



Transport Focus Annual report and accounts

2021-22

HC 556
SG/2022/132

Annual report and accounts 2021-22

For the period 1 April 2021 to 31 March 2022

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Section 1

Chair's introduction

Coronavirus continued to dominate much of 2021-22 including in the transport world. Transport Focus continued to adapt to the changing circumstances as the intensity of the disease waxed and waned.

As the vaccination programme got under way, we had hoped people might return to public transport to pre-pandemic levels. But by November/December, the arrival of the Omicron variant reversed that trend alongside new restrictions before easing again.

Our insight function had the flexibility to adapt to these changes and measured passenger – and non-passenger – confidence in travelling, helping decision makers understand their customers' concerns. And we remain watchful about the longer-term impact – particularly economic - of reduced travel on our public transport systems.

Three other events dominated the year. The long-awaited rail reform paper – the *Williams-Shapps Plan for Rail* – was published. We continued to help shape this plan and its delivery. It also proposes changes to our role as the rail passenger champion.

The second event was the publication of *Bus Back Better*, the national bus strategy for England. This policy has the potential to significantly improve bus passengers' experience. We engaged proactively with Local Transport Authorities providing our knowledge and experience. We helped them consider the implications of the strategy, particularly developing Bus Service Improvement Plans and Enhanced Partnerships.

A new thread to our work continued to develop as we approached the COP26 international climate change conference in November. Transport's contribution to climate change came into sharper focus when the Government published its *Transport Decarbonisation Plan*. Many of the Plan's policies, alongside the 2030 end to the sale of new diesel and petrol vehicles, have implications for the transport user. We have been considering how best to play our part in facilitating the changes required. Our insight into users' attitudes to sustainable transport provided an important base and we continued researching the user experience of electric vehicles.

We have been active in Scotland and Wales throughout the year, with our Boards for Scotland and Wales providing a clear focus to our work. We were deeply involved in pandemic recovery discussions as well as making a significant contribution to other areas of work, such as the ticket office opening hours consultation in Scotland, and the Transport Strategy and Performance Board in Wales.

Our roads work continued to help ensure that Road Investment Strategy 3 takes account of users' priorities when its delivery begins in 2025. The adequacy of lorry drivers' facilities came under the spotlight this year, so we developed a way to gather insight into drivers' experiences to help focus efforts to improve them.

This is my last report following seven years as chair of Transport Focus. I leave the organisation in a good state. It has adapted to the demands of Covid-19 and is preparing

for the new policy changes emerging to ensure it remains relevant. I have every confidence it will continue to thrive and make a difference for transport users. I wish the organisation and my successor, Nigel Stevens, well in the future.

What our stakeholders say about us

A stakeholder audit was conducted between February and April 2022 and due to be published during 2022-23. Some key comments:

It's always good to meet one of the Transport Focus team: you feel you've been listened to and that you've heard from someone who is on top of their brief.

Graham Vidler, chief executive, Confederation for Passenger Transport

They have some experts, they really understand the industry, they can really see weaknesses in how the industry works at times and they are really very good at trying to drive forward some change where they have got that expertise...we shouldn't undervalue that.

Stephanie Tobyn, interim director of strategy, policy and reform, Office of Rail and Road

We value their independence and their ability to give objective representation for the end user...nobody owns them at the end of the day.

Cllr Liam Robinson, Chair Transport Committee, Liverpool City Council

March 2022

Section 2

Making a difference for transport users

The Covid-19 pandemic and its impact on transport and transport users continued to be a focus for our work. We assessed the user experience as Covid-19 levels varied and restrictions changed. The reform agendas in both rail and bus have been significant. In addition, this year we turned our attention on the user experience relating to the decarbonisation agenda.

As always, we aimed to be useful, to inform those making decisions about transport – operators and governments – to help identify what they could do to improve the user experience. We want to make a difference.

2.1 Delivering on our outcomes

2.2.1 Transport decarbonisation policies taking account of the user

Sustainability and climate change became more dominant in transport policy, particularly in the run up to the COP26 summit in Glasgow. In advance of this the Government published its *Transport Decarbonisation Plan*. The Plan contained a variety of recommendations, some of which would have implications for transport users in the form of behaviour change or adapting to new technology. In addition, Transport Scotland published its consultation on a 20 per cent reduction in car kilometres route map in January 2022.

As a starting point in this area, we conducted focus group research to find out transport users' views of sustainability. This research highlighted the challenges to encouraging more sustainable travel. Many found it a vague concept that is hard to act upon. There were more important factors when making travel decisions such as safety, cost and convenience. Improving sustainability in transport will require a combination of personal, social, government and industry level interventions. This insight has been shared with a variety of stakeholders including with a Senedd Committee in Wales and the Scottish Government.

The 2030 target for phasing out the sale of new petrol and diesel cars will result in significant changes for car drivers. During the year we published insight into the consumer experience using an electric vehicle (EV). The cost of buying or leasing, ease of charging and anxiety about the range were the most significant factors.

Working with National Highways, OZEV and the chargepoint operators we continued to develop a survey to measure the road user experience of charging an EV at services on National Highways' roads.

We hosted an online webinar involving interested stakeholders including OZEV, Nissan, Moto and National Highways and an audience of 300. The then minister, Rachel Maclean MP, gave a keynote address.

2.2.2 Rail – improved passenger experience and increased use, particularly arising from rail reform

While our work for rail passengers continued to have a strong focus on Covid-19 (see 2.2.4) the most significant long-term issue of the year was rail reform.

Rail reform

The *Williams-Shapps Plan for Rail*, published in May, promised a passenger-led railway which will be more reliable, efficient, good value for money with simplified ticketing. It also proposed changes to our own rail passenger champion role. We have been working with the Department for Transport to secure the necessary changes to make a more passenger-led railway.

One element of this has been inputting to the *Whole Industry Strategic Plan* which sets out a 30-year vision for the railway. This provides a great opportunity to consider how the railway can be improved for passengers in the short, medium and long term. We responded by submitting a report based on our extensive research and knowledge about what can make a difference to the passenger experience for incorporation into the new world.

Rail contracts and direct awards

We continued to work with the DfT, operators and owning groups to feed in the passenger perspective as train operator contracts were renewed. We also provided input to the new framework for National Rail Contracts and the annual business planning process for train operators.

Transport Focus success: We made a strong case for the replacement of some of the oldest trains on the Southern network. We welcomed the introduction of alternative rolling stock in the early stages of the new Govia Thameslink Railway (GTR) contract which will provide improved facilities and a more comfortable passenger experience.

Rail fares and ticketing

As many rail fares are linked to inflation, fares have started to rise again. At the same time, there has been a need to boost passenger numbers and revenue. In the longer term, we look forward to rail fares being perceived as better value for money with innovative retailing and better cost control under Great British Railways.

Under the ‘ticketing and settlement agreement’ Transport Focus receives passengers’ comments when changes to ticket office opening hours are proposed. During the year, LNER and ScotRail both proposed reducing ticket office opening hours at stations on their networks. Our insight tells us that passengers value visible staff presence.

Transport Focus success: We received 164 comments on LNER’s proposals. They amended the proposals so ticket offices at Grantham, Newark Northgate and Berwick-upon-Tweed would be open for longer than originally planned. There were also assurances given about accessibility.

Transport Focus success: We received 1,500 comments on ScotRail’s proposals. ScotRail responded by pausing the closure of ticket offices at

Cartsdyke, Clydebank and Woodhall. They also agreed to review ticket machine functionality and gave assurances about staff availability for Passenger Assist bookings.

Rail passenger information

The rail industry has been considering the usefulness of on-train announcements. So, we asked our Transport User Panel to tell us their view of them. Generally, announcements are useful for most of the travelling public, but can be of poor audio quality. We worked with the Rail Delivery Group and others in their review of announcements so that they provide what passengers need.

Traveling on the railway has been more uncertain for passengers with pressures arising from staff sickness, severe weather and reduced timetables. Our research shows the need for this information to be provided as far ahead as possible. For example, during February's severe weather travel disruption, we urged transport operators to provide timely and accurate information to passengers and fee-free refunds.

Transport Focus success: Following travel disruption, we welcomed the Government's decision that rail companies offer fee-free refunds and lift ticket restrictions to allow travel at different times or on different routes.

We have continued to support the industry-wide Smarter Information Smarter Journeys programme with its initiatives to address long-standing problems with passenger information, including chairing two of the programme's 'task and finish' groups. Also, we continue to articulate the passenger interest at the cross-industry customer information forum.

Passenger disruption

Planned and unplanned disruption to passenger journeys is a major source of dissatisfaction. In June, a signal failure in Cardiff resulted in considerable inconvenience for passengers. We pressed for a number of improvements in the subsequent review.

Transport Focus success: As result of our contribution, future passengers caught in a disruption at Cardiff will have consistent information due to better communication between control room and station staff, and the empowerment of station staff to arrange alternative taxi services.

Rail passenger compensation

We continue to be concerned that passengers do not claim the compensation they are entitled to – our research shows that only a third do so – and continue to press for improvements.

Transport Focus success: We welcomed the Office of Rail and Road's changes to the licence conditions which should result in it being easier for passengers to claim.

Improvements for passengers in Wales

By travelling on the network, monitoring websites and communications and feeding back our experiences we secured a number of improvements:

Transport Focus successes in Wales:

Extra information to web pages on engineering works, cleaning, rail vouchers, catering and car parking	Improved consistency of customer information screens at stations	Amendments to the capacity checker page to meet accessibility requirements
Improved the transparency of performance data given on the website	Helped secure the reinstatement of stops at some small stations in North Wales	Improved information posters and signage at Briton Ferry and Carmarthen
Improved passenger information during disruption and promotion of delay repay	Improved experience of using the passenger assist support facility	Improved the complaints process to gain views from passengers

Rail complaints

Passengers returning to the railways resulted in an increase in passenger contacts. Transport Focus dealt with 2,111 direct passenger contacts in the year and resolved 805. Forty per cent of passenger contacts were complaints that needed further investigation and led to an appeal to the train operator. The largest proportion of complaints were from passengers who had booked via the Trainline. During the past 12 months, transport providers resumed their revenue protection activities resulting in an uplift in complaints from passengers on this topic.

In the first half of the year many complaints received by Transport Focus related to fares and ticketing. Many of these were due to passengers not being aware that their railcard was out of date or because they were not carrying their railcard with their discounted ticket.

Between October and December 2021 there was a significant increase in the number of complaints where we appealed to train operators to review their original decision. That is compared with the previous quarter and the same period in 2020. This was not surprising as more people were travelling.

The four categories Transport Focus usually receive complaints about are fares, penalty fares, service performance and complaints handling. Many complaints received from passengers in the third quarter of the year included dissatisfaction about the way their complaints were being handled by the train companies. Further investigation revealed that passengers were complaining about how long it was taking for complaints to be responded to.

Towards the end of the year, as people started returning to the railway, a large portion of complaints received related to reduced timetables, services previously used no longer running and trains not being back to full capacity.

Through our involvement in the Rail Ombudsman Scheme Council, Transport Focus continued to monitor passenger issues and trends recorded over the year with the Rail Ombudsman. The key issues were complaint handling, delay compensation and train performance.

Table 4 Breakdown of incoming complaint cases by train operator

Train operator or retailer	Resolved complaints
Trainline.com Ltd	301
Railcards	101
Northern Trains Ltd	86
Southeastern	34
Great Western Railway	32
South Western Railway	26
Greater Anglia	23
Avanti West Coast	21
TransPennine Express	20
Transport For Wales Rail Ltd	19
West Midlands Trains	18
Merseyrail	12
West Midlands Rail	11
Omio	11
Trainpal	10
London North Eastern Railway	9
ScotRail	8
Metro Link	6
CrossCountry	6
Raileasy	5
Thameslink	5
Southern	4
Govia Thameslink Railway Limited	4
Independent Revenue Collection and Support Services	3
East Midlands Railway	3
Northern	3
Penalty Services Limited	3
Chiltern Railways	2
Rail Europe	2
Tyne and Wear Metro	2
London Northwestern Railway	2
Nexus	2
Metrolink	1
Appeals Service	1
National Rail Enquiries	1
Red Spotted Hanky	1

Transport for Wales	1
TrainGenius.com	1
East Midlands Trains	1
Grand Central Railway	1
Rail Delivery Group	1
Penalty Services/Revenue Protection Support Services	1
Great Northern	1
Total	805

Table 5 Incoming complaints by reason



Transport Focus successes: Here are two examples of what we achieved for passengers who came to us with their complaints:

West Midlands Railway

Ms O arrived at the station a few minutes before travelling. No one was at the ticket office and she could not use ticket vending machines or Promise to Pay machines due to her impairment. Once onboard, she was issued with a Penalty Fare Notice of £20 for travelling without a ticket.

Ms O completed the appeals process without success so approached Transport Focus for help. We contacted West Midlands Railway which accepted our appeal and understood the passenger's challenges. She was refunded £17 (deducting £3 for the train fare).

Trainline

Mr H purchased 31 tickets through Trainline for 12 November. He was told numerous times that the tickets would be posted and received on time. However, Trainline confirmed on 11 November that the tickets couldn't be posted because there were too many. This resulted in Mr H having to purchase the tickets from Chesterfield station, which was more expensive costing £125.75 more.

He asked Trainline for compensation but was refused. Transport Focus appealed the case to Trainline which acknowledged that, as the tickets should have been sent in time, it would refund the £125.75.

2.2.3 Bus – improved passenger experience and increased use, particularly arising from bus reform

In England, our work for bus passengers centred on the proposals set out in the Government's National Bus Strategy. It aims to challenge the general cycle of decline in passenger numbers and encourage more people to travel by bus.

National Bus Strategy for England

Bus Back Better set out the Government's intention to deliver on passengers' priorities for an improved experience and attract more people to use their local bus service. Transport Focus has gathered much evidence and knowledge about passengers' and non-users' priorities for improving their bus service. Such priorities include buses running more frequently and more punctually, going to more places and providing better value for money.

The initiative required Local Transport Authorities (LTAs) to develop key elements of the strategy for their areas through Bus Service Improvement Plans (BSIPs) and Enhanced Partnerships (EPs). We proactively supported the LTAs in preparing their plans and partnerships to be centred on what matters most to today's passenger as well as future users.

We prepared toolkits on passenger representation, stakeholder engagement, passenger charters, researching passengers' views and setting targets. We held webinars for the LTAs and operators explaining each toolkit. They attracted around 100 participants at each one, with 575 over five sessions.

Transport Focus success: We actively engaged with 74 of the 77 LTAs through this process which was influential at this crucial stage. There were more than 500 unique mentions of our work across all the BSIPs submitted.

We held an online public Board event to consider how the strategy could result in more frequent, reliable, and better value for money services that we know passengers want. It was attended by 470 members of the public. The transport minister, Baroness Vere, gave a keynote speech alongside contributions from Transport for West Midlands and Go-Ahead.

Transport Focus success: One participant described one online event as ‘To the point, engaging and informative.’

We are statutory consultees on LTAs’ EP plans. Our published checklist *What passengers want from BSIPs* sets out the key factors that we assess all Plans against to help LTAs and local operators focus on passenger needs. This is to help them drive up current bus passenger satisfaction and encourage more people to use local bus services. To date we have reviewed and responded to 43 LTA submissions.

Our relationship with this process is ongoing, such as advising LTAs on bus passenger charters as well as developing a new passenger satisfaction survey. We continue to be involved in decision making on bus through different steering groups, Boards, Alliances and forums (see 2.2.3).

Cornwall County Council introduced a four-year bus fares pilot scheme to reduce adult bus passenger fares by one third to encourage people to use the bus. This followed our Bus Passenger Survey (BPS) highlighting poor satisfaction scores on value for money over a number of years. The Government agreed £23.5m as part of BSIP funding. The Council has asked Transport Focus to monitor the impact of this pilot on passengers.

Transport Focus success: Our BPS highlighted that value for money was an issue for passengers in Cornwall. The County Council developed a fares reduction pilot and we will monitor the passenger impact.

In Scotland, the Government is implementing provisions in the Transport (Scotland) Act 2019 including regulations and guidance for local authorities. On the basis of our evidence from bus passengers, we have been pressing for passenger-based targets to be considered in new guidance on bus for local authorities such as on journey times and customer satisfaction.

We continued to consider the impact of Covid-19 on bus services and passengers (see 2.2.4).

2.2.4 A more reliable strategic road network improving satisfaction for its users

Our road user work this year has been largely unaffected by Covid-19. We have continued to provide insight into the consumer experience using the motorways and major ‘A’ roads managed by National Highways, and to work with them to ensure it leads to improvements.

Measuring journey satisfaction

After a year’s absence due to Covid-19, we reinstated our Strategic Roads User Survey (SRUS) in April 2021 using new methodology that does not require face to face interviewing. During the year we published results for April to September 2021, in addition to adding new findings to our Data Hub every month, and we also published analysis of the factors in a journey that have greatest influence on overall satisfaction. As well as overall satisfaction with journeys on National Highways’ roads, SRUS measures satisfaction with journey time, surface quality, roadworks management and feeling safe.

Putting users' interests at the heart of RIS3

As the DfT starts developing the Road Investment Strategy for 2025-2030, known as RIS3, we published insight into road users' priorities for improvement to journeys on National Highways' roads. Our insight showed the top priorities for improvement to be quality of road surfaces, safer design and upkeep of roads and better management of roadworks. Two thirds wanted to see existing roads maintained well rather than new ones built.

As road surface quality is a significant issue for road users, during the year we published the views of our Transport User Panel about how they are affected by this. Although acknowledging that strategic roads tend to be better managed than local ones, it highlighted that road users would like to know who was responsible for particular roads so they could make a complaint if necessary.

We also asked the Panel for their views on diversions off National Highways' roads. We were interested to find that people thought the information could be clearer about such factors as the impact on journey time. Adverse weather and tiredness could make diversions particularly difficult to deal with.

Our *Logistics and Coach Survey: Strategic Roads* assesses what lorry and coach firms think about the extent to which National Highways' roads meet their business needs. These businesses get the food and goods to our homes and shops that are so important for the country's economy and wellbeing. Satisfaction overall was disappointingly low at 46 per cent in 2021-22. We are working with National Highways to help them meet these needs better.

As part of making lorry driving a more attractive profession, the Government announced plans to improve roadside facilities (including toilets, showers, catering) for lorry drivers. During the year, working with DfT, we developed a survey to understand lorry drivers' experiences at roadside facilities and inform decision making about the priorities. We expect to launch it in 2022-23.

If a road sign is not clear it is not safe. Our *Sort My Sign* campaign continued with its objective to improve signs on National Highways' roads. We asked motorists to report broken, confusing or unhelpful signs to us. We received 296 responses. Of these 53 were due to missing signs, 59 were damaged, 72 confusing and 52 unreadable. During the year we published an interim report on the campaign and wrote formally to National Highways setting out the generic areas of improvement that the campaign suggested were needed. Their response gave commitments in a number of areas and we continue to work together to help improve the consumer experience. We continue to press for improvements to those cases reported.

Transport Focus success: National Highways has fixed around 60 per cent of the signs reported through *Sort My Sign*, so enabling safer, smoother journeys.

Transport Focus success: National Highways has committed to developing a new approach to network inspections and cyclical maintenance activity to make them more customer focused.

Cyclists, equestrians and pedestrians

These users of National Highways roads are in the minority, and our research shows they are very much aware of this. Nonetheless, it is important that their experiences are taken properly into account in the way National Highways manages their roads. For example, some told us about their fear of fast-moving traffic and personal security on isolated routes in the dark. During the year we published our latest research among cyclists, pedestrians and equestrians, focusing on locations in Yorkshire and the North East and are working with National Highways to ensure it is used to deliver improvements.

All-lane running 'smart' motorways

All-lane running on certain motorways has continued to be a concern for drivers when they consider what would happen if they breakdown. During the year we submitted evidence to the Transport Select Committee inquiry into smart motorways and welcome the Government's response to it and the ongoing implementation of 'stocktake' recommendations. We have continued to press National Highways to reduce the time it takes to display a 'red X' in the event of a stopped vehicle, even before the automatic detection equipment is fully commissioned.

Influencing National Highways regionally

Our work has continued to ensure that senior staff within National Highways' regions are familiar with our insight into the road user experience. We have pressed for specific improvements where appropriate.

Transport Focus success: Our challenges to National Highways over, among other issues, signage approaching the Dartford crossing spurred them on to explore more fully the 'pain points' experienced by road users and what can be done about them.

2.2 Supporting the delivery of the organisation's outcomes

2.2.1 Continue refreshing our insight and adapting it to new circumstances and creating new and innovative products which are useful to those who make decisions about transport

Covid-19 continued to have an impact on Transport Focus's insight activities during this year and is reported in more detail in 2.2.4.

We aim to be flexible in our insight methods, to achieve the best results possible. Our principle for the insight we conduct remains to find the best balance between our two main objectives, which are:

- Digital by default, where convenient to the participant, as it is generally quicker and more cost effective
- Inclusive so that we can understand the views of people whose voices are seldom heard. This includes people with no or limited access to technology, who are financially excluded or with low literacy or communication skills, as well as those with disabilities or from ethnic minorities.

We continue to explore and develop different methods of measuring transport users' experiences. When face-to-face interviewing has been impossible, we have used online panels, online focus groups and depth interviews and push-to-web methods (where letters are sent to households asking them to complete an online survey).

The push-to-web method has successfully been implemented as the way of collecting data for the Strategic Roads User Survey replacing face-to-face interviewing at respondents' homes. We have undertaken work to improve both the response rate (percentage of those receiving the letters who complete the survey) and also the demographic profile of those who complete (to encourage groups who traditionally are less likely to participate). This work has been successful and will continue.

Our long-established Transport User Panel now has more than 23,000 transport users providing their views. In the last year, we have successfully used the Panel to ask for passenger views on future working patterns and flexible ticketing and use of concessionary passes.

The data hub continues to enable anyone – road users, passengers, transport providers and decision makers – to access data from the Covid-19 tracker and our other large-scale surveys. We continue to improve its functionality in line with users' suggestions and have also improved how we present data in the datahub.

We have been developing how we measure satisfaction with journeys over the last year. We have also been able to pilot a return to face-to-face recruitment. We have undertaken pilots to see how to maximise online survey completion, once they have made their journey. This has been successful.

The use of QR codes has been a good innovation and enables us to get responses from people who are unwilling to provide contact details. This approach has been used both where interviewers show the QR to respondents or give them a printed version – and also for passive recruitment using window sticker and posters on board buses.

These learnings will carry through into the development of the new measures of satisfaction for both bus and rail passengers, which will be undertaken this year.

We have continued our work with artificial intelligence to maximise the value and efficiency of our insight work.

2.2.2 Improving the diversity of those we talk to in our insight and those with employ and work with

Diversity and inclusion in Transport Focus

Following a commitment from the Board in 2020-21, we instituted an internal champions group, initiated staff surveys and held workshops to ensure all our staff were able to contribute to our diversity and inclusion vision and action plan. The diversity and inclusion goals are to ensure that we are more representative of transport consumers across Britain; our work reflects the interests of those we represent, including the seldom heard; and that our staff feel confident being themselves. We plan to publish the strategy and action plan during 2022-23.

Disabled transport users

How did people with disabilities travel during the pandemic? We found that those with disabilities were less likely to use public transport than before the pandemic. This was limiting to their lives - 27 per cent said public transport provision limits access to employment opportunities for this group compared with 18 per cent of others. The point was acknowledged by the then transport minister, Chris Heaton-Harris MP, who spoke at our online webinar in April.

We participate in National Highways' Roads for All Forum which was set up in part to take forward recommendations in our *An accessible road network* report, published in 2018. During the year we published a report on National Highways' progress in addressing our recommendations.

Transport Focus success: National Highways has produced information to help disabled road users who can't follow standard safety advice, as well as detailed layout information at motorway service stations. These were recommendations from our 2018 report.

2.2.3 Operate a well-run, well governed and effective organisations that is seen and heard by transport users and decision makers

Our staff

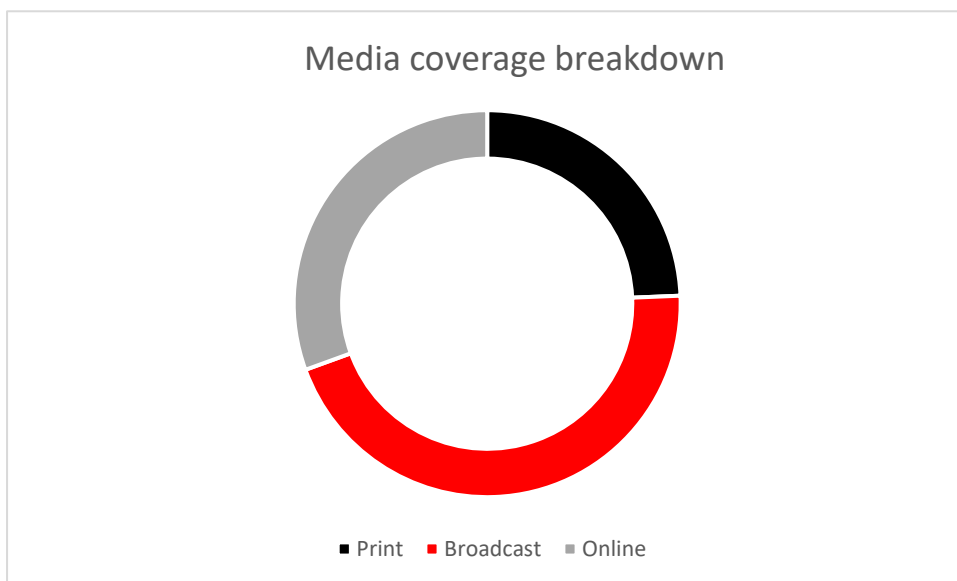
The people at Transport Focus are key to securing change for transport users. This year, the staff have continued to respond favourably to the demands of Covid-19 in their work. An increasing number of meetings with stakeholders are taking place face to face and staff are working from our offices, including the new London office at Albany House in Westminster.

We were delighted that the Insight Team reached the finals of the Market Research Society's 'In-house Team of the Year' – a recognition of their phenomenal work.

Communications

Our reputation and stakeholder relationships are key to our success. To that end, Transport Focus puts communications at the forefront of our activities.

We maintain a 24-hour, 365-day press office. In the year 2021-22 we logged 1594 items of media coverage (388 print, 719 broadcast and 487 online) across diverse national and regional broadcast outlets (including BBC, ITV and Sky), national or regional newspapers, trade outlets, and online channels. We answered 139 media enquiries (80 print, 49 broadcast, and 10 online).



On our social media channels we continued to engage stakeholders and the public. We added more than 400 Twitter followers and almost 150 LinkedIn followers. In our second year of hosting virtual events, we livestreamed three Board meetings. We also held webinars on accessible transport, transport post-Covid and bus service improvement plans. These had hundreds of attendees and had social media engagement levels in the hundreds of thousands.

Our insight evidence is world-class and has been set out elsewhere in this report. Overall we published 205 reports in the year, many designed in-house. All are available on our website. We are working to improve our accessibility, so many of them have Word versions alongside the accessible PDFs to allow for changes to font and colour. This can assist people with cognitive issues such as dyslexia, as well as vision-related issues.

Our *Sort My Sign* campaign continued in 2021-22 (see page 14) with two waves of sponsored social media activity.

It's important that consumers understand what we do on their behalf. So we created some short social media videos, using the tagline *Making Journeys Better*, to explain our impact including in Scotland. A Welsh version and regional variations will be created in 2022-23.

Our stakeholder communications remained well-read and received; the monthly newsletter, *Transport User Voice* has more than 7500 readers, of which almost 4000 are 'active'. Our engagement rate is just under 10 per cent.

Our website attracts between around 5000 and 18000 visitors per month, though it peaked at 42,000 during a very active August. Average time spent on the site has increased by more than 20 per cent. Following an accessibility review, we made some improvements to the site, ahead of a potential refresh in 2022-23. Then we will be carrying out our own comprehensive accessibility audit and will report on the results in that year's annual report.

Communicating internally has always been crucial to the effectiveness of the organisation. We continued our ongoing campaign of staff engagement and information sharing throughout the year which has been particularly important during the Covid-19 restrictions.

Governance

With Jeff Halliwell's term of office coming to an end, we assisted the DfT in the recruitment of a new Chair, by managing the campaign up to and until the formally constituted selection panel reviewed and shortlisted the applications. The process included holding a webinar to enable applicants to find out more about the organisation. Nigel Stevens was subsequently appointed to start during 2022-23.

Towards the end of the year, the DfT reappointed Kate Denham, Rob Wilson and Keith Richards OBE to the Board to take effect from August 2022.

Isabel Liu retired from the Board in October having served since March 2013, including as Chair of the Audit and Risk Assurance Committee.

We have continued to provide high quality Board meetings which are open to the public to ensure transparency of process and subject matter; during the pandemic these have been convened and broadcast online but have included outside speakers. Looking ahead, we plan a mix of both online and 'real' Board events.

London TravelWatch

The partnership with London TravelWatch (the statutory watchdog for users of transport services in and around London) has continued successfully. The joint chief executive arrangement came to an end from 1 January as it was considered to be no longer necessary. The Collaboration Agreement was formally updated in the last quarter of the year, taking effect from 1 April 2022. We continue to provide back-office functions and they carry out the rail passenger complaints function on our behalf (see page 2.2.2).

Involvement in decision making and stakeholder engagement

Making a difference for transport users involves engaging with those who are in a position to make that difference, whether it be through meetings with key individuals such as MPs, presentations, speaking at conferences or as members of transport alliances. For example, our Board member for Scotland chaired a Conference in Edinburgh on the future of rail. We also give evidence to parliamentary committees in Westminster, Wales and Scotland.

We advocate for users at appropriate geographical levels using our evidence to make a difference.

In Scotland we represented transport users on:

- Scotland Rail Task Force
- National Smart Ticketing Advisory Board (Scotland) (still to be established)
- Scotland's Railway Advisory Panel.

In Wales we represented transport users on:

- Transport for Wales Advisory Panel (chair)

- Cross Border Strategic Rail Forum (chair)
- Network Rail Wales Route Supervisory Board
- Network Rail Wales & Western control period 7 stakeholder engagement group
- Welsh Government Transport Performance Board and its core reference group
- Senedd cross party group on public transport
- Transport for Wales regional stakeholder forums.

In England we represented transport users' interests on strategic bodies across major city regions and counties:

- West Midlands Bus Alliance (chair)
- Mayor for Greater Manchester's Transport Board
- Bristol City Transport Board (co-chair)
- Liverpool City Region Bus Alliance
- West Yorkshire Bus Alliance
- Cambridgeshire and Peterborough Combined Authority Bus Partnership
- Cornwall Bus Partnership Board
- Transport for the North's Partnership Board
- Transport North East's Project Board.

This enables us to directly influence these decision-making bodies. For example, at the West Yorkshire Bus Alliance Board meetings, we have had a standing slot to present our insight.

At the end of the year an audit of our stakeholders was carried out to find out how our stakeholders view us. We received some useful feedback which we will consider for our future. Some comments are highlighted on page 5.

2.2.4 Monitor the impact of Covid-19 on transport users and the organisation as necessary

During the year the severity of Covid-19's impact on our lives varied with the incidence level of the disease, the advent of the new variants, the restrictions put in place and the vaccine rollout.

Our Covid-19 tracker, which began in May 2020 to monitor journeys made, transport used, attitudes to travel and the pandemic, continued through the year. It was clearly being widely used and valued. It also measured satisfaction with journeys at the overall level and individual aspects relating to Covid-19. Reports were published weekly within a few days of fieldwork with data available on our data hub in the same timeframe.

Alongside this we began producing the Bus and Rail Weekly User Survey from September 2021. This built on the Covid-19 tracker but started to measure satisfaction with aspects that were unrelated to Covid-19, but which we knew to be drivers of satisfaction in 'normal' times such as punctuality, frequency of services, value for money. Two reports (one for bus and one for rail) were published on a weekly basis until April 2022 and data was made available on the hub each week. We have since reduced the frequency of reporting to monthly – with additional analysis also reported when needed.

We continued to adapt our insight so as to be as useful as possible according to three themes: what people thought about using public transport during the pandemic; what people might need to get back to public transport; and what the longer-term future might look like.

People's experiences during the pandemic

We were able to use the data collected to categorise people according to segments based on their different attitudes towards travel during Covid-19. They were characterised as 'cautious car choosers', 'anxious and affected', rethinking reducers', 'spring back socialisers' and 'carefree and carrying on'. We wanted to help decision makers consider how best to communicate tailored messages with these different segments. We worked with Great Western Railway (GWR) and marketing consultancy CACI to develop this work.

Transport Focus success: GWR produced messages tailored to different groups as a result of this work to encourage them to return to their services.

We looked at different safety measures that transport operators introduced during this period such as improved cleanliness. 77 per cent of passengers told us that cleanliness on public transport was more important to them than before the pandemic. So, it is not surprising that when we used our weekly data to identify which factors were drivers of satisfaction, punctuality and reliability were the most important drivers, but cleanliness and the level of crowding were in third place for both rail and bus.

At the DfT's request, we asked transport users about different social distancing measures and the wearing of face coverings, on public transport. At this point it identified two 'tribes' with different views. There was also more concern about being in an enclosed space and close to strangers on public transport compared with other enclosed spaces (such as shops or restaurants).

Given our insight demonstrated the importance of social distancing to passengers' confidence to travel, methods to provide information on the busyness of a service would be helpful. We encouraged transport operators to provide accurate and reliable information to boost passengers' confidence in travel.

On rail, we worked with ZipAbout who had developed an app to push personalised messages on crowding and disruption on trains to reassure passengers (or not) about their ability to social distance. The trial we developed showed that passengers welcomed the app which, with a few tweaks, could aid social distancing.

In Scotland, our membership of the Rail Task Force continued throughout the year. It agreed a proposed specification for service levels from May 2022. We proposed that a draft timetable should be subject to consultation. Our research highlighted the importance of punctuality and reliability in any timetable change.

Transport Focus success: With responses from more than 100 stakeholders and 3,450 individuals, ScotRail agreed to increase the number of services they were planning in the new timetable from May 2022 by 150.

During December, we asked what people thought about traveling to visit friends or family over Christmas given that the Omicron variant of Covid-19 was spreading so rapidly. Less than half were planning to visit family and friends with just one in ten of those using public transport. We also detected declining satisfaction in perceptions of safety on rail and bus during that period.

In response to Covid-19, LNER introduced a requirement that passengers had to have a reservation to travel on their services in a socially distanced seat. We measured people's attitudes. It put an end to overcrowding but had a number of drawbacks – how would the train company ensure the rules were enforced, react to delays and disruption or make the approach compatible with being a 'walk up' railway?

Covid-19 resulted in more 'staycations' in the summer. We were concerned that motorway service areas (MSAs) could get particularly busy with drivers getting frustrated at having to queue for parking, refreshments and toilets. We therefore urged MSA operators to publish busyness information to assist those travelling on motorways.

Transport Focus success: Following our request about information on busyness, the three largest operators - Moto, Roadchef and Welcome Break - published live information to help drivers who might stop.

How might people be encouraged to use public transport?

In the spring, we launched a large survey to find out what different types of rail passengers' – current, lapsed and non-users - expectations and priorities would be to help them to return or try rail. Punctuality and reliability of the service and the way disruption was handled were the highest priorities. However, given social distancing concerns, crowding and capacity were important as was cleanliness. This gave rail companies useful feedback on what they might focus on to inspire people to return.

As we approached the period of reduced Covid-19 restrictions in the autumn, we measured how passengers felt about travelling for the second time. People were at different stages, some were relaxed but others were still anxious with one in two saying they wouldn't travel unless passengers were required to wear a face covering.

Even without Covid-19, communicating with rail passengers about engineering works has been challenging. Previous insight has shown that a mix of communication channels need to be used and that the information must be both relevant to the individual and also available at the point they need it. Two communication channels were less effective during Covid-19 – at the station or on the train. This is because fewer passengers were there to see or hear the information – highlighting the importance of clarity for passengers at point of ticket sale.

What might a post-Covid world look like for transport users?

Covid-19 affected many people's lives, including how they travel with so many more people working from home. To help transport decision makers understand what might be needed, we asked passengers what they were thinking about the future. A five-day working week looked less likely, with most looking to commute one to three days a week and eight out of 10 saying their employers supported working from home. So a preferred hybrid pattern of working was emerging.

We had been pressing for flexi season tickets to give commuters wanting to work from home for part of the week a more attractive ticket choice. Our insight showed that most commuters are looking to travel into the office on one to three days a week. In the summer, one in 10 told us that they intend to commute only one to three days a week.

Transport Focus success: The Government introduced a flexi season ticket option in June. We welcomed the principle that different ticketing options should help those not commuting a five-day week

Flexible ticketing - and value for money for tickets - would also help bus passengers return. As before the pandemic, passengers still want frequent, punctual services which provide value for money.

In June we assessed lapsed and non-users of buses views of bus travel – half of them continued to be anxious and had concerns about punctuality, frequency and value for money. They were also concerned about cleanliness and maintaining social distance and mask wearing on board. As the virus declined and restrictions eased during the warmer months many were excited by their new-found freedom, but others remained cautious.

Section 3

Management commentary

3.1 Performance Report

Overview

The annual report and accounts cover the year to 31 March 2022. 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 £6,237,000 was received in 2021-22 (2020-21: £6,380,000). 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 2021-22 the group generated £1,171,000 of additional funding (2020-21: £914,000).

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 March 2022. The guarantee has been provided because this allows the subsidiary to be exempt from

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.

audit for the year ended 31 March 2022 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:

- Help rebuild passenger confidence in using public transport post pandemic guided by their needs, experiences and new ways of living
- Advocate for the user in reforms to rail and bus
- Continue to identify barriers to transport for those with disabilities to help improve their access to it
- Improve the organisation's inclusivity and diversity
- Ensure that the user view is at the heart of decarbonising transport
- Rebuild our insight and adapt it to the new circumstances.

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

Business Strategy - Future years

The challenges facing the transport world in 2022-23 are significant, requiring long-term changes with ambitious policies to help deliver that change.

During 2021-22, decarbonisation of transport became the biggest long-term challenge. Also, major reforms to rail in Great Britain and bus in England will roll out during 2022-23. Our role is to ensure that the user view is at the heart of these changes.

We reflect back transport user attitudes and experiences to decision makers and providers of transport so they can better meet users' needs.

Transport Focus has identified these opportunities in the coming year:

- contributing the user view on changes arising from, in particular, the Transport Decarbonisation Plan and similar initiatives in Scotland and Wales, the creation of Great British Railways, the National Bus Strategy in England and developments in electric vehicle (EV) charging
- leading the debate about climate-related behaviour change in transport
- continuing to develop cutting-edge, rapid, cost-effective insight that is representative of transport users, providing speedy feedback.

For the year 2022-23 the organisation has agreed funding of £4,851,700 to cover work representing the interests of rail, bus, coach, and tram passengers and a further £1,778,000 to represent users of the Strategic Road Network (SRN). Following the spending review in 2021 grant in aid funding has been agreed in outline with the DfT until 2024-25.

Partnership working with London TravelWatch

In February 2020 Transport Focus entered a Collaboration Agreement with London TravelWatch to work more closely together to ensure that, both jointly and individually, the organisations are making more of a difference for transport users and delivering better value for money for sponsors and funders.

Under the Collaboration Agreement:

- London Travel Watch provides rail passenger appeal complaints management and resolution services on behalf of Transport Focus. The resources to deliver these services are offset by the resources utilised by Transport Focus in providing finance, human resource and corporate governance support services to London TravelWatch.
- Transport Focus provides finance, human resource and corporate governance support services to London TravelWatch. The resources to deliver these services are offset by the resources utilised by London TravelWatch in providing rail passenger appeal complaints management and resolution services on behalf of Transport Focus
- Transport Focus and London TravelWatch share ICT infrastructure and support costs whilst securing their own data, which has reduced costs whilst improving the resilience of the IT services.
- London TravelWatch provides passenger safety and security advice to Transport Focus, and the costs for this service are recovered by London TravelWatch from Transport Focus.

The two organisations had a joint chief executive to 31 January 2021 and a proportion of the costs for the chief executive were recovered by Transport Focus from London TravelWatch for the period. From 1 January 2022 Anthony Smith returned to being the chief executive for Transport Focus solely and London TravelWatch made its own appointment. All other arrangements in the collaboration agreement remained.

The forecast and actual resources used in delivering the services provided by both organisations under this arrangement by London TravelWatch are slightly greater than those provided by Transport Focus. This small difference is available for Transport Focus to deliver additional value activities to London TravelWatch by providing access to Transport Focus insight data in respect of transport users in London. This helps them make more of a difference, as well as giving access to common IT systems and networks and training.

The arrangement will be subject to an annual review to ensure that it continues to meet the objective that both organisations are making more of a difference for transport users and delivering better value for money for sponsors and funders.

The two organisations remain independent of one another. London TravelWatch is the official watchdog organisation representing the interests of transport users in London and is sponsored and funded by the London Assembly. Transport Focus is the independent watchdog for transport users outside London and is sponsored and funded by the DfT.

The Collaboration Agreement does not create a business group or joint venture for reporting purposes so the organisations publish separate annual reports and financial statements which are subject to independent audit.

Performance analysis

Finance

In 2021-22 the organisation received from the DfT grant in aid of £4,359,000 for passenger representation (2020-21: £4,760,000). Further grant in aid of £1,878,000 (2020-21: £1,620,000) was received from the DfT for representing users of the Strategic Road Network in England. This year the Transport Focus group has secured funding totalling £1,171,000 (2020-21: £914,000) from third parties for joint and fully funded projects which included £197,000 (2020-21: £252,000) from the DfT.

The group incurred net costs before tax of £6,450,000 in the year to 31 March 2022. Some 38 per cent (2020-21: 27 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 £870,000 (2020-21: £1,084,000) at the end of the year and the total grant in aid drawn down during the year was £6,237,000 (2020-21: £6,380,000).

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 £2,856,000. The main insight projects this year have been highlighted in the Review of Activities. The full details of our insight can be found on our website.

Performance, risks and uncertainties

Transport Focus reports on its performance monthly. 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.

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 97.2 per cent (2020-21: 97.8 per cent) of invoices within 30 days, and 69.9 per cent (2020-21: 73.8 per

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.

cent) within 10 working days. The average time taken to pay a supplier during the year was seven and a half days (2020-21: seven 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, Manchester and Cardiff 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.

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. However, during the year, with some travel restrictions still in place, our travel has been minimal and we have made almost exclusive use of electronic communication and conferencing facilities and aim to continue to utilise these methods wherever possible in the future.

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

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) all 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 2022-23.

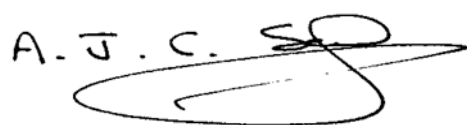
During the year we continued our comprehensive diversity and inclusion programme and all staff and board members have attended workshops. We have also began a review of our insight surveys and processes. This programme will continue in the coming years to ensure we remain a diverse and inclusive organisation representing all transport users throughout our area.

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

4 July 2022

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 section.

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 or ended	Audit and Risk Assurance Committee	Statistics Governance Group	Passenger Contact Group
J Halliwell (Chair)	9 February 2015	31 May 2022			
I Liu ¹	1 March 2013	31 October 2021	Chair (to 31 October 2021)		
A Leathley ²	1 October 2017	30 September 2023	√		√
W Powell ³	1 May 2017	30 April 2026			Chair
T De Pencier	1 May 2015	30 April 2023	√	Chair (to 31 October 2021)	
K Richards	14 August 2018	13 August 2025			√
K Denham	14 August 2018	13 August 2025	Chair (from 1 November 2021)		
R Wilson	14 August 2018	13 August 2025		Chair (from 1 November 2021)	
T McAuley ⁴	1 September 2020	31 August 2024		√	

¹ Appointment ended on 31 October 2021

² Appointed by the London Assembly

³ Appointed by the Welsh Government

⁴ 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 and Risk Assurance 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 £35,500 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 section. 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 4.2 days (2020-21: 2.9 days), this equates to 1.6 per cent of total staff time (2020-21: 1.1 per cent).

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.

	2017-18	2018-19	2019-20	2020-21	2021-22
2021-22					
Passenger Representation £000	4,177	4,384	4,118	4,240	4,540
Road User Representation £000	1,888	1,731	1,474	1,443	1,911
Total Net Expenditure £000	6,065	6,115	5,592	5,683	6,451

Fees and Charges (audited)

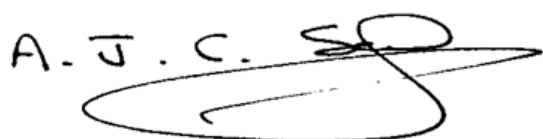
The following information summarises the final report to Transport Focus management team for the period to 31 March 2022 and excludes any joint funded activities for the group.

	Full Cost £000	Revenue £000	Operating Surplus/(Deficit) £000
Additional Consumer Representation	172	247	75
Transport User Insight	332	455	123
Net Income	504	702	198

Additional consumer representation activities are delivered through assigning staff to liaise with specific service providers and have been charged to parties other than the DfT. 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 and have been charged to parties other than the DfT. 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.



Anthony Smith
Chief Executive and Accounting Officer
4 July 2022

Statement of Accounting Officer's responsibilities

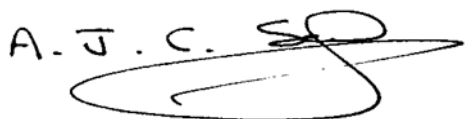
Under paragraph 8(2) schedule 5 of the Railways Act 2005, the Secretary of State for Transport with the approval of the Treasury, has directed Transport Focus to prepare a statement of account for each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared 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 flourish underneath.

Anthony Smith

Chief Executive and Accounting Officer

4 July 2022

Governance statement 2021-22

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 and Risk Assurance 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 and Risk Assurance Committee.

Risk management

The Board has agreed the risk appetite for the organisation which is for:

- existential/political/economic and competitive, relevance and reputational risks our risk appetite is 'Flexible' so we are willing to consider all options and choose one that is most likely to result in successful delivery
- internal management and cultural and project and programme risks our risk appetite is 'Hungry' so we are eager to be innovative and to choose options that suspend previous held assumptions and accept greater uncertainty
- operational and technical risks our risk appetite is 'Cautious' so we prefer safe options that have a low degree of residual risk.

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 and Risk Assurance 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 and Risk Assurance Committee and a rolling 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 11 times, including four 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		November 2021	March 2022
	May 2021	July 2021		
J Halliwell (Chair)	√	√	√	√
I Liu ¹	√	√	N/A	N/A
A Leathley	√	√	√	√
W Powell	√	√	√	√
T De Pencier	√	√	√	√
K Richards	√	√	√	√
K Denham	√	√	√	-
R Wilson	√	√	-	√
T McAuley	√	√	√	√

¹ I Liu appointment ended 31 October 2021

Details of the Board's remuneration and appointment process are available in the Remuneration and Staff Report section and Board appointment process on page 41.

A review of Board effectiveness was undertaken during the year to ensure the Board remained relevant, appropriate, and functioning effectively, and that Board-support was of good quality. No specific actions were identified as part of the review process.

During the course of the year, the DfT launched a competition to recruit and appoint a new Transport Focus Chair. To take account of the recruitment process, Jeff Halliwell's term was extended to 31 May 2022. Interviews were held in December 2021 and the DfT announced on 16 May 2022 that Nigel Stevens had been appointed as the new Chair with effect from 1 June 2022.

The Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee met four 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 and Risk Assurance Committee provided the Board with regular reports on the committee's activities and any findings concerning internal control.

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

Board member	April 2021	July 2021	October 2021	January 2022
I Liu	√	√	√	N/A
K Denham	√	√	√	√
A Leathley	√	√	√	√
T de Pencier	N/A	N/A	N/A	√

As noted above, Isabel Liu appointment ended on 31 October 2021, and Kate Denham was appointed Chair of the Audit and Risk Assurance Committee with effect from 1 November 2021. Theo de Pencier attended the October 2021 Audit and Risk Assurance Committee meeting as an observer prior to joining the committee on 1 November 2021.

Other aspects of governance arrangements

The Board also maintains three 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 2021-22. The Passenger Contact Group oversees the effectiveness of the passenger contact function and met twice. The Campaigns Steering Group provides assurance on the selection and delivery of the workplan campaigns and met twice during the year.

Internal audit

The Government Internal Audit Agency (GIAA) agrees a rolling programme of audit for each forthcoming year according to the Board's priorities and reports on its work to the Audit and Risk Assurance Committee. 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 GIAA Head of Internal Audit for Transport Focus 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: complaints handling and casework, our insight products, information security and governance and operations against functional standards. 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 and Risk Assurance Committee periodically to ensure the findings are being addressed.

Covid-19

Transport Focus has followed the government guidance during the Covid-19 pandemic. This has meant staff working from home where they can, ensuring our offices were Covid-secure, minimising travel for work, ensuring user evidence gathering is Covid-secure and all meetings have been by video.

To ensure we continue to represent transport consumers during the pandemic we have put in place working groups to co-ordinate and oversee our activities. This structure allowed us to quickly adapt our Workplan for 2021-22 and move to capturing user evidence online and adjust our plans in response to transport consumer's immediate priorities.

We also put in place a team to co-ordinate the support activities which allowed staff to work effectively by addressing any emerging needs, including welfare issues.

Our ICT services are cloud based so staff were able to move to secure remote working with minimal disruption and other internal processes were adapted to suit remote working whilst maintaining effective controls which ensured suppliers continued to be paid promptly.

Throughout the period the management team have had regular meetings to oversee the plans and ensure adequate resources are available.

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 and Risk Assurance 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:

- as the changes proposed in the *Williams-Shapps Plan for Rail* progress towards implementation, there could be changes beyond Transport Focus's control that might have an impact on the organisation's future, diminishing its role in influencing decisions made about transport services in favour of the user.
- Transport Focus make public statements that are wrong, inaccurate, or misread the political situation, fail to pick up the political priorities or fail to make a statement on a transport consumer issue.
- Transport Focus fails to adopt the learnings during the pandemic to adjust and improve the way it works as the country emerges from the pandemic.

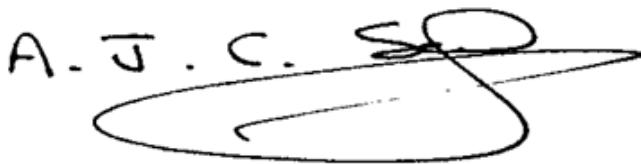
They also identified the following corporate opportunities:

- Ensure Transport Focus is in the vanguard of debate about transport users and transport behavioural change whilst keeping its consumer voice.
- Work to ensure our evidence gathering is cutting edge, can be used in different ways for different purposes, always on and relevant as is possible.
- Maximise the opportunities for transport users coming from the *Williams- Shapps Plan for Rail* White Paper (May 2021), and the EV charging and Bus Strategy (April 2021).

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 2021-22 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 the end of the year 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 2022 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.



Anthony Smith

Chief Executive and Accounting Officer

4 July 2022

3.3 Remuneration and Staff Report for the year ended 31 March 2022

The Audit and Risk Assurance Committee was made up of up to four non-executive Board members in the year: Isabel Liu (Chair to 31 October 2021), Kate Denham (Chair from 1 November 2021), Arthur Leathley and Theo De Pencier. 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 and Risk Assurance Committee have not been involved in decisions relating to their own remuneration. In line with the Civil Service pay guidance for 2021-22 there was no increase in members' remuneration.

The arrangements for changes to the remuneration of the executive management team members are the same as for other employees of the organisation. There was no pay increase for staff during 2021-22.

Our simple annual Bonus Scheme continued to operate in 2021-22 with a total allocation of £19,500 for achievements in the year (2020-21: £22,000). 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 and Risk Assurance Committee (ARAC). The Bonus Scheme continues to recognise exceptional performance by staff in delivering exceptional value, or high levels of professionalism or personal commitment in delivering high quality work.

The terms of our approved Bonus Scheme for 2021-22 were the same as those for 2020-21 with all bonuses capped at £250. Bonuses have been paid during the year for individual achievements and 70 per cent of these were paid to junior staff. In addition, year-end bonuses of £250 were paid to 25 per cent of staff to recognise exceptional performance over the year.

Board Members (audited)

Remuneration paid to the non-executive Board members for the period to 31 March 2022 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 2022 £000's	31 March 2021 £000's		
J Halliwell (Chair)	37	37	9 February 2015	31 May 2022
I Liu ²	10	16	1 March 2013	31 October 2021
A Leathley ¹	-	-	1 October 2017	30 September 2023
W Powell	13	13	1 May 2017	30 April 2026
P Mendelsohn ³	-	5	1 September 2012	31 August 2020
T De Pencier	13	13	1 May 2015	30 April 2023
K Richards	13	13	14 August 2018	13 August 2025
K Denham	14	13	14 August 2018	13 August 2025
R Wilson	13	13	14 August 2018	13 August 2025
T McAuley	12	7	1 September 2020	31 August 2024

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

² Isabel Liu's appointment ended on 31 October 2021. The full year equivalent fee was £16k.

³ P Mendelsohn appointment ended 31 August 2020

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
A Smith Chief executive	135-140	135-140	-	-	12	49	145-150	185-190
N Holden Corporate services director	75-80	75-80	-	-	9	22	85-90	100-105
D Sidebottom Director	75-80	75-80	-	-	13	37	90-95	115-120

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

	Real increase in pension and [related lump sum] at pension age	Accrued pension and [related lump sum] at pension age as at 31 March 2022	Cash Equivalent Transfer Value		Real increase in Cash Equivalent Transfer Value to nearest £000
			At 31 March 2022	At 31 March 2021	
			£000's	£000's	
A Smith	0 - 2.5	50 – 55	1,089	1,062	12
N Holden	0 – 2.5	20 – 25	445	428	9
D Sidebottom	0 – 2.5 [0 – 2.5]	30 – 35 [75 – 80]	702	661	2

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. A £250 bonus was awarded to N Holden and bonuses totalling £500 were awarded to D Sidebottom in respect of 2021-22. No other performance pay or bonuses were awarded to the executive team in the financial year 2020-21 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.

	2021-22	2020-21
Mid-point of Band of Highest Paid Director's Total Remuneration (£)	137,500	137,500
Median Total Remuneration (£)	48,441	48,354
25 th Percentile Remuneration (£)	37,119	35,054
75 th Percentile Remuneration (£)	58,205	58,749
Percentage change in the highest paid director's salary and allowances	0.0%	1.7%
Average percentage change in the salary and allowances of employees	1.1%	1.9%
Average percentage change in the bonuses payable to employees	(13.0)%	(0.6)%
Ratios:		
Highest paid director's total remuneration to median total remuneration	2.8	2.8
Highest paid director's total remuneration to employee on 25th percentile pay and benefits	3.66	3.87
Highest paid director's total remuneration to employee on 75th percentile pay and benefits	2.33	2.31

Actual staff remuneration, excluding the highest paid director, ranged from £25,799 (2020-21: £24,818) to £86,342 (2020-21: £87,147). No employee received pay above the highest paid director.

Along with all employees the highest paid director received a bonus payment in 2021-22 in respect of achievements in 2020-21. There were no bonus payments to the highest paid director in respect of 2021-22 or 2019-20 achievements.

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:

	2021-22			2020-21
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	2,387	2,232	155	2,362
Social security costs	249	249	-	243
Other pension costs	573	573	-	555
Total net costs	3,209	3,054	155	3,160

There were no consultancy or high paid off-payroll appointments in either 2021-22 or 2020-21. 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 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2021-22 employers' contributions of £547,294 (2020-2021: £528,482) 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 £33,242 (2020-21: £34,612) were payable to the appointed stakeholder pension provider. 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 £966 (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 £4,454.

Average number of persons employed (audited)

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

	2021-22			2020-21
	Total	Permanent	Others	Total
	Number	Staff	Number	Number
		Number		
Directly employed	43	41	2	43
Other	-	-	-	-
Total	43	41	2	43

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

Staff turnover

During the year 2021-22 the staff turnover percentage was 2.3 per cent (2020-21: 9.3 per cent). One person left during the year at the end of their fixed term contract (2020-21: 5).

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, gender reassignment, race, religion or belief, disability, marriage and civil partnership, 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 2022.

	Male	Female	Other	Total
Non-Executive Directors	6	2	-	8
Executive Directors	3	-	-	3
Senior Manager	4	4	-	8
Staff	17	17	-	34
Total	30	23	-	53

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 £22,000 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.

We continue to run our annual staff attitude survey which measures overall satisfaction. The latest survey from November 2021 showed 89 per cent of staff were satisfied or very satisfied with working at Transport Focus.

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)

There were no compensated exits or redundancy payments by the Transport Focus group during 2021-22 or 2020-21.

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: 3 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 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). 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 defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% 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

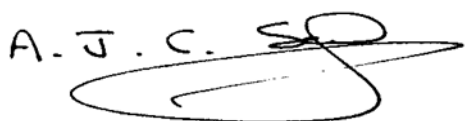
Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (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. The initials 'A. J. C.' are written in a simple, blocky font. To the right of the initials is a large, stylized, cursive flourish that loops around and ends with a horizontal stroke.

Anthony Smith

Chief Executive and Accounting Officer

4 July 2022

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 and its group for the year ended 31 March 2022 under the Railways Act 2005 (Schedule 5).

The financial statements comprise the group and parent statements of:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of affairs of Transport Focus and its group as at 31 March 2022 and of the net expenditure after tax of Transport Focus and its group for the year then ended and
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law 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 report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of Transport Focus and its Group in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that Transport Focus's and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Transport Focus's and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. My responsibilities and the responsibilities of the board and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for Transport Focus and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report for the year ended 31 March 2022 to be audited has been properly prepared in accordance with Secretary of State directions issued under Railways Act 2005.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Performance Report and Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Railways Act 2005; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Transport Focus and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability Report, and Remuneration and Staff Report for the year ended 31 March 2022.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Transport Focus 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 Accountability Report, and Remuneration and Staff Report for the year ended 31 March 2022 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report for the year ended 31 March 2022 to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Board and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing Transport Focus's and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board and the Accounting Officer anticipates that the services provided by Transport Focus and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of Transport Focus's and its Group's accounting policies, and key performance indicators.
- Inquiring of management, Transport Focus's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Transport Focus's and its Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Transport Focus and its

Group's controls relating to compliance with the Railways Act 2005, and Managing Public Money.

- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Transport Focus and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Transport Focus's and Group's framework of authority as well as other legal and regulatory frameworks in which it operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Transport Focus and its Group. The key laws and regulations I considered in this context included the Railways Act 2005, Managing Public Money, employment law and pensions legislation and or tax Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Assurance Committee and finance concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

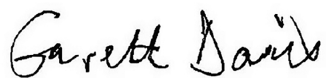
A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

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.

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.



Gareth Davies
Comptroller and Auditor General

Date 7 July 2022

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 2022

		2021-22		2020-21	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	Note	£000	£000	£000	£000
Expenditure					
Staff costs	3	3,122	3,209	3,107	3,160
Other expenditures	4	4,261	4,293	3,257	3,286
Depreciation	4	113	113	141	141
Write off due to premature termination of lease	4	-	-	7	7
Lease interest	4	6	6	3	3
		<u>7,502</u>	<u>7,621</u>	<u>6,515</u>	<u>6,597</u>
Income					
Income from operating activities	5	(1,036)	(1,171)	(838)	(914)
Net Expenditure before tax		<u>6,466</u>	<u>6,450</u>	<u>5,677</u>	<u>5,683</u>
Corporation tax payable	6	-	1	-	-
Net Expenditure after tax		<u>6,466</u>	<u>6,451</u>	<u>5,677</u>	<u>5,683</u>


There was no other net expenditure to be recognised in the Statement of Comprehensive Net Expenditure.

The Accounting Policies and Notes on pages 59 to 70 form part of these financial statements

Statement of Financial Position as at 31 March 2022

		2021-22		2020-21	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
		£000	£000	£000	£000
Note					
Non-current assets:					
Property, plant and equipment	7	300	300	413	413
Total non-current assets		300	300	413	413
Current Assets					
Trade and other receivables	8	427	434	307	294
Cash and cash equivalents	9	1,543	1,609	1,842	1,909
Total current assets		1,970	2,043	2,149	2,203
Total assets		2,270	2,343	2,562	2,616
Current liabilities					
Trade and other payables	10	1,282	1,336	1,265	1,315
Total current liabilities		1,282	1,336	1,265	1,315
Total assets less current liabilities		988	1,007	1,297	1,301
Non-current liabilities	10	137	137	217	217
Assets less liabilities		851	870	1,080	1,084
Taxpayers' equity					
General reserve		851	870	1,080	1,084
Total taxpayers' equity		851	870	1,080	1,084

The Accounting Policies and Notes on pages 59 to 70 form part of these financial statements.

A. J. C. 

Anthony Smith

Chief Executive and Accounting Officer

4 July 2022

Statement of Cash Flows for the year ended 31 March 2022

		2021-22 Transport Focus	Transport Focus Group	2020-21 Transport Focus	Transport Focus Group
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net expenditure after interest and tax		(6,466)	(6,451)	(5,677)	(5,683)
(Increase)/Decrease in trade and other receivables	8	(120)	(140)	164	184
(Decrease)/Increase in trade and other payables	10	(63)	(59)	(732)	(725)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	12	80	80	(144)	(144)
(Decrease)/Increase in provisions	11	-	-	(50)	(50)
Add non-cash transactions:					
Depreciation	4	113	113	141	141
Lease interest	4	6	6	3	3
Write off due to premature termination of lease	4	-	-	7	7
Net cash outflow from operating activities		(6,450)	(6,451)	(6,288)	(6,267)
Cash flows from investing activities					
Purchase of property, plant and equipment	7	-	-	(112)	(112)
Net cash outflow from investing activities		-	-	(112)	(112)
Cash flows from financing activities					
Grant in Aid		6,237	6,237	6,380	6,380
Payment of lease liabilities	12	(86)	(86)	(129)	(129)
Net financing		6,151	6,151	6,251	6,251

**Net (decrease)/increase in
cash and cash equivalents in
the period**

		<u>(299)</u>	<u>(300)</u>	<u>(149)</u>	<u>(128)</u>
Cash and cash equivalents at the beginning of the period	9	1,842	1,909	1,991	2,037
Cash and cash equivalents at the end of the period	9	1,543	1,609	1,842	1,909

The Accounting Policies and Notes on pages 59 to 70 form part of these financial statements

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	General Reserve	
	Transport Focus £000	Transport Focus Group £000
Balance as at 1 April 2020	377	387
Changes in taxpayers' equity for 2020-21		
Retained Deficit	(5,677)	(5,683)
<i>Total recognised income and expense for 2020-21</i>	(5,677)	(5,683)
Grant in Aid received from the DfT	6,380	6,380
Balance at 31 March 2021	1,080	1,084
Changes in taxpayers' equity for 2021-22		
Retained Deficit	(6,466)	(6,451)
<i>Total recognised income and expense for 2021 -22</i>	(6,466)	(6,451)
Grant in Aid received from the DfT	6,237	6,237
Balance at 31 March 2022	851	870

The Accounting Policies and Notes on pages 59 to 70 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 2021-22 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 where material.

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

There have been no new accounting standards adopted or revised in the year.

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 2016. The Civil Service Pension Scheme paused the 2016 valuation, as the uncertainty around member benefits arising from the McCloud and Sargeant court judgments made it impossible to assess the value of the schemes to members with any certainty. The actuarial valuation as at 31 March 2020 is currently 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. The definition of a contract is expanded to include intra-UK government agreements where non performance may not be enforceable by law.

At the commencement of a lease, 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 DfT 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.

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.

1.11 Financial assets

Financial assets held by Transport Focus Group comprise mainly of cash held in bank, trade receivables, prepayments and accrued income. These are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Since these balances are expected to be realised within 12 months of the reporting date there is no material difference between fair value, amortised costs and historical cost.

1.12 Financial liabilities

Financial liabilities held by Transport Focus Group comprise mainly of trade payables, accruals and deferred income. Since these balances are expected to be settled within 12 months of the reporting date there is no material difference between fair value, amortised costs and historical cost.

1.13 Financial instruments

Any financial instruments are initially measured at fair value. 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.

2. Analysis of Net Expenditure before tax by Segment

	Passenger Representation	Road User Representation	2021-22 Total	2020-21 Total
	£000	£000	£000	£000
Gross Expenditure	5,655	1,966	7,621	6,597
Income	1,115	56	1,171	914
Net Expenditure	4,540	1,911	6,450	5,683
Of the total:				
Transport Focus	4,555	1,911	6,466	5,677
Transport Focus Group	4,540	1,911	6,450	5,683

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:

	2021-22			2020-21
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and Salaries	2,387	2,232	155	2,362
Social security costs	249	249	-	243
Other pension costs	573	573	-	555
Total net costs	3,209	3,054	155	3,160
Of the total:				
Transport Focus	3,122	2,967	155	3,107
Transport Focus Group	3,209	3,054	155	3,160

4. Administration costs and other expenditure

	2021-22		2020-21	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
Running Costs	£000	£000	£000	£000
Transport user insight	2,830	2,856	1,742	1,767
Travel and subsistence, room hire and recruitment	106	106	26	26
Printing, postage and office costs	150	151	113	113
External services and support	266	267	275	275
Information technology support and maintenance	397	397	539	540
Board remuneration	132	132	138	138
Rent, rates and utilities	302	306	301	304
Training and development	22	22	72	72
Telecommunication costs	18	18	20	20
External audit fee	35	35	28	28
Operating lease rentals (excluding rent)	3	3	3	3
	4,261	4,293	3,257	3,286
Non-cash items				
Depreciation	113	113	141	141
Write off due to premature termination of lease	-	-	7	7
Lease interest	6	6	3	3
Total	4,380	4,411	3,408	3,437

Transport user insight represents the costs of gathering data and evidence from transport users of their experiences and priorities which underpins our representation activities.

Expenditure in the year has been higher than the previous year due mainly to the impact on operations of Covid-19 restrictions during 2020-21.

5. Income

	2021-22		2020-21	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Income in respect of joint projects	126	151	314	314
Income in respect of activities fully funded by external parties	907	1,017	524	600
Other income	3	3	-	-
	1,036	1,171	838	914

6. Corporation tax payable

	2021-22		2020-21	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Corporation tax payable	-	1	-	-

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 £000	Leasehold Improvements	Information Technology and Fittings £000	Total £000
Cost or valuation				
At 1 April 2021	317	100	60	477
Additions	-	-	-	-
Write down	-	-	(43)	(43)
At 31 March 2022	317	100	17	434
Depreciation				
At 1 April 2021	14	4	46	64
Charged in year	83	26	4	113
Write down	-	-	(43)	(43)
At 31 March 2022	97	30	7	134
Net book value at 31 March 2022	220	70	10	300
Net book value at 31 March 2021	303	96	14	413
Of the total:				
Transport Focus	220	70	10	300
Transport Focus Group	220	70	10	300

	Buildings - Right of Use £000	Leasehold Improvements	Information Technology and Fittings £000	Total £000
Cost or valuation				
At 1 April 2020	271	-	48	319
Additions	317	100	12	429
Write down	(271)	-	-	(271)
At 31 March 2021	317	100	60	477
Depreciation				
At 1 April 2020	109	-	31	140
Charged in year	122	4	15	141
Write down	(217)	-	-	(217)
At 31 March 2021	14	4	46	64

Net book value at 31 March 2021	303	96	14	413
Net book value at 31 March 2020	162	-	17	179
Of the total:				
Transport Focus	303	96	14	413
Transport Focus Group	303	96	14	413

The Buildings - Right of Use and Leasehold Improvements cost additions and write down in the year related to moving our London offices to Albany House from Fleetbank House in February 2021.

All assets 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

	2021-22		2020-21	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Accounts falling due within one year:				
Trade receivables	130	150	196	215
Intra-group receivables	13	-	32	-
Other receivables	-	-	1	1
Prepayments and accrued Income	284	284	78	78
	427	434	307	294

Other receivables include season ticket loans to staff members and there were none outstanding at 31 March 2022 (2020-21: 1 totalling £1,098)

9. Cash and cash equivalents

	2021-22		2020-21	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Balance at 1 April	1,842	1,909	1,991	2,037
Net change in cash and cash equivalent balances	(299)	(300)	(149)	(128)
Balance at 31 March	1,543	1,609	1,842	1,909

The Transport Focus bank account is held with the Government Banking Service and the remaining group balances are held with Virgin Money UK plc (formerly Clydesdale Bank plc).

The Transport Focus group does not hold any cash equivalent balances and has no overdraft facilities.

10. Trade payables and other current liabilities

	2021-22		2020-21 (Restated)	
	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	73	73	86	86
Pension contributions payable	61	61	69	69
Trade payables	5	35	231	261
Other payables	15	15	3	3
VAT Liability	6	10	16	17
Corporation tax payable	-	1	-	-
Lease liabilities	86	86	86	86
Accruals	1,005	1,023	681	699
Deferred income	31	32	93	94
	<u>1,282</u>	<u>1,336</u>	<u>1,265</u>	<u>1,315</u>
Amounts falling due after more than one year				
Lease liabilities	<u>137</u>	<u>137</u>	<u>217</u>	<u>217</u>

Transport Focus prepares its accounts shortly after the year end which means supplier invoices received after the year end, but relating to expenditure in the previous financial year, are included in Accruals rather than Trade Creditors at the year end. A high amount of spend takes place in the final quarter of the year due to the timing of surveys which usually take place in early spring and are typically invoiced by suppliers in April.

The lease liability is for our London offices at Albany House.

The 2020-21 lease liabilities have been restated to reflect the split between those which fall due within a year and those which fall due after more than one year. This restatement has also been reflected in the Statement of Financial Position. The total liability remains unchanged.

11. Provision for liabilities and charges

	2021-22		2020-21	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Redundancy Cost Provision				
Balance at 1 April	-	-	50	50
Provided in the year	-	-	-	-
Provisions utilised in the year	-	-	(45)	(45)
Provisions written back in the year	-	-	(5)	(5)
Balance at 31 March	-	-	-	-

The 2020-21 provision was provided for premature exit costs under the Civil Service Compensation Scheme and was expected to be utilised within 12 months.

12. Lease liabilities

	2021-22 £000's	2020-21 £000's
Lease liabilities:		
Balance as at start of year	303	159
Additional leases recognised under IFRS 16	-	317
Lease interest	6	3
Repayment of lease liability	(86)	(129)
Write off due to premature termination of lease		(47)
Balance as at end of year	223	303
Amounts falling due:		
No later than one year	86	86
Later than one year and not later than five years	137	217
Later than five years	-	-
	223	303

A lease liability at 31 March 2022 and recognised during 2020-21 is for our London offices at Albany House.

13. Contingent liabilities disclosed under International Accounting Standard 37

There were no reportable contingent liabilities or contingent assets at 31 March 2022.

14. Related-party transactions

Transport Focus is an executive non-departmental public body sponsored by the DfT and is regarded as a related party. £6,237,000 was received from the DfT in Grant in Aid for the year. In addition, further income totalling £197,225 was invoiced and received in the year for additional insight commissioned by the DfT.

Transactions totalling £30,000 were undertaken with National Highways during the year which were still receivable at 31 March 2022. £135,965 worth of transactions were undertaken with Network Rail and £33,500 was still receivable at 31 March.

In February 2020 Transport Focus entered a Collaboration Agreement with London TravelWatch to work more closely together to ensure that, both jointly and individually, the organisations are making more of difference for transport users and delivering better value for money for sponsors and funders. The two organisations remain independent of one another. London TravelWatch is the official watchdog organisation representing the interests of transport users in London and is sponsored and funded by the London Assembly. Transport Focus is the independent watchdog for transport users outside London and is sponsored and funded by the DfT. The Collaboration Agreement does not create a business group or joint venture for reporting purposes.

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 train operating companies (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 are largely publicly funded bodies or suppliers appointed by DfT so 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.

17. Subsidiary companies

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. Both subsidiary companies have the same year end as Transport Focus and apply the same accounting policies as Transport Focus.

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 March 2022. The guarantee has been provided because this allows the subsidiary to be exempt from audit for the year ended 31 March 2022 thereby saving the annual audit fee. The saving increases the funds available for work on behalf of transport users.

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