



Transport Focus Annual report and accounts

2022 – 23

HC 1670
SG/2023/122



Annual report and accounts 2022-2023

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Section 1:

Chair's forward

2022-23 has been a tough year for transport users. They have faced a multitude of challenges when endeavouring to travel in different parts of Britain.

There was exceptional poor performance in parts of the rail industry particularly arising from strikes and other issues. The difficult economic situation and cost of living crisis have provided further pressures both on transport users and on the industry itself. The need to face decarbonisation of transport remains. Meanwhile, significant reforms in the rail and bus industries continued moving forward despite the legacy of Covid-19.

During this critical time, it has been our role to make sure that the user is not forgotten and that the disruption to them and their travel is minimised. This annual report highlights initiatives both strategic and practical that have helped the transport user, whether it be influencing the investment for users on the railways or National Highways' roads or checking on how train companies informed passengers about traveling during strike days.

Whatever the issue, we gather evidence on users' experience, analyse the key issues, challenge those who can make a difference in order that they can make that difference.

I was honoured and delighted to be appointed by the Secretary of State to chair Transport Focus. I started my role in the summer of 2022 as people were traveling more again and I began meeting key stakeholders.

As the new Chair, I began a 'reset' for Transport Focus to ensure the organisation is ready to face the substantial external challenges in transport and to ensure we achieve even more for the transport user. I have therefore set in train a process to build on the organisation's strengths so that we

- Champion the needs of the transport user **today**
- Ensure the transport user is at the centre of policy making and decisions for **tomorrow**
- Inspire **future** transport thinking.

I welcome the staff's positive engagement in this process and I have been ably supported by my Board.

Section 2:

Making a difference for transport users

After two years of Covid-19, the pandemic's impact on transport and transport users waned during the year but has left a residue of changed travel patterns and resulting financial pressures. There was also the backdrop of the cost-of-living crisis, and the year has been dominated by industrial disputes and poor performance on the railways.

Longer-term issues, such as the implementation of the Bus Strategy in England, rail reform and the development of the third Road Investment Strategy were important elements of this year's work.

2.1 Delivering on our outcomes

2.1.1 Transport decarbonisation policies taking account of the user

Measuring drivers' experience of charging electric cars

It is important that electric vehicles are easy to charge if their rate of take up is to meet decarbonisation targets. We devised and tested a survey of the user experience of EV charging on Highways England's roads to benchmark their experience and drive higher standards. In 2023-24 we will roll out the survey and continue to work with the Office for Zero Emission Vehicles, National Highways and chargepoint providers.

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

Rail reform and investment

The Government's *Plan for Rail* has progressed slowly as we wait for legislation. We continued to liaise with the Department for Transport (DfT) and the Great British Railways Transition Team (GBRTT) and had input into the developing *Whole Industry Strategic Plan* and DfT's consultation on the legislative changes required. As part of this process we have been convening a Customer Panel for GBRTT to enable them to test out their plans with passengers so helping shape the future.

Working with Network Rail we carried out research *What matters most to passengers* to inform plans for Control Period 7 (CP7) investment as well as rail decision making more generally. This survey built on earlier qualitative research with their Wales and Western Region which informed that Region's CP7 Business Plan.

Passengers' most important priorities were the price of train tickets offering value for money, reliability and punctuality and sufficiently frequent trains. We used this insight in our work with various Network Rail regional CP7 challenge panels and chaired those for the Southern and North West and Central Regions. In Network Rail's Wales and Western Region, we chaired a stakeholder engagement group. The insight was

also used to inform the Senedd's committee on public transport in Wales. In all we ensured that passengers were at the centre of the outcomes.

What matters most to passengers has also been useful in working with individual train companies, such as West Midlands Trains (WMT). We analysed the data locally so it could be applied to them.

Transport Focus success: As WMT reflected on improving passengers' experiences, our recommendations were accepted, and their delivery monitored through WMT's customer experience board.

Rail contracts and direct awards

We continued to influence decisions on direct awards, business planning and wider rail contracting frameworks. We presented evidence of passenger needs and expectations to DfT, GBRTT, train operators and owning groups, seeking to ensure the best possible outcomes for rail users. This will provide valuable insight about passenger expectations of the railway so informing decision making.

Transport Focus success: The DfT's Managing Director of Passenger Services recognised our input:

"Your team has provided valuable insight and assistance into our work on National Rail Contracts, helping us to develop new regimes that aim to drive improvements in customer service, in particular for those with additional needs."

Disruption and poor performance on the railway

There was considerable disruption on the railway during much of the year from persistent poor performance with certain train companies – Avanti West Coast (Avanti), TransPennine Express (TPE) and Transport for Wales (TfW). In addition, there was industrial action and extreme heat caused disruption in the height of summer. All of these had a significant impact on passengers.

We adapted our surveys on measuring rail passenger satisfaction during Covid-19 into a weekly measure of passengers' experiences – now known as the *Rail User Survey*. It measures a range of aspects including overall satisfaction, punctuality, value for money and cleanliness. It helped demonstrate the impact of different forms of disruption as well as providing data which could be analysed by individual train company. This data was fed back to the industry and welcomed by them.

Poor performance

Avanti's performance declined during last summer - largely due to driver shortages - resulting in trains being cancelled at short notice, overcrowding and confusing seat reservations. We gathered information about the passenger experience through our weekly *Rail User Survey* and the Transport User Panel and mystery shopping. Passenger satisfaction with punctuality and reliability, the level of crowding and also frequency of services dropped significantly during the autumn. We also held Avanti to account on the Cross Border Strategic Rail Forum which we chair.

TransPennine Express (TPE) passengers were also dissatisfied, particularly with changes, cancellations or delays to their journeys, the level of crowding and poor communication.

We invited Avanti, TPE and Northern Rail to a Board meeting in public in Manchester at the end of the year so we could challenge them on their performance and seek assurances. Avanti apologised publicly to its passengers and believed it had 'turned a corner'. TPE also apologised and was challenged about improving day-to-day performance. By the end of the year, Avanti's performance had started to improve.

Passengers on TfW services also suffered poor performance with short-notice cancellations, poor information and overcrowding. TfW and Network Rail were invited to our Board meeting in public in Cardiff to account for this. They recognised the need to improve services and to be more customer-focused.

At an operational level we pressed Avanti and TPE to improve performance, including reducing short-notice cancellations. We raised our concerns with the industry about the rules governing short-notice cancellations and how they are recorded in performance statistics. We welcomed that the Office of Rail and Road (ORR) instructed train operators to change how they record 'pre-cancellations' and required them to introduce a more passenger-friendly and transparent way of making late changes to services. We will continue to work with ORR and the industry on this issue.

We held a public Board meeting in Edinburgh in May with speakers including from ScotRail, Caledonian Sleeper and Scottish Rail Holdings. The previous day we engaged with passengers at Edinburgh Waverley station to find out their views of train services, and fed this information back to those bodies.

Industrial disputes

Industrial disputes have affected the railway's reliability for most of the year with a number of strike days impacting on travel. We have assessed the impact on passengers through, for example, surveys, mystery shopping, checking of websites and information at stations. We looked at

- how people had needed to change their travel plans
- general satisfaction with the journey for those who could and did travel • information about train services and refund arrangements
- the views of those who couldn't or didn't travel.

We fed this information back to the rail industry to help them manage disruption better, particularly improving information. We also pressed for improved compensation for season ticket holders and reported specific problems that we found, particularly with information, and pressed for them to be resolved.

Transport Focus successes: Following this pressure:

South Western Railway put a notice on ticket vending machines (TVMs) on strike days warning people about the strike so reducing the risk tickets were bought for journeys that could not be made.

To make sure people aren't misled into thinking trains are running when there is no service, we pressed for online journey planners to be clearer when showing options for the following day.

At our prompting, National Rail Enquiries made it clearer that there were reduced timetables and a later start to service on days following strikes.

A ticket refund issue was highlighted by passengers who could not receive a refund for both legs of a return journey using single tickets because strikes were affecting only one of the days involved. If they hadn't travelled out, they clearly did not need a ticket to return. This situation was not clear in the National Rail Conditions of Travel.

Transport Focus success: The industry clarified that a passenger could have a refund for the return leg of their journey if they were entitled to their money back for the outward leg (or the other way round).

In Scotland, we pressed for the timetable to provide greater certainty and reliability for passengers during strikes which we helped achieve through our membership of the Rail Task Force.

Extreme heat

In July the very hot weather caused disruption to train services. Again, we called for passengers to be warned about the potential impact to their journeys and challenged where we saw poor information. With changing weather patterns likely to result in more extreme weather, ensuring resilience of the rail network will remain a key issue.

Transport Focus success: our chief executive was appointed to Network Rail's resilience task force to ensure the passenger perspective is at the core of mitigation measures.

Fares and ticketing

The increase in regulated rail fares normally takes effect each January (based on the Retail Price Index (RPI) figure from the previous July). The Government delayed the increase until March 2023 and capped it at 5.9 per cent rather than using the July RPI figure of 12.3 per cent. Given the cost of living crisis, this was particularly welcome. We also published advice to help passengers get the best ticket deals.

Effective deterrence to fare evasion is important. In June, the Government raised the penalty level during the year from £20 to £100 for those who don't have a valid ticket. We urged all train companies to proactively communicate the changes to passengers to reduce the chances of them being found without the right ticket. We also asked for more discretion to be shown to those who had made an innocent mistake. This change fed through into the number of complaints we received during the year (see rail complaints section below).

Accessibility on the railway

We have been an active participant in GBRTT's National Rail Accessibility Strategy Steering Group. We help ensure the views of disabled rail passengers are understood and fully considered as the Group develops a long-term strategy to improve accessibility across the rail network. We also regularly spoke with the Access and Inclusion Managers at train companies to learn about efforts to improve the experience and the challenges they face in delivering the level of service that disabled passengers should expect.

Throughout the year we have responded to dispensation requests from Network Rail and its partners where planned station improvements are not in full compliance with the DfT's design standards for accessible railway stations.

As a long-standing member of the Rail Delivery Group's Customer Information Group, we have called for the industry's Smarter Information Smarter Journeys programme to look at how visual information on board trains can be improved to reflect the live information already delivered by in-person audio announcements.

Planning for one-off events

We are often involved in one-off events that require special transport planning. This year we were part of a steering group of train companies involved in transport planning for the Commonwealth Games in Birmingham. The results of this team's planning were recognised in formal awards for its excellent collaboration on behalf of passengers.

Out and about on the network

We spend time looking at different issues around the network from the passenger perspective and press for improvements. For example, we have been monitoring services from the passenger perspective in Birmingham, including at major stations. At Snow Hill station, we conducted an independent audit of services – both on board and at the station.

Transport Focus success: Our findings and recommendations were well received by WMT and resulted in improvements on information, wayfinding, onward travel and dealing with disruption.

Transport Focus success: Our monitoring at Birmingham New Street resulted in improved rail replacement facilities and information, including for those with additional accessibility needs.

Transport Focus successes: In Wales we secured a number of improvements by spotting issues and pressing for changes:

Securing a set number of opening days at the previously erratic café at Cardiff Queen Street station	Securing a trial to reopen the waiting room at Swansea station - locked due to anti-social behaviour	Updating ticket vending machine information and website journey planners
Replacing of out-of-date posters	Getting waste bins put back at Cardiff station	Replacing faded signs at Baglan station

We have been monitoring how passengers' needs, particularly for information, are being met during the TransPennine Route Upgrade. The programme will improve the railway between Manchester, Huddersfield, Leeds and York. We conducted a number of mystery shops looking at rail replacement bus services, staff awareness, as well as destination information on boards and on ticket machines. We identified staff awareness, website information and positioning of posters as particular weaknesses.

Transport Focus successes: As a result of this feedback to TPE, Northern and Network Rail, they:

Produced video briefings for staff to make the information about the works more accessible and also allowing them to become advocates for the Upgrade programme.

Improved internal processes to ensure the website shows the most up to date information.

Information posters are now displayed in more prominent places as well as along the route and across the network to communicate to a wider audience.

Design of trains and passenger services

We often conduct research to find out passenger views of new train design so they can be incorporated. In 2017, we worked with Merseytravel on Merseyrail's new trains. We helped shape the design of these new trains which have come on stream during the year.

During 2022-23, we worked with rolling stock leasing company Porterbrook to understand what passengers think about the interiors of its Turbostar trains, particularly in the context of changing passenger expectations post Covid-19. We spoke to passengers using Turbostar trains on East Midlands Railway and CrossCountry networks as well as other trains which are eventually due to be replaced by Turbostars.

Transport Focus success: Porterbrook are taking passengers' views into account in their plans for new and refurbished trains.

We took part in a design panel in Wales providing passenger input into various initiatives including Payzone to buy train tickets, a service quality audit and food menus.

The Scottish Government announced that the Caledonian Sleeper services would be provided by an arm's length government-owned company from June 2023. We will continue to provide our Guest Satisfaction Survey to measure all aspects of the onboard experience.

Rail complaints

Passengers complaining about their journey normally go to the train operator first and then to the Rail Ombudsman. If the matter is outside the Ombudsman's remit, they pass the passenger's complaint on to us.

Passengers returning to the railways after Covid-19 resulted in an increase in passenger contacts. Transport Focus dealt with 1,856 direct passenger contacts and resolved 624 in the year. 47 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 Trainline, their appeals being outside the scope of the Rail Ombudsman.

July, October and January were the busiest months for casework with contacts increasing by a quarter, although there were no identifiable trends to explain this increase.

The four categories of complaints are about fares, penalty fares, service performance and complaints handling which are reported on a quarterly basis.

Through our involvement in the Rail Ombudsman Scheme Council, we continued to monitor passenger issues and trends recorded over the year with the Rail Ombudsman.

Fares, retailing and refunds continued to be the most complained about topic followed by penalty fares (see table 2 below).

Table 1 Breakdown of incoming complaint cases by train operator

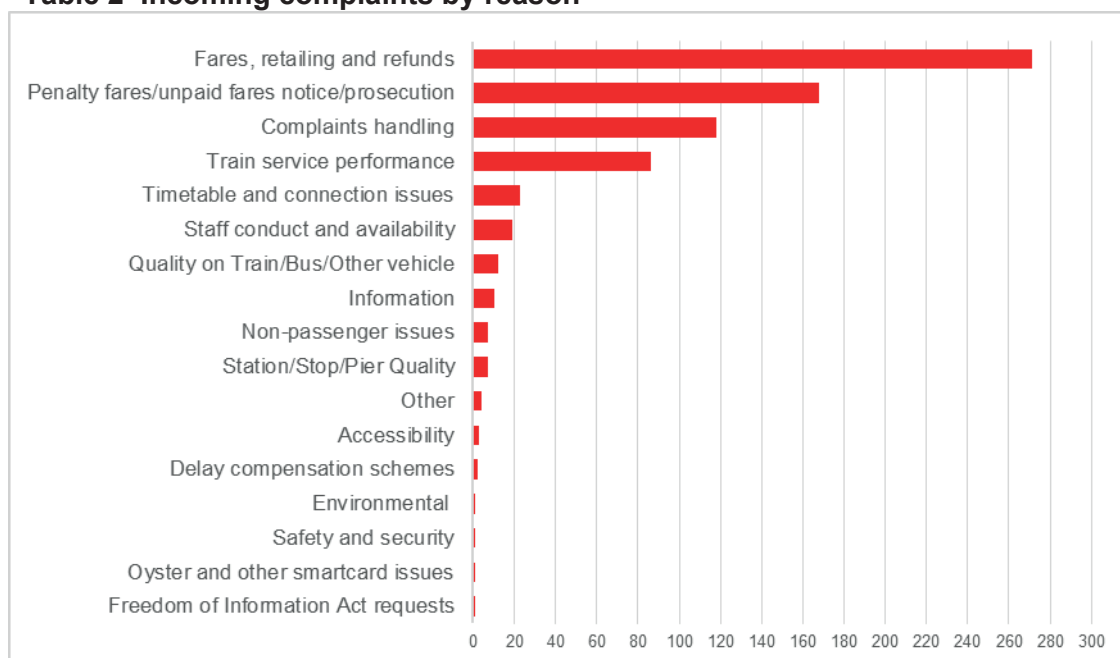
Train operator/ticket retailer	Resolved complaints
Trainline.com	253
Railcards	120
Northern	113
TransPennine Express	27
Greater Anglia	20
Merseyrail	19
Avanti West Coast	18
East Midlands Railway	16
South Western Railway	16
Southeastern	16
Great Western Railway	15
London North Eastern Railway	15
West Midlands trains	12
CrossCountry	7
ScotRail	7
c2c	5
Interrail	5
Govia Thameslink Railway	4
Raileasy	4
Thameslink	4
Transport for Greater Manchester	4
Chiltern Railways	3
Metrolink	3
Network Rail	3
Southern	3
Transport Focus	3

Tyne and Wear Metro	3
Independent Revenue Collection and Support Services	2
National Rail Enquiries	2
Nexus	2
Trainpal	2
Transport For Wales Rail Ltd	2
Appeals Service	1
Northern Prosecutions	1
Omio	1
Rail Delivery Group	1
Transport Investigations Limited	1
West Midland Trains Prosecutions	1
Total	734

Some cases involve more than one transport operator or ticket retailer.

These are not representative of the wider number of complaints received by the train companies or the Ombudsman.

Table 2 Incoming complaints by reason



Transport Focus successes: Here are two examples of our achievements for passengers who came to us with their complaints:

Avanti West Coast

Ms U travelled with Avanti on several occasions for work and was often so delayed that she had to change the day of travel to be sure of arriving on time. Ms U made the usual claims but felt the amount given wasn't enough for the frustration and delay she experienced. On appeal, Avanti explained the cause of the delays, the background to the amended timetable and offered a 1st class complimentary return journey with them by way of apology.

Tyne and Wear Metro (T&W Metro)

Mr A contacted us as his train was cancelled and he was effectively stranded and forced to take a taxi. T&W Metro refused to offer a refund so Mr A came to Transport Focus. We appealed and ask T&W to consider a refund as there were no other transport options available to him. They responded positively, confirming that the buses had also stopped running, and were happy to arrange a refund.

2.1.3 Bus - improved passenger experience and increased use arising from bus reform

The focus of the year was in helping take forward bus reform with our new passenger survey and working with local transport authorities and operators to focus on passenger needs.

Bus reform

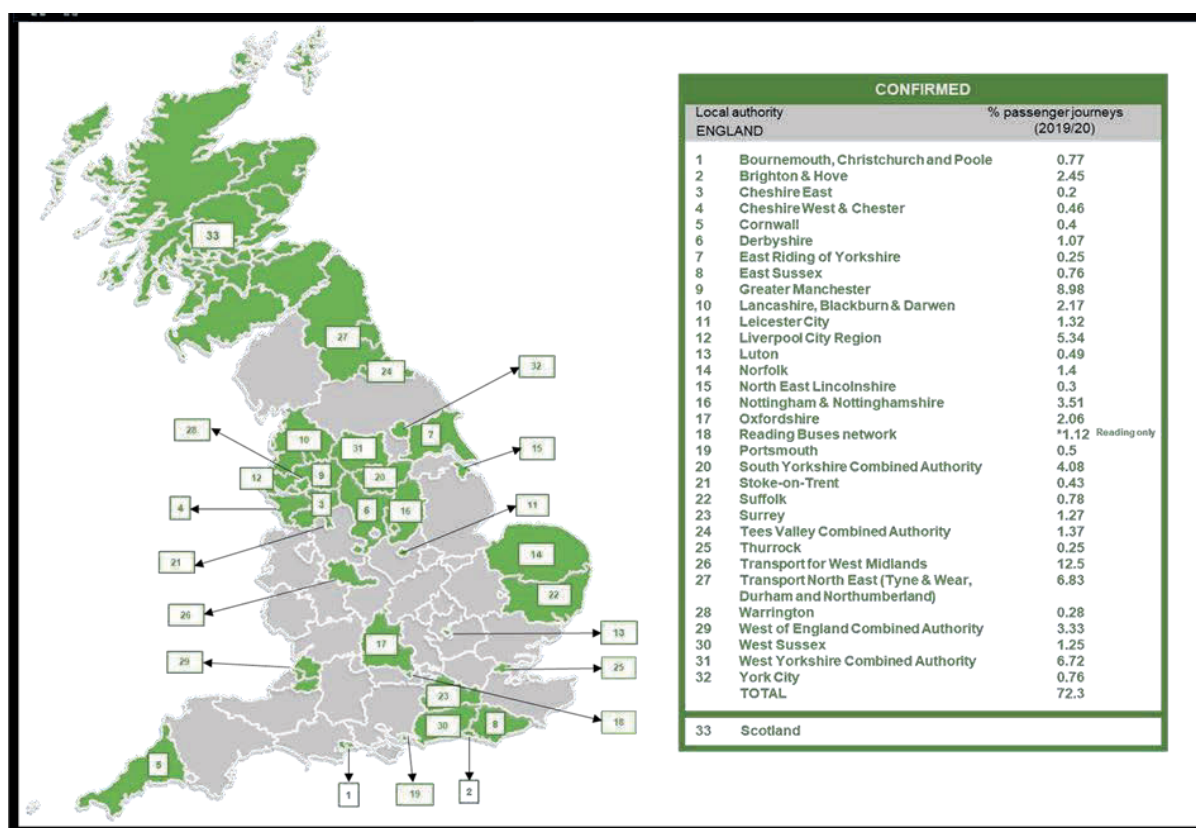
We continued to influence the bus reform process on behalf of passengers, building on our work with local transport authorities and operators during 2021-22. The £1bn government investment for the delivery of Bus Service Improvement Plans (BSIPs) was welcome as well as the £130m extension to the Bus Recovery Grant to support and protect services from October 2021 to end of March 2022.

We engaged with the Welsh Assembly government about their bus reform plans with a webinar for key stakeholders and the Minister for Climate Change, Lee Waters MS.

Measuring and reporting bus passenger satisfaction

During the year we launched *Your Bus Journey* – a comprehensive survey to facilitate benchmarking of comparable bus services. We recruited bus users at bus stops and on buses, and ask them to complete a survey about the experience of the journey they have just made. The survey is in field throughout the year and results and specific comments from passengers are regularly fed back to participating local transport authorities so that they can act on the results quickly. It will enable the authorities, operators and Governments to identify what factors really drive passenger satisfaction and identify and track the impact of investments and other interventions.

Thirty five transport authority areas and a single operator network across England have bought into the survey which will continuously measure the experience of a total of 36,000 bus passengers from Cornwall to the North East and, with the support of Transport Scotland, the whole of mainland Scotland. This new innovative survey began in January which will enable comparable benchmarking of services throughout the year in 35 areas of England and Scotland (see map below).



Alongside the *Rail User Survey*, we continued to report the *Bus User Survey*. We tracked the users' experience, analysed the data in different ways and identified any trends and passenger issues to be raised. For example, it showed that the most important factor driving passenger satisfaction is punctuality and reliability. *Your Bus Journey* will replace the *Bus User Survey* in the summer of 2023.

Working with local transport authorities

The survey results provide the evidence and insight for us to engage with transport authorities through local bus partnerships and various stakeholder forums, to influence decisions on investment and planning for services for passengers and take forward the bus reform agenda. Depending on the need and circumstances of the authority, this might include helping develop a BSIP application for the next funding round, chairing or being a member of the enhanced partnership boards, passenger forums or generally helping authorities to measure progress against targets.

In several areas of England, we have been helping the bus partnerships shape how they develop passenger research, representation, charters and complaints procedures to make they take full account of the needs of passengers. This includes all the Mayoral Combined Authority areas as well as areas such as Cornwall and East Sussex County Council. In East Sussex the authority has specifically asked for our insight and guidance to shape areas of their new bus partnership.

In Scotland, we joined a taskforce to help bus networks recover fully from the impacts of Covid-19 and Transport Scotland agreed to fund *Your Bus Journey* in Scotland to inform their future policy.

Encouraging bus use

The rollout of the Government's £2 bus fare cap for 130 operators which began in January was designed to encourage people either to use the bus for the first time or return to it. Following its introduction, we measured passengers' experience and found that seven per cent said they used the bus more as a result and one third said they might use the bus more.

Transport Focus success: Our passenger research formed part of the Government's consideration about whether to extend the £2 cap: it extended the cap in January.

During the summer of 2022, we became aware that concessionary pass holders had not been returning to bus travel. One third of passengers in that category on our Transport User Panel said they were using the bus less. For this group, more than half thought the bus was less safe from a Covid-19 perspective. We identified some good practice from different areas and believed that funding could be used to improve the basics such as frequency and reliability.

Transport Focus success: Our work informed Wiltshire County Council's decision to allow concessionary pass holders to travel at any time between 1 September 2022 to 30 June 2023, so extending the hours they could benefit from free bus travel.

For TfW, we assessed their demand responsive transport (DRT) project near Newport as part of their 'fflecsi' umbrella. This built on previous research on DRT which showed it was an attractive method of transport once the flexibility of the concept was understood.

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

The effective operation of National Highways' roads is crucial for the country's wealth and wellbeing. Understanding the needs of the different users of these roads in England helps to maximise their effectiveness.

In 2015 Transport Focus became the watchdog, working alongside the ORR, for those using motorways and major 'A' roads in England as part of Roads Reform that created National Highways (originally Highways England) as a government-owned company. Since then, Ipsos Mori and Risk Solutions have evaluated these reforms for the DfT on three occasions, the most recent was completed in 2022.

Transport Focus success: They confirmed the value of Transport Focus's role as a 'critical friend' to National Highways and that 'the independence of the watchdog helps to ensure that information on customer needs genuinely represents what is most important to customers.'

Road Investment Strategy (RIS)

One of our key functions is to ensure that users' views are at the heart of investment strategies, including those for England's strategic roads. In October we published our recommendations to the Secretary of State about what the third Road Investment Strategy, covering 2025-2030, should include from a road user perspective. This built on the research we had previously published about users' priorities for improvement

to journeys on National Highways roads which found road surface quality, safer design and upkeep of the network, and better management of roadworks to be top of the list.

Measuring road user satisfaction on the network

As part of Roads Reform we measure satisfaction among those using National Highways' roads through our Strategic Roads User Survey (SRUS). This is used internally by National Highways to understand the user experience and also as part of the ORR's Monitoring of National Highways. At the end of the year, it was confirmed that the customer satisfaction target for National Highways, using SRUS, would be reinstated by the DfT from 1 April 2023 at 73 per cent. Overall satisfaction for 2022-23 was 73 per cent, but management of roadworks was 48 per cent (see our work on this below).

Given that road surface quality is a top priority for improvement among road users, this has been a focus of our roads work.

Transport Focus success: We pressed for poor surfaces to be repaired as part of major enhancement projects, rather than later. This has led to a policy change within National Highways for some types of project.

Transport Focus success: Following a recommendation from our research in 2019, National Highways created an app to help staff plan improvements so they have easy access to what needs upgrading at any bus stop on that section of the road.

Transport Focus success: We noticed the road surface between M1 junction 15A and the A443 near Northampton was in very poor condition near the adjacent canal. Initially, we were told it wasn't possible to close the road to mend it because of other roadworks in the area. But we challenged the response and a rethink led to 50 defects being sorted out over four weekends.

Drivers need an opportunity to rest and relax as they drive along our motorways. Our Motorway Services User Survey measures the customer experience of different aspects of motorway service areas (MSAs) in Britain including value for money of food and drink, quality of toilets and electric vehicle charging. For 93 per cent of 31,000 visitors they provided a satisfactory customer experience. Despite this, 38 per cent of disabled road users did not think that MSAs catered well for their impairment. The results provide an important driver for change through benchmarking different MSAs.

Lorry drivers use MSAs and other facilities to rest. Their needs came under the spotlight and the Government decided to invest £32m in improving their facilities, in addition to £20m by National Highways. In August we published a summary of our pilot survey to measure lorry drivers' satisfaction when they use roadside facilities. Throughout the year we have continued to develop the survey and expect to launch it during 2023.

In January we held an event at a truck stop in Cannock in partnership with Certas Energy, Logistics UK and Snap. Transport minister Richard Holden MP spoke at the event where we presented our insight and heard from those affected. It is important that lorry drivers' views are at the heart of decision making so they have good

facilities and safe parking. We will continue to work with the DfT and others to ensure investment improves rest stops.

Our Logistics and Coach Survey, conducted three times each year, assesses how National Highways' roads meet the needs of lorry and coach firms. In the report published in May, overall satisfaction remained disappointingly low at 46 per cent. Areas for improvement identified include reducing long stretches of roadworks and providing more information about them, as well as better roadside facilities.

Sort My Sign assessment

Our campaign to improve signs on National Highways roads, launched in 2020, resulted in 296 reports of damaged, missing, unreadable or confusing signs. As well as chivvying National Highways to address individual issues, we continue to press them to improve mechanisms to identify problems in the first place and accelerate the pace with which they are then addressed.

Transport Focus success: National Highways has so far rectified three in four of these signs. They have increased the frequency of inspection and continue to make it easier for road users to give feedback.

Transport Focus success: While visiting the North East in January, we noticed a damaged sign on the A19. Pressing National Highways about its repair plans led to a new sign and a gap in defect tracking arrangements being plugged.

Minimising the impact of roadworks on the transport user

Transport Focus seeks to reduce the impact of roadworks on users, given that it is their third highest priority for improvement. We highlight some examples below.

Transport Focus success: National Highways was planning to construct a new bridge on the A533 near Runcorn in Cheshire. They proposed closing the M56 during three weekends in school holiday time in August and October. We assessed this decision and highlighted the impact of the disruption on school holidays given that it serves Manchester Airport, Manchester, North Wales and Chester. As a result, National Highways reprogrammed the work to reduce the impact on users.

Transport Focus success: Following road user feedback, we challenged National Highways to better coordinate where different sets of roadworks are in the same area. Road users have benefitted from better information as a result.

Transport Focus success: We noticed that Google Maps was showing inaccurate road closure information, leading to frustration for road users who rely on it to navigate their journeys. We challenged National Highways to engage with Google to fix the problem – which they did.

Riding, walking and wheeling

We continued to research experiences among those who (where permitted) use bicycles and horses or walk along or across National Highways' roads. This year our research focused on Kent and Sussex. The results chimed with earlier work in the

North East and Yorkshire, in particular poor maintenance of paths next to the carriageway. Equestrians were concerned about the lack of awareness of them as road users. Cyclists' concerns related to them travelling on the carriageway with traffic. Pedestrians believe their journeys could be safer with more crossing points and signage. In 2023-24 we will broaden the scope of this research to include users of other types of wheeled device as well as bicycles.

Transport Focus success: This research has drawn National Highways' attention to the severance of Public Rights of Way and they are mapping all Rights of Way that cross their roads in order to address identified problems.

Transport Focus success: When looking at M621 roadworks near Leeds, we noticed that a path for cyclists, pedestrians and equestrians was blocked – with no warnings. The obstruction was removed, and National Highways has emphasised the importance of 'walking audits' of roadworks to its teams.

TT2 Limited, operator of the Tyne road tunnels

We have taken on the role of 'critical friend' to TT2 Limited, which operates the Tyne road tunnels linking National Highways' A19 north and south of the river. We have conducted a review of the organisation's policies and complaints handling processes with findings to be published in 2023.

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

We aim to be flexible in our insight methods and carefully consider the best way to approach every project. Our principles remain to be digital by default, where convenient to the participant, as it is generally quicker and more cost effective. At a project level, this is balanced against being inclusive, which requires other methods (including face-to-face work) so that we can understand the views of people whose voices are seldom heard.

Much of our work continues to be centred around measuring the user experience. Alongside our regular user survey among bus and rail passengers, derived from an omnibus survey, key projects this year were:

- Producing *What matters to Rail Passengers* report, which gives an overview of the relative importance of all the things that we know make a difference to a journey for rail users.
- Measuring satisfaction among users of National Highways roads through our Strategic Roads User Survey, alongside the coach and logistics sectors' and cyclists, pedestrians and equestrians' experiences using the network.

- Developing our new measure of bus passenger satisfaction *Your Bus Journey* which builds on the success of our pre-Covid-19 Bus Passenger Survey.
- Refreshing our Motorway Services User Survey to provide better satisfaction data at site level. The results were welcomed by the motorway service area operators and gained considerable media attention.
- Working closely with partners (the DfT, Rail Delivery Group, GBRTT and Network Rail) to develop a new definitive rail users experience survey, currently being tested.

Our long-established Transport User Panel has been refreshed to update information held and to recruit new members. The near 8,500-member Panel has been used to gather opinions on many aspects of transport use. Our data hub continues to enable anyone – road users, passengers, transport providers and decision makers – to access data on our large-scale surveys. We continue to improve the hub's functionality in line with users' suggestions and have also improved how we present data within it.

Future of transport

The transport sector underwent rapid change during the Covid-19 pandemic and has not fully recovered. Travel patterns remain disrupted, particularly with the impact of working from home on public transport requirements. The cost-of-living crisis is putting the squeeze on public transport from both what passengers can afford to pay, as well as higher costs for operators.

These challenges and uncertainties, combined with the decarbonisation of transport, encouraged us to revisit our *Future of Transport* study from ten years ago. This study looks at the wider societal trends that are likely to impact on how people get about over the next 10-30 years. It aims to ensure that policy makers and decision makers build these trends into their longer-term thinking and ensure consumers get the transport they need and expect in the coming years. The report and associated event are due during 2023-24.

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

Our staff

The passionate people at Transport Focus remain crucial to securing the changes for transport users highlighted in this section of the annual report and accounts. It is important that our staff continue to develop so we support them by allowing them opportunities to stretch themselves at work, as well as through formal training and development.

Our cloud-based information systems allow staff to work from any location which means we have moved to hybrid working. This has helped us recruit and retain high quality staff who value the flexibility of hybrid working in providing a better work life balance.

Diversity and inclusion

We have a diversity and inclusion vision for us to be as representative of Britain's transport users as possible in terms of demography and experiences. Towards this vision during 2022-23 we published our *Diversity and Inclusion Strategy* and introduced a formal charter for any recruitment agency we work with to support our objectives around inclusive hiring.

We will continue to work towards our longer-term ambitions because we believe that everyone in society deserves the same chances in life. Having a diverse and inclusive organisation means we can tap into different perspectives and experiences to generate new ideas and initiatives, which will allow us to better represent all transport users.

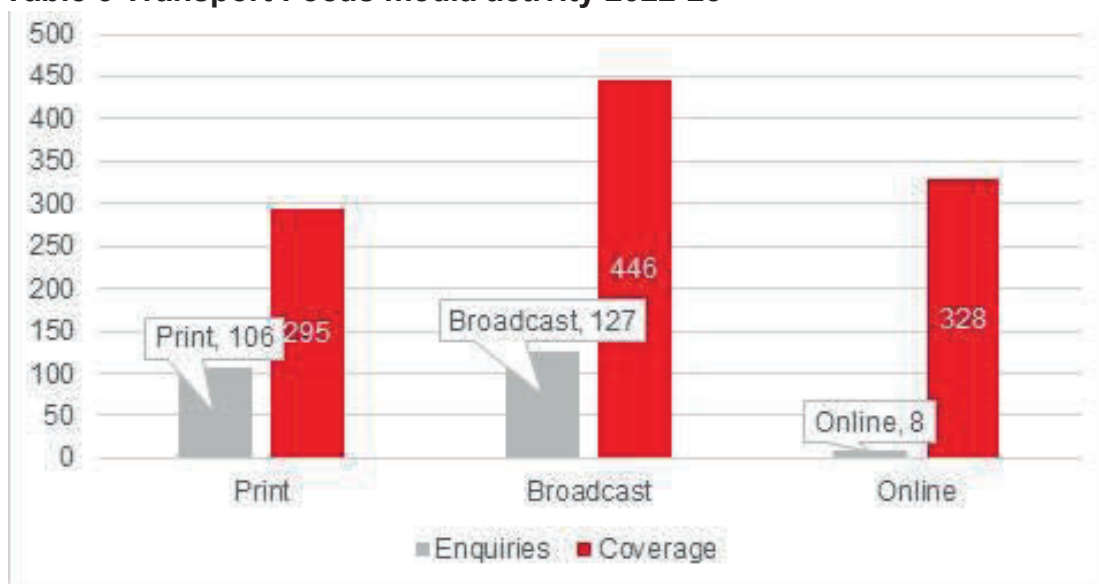
Communications

Transport Focus's aims are supported by a diverse range of communications activities. We provide a 24/7/365 media response service and answered 241 enquiries, published a monthly stakeholder newsletter, and managed a well-regarded website and social media channels (Twitter and LinkedIn). We promoted events including the public Board meetings, extending their usefulness by posting clips after the events. We also continued our work to make our reports and website more accessible.

Highlights from the year 2022-23:

- **Media coverage:** We achieved more than 1,000 items of media coverage (with a heavy skew to broadcast and regional media):

Table 3 Transport Focus media activity 2022-23



- **Monthly e-newsletter** (Transport User Voice) which reached around 7,500 subscribers with an average engagement rate of around eight per cent (static on last year).
- **Reports** During the year we
 - published 93 reports of our world-class insight on our website, working to improve the accessibility of these documents.
 - provided a useful overview of the impact of rail strikes on passengers; we published various research reports, set up and promoted a strikes web page, and generated colleague and passenger content for the website and social media.
 - launched the Motorway Services User Survey with an event at a highscoring service station, supported by a promotional video produced in house. The launch achieved more than 150 items of coverage with features in the Telegraph, Times, Guardian and Metro plus news pickup on BBC Radio 4, 2, and regional BBC outlets. Our video reached almost 15,000 viewers on day one and was amplified by Government departments and key influencers.
- **Internal communications** We posted almost 600 intranet news items, supporting work-related information and also the sharing of more personal, morale-boosting lighter content. This contributed to excellent staff survey scores.

Governance

Our new Chair, Nigel Stevens, was appointed on 13 April and began his four-year term in June. He began with an internal induction programme and meeting external stakeholders.

Theo de Pencier was reappointed to the Board with effect from 1 May 2023 until 31 October 2023.

We continue to provide high quality Board meetings that are open to the public. During the year, Board meetings were held in Edinburgh, Cardiff and Manchester. They provided an opportunity to challenge transport providers including those who were performing poorly. These were well attended by local and regional stakeholders with a substantial number of others watching and contributing via the live stream broadcast.

London TravelWatch

The partnership with our sister organisation London TravelWatch continued successfully. The collaboration agreement between the two organisations was updated again during the year to take effect from 1 April 2023. Transport Focus continues to provide a range of important back-office functions while London TravelWatch manages casework issues not in scope of the Ombudsman on Transport Focus's behalf (see 2.1.2).

Transport Focus and London TravelWatch maintain a joint committee of their Boards – the Passenger Contact Group – to provide oversight on Ombudsman, casework and related issues.

Involvement in decision making and stakeholder engagement

In order to make a difference for transport users, we engage with a diverse range of organisations and individuals in a variety of ways around Great Britain. This includes meeting key individuals, presenting and speaking at conferences, giving evidence to parliamentary committees or participating in boards and alliances in England, Wales and Scotland. We also host a Road User Panel which enables us to hear about particular issues of interest to a range of different road users across National Highways' roads.

We represented transport users on strategic bodies at a country level or across major city regions and counties:

Britain

- Network Rail's Resilience Task Force
- Smarter Information Smarter Journey programme
- Rail Delivery Group's (RDG) Customer Information Group
- RDG Personal Security Information Group
- Rail North Partnership/Trans Pennine Route Upgrade programme
- Network Rail Supervisory Boards/CP7 Challenge Panels
- GBRTT Customer Experience Steering Group
- Network Rail Accessibility Strategy Steering Group
- Office of Rail and Road Consumer Panel
- DfT Design Authority and culture change reform groups

Scotland

- Scotland Rail Task Force
- ScotRail's Stakeholder Forum
- Bus Taskforce
- Scotland's Railway Advisory Panel
- Cross Party Group Sustainable Transport – Scottish Parliament
- Regional Transport Strategy Partnership Board
- British Transport Police Authority Scottish Policing Committee

Wales

- 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

- Senedd Cross Party Group on Consumer Rights

England

- Bus Centre of Excellence (member of Advisory Board)
- Transport for West Midlands Bus Alliance (chair)
- Mayor for Greater Manchester's Transport Board
- Bristol City Mayor's 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
- East Sussex Enhanced Partnership Board
- Lancashire, Blackburn and Darwen Enhanced Partnership Board
- Norfolk Chair of Enhanced Partnership Board
- Plymouth member Enhanced Partnership Board
- National Highways Roads for All Forum
- National Highways' Smart Motorways Advisory Panel
- Various National Highways regional customer boards
- Highways UK (conference) Advisory Board

Section 3:

Management commentary

3.1 Performance Report

Overview

The annual report and accounts cover the year to 31 March 2023. 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 £6,679,000 was received in 2022-23 (2021-22: £6,237,000). 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 2022-23 the group generated £1,372,000 of additional funding (2021-22: £1,171,000).

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 479A of the Companies Act to Transport Focus Wales Limited in respect of the financial year ended 31 March

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.

2023. The guarantee has been provided because this allows the subsidiary to be exempt from audit for the year ended 31 March 2023 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:

- 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.

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

Business Strategy - Future years

As the voice of Britain's transport users, we:

- Champion the needs of the transport user **today**
- Ensure the transport user is at the centre of policy making and decisions for **tomorrow**
- Inspire **future** transport thinking

As such we have framed our future years workplans around the pillars of today, tomorrow and future.

Our vision is to:

- make today's services ever better for transport users. We will influence those who can make a difference and champion best practice. We will refer persistent and/or significant issues to higher levels such as governments, funders or regulators
- ensure that tomorrow's transport services have the user at their heart. We will Influence decision-makers by ensuring Transport Focus is involved in policy development from an early stage, including through responding to consultations. We will Influence decision makers when users' needs are not being fully met, particularly because of persistent and/or significant issues from 'today'
- we will develop our role as thought leaders and influence the agenda on the longer-term future of transport and users' needs, including identifying key partners.

For the year 2023-24 the organisation has agreed funding of £4,830,000 to cover work representing the interests of rail, bus, coach, and tram passengers and a further £1,779,000 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 TravelWatch 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 and human resource support services to London TravelWatch.
- Transport Focus provides finance and human resource 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.

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 Department for Transport (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 2022-23 the organisation received from the DfT grant in aid of £4,832,000 for passenger representation (2021-23: £4,359,000). Further grant in aid of £1,847,000 (2021-22: £1,878,000) was received from the DfT for representing users of the SRN. This year the Transport Focus group has secured funding totalling £1,372,000 (2021-22: £1,171,000) from third parties for joint and fully funded projects which included £216,000 (2021-22: £197,000) from the DfT.

The group incurred net costs before tax of £6,449,000 in the year to 31 March 2023. Some 35 per cent (2021-22: 38 per cent) of our spending has been invested in insight work on passenger and road user issues which ensures we are able to provide objective evidence to support our campaigns for improvements.

Total taxpayers' equity² for the group showed a balance of £1,093,000 (2021-22: £870,000) at the end of the year and the total grant in aid drawn down during the year was £6,679,000 (2021-22: £6,237,000).

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 £2,749,000. The main insight projects this year have been highlighted in Section 2, and 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 may 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 97.3 per cent (2021-22: 97.2 per cent) of invoices within 30 days, and 77.4 per cent (2021-2: 69.9 per cent) within 10 working days. The average time taken to pay a supplier during the year was five and a half days (2020-21: seven and a half 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.

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.

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.

Greening Government Commitments

Defra has granted Transport Focus an exemption from reporting sustainability information under the Greening Government Commitments, under the *de minimis* criteria. Transport Focus employs 44 whole-time equivalent staff and occupies office floor space of 408 m². Consequently, Transport Focus has not included sustainability reporting in their annual report.

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

Bribery and corruption

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

Data handling

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

Equalities Scheme

In order to comply with the Public Sector Equality Duty, we have produced an Equality Scheme, with an Action Plan linked to the work plan which is available on our website.

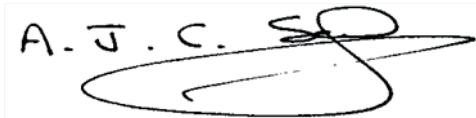
During the year we continued our comprehensive diversity and inclusion programme and launched our Staff Diversity and Inclusion Strategy which is published on our website. We have created a recruitment charter which has been signed off by all our recruitment partners and we have continued the review 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 circular flourish underneath.

Anthony Smith

Chief Executive and Accounting Officer
6 July 2023

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.

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
N Stevens (Chair) ¹	1 June 2022	31 May 2026			
J Halliwell (Chair) ²	9 February 2015	31 May 2022			
A Leathley ³	1 October 2017	30 September 2023	√		√
W Powell ⁴	1 May 2017	30 April 2026			Chair
T De Pencier	1 May 2015	31 October 2023	√	√	
K Richards OBE	14 August 2018	13 August 2025			√
K Denham	14 August 2018	13 August 2025	Chair		
R Wilson	14 August 2018	13 August 2025		Chair	
T McAuley OBE ⁵	1 September 2020	31 August 2024		√	

¹ Appointed as Chair with effect from 1 June 2022

² Appointment as Chair ended on 31 May 2022

³ Appointed by the London Assembly

⁴ Appointed by the Welsh Government

⁵ 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 £37,000 and no remuneration has been paid for any non-audit services.

Transport Focus participates in the Civil Service Pension arrangements which are described in the Remuneration and Staff Report 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 4.5 days (2021-22: 4.2 days), this equates to two per cent of total staff time (2021-22: 1.6 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

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

	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Representation £000	4,384	4,118	4,240	4,540	4,555
Road User Representation £000	1,731	1,474	1,443	1,911	1,895
Total Net Expenditure £000	6,115	5,592	5,683	6,451	6,449

Fees and Charges (audited)

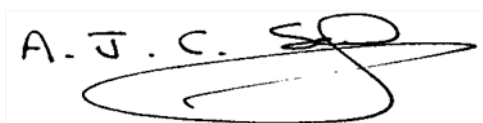
The following information summarises the final report to Transport Focus Management Team for the period to 31 March 2023 and excludes any joint funded activities for the group.

	Full Cost £000	Revenue £000	Operating Surplus/(Deficit) £000
Additional Consumer Representation	188	253	65
Transport User Insight	97	187	90
Net Income	285	440	155

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

6 July 2023

Statement of Accounting Officer's responsibilities

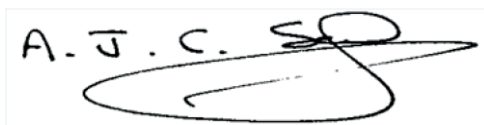
Under paragraph 8(2) schedule 5 of the Railways Act 2005, the Secretary of State for Transport with the approval of the Treasury, has directed Transport Focus to prepare a statement of account for each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared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

6 July 2023

Governance statement 2022-23

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 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
- For 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
- For 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 and private meetings. The Board met 11 times, which three public board meetings, during the period to:

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

Attendance records at public statutory Board meetings are summarised below and the minutes are available on our website.

Board member	May 2022	November 2022	March 2023
N Stevens (Chair) ¹	√	√	√
J Halliwell (Chair) ¹	√	N/A	N/A
A Leathley	√	√	√
W Powell	√	√	√
T De Pencier	√	√	√
K Richards OBE	√	√	√
K Denham	√	√	√
R Wilson	√	√	√
T McAuley OBE	√	√	√

¹ During the year 2021-22, the Department for Transport 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 Department for Transport announced on 16 May 2022 that Nigel Stevens had been appointed as the new Chair with effect from 1 June 2022. Nigel Stevens was a guest attendee at the May 2022 Board meeting.

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.

The Audit and Risk Assurance Committee

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

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

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

The Chair of the Audit 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	May 2022	June 2022	July 2022	October 2022	January 2023
K Denham	√	-	√	√	√
A Leathley ¹	√	√	√	√	√
T De Pencier	√	√	√	√	√

¹ A Leathley was the Chair at the June meeting in K Denham's absence.

Other aspects of governance arrangements

The Board also maintains two additional committees to help discharge its governance duties. The Statistics Governance Group oversees Transport Focus's compliance with UKSA's Code of Practice for official statistics and promotes good practice in insight activities. It met four times during 2022-23. The Passenger Contact Group oversees the effectiveness of the passenger contact function and met twice.

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: procurement, succession planning, assurance mapping and change management. 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.

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:

- Legislative and other similar constraints including the *Plan for Rail* significantly shifts Transport Focus's remit in way that diminishes the importance of current organisational strengths, diminishing the authority of the brand and resulting in a loss of the transport consumer voice in the design and delivery of transport services.
- 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.

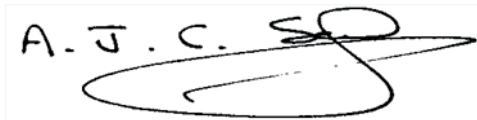
They also identified the following corporate opportunities:

- 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 *Plan for Rail* White Paper (May 2022), and EV charging and the Bus Strategy (April 2022).

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 2022-23 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 yearend 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 2023 and up to the date of approval of the annual report and accounts, and includes the delegation of budgets and risk ownership to directors and managers. The system of internal control accords with Treasury guidance and continues to be reviewed and developed with further improvements in the pipeline.

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

Anthony Smith
Chief Executive and Accounting Officer
6 July 2023

3.3 Remuneration and Staff Report for the year ended 31 March 2023

The Audit and Risk Assurance Committee was made up of three non-executive Board Members in the year: Kate Denham (Chair), 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. There was a two per cent pay increase for Board members in 2022-23.

The arrangements for changes to the remuneration of executive Management Team members are the same as for other employees of the organisation. There was a two per cent pay increase for staff during 2022-23.

Our simple annual Bonus Scheme continued to operate in 2022-23 with a total allocation of £19,500 for achievements in the year (2021-22: £19,500). 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 2022-23 were the same as those for 2021-22 with all bonuses capped at £250. Bonuses have been paid during the year for individual achievements and over 70 per cent of these were paid to junior staff.

Board Members (audited)

Remuneration paid to the non-executive Board Members for the period to 31 March 2023 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 2023 £000's	31 March 2022 £000's		
N Stevens (Chair) ¹	29	-	1 June 2022	3 May 2026
J Halliwell (Chair) ²	6	37	9 February 2015	31 May 2022
A Leathley ³	-	-	1 October 2017	30 September 2023
W Powell	13	13	1 May 2017	30 April 2026
T De Pencier	13	13	1 May 2015	31 October 2023
K Richards	13	13	14 August 2018	13 August 2025
K Denham	16	14	14 August 2018	13 August 2025
R Wilson	13	13	14 August 2018	13 August 2025
T McAuley	13	12	1 September 2020	31 August 2024

¹ Nigel Stevens was appointed as Chair with effect from 1 June 2022

² Jeff Halliwell's appointment as Chair ended on 31 May 2022

³ Arthur Leathley is appointed by the London Assembly who pay his remuneration.

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

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

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

Executive Board (audited)

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

	Salary		Bonus		Pension benefits ¹		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
A Smith Chief executive	135-140	135-140	-	-	-37	12	100-105	145-150
N Holden Corporate services director	80-85	75-80	0-5	0-5	1	9	80-85	85-90
D Sidebottom Director	80-85	75-80	0-5	0-5	-16	13	60-65	90-95

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 2023	Cash Equivalent Transfer Value		Real increase in Cash Equivalent Transfer Value to nearest £000
			At 31 March 2023	At 31 March 2022	
			£000's	£000's	
A Smith	0	55 - 60	1,130	1,089	-49
N Holden	0 - 2.5	20 - 25	477	445	-6
D Sidebottom	0 [0]	35 – 40 [75 – 80]	762	702	-27

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.

³ Taking account of inflation, the CETV funded by the employer has decreased in real terms.

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

'Salary' includes gross salary only. A £100 bonus was awarded to N Holden and bonuses totalling £250 were awarded to D Sidebottom in respect of 2022-23. No other performance pay or bonuses were awarded to the executive team in the financial year 2022-23 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.

	2022-23	2021-22
Mid-point of Band of Highest Paid Director's Total Remuneration (£)	137,500	137,500
Median Total Remuneration (£)	49,499	48,441
25 th Percentile Remuneration (£)	37,305	37,119
75 th Percentile Remuneration (£)	59,085	58,205
Percentage change in the highest paid director's salary and allowances	1.8%	0.0%
Average percentage change in the salary and allowances of employees	2.9%	1.1%
Average percentage change in the bonuses payable to employees	(20.6)%	(13.0)%
Ratios:		
Highest paid director's total remuneration to median total remuneration	2.79	2.80
Highest paid director's total remuneration to employee on 25th percentile pay and benefits	3.70	3.66
Highest paid director's total remuneration to employee on 75th percentile pay and benefits	2.34	2.33

Actual staff remuneration, excluding the highest paid director, ranged from £28,657 (2021-22: £25,799) to £88,508 (2021-22: £86,342). No employee received pay above the highest paid director.

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. The salary component included within total remuneration for 2022-23 was £35,000 at the 25th percentile, £49,194 median and £57,855 at the 75th percentile.

Staff numbers and related costs (audited)

Staff costs for the group comprise:

	2022-23			2021-22
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	2,406	2,264	142	2,387
Social security costs	262	262	-	249
Other pension costs	595	595	-	573
Total net costs	3,263	3,121	142	3,209

There were no consultancy or high paid off-payroll appointments in either 2022-23 or 2021-22. A high paid off payroll appointment is one which lasts for a period greater than six months at rate greater than £245 per day. Not subject to audit.

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 2022-23 employers' contributions of £561,629 (2021-2022: £547,294) 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 £32,817 (2021-22: £33,242) 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 £941 (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 £4,183.

Average number of persons employed (audited)

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

	2022-23			2021-22
	Permanent			
	Total Number	Staff Number	Others Number	Total Number
Directly employed	44	43	1	45
Other	-	-	-	-
Total	44	43	1	45

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

Staff turnover

During the year 2022-23 the staff turnover percentage was 5.55 per cent (2021-22: 2.3 per cent). Five people left during the year (2021-22: 1 per cent).

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 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 2023.

	Male	Female	Other	Total
Non-Executive Directors	6	2	-	8
Executive Directors	3	-	-	3
Senior Manager	4	4	-	8
Staff	17	18	-	35
Total	30	24	-	54

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 £68,000 to support improved staff performance, including development and communication of the Workplan.

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

Trade Union

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

Civil Service compensation scheme - exit package (audited)

There were no compensated exits or redundancy payments by the Transport Focus group during 2022-23 or 2021-22.

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, 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

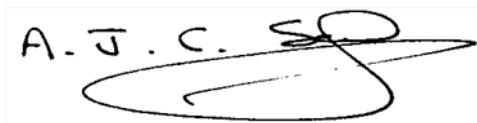
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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 signature consists of the letters 'A. J. C.' followed by a stylized, cursive 'S' that loops around and under the text.

Anthony Smith

Chief Executive and Accounting Officer
6 July 2023

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 the year ended 31 March 2023 under the Railways Act 2005.

The financial statements comprise the group and parent:

- Statement of Financial Position as at 31 March 2023
- 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 Transport Focus and its group's affairs as at 31 March 2023 and of their net expenditure after tax 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 and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 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 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 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 require 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 the 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.

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 to be audited has been properly prepared in accordance with Secretary of State directions issued under the Railways Act 2005.

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

- the parts of the Accountability Report and the Remuneration 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.

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

- Adequate accounting records have not been kept by Transport Focus and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report and Remuneration and Staff Report 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 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;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Transport Focus and its Group from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with the Secretary of State directions made under the Railways Act 2005
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the Secretary of State directions made under the Railways Act 2005; and
- assessing Transport Focus 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, I:

- considered the nature of the sector, control environment and operational performance including the design of Transport Focus and its Group's accounting policies, key performance indicators and performance incentives.

- inquired of management, Transport Focus's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Transport Focus' policies and procedures on:
 - identifying, evaluating and complying with laws and regulations; ○ detecting and responding to the risks of 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 compliance with the Railways Act 2005, and Managing Public Money
- inquired of management, Transport Focus's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; ○ they had knowledge of any actual, suspected, or alleged fraud;
- discussed with 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.

I obtained an understanding of Transport Focus and its Group's framework of authority and other legal and regulatory frameworks in which Transport Focus and its Group operates. I focused 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

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud 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 expenditure and income 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.

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 I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date 10 July 2023

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 2023

		2022-23		2021-22	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	<u>Note</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Expenditure					
Staff costs	3	3,197	3,263	3,122	3,209
Other expenditures	4	4,434	4,443	4,261	4,293
Depreciation	4	113	113	113	113
Lease interest	4	2	2	6	6
		<u>7,746</u>	<u>7,821</u>	<u>7,502</u>	<u>7,621</u>
Income					
Income from operating activities	5	(1,260)	(1,372)	(1,036)	(1,171)
Net Expenditure before tax		<u>6,486</u>	<u>6,449</u>	<u>6,466</u>	<u>6,450</u>
Corporation tax payable	6	-	7	-	1
Net Expenditure after tax		<u>6,486</u>	<u>6,456</u>	<u>6,466</u>	<u>6,451</u>

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

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

Statement of Financial Position as at 31 March 2023

		2022-23		2021-22	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
		£000	£000	£000	£000
	Note				
Non-current assets:					
Property, plant and equipment	7	189	189	300	300
Total non-current assets		189	189	300	300
Current Assets					
Trade and other receivables	8	406	424	427	434
Cash and cash equivalents	9	2,250	2,316	1,543	1,609
Total current assets		2,656	2,740	1,970	2,043
Total assets		2,845	2,929	2,270	2,343
Current liabilities					
Trade and other payables	10	1,746	1,781	1,282	1,336
Total current liabilities		1,746	1,781	1,282	1,336
Total assets less current liabilities		1,099	1,148	988	1,007
Non-current liabilities	10	55	55	137	137
Assets less liabilities		1,044	1,093	851	870
Taxpayers' equity					
General reserve		1,044	1,093	851	870
Total taxpayers' equity		1,044	1,093	851	870

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

A. J. C. 

Anthony Smith

Chief Executive and Accounting Officer

6 July 2023

Statement of Cash Flows for the year ended 31 March 2023

	Note	2022-23		2021-22	
		Transport Focus £000	Transport Focus Group £000	Transport Focus £000	Transport Focus Group £000
Cash flows from operating activities					
Net expenditure after interest and tax		(6,486)	(6,456)	(6,466)	(6,451)
(Increase)/ decrease in trade and other receivables	8	21	10	(120)	(140)
(Decrease)/ Increase in trade and other payables	10	382	363	(63)	(59)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	11	82	82	80	80
Add non cash transactions:					
Depreciation	4	113	113	113	113
Lease interest	4	2	2	6	6
Net cash outflow from operating activities		(5,886)	(5,886)	(6,450)	(6,451)
Cash flows from financing activities					
Grant in Aid		6,679	6,679	6,237	6,237
Payment of lease liabilities	11	(86)	(86)	(86)	(86)
Net financing		6,593	6,593	6,151	6,151
Net (decrease)/ increase in cash and cash equivalents in the period		707	707	(299)	(300)
Cash and cash equivalents at the beginning of the period	9	1,543	1,609	1,842	1,909
Cash and cash equivalents at the end of the period	9	2,250	2,316	1,543	1,609

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

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	General Reserve	
	Transport Focus £000	Transport Focus Group £000
Balance as at 1 April 2021	1,080	1,084
Changes in taxpayers' equity for 2021-22		
Net Expenditure after tax	(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
Changes in taxpayers' equity for 2022-23		
Net Expenditure after tax	(6,486)	(6,456)
<i>Total recognised income and expense for 2022-23</i>	(6,486)	(6,456)
Grant in Aid received from the DfT	6,679	6,679
Balance at 31 March 2023	1,044	1,093

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

Notes to the accounts

1. Statement of accounting policies

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

These financial statements have been prepared in accordance with the 2022-2023 Financial Reporting Manual (FReM) issued by HM Treasury. The financial statements comprise the consolidation of Transport Focus and its wholly owned subsidiary, Transport Focus Wales Ltd. 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 Accrual and prepayments

In the preparation of financial statements Transport Focus apply the accruals and prepayments concept. Income and expenditure is accounted for in the period to which it relates and not on a cash basis. The minimum threshold for an item to be accrued or prepaid is set at £1,000.

1.8 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.

1.9 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. The Scheme Actuary valued the PCSPS as at 31 March 2016. You can find details in the [resource accounts of the Cabinet Office: Civil Superannuation](#). The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

1.10 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 Department for Transport which draws down its funding from the Exchequer. Transport Focus' incremental borrowing rate is therefore advised by and aligned to the Treasury rate.

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

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

1.11 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.

1.12 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.

1.13 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.

1.14 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 £000	Road User Representation £000	2022-23 Total £000	2021-22 Total £000
Gross Expenditure	5,661	2,160	7,821	7,621
Income	(1,107)	(265)	(1,372)	(1,171)
Net Expenditure	4,554	1,895	6,449	6,450
Of the total:				
Transport Focus	4,591	1,895	6,486	6,466
Transport Focus Group	4,554	1,895	6,449	6,450

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:

	2022-23			2021-22
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and Salaries	2,406	2,264	142	2,387
Social security costs	262	262	-	249
Other pension costs	595	595	-	573
Total net costs	3,263	3,121	142	3,209
Of the total:				
Transport Focus	3,197	3,055	142	3,122
Transport Focus Group	3,263	3,121	142	3,209

4. Administration costs and other expenditure

	2022-23		2021-22	
	Transport Focus £000	Transport Focus Group £000	Transport Focus £000	Transport Focus Group £000
Running Costs				
Transport user insight	2,749	2,749	2,830	2,856
Travel and subsistence, room hire and recruitment	184	185	106	106
Printing, postage and office costs	108	108	150	151

External services and support	449	451	266	267
Information technology support and maintenance	446	447	397	397
Board remuneration	124	124	132	132
Rent, rates and utilities	249	254	302	306
Training and development	68	68	22	22
Telecommunication costs	17	17	18	18
External audit fee	37	37	35	35
Operating lease rentals (excluding rent)	3	3	3	3
	4,434	4,443	4,261	4,293
Non-cash items				
Depreciation	113	113	113	113
Lease interest	2	2	6	6
Total	4,549	4,558	4,380	4,411

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

5. Income

	2022-23		2021-22	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Income in respect of joint projects	606	716	126	151
Income in respect of activities fully funded by external parties	654	654	907	1,017
Other income	-	-	3	3
	1,260	1,372	1,036	1,171

6. Corporation tax payable

	2022-23		2021-22	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Corporation tax payable	-	7	-	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	Leasehold Improvements	Information Technology and Fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2022	317	100	17	434
Revaluations	2	-	-	2
At 31 March 2023	319	100	17	436
Depreciation				
At 1 April 2022	97	30	7	134
Charged in year	83	26	4	113
At 31 March 2023	180	56	11	247
Net book value at 31 March 2023	139	44	6	189
Net book value at 31 March 2022	220	70	10	300
Of the total:				
Transport Focus	139	44	6	189
Transport Focus Group	139	44	6	189

The Buildings - Right of Use asset was revalued in the year as a result of a minor reduction to the discount factor applied to the lease value in accordance with latest guidance. This was partially offset by a small reduction in the recognised lease value as previous calculations assumed there would be a small increase in the lease charge following a rent review in the year but this did not materialise.

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

	Buildings - Right of Use	Leasehold Improvements	Information Technology and Fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2021	317	100	60	477
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

8. Trade receivables and other current assets

	2022-23		2021-22	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Accounts falling due within one year:				
Trade receivables	178	218	130	150
Intra-group receivables	23	-	13	-
Other receivables	-	1	-	-
Prepayments and accrued Income	205	205	284	284
	406	424	427	434

Other receivables include a security deposit held for office accommodation.

9. Cash and cash equivalents

	2022-23		2021-22	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Balance at 1 April	1,543	1,609	1,842	1,909
Net change in cash and cash equivalent balances	707	707	(299)	(300)
Balance at 31 March	2,250	2,316	1,543	1,609

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

	2022-23		2021-22	
	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	71	71	73	73
Pension contributions payable	64	64	61	61
Trade payables	789	789	5	35
Other payables	24	24	15	15
VAT Liability	23	28	6	10
Corporation tax payable	-	7	-	1
Lease liabilities	86	86	86	86
Accruals	672	672	1,005	1,023
Deferred income	17	40	31	32
	<u>1,746</u>	<u>1,781</u>	<u>1,282</u>	<u>1,336</u>
Amounts falling due after more than one year				
Lease liabilities	<u>55</u>	<u>55</u>	<u>137</u>	<u>137</u>

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 recorded as trade creditors at 31 March but paid to suppliers in April.

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

11. Lease liabilities

	2022-23 £000's	2021-22 £000's
Lease liabilities:		
Balance as at start of year	223	303
Revaluation of leases recognised under IFRS 16	2	-
Lease interest	2	6
Repayment of lease liability	(86)	(86)
Balance as at end of year	141	223
Amounts falling due:		
No later than one year	86	86
Later than one year and not later than five years	55	137
Later than five years	-	-
	141	223

A lease liability at 31 March 2023 and recognised during 2021-22 is for our London offices at Albany House.

12. Contingent liabilities disclosed under International Accounting Standard 37

There were no reportable contingent liabilities or contingent assets at 31 March 2023.

13. Related-party transactions

Transport Focus is an executive non-departmental public body sponsored by the DfT and is regarded as a related party. £6,679,000 was received from the DfT in Grant in Aid for the year. In addition, further income totalling £298,383 was invoiced in the year for additional insight commissioned by the DfT with a balance outstanding of £114,892 at 31 March 2023. £96,915 was paid to the DfT for Business Rates recharges in relation to our London Office accommodation.

Transactions totalling £60,000 were undertaken with National Highways during the year which were still receivable at 31 March 2023. £351,450 worth of transactions were undertaken with Network Rail and £42,840 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 Department for Transport. The Collaboration Agreement does not create a business group or joint venture for reporting purposes.

As disclosed in the remuneration report, 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.

14. 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.

15. 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.

16. 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 479A of the Companies Act to Transport Focus Wales Limited in respect of the financial year ended 31 March 2023. The guarantee has been provided because this allows the subsidiary to be exempt from audit for the year ended 31 March 2023 thereby saving the annual audit fee. The saving increases the funds available for work on behalf of transport users.

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