive signature.

Anthony Smith

Chief Executive and Accounting Officer

6 November 2020

Statement of Accounting Officer's responsibilities

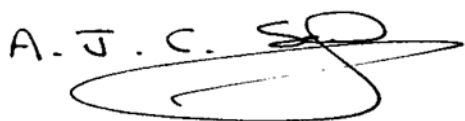
Under paragraph 8(2) schedule 5 of the Railways Act 2005, the Secretary of State for Transport with the approval of the Treasury, has directed Transport Focus to prepare a statement of account for each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of Transport Focus's state of affairs at the year-end and of its income and expenditure and total recognised gains and losses and cash flows for the financial period. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume Transport Focus will continue in operation.

The DfT's Principal Accounting Officer designated the Chief Executive of Transport Focus as Accounting Officer. His relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is responsible, for keeping proper records and safeguarding Transport Focus's assets, are set out in HM Treasury's *Managing Public Money*.

At the time of approving this report, so far as I am aware, there is no relevant audit information of which Transport Focus's auditors are unaware and I have taken all reasonable steps I ought to have to make myself aware of any relevant audit information and to establish that Transport Focus's auditors are aware of that information.

I take personal responsibility for the annual report and accounts and the judgements required for determining that as a whole, it is fair, balanced and understandable.

A handwritten signature in black ink, appearing to read 'A. J. C. Smith', with a large, stylized loop at the end.

Anthony Smith

Chief Executive and Accounting Officer
6 November 2020

Governance statement 2019-20

Scope of responsibility

As Accounting Officer I have responsibility for managing and controlling the resources used in Transport Focus to achieve our aims and objectives as set by the Framework Document agreed with the Department for Transport. In accordance with the responsibilities assigned to me in Managing Public Money, I am personally responsible for safeguarding the public funds and organisational assets. I am responsible to the Director General of the Rail Group, Director General Roads, the Department for Transport's Principal Accounting Officer, and to Parliament for ensuring value for money, regularity and propriety in deploying all the organisation's resources. This governance statement sets out how my governance responsibilities have been achieved.

Governance structure

During the year Transport Focus has had up to nine Board Members at any one time; the Scottish Government, Welsh Government and the London Assembly each appoints one, with other members appointed by the Secretary of State for Transport. The membership of the Board during the year is shown in the Directors report.

The Board's key roles, supported by Transport Focus staff, are to:

- Set the organisation's strategy
- Agree Workplans, budgets and KPIs and oversee performance against these
- Oversee the organisation's operations, including finances, remuneration and risk assessments
- Set the policy framework and agree lines on major policy and issues facing transport matters.

The Audit, Risk Assurance and Remuneration Committee, which consisted of up to three non-executive Board Members during the year, has been established to support the Chief Executive through monitoring and reviewing the adequacy and effectiveness within the organisation of:

- corporate governance arrangements;
- processes for managing risks;
- internal audit and related activity;
- management responses to the recommendations resulting from internal audit work;
- external audit activity;
- matters relating to pay and grading policy and terms of employment; and
- processes and controls to support this governance statement.

System of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of organisational policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised and to manage risks and associated controls effectively, efficiently and economically.

Capacity to handle risk

As Accounting Officer, I have responsibility for reviewing our capacity to handle risk, and to achieve this Transport Focus has developed and has implemented the following:

- A risk management strategy reflecting the purpose and underlying approach to risk management and the role of the staff and senior Management Team, which has been approved by the Board and made available to all staff on the intranet and
- Organisational and team risk registers identify the main strategic, programme and operational risks which are assigned to individual risk owners. The risk registers include mitigating actions to eliminate or reduce risks wherever possible. Risks are reviewed at the monthly Management Team meeting alongside regular reporting to the Audit, Risk Assurance and Remuneration Committee.

Risk management

The risk management framework, in addition to the risk registers, is informed by the following process:

- periodic reviews of the risk registers
- identification of key risks when issues are submitted to the Board for consideration
- inclusion of risk management as a regular item on the Audit, Risk Assurance and Remuneration Committee agenda
- a Management Team which meets regularly to consider the operational plans and contingent risks of the organisation
- ensuring Transport Focus's operations and system of internal control comply with the principal best practice recommendations from the Cabinet Office and HM Treasury.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of governance and the system of internal control. My review of effectiveness is informed by the work of the internal auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the effectiveness of governance and the system of internal control by the Audit, Risk Assurance and Remuneration Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Transport Focus risk management framework takes account of the Code of Good Practice on Corporate Governance in Central Government Departments issued by HM Treasury.

Board

The Board received regular updates on progress throughout the year which are discussed at public meetings. The Board met fourteen times, including three public board meetings, during the period to:

- consider and approve the Transport Focus workplans for the period including the allocation of resources to deliver those plans

- monitor progress against the workplans for the period through regular reports from the Management Team
- consider regular financial reports
- consider and approve policies and procedures to be adopted by Transport Focus and
- consider and approve expenditure in accordance with the procurement policy adopted by Transport Focus.

Attendance records at statutory Board meetings are summarised below and the issues discussed are available in the Board meeting minutes which can be downloaded from our website www.transportfocus.org.uk

Board member	Board meeting		
	July 2019	November 2019	March 2020
J Halliwell (Chair)	√	√	√
I Liu	√	√	√
A Leathley	-	√	√
W Powell	√	√	√
P Mendelsohn	√	√	√
T De Pencier	√	√	√
K Richards	-	-	√
K Denham	√	-	-
R Wilson	-	-	√

A review of Board effectiveness was undertaken during the year to ensure the Board remained relevant, appropriate, and functioning effectively, and that Board papers were of good quality. No specific actions were identified as part of the review process. Details of the Boards remuneration and appointment process are available in the Remuneration and Staff Report and Board appointment process on page 31.

The Audit, Risk Assurance and Remuneration Committee

The Audit, Risk Assurance and Remuneration Committee met five times during the period to consider:

- the financial reports
- the draft annual report and accounts
- the policies and procedures to be implemented by Transport Focus
- the planned activity and results of the external and internal audits
- the adequacy of management response to issues identified by audit on a quarterly basis
- cross-organisation pay awards, changes to terms of employment and performance related pay, and
- the risk management policy and procedures managed by the executive.

In addition, the committee regularly reviews information risk, business planning and project management, and scrutinises conflicts of interest and declarations of gifts and hospitality.

The Chair of the Audit, Risk Assurance and Remuneration Committee provided the Board with regular reports on the committee's activities and any findings concerning internal control.

Board member attendance at Audit, Risk Assurance and Remuneration Committee meetings is summarised below.

Board member	Audit, Risk Assurance and Remuneration Committee meeting				
	April	June	July	October	January
	2019	2019	2019	2019	2020
I Liu	√	√	√	√	√
A Leathley	√	-	√	√	√
K Denham	n/a	√	√	√	√

Other aspects of governance arrangements

The Board also maintains two additional committees to help discharge its governance duties. The Statistics Governance Group oversees Transport Focus's compliance with UKSA's Code of Practice for official statistics and promotes good practice in insight activities. It met four times during 2019-20. The Passenger Contact Group oversees the effectiveness of the passenger contact function. It met three times.

Internal audit

Internal audit reports to the Audit, Risk Assurance and Remuneration Committee and agrees a rolling programme of audit for each forthcoming year according to the Board's priorities. Regular audit reports are made, along with the end-of-year internal audit annual report, as defined by the Public Sector Internal Audit Standards. This includes an independent opinion by the Head of Internal Audit on the adequacy and effectiveness of the organisation's system of internal control.

The Head of Internal Audit gave an overall moderate assurance opinion for the year in his annual report. There were four internal audit assignments completed over the year and there were no significant weaknesses that fall within the scope of issues that should be reported in the Governance Statement.

The audit assignments this year covered: risk management, resource and staff planning, payroll and campaigns. Managers have been assigned responsibility and timescales for implementing the audit recommendations which have either been or are in the process of being completed. Progress against the actions is reported to the Audit, Risk Assurance and Remuneration Committee periodically to ensure the findings are being addressed.

Meetings with Department for Transport

The Chief Executive and Transport Focus's senior managers meet with senior officials from within the Department for Transport at regular intervals. These meetings usually occur on a quarterly basis and issues discussed include

performance against operational plans, financial expenditure and policy development. In addition, Transport Focus's Chair regularly meets with Ministers.

The risk and control framework

The key element of our risk and control framework is the Board's commitment to establishing risk appetite for strategic, programme and operational risks. The Audit, Risk Assurance and Remuneration Committee reports twice yearly to the Board where it summarises risk management activity and provides an in-year opinion. Transport Focus's Head of business services meets with each risk owner at the end of each quarter to review both risks and controls, and subsequently formally discusses these with me.

During the year the board and management team identified the following three key corporate risks:

- The Covid-19 virus has changed the way we work and communicate which may compromise our ability to represent transport users effectively, carry out our statutory responsibilities and / or be unable to communicate efficiently throughout the organisation.
- There is a risk that Transport Focus is not able to make best use of more modern, efficient and effective, diverse and inclusive methods of gathering evidence and use, in particular the use of artificial intelligence to benefit transport users.
- The business plan has too many, and possibly conflicting, priorities are not deliverable because of resourcing constraints, both in terms of staff time and having the correct skills available.

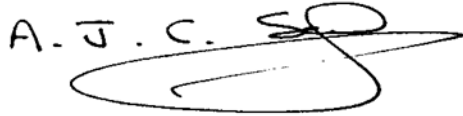
They also identified the following corporate opportunities:

- Covid-19 and transport users, who will think about transport choices differently in the future. Absolute focus on digital/push to web, along with new ways of working – and joined up working with partners, especially London TravelWatch
- Developing more modern, efficient, and effective, diverse and inclusive methods of gathering evidence and use, in particular the use of artificial intelligence
- There remains an opportunity to shape Rail Reform outcomes for passengers - and for Transport Focus itself.

Data handling and information risks

I am aware that the handling of information and data is a risk to the organisation. Detailed guidance to all staff on this subject has been issued, and further training has taken place during 2019-20 for all new staff. Transport Focus's Senior Information Risk Owner (SIRO) implements Cabinet Office guidance, as appropriate, through Information Asset Owners (IAOs) who have been appointed across the organisation and who meet quarterly. As he is required to do, the SIRO has written to me at year end with his opinion on information risk, and has published this opinion via our website. I accept this opinion and note that there were no reportable data handling incidents during the year.

The system of internal control has been in place in Transport Focus for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts, and includes the delegation of budgets and risk ownership to directors and managers. The system of internal control accords with Treasury guidance and continues to be reviewed and developed with further improvements in the pipeline.

A handwritten signature in black ink, appearing to read 'A. J. C. Smith', with a large, stylized loop at the end.

Anthony Smith
Chief Executive and Accounting Officer
6 November 2020

3.3 Remuneration and Staff Report for the year ended 31 March 2020

The Audit, Risk Assurance and Remuneration Committee was made up of up to three non-executive Board Members in the year: Isabel Liu (Chair), Kate Denham and Arthur Leathley. In addition to activities undertaken in relation to audit and risk, the Committee considers:

- the overall pay and grading structure for the employees of Transport Focus
- annual cost of living and performance pay increments
- any proposed changes to the terms of conditions of employment of Transport Focus employees
- any proposed changes to the occupational pension arrangements
- the broad policy for the remuneration of executive level staff
- individual remuneration arrangements for executive level staff, and approval of any proposals for subsequent changes to those arrangements
- the level and structure of remuneration for executive level staff.

Any annual increase in the remuneration of Board Members is agreed between the Chair of the Board and the DfT. Members of the Audit, Risk Assurance and Remuneration Committee have not been involved in decisions relating to their own remuneration. In 2019-20 there was an increase of 1.5 per cent in members' remuneration agreed by the DfT.

The arrangements for changes to the remuneration of executive Management Team members are the same as for other employees of the organisation. There was a 1.5 per cent pay increase for staff during 2019-20.

Our simple annual Bonus Scheme continued to operate in 2019-20 with a total allocation of £21,000 for achievements in the year (2018-19: £21,000) and annual bonuses in relation to 2019-20 were approved and paid in May 2020. The Bonus Scheme will continue to recognise exceptional performance by staff in delivering exceptional value, or high levels of professionalism or personal commitment in delivering high quality work. All staff, including members of the Management Team, are eligible to participate in the Bonus Scheme and any awards to members of the Management Team are approved by the Chair of the Audit, Risk Assurance and Remuneration Committee.

Board Members (audited)

Remuneration paid to the non-executive Board Members for the period to 31 March 2020 is set out below:

Board member	Board fees paid in the period ended		Date of Original Appointment	Date current or most recent appointment ends
	31 March 2020 £000's	31 March 2019 £000's		
J Halliwell (Chair)	37	36	9 February 2015	8 August 2021
I Liu	16	16	1 March 2013	31 December 2020
A Leathley ¹	-	-	1 October 2017	30 September 2021
W Powell	13	13	1 May 2017	30 April 2021
P Mendelsohn	13	13	1 September 2012	31 August 2020
T De Pencier	13	12	1 May 2015	30 April 2023
K Richards	12	8	14 August 2018	13 August 2022
K Denham	12	8	14 August 2018	13 August 2022
R Wilson	12	8	14 August 2018	13 August 2022

¹ Arthur Leathley is appointed by the Greater London Assembly who pay his remuneration.

The remuneration shown in the table excludes Employers National Insurance Contributions payable by Transport Focus in respect of these appointments.

Transport Focus does not make any pension provision for Board Members, and no other taxable benefits were provided for Board Members in the period.

All Board Members have a three-month notice period, and no compensation terms for early termination in their contracts.

Executive Board (audited)

Members of the Executive Management Team are on continuing contracts and their remuneration and pension benefits, in £5,000 bands, are set out below:

	Salary		Bonus		Pension benefits ¹		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
A Smith Chief executive	130-135	130-135	-	-	44	41	175-180	170-175
N Holden Corporate services director	75-80	75-80	-	-	23	19	100-105	90-95
D Sidebottom ² Director	75-80	75-80	-	-	29	(83)	105-110	0

¹ The value of the pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any decreases due to a transfer of pension rights

² The decrease in pension benefits for D Sidebottom in 2018-19 was as a result of changes in pay in earlier years which has resulted in an adjustment in the accrued pension benefits at 31 March 2019.

	Real increase in pension and [related lump sum] at pension age	Accrued pension and [related lump sum] at pension age as at 31 March 2020	Cash Equivalent Transfer Value		Real increase in Cash Equivalent Transfer Value to nearest £000
			At 31 March 2020	At 31 March 2019	
	£000's	£000's	£000's	£000's	£000's
A Smith	2.5-5	45-50	996	903	46
N Holden	0-2.5	15-20	397	353	24
D Sidebottom	0-2.5 [0]	25-30 [75-80]	610	564	17

¹ A Smith and N Holden are members of the premium pension scheme whose members are not eligible for an automatic lump sum payment on retirement.

² D Sidebottom was previously a member of the classic pension scheme whose members are eligible for an automatic lump sum payment on retirement and this is reflected in the above table.

The main provisions of the Civil service pension schemes are set out below.

'Salary' includes gross salary only. No performance pay or bonuses were awarded to the executive team in the financial year 2019-20 and there were no benefits in kind or non-cash benefits made.

All the directors are employed on permanent contracts and are contracted to a six-month notice period throughout their period of employment with Transport Focus.

Review of Fair Pay (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. This is calculated in line with Hutton guidance and is summarised in the table below.

	2019-20	2018-19
Mid-point of Band of Highest Paid Director's Total Remuneration (£)	132,500	132,500
Median Total Remuneration (£)	44,268	45,192
Ratio	3.0	2.9

Actual staff remuneration, excluding the highest paid director, ranged from £23,235 (2018-19: £23,235) to £84,058 (2018-19: £83,066).

Total remuneration includes salary and non-consolidated performance-related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Staff numbers and related costs (audited)

Staff costs for the group comprise:

	2019-20			2018-19
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	2,369	2,185	184	2,641
Social security costs	248	248	-	251
Other pension costs	557	557	-	461
Total net costs	3,174	2,990	184	3,353

There were no consultancy or high paid off-payroll appointments in either 2019-20 or 2018-19. A high paid off payroll appointment is one which lasts for a period greater than six months at rate greater than £245 per day.

The Principal Civil Service Pension Scheme (PCSPS) also known as "alpha", is an unfunded multi-employer defined benefit scheme but Transport Focus is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk).

For 2019-20 employers' contributions of £514,874 (2018-19: £415,616) were payable to the PCSPS at one of four rates in the range 26.6 to 30.3 per cent of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £41,268 (2018-19 : £44,064) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8.0 to 14.75 per cent of pensionable earning. Employers also match employee contributions up to three per cent of pensionable pay. In addition, employer contributions of £1,229, 0.5 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £5,062.

Average number of persons employed (audited)

The average number of whole-time equivalent persons employed during the year was as follows:

	2019-20		2018-19	
	Total	Permanent	Others	Total
	Number	Staff	Number	Number
Directly employed	46	43	3	52
Other	-	-	-	-
Total	46	43	3	52

Permanent staff includes one SCS2 equivalent member of staff and two SCS1 equivalent staff.

Staff

We are committed to equality of opportunity for all our staff, and do not condone discrimination in either application for employment or in continued employment on the grounds of sex, transgender, race and ethnicity, religion and belief, disability, marital status, age, pregnancy and maternity or sexual orientation. Where required appropriate adjustments to the workplace can and have been in put in place to ensure that all staff have an equal opportunity to carry out their duties. These include changes to working patterns and hours, providing appropriate training and alterations to employee workstations.

The table below shows the split between male and female staff and directors of Transport Focus on 31 March 2020.

	Male	Female	Other	Total
Non-Executive Directors	7	2	-	9
Executive Directors	3	-	-	3
Senior Manager	3	3	-	6
Staff	19	20	-	39
Total	32	25	-	57

We are keen to provide our staff with a range of training and development opportunities to ensure they have the knowledge and skills necessary to carry out their responsibilities effectively. During the year we have spent £32,000 to support improved staff performance, including development and communication of the Workplan.

We continued to operate our simple bonus scheme during the year so that we could recognise staff who have demonstrated exceptional performance.

Trade Union

We give staff the option to join a union. As we do not officially recognise a union we do not offer any trade union facility time to staff.

Civil Service compensation scheme - exit package (audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Less than £10,000	-	1	-	-	-	1
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	1	3	-	1	1	4
Total number of exit packages	1	4	-	1	1	5
Total cost (£000)	41	107	-	35	41	142
Of the total:						
Transport Focus	41	107	-	35	41	142
Transport Focus Group	41	107	-	35	41	142

The cost of exit packages includes redundancy payments in accordance with the provisions of the Civil Service Compensation Scheme, which is a statutory scheme made under the Superannuation Act 1972, plus compensation for any period of the contractual notice period which, by agreement, has not been worked.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider - Legal & General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has

benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

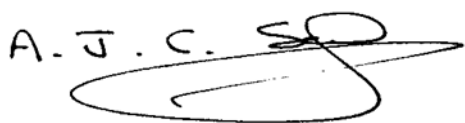
Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A handwritten signature in black ink, appearing to read 'A. J. C. Smith', with a large, stylized flourish underneath.

Anthony Smith

Chief Executive and Accounting Officer

6 November 2020

3.4 Audit Report

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of Transport Focus (operating name of the Passengers' Council) for the year ended 31 March 2020 under the Railways Act 2005. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and Transport Focus' affairs as at 31 March 2020 and of the group's and the parent's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Railways Act 2005 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of Transport Focus in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

Transport Focus' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Transport Focus has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Transport Focus' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Railways Act 2005.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and Transport Focus' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- conclude on the appropriateness of Transport Focus' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Transport Focus or the group's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Transport Focus or the group to cease to continue as a going concern

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Remuneration and Staff Report and the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Accountability Report to be audited have been properly prepared in


accordance with Secretary of State directions made under the Railways Act 2005;

- in the light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.



Gareth Davies

Date 9 November 2020

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

3.5 The accounts

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

		2019-20		2018-19	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	Note	£000	£000	£000	£000
Expenditure					
Staff costs	3	3,122	3,174	3,353	3,353
Depreciation	4	125	125	14	14
Other expenditures	4	4,522	4,531	4,909	4,909
		<u>7,769</u>	<u>7,830</u>	<u>8,276</u>	<u>8,276</u>
Income					
Income from activities	5	(2,164)	(2,238)	(2,161)	(2,161)
Net Expenditure before tax		5,605	5,592	6,115	6,115
Corporation tax payable	6	-	3	-	-
Net Expenditure after tax		5,605	5,595	6,115	6,115

The Accounting Policies and Notes on pages 58 to 67 form part of these financial statements

Statement of Financial Position as at 31 March 2020

		2019-20		2018-19	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
		£000	£000	£000	£000
	Note				
Non-current assets:					
Property, plant and equipment	7	179	179	28	28
Total non-current assets		179	179	28	28
Current Assets					
Trade and other receivables	8	471	478	578	578
Cash and cash equivalents	9	1,991	2,037	2,433	2,433
Total current assets		2,462	2,515	3,011	3,011
Total assets		2,641	2,694	3,039	3,039
Current liabilities					
Trade and other payables	10	2,214	2,257	2,750	2,750
Provisions	11	50	50	35	35
Total current liabilities		2,264	2,307	2,785	2,785
Assets less liabilities		377	387	254	254
Taxpayers' equity					
General reserve		377	387	254	254
Total taxpayers' equity		377	387	254	254

The Accounting Policies and Notes on pages 58 to 67 form part of these financial statements

A. J. C. Smith

Anthony Smith
Chief Executive and Accounting Officer
6 November 2020

Statement of Cash Flows for the year ended 31 March 2020

		2019-20		2018-19	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net expenditure after interest and tax		(5,605)	(5,595)	(6,115)	(6,115)
Decrease in trade and other receivables	8	107	100	186	186
(Decrease)/Increase in trade and other payables	10	(536)	(493)	1,271	1,271
Less movements in payables relating to items not passing through the Statement of Comprehensive net Expenditure	12	(159)	(159)	-	-
Increase in provisions	11	15	15	35	35
Add: Depreciation	4	125	125	14	14
Net cash outflow from operating activities		(6,053)	(6,007)	(4,609)	(4,609)
Cash flows from investing activities					
Purchase of property, plant and equipment	7	(5)	(5)	-	-
Net cash outflow from investing activities		(5)	(5)	(-)	(-)
Cash flows from financing activities					
Grant in Aid		5,728	5,728	6,145	6,145
Payment of lease liabilities	12	(112)	(112)	-	-
Net financing		5,616	5,616	6,145	6,145
Net (decrease)/increase in cash and cash equivalents in the period		(442)	(396)	1,536	1,536
Cash and cash equivalents at the beginning of the period	9	2,433	2,433	897	897
Cash and cash equivalents at the end of the period	9	1,991	2,037	2,433	2,433

The Accounting Policies and Notes on pages 58 to 67 form part of these financial statements

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

	General Reserve £000
Balance as at 1 April 2018	<u>254</u>
Changes in taxpayers' equity for 2018-19	
Retained Deficit	<u>(6,115)</u>
<i>Total recognised income and expense for 2018-19</i>	<u>(6,115)</u>
Grant in Aid received from the DfT	<u>6,145</u>
Balance at 31 March 2019	<u>254</u>
Changes in taxpayers' equity for 2019-20	
Retained Deficit	<u>(5,595)</u>
<i>Total recognised income and expense for 2019 - 20</i>	<u>(5,595)</u>
Grant in Aid received from the DfT	<u>5,728</u>
Balance at 31 March 2020	<u>387</u>
Of the total:	
Transport Focus	377
Transport Focus Group	387

The Accounting Policies and Notes on pages 58 to 67 form part of these financial statements

Notes to the accounts

1. Statement of accounting policies

Transport Focus, previously known as Passenger Focus, is the operating name of the Passengers' Council, previously known as the Rail Passengers' Council. Transport Focus is a Non-Departmental Public Body (NDPB) and is sponsored by the DfT and funded by grant in aid.

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Transport Focus for the purpose of giving a true and fair view has been selected. The particular policies adopted by Transport Focus are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to include the revaluation of non-current assets at their value to the business by reference to their current costs.

1.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecast of future events and actions. Key judgements used in the preparation of Transport Focus's accounts relate to the determination of work completed for the recognition of accrued and deferred income.

1.3 Adoption of new and revised standards

IFRS 16 became effective for the first time in 2019-20 and has been applied in these financial statements.

Transport Focus has applied IFRS16 to contracts previously identified as leases under IAS 17.

Transport Focus have recognised one significant lease. There is currently no formal agreement in place for the rental of the Manchester office, meaning this did not meet the criteria for recognition under IFRS16.

We are required to vacate the London offices no later than the end of September 2021. A right of use asset and associated liability has been recognised for the London lease based upon current operating lease commitments to September 2021.

Accounting policy 1.9 and Note 12 explain the method used to implement IFRS16.

1.4 Income from operating activities

Income from operating activities represents income in respect of both co-funding of expenditure on passenger insight projects, and activities which are fully funded by other parties. Income is recognised in line with IFRS 15 where performance obligations have been met. This is either at a point in time where agreed outputs have been delivered or key milestones have been met, or over time where a service has been provided. The majority of the organisation's income is recognised at a point in time where key milestones have been met.

1.5 Tangible non-current assets

Expenditure on tangible non-current assets is capitalised. The minimum level for the capitalisation of tangible non-current assets is £2,500 per individual item. Assets are revalued annually if material.

1.6 Depreciation/amortisation

Depreciation/amortisation is provided on all non-current assets, at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

- Furniture and fittings - five years
- Computer equipment - three years
- Leasehold Improvements - remaining length of lease
- Right-of use assets – remaining length of the lease

1.7 Government grants

Grant-in-aid used to finance activities and expenditure which support the statutory and other objectives of Transport Focus are treated as financing and credited to the General Reserve when received because they are regarded as contributions from a controlling party.

1.8 Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) in respect of their pensions. The PCSPS is an unfunded multi-employer defined benefit scheme but Transport Focus is unable to identify its share of the underlying assets and liabilities. As required by IAS 19, Transport Focus accounts for these contributions as if they related to a defined contribution scheme, by accounting for scheme contributions on an accruals basis. Contributions take the form of payments to the PCSPS of amounts to cover the accruing liabilities of the scheme in respect of superannuation benefits for persons who have been employed in the funded operations, and in respect of the administrative expenses attributable to the liabilities and their discharge. A full actuarial valuation was carried out as at 31 March 2012 and there is currently a new valuation underway. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>).

1.9 Leases

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases which includes operating leases. The group excludes contracts for low-value items, defined

as items costing less than £5,000 when new and contracts with a term shorter than twelve months and the related costs are shown in the Statement of Comprehensive Net Expenditure.

At the commencement of a lease (or the IFRS 16 transition date, if later), the group recognises a right-of use asset and a lease liability. The lease liability is measured at the payments for the remaining lease term, net of irrecoverable value added tax, discounted either by the rate implicit in the lease or, where this cannot be determined, the incremental cost of borrowing is the rate advised by HM Treasury. As Transport Focus does not typically undertake external borrowing and is instead funded annually by the Department for Transport which draws down its funding from the Exchequer. Transport Focus' incremental borrowing rate is therefore advised by and aligned to the Treasury rate.

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

The right-of use asset is subsequently depreciated over the remaining period of the lease and the lease liability is adjusted for the accrual of interest, repayments, reassessments and modifications.

As explained in paragraph 1.3 IFRS16 was adopted this year which has resulted in an adjustment for a right of use asset, and a lease liability for an existing property lease.

1.10 Taxation

The Transport Focus Group has corporation tax liability arising from trading activities by Transport Focus Wales Limited. Transport Focus is not subject to corporation tax because funding is provided mainly through grant in aid from the DfT. Activities which involve funding from other parties are subject to VAT and any irrecoverable VAT is treated as an expense.

2. Analysis of Net Expenditure before tax by Segment

	Passenger Representation £000	Road User Representation £000	2019-20 Total £000	2018-19 Total £000
Gross Expenditure	5,772	2,058	7,830	8,276
Income	1,654	584	2,238	2,161
Net Expenditure	4,118	1,474	5,592	6,115
Of the total:				
Transport Focus	4,131	1,474	5,605	6,115
Transport Focus Group	4,118	1,474	5,592	6,115

Costs and income have been directly allocated to the two activities wherever possible, and shared costs or income has been apportioned between the two activities on the basis of average staff numbers for each activity.

3. Staff costs

Staff costs for the group comprise:

	2019-20		2018-19	
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and Salaries	2,369	2,185	184	2,641
Social security costs	248	248	-	251
Other pension costs	557	557	-	461
Total net costs	3,174	2,990	184	3,353
Of the total:				
Transport Focus	3,122	2,938	184	3,353
Transport Focus Group	3,174	2,990	184	3,353

4. Administration costs and other expenditure

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Running Costs				
Transport user insight	3,005	3,005	3,170	3,170
Travel and subsistence, room hire and recruitment	249	252	288	288
Printing, postage and office costs	188	188	153	153
External services and support	231	232	276	276
Information technology support and maintenance	379	382	473	473
Board remuneration	137	137	124	124
Rent, rates and utilities	252	254	342	342
Training and development	32	32	31	31
Telecommunication costs	21	21	24	24
External audit fee	27	27	26	26
Operating lease rentals (excluding rent)	1	1	2	2
	4,522	4,531	4,909	4,909
Non-cash items				
Depreciation	125	125	14	14
Total	4,647	4,656	4,923	4,923

5. Income

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Income in respect of joint projects	702	702	1,137	1,137
Income in respect of activities fully funded by external parties	1,454	1,528	1,016	1,016
Other income	8	8	8	8
	<u>2,164</u>	<u>2,238</u>	<u>2,161</u>	<u>2,161</u>

6. Corporation tax payable

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Corporation tax payable	-	3	-	-

The corporation tax payable is in respect of surpluses from trading activities by the subsidiary company Transport Focus Wales Limited.

7. Property, plant and equipment (entity and group)

	Buildings - Right of Use	Information Technology and Fittings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2019	-	43	43
Additions	-	5	5
Adjustment for right of use assets	271	-	271
At 31 March 2020	271	48	319
Depreciation			
At 1 April 2019	-	15	15
Charged in year	109	16	125
At 31 March 2020	109	31	140
Net book value at 31 March 2020	162	17	179
Net book value at 31 March 2019	-	28	28

Of the total:

Transport Focus	162	17	179
Transport Focus Group	162	17	179

The adjustment for the right of use asset is as a result of the adoption of IFRS16 in the current year

	Buildings - Right of Use	Information Technology and Fittings	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2018	-	43	43
At 31 March 2019	-	43	43
Depreciation			
At 1 April 2018	-	1	1
Charged in year	-	14	14
At 31 March 2019	-	15	15
Net book value at 31 March 2019	-	28	28
Net book value at 31 March 2018	-	42	42
Of the total:			
Transport Focus		28	28
Transport Focus Group		28	28

All assets are owned and remain at cost. Assets have not been revalued as a revaluation is not considered to be material to the financial statements.

8. Trade receivables and other current assets

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Accounts falling due within one year:				
Trade receivables	329	396	410	410
Intra-group receivables	60	-	-	-
Other receivables	13	13	11	11
Prepayments and accrued Income	69	69	157	157
	<u>471</u>	<u>478</u>	<u>578</u>	<u>578</u>

Other receivables include season ticket loans to 12 staff (2018-19: 9) totalling £12,655 (2018-19: £10,798).

9. Cash and cash equivalents

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Balance at 1 April	2,433	2,433	897	897
Net change in cash and cash equivalent balances	(442)	(396)	1,536	1,536
Balance at 31 March	<u>1,991</u>	<u>2,037</u>	<u>2,433</u>	<u>2,433</u>

10. Trade payables and other current liabilities

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Amounts falling due within one year				
Other taxation and social security	67	67	73	73
Pension contributions payable	58	58	51	51
Trade payables	445	445	645	645
Other payables	9	9	13	13
VAT Liability	25	44	148	148
Corporation tax payable	-	3	-	-
Lease liabilities (note 12)	159	159	-	-
Accruals and deferred income	1,451	1,472	1,820	1,820
	<u>2,214</u>	<u>2,257</u>	<u>2,750</u>	<u>2,750</u>

11. Provision for liabilities and charges

	2019-20		2018-19	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Redundancy Cost Provision				
Balance at 1 April	35	35	-	-
Provided in the year	38	38	35	35
Provisions utilised in the year	(23)	(23)	-	-
Balance at 31 March	<u>50</u>	<u>50</u>	<u>35</u>	<u>35</u>

The provision has been provided for premature exit costs under the Civil Service Compensation Scheme and is expected to be utilised within the next 12 months.

12. Lease liabilities IFRS 16 has been implemented during the period using the cumulative catch-up method and as a result the comparative figures have not been restated.

Upon first time adoption, IFRS 16 requires that the organisation disclose a reconciliation between closing operating lease commitments (under IAS 17) at 31 March 2019 and opening lease liabilities (under IFRS 16) at 1 April 2019. This is set out below for the organisation and group:

	£000's
Operating lease commitments disclosed at 31 March 2019	302
Recognition and adjustments to existing leases	(27)
Impact of discounting	(4)
Lease liability recognised as at 1 April 2019	<u>271</u>
 Lease liabilities:	 £000's
Balance as at start of year	-
Recognised under IFRS 16	271
Repayment of lease liability	(112)
Balance as at end of year	<u>159</u>
 Amounts falling due:	 £000's
No later than one year	113
Later than one year and not later than five years	46
Later than five years	-
	<u>159</u>

13. Contingent liabilities disclosed under International Accounting Standard 37

In November 2012 there was a premature surrender of the lease for our London offices at Drummond Gate. Although no immediate costs to reinstate the premises were incurred because the agreement is between crown bodies there was a remote possibility that Transport Focus may be required to contribute to the reinstatement costs when the main lease ends. As the main lease ended during the year this is no longer considered a contingent liability.

There were no other reportable contingent liabilities or contingent assets at 31 March 2020 or 31 March 2019.

14. Related-party transactions

Transport Focus is an executive non-departmental public body sponsored by the DfT and is regarded as a related party. £5,728,000 was received from the DfT in Grant in Aid for the year. In addition, further income totalling £437,584 was invoiced in the year for additional insight commissioned by the DfT with a balance outstanding of £26,000 on 31 March.

£193,800 was invoiced to Highways England for jointly funded insight with a balance outstanding at 31 March of £18,648. Transactions totalling £316,399 were undertaken with Network Rail with £58,962 still receivable at 31 March. £61,755 was invoiced and received from HS2 Limited for Passenger Panel insight

None of the Board members or key management staff has undertaken any material transactions with Transport Focus other than their remuneration, or its related parties during the year and none has a financial interest in the TOCs such as to influence their work with Transport Focus.

15. Events after the reporting period

There are no other reportable events after the reporting period. These accounts were authorised by the Accounting Officer for issue on the date of certification by the Comptroller and Auditor General.

16. Financial instruments

As the main cash requirements of Transport Focus are met through grant-in-aid provided by the DfT, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Transport Focus's expected purchase and usage requirements and Transport Focus is therefore exposed to little credit, liquidity or market risk. Trade partners are considered to pose minimal credit risk as they will have been risk assessed as part of much larger projects with the DfT. In addition, phasing of invoicing over the life of a project further reduces exposure.

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